



**TWENTY THIRD ANNUAL GENERAL MEETING
2008 - 2009**

BOARD OF DIRECTORS

Shri Nalinkant Amratlal Rathod	-	Chairman
Shri Tribhvan Simh Rathod	-	Managing Director(From 1st April 2009)
Shri K.Rajendra Prasad	-	Director - Nominee APIDC
Shri. Seetharaman TR	-	Director
Shri. Ramachandran N.S	-	Director
Shri G.Padmanabhan	-	Director (From 11th July 2009)

REGISTERED OFFICE & FACTORY LOCATION

Malkapur Village
Hatnoora Mandal
Narsapur Taluk
Medak District-502 296

ADMINISTRATIVE OFFICE

301&302, Aditya Trade Centre
Aditya Enclave Road
Ameerpet
Hyderabad - 500 038
Andhra Pradesh

AUDITORS

M/s Lalit Prasad & Co

Chartered Accountants
Flat no .402,Golden Green Apts
Punjagutta, Erramnzil Colony,
Hyderabad.

BANKERS

State Bank of India

Industrial Finance Branch
Somajiguda
Hyderabad - 500 082

HDFC Bank Limited

Begumpet Branch,
Begumpet, Hyderabad - 500 003

HDFC Bank Limited,

Lakdikapool Branch,
Lakdikapool, Hyderabad - 500 004

State Bank of India,

Sanga Reddy Branch,
Sanga Reddy, Medak - 502 001

SHARE AND DEPOSITORY TRANSFER AGENTS

Sathguru Management Consultants Pvt. Ltd.
Plot No. 15, Hindi Nagar
Hyderabad - 500 034

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the TWENTY THIRD ANNUAL GENERAL MEETING of the Members of the Company will be held on Tuesday, the 29th day of September, 2009 at 11.00 A.M. at the Regd. Office of the Company at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009, the Profit and Loss Account for the year ended 31st March, 2009, together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in the place of Shri Nalinkant Amrattal Rathod who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :

WHEREAS a special notice has been received pursuant to Section 225(1) of the Companies Act, 1956 from shareholders for the appointment of M/s Krishnaswamy & Rajan, Chartered Accountants in place of retiring Auditors, namely M/s Lalit Prasad & Co., Chartered Accountants.

NOW THEREFORE IT IS RESOLVED that M/s S Krishnaswamy & Rajan, Chartered Accountants, Chennai be and is hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration as may be decided by the Board of the Directors of the Company."

SPECIAL BUSINESS :

4 To appoint Mr. G.Padmanabhan as Director

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. G.Padmanabhan, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his

candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5 To appoint Mr. Tribhuvan Simh Rathod as Director

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Tribhuvan Simh Rathod, who was appointed as an Additional Director of the Company in the Board Meeting held on 31st January 2009 under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6 To ratify the appointment of Mr Tribhuvan Simh Rathod who was appointed as Managing Director of the Company by the Board of Directors with effect from 01st April 2009

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution

"RESOLVED THAT supersession to the earlier resolution passed by the Board of Directors in their meeting held on 7th March 2009 for appointment of Shri. Tribhuvan Simh Rathod as Managing Director of the Company and pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to ratify the appointment of Sri Tribhuvan Simh Rathod as a Managing Director of the Company with effect from 01.04.2009 for a period of 1 year on the following Remuneration, terms and conditions :

1. Position : Managing Director
2. Effective from : 1st April 2009
3. Tenure : 1 year
4. Remuneration :
 - Basic Salary Rs 1,43,000/- per month
 - Leave Travel Rs 5,000/- per month

- Medical Rs 1250/- per month
- Technical Literature Rs 1500/- per month

Managing Director will be covered under the Employees Provident Fund Scheme as per the rules applicable to other employees of the Company. Payment of gratuity shall be as per provisions of the Act.

In addition, the Company will provide a fully furnished accommodation and car with driver fully maintained by the Company.

All rules applicable to senior employees of the Company shall be applicable to the Managing Director.

"RESOLVED FURTHER THAT in the event of no profits or the profits of the Company are inadequate the Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits as per Part ii of Schedule XIII specified above and he shall be entitled for Annual Increments as per the Rules and Policies of the Company".

By Order of the Board
NALINKANT AMRATLAL RATHOD

Place : Hyderabad

Date : 26.07.2009

CHAIRMAN

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy in order to be effective must be received by the company at its registered office not less than 48 hours before the commencement of the meeting.
3. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special business set out above is annexed hereto.
4. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from

23rd September 2009 to 29th September 2009 (inclusive of both days).

6. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents.
7. Members holding shares in physical form are requested to convert their holdings into Demat. The Company's Id with CDS (I) L and NSDL is INE298E01022. The Company's Share and Depository Transfer Agents are Sathguru Management Consultants Pvt. Ltd., 15, Hindi Nagar, Panjagutta, Hyderabad - 500 034.
8. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
9. The shares of the Company are listed with Mumbai Stock Exchange. The Listing Fee for the year 2009-10 has been paid to Stock Exchange.

ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of Companies Act, 1956)

Item No 3 :

The retiring auditors, namely M/s Lalit Prasad & Co., Chartered Accountants have expressed their unwillingness to be re appointed and that a special notice in terms of Section 190 of the Companies Act, 1956 read with section 225 of the Act has also been received from shareholders of the Company for the appointment of new Auditors in place of the retiring auditors M/s Lalit Prasad & Co., Chartered Accountants. The Company has forthwith communicated to the retiring auditors of the special notice and that the retiring auditors have made no representation against the said special notice. A written certificate has been obtained from M/s Krishnaswamy & Rajan, Chartered Accountants to the effect that in case of their appointment as Auditors of the Company, the appointment will be in accordance with the limits prescribed under section 224(1B) of the Act.

Your Directors recommended the resolution for approval.

None of the Directors is concerned or interested in this resolution.

Item No 4 :

Shri G Padmnabhan was appointed as an additional director by the Board with effect from 11th July 2009.

In terms of Section 260 of the Act and Article 101 of the Company's Articles of Association, Shri G Padmnabhan hold office as Directors only till the date of the forthcoming Annual General Meeting but is eligible for appointment. Notice has been received from member as required by Section 257 of the Act, signifying his intention to propose the candidatures of Shri G Padmnabhan for the office of Director.

G Padmnabhan, aged 62 years, is a qualified a Chartered Accountant and has a vast experience and expertise in the fields of Finance and Accounting He is not a director in any other Company incorporated in India. He holds Nil equity shares of the Company in his name as on 31st March 2009.

None of the Directors other than Shri G. Padmanabhan is interested in the respective Resolution.

Item No 5 :

Shri Tribhuvan Simh Rathod was appointed as an

additional director by the Board with effect from 31st January 2009.

In terms of Section 260 of the Act and Article 101 of the Company's Articles of Association, Shri Tribhuvan Simh Rathod holds office as Directors only till the date of the forthcoming Annual General Meeting but is eligible for appointment. Notice has been received from member as required by Section 257 of the Act, signifying his intention to propose the candidatures of Shri Tribhuvan Simh Rathod for the office of Director.

Shri Tribhuvan Simh Rathod, aged 61 years, is a qualified Chartered Accountant and has a vast experience and expertise in the fields of Finance and Accounting He is also a director in Bell Granito Ceramica Ltd and Athreya Finance Pvt Ltd , companies incorporated in India. He does not hold equity shares of the Company in his name as on 31st March 2009.

None of the Directors other than Shri Tribhuvan Simh Rathod and Nalinkant Amratlal Rathod are interested in the respective Resolution.

Item No 6 :

Shri Tribhuvan Simh Rathod, Additional Director was appointed as an Managing Director of the Company in the Board Meeting held on 7th March 2009.

Shri Tribhuvan Simh Rathod, aged 61 years and has a vast experience and expertise in the fields of Finance and Accounting, . He is also a director in Bell Granito Ceramica Ltd and Athreya Finance Pvt Ltd , companies incorporated in India.

The board appointed Sri Tribhuvan Simh Rathod as Managing Director subject to approval of shareholders for a period of 1 year effective from 01.04.2009. As per the provisions of Section 198,269, 310,311 read with Schedule XIII approval of shareholders required for appointment and fixation of remuneration to the Managing Director. Hence the resolution is recommended.

None of the Directors other than Shri Tribhuvan simh Rathod and Shri Nalinkant Amritlal Rathod was interested in the respective Resolution.

By Order of the Board
NALINKANT AMRATLAL RATHOD

Place : Hyderabad
Date : 26.07.2009

CHAIRMAN

DIRECTORS' REPORT

Your Directors present their 23rd Annual Report together with the audited accounts of the Company for the year ended 31st March 2009.

FINANCIAL RESULTS

The performance of the Company during the period under review is summarized below:-

PARTICULARS	(RS.IN LAKHS)	
Gross Sales	2008-09	2007-08
	3956.92	3298.35
Other Income	39.50	26.84
EBITDA	(458.10)	532.00
Interest and Financial charges	96.48	113.66
Depreciation	296.02	273.64
Profit/(Loss) before taxes	(850.60)	144.70
Amortization	119.28	105.82
Profit / (Loss) before tax	(969.88)	39.08
Provision for taxes	10.42	8.99
Profit / (Loss) carried to Balance Sheet	(980.30)	30.09

OPERATIONS

During the year under review, your Company has achieved a turnover of Rs.3956.92 Lacs and EBITDA of (Rs.458.10 Lacs) as against Rs.532.00 Lacs in 2007-08.

Due to severe adverse effect of the economic slow down an amount of (Rs.980.30 Lacs) loss was incurred during the year 2008-09 including an amount of Rs.119.28 Lacs amortized during the year on account of the expenditure relating to capital issue and cost of developing new products.

During the year the Company has commenced commercial production of Line-III project and capitalized an amount of Rs.5054.87 Lacs which will enable the Company to produce Tiles in a very cost effective way. In addition, as a major step towards cost reduction, Company has entered into a Contract Manufacturing Agreement with Bell Granito Ceramica Limited, where Natural Gas is used as fuel for manufacture of tiles.

The above two actions will provide reasonable economies of scale and efficient over head cost structure.

RIGHTS ISSUE

Your Company has raised an amount of Rs.4188.95 Lacs through Rights Issue of Equity Shares in the ratio of 26equity shares for every 35 equity shares held by the shareholder. The proceeds were used to part finance the Line-III project.

FUTURE OUTLOOK

In the present competitive market also the Company enjoys a brand image for its products. The Company is expecting a major increase in demand for its products with higher quality products coming from Line III and contract manufacturing from Bell Granito. The Company also expects to stabilize its production and reach optimum capacity utilization during the year 2009-2010. Continuing R&D activity in the areas of new product development, quality improvement, optimization of product mix and cost reduction will benefit the Company in improved market share and profitability.

COST REDUCTION AND CONTROL

Your Company is continuously focusing its efforts towards cost reduction, through improvement in yields, procuring better quality & alternate inputs and expanding sources while controlling overhead costs.

RESEARCH & DEVELOPMENT

The R&D activities are undertaken in the areas of New Product Development, quality improvement, optimization of product mix and cost reduction.

PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules framed there under.

DIRECTORS :

- Shri Tribhuvan Simh Rathod was appointed as an Additional Director of the company with effect from 31st January 2009, who holds office till the date of Annual General Meeting. Shri Tribhuvan Simh Rathod was appointed as Managing Director of the Company in Board meeting held on 7th March 2009 whose appointment requires the ratification by members in this Annual General Meeting
- Shri Nalinkant Rathod has relinquished his position as a Managing Director due to Pre occupation and continuing to act as the Chairman of the Company.
- Shri G Padmanabhan was appointed as on Additional Director of the Company

with effect from 11th July 2009 and will holds office till the date of Annual General Meeting

- Shri R S Raghavan was appointed as an Executive Director with effect from 7th March 2009. Due to personal reasons he has resigned from the office of Executive Director as well as Director of the Company with effect from 11th July 2009.

The Board records its appreciation of the contribution made by Shri R S Raghavan during his tenure with the Company.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Sri Nalinkant Amratlal Rathod, Director retire by rotation and being eligible offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation of the operating management confirm that :

- The annual accounts presented to the members have been prepared on a going concern basis.
- That in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departure there from;
- In order to provide a true and fair view of the affairs of the Company as at March 31, 2009 and of the Net profit of the Company for the year ended on that date reasonable and prudent judgments and estimates have been made and consistently applied.
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken;

AUDITORS :

M/s. Krishnaswamy & Rajan, Chartered Accountants, Chennai, are to be appointed as Statutory Auditors of the Company in place of M/s Lalit Prasad & Co., Chartered Accountants the retiring Auditors, who expressed their inability to continue as Auditors of the Company. The Company has received a letter from them to the effect that their appointment, if made would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and are eligible for appointment.

CORPORATE GOVERNANCE

Pursuant to the provisions of the Listing Agreement and the Companies Act, 1956, Report on Corporate Governance together with the Auditors' Certificate on the compliance of the conditions of Corporate Governance are furnished in this Annual Report and a Report on Management Discussion and Analysis prepared and annexed to the Director's Report.

PARTICULARS OF EMPLOYEES AND INDUSTRIAL RELATIONS

The information as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is NIL.

The Industrial relations with its employees continue to be cordial. Development of Human Resources is taken at all levels and necessary training is imparted towards improving the productivity, quality, cost control, safety and environment protection.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies Act, 1956 (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of this report is given as Annexure to this report.

ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation of the continued co-operation and support extended by financial institutions, bankers, suppliers, dealers, C & F Agents, customers, employees and various State and Central Government Agencies. The Directors also taken this opportunity to thank the shareholders for their continued confidence reposed in the Management of the Company.

By Order of the Board
NALINKANT AMRATLAL RATHOD

Place : Hyderabad
Date : 26.07.2009

CHAIRMAN

ANNEXURE TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY :

Power : The Company is continuously putting efforts to conserve energy consumption, during the year; the dependence on DG Power has been minimized.

FUEL : During the year, the processing cycle time was brought down leading to saving in LPG consumption. In order to further optimize the fuel consumption, Company has installed a second fuel storage system, suitable for storing both LPG and Propane.

B. NEW PRODUCT DEVELOPMENT

NEW PRODUCTS : Company's R&D department continuously and successfully developed new products and the following new products were developed during the year.

1. Double Charged Tiles
2. 600x600 Tiles from Line-III
3. New Designs

C. NEW RAW MATERIALS : Continuous trials have been made and new/alternate raw materials have been introduced to improve the green strength and maturity of the body leading to higher production yield and lower cost.

D. TECHNOLOGY UPGRADATION : Company had commissioned Line-III project having state of the art production line leading to cost reduction and production of high quality and high value product which gives higher sales realization. Company would like to introduce new product range. R&D facilities and quality control equipments are being upgraded.

	2008-09	2007-08
ELECTRICITY		
a) Purchase Units (KWH)	4441978	6196601
Total Amount (Rs.in Lakhs)	19330903	24166742
Average Rate per unit (Rs./Kwh)	4.35	3.65
b) Own Generation		
1) Through Diesel Generator Units (Kwh)	305623	143689
Units per Liter of Diesel Oil (Kwh)	3	3
Average cost per Unit (Rs/Kwh)	12	11.00
2) LPG		
Quantity (Tonnes)	1725	1962.00
Total cost (Rs.)	76014231	79740544
Average rate(Rs./Tonne)	44066	40642

CONSUMPTION PER UNIT (Sq.Mtr) OF PRODUCTION

	2008-09	2007-08
Electricity (Kwh)	8.50	9.7
LPG (Tonnes)	0.00184	0.00302

FORM B

RESEARCH AND DEVELOPMENT 2008-09

During the year 2008-09 special emphasis and thrust has been given in the areas of cost reduction, quality improvement & new product development.

1. **Cost Reduction** : As a part of cost reduction drive the R&D has done the following activities.
 - a) Introduction of new chemicals to reduce Green & Dry tiles losses.
 - b) Introduction of special grades Raw Materials and New sources of better quality materials to improve the brightness & clarity of the body.
2. **Quality improvement** :
 - a) Improved sorting methods and system to get higher yields and better quality.
 - b) Introduction of ISO 9000 Quality Management System is under progress to reduce the losses and improve the working system.
3. Product Development by way of continuous efforts, new designs & Patterns were developed.

BENEFITS :

All the above efforts have led to improved efficiencies, enhanced product range and production of consistent quality products.

FUTURE PLAN OF ACTION :

To carry out the R&D activity to develop new products consistently, to reduce energy consumption and to lower cost of production.

By Order of the Board
NALINKANT AMRATLAL RATHOD

Place : Hyderabad

Date : 26.07.2009

CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Major part of the financial year 2008-09 was adversely hit by the sub-prime related economic slow down resulting in severe recessionary trends in the construction and infrastructure sectors, leading to drop in demand for tiles. Inventories are piling up and prices have comedown. Competition from Imports particularly from China affected domestic market. Many manufacturing units in the unorganized sector suspended their operations. In organized sector too the production levels have come down.

There are signs of improvement in economic conditions domestically and there is optimism that Infrastructure and construction sectors would revive shortly, considering Government's thrust in the Budget to make Huge Public Investments in Infrastructure sector. Steel and Cement industry is already on the path of recovery on the sales.

RESTILE CERAMICS LTD, being a pioneer in vitrified tile and in the business of flooring tiles since 1986 holds excellent reputation in the Industry as high quality producer. The company employs the best practices and highest quality standards in the industry. While it works constantly on quality up-gradation, the company is known for introducing innovative product range on frequent intervals.

Restile is the only brand in Indian market to make 100% of its production as full body vitrified tile. The fierce competition is affecting the quality standards of the industry in general, but at RESTILE quality comes first, the stand vindicated by the repeat purchases from country's corporate customers.

Restile was launched as manufacturers for Fully Vitrified Unglazed and Polished Monolithic floor tiles in smooth, rough as

well as Mirror Polished finishes and commenced commercial production during 1991 with an initial installed capacity of 5,40,000 Sq.mtrs. per annum and subsequently enhanced to 35,00,000 Sq.mtrs at Hyderabad, Andhra Pradesh.

In order to achieve cost competitiveness, Restile started outsourcing Tiles manufacturing by entering into a Contract Manufacturing arrangement with Bell Granito Ceramica Ltd., where the main fuel used is natural gas.

DISCUSSION IN FINANCIAL/OPERATIONAL PERFORMANCE

Production during the year was 8,87,476 Sq.mtrs., higher by 36.85% than the production during previous year on account of higher capacity utilization.

NET SALES : Net Sales clocked for the year were Rs.3668.21 Lacs, higher by 18.54% as compared to Rs.3094.61 Lacs in the previous year.

OTHER INCOME: The other income for the year stands at 39.50 Lacs.

INCREASE IN STOCKS : The closing stock in trade as on 31.3.2009 increased by Rs.495.42 Lacs in comparison with the previous year due to the effects of economic slow down during later part of the year.

TOTAL EXPENDITURE : Increase in expenditure in the year 2008-09 was on account of higher production and increase in the input costs.

MANUFACTURING EXPENSES : Manufacturing expenses were Rs.3124.62 Lacs during the year as compared to Rs.1832.26 Lacs in the year 2007-08. The increase has been on account of change in product mix and higher quantity of production.

ADMINISTRATIVE AND SELLING EXPENSES : There has been an increase of Rs.620.74 Lacs on account of general rise in prices, increase in level of business activity, increase in manpower costs

INTEREST AND FINANCIAL CHARGES : An amount of Rs.96.48 Lacs was incurred in the year 2008-09 against Rs.113.66 Lacs in the previous year. The decrease was on account of prudential utilization of the working capital facilities.

NET PROFIT : Company recorded a net loss of Rs.980.30 Lacs during the year on account of increase in input costs, decrease in average selling prices.

INTERNAL CONTROL SYSTEMS : The Company has adequate internal control systems and management continuously reviews and improves the internal control systems as per the changed requirement. The Company has independent Internal Auditors, who conduct periodical audit and submit their report to CEO. The Company's operations are overviewed by Executive Committee and Audit Committee of Board of Directors.

OPPORTUNITIES AND THE OUTLOOK : Restile has increased the manufacturing capacity by installing state of the art and cost effective production equipment and also planned inorganic growth by outsourcing the manufacturing activity. The continuing adverse effect of the economic slow down has provided an opportunity to the Company to thoroughly review the cost structure and achieve market competitive cost of production. The Government's determination to kick start the economy by increasing budget outlay on development of infrastructure sector, which in turn revives the purchasing power of the citizens and revival of construction sector, would help in restoration of normal growth of Ceramic Tile Industry.

THREATS : Since the vitrified market enjoys consistent growth and assured returns, few companies in the organized and unorganized sector are expected to come up with the latest technology, which may result in pressure on the realizations. Despite the prompt and effective steps initiated by the Government, the dumping of tiles from China and other countries may add further pressure to the realizations. In view of trade practices and the market dynamics being followed in the industry, the Company is compelled to extend larger credit period to the customers. As a result, there is a possibility of increase in the operational costs.

RISKS AND CONCERNS : The Company is consuming petroleum products for firing the tiles. The prices of petroleum products depend upon international market and subject to highly volatility. Some of the competitors who have the facilities of natural gas, tax incentives etc. are dominating the market. There may be a threat from some of the larger capacity players, who have varied range of products, effects and colors to dominate market presence.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS : The Company has its own system to control all its branches and divisions to ensure proper and adequate control, facility, transparency and accuracy. The employer-employee relationship has been cordial. The Company considers the quality of its human resources as its important asset it endeavors to attract and recruit best possible talent and to retain and groom it to meet its needs.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2008-09

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company :

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company attaches importance to good Corporate Governance and the code of governance as formulated by the Stock Exchange/SEBI and other authorities in the right earnest. It will be the endeavour of the Board of Directors that the Company is so governed as to maximize the benefits of all stakeholders (i.e., shareholders, employees, customers, society) and others. The Company has been implementing the clauses of Corporate Governance from time to time.

COMPOSITION OF BOARD

As on 31st March 2009, the Board of the Company consists of both Executive and Non Executive Directors. It presently consists of Six Directors out of which One Director is Executive Chairman, One Managing Director, one Promoter and three Non Executive Independent Directors, One among them is a Nominee Director. The non-executive directors possessed rich and varied experience in different facets of corporate functioning. They play active role in the meetings of the Board. The Board formulates policy decisions so as to lead and control the Company.

BOARD MEETINGS

During the year under review, Eight meetings of the Board of Directors were held. The time gap between any two Board Meetings has not exceeded four months. The Names and Categories of the Directors on the Board, their attendance at Board Meetings held during the Financial Year 2008-09 and at the last Annual General Meeting, and also the number of Directorships and Committee positions held by them in other public limited companies as on March 31, 2009 are given below :

Name	Category	Number of Board Meetings attended	Whether attended AGM held on 29.09.2007	No. of Directorships in other Public Limited Companies	No. of committee Positions held in other Public limited Companies	
					Chairman	Member
Shri Nalinkant Amratlal Rathod*	Promoter Chairman & Non Executive Director	4	No	1	-	-
Tribhuvan Simh* Rathod	Managing Director	3	No	-	-	-
Raghavan R.S*	Executive Director	4	Yes	-	-	-
Shri K.Rajendra Prasad (APIDC-Nominee)	Independent Non-Executive (APIDC)	1	No	3	-	-
N.S.Ramachandran	Independent Non Executive-Director	4	No	-	-	-
Seetaraman T.R	Independent Non Executive-Director	3	Yes	-	-	-
G Padmanabhan*	Additional Director Independent	Nil	Nil	-	-	-

- (i) Eight (8) Board Meetings were held during the year 2008-09 and the gap between 2 meetings did not exceed 4 months. The dates on which the Board Meetings held were 14th June 2008, 28th June 2008, 30th July 2008, 30th August 2008, 31st October 2008, 31st January 2009, 28th February 2009 and 7th March 2009.
- (ii) Apart from receiving the sitting fees, Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of the Director.
- (iii) Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.
- * 1 Shri Tribhuvan Simh Rathod was appointed as an Additional Director of the Company with effect from 31st January 2009 and was appointed as Managing Director of the Company in the Board Meeting held on 7th March 2009
- *2 Shri Nalinkant Rathod has relinquished his position as a Managing Director and continuing to act as the Chairman of the Company.
- *3 G Padmanabhan was appointed as an Additional Director in the Board Meeting held on 11th day of July 2009
- *4 R S Raghavan Executive Director of the Company has resigned from his office as Executive Director as well as Director

AUDIT COMMITTEE

The Board of Restile Ceramics Limited has three members Audit Committee, consisting of Non-Executive and Independent Directors viz Shri Nalinkant Amratlal Rathod, Shri.N S Ramachandran and T R Seetharaman. The Chairman of the Audit Committee Shri Seetharaman T R, is an Independent Director with strong financial accounting knowledge and experience.

The Audit Committee met five times during the financial year 2008-09. The attendance record of the Audit Committee members is given below :-

Name of the Member	No. of Meetings held	Attended
Shri Nalinkant Rathod*	5	Nil
Shri.T.R.Seetaraman	5	3
Shri N.S.Ramachandran	5	3

The role of the audit committee in brief is to review financial statements, internal controls, accounting policies and internal audit. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendations, before taking the same to the Board. The internal audit plans are drawn in consultation with the Managing Director, Chief Financial Officer, Heads of departments and the audit committee. The committee reviews the internal auditors report periodically. The committee also tracks the implementation of its guidelines/suggestions through review of action taken reports.

REMUNERATION OF DIRECTORS

The non-executive directors do not receive any remuneration from the Company and are paid Sitting Fee for attending the meetings of the Board and Committee Meetings. The aggregate value of salary and perquisites for the year ended 31.03.2009 to Executive Directors are as under:

Shri Nalin A.Rathod, C M D : Rs. 12/-

Shri G.V.Ramana Murthy J M D : Rs. 3,85,677/-
Shri R S Raghavan, Executive Director : Rs. 1,38,710/-

SHARE TRANSFER AND INVESTORS' GRIEVANCES COMMITTEE

The Board had delegated the authority to approve transfer of shares to a Committee of Directors.

The Share Transfer and Investors' Grievances Committee consists of Shri.T.R.Seetaraman an Shri.N.S.Ramachandran and Shri.K.Rajendra Prasad.

The Chairman of the Share Transfer and Investors' Grievances Committee is N S Ramachandran. The meetings of the Committee are held at frequent intervals to approve transfers, transmissions, issue of duplicate shares and resolving investors' grievances, etc. During the year the Committee met 13 times. During the year 293 investor grievances have been received and all of them are resolved. The minutes of the Share Transfer and Investors' Grievances Committee meetings are placed before the Board for its noting on a regular basis.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held at Registered Office of the Company at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P. as per the details given below:

Year	Date of AGM	Day	Time
2006	September 28, 2006	Thursday	11.30 A M
2007	September 29, 2007	Saturday	11.30 A M
2008	September 30,2008	Monday	11.30 A M

DISCLOSURES

A. Related Party Transactions

No related party transactions were entered by your Company during the year.

B. Compliances made by the Company

The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; no penalties, strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities related to the above.

C. Communication to Shareholders

The quarterly and Annual Results are being published in the Business Standard, Andhra Bhoomi and Andhra Prabha. Quarterly and Annual Financial Results of the Company are furnished to the Stock Exchange as per the requirements of the Listing Agreement.

D. Code of Conduct

The Restile Code of Conduct as adopted by the Board of Directors, is applicable to the Directors, both executive and non-executive and Senior Management team comprising of members of Management one level below the Executive Directors, including all functional heads.

A declaration by Managing Director affirming the compliance of the Code of Conduct for Board Members and senior management executives is also annexed separately at the end of this report.

E. General Shareholders Information

The following information would be useful to Shareholders:

- a. The 23rd Annual General Meeting of the Company will be held on 29th September at 11.00A.M. at the Registered Office of the Company at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P.

- b. The Financial Year of the Company was from 1st April 2008 to 31st March 2009.
- c. Date of Book Closure: 23rd to 29th of September 2009(inclusive of both days)
- d. The Shares of the Company are listed on the Stock Exchange, Mumbai (BSE).
- e. The Share and Depository Transfer Agent: Sathguru Management Consultants Pvt. Ltd., Plot No.15, Hindi Nagar, Panjagutta, Hyderabad - 500 034.
- f. Dematerialisation of Shares: The Company's shares are traded compulsorily in dematerialised form. In this connection, the Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's ID is INE 298E01022. The members are requested to dematerialize their physical holding in view of various advantages of holding the shares in dematerialized form.
As on 31st March 2009, 43483835 shares are under dematerialization.
- g. Distribution of shareholding as on 31st March, 2009 :

Holding of number of Shares or Debentures	Share/Debenture (Holders)		Shares/Debentures (Amount)	
	Number	%	Rs.	%
1 - 5000	24245	99.07	7816410	0.80
5001 - 10000	104	0.43	811920	0.08
10001 - 20000	54	0.22	729630	0.07
20001 - 30000	19	0.08	448650	0.05
30001 - 40000	10	0.04	357230	0.04
40001 - 50000	5	0.02	219850	0.02
50001 - 100000	8	0.03	533160	0.05
100001 - Above	28	0.11	971875540	98.89
Total	24473	100.00	982792390	100.00

- h. Market Price Movement: The details of monthly high and low market price of equity shares at the stock exchange, Mumbai are as given below :

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April '08	23.5	17.20	October '08	13.60	10.90
May '08	26.50	23.50	November '08	11.64	9.98
June '08	27.00	25.00	December '08	13.25	11.10
July '08	26.2	23.8	January '09	15.33	13.90
August '08	28.25	26.85	February '09	16.8	13.15
September '08	25.55	13.60	March '09	12.50	7.56

- i. Our manufacturing unit is located at: Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P

Members can contact us at our Administrative Office at 301& 302, Aditya Trade Centre, Aditya Enclave Road, Ameerpeta, Hyderabad - 500 038, Tel: 040-2375 4060, Fax: 040-2375 6622 and email to: contact@restile.com by quoting their DP Id or Folio Number.

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To
The Shareholders

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the code of conduct adopted by the Company and have submitted declarations in this behalf for the year ended 31st March,2009.

HYDERABAD
DATE: 26.07.2009

TRIBHUVAN SIMH RATHOD
MANAGING DIRECTOR

MANAGING DIRECTOR' CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

1. I, Tribhuvan Simh Rathod, Managing Director of the Company, hereby certify that :
- a. I have reviewed financial statements and the cash flow statement for the year 2008-09 prepared by the Management and that to the best of my knowledge and belief.
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
 - b. To the best of my knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
 - c. I accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
 - d. I have indicated to the auditors and the Audit Committee.
 - i) significant changes in internal control during the year'
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

HYDERABAD
DATE: 26.07.2009

TRIBHUVAN SIMH RATHOD
MANAGING DIRECTOR

CEO AND CFO CERTIFICATE AS PER THE LISTING AGREEMENT

We, Mr Tribhuvan Simh Rathod, Managing Director and V.V.Chenulu, Chief Financial Officer of the Company, hereby certify that:

- a. we have reviewed financial statements and the cash flow statement for the year 2008-09 and that to the best of my knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions have been entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
 - i. significant changes in internal control during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system

Hyderabad
26.07.2009

Tribhuvan Simh Rathod
Managing Director

V.V.CHENULU
C F O

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To
The Members
Restile Ceramics Limited

We have examined the compliance of conditions of Corporate Governance by Restile Ceramics Limited for the period ended on March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period of exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for LALITH PRASAD AND CO.,
CHARTERED ACCOUNTANTS

Hyderabad
26.07.2009

S LALITH PRASAD
PROPRIETOR
M.NO.23665

AUDITOR'S REPORT

The Members of
Restile Ceramics Limited

We have audited annexed Balance Sheet of Restile Ceramics Limited as at 31st March 2009 and the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto all of which we have been signed under reference to this report. These Financial Statements are the responsibility of the Company's Management and our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on a test basis, evidence, supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order to the extent applicable to the company.

Further to our comments in the Annexure referred to in paragraph 1 above we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by law have been kept by the company

so far as appears from our examination of such books.

- c) The Balance Sheet and Profit & Loss Account and cash flow statement referred to in this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss Account and cash flow statement dealt with in this report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- e) Based on the information and explanations as made available to us, none of the Directors of the Company is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 2009 and
 - ii) In so far as it relates to the Profit and Loss Account of the Loss of the Company for the year ended on that date.
 - iii) In case of Cash Flow statement, of the cash flow for the year ended on that date.

for LALITH PRASAD AND CO.,
CHARTERED ACCOUNTANTS

Hyderabad
29th June, 2009

S LALITH PRASAD
PROPRIETOR
ICAI M.NO.23665

ANNEXURE TO THE AUDITORS REPORT

1. The Company has maintained proper records to show all the particulars including quantitative details and situation of fixed assets.
2. A part of the fixed assets of the company have been physically verified by the management during the year, however there exists a Programme of verification of the fixed assets over a period. In our opinion the frequency of verification of the fixed assets by the management is at reasonable intervals having regard to the size of the company and nature of the assets and no material discrepancies were noticed between the book records and the physical inventory in respect of the assets physically verified.
3. The company has not disposed of substantial part of fixed assets during the current year.
4. The inventories have been physically verified during the year by the management. In our opinion the frequency of the verification is reasonable.
5. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by management were found reasonable and adequate in relation to the size of the company and the nature of its business.
6. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the company and the same have been properly dealt with in the books of account.
7. The company has not taken loans during the year from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
8. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct the major weaknesses in internal controls.
9. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act 1956 have been so entered.
10. In our opinion and according to the information and explanation given to us, there are no transactions exceeding the value of rupees five lakhs in respect of each party made in pursuance of contracts or arrangements entered in the register under section 301 of the Companies Act 1956 and are reasonable and within the accepted business norms.
11. The company has not accepted any deposits from the public during the year.
12. Internal audit has been carried out by an independent firm of Chartered Accountants during the year and it is commensurate with the size of company and the nature of its business.
13. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the company.
14. The company has delayed depositing undisputed dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, and other applicable statutory dues with the appropriate authorities. According to the information and explanations given to us, there are dues outstanding as at the end of the year and for a period of more than six months from the date they become payable in respect of Sales tax and Income Tax which have since been paid.

- 15 According to the records of the Company, there are no dues outstanding of sales tax, income tax, custom duty, wealth tax, excise duty or cess on account of any disputes.
- 16 In our opinion the accumulated losses of the company are not more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our

audit and the immediately preceding financial year.

- 17 As per books and records maintained by the company and according to the information and explanation given to us, the company has not defaulted in the repayment of dues to banks but there have been delays in repayment of dues to Financial Institutions as follows:

Name of the Institution/Bank	Amount Due Rs. In lakhs	Due Date Payment	Date of Delay	No. of Days
ICICI Bank Ltd - Term Loan	3177541	Over one Year	Due	Till Date

- 18 The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 19 The company has not given any corporate guarantee to any financial institution as a promoter company.
- 20 According to the information given to us, no new term loans were availed during the year .
- 21 According to the information and explanations given to us and on an overall examination of the Balance sheet of the company, we report

that funds raised on short-term basis have not been utilized for long term purposes including acquisition of fixed assets.

- 22 Based upon the audit procedure performed by us for expressing our opinion on these financial statements and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- 23 All the other provisions of the Companies (Auditors Report) Order 2003 have been found not applicable to the company.

for LALITH PRASAD AND CO.,
CHARTERED ACCOUNTANTS

Hyderabad
29th June, 2009

S LALITH PRASAD
PROPRIETOR
ICAI M.NO.23665

BALANCE SHEET AS AT 31.03.2009

	Schedule No.	As at 31-03-2009		As at 31-03-2008	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
Shareholders Funds					
a. Share Capital	1	982,792,390		563,897,280	
b. Share Application Money				303,479,302	
c. Reserves and Surplus	2	<u>80,056,777</u>		<u>80,056,777</u>	
			1,062,849,167		947,433,359
Loan Funds					
a. Secured Loans	3		225,700,895		152,286,150
Deferred Tax Liability			33,726,193		33,726,193
TOTAL			<u><u>1,322,276,255</u></u>		<u><u>1,133,445,702</u></u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	1,118,447,424		799,408,393	
Less : Depreciation		<u>219,902,934</u>		<u>190,300,820</u>	
Net Block			898,544,490		609,107,573
Investments	5		99,000		99,000
Current Assets, Loans & Advances					
a. Inventories	6	165,054,394		105,699,107	
b. Sundry Debtors	7	78,690,973		85,898,414	
c. Cash and Bank balances	8	22,703,696		73,775,055	
d. Loans and Advances	9	<u>89,228,829</u>		<u>189,813,759</u>	
		355,677,893		455,186,335	
Current Liabilities & Provisions					
Current Liabilities	10	157,980,722		62,770,026	
Provisions		<u>1,946,307</u>		<u>3,123,509</u>	
		159,927,029		65,893,535	
Net Current Assets					
Miscellaneous Expenses			195,750,864		389,292,800
(to the extent not written off and adjusted					
Preliminary expenses	11		28,883,235		33,977,529
Profit and Loss account					
			198,998,666		100,968,800
TOTAL			<u><u>1,322,276,255</u></u>		<u><u>1,133,445,702</u></u>
Notes to Accounts	17				
Significant Accounting Policies	18				

The schedules referred to above form an integral part of the Balance Sheet
As per our report of even date attached

For and on Behalf of the Board

For Lalith Prasad & Co
Chartered Accountants

V V Chenu
Chief Financial Officer

Tribhuvan Simh Rathod
Managing Director

Director

S. Lalith Prasad
Proprietor

Place : Hyderabad
Date : 29-06-2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

	Schedule No.	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
INCOME			
Gross Sales Tiles			
Domestic Sales Tiles		395,691,714	329,834,655
Less: Excise Duty		28,870,287	20,374,053
Net Sales		<u>366,821,427</u>	<u>309,460,602</u>
Export Sales		-	8,688,238
Total sales		366,821,427	318,148,841
Other Income	12	3,950,112	2,683,510
Increase/(Decrease) in stocks	13	49,542,042	7,179,031
		420,313,581	328,011,382
EXPENDITURE			
Manufacturing Expenses	14	312,461,921	183,225,530
Administration & Selling expenses	15	153,661,051	91,586,613
Interest & Financial Charges	16	9,647,757	11,366,317
Depreciation		29,602,114	27,363,645
Amortisation		11,928,343	10,561,533
		<u>517,301,185</u>	<u>324,103,638</u>
Net (Loss) / Profit before		(96,987,605)	3,907,743
Provision for taxes			
Current income tax		-	-
Deferred tax liability / (asset)		-	-
FBT		1,042,261	898,938
Profit / (Loss) After Tax		<u>(98,029,866)</u>	<u>3,008,805</u>
Balance brought forward from previous years		(100,968,801)	(103,977,605)
Profit/(Loss) Carried to Balance Sheet		<u>(198,998,666)</u>	<u>(100,968,800)</u>
Earnings per Share a) Basic	Rs.	(1.47)	0.05
b) Diluted	Rs.	(1.47)	0.05
Notes to Accounts	17		
Significant Accounting Policies	18		

The schedules referred to above form an integral part of the Balance Sheet
As per our report of even date attached

For and on Behalf of the Board

for Lalith Prasad & Co
Chartered Accountants

V V Chenulu
Chief Financial Officer

Tribhuvan Simh Rathod
Managing Director

Director

S. Lalith Prasad
Proprietor

Place : Hyderabad
Date : 29-06-2009

CASH FLOW STATEMENT FOR THE PERIOD 01.04.2008 TO 31.03.2009

(Rs. in lakhs)

	2008-09	2007-08
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extraordinary items	(969.88)	39.08
Adjustment for:		
Depreciation	296.02	269.55
Interest	96.48	113.88
Operating profit before working capital changes	(577.38)	422.51
Adjustment for:		
Trade and other receivables	72.07	(258.60)
Inventories	(593.55)	(144.65)
Trade payables	932.29	(97.28)
Loans & Advances	1,005.85	(1,349.95)
Cash generated from operations	839.28	(1,427.96)
Interest paid	(88.43)	(95.56)
Direct Taxes	(10.42)	(8.99)
Cash flow before extra-ordinary items	740.43	(1,532.51)
Extraordinary items	119.28	105.62
Net Cash Flow from Operating Activities	859.71	(1,426.89)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(3,190.39)	(2,156.84)
Sale of Fixed Assets	0.00	3.58
Misc Fixed Assets	(68.34)	(114.65)
Purchase of Investments	0.00	(0.99)
Net Cash used in Investing Activities	(3,258.73)	(2,268.90)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital	1,154.16	4,410.81
Proceeds from long term borrowings	734.15	(328.79)
Unsecured Loans	0.00	0.00
Repayment of STSC liabilities - APIHL	0.00	(70.00)
Net Cash used in Financing Activities	1,888.31	4,012.02
Net increase in cash and cash equivalents	(510.71)	316.23
Cash and Cash equivalents as at 1.4.2008 (Opening Balance)	737.75	421.52
Cash and Cash equivalents as at 31.03.2009(Closing Balance)	227.04	737.75

The schedules referred to above form an integral part of the Balance Sheet
As per our report of even date attached

For and on Behalf of the Board

for Lalith Prasad & Co
Chartered Accountants

V V Chenulu
Chief Financial Officer

Tribhuvan Simh Rathod
Managing Director

Director

S. Lalith Prasad
Proprietor

Place : Hyderabad
Date : 29-06-2009

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

(Amount In Rs.)

	As at 31-03-2009	As at 31-03-2008
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
10,00,00,000 Equity Shares of Rs. 10/- each	1,000,000,000	1,000,000,000
Issued ,Subscribed and paid up:	982,792,390	563,897,280
9,82,79,239 Equity Shares of Rs. 10/- each (Previous year 5,63,89,728 Equity Shares of Rs 10/- each)	<u>982,792,390</u>	<u>563,897,280</u>
SCHEDULE 2		
RESERVES AND SURPLUS		
1. Central Subsidy from Govt of India	1,275,000	1,275,000
2. Capital Reduction Reserve (Reduction in Equity Share Capital as per BIFR Order dated 18.12.2002 during the Financial year 2002-03.)	75,443,880	75,443,880
3. Capital Reserve-Cessation of liability under OTS	3,337,897	3,337,897
	<u>80,056,777</u>	<u>80,056,777</u>
SCHEDULE 3		
SECURED LOANS		
A. Term Loans		
ICICI Bank Ltd (Secured by all movable and immovable assets of the company other than the current assets hypothecated to working capital bankers and 3rd floor premises in Varun Towers, Begumpet).	2,089,562	4,089,562
SBI Car loan - Skoda (Secured by way of hypothecation of Vehicle)	-	333,825
HDFC Car Loan - Fiat Linea (Secured by way of hypothecation of Vehicle)	549,312	-
B. Athreya Finance Private Limited (Secured by all movable and immovable assets of the company other than the current assets hypothecated to working capital bankers and 3rd floor premises in Varun Towers, Begumpet. The charge is under creation).	171,533,790	100,000,000
C. Cash Credit from State Bank of India - (Secured by all hypothecation of stocks, stores, spares & consumables, receivables and equitable mortgage of 3rd floor premises in Varun Towers, Begumpet).	51,528,231	47,862,763
	<u>225,700,895</u>	<u>152,286,150</u>

SCHEDULE - 4

FIXED ASSETS

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

(Amount In Rs.)

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01-04-08	Additions during the year	Adjust. during the year	As at 31-03-09	Up to 01-04-08	For the year	Adjust. during the year	Up to 31-03-09	As at 31-03-09	As at 31-03-08
FIXED ASSETS										
1. Land & Site										
Development	6,510,527	-	-	6,510,527	-	-	-	-	6,510,527	6,510,527
2. Buildings										
(A) Factory Buildings	19,701,170	97,919,045	-	117,620,215	9,716,183	935,787	-	10,651,970	106,968,245	9,984,987
(B) Non Fact.Buildings	4,910,347	-	-	4,910,347	765,657	80,039	-	845,696	4,064,651	4,144,690
3. Plant & Machinery										
-- Imported	401,954,334	368,606,499	-	770,560,833	133,140,087	22,108,566	-	155,248,653	615,312,181	268,814,247
-- Indigeneous	96,762,131	28,081,535	-	124,843,666	36,856,503	4,752,466	-	41,608,969	83,234,698	59,905,628
4. Electrical Installation	6,291,140	10,879,899	-	17,171,039	4,421,975	341,785	-	4,763,760	12,407,279	1,869,165
5. Furniture and Fixtures	6,538,431	188,393	-	6,726,824	1,819,436	417,031	-	2,236,467	4,490,357	4,718,995
6. Office Equipments	4,339,561	334,769	-	4,674,330	1,952,022	283,904	-	2,235,926	2,438,404	2,387,539
7. Computers	2,034,243	78,827	-	2,113,070	250,430	338,162	-	588,592	1,524,478	1,783,813
8. Vehicles	3,328,663	873,293	-	4,201,956	969,292	316,450	-	1,285,742	2,916,214	2,359,371
9. Others	440,462	-	-	440,462	409,235	27,925	-	437,160	3,302	31,226
10. Capital Work-in-Progress	246,597,384	317,563,751	505,486,980	58,674,155	-	-	-	-	58,674,155	246,597,384
TOTAL	799,408,393	824,526,011	505,486,980	1,118,447,424	190,300,820	29,602,114	-	219,902,934	898,544,491	609,107,573
Previous Year	584,082,025	215,857,044	530,676	799,408,393	163,345,411	27,363,645	408,236	190,300,820	509,107,573	420,736,614

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

(Amount In Rs.)

	As at 31-03-2009	As at 31-03-2008
SCHEDULE 5		
INVESTMENT		
Long Term, Unquoted, Fully paid up 9,900 Equity Shares of Rs 10/- each in Subsidiary company - Restile Marketing Private Limited	99,000	99,000
	<u>99,000</u>	<u>99,000</u>
SCHEDULE 6		
INVENTORIES (As per Inventory taken and value certified by Management)		
Raw Materials : At cost	20,241,331	13,170,159
Work-in-Process : At cost	2,121,926	1,127,556
Finished Goods : At lower of cost or net realisable value	122,481,313	73,933,641
Stores & Spares, Packing & Fuels : At cost	20,209,824	17,467,751
	<u>165,054,394</u>	<u>105,699,107</u>
SCHEDULE 7		
SUNDRY DEBTORS		
(Unsecured & considered Good)		
Debts outstanding for a period exceeding six months	22,874,741	14,850,936
Other Debts	63,083,232	71,047,478
	85,957,973	85,898,414
Less: Provision for Doubtful Debts	7,267,000	-
	<u>78,690,973</u>	<u>85,898,414</u>
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash in Hand	280,333	296,844
Balance with Scheduled Banks		
-- Current Accounts	7,981,024	3,932,058
-- Fixed Deposits	14,442,339	69,546,152
(including held by Banks as Margin Money against L/Cs and Guarantees)	<u>22,703,696</u>	<u>73,775,055</u>
SCHEDULE 9		
LOANS AND ADVANCES		
(Unsecured considered Good, recoverable in Cash or in kind or for value to be received)		
Advances for Trade Creditors & Others	69,439,927	178,820,982
Staff Advance & Imprest	2,057,515	1,564,377
Deposits		
-- with Govt Departments	10,666,444	4,423,613
-- with Others	5,475,859	3,759,298
Income Tax	1,489,084	1,187,362
Prepaid Expenses	100,000	58,128
	<u>89,228,829</u>	<u>189,813,760</u>

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

(Amount In Rs.)

	As at 31-03-2009	As at 31-03-2008
SCHEDULE 10		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors for Capital, Trade and Expenses	102,989,397	25,528,307
Advances received against Sales	15,982,359	3,472,594
Security Deposits from Dealers	10,633,033	4,581,000
Interest Accrued and Due	2,636,742	1,832,210
Other Liabilities	25,739,192	27,355,915
	157,980,722	62,770,026
PROVISIONS		
Provision for Expenses	1,946,307	3,123,509
	1,946,307	3,123,509
SCHEDULE 11		
Miscellaneous Expenses (Not Written off or adjusted)		
(See Note 10)		
Opening Balance		
Capital Issue Expenses	2,938,851	3,918,468
Brand Building Expenses	3,941,268	5,255,024
Product Development Costs	27,097,410	23,900,920
	33,977,529	33,074,412
Additions		
Capital Issue Expenses	6,834,049	-
Product Development Costs	-	11,464,650
	6,834,049	11,464,650
Amortisation		
Capital Issue Expenses	2,346,427	979,617
Brand Building Expenses	1,313,756	1,313,756
Product Development Costs	8,268,160	8,268,160
	11,928,343	10,561,533
Closing Balance		
Capital Issue Expenses	7,426,473	2,938,851
Brand Building Expenses	2,627,512	3,941,268
Product Development Costs	18,829,250	27,097,410
	28,883,235	33,977,529

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

(Amount In Rs.)

	Year Ended 31-03-2009	Year Ended 31-03-2008
SCHEDULE 12		
OTHER INCOME		
Interest Earned and Other Income	2,573,772	1,833,162
Marine Insurance claims	1,376,355	858,859
Credit Balances written back	-	(9,462)
Small Balances Written Off	(15)	951
	<u>3,950,112</u>	<u>2,683,510</u>
SCHEDULE 13		
INCREASE/(DECREASE) IN STOCKS		
Opening Stocks :		
Finished Goods	73,933,641	66,287,053
Work-in-process	1,127,556	1,595,113
	<u>75,061,197</u>	<u>67,882,166</u>
Closing Stocks :		
Finished Goods	122,481,313	73,933,641
Work-in-process	2,121,926	1,127,556
	<u>124,603,239</u>	<u>75,061,197</u>
Increase/(Decrease)	<u>49,542,042</u>	<u>7,179,031</u>
SCHEDULE 14		
MANUFACTURING EXPENSES		
Raw Materials	116,369,995	68,481,854
Stores, Spares & Consumables	11,074,043	9,725,673
Power and Fuel	103,483,189	99,051,948
Packing Materials	13,223,096	4,743,041
Repairs and Maintenance - Plant & Machinery	427,331	703,268
- Others	967,977	519,747
Processing charges	66,916,290	-
	<u>312,461,921</u>	<u>183,225,530</u>

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

(Amount In Rs.)

	Year Ended 31-03-2009	Year Ended 31-03-2008
SCHEDULE 15		
ADMINISTRATIVE & SELLING EXPENSES		
Administrative Expenses :		
Salaries and Allowances to Employees		
Salaries , Wages and Benefits	55,863,361	37,204,048
Contribution to Provident Fund and other Funds	5,298,086	2,995,987
Rents	8,846,071	3,458,428
Rates, Taxes and Licences	2,673,301	1,051,157
Insurance	1,607,825	1,978,869
Directors Sitting Fees	61,000	54,000
Secretarial Expenses	32,581	104,170
Legal and Professional Charges	1,611,183	2,373,713
Auditors Remuneration		
- Audit Fees	100,000	99,270
- for other services	30,060	30,060
Communication	3,296,900	2,804,917
Printing and Stationery	1,823,919	1,703,541
Electricity Charges	654,046	735,196
Security Charges	1,216,580	1,137,117
Vehicle Expenses	4,506,914	4,204,268
Other Expenses	3,227,840	2,915,451
Office Maintenance	121,784	74,858
Travelling Expenses -Others	454,123	445,619
Forex Fluctuation	3,473	449,182
Selling Expenses :		
Travelling Expenses	5,085,087	3,393,471
Local conveyance	3,736,236	2,143,931
Advertisement and Sales Promotion	5,264,452	4,487,104
Freight on Finished Goods	29,442,350	6,701,362
Material Replacement & other Expenses	1,046,123	902,628
Octroi	370,346	869,018
Commissions and Discounts	8,302,692	9,269,250
Bad Debts Written off	1,717,719	-
Provision for Bad & Doubtful Debts	7,267,000	-
	153,661,051	91,586,613
SCHEDULE 16		
INTEREST AND FINANCIAL CHARGES		
Interest on Term Loans & FCDs	804,532	1,073,287
Interest on Working Capital	6,934,577	4,681,748
Interest FCNRB(DL)	-	647,962
Interest - Others	718	3,056,813
Bank Charges	1,907,930	1,906,507
	9,647,757	11,366,317

SCHEDULE 17

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2009 AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009.

1. Contingent liabilities not provided for in respect of:
 - (a) Guarantees given by banks on behalf of the Company Rs.41.00 lakhs (Previous Year Rs. 55.07 lakhs)
 - (b) Letters of Credit - Inland established by banks on behalf of the Company, Rs.172.07 lakhs (Previous year Rs. 153.65 lakhs).
 - (c) A.P. Commercial Taxes Department has issued a demand notice for an amount of Rs.497.87 Lacs as Sales tax payable for the earlier years which has been contested by the Company in A.P.High Court.
3. Dues to small scale industries as at the end of the financial year to whom amounts outstanding in excess of Rs. 1 lakh are M/s Sree Venkata Sai Packing(p)Ltd, M/s.AUM Adhesives pvt ltd, M/s Maini Abrasives (P) Ltd, Ruby Ceramics Pvt Ltd, Sukaso Cera Colours Pvt Ltd, Gee Pee Electrosark (P) Ltd and MK Paper Pack.
4. Impairment of Assets :
The Company has examined carrying cost of its identified Cash Generating Units (CGU) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standards - 28 on Impairment of Assets, according to which no provision for impairment is required as none of the assets of CGUs are impaired as on 1st April, 2008. There have been no indications of impairment during the Financial Year ended 31st March, 2009.
5. During the year, considering the huge business losses, unabsorbed depreciation, there is a deferred tax asset of Rs.138.94 Lacs, under AS 22 and due to uncertainty of realizing the deferred tax asset in the near future, the same has not been accounted in the financial statements.
6. Details of Raw Materials, Stores and Packing Material Consumed:

Particulars	Unit of Measure	2008-2009		2007-2007	
		Qty.	Value in Rs.	Qty.	Value in Rs.
Ball Clay / Fledspar	Tones	23,924	3,82,98,957	13778	2,34,41,541
Zirconium Silicate / Colours	Tones	427	2,86,54,279	242	1,55,64,768
Others(Stores, Packing material & Etc.,)			7,37,13,898		4,39,44,258
Total			14,06,67,134		8,29,50,567

7. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956.
 - (a) Particulars of capacity and production

Class of Goods	Unit	Annual Installed Capacity		Actual Production	
		20008-09	2007-08	20008-09	2007-08
Unglazed Fully Vitrified Ceramic Floor Tiles	Sq. Mt.	15,97,708	14,00,000	8,87,476	6,48,505

(b) Particulars in respect of Opening Stock, Sales and Closing Stock for class of goods dealt with by the Company.

Class of Goods	Unit	Class of Goods		Sales		Closing Stock	
		Qty.	Value in Rs.	Qty.	Value in Rs.	Qty.	Value in Rs.
Unglazed Fully Vitrified Ceramic Floor Tiles	Sq. Mt.	1,80,593	7,39,33,641	7,83,383	39,56,91,714	2,84,686	12,24,81,313
Previous year	Sq. Mt.	1,54,428	6,62,87,053	6,31,097	33,85,22,894	1,80,593	7,39,33,641

Notes :

1. Sales include internal consumption, Free Samples, Replacements and Damaged Tiles.

(c) CIF Value of Imports :

(In Rupees)

	2008-09	%	2007-08	%
Capital Goods	76403982	88.76	4,49,09,430	98.40
Consumables	9674527	11.24	7,40,631	1.60
Total	86078509	100.00	4,56,50,061	100.00

(d) Expenditure in Foreign Currency

	2008-09	2007-08
Travelling	459485	826579
Interest on FCNRBDL	Nil	647962

(e) Earning in Foreign Exchange

	2008-09	2007-08
FOB Value of Exports	Nil	8688238

8) Managerial Remuneration : Remuneration to Directors :

(In Rupees)

	2008-2009			2007-2008	
	Chairman & Managing Director	Jt. Managing Director	Executive Director	Chairman & Managing Director	Jt. Managing Director
Salary	12	3,55,254	1,02,419	12	12,99,324
Contribution to P.F. (EPF)	0	30,423	12,291	0	1,19,528
Perquisites	0	0	24,000	0	0

* Part of the year only

(b) Other Directors :

(In Rupees)

Particulars	2008-09	2007-08
Sitting fee	61,000	54,000

9. Related parties disclosures:

1. Relationships:

a) Related parties where control exists:

1. Restile Marketing PVT Ltd.,

b) Key Management Personnel, their relatives and their enterprises where transactions have taken place:

1. Mr. Nalin A. Rathod

2. Mr. G.V.Ramana Murthy

3. Mr. R.S.Raghavan

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

(Rs. in lakhs)

Nature of transactions	Related Parties			
	Referred in(a) above		Referred in(b) above	
	Current Year	Previous Year	Current Year	Previous Year
Purchases :				
Goods and Materials	Nil	Nil	Nil	Nil
Fixed Assets	Nil	42.85	Nil	Nil
Sales :				
Goods and Materials	Nil	Nil	Nil	Nil
Fixed Assets	Nil	Nil	Nil	Nil
Expenses :				
Rent & other service charges	Nil	Nil	Nil	Nil
Agency Commission	Nil	Nil	Nil	Nil
Remuneration	Nil	Nil	5.25	14.19
Interest paid	Nil	Nil	Nil	Nil
Professional Fees	Nil	Nil	Nil	Nil
Directors' Fee	Nil	Nil	0.07	0.21
Income :	Nil	Nil	Nil	Nil
Other Receipts :	Nil	Nil	Nil	Nil
Finance :				
Outstandings :				
Payable	Nil	0.68	Nil	Nil
Receivable	Nil	Nil	Nil	Nil
Agency Deposits received	Nil	Nil	Nil	Nil
Loans and Advances given	Nil	1.25	Nil	Nil
Property Deposits paid	Nil	Nil	Nil	Nil
Investments :				
Restile Marketing Private Ltd.	Nil	0.99	Nil	Nil

10. The Company has no income tax liability for the year under review and hence not provided for.
11. Right issue expenditure of Rs.68.34 lakhs have been amortized, commencing from the current year, over a period of five year in line with the AS-26 of ICAI.
12. In accordance with the Provisions of AS17 of ICAI, the Company has only one reportable primary segment consisting of Vitrified tiles, hence no segment reporting has been done.
13. Previous year figures have been regrouped / rearranged wherever necessary to confirm to current year's classification.

SCHEDULE 18

1. SIGNIFICANT ACCOUNTING POLICIES:

a. **General**

The accounts of the Company are prepared under the Historical Cost Convention using the accrual method of accounting.

b. **Fixed Assets**

Fixed Assets are stated at the historical cost, which is inclusive of freight, installation cost and duties and other incidental expenses related to acquisition. The cost of fixed assets capitalized during the year includes all expenses incurred directly attributable to the asset.

c. **Depreciation**

Depreciation is provided on straight line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956.

d. **Impairment of Assets**

Impairment of Assets, if any, is ordinarily assessed by comparing value in use of Cash Generating Units, identified in conformity with the classification of business segments, with the carrying value of assets.

e. **Capital Work-in-Progress**

Capital work-in-progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest.

f. **Foreign Currency transactions**

Purchases in foreign currency are accounted at exchange rates prevailing on the date of transaction including that of Current Assets and Liabilities in Foreign Currency as at the Balance Sheet date and the resultant net gains or losses are adjusted in the accounts.

g. **Inventories**

Raw materials, work-in-process, Stores, Spare parts, Loose tools and equipments are valued at cost, Finished products are valued at lower of cost or market/net realizable value. The cost of inventories is worked out using weighted average cost formula.

The Finished Goods at factory are exclusive of Excise Duty, Stock at Consignment Agents and Branches are inclusive of Excise Duty.

h. **Cenvat**

Cenvat credit on Excise Duty paid goods is accounted for by reducing the purchase cost of related goods.

i. Refurbishment Capitalisation

Expenses incurred on major refurbishment extending the life of Plant & Machinery has been capitalized to the respective Asset during the year.

j. Sales

Sales, net of returns, are recognized, on despatch of goods to customers and are reflected in the accounts at gross realizable value i.e., inclusive of excise duty. Sales tax recovered is excluded.

k. Research & Development Expenses

Research & Development expenses of capital nature are capitalized. The revenue expenditure identifiable for development activities, resulting in long term future economic benefits, are treated as intangible asset, to be amortized over a reasonable period based on the technical assessment in line with AS 26 of ICAI. The other expenditure of revenue nature is charged to Profit and Loss Account under the natural head of expenses.

l. Brand Building Expenses

All identifiable amounts spent on Brand Building resulting in long term future benefits are amortized over a reasonable period depending on the estimated life of the brand, on the expert opinion and in line with AS26 of ICAI.

m. Preliminary / Capital Issue Expenses:

The Preliminary expenses and Capital Issue expenses are amortized over a period of 5 years.

n. Benefits to Employees

i. Gratuity :

The Gratuity liability is provided based on the actuarial valuation.

ii. Privilege Leave Encashment:

The Privilege Leave Encashment liability is provided based on the actuarial Valuation.

iii. Provident Fund:

Contribution to the Provident Fund is made in accordance with provisions of the Provident Fund Act, 1952 and is treated as Revenue Expenditure.

Signature's to Schedules "1 to 18"

As per our report of even date attached

For and on Behalf of the Board

for Lalith Prasad & Co
Chartered Accountants

Tribhuvan Simh Rathod Director
Managing Director

S.Lalith Prasad
Proprietor

V V Chenulu
Chief Financial Officer

Place : Hyderabad

Date :

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details :

Registration No.	6480	State Code	01
Balance Sheet Date	31.03.2009		

II. Capital raised during the year (Rs. in lacs) :

Public Issue	Nil	Rights Issue	4188.95
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds :

Total Liabilities	13222.76	Total Assets	13222.76
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(Rs. in lacs)

Sources of Funds :

Paid-up Capital	9827.92	Reserves & Surplus	800.57
Secured Loans	2257.01	Unsecured Loans	Nil
Deferred Tax Liability	337.26		

Application of Funds :

Net Fixed Assets	8985.44	Investments	0.99
Net Current Assets	1957.51	Misc. Expenditure	288.83
Accumulated Losses	1989.99		

IV. Performance of Company (Rs. Lacs) :

Turnover	4203.13	Total Expenditure	5183.43
Profit (Loss) Before Tax	(980.30)	Profit (Loss) after Tax	(980.30)
Earnings Per Share in Rs.(Annualised)	(1.47)	Dividend rate %	Nil

V. Generic Names of three principal products/services of Company

Item Code No (ITC Code)	:	69089002
Product description	:	Unglazed Fully Vitrified Ceramic Tiles

RESTILE CERAMICS LIMITED

Regd. Office: Malkapur Village, Narsapur Taluk
Hatnoora Mandal, Medak District, Andhra Pradesh

ATTENDANCE SLIP

Registered Folio / DPID No.:

Name of the Shareholder:

No. of Shares:

- j. I/We hereby record my/our presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company at the Registered Office at Malkapur Village, Narsapur Taluk, Hatnoora Mandal, Medak District, Andhra Pradesh at 11.00 A.M. on Tuesday, the 29th day of September, 2009 and at any adjournment thereof.

Signature of the Shareholder(s) :

Notes:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip/Proxy form as the case may be to the meeting and handover at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

RESTILE CERAMICS LIMITED

Regd. Office: Malkapur Village, Narsapur Taluk
Hatnoora Mandal, Medak District, Andhra Pradesh

PROXY FORM

- k. I/We being a Member/Members of RESTILE CERAMICS LIMITED hereby appoint of or failing him/her of as my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company at the Registered Office at Malkapur Village, Narsapur Taluk, Hatnoora Mandal, Medak District, Andhra Pradesh at 11.00 A.M. on Tuesday, the 29th day of September, 2009 and at any adjournment thereof.

Registered Folio / DPID No. :

No. of Shares:

AS WITNESS my hand/our hands this day of 2009

Affix 1 Rupee
Revenue
Stamp

Signature(s)

Note: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

BOOK & POST

PRINTED MATTER

If undelivered, please return to :

Restile[®]

The Original FULBODY Tiles

1-10-177, Varun Towers, 3rd Floor,
Begumpet, Hyderabad - 500 016.

Please note that the Share and Depository Transfer Agents for the Company are :

Sathguru Management Consultants Pvt. Ltd.,

Plot No. 15, Hindi Nagar, Panjagutta,
Hyderabad - 500 034.

All Correspondance may be addressed to them