



Regency Ceramics Limited

REF:RCL/SEC/2019

Date: 30th May, 2019

1. National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla
Complex, Bandra (E),
MUMBAI - 400051

2. Corporate Relationship Department
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, MUMBAI- 400 001

Dear Sir / Madam,

Sub : Outcome of Board Meeting as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Ref : NSE CODE : REGENCERAM, BSE CODE : 515018

We wish to inform that the Board of Directors in its meeting held on Thursday, the 30th May, 2019 at its Regd office of the company, have inter alia considered:

1. Approved the Audited Financial Results for the quarter and year ended 31st March, 2019.
2. Approved the draft notice of the Annual General Meeting and Directors' report of the Company.

Pursuant to the regulation 33 of SEBI (LODR) Regulations 2015, we enclose the following:

- a. Statement showing Audited financial results for the year ended 31st March 2019.
- b. Form – B (Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges).
- c. Auditors Report on the Audited Financial Results for the year 2018-19.

The above is for your information and record. Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully

For **REGENCY CERAMICS LIMITED**

Dr G N Naidu
Chairman and Managing Director

Encl : a/a



Regency Ceramics Limited

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH 2019

S.No	Particulars	(Rs. in lakhs except for share data)				
		Quarter ended			Year ended	
		31-03-2019	31-12-2018	31-03-2018	31.03.2019	31-03-2018
		(Audited)	(Un Audited)	(Audited)	(Audited)	(Audited)
I	Revenue from Operations	0.00	0.00	0.00	0.00	0.00
II	Other Income	19.16	66.46	0.13	91.26	7.08
III	Total income (I + II)	19.16	66.46	0.13	91.26	7.08
IV	Expenses					
	(a) Cost of Materials consumed	0.00	0.00	0.00	0.00	0.00
	(b) Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(d) Employee benefits expense	7.86	6.73	23.58	43.51	81.13
	(e) Finance Cost	0.00	5.29	14.76	9.26	36.84
	(f) Depreciation and amortisation expense	113.99	113.98	116.92	455.93	468.67
	(g) Other expenses	71.49	3.92	68.93	99.94	118.72
	Total Expenses	193.34	129.92	224.19	608.64	705.36
V	Loss before Tax(III-IV)	(174.18)	(63.46)	(224.06)	(517.38)	(698.28)
VI	Exceptional Items	0.00	0.00	1031.40	0.00	1031.40
VII	Tax expense	0.00	0.00	0.00	0.00	0.00
VIII	(Loss) / Profit for the period	(174.18)	(63.46)	807.34	(517.38)	333.12
IX	Other comprehensive income					
	Items that will not be re classified to profit or loss - (net of taxes)	0.00	0.00	0.00	0.00	0.00
	Other comprehensive income	0.00	0.00	0.00	0.00	0.00
X	Total comprehensive income (VII + VIII)	(174.18)	(63.46)	807.34	(517.38)	333.12
XI	Paid-up equity share capital	2644.16	2644.16	2644.16	2644.16	2644.16
	Basic and Diluted EPS after extraordinary items (Face value of Rs.10/- each)	(0.66)	(0.24)	3.05	(1.96)	1.26



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Standalone Statement of Assets and Liabilities

Particulars	As at	As at 31.03.2018
	31.03.2019	(Audited)
	(Audited)	(Audited)
A. ASSETS		
1 Non-current assets		
(a) Fixed assets	3740.12	4196.05
(b) Capital work-in-progress	-	-
(c) Non-current investments	1.80	57.84
(d) Long term loans and advances	17.05	17.05
Sub-total - Non-current assets	3758.97	4270.94
2 Current assets		
(a) Inventories	664.00	664.00
(b) Financial Assets		
Trade receivables	798.24	804.54
Cash and cash equivalents	9.90	9.89
Other Bank Balances	35.07	35.07
Other Financial Assets	1928.29	1928.31
(c) Other current assets	2001.92	1997.90
Sub-total - Current assets	5437.42	5439.71
TOTAL - ASSETS	9196.39	9710.65
B. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	2644.16	2644.16
(b) Reserves and surplus	(8904.02)	(8386.64)
(c) Money received against share warrants	-	-
Sub-total - Shareholders' funds	(6259.86)	(5742.48)
2 Non-current liabilities		
(a) Financial Liabilities-Borrowings	3833.02	3699.71
(b) provisions	161.52	169.99
Sub-total - Non-current liabilities	3994.54	3869.70
3 Current liabilities		
(a) Financial Liabilities- Borrowings	2254.15	2254.15
(b) Trade payables		
Micro and small enterprises	156.34	192.98
Creditors other than micro and small enterprises	2538.00	2610.56
(c) Other financial liabilities	4038.02	4044.81
(d) Other current liabilities	2475.20	2480.93
Sub-total - Current liabilities	11461.71	11583.43
TOTAL - EQUITY AND LIABILITIES	9196.39	9710.65



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Notes:

- 1 These financial results have been prepared in accordance with Indian Accounting Standards(Ind AS) prescribed under Section 133 of the Companies Act,2013 read with relevant rules issued thereunder and terms of SEBI(Listing Obligations and Disclosure Requirments) Regulations,2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.
- 2 The above results have been audited by the audit committee and approved by the board at their meeting held on 30 May, 2019. The statutory auditors of the company have carried out an audit of these results for the year ended 31.03.2019.
- 3 The above results were prepared without considering the effect of the loss / damage to Buildings, Plant & Machinery and other assets of the company.
- 4 The unprecedented industrial violence on 27.01.12 resulted in deaths of personnel and destruction of buildings and equipment in the factory. Consequent to this, a lock-out was declared at the factory from 31.01.2012. The Salary, Wages and other benefits to factory employees were not considered as provisional liability and not taken in the books under "No Work - No Pay" principle pending orders / judgment of the Industrial Tribunal.
- 5 Gratuity Provision as per AS-15 and Leave Encashment were not provided in the books due to loss of employee records in the factory during the incident.
- 6 The condition of the fixed assets, raw materials, stores, spares and its present realisable value could not be estimated and not insured.
- 7 Depreciation on fixed assets calculated as per provisions of Companies Act, 2013 has been provided in the normal course due to efflux of time without considering the effect of loss / damage.
- 8 The lenders of the company had taken symbolic possession of the properties in exercise of powers conferred under section 13(4) of the SARFAESI Act and filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. Four banks sanctioned revised OTS pacakge for settlement of their dues and the company paid entire OTS amount.Satisfaction of charges were filed with ROC in respect of one lender. While the company is awaiting revised OTS sanction from another Bank based on the decision taken by consortium, the bank filed the petition before the Hon'ble NCLT, Hyderabad bench under section 7 of the Insolvency and Bankruptcy Code, 2016. The company contesting the same. In veiw of the above, the Long Term Borrowings are considered as current meturities of long term borrowings and shown under Other Current Liabilities.
- 9 The interest on Term Loans and working capital loans was not provided in respect of four banks where the company paid the entire OTS amount and obtained No Dues Certificate. The Interest on Term Loans amounting to Rs. 88.62 lakhs for forth quarter of 2018-19 and Rs.1972.89 Lakhs upto 31.03.2019 debited by Corporation bank in the current year was not provided in the books as the company is disputing the same.
- 10 The Liability provision for Interest and Penalties payable on account of Statutory Dues were not provided in the books expecting waiver in the current situation.
- 11 The claim made in respect of loss/damage to its properties during the incident on 27.01.2012 was not settled by the Insurance company on reinstatement/ replacement basis and as such, the company invoked arbitration clause as per the policy terms. And the matter is in progress.
- 12 There are no employees on payroll as on 31.03.2019.For day to day operations company is availing services from outside.
- 13 Segment reporting is not applicable, since the entire operations of the company related to one segment. i.e. Manufacturing of Ceramic Tiles in terms of Ind AS 108 on operating segments.
- 14 Previous period/year figures have been regrouped or rearranged wherever necessary to confirm to current year clasification.

For REGENCY CERAMICS LIMITED



Dr. G.N.Naidu

Chairman and Managing Director

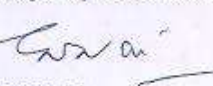

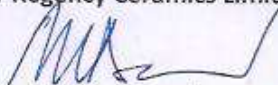
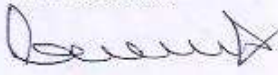



Place : Hyderabad
Date : 30.05.2019

FORM - B

Format of covering letter of the Annual audit report to be filed with the Stock Exchanges.

1.	Name of the Company	REGENCY CERAMICS LIMITED
2.	Annual Financial statement for the year ended	31 st March, 2019
3.	Type of Audit Qualification	Qualified
4.	Frequency of Qualification	Since previous years
5.	<p>Draw attention to relevant notes in the Annual Financial statements and management response to the qualification in the directors' report.</p> <ol style="list-style-type: none"> 1. <i>Manufacturing operations of the company were stopped due to riots, strike and malicious damage at factory since 27.01.2012. The company declared lock out of the plant on 31.01.2012 and the condition of the fixed assets & its realizable value could not be estimated. The machinery and building were not insured during the year and disclosed at book value after providing depreciation on account of efflux of time.</i> 2. <i>The condition of the raw materials, stores and spares and its realizable value could not be estimated by the company. The stocks were not insured during the year and disclosed at book value.</i> 3. <i>During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees pending orders/judgment of the industrial Tribunal. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance to AS-15 "Employee Benefits". Since the company could not compute the liability in the absence of complete records, we are unable to comment upon the impact of non-provision of additional loss of the company for the year and on the current liabilities as at 31.03.2019.</i> 4. <i>Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets.</i> 5. <i>The company requested the lenders for sanction of revised OTS and paid entire OTS amount in respect of four lenders where sanctions were received. Satisfaction of charges were filed with ROC in respect of Phoenix ARC Private Limited (Trustee of Phoenix Trust-FY15-5 and the remaining term loans outstanding against them were written back as income during the year. While the company is awaiting revised OTS sanction from another Bank based on the decision taken by consortium, the bank filed the petition before the Hon'ble NCLT, Hyderabad bench under section 7 of the Insolvency and Bankruptcy code, 2016., company contesting the same. Earlier, the lenders initiated recovery action against the company and took symbolic Possession under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 in exercise of powers conferred on them under section 13(4) of the SARFAESI Act. The lenders also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of</i> 	



	<p>their dues. In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities. Hypothecation / Hire purchase loans are repayable within one year and shown under Other Current Liabilities.</p> <p>6. The company did not provide the interest on secured loans in respect of four lenders where the accounts were settled under OTS. An amount of Rs.345.45 Lakhs for the year and Rs.1972.89. Lakhs up to 31st March 2019 debited by one bank in the current year was not provided in the books as the company is disputing the same.</p> <p>7. The company has not provided the liability towards interest and penalties payable on account of statutory dues. The Company is of opinion that the statutory authorities shall waive the same in view of the unprecedented incident.</p> <p>8. The claim made in respect of loss/damage to the properties during the incident on 27.01.2012 was settled by the Insurance Company on depreciation method, although the company is eligible for the claim under reinstatement/replacement method. Hence, the company rejected the claim amount under protest.</p>
6	<p>Additional comments from the Board / Audit committee chair. The plant was destroyed and the President (operations) of the Company was killed on 27.01.2012. The plant is under Lock out and since then, no production. Hence the audit Qualifications.</p>
Signed by	
Chairman Managing Director	<p>For Regency Ceramics Limited</p>  <p>Dr G N Naidu Chairman and Managing Director</p> 
CFO	<p>For Regency Ceramics Limited</p>  <p>N. Satyendra Prasad CFO</p>
Auditors	<p>for K S Rao & Co., F.R.N.003109s</p>  <p>V. Venkateswara Rao Partner Membership No. 219209</p> 
Audit Committee Chairman	<p>For Regency Ceramics Limited</p>  <p>R.C. Chowdappa Audit Committee Chairman</p> 



Auditor's Report on Quarterly Financial Results & Year to Date Financial Results of REGENCY CERAMICS LIMITED Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To
Board of Directors of **REGENCY CERAMICS LIMITED.**

We have audited the accompanying financial results of **REGENCY CERAMICS LIMITED** ("Company") for the quarter ended 31st March, 2019 and the year to date financial results for the period from 1st April, 2018 to 31st March, 2019 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

These quarterly financial results as well as the year to date financial results have been prepared on the reviewed financial results up to the end of the third quarter and audited annual Ind AS financial statements respectively, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

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 results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

Basis for Qualified Opinion

- 1. Manufacturing operations of the company were stopped due to riots, strike and malicious damage at factory since 27.01.2012. The company declared lock out of the plant on 31.01.2012 and the condition of the fixed assets & its realizable value could not be estimated. The machinery and building were not insured during the year and disclosed at book value after providing depreciation on account of efflux of time.*
- 2. The condition of the raw materials, stores and spares and its realizable value could not be estimated by the company. The stocks were not insured during the year and disclosed at book value.*
- 3. During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees pending orders/judgment of the industrial Tribunal. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance to AS-15 "Employee Benefits". Since the company could not compute the liability in the absence of complete records, we are unable to comment upon the impact of non-provision of additional loss of the company for the year and on the current liabilities as at 31.03.2019.*
- 4. Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets.*





5. *The company requested the lenders for sanction of revised OTS and paid entire OTS amount in respect of four lenders where sanctions were received. Satisfaction of charges were filed with ROC in respect of Phoenix ARC Private Limited (Trustee of Phoenix Trust-FY15-5) and the remaining term loans outstanding against them were written back as income during the previous year. While the company is awaiting revised OTS sanction from another Bank based on the decision taken by consortium, the bank filed the petition before the Hon'ble NCLT, Hyderabad bench under section 7 of the Insolvency and Bankruptcy code, 2016 and the company is contesting the same. Earlier, the lenders initiated recovery action against the company and took symbolic Possession under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 in exercise of powers conferred on them under section 13(4) of the SARFAESI Act. The lenders also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities.*
6. *The company did not provide the interest on secured loans in respect of four lenders where the accounts were settled under OTS. An amount of Rs.345.45 Lakhs for the year and Rs.1972.89. Lakhs up to 31st March 2019 debited by one bank in the current year was not provided in the books as the company is disputing the same.*
7. *The company has not provided the liability towards interest and penalties payable on account of statutory dues. The Company is of opinion that the statutory authorities shall waive the same in view of the unprecedented incident.*
8. *The claim made in respect of loss/damage to the properties during the incident on 27.01.2012 was settled by the Insurance Company on depreciation method, although the company is eligible for the claim under reinstatement/replacement method. Hence, the company rejected the claim amount under protest.*

Consequent to the above, the Net loss would increase and Shareholders funds would reduce to this extent.

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of the matter described in Basis for Qualified Opinion paragraph above, these quarterly financial results as well as the year to date financial results:

- i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in this regard; and
- ii) give a true and fair view of the net loss and other financial information for the quarter ended 31st March, 2019 as well as the year to date financial results for the period from 1st April, 2018 to 31st March, 2019.

The statement includes the results for the Quarter ended 31st March, 2019, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which are subject to limited review by us.

Place : Hyderabad
Date : 30.05.2019

For K S Rao & Co.,
Chartered Accounts
Firm's Regn No.0031095

(V.Venkateswara Rao)
Partner
Membership No.219209

