



34th Annual Report 2017-18



BOARD OF DIRECTORS

- | | |
|------------------------------|------------------------------------|
| 1. Dr G.N.Naidu | ... Chairman and Managing Director |
| 2. Sri G. Sreenivasulu Naidu | ... Director |
| 3. Sri B.Surendra | ... Director |
| 4. Sri D.Chandra Sekhar Babu | ... Director |
| 5. Smt Y.Vijaya lakshmi | ... Director |
| 6. Sri N. Satyendra Prasad | ... Executive Director |

President : Dr S.V. Ramprasad
President (Finance) : Sri E. Balakrishna Rao

Audit Committee

Sri B. Surendra
Sri D.Chandra Sekhar Babu
Smt Y.Vijaya lakshmi

Investors' Grievance Committee

Dr G.N. Naidu
Sri B. Surendra
Sri D.Chandra Sekhar Babu

Bankers

State Bank of India
The South Indian Bank Ltd
Corporation Bank
State Bank of Travancore
Phoenix (ARC) Private Limited

Remuneration Committee

Sri B. Surendra
Sri D.Chandra Sekhar Babu
Smt Y.Vijaya lakshmi

Statutory Auditors

M/s K S Rao & Co.,
Chartered Accountants
Hyderabad

Registered Office

6-3-1090/A/7, 3rd Floor, IMS House
Somajiguda, Hyderabad - 500082
Ph: +91-40-23327555

Internal Auditors

M/s Brahmaya & Co.,
Chartered Accountants
Hyderabad

Factory

Yanam – 533464
(Union Territory of Puducherry)

Company's Website: www.regencytiles.com

INDEX

Contents :

Page Nos.

Notice to the Shareholders	1 - 4
Directors' Report	5 -12
Management Discussion and Analysis Report	13 - 14
Report on Corporate Governance	15 - 21
CEO & CFO Certificate	22
MGT 9	23 - 27
Secretarial Audit Report	28 - 30
Independent Auditors' Report	32 - 36
Balance Sheet	37
Statement of Profit and Loss	38
Cash Flow Statement	39
Notes Forming part of the Financial Statements	40 - 66



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 34th Annual General Meeting of the Company will be held on Friday, the September 28, 2018 at 12.00 noon. at Registered Office: 6-3-1090/A/7, 3rd Floor, IMS House, Somajiguda, Hyderabad - 500 082, to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as on 31st March 2018 and statement of Profit and Loss for the year ended on that date along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri N.Satyendra Prasad (DIN: 01410333) who retires by rotation and being eligible, offers himself, for reappointment.
3. To ratify the appointment of M/s. K S Rao & Co., Chartered Accountants, (Registration No. 003109S) Hyderabad, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

By order of the Board
For **Regency Ceramics Limited**

Place : Hyderabad
Date : 30.05.2018

Dr G N Naidu
Chairman and Managing Director

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of him / her. Proxy need not be a member of the company. Proxy form duly completed should be deposited at the company's registered office at least 48 hours before the commencement of the meeting.**
2. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in. Members holding shares in Demat form shall write their Client ID and DP ID No. and those holding in Physical form to write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
3. The Register of Members and Share Transfer books of the company will remain closed from September 25, 2018 to September 28, 2018 (both days inclusive).
4. Members seeking any information with regard to accounts for the financial year ended 31st March 2018 may send their queries to the company at least 10 days before the meeting, in order to enable the Management to keep the information ready at the Meeting.
5. In case there is any correction/change in your address registered with us, we request you to communicate the same to us/Company's R & T Agent, whose address is given elsewhere in this Annual Report.
6. The Company has already transferred the unclaimed dividend declared for the financial year 1991-92 to the general revenue account of the Central Government as required by



the Companies Un-paid Dividend (Transfer to the General Revenue account of the Central Government) Rules, 1978. Shareholders who have not claimed or collected the dividend for the aforesaid financial year may claim their dividend by writing to the Registrar of Companies, Andhra Pradesh & Telangana, 2nd Floor, Corporate Bhawan, GSI Post, Tattianaram, Nagole, Bandlaguda, Hyderabad - 500 068.

7. The Company has transferred to the 'Investors Education and Protection Fund' the unpaid/unclaimed dividend declared as interim dividend / dividend for the financial year 1999-2000 in June, 2007, for the financial year 2000-01 in October 2008, for the financial year 2001-02 in October 2009, for financial year 2002-03 in November 2010 and for financial year 2003-04 in October 2011. Please note that once the unclaimed dividend is transferred to the aforesaid 'Investors Education and Protection Fund' of the Central Government, no claim shall lie in respect thereof.
8. Your company's securities are listed with Bombay Stock Exchange Limited, Mumbai (BSE) and The National Stock Exchange Limited, Mumbai (NSE). The company has not paid the annual listing fee from 2014-15 to 2018-19 to the said Stock Exchanges.
9. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

10. The instructions for shareholders voting electronically are as under:

- (A) The voting period begins on 25.09.2018 at 9.00 am and ends on 27.09.2018 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - ii) Click on Shareholders.
 - iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - iv) Next enter the Image Verification as displayed and Click on Login.
 - v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vi) If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	<ul style="list-style-type: none">In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant **Regency Ceramics Limited (EVS-180816039)** on which you choose to vote.
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By order of the Board
For **Regency Ceramics Limited**

Place : Hyderabad
Date : 30.05.2018

Dr G N Naidu
Chairman and Managing Director



DIRECTORS' REPORT

Dear Members

Your Directors hereby present their Thirty Fourth Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2018.

FINANCIAL SUMMARY:

The performance of the Company for the Financial Year ended 31st March 2018 is as under:

		Rs in Lakhs	
Sl. No.	Particulars	2017-18	2016-17
1	Income	7.08	7.10
2	Expenses	705.36	658.92
3	Loss before exceptional Items	(698.28)	(651.82)
4	Exceptional Items	1031.40	-
5	Profit / (Loss) before Tax	333.12	(651.82)
6	Profit / (Loss) after Tax	333.12	(651.82)

REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS:

During the year under review, your Company could not make any sales and as such the Turnover was Rs.NIL (Previous year: Rs.Nil). Your company settled the dues to one lender and written back the balance term loan outstanding in the books and accordingly earned a Net profit of Rs.333 Lakhs (previous year Net loss: Rs.652 Lakhs).

PERFORMANCE & FINANCE:

Your company declared lock-out of its plant at Yanam with effect from 31.01.2012 after the devastating incident occurred on 27.01.2012. Since then, there is no production in the plant.

DIVIDEND:

Your Directors express their inability to recommend any dividend for the year under review due to insufficient disposable income.

TRANSFER OF AMOUNT TO RESERVES:

The Company does not propose to transfer any amount to General Reserves for the financial year ended 31st March, 2018.

CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business of the Company.

INSURANCE SETTLEMENTS:

Your company made a claim on reinstatement value basis in accordance with the policy taken and submitted its claim for loss/damage to the properties of the company. However, as per the policy terms, the Repairs/ Replacement of Plant & Machinery should have been completed within 12 months from the date of incident. The policy condition has not been complied with due to the precarious situation of labour unrest and as such, the repairs/replacement has not been carried out till date. The insurance company therefore, denied the claim made by the company on the basis of Reinstatement Value, finalized



the claim under depreciation method and sent the discharge vouchers for acceptance. Your company returned the discharge vouchers under protest with a request for reconsideration of the decision taken and is awaiting a favorable reply from the insurance company.

LABOUR SETTLEMENTS:

Your company paid full and final settlement amounts to those who have resigned from the company and waiting for the balance workmen to come forward for final settlement. Action initiated by your company against the workers involved in the violence is pending for disposal at the Labour Tribunal.

LENDERS' DUES SETTLEMENTS:

The company requested the lenders for sanction of revised OTS due to on-going agitation of the workers, non receipt of insurance claim and inability of the promoters to mobilize funds. Four lenders have sanctioned the same and the company paid the entire OTS amounts to them. The Company is awaiting similar sanction from the fifth lender.

Earlier, as per rules, the lenders initiated recovery action against the company under the SARFAESI Act. The lenders also took symbolic Possession under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 of the properties in exercise of powers conferred on them under section 13(4) of the SARFAESI Act. Further, 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.

FUTURE OUTLOOK:

The future prospects of the Company and industry outlook are given in the Management Discussion and analysis report.

INSURANCE:

All properties and insurable interests of the Company including building, plant and machinery and inventory were usually fully insured at the reinstatement values every year. However, after the incident of 27.01.2012, the Insurance companies denied insurance coverage for the good assets as the assessment could not be completed.

CORPORATE GOVERNANCE:

In compliance with Regulation 34 read with Para-C of Schedule V of Listing Regulations, a separate report on Corporate Governance has been included in this Annual Report together with the Auditor's certificate confirming compliance of the Corporate Governance as stipulated under the said Regulations. All the Board members and the Senior Management Personnel have affirmed compliance with the Companies "Code of Conduct for Board and Senior Management Personnel" for the financial year 2017-18. A certificate signed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certifying the financial statements and other matters as required under Regulation 17(8) of the Listing Regulations, forms part of this Annual Report.

EXTRACTS OF ANNUAL RETURN:

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as *Annexure -1* to this Report.



DIRECTORS:

1. Director(s) to retire by rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Sri N Satyendra Prasad, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

2. Independent Directors:

In terms of Sections 149,152 read with Schedules IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Independent Director can hold office for a term of up to five (5) consecutive years on the Board of Directors of the Company and will not be liable to retire by rotation. All the Independent Directors have given declaration that they meet the criteria of independence laid down under Section 149(6) of the Act read with Regulation 16(b) of Listing Regulations.

3. Evaluation of performance of the Board of Directors:

Pursuant to the provisions of the Act, and Listing Regulations, the Board has carried out the evaluation of its own performance and Committees of the Board, the performances of Directors individually, the Executive Director, the Chairman of the Board etc. Various parameters as recommended in the guidance note issued by the Institute of Company Secretaries of India, were considered for evaluation and after receiving the inputs from the Directors, the performance evaluation exercise was carried out. The parameters include integrity, credibility, expertise and trustworthiness of Directors, Board's monitoring of various compliances, laying down and effective implementation of various policies, level of engagement and contribution of the Directors, safeguarding the interest of all stakeholders etc. The performance evaluation of the Board as a whole was carried out by the Independent Directors. The performance evaluation of each Independent Director was carried out by the Board. The Directors expressed their satisfaction with the evaluation process.

4. Familiarization Programme for the Independent Directors:

In compliance with the requirement of Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The same is available on the website of the Company i.e., www.regencytiles.com. Through the Familiarization programme, the Company apprises the Independent Directors about the business model, corporate strategy, business plans and operations of the Company. These Directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarized with Company's vision, core values, ethics and corporate governance practices. At the time of appointment of Independent Director, a formal letter of appointment is given to him, which explains his role, responsibility and rights in the Company.



NUMBER OF MEETINGS OF THE BOARD:

The details of the number of meetings of the Board held during the financial year 2017-18 forms part of the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The details of Loans, Guarantees, Investments given during the Financial Year ended on 31st March, 2018 in terms of the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 .: NIL

REMUNERATION AND NOMINATION POLICY:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in Corporate Governance Report.

STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

There are no employees in the company drawing remuneration in excess of Rs.8.5 lakhs per month and the median remuneration of managerial personnel has not been disclosed as no remuneration is being paid to the Key Managerial Personnel of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 are prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 : NIL

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- 1) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- 3) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the accounts for the financial year ended 31st March, 2018 on a "Going Concern" basis.
- 5) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



INDIAN ACCOUNTING STANDARDS -IndAS:

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company adopted the Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IndAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame.

STATUTORY AUDITORS:

The Board of directors at their meeting held on 30.05.2018 recommended the re-appointment of M/s K S Rao & Co., Chartered Accountants, Hyderabad, who have confirmed their eligibility to be re-appointed as Statutory Auditors, in terms of section 141 of the Act read with Rule 4 of the Rules to hold office for a period of five consecutive years from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting, to be held in the calendar year 2022 (subject to ratification of their appointment by the members of the Company at every Annual General Meeting in compliance with mandatory rotation of auditors as specified in the section 139 of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules, 2014.

AUDITORS REPORT:

M/s.K S Rao & Co., Chartered Accountants (ICAI Regn. No.003109S) have issued Auditors Report for the Financial Year ended 31st March, 2018 being annexed to this Annual Report.

AUDITOR'S REMARKS:

- i. Referring to Para on basis for qualified opinion of the Auditors' Report, the Directors would like to refer Notes forming part of Accounts which is self explanatory. The reference to note numbers are as under :
 - a. Para 1 of basis for qualified opinion – Note No.27
 - b. Para 2 of basis for qualified opinion – Note No.27
 - c. Para 3 of basis for qualified opinion – Note No.31
 - d. Para 4 of basis for qualified opinion – Note No.33
 - e. Para 5 of basis for qualified opinion – Note No.28 & 29
 - f. Para 6 of basis for qualified opinion – Note No.22
 - g. Para 7 of basis for qualified opinion – Note No.16
- ii. Referring to Para 7 (a) and 7(b) of the Annexure to the Auditors report, your Directors are of the opinion that the Company is in the process of executing various alternative plans to control such delays in future. With regard to para 8 of the Annexure to the Auditors Report, Directors are confident that the revised OTS will be sanctioned and the lenders dues will be fully settled.

COST AUDITORS:

The Board of Directors, on the recommendation of Audit committee appointed M/s. Badri Prasad & Associates, Practicing Cost Accountants, Hyderabad as Cost Auditor to audit the cost accounts of the Company. The Cost Audit Report for the financial year 2017-18 was not applicable to the company.



CUSTOMS, EXCISE, INCOME TAX & OTHER MATTERS:

1. Your company preferred appeal before the Hon'ble CESTAT, Hyderabad against the demand from Customs and Central Excise Department (Service Tax) for Service Tax on commission paid on Export Sales during the year 2009-10, although is exempted as per Act.
2. Your company preferred appeal before the Hon'ble CESTAT, Chennai against the demand from Customs and Central Excise Department for payment of Central Excise duty on Raw Materials and finished stocks damaged / lost during the incident occurred on 27.01.2012, although the Company is entitled to claim exemption from payment of Central Excise Duty.
3. The income Tax Appellate Tribunal, Hyderabad disposed of the appeal preferred by the Company partly in its favour on the demand from Dy Commissioner of Income Tax, Hyderabad in respect of Assessment year 2004-05 for disallowance of additional depreciation, for which the company is eligible under the Act.
4. Yanam Municipality has demanded Property Tax of Rs.75.79 lakhs for the years from 1998-99 to 2006-07 and your company disputed the same as the grounds are not just, proper and reasonable.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Mr. K.V.Chalama Reddy, Practicing Company Secretary as Secretarial Auditor to undertake the Secretarial Audit of the company for the financial year ended on 31st March, 2018.

Secretarial Audit Report issued by Practicing Company Secretary in Form MR-3 is enclosed as **Annexure - 2** to this Annual Report and certificate is enclosed as **Annexure-3**.

With respect to observations made in the report, our explanations are follows:

Regarding the observation Nos, 1,2,3,4, 5 and 7 of the report, the Company is unable to comply with the same due to financial position of the Company. Regarding the Observation No.6, the Promoters are advised to convert their share holdings in dematerialised form at the earliest.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flows of organization is being done through the approved policies of the Company. Internal Auditors will present to the Audit Committee the Internal Audit Report and Management Comments on the Internal Audit observations.

VIGIL MECHANISM:

The Board of Directors of the Company has adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.



RISK MANAGEMENT POLICY:

The Company has a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on a periodical basis at the time of review of Quarterly Financial Results of the Company.

RELATED PARTY TRANSACTIONS:

There are no related party transactions during the year 2017-18 except those reflected in the Notes forming part of financial statements.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary and trained) are covered under the policy.

The following is a summary of sexual harassment complaints received and disposed off during the financial year 2017-18:

- A) No. of Complaints received – NIL
- B) No. of Complaints disposed off – NIL

DECLARATION BY INDEPENDENT DIRECTORS:

The independent directors have submitted the declaration of independence, as required pursuant to section 149 (7) of the Companies Act ,2013 stating that they meet the criteria of independence as provided in sub-section 6 of Section 149 of the Companies Act 2013.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of the stakeholders and society.

Pursuant to section 134 of the Companies Act, 2013 and the relevant rules, the Board has constituted the CSR Committee under the Chairmanship of Dr. G N Naidu with the other members as required.

The report on CSR activities as required under Companies(Corporate Social Responsibility) Rules, 2014 is set out as **Annexure –4** forming part of this report.

MATERIAL CHANGES AND COMMITMENTS:

There are no Material Changes and Commitments impacting the going concern status and Company's operations in future.



SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year, the Company has not received any significant and material orders passed from Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

DEPOSITS:

The Company has not invited/accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 during the Financial Year 2017-18.

INDUSTRIAL RELATIONS:

Your Company has always been known to maintain cordial industrial relations with its employees. Your Company believed in developing Human Resources at all levels by imparting continuous training, motivation to attain higher productivity, finer quality, cost control, safety and environment protection.

CONSERVATION OF ENERGY:

Your Company committed to energy conservation and had taken up the fuel saving technology for the manufacture of ceramic tiles and was constantly upgrading the same to reduce the consumption of gas and power. Regular maintenance and repairs of all the equipment and machinery were carried out to ensure optimum efficiency and to minimize wastage. Necessary steps were initiated for implementing the energy conservation across the plant.

TECHNOLOGY ABSORPTION:

Your Company was continuously endeavoring to upgrade its technology from time to time in all aspects through R&D primarily aiming at reduction of cost of production and improving the quality of the product. Your company developed several value added products and high definition designs with laser printing.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. In Lakhs)

Foreign Exchange:	2017-18	2016-17
Foreign Exchange Inflow	-	-
Foreign Exchange Outflow	-	-

ACKNOWLEDGEMENTS:

The company places on record continued support and cooperation extended by the Banks and other secured lenders, Central and state government departments, GAIL, Dealers, customers, suppliers and shareholders. The Company also places on record the deep sense of appreciation for the dedicated efforts and contribution being made by employees at all levels during the year.

For and on behalf of the Board

Dr G N Naidu

Chairman and Managing Director

DIN : 00105597

N Satyendra Prasad

Executive Director

DIN : 01410333

Place : Hyderabad

Date : 30.05.2018



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian economic overview

India, after demonetization, has reset its indirect tax base by replacing several indirect taxes into GST during the year 2017-18. These reforms took time for India's economic progress in the first half year and later on bounced back with over 7% GDP growth in the second half year. The GDP @ near 8% is the indication of strong turnaround of the Indian economy. The growth in agricultural sector was 4.5%, manufacturing sector was 9.1% and construction sector was 11.5% as against global GDP growth rate of 3.8% to 4%. India as such, has become the fastest growing major economy in the world and is expected to grow more than 7% in 2018-19.

The government's initiative through the introduction of the insolvency act, new NPA norms, tightening of banking laws for a better transparent banking system are the steps towards improving economy in the future.

Tile Industry

The ceramic tiles production and consumption grew by over 5% in the previous year as the global production crossed 13 billion sqmtr. mark. India has become the world's second largest tile producer with the production figures jumped by 12.40%. The consumption growth is low in India due to lack of growth in real estate sector, introduction of GST and fall in institutional sales, but the exports from India had shown healthy growth. The ceramic tiles industry is also witnessing fall in profitability margins due to increase in raw material costs, increase in fuel prices, high transportation costs, etc.,

Future out Look

The low per capita consumption of tiles, rapid urbanization, increasing disposable income of nuclear families, untapped rural market and stable replacement demand shall continue to augur well for the Indian tile industry. In addition, forecast of a normal monsoon, improved consumer sentiment and implementation of e-way bill promise healthier performance.

Company Outlook:

The violent incident occurred on 27.01.2012 impacted the whole town of Yanam with several people depending on the Company being deprived of the fruits they were enjoying before. Your company is awaiting workers settlement, lenders dues settlement and settlement of Insurance claim before aiming at recommencing the plant operations in phases. Your company is optimistic about resolving all the pending issues peacefully and hence this is considered a temporary phase in the history of the Company.

Internal Control Systems:

Your Company has in place proper and adequate systems of internal controls commensurate with its size and the nature of its operations comprising authority levels and powers, supervision, checks and balances, policies, procedures and internal audit. The internal control system provides reasonable assurance that the transactions are properly recorded and are executed in accordance with proper management authorization and that the assets are safeguarded against loss from unauthorized use or disposition



and that the accounting records are adequate for preparation of financial statements and other financial information. The system is reviewed and updated on an on-going basis. The Company is continuously upgrading its internal control systems by various measures such as strengthening of Information Technology, infrastructure, use of external management services and adoption of various recommendations of Audit Committee.

Human Resources and Industrial relations:

Your Company believes that human resource is the most important asset of the organization and lays importance on competence and commitment of human capital for its growth. Accordingly, the HR interventions are aimed at strengthening the service ethic amongst the staff and helping them to realise their full potential. An enabling environment that fosters continuous learning and innovation remains a key focus area of your company.

Your company hopes to resolve the strained labour relations and the matters pending before the industrial tribunal in the near future.

Business Review and Financial Performance:

During the year under review, your company's performance was very badly affected as there was no production due to labour unrest.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Regency is committed to achieve the highest standards of corporate governance, corporate responsibility and risk management in directing and controlling the business. The Company's philosophy on Corporate Governance envisages the attainment of the high level of transparency, accountability, disclosure, supervision, internal controls, risk management, high standards of safety, product and service quality in all areas of its operations and interactions with its stakeholders, including employees, shareholders, creditors, customers and institutional and other lenders and places due emphasis on regulatory compliance. Regency continues to recognize the importance of Corporate Governance and acknowledges its responsibilities towards all stakeholders including Central and State Government, Regulatory Authorities, Lending Institutions, Customers, Suppliers, Employees and the Shareholders.

Your Company has laid down a Code of Conduct for its Board Members and Senior Management Personnel. All the Directors and the Senior Management Personnel have affirmed compliance with the said Code of Conduct.

Your Board of Directors presents the Corporate Governance Report for the year 2017-18 in accordance with Clause 49 of the Listing Regulations with the Stock Exchanges.

2. BOARD OF DIRECTORS:

a) Composition of Board

The Board of Directors of the Company ("the Board") comprises of six Directors, which includes an Executive Chairman and Managing Director, an Executive Director and four Non-executive Directors, three of whom are Independent Directors.

b) Attendance of each Director at Board Meetings during the financial year 2017-18, at the last Annual General Meeting and number of other Directorships/ Chairmanships / Memberships of Committees of each Director in various companies are given hereunder:

During the financial year 2017-18, four Board Meetings were held and the time gap between any two Board Meetings did not exceed 120 days.

Sl. No.	Name of the Director	Category	Attendance		Number of other Director-ships	Membership in Board / Committees in other Companies as on 31-03-2018	
			Board Meetings	At last AGM		Chairman	Member
1	Dr G N Naidu (Chairman and Managing Director)	Promoter & Executive	4	Yes	4	-	-
2	N.Satyendra Prasad (Whole Time Director)	Promoter & Executive	4	Yes	3	1	-
3	G.Sreenivasulu Naidu (Director)	Promoter & Non-Executive	4	No	4	-	-
4	B.Surendra (Director)	Non-Executive Independent	4	Yes	-	-	-
5	D.Chandrasekhar Babu (Director)	Non-Executive Independent	4	Yes	-	-	-
6	Y.Vijaya Lakshmi (Director)	Non-Executive Independent	1	Yes	1	-	-



c) Other provisions as to Board and Committees

i. Number of Board Meetings held and the dates on which held:

During the financial year 2017-18, four Board Meetings were held. The details of the Board Meetings are as under:

Date of the Meeting	Board Strength	No. of Directors present
30 th May, 2017	6	6
14 th September, 2017	6	6
13 th December, 2017	6	5
12 th February, 2018	6	5

ii. None of the Directors on the Board of the Company is either a member in more than ten Committees or act as Chairman of more than five companies across all the Companies in which they are Directors.

d) Code of Conduct

The Code of Conduct was circulated among all the Board Members and Senior Management Personnel and was affirmed on an annual basis.

e) Disclosure of relationship between directors inter se

Dr.G N Niadu, Chairman and Managing Director and N.Satyendra Prasad, Executive Director, are father-in-law and son-in-law. Other than them, none of the Directors are related to any other directors.

f) Brief details of Sri N Satyendra Prasad, director who is seeking the re-appointment

Sri N. Satyendra Prasad was re-appointed as director designated as Executive Director of the Company by the Board of Directors at their meeting held on May 29, 2015.

Sri N.Satyendra Prasad, aged about 52 years, has an overall experience of 29 years with 26 years of managerial experience in senior positions across diverse industries. He completed his Bachelor's Degree in Computer Science & Engineering from College of Engineering, Guindy, Anna University, Chennai and Masters in Computer Science from University of South Carolina, Columbia, USA. He started his career with Tata Consultancy Services, Chennai and has been an entrepreneur since 1991. He was the co-founder of iSpace Global Services (India) Pvt Ltd., a multinational Company involved in software services to the US healthcare industry. Sri N Satyendra Prasad holds 1,30,550 shares in the Company.

Dr G N Naidu, Chairman and Managing Director being a relative of Mr.N. Satyendra Prasad is concerned and deemed to be interested in the resolution. No other director is concerned or interested directly or indirectly in the above resolution.

The Board of Directors recommend the resolution for your approval.

1. AUDIT COMMITTEE:

a) Brief description and terms of reference:

Audit Committee comprises of Non-executive Independent Directors. The terms of reference are comprehensive and cover the matters specified for Audit Committee as per regulation 18 of SEBI (LODR) Regulations 2015.



b) Composition, Names of Members and Chairman:

The constitution of the Audit Committee is given below:

S. No	Name	Designation	Category
1	B.Surendra	Chairman	Non-Executive Independent Director
2	D.Chandra Sekhar Babu	Member	Non-Executive Independent Director
3	Y.Vijaya Lakshmi	Member	Non-Executive Independent Director

The Company continued to derive benefit from the deliberations of the Audit Committee. The members of the Committee with their knowledge and experience contributed to the performance of the Company. The Minutes of each Audit Committee Meeting are placed before the Board and discussed in the meeting.

c) Meetings of the Audit Committee and attendance during the year:

During the financial year, four Audit Committee meetings were held i.e. on 30th May, 2017, 14th September 2017, 13th December 2017 and 12th February 2018.

The attendance of the Members at the above meetings was as follows:

Name of the Director	No. of Meetings attended
B.Surendra	4
D.Chandra Sekhar Babu	4
Y.Vijaya Lakshmi	4

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Remuneration committee comprises of Non-executive Independent Directors. The terms of reference are comprehensive and cover the matters specified for Remuneration Committee as per regulation 19 of SEBI (LODR) Regulations 2015.

b) Composition, Name of Members and Chairman:

Name	Designation	Category
B.Surendra	Chairman	Non-Executive Independent Director
D.Chandra Sekhar Babu	Member	Non-Executive Independent Director
Y. Vijaya Lakshmi	Member	Non-Executive Independent Director

Presently, the Non-executive Directors of the company do not receive any remuneration from the Company.

c) Attendance during the year:

No meetings were held during the financial year 2017-18.

d) Details of remuneration paid during the year 2017-18 to the Directors are furnished hereunder:

The aggregate value of salary, perquisites and commissions for the year ended 31st March 2018 paid to Dr. G N Naidu, Chairman and Managing Director and Sri N Satyendra Prasad, Executive Director is as follows:

Amount (Rs. in lakhs)

Dr. G. N. Naidu	:	nil
Sri N Satyendra Prasad	:	nil

The Chairman and Managing Director and Executive Director are voluntarily not taking salary from 1st April, 2012 in view of the devastating incident occurred on 27.01.2012.



5. SHARE TRANSFER CUM INVESTORS' GRIEVANCE COMMITTEE

In terms of the Corporate Governance Code, the Share Transfer cum Investors' Grievance Committee was constituted to specifically look into the matters relating to redressal of shareholders complaints such as transfer / transmission of shares, non-receipt of Annual Report, Dividend Warrants, etc., besides, overseeing and reviewing of all matters connected with the securities transfers, issuing duplicate share certificates, dematerialization of shares.

Thirteen meetings of Share Transfer cum Investor Grievance Committee were held during the year 2017-18. The dates on which the meetings were held are as follows:

20th April, 2017, 18th May, 2017, 7th June, 2017, 15th June, 2017, 11th July, 2017, 22nd July, 2017, 10th August, 2017, 06th September, 2017, 25th September, 2017, 25th October, 2017, 07th February, 2018, 26th February, 2018 and 14th March, 2018.

The composition of the Share Transfer cum Investors' Grievance Committee and details of the meetings attended by the members are given below:

Director / Member	Category	No. of meetings attended
B.Surendra	Non-Executive Independent Director	13
Dr G N Naidu	Promoter & Executive Non-Independent	13
D.Chandra Sekhar Babu	Non-Executive Independent Director	13

6. GENERAL BODY MEETINGS:

The details of the previous three Annual General Meetings of the company are as follows:

Year	Venue	Date	Time
2014-15	Regency Ceramics Ltd Regd Off: 5-8-356, N N House, Chirag Ali Lane, Abids, Hyderabad – 500001	September 30, 2015	11.00 A M
2015-16	Regency Ceramics Ltd Regd Off: 6-3-1090/A/7, IMS House, Somajiguda, Hyderabad – 500082	September 28, 2016	11.00 A M
2016-17	Regency Ceramics Ltd Regd Off: 6-3-1090/A/7, IMS House, Somajiguda, Hyderabad – 500082	September 27, 2017	12.30 P M

No Special resolutions were passed through Postal Ballot during the financial year under report.

7. MEANS OF COMMUNICATION

Quarterly / Half yearly / Annual results of the Company are communicated to the Stock Exchanges immediately after the same are approved by the Board and are published in prominent English and Telugu News papers namely Financial Express, Surya and Visalandhra.

The Company's website www.regencytiles.com contains a separate section "Investors Desk" where shareholders information is available.

Annual Report contains inter-alia, Audited Annual accounts, Financial Statements, Director's Report, Auditor's Report, Management Discussion and Analysis Report.

Report on Corporate Governance and other important information is circulated to Members and others entitled thereto.



8. GENERAL SHAREHOLDER INFORMATION:

- Date & Time of AGM : September 28, 2018 at 12.00 Noon.
Venue : Regency Ceramics Limited, Regd Off: 6-3-1090/A/7, 3rd Floor
Somajiguda, Hyderabad - 500082
Financial Calendar : 1st Quarter Un-audited results : on or before 14th day of August'18
(Tentative) : 2nd Quarter Un-audited results : on or before 14th day of November'18
: 3rd Quarter Un-audited results : on or before 14th day of February'19
: 4th Quarter audited results : on or before 30th day of May' 19
Book Closure Date : September 25, 2018 to September 28, 2018 (both days inclusive)
Listing on Stock Exchanges
& Stock codes : The Bombay Stock Exchange Limited: 515018
The National Stock Exchange Ltd :REGENCERAM
ISIN allotted to Company's Scrip: INE277C01012
R & T Agents: M/s Venture Capitals & Corporate Investments Pvt Ltd.
(For both Demat and (Unit: Regency Ceramics Ltd.)
Physical segment) 12-10-167, Bharat Nagar, Hyderabad – 500018,
Plant Location : Yanam, Puducherry

Share Transfer System:

Shares lodged with the company / R&T Agent in Physical form for transfer are processed and registered within a period of 15 days from the date of receipt provided all documents are proper, clear and valid in all respects. The Share Transfer Cum Investors' Grievances Committee meets every fortnight to approve the transfers, subject to receipt of investors' requests.

Dematerialization:

The Company's shares are traded on the Stock Exchanges compulsorily in demat mode. 80.93% of the Company's total shares representing 2,13,99,866 shares were held in dematerialized form and the balance is in physical form. The shareholders holding the shares in physical form, have been advised to get their shares converted to DEMAT form to avail various advantages such as, quick delivery of transfers, minimizing the risks of loss in transit, bad deliveries along with the exemption from Stamp Duty. To enable the shareholders to convert their shares into electronic form through any of the DPs, your Company has entered into a tripartite agreement with National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL).

Stock Market Data:

Months	National Stock Exchange Ltd.		Bombay Stock Exchange Ltd.	
	High	Low	High	Low
April, 2017	9.30	6.45	9.42	6.63
May, 2017	10.10	7.20	10.18	6.89
June, 2017	8.20	6.40	8.00	6.30
July, 2017	6.75	5.50	7.24	5.55
August, 2017	6.30	5.35	5.92	5.20
September, 2017	5.90	4.35	5.46	4.52
October, 2017	4.90	4.15	5.00	4.47
November, 2017	5.00	4.35	5.35	4.25
December, 2017	8.25	4.25	8.55	4.60
January, 2018	9.95	6.65	9.90	6.27
February, 2018	6.95	5.45	6.80	5.31
March, 2018	6.00	4.35	5.93	4.50



Address for Communication:

Sl.No.	Shareholders correspondence for	Addressed to
1.	Transfer / Dematerialization / Consolidation / Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	M/s Venture Capital and Corporate Investments Private Limited Regd Off: 12-10-167, Bharat Nagar, Hyderabad -500 018. Tel: +91 - 40-23818475/76 Fax: 040-23868024 Email: info@vccilindia.com
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	M/s Regency Ceramics Limited, Regd Off: 6-3-1090/A/7, IMS House, 3 rd Floor, Somajiguda, Hyderabad - 500082 Tel:+91-40-23327555 Email: cosec@regencytiles.com

Shareholders holding shares in DEMAT mode should address all their correspondence to their respective Depository Participants (DPs).

Shareholding Pattern :

Category	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Resident Individuals	13634	96.22	5703035	21.57
Bodies Corporate	146	1.03	4939462	18.68
Promoters	9	0.06	15235809	57.62
NRI's	354	2.50	152192	00.58
Others	27	0.19	408288	01.55
Total	14170	100.00	26441586	100.00

Distribution of Shareholding of the Company :

Category	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	12655	89.31	1843018	6.97
501-1000	814	5.75	665636	2.52
1001-2000	345	2.43	527529	1.99
2001-3000	123	0.87	313915	1.19
3001-4000	43	0.30	150185	0.57
4001-5000	45	0.32	210435	0.80
5000-10000	74	0.52	550400	2.08
10000-50000	51	0.36	1104926	4.18
50000 and above	20	0.14	21075542	79.70
TOTAL	14170	100.00	26441586	100.00

9. Other Disclosures

a. Related party transactions

There are no materially significant related party transactions that may have potential conflict with the interests of Company at large.

Related party transactions are given elsewhere in this Annual Report.



Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years : NIL

- b. Details of establishment of Vigil Mechanism (Whistle blower policy)
The Board of Directors had adopted Whistle blower policy and the Company has established an innovative and empowering mechanism for employees. Employees can report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

No personnel has been denied access to the audit committee. A copy of the whistleblower policy is available on the website: <http://www.regencytiles.com>
- c. Compliance with mandatory requirements and adoption of the non mandatory requirements.
The company has complied with all mandatory requirements of Corporate Governance as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non mandatory requirements will be adopted on a need basis.
- d. The Company as on 31st March, 2018, does not have any subsidiaries and hence the details relating to the policy on material subsidiaries is not applicable to it.
- e. Disclosure of commodity price risks and commodity hedging activities.
The Company does not deal in commodities, hence it is not applicable.
- f. Accounting treatment
In preparation of financial statements, the company has followed the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013 and other relevant Provisions of the Act.
- g. The Company has complied with the requirements of the Schedule V-Corporate Governance report sub-para (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h. Disclosure of the adoption of Discretionary Requirements.
With regard to the discretionary requirements, the Company will adopt them on a need basis. One of the clauses of Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 adopted by the Company, is relating to the following:

The listed entity may move towards a regime of financial statements with unmodified audit opinion.
- i. The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherever applicable, as on 31st March, 2018.
- j. Code of conduct
I hereby confirm that the company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the 'Code of Conduct' and 'Our Code' for the Financial Year 2017-18.

For Regency Ceramics Limited

Place :Hyderabad
Date :30.05.2018

Dr. G.N.Naidu
Chairman and Managing Director



CERTIFICATION BY CEO/CFO

The Board of Directors,
Regency Ceramics Limited
Hyderabad

We have reviewed the financial statements and the cash flow statement of M/s. Regency Ceramics Limited for the year ended March 31, 2018 and to the best of our knowledge and belief:

- (a) (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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we 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 over financial reporting.

For Regency Ceramics Limited

Place: Hyderabad
Date : 30.05.2018

Dr. G N Naidu
Chief Executive Officer

Mr. N. Satyendra Prasad
Chief Financial Officer

AUDITORS CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members,
Regency Ceramics Limited

We have examined relevant records of Regency Ceramics Limited ("Company") for the purpose of certifying compliance of the conditions of the Corporate Governance as specified in regulations 17-27, clause (b) to (i) of Regulations 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), for the financial year ended March 31, 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us and based on the representations made by the directors and the management, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

Restrictions on Use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Place : Hyderabad
Date : 30.05.2018

For KV Chalama Reddy,
Practising Company Secretary
M.No :F9268 CP No : 5451



FORM MGT - 9
EXTRACT OF ANNUAL RETURN
as on the Financial Year Ended on 31.03.2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

i	CIN	L26914TG1983PLC004249
ii	Registration Date	18-11-1983
iii	Name of the Company	REGENCY CERAMICS LIMITED
iv	Category/Sub-category of the Company	Public company limited by Shares
v	Address of the Registered office & contact details	6-3-1090/A/7, IMS House, 3rd Floor, Somajiguda, Hyderabad - 500082.
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	VENTURE CAPITAL AND CORPORATE INVESTEMENTS PRIVATE LTD 12-10-167, Bharat Nagar Hyderabad – 500018

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product	% to total turnover of the company /service
1.	Ceramic Glazed and unglazed floor and wall tiles	320.1 & 320.6	0

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
-	-	-	-	-	-



IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):

i) Category - wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year-1st April, 2017				No. of Shares held at the end of the year 31st March, 2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1) Indian	12788359	2640950	15429309	58.35	1312645	2109350	15235809	57.62	-0.73
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt./or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	12788359	2640950	15429309	58.35	1312645	2109350	15235809	57.62	-0.73
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	12788359	2640950	15429309	58.35	1312645	2109350	15235809	57.62	-0.73
B. PUBLIC SHAREHOLDING									
(1) Institutions	150	650	800	0.00	150	650	800	0.00	-
a) Mutual Funds	0	2000	2000	0.01	0	2000	2000	0.01	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	82800	82800	0.31	-	398800	398800	1.51	1.20
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	150	85450	85600	0.32	150	401450	401600	1.52	1.20
(2) Non Institutions									
a) Bodies corporates	3690538	1340241	5030779	19.03	359932	1340141	4939462	18.68	0.35
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	3062905	1091752	4154657	15.71	3291667	1097220	4388887	16.60	-0.89
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1347298	205621	1552919	5.87	1285077	29071	1314148	4.90	-0.97
c) Others (specify) NRI	91420	69805	162225	0.61	87704	64488	152192	1.58	-0.97
Clearing Members	27097	-	27097	0.10	9488	-	9488	0.04	-
SUB TOTAL (B)(2):	8219258	2707419	11026677	41.33	8273257	2530920	10804177	41.32	-0.01
Total Public Shareholding (B)= (B)(1)+(B)(2)	8219408	2792869	11012277	41.65	8273407	2932370	12505777	42.38	0.73
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	21007767	54333819	26441586	100	21399886	5041700	26441586	100	-



(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year 1st April, 2017			Shareholding at the end of the year 31st March, 2018			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	G N Naidu	7020533	26.55	17.56	7275083	27.51	17.56	0.96
2	N.Radhika Prasad	4704036	17.79	0.35	4669586	17.66	-	-0.13
3	Bindu G Naidu	1895934	7.17	0.05	1881984	7.12	-	-0.05
4	G.Sarojini	1024406	3.87	-	1049406	3.97	-	0.10
5	G V Naidu	132850	0.50	0.05	132850	0.50	0.05	-
6	N.Satyendra Prasad	130550	0.49	-	130550	0.49	-	-
7	G.Doraswamy Naidu	124150	0.47	0.08	20000	0.08	0.08	-0.39
8	Narayanamma P	10000	0.04	0.04	10000	0.04	0.04	-
9	G.Aruna	66350	0.25	-	66350	0.25	-	-
10	G.K.M. Naidu	150400	0.57	-	-	-	-	-0.57
11	G.Sita Lakshmi	25000	0.09	-	-	-	-	-0.09
12	G.S. Naidu	142100	0.54	-	-	-	-	-0.54
13	Rishika Prasad	3000	0.01	-	-	-	-	-0.01
	Total	15429309	58.35	18.46	15235809	57.62	17.73	-0.73

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl No.	Shareholders Name	No. of shares	% of total shares	Transaction shares	No. of shares	% of total shares	% change in share holding during the year
1	G N Naidu	7020533	26.55	254550	7275083	27.51	0.96
2	N.Radhika Prasad	4704036	17.79	-34450	4669586	17.66	-0.13
3	Bindu G Naidu	1895934	7.17	-13950	1881984	7.12	-0.05
4	G.Sarojini	1024406	3.87	25000	1049406	3.97	0.10
5	G.K.M. Naidu	150400	0.57	-150400	-	-	-0.57
6	G.Sita Lakshmi	25000	0.09	-25000	-	-	-0.09
7	G.S. Naidu	142100	0.54	-142100	-	-	-0.54
8	Rishika Prasad	3000	0.01	-3000	-	-	-0.01

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of the Shareholder	Shareholding	%
1.	Raju Bhandari	270644	1.02
2.	Anil Kumar Goel	120000	0.45
3.	Ganeshpuri Goswami	112125	0.42
4.	Raju Ajit Bhandari	78717	0.29
5.	Rajkumar Lohia	77337	0.29
6.	Nilesh kumarmuljibhai Kothari	71959	0.27
7.	Swati Prashanti Patel	62000	0.23
8.	Krushan C Sonpal	53000	0.20
9.	Shivaram Prasad Aluru	50000	0.18
10.	D.Jayachandra Reddy	47273	0.17



(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year 1st April, 2017		Shareholding at the end of the year 31st March, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr G N Naidu	7020533	26.55	7275083	27.51
2	N.Satyendra Prasad	130550	0.49	130550	0.49

V. INDEBTEDNESS

(Rs.in Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year-1st April, 2017				
i) Principal Amount	7630.33	3750.64	-	11380.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7630.33	3750.64	-	11380.97
Change in Indebtedness during the financial year				
Additions	-	286.78	-	286.78
Reduction	1331.37	-	-	1331.37
Net Change	1331.37	286.78	-	-1044.59
Indebtedness at the end of the financial year-31st March, 2018				
i) Principal Amount	6298.96	4037.42	-	10336.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6298.96	4037.42	-	10336.38

VI Remuneration Of Directors And Key Managerial Personnel

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		
		Dr G N Naidu	N.Satyendra Prasad	Total Amount
1	Gross salary Salary (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-



B. Remuneration to other directors

Sl. No	Particulars of Remuneration	Name of the Directors		
		B. Surendra	D. Chandrasekhar Babu	Y. Vijaya Lakshmi
1	Independent Directors			
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Total (1)	-	-	-
2	Other Non Executive Directors	-	-	-
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Overall Ceiling as per the Act.	-	-	-

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Others	TOTAL
1	Gross Salary				
	(a)Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961.	-	-	-	-
	(b)Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c)Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII Penalties/Punishment/Compounding Of Offences : None



**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2018
FORM NO. MR .3**

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To

The Members,

REGENCY CERAMICS LIMITED

Hyderabad.

1. I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **REGENCY CERAMICS LIMITED** (hereinafter called as "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 ("Audit Period") according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there-under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
 - iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable during the audit period.**
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **not applicable during the audit period.**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **not applicable during the audit period**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **not applicable during the audit period.**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable during the audit period.**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable during the audit period.**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The Company is into business of Manufacturer and sale of ceramics, however, as per the information provided by the Management, the company declared lock-out of its plant with effect from 31.01.2012 after the devastating incident occurred on 27.01.2012. Since then, there was no production in the plant therefore, there were no instances which required to be complied with specific acts applicable to the Company.
- vii. I have also examined compliance with the Secretarial Standards issued by the institute of Company Secretaries of India in respect of board meetings and general meetings of the Company.

During the period under review, the Company has generally complied with the provisions of the applicable Acts, Rules, Regulations, and Guidelines etc., mentioned above except to the extent as mentioned below:

- 01. The Company has not appointed key managerial personnel in terms of Section 203 of the Companies Act 2013 and rules made there under.**
 - 02. The Company has not paid listing fees to the Stock exchanges for the Year 2017-18**
 - 03. The Company has not appointed a company secretary as compliance officer of the Company in terms of Regulation 6 of the SEBI (LODR) Regulations, 2015**
 - 04. The Company has not paid annual fees to both the depositories (NSDL and CDSL) for the year 2017-18.**
 - 05. The Company has not complied with Regulation 47(1)(a) of the SEBI (LODR) Regulations, 2015 in respect of advertisement of notice of board meetings of the Company in the new papers and also financial results of the company under regulation 33 of the SEBI (LODR), Regulations, 2015.**
 - 06. The total shareholding of promoters and promoters group of the Company is not in dematerialised form as required under Regulation 31(2) of the SEBI (LODR) Regulations, 2015**
 - 07. The Company not provided the e-voting facility to the members of the Company for the Annual General Meeting held for the year 2016-17 as required in terms of Regulation 44 of SEBI (LODR) Regulations, 2015 and section 108 of the Companies Act, 2013.**
4. I, further report that:
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors. There were no changes in the composition of the Board of Directors during the year under review
 - b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.



5. I further report that there exist adequate systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. I further report that during the audit period as per the information provided by the Management, the company declared lock-out of its plant with effect from 31.01.2012 after the devastating incident occurred on 27.01.2012. Since then, there was no production in the plant, consequently, all required permissions/ licences for operating the plant were lapsed and there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to above.

K . V . Chalama Reddy

Practising Company Secretary

M. No: F9268, C.P No: 5451

Place : Hyderabad

Date : 30.05.2018

Annexure-3

To,
The Members,
Regency Ceramics Limited
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

K . V . Chalama Reddy

Practising Company Secretary

M. No: F9268, C.P No: 5451

Place : Hyderabad

Date : 30.05.2018



Annexure-4

CSR REPORT

(1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.	CSR activities at Regency Ceramics Limited are carried out directly by the Company for fulfilling its responsibilities towards various stakeholders.
(2) The Composition of the CSR Committee.	a) Shri B Surendra b) Shri D Chandra Sekhar Babu c) Smt. Y. Vijaya Lakshmi
(3) Average net profit of the company for last three financial years	NIL
(4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	NIL
(5) Details of CSR spent during the financial year.(a) Total amount to be spent for the financial year;(b) Amount unspent, if any; (c) Manner in which the amount spent during the financial year is detailed in below:	NIL

Sl. no	CSR project or activity identified	Projects or programme / Local area or other Specify the state and district where projects or programs was undertaken	Sector in which the project is covered	Amount outlay (budget project or programme wise Amount spent on the project or programmeSub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
(1)	NIL					



INDEPENDENT AUDITORS' REPORT

To the Members of

REGENCY CERAMICS LIMITED, HYDERABAD.

Report on the Ind AS Financial Statements:

We have audited the accompanying Ind AS financial statements of **REGENCY CERAMICS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit or loss including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind As financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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 and 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 Ind AS-19 "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 31.03.2018.*
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 exceptional Income during the year. Earlier, the lenders initiated recovery action against the company and took symbolic Possession under Rule8(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 Financial Liabilities. Hypothecation / Hire purchase loans are repayable within one year and shown under Other Financial 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.299.24 Lakhs for the year and 1627.44 Lakhs up to 31st March 2018 debited by one bank in the 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 the opinion that the statutory authorities shall waive the same in view of the unprecedented incident.*

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

Qualified opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for Qualified Opinion Paragraph, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the company as at March 31, 2018, its profit, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter:

We draw attention to the following matters in the Notes to the financial statements:

- a. Note No. 1 to the financial statements regarding the preparation of the financial statements on a going concern basis, despite erosion of the net worth, no cash inflows from the existing business activities and Continuous default in payment of dues to banks / financial institutions and the legal proceedings initiated by the Bankers of the Company for the recovery of the debts.

Our opinion is not qualified in respect of these matters.



Other Matters:

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors, whose audit report for the year ended 31 March 2017 and 31 March 2016 dated 30th May 2017 and 30th May 2016 respectively expressed a modified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and except for the matters described in the Basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the effects of the matters described in the Basis for qualified opinion paragraph above, in our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - (d) Except for the effects of the matters described in the basis for qualified opinion paragraph, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we couldn't evaluate as Company didn't have any manufacturing and business operations during the year under review.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 27, 28, 31 & 32 to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For **KS Rao & CO.**,
Chartered Accountants.
Firm Registration No. 003109S

(V. Venkateswara Rao)
Partner
Membership No.219209

Place : Hyderabad
Date : 30.05.2018



ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **REGENCY CERAMICS LIMITED**, HYDERABAD, for the year ended March 31, 2018.,

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. As explained to us, the management could not verify physically the fixed assets situated at Yanam, due to riots, strike and malicious damage.
c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. No Physical verification of inventory has been conducted during the year.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
b. In view of our comment in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. During the year, there is no production and its related activity in the factory and as such, cost records pursuant to sub-section (1) of section 148 of the Companies Act, 2013 have not been maintained.
7. a. According to the records, the company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Cess and all other material statutory dues with the appropriate authorities. However, the extent of the arrears of outstanding statutory dues as at March 31, 2018 for a period of more than six months from the date they became payable are as follows.

Name of the Statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
CST Act, 1956	Central Sales Tax	26.82	2011-12	Nov-2011	Not yet paid
VAT Act, 2005	VAT	359.27	2011-13	Sept-2011	Not yet paid
Central Excise & Service Tax Act, 1994	Service Tax	44.75	2011-13	Oct-2011	Not yet paid
Employees Provident Funds Act, 1952	Provident Fund	3.07	2016-18	Apr-2016	Not yet paid
ESI Act, 1948	Employee State Insurance	3.28	2011-13	Oct-2011	Not yet paid
Income Tax Act, 1961	Income Tax	58.19	2003-04	Sept-2004	Not yet paid



- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute except the following.

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount is related	Forum where dispute pending
Central Excise & Service Tax Act, 1994	Service Tax	5.33	2009-2010	CESTAT, Hyderabad
Central Excise & Service Tax Act, 1994	Excise Duty	39.99	2011-2012	CESTAT, Chennai
Income Tax Act, 1961	Income Tax	90.98	2004-2005	Income Tax Appellate Tribunal
The Pondicherry Municipality Act, 1973	Municipal Tax	75.79	1998-2007	Yanam Municipality

8. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans to financial institutions and Banks.

Below are the details of defaults as on Balance Sheet date:

Name of Lenders	Amount of default as at the Balance Sheet date (Rs in Lakhs)	Period of default
SBI	2894.37	From June 2012
CORPORATION BANK	1486.49	From June 2012
SBI (e-SBT)	1134.33	From June 2012
SOUTH INDIAN BANK	776.98	From June 2012
L & T FINANCE LTD.	6.78	From Mar 2012
TOTAL	6298.95	

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. No managerial remuneration has been paid or provided during the year under report; Hence, paragraph 3(xi) of the Companies (Auditor's Report) Order 2016 is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **KS Rao & CO.**,
Chartered Accountants,
Firm Registration No. 003109S

Place : Hyderabad
Date : 30.05.2018

(V. Venkateswara Rao)
Partner
Membership No.219209



BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs.in Lakhs)

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
I. ASSETS				
1. Non-Current Assets				
a) Property, Plant and Equipment	2	4196.05	4665.70	5145.65
b) Financial Assets				
Investments	3	57.84	107.47	184.24
c) Other Financial Assets				
Margin Money Deposits(Electricity)		17.05	17.05	17.05
Total Non-Current Assets		4270.94	4790.22	5346.94
2. Current Assets				
a) Inventories	4	664.00	664.00	664.00
b) Financial Assets				
i) Trade receivables	5	804.54	812.02	835.40
ii) Cash and cash equivalents	6	44.96	160.07	609.17
iii) Other Financial Assets	7	1928.31	1936.03	1935.27
c) Other current assets	8	1997.90	1989.14	1989.14
Total Current Assets		5439.71	5561.26	6032.98
TOTAL ASSETS		9710.65	10351.48	11379.92
II. EQUITY AND LIABILITIES				
1. Shareholder's Fund				
a) Share Capital	9	2644.16	2644.16	2644.16
b) Other Equity	10	(8386.65)	(8719.77)	(8067.95)
Total Equity		(5742.49)	(6075.61)	(5423.79)
2. Non- Current Liabilities				
a) Financial Liabilities				
Borrowings	11	3699.71	3412.93	2618.93
b) Provisions	12	169.99	192.93	194.03
Total Non-Current Liabilities		3869.70	3605.86	2812.96
3. Current Liabilities				
a) Financial Liabilities				
i. Borrowings	13	2254.15	2254.15	2254.15
ii. Trade payables				
Micro and small enterprises	14	192.98	192.98	192.98
Other Creditors	14	2610.56	2543.55	2274.38
iii. Other Financial Liabilities	15	4044.81	5376.21	6819.19
b) Other Current Liabilities	16	2480.93	2454.34	2450.05
Total Current Liabilities		11583.43	12821.23	13990.75
Total Equity and Liabilities (1+2+3)		9710.65	10351.48	11379.92
Significant Accounting Policies and key accounting Adjustments & Judgements	1-42			

As per our report of even date.

For and on behalf of the Board

For K.S. RAO & CO.,
Chartered Accountants
Firm Registration No.003109S

Dr G N NAIDU
Chairman and
Managing Director

N.SATYENDRA PRASAD
Executive Director

V. VENKATESWARA RAO
Partner
Membership No.219209

B. SURENDRA
Director

E. BALAKRISHNA RAO
President (Finance)

Place : Hyderabad
Date : 30.05.2018



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. In Lakhs)

Particulars	Note No.	Current Year	Previous Year
I. INCOME			
Revenue from operations	17	-	-
Other Income	18	7.08	7.10
Total Income		7.08	7.10
II EXPENSES			
Cost of Raw materials Consumed	19	-	-
Changes in inventories of finished goods, work in Process and Stock-in-trade	20	-	-
Employee benefits expense	21	81.13	31.87
Finance costs	22	36.84	4.30
Depreciation and amortization expense	2	468.67	478.68
Other expenses	23	118.72	144.07
Total Expenses		705.36	658.92
III. Loss before exceptional items and tax		(698.28)	(651.82)
IV. Exceptional Items		1031.40	-
V Profit/(Loss) before tax		333.12	(651.82)
VI. Tax Expense			
-Deferred Tax		-	-
VII Profit/(Loss) after tax		333.12	(651.82)
VIII Earnings per equity share (face value of Rs.10 each)			
Basic & Diluted		1.26	(2.47)
Significant Accounting Policies and key accounting Adjustments & Judgements	1-42		

As per our report of even date.

For and on behalf of the Board

For K.S. RAO & CO.,
Chartered Accountants
Firm Registration No.003109S

Dr G N NAIDU
Chairman and
Managing Director

N.SATYENDRA PRASAD
Executive Director

V. VENKATESWARA RAO
Partner
Membership No.219209

B. SURENDRA
Director

E. BALAKRISHNA RAO
President (Finance)

Place : Hyderabad

Date : 30.05.2018



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. In Lakhs)

Particulars	2017-18	2016-17
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	333.12	(651.82)
Adjustments for:		
Fair Value gain/(Loss)	49.63	76.77
Depreciation	468.67	478.68
Interest(net)	35.12	4.16
Term Loan Written back	(1031.40)	-
Profit on sale of Fixed Assets(Net)	(2.03)	(3.32)
Operating Loss before working capital changes	(146.89)	(95.53)
Adjustments for:		
Trade and other receivables	15.28	22.40
Trade payables	61.83	272.60
Cash generated from operations	(69.78)	199.47
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	3.00	4.60
Net Cash Used in investing activities	3.00	4.60
C CASH FLOW FROM FINANCING ACTIVITIES		
Loans from Directors	286.78	794.00
Repayment of loans from Institutions and others	(300.00)	(1443.00)
Interest paid	(35.12)	(4.16)
Net Cash used in Financing Activities	(48.34)	(653.16)
Net Increase/(decrease) in cash and cash equivalents(A+B+C)	(115.12)	(449.09)
Cash and Cash equivalents as at 01.04.2017 (Opening Balance)	160.08	609.17
Cash and Cash equivalents as at 31.03.2018 (Closing Balance)	44.96	160.08

As per our report of even date.

For K.S. RAO & CO.,
Chartered Accountants
Firm Registration No.003109S

V. VENKATESWARA RAO
Partner
Membership No.219209

Place : Hyderabad
Date : 30.05.2018

For and on behalf of the Board

Dr G N NAIDU **N.SATYENDRA PRASAD**
Chairman and Executive Director
Managing Director

B. SURENDRA **E. BALAKRISHNA RAO**
Director President (Finance)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

CORPORATE INFORMATION

Regency Ceramics Limited is a public limited listed company incorporated on 18th November, 1983. The company is engaged in manufacture of ceramic floor and wall tiles suitable to domestic and international markets. The company introduced several designs of glazed vitrified tiles, parking tiles and heavy duty tiles for high traffic areas. The company is operating from its Registered cum Corporate office in Hyderabad and operates through various Depot network across the country. The plant is located at Yanam, Union Territory of Puducherry.

The company has recorded a Net Profit of Rs.333.12 Lakhs for the year 2017-18 and has accumulated loss of Rs.8386.65 Lakhs as on 31.03.2018 resulting in erosion of the net worth. Further, there were no cash flows from the existing business activities. 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.

The company paid the entire OTS amount in respect of four lenders where sanctions were received and awaiting revised OTS sanction from another bank based on the decision taken by consortium. The company is confident of an amicable settlement with the agitating workers and is also hopeful of receiving insurance claim on reinstatement value basis for refurbishing the plant and to recommence the plant operations.

In view of the above, the financial statements have been prepared by the company on a "going concern" basis.

SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS.

1. Significant Accounting Policies:

1.1) Basis of Preparation of Financial Statements

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

These Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied constantly over all the periods presented in these financial statements.

The financial statements are presented in INR which is also the Company's functional currency and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

1.2) Classification of Assets and liabilities as Current and Non-current

The company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.



(1.3) Property, Plant and Equipment-Tangible Assets:

- i. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv. Depreciation on Fixed Assets is provided on certain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies Act, 2013 except the assets costing Rs.5000 or less on which depreciation is charged @100% in the year of acquisition.
- v. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.
- vi. Transition to Ind AS:
On transition to Ind AS, the Company has selected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(1.4) Inventory:

Inventories are valued at the lower of cost and net realizable value. The cost is determined on Weighted Average basis. Cost of finished goods and work-in-process include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Stores and packing materials are valued at cost on weighted average basis.

(1.5) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit & loss account transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.



Subsequent Measurement

For the purpose of subsequent measurement, financial assets are classified as measured at:

- 1) Amortised Cost
- 2) Fair value through profit and loss (FVTPL)
- 3) Fair value through other comprehensive income (FVTOCI)

Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity shares) at amortized cost.

Financial Assets Measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income(OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit and loss.

De-recognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cashflows from the financial asset expire or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.



The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

b. Financial Liabilities.

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

All the financial liabilities of the company are subsequently measured at amortized cost using Effective Interest method.

De recognition of Financial Liabilities

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(1.6) Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of profit and loss.

(1.7) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.



(1.8) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured regardless of when the payment is made. The specific recognition criteria described below must also be met before revenue is recognized.

a. Sale of Products

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, the company no longer retain continuing managerial involvement to the degree usually associated with ownership nor has effective control over the goods sold, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration that will be derived in the sale of goods.

Revenue from Sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties i.e GST. Sale of goods in respect of export sales are recognized as and when the shipment of goods taken place.

b. Recognition of Export benefits

Export benefits entitlements in respect of incentives Schemes including Duty drawback, Merchandise export incentive scheme (MEIS), FMS and FPS of the Government of India are recognized in the year in which Export Sales are accounted for.

c. Interest Income

Interest on deposits with government departments and financial institutions are recognized in statement of profit and loss when the right to receive/receivable during the period.

(1.9) Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

(1.10) Employee Benefits:

Contribution to provident fund is remitted to the Provident Fund Commissioner and such paid/payable amounts are charged against revenue. Group Gratuity Scheme is administrated through Trustees for which policies are taken from LIC of India. The above payments/ provisions are charged to revenue. The liabilities towards such schemes are determined by an independent actuarial valuation as per the requirements of Accounting Standard-15.(Revised 2005) on "Employee Benefits". Encashment of leave is accounted for on accrual basis.

(1.11) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.



(1.12) Income Taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/ expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes using tax rates enacted, or substantively enacted, by the end of the reporting period.

(1.13) Earnings Per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

(1.14) Cash flow statement

Cash flows are reported using the indirect method, where by profit for the period is adjusted for effects of transactions of a non-cash nature, any deferrals are accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(1.15) Segment Reporting

The operations of the company are related to one segment i.e. manufacturing of ceramics tiles.

(1.16) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

(1.17) Standards issued, but not yet effective:

The standards issued, but not effective up to the date of issuance of the company’s financial statements are disclosed below.



Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principal of the new standard is that revenue should be recognised when a customer obtains control of a promised goods or service and thus has the ability to direct the use and obtain the benefits from the goods or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cashflows arising from the entity's contracts with customers.

The Company will adopt the standard from April 1, 2018 and the management is in the process of determining the effect on adoption of Ind AS 115.

(1.18) Critical Accounting Estimates and Judgments

The preparation of financial statements is in conformity with generally Accepted Accounting Principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions in accounting estimates are recognized prospectively.

The areas involving critical estimates or judgments are

- Estimates of Useful life of Property, plant and equipment and intangibles
- Measurement of defined benefit obligation
- Recognition of deferred taxes
- Estimation of impairment
- Estimation of provision and contingent liabilities



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note 2:
PROPERTY, PLANT AND EQUIPMENTS (Rs in Lakhs)

S. No.	P A R T I C U L A R S	GROSS BLOCK			DEPRECIATION			NET BLOCK				
		COST AS AT 01.04.2017	ADDITIONS DURING THE YEAR	SALES/ ADJUSTMENTS DURING THE YEAR	COST AS AT 31.03.2018	UPTO 01.04.2017	FOR THE YEAR	ON SALES/ ADJUSTMENTS	UPTO 31.03.2018	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
1	LAND	63.36	-	-	63.36	-	-	-	-	63.36	63.36	63.36
2	BUILDINGS	1836.83	-	-	1836.83	1071.58	58.18	-	1129.76	707.07	765.26	823.86
3	PLANT & MACHINERY	18347.34	-	-	18347.34	14557.20	401.52	-	14958.72	3388.62	3790.14	4197.70
4	OFFICE EQUIPMENT & COMPUTERS	457.27	-	-	457.27	440.31	4.30	-	444.61	12.66	16.97	23.63
5	FURNITURE & FIXTURES	69.76	-	-	69.76	68.90	0.36	-	69.26	0.50	0.87	1.22
6	VEHICLES	93.40	-	12.12	81.28	88.09	4.31	11.15	81.25	0.03	5.31	12.07
7	LIVE STOCK	23.81	-	-	23.81	-	-	-	-	23.81	23.81	23.81
	T O T A L	20891.77	-	12.12	20879.65	16226.08	468.67	11.15	16683.60	4196.05	4665.70	5145.65
	PREVIOUS YEAR	20900.43	-	8.66	20891.77	15754.78	478.68	7.39	16226.07	4665.70	5145.65	5740.48

* **NOTE :** The company suffered extensive damage to the assets situated at Factory, Yanam due to unprecedented violence occurred on 27th January, 2012 and declared lock-out of the Plant from 31st January 2012. The financial results for the year ended 31st March 2018 were prepared without considering loss/damage to Plant & Machinery, Buildings and other assets of the company in the books. Depreciation has been provided in the normal course due to efflux of time as per the provisions of the Companies Act, 2013.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
-------------	---------------------	---------------------	---------------------

**NOTE 3
INVESTMENTS**

i) Certificates and Indra Vikas Patras (Deposited with Sales Tax Department)	0.42	0.42	0.42
ii) Equity Shares Rs.10 each in Regma Ceramics Limited(20,00,000 Shares)	55.47	104.07	181.38
iii) Equity Shares Rs.10 each in Sai Regency Power co ltd(10,000 shares)	-	-	-

Quoted :

iv) Equity shares Rs.10 each in IFCI Ltd, (10,000 shares)	1.95	2.98	2.44
Total	57.84	107.47	184.24

**NOTE 4
INVENTORIES**

Raw Materials (Valued at lower of cost or net realisable value)	482.29	482.29	482.29
Stores & Spares (Valued at lower of cost or net realisable value)	54.72	54.72	54.72
Finished Goods (including in-transit for exports) (Valued at lower of cost or net realisable value)	-	-	-
Stock in Trade (Acquired for trading)	50.84	50.84	50.84
Stocks-in-process (Valued at lower of cost or net realisable value)	70.08	70.08	70.08
Packing Materials (Valued at lower of cost or net realisable value)	6.07	6.07	6.07
Total	664.00	664.00	664.00



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
-------------	---------------------	---------------------	---------------------

NOTE 5

TRADE RECEIVABLES

(Unsecured and considered good)
Receivables for a period exceeding
six months

Receivables for a period exceeding six months	804.54	812.02	835.40
Other trade receivable	-	-	-
Total	804.54	812.02	835.40

NOTE 6

CASH AND CASH EQUIVALENTS

Cash in hand	8.56	8.56	8.61
In Current Accounts	1.31	2.44	2.39
In No-Lien Accounts	0.02	114.00	563.10
In Fixed deposits against BG	35.07	35.07	35.07
Total	44.96	160.07	609.17

NOTE 7

OTHER FINANCIAL ASSETS

Claims Receivable	1878.00	1878.00	1878.00
Advances to Staff & Workers	7.12	14.72	13.80
Deposits Recoverable	24.56	24.67	24.84
Interest accrued on Deposits and Investments	18.63	18.63	18.63
Total	1928.31	1936.03	1935.27

NOTE 8

OTHER CURRENT ASSETS

Advance for purchase, other advances and deposits	1715.59	1706.95	1706.95
Balance with Govt. Departments	196.78	196.78	196.78
Advance Tax & TDS	85.53	85.41	85.41
Total	1997.90	1989.14	1989.14



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 9 : SHARE CAPITAL

(Rs. in laksh)

Particulars	As at 31-3-2018	As at 31-3-2017	As at 01.04.2016
Authorised 3,00,00,000 Equity Shares of Rs.10/- each	3000.00	3000.00	3000.00
Total	3000.00	3000.00	3000.00
Issued 2,65,08,586 Equity Shares of Rs.10/- each	2650.86	2650.86	2650.86
Total	2650.86	2650.86	2650.86
Subscribed and Paid up 2,64,41,586 Equity Shares of Rs.10/- each fully paid up	2644.16	2644.16	2644.16
Total	2644.16	2644.16	2644.16

Disclosure pursuant to Note No. 6(A)(d) of Part - I of Schedule III of the Companies Act, 2013

Particulars	As at 31-3-2018		As at 31-3-2017		As at 01.04.2016	
Shares Outstanding at the beginning of the year	26441586	2644.16	26441586	2644.16	26441586	2644.16
Shares Issued during the year	-	-	-	-	-	-
Shares redeemed / bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	26441586	2644.16	26441586	2644.16	26441586	2644.16

Disclosure pursuant to Note No. 6(A)(g) of Part - I of Schedule III of the Companies Act, 2013 (Share holding more than 5%)

Particulars	As at 31-3-2018		As at 31-3-2017		As at 01.04.2016	
	Shares held	%	Shares held	%	Shares held	%
G N Naidu	7275083	27.51	7020533	26.55	7020533	26.55
Radhika Naidu	4669586	17.66	4704036	17.79	4704036	17.79
Bindu G Naidu	1881984	7.12	1895934	7.17	1895934	7.17
Regency Transport Carriers Limited	3314470	12.54	3314470	12.54	3314470	12.54



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE 10			
OTHER EQUITY			
a. Capital Reserve			
At the Commencement of the year	<u>0.86</u>	<u>0.86</u>	<u>0.86</u>
Closing Balance	<u>0.86</u>	<u>0.86</u>	<u>0.86</u>
Other Reserves			
b. General Reserve			
At the commencement of the year	<u>1540.35</u>	<u>1540.35</u>	<u>1540.35</u>
Closing Balance	<u>1540.35</u>	<u>1540.35</u>	<u>1540.35</u>
c. Share Premium			
At the commencement of the year	<u>329.61</u>	<u>329.61</u>	<u>329.61</u>
Closing Balance	<u>329.61</u>	<u>329.61</u>	<u>329.61</u>
d. Surplus			
i) At the commencement of the year	<u>(10572.41)</u>	<u>(9920.59)</u>	<u>(9455.43)</u>
Add: Current year	<u>333.12</u>	<u>(651.82)</u>	<u>(465.16)</u>
Closing Balance	<u>(10239.29)</u>	<u>(10572.41)</u>	<u>(9920.59)</u>
ii) adjustment due to adoption of New IndAS	<u>(18.18)</u>	<u>(18.18)</u>	<u>(18.18)</u>
Total (a+b+c+d)	<u>(8386.65)</u>	<u>(8719.77)</u>	<u>(8067.95)</u>
NOTE 11			
NON-CURRENT LIABILITIES-FINANCIAL LIABILITIES-BORROWINGS			
Loans from Body Corporate & Others	<u>30.00</u>	<u>30.00</u>	<u>30.00</u>
Loans from Directors	<u>3669.71</u>	<u>3382.93</u>	<u>2588.93</u>
Total	<u>3699.71</u>	<u>3412.93</u>	<u>2618.93</u>
NOTE 12			
PROVISIONS			
Gratuity	<u>157.42</u>	<u>177.52</u>	<u>178.46</u>
Leave Encashment	<u>12.57</u>	<u>15.41</u>	<u>15.57</u>
Total	<u>169.99</u>	<u>192.93</u>	<u>194.03</u>
NOTE 13			
CURRENT LIABILITIES-FINANCIAL LIABILITIES-BORROWINGS			
Cash Credit			
i) State Bank of India	<u>1614.94</u>	<u>1614.94</u>	<u>1614.94</u>
ii) The South Indian Bank Ltd	<u>639.21</u>	<u>639.21</u>	<u>639.21</u>
Total	<u>2254.15</u>	<u>2254.15</u>	<u>2254.15</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Terms of Repayment and Security

The Bank borrowings are repayable on demand, secured by first charge on current assets of the company, ranking paripassu with other member banks and further secured by second charge on the company's fixed assets ranking paripassu with other member banks of the consortium. These Borrowings are further secured by i) pledge of 10% equity shares of the company held by the promoters, ii) tangible collateral security provided by the promoters equivalent to 15% of the share capital of the company and iii) personal guarantee of 3 promoter directors of the company on paripassu basis to all the lenders. Interest is payable on monthly basis.

NOTE 14

TRADE PAYABLES

(Rs in Lakhs)

Particulars	As at	As at	As at
	31.03.2018	31.03.2017	01.04.2016
Trade Payables			
- Due to Micro, Small and Medium Enterprises	192.98	192.98	192.98
- Others	2610.56	2543.55	2274.38

Disclosures required by the Micro Small and Medium Enterprises Development (MSMED) Act, 2006 are as under:

(a)	(i) The Principal amount remaining Unpaid at the end of the year	192.98	192.98	192.98
	(ii) Interest due on principal remaining unpaid at the end of the year	-	-	-
(b)	(i) The delayed payments of principal amount paid beyond the appointed date during the year	-	-	-
	(ii) Interest actually paid under Section 16 of the MSMED Act.	-	-	-
(c)	Normal Interest due and payable during the year, for all the delayed			
(d)	Total Interest accrued during the year and remaining unpaid	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****NOTE 15****OTHER FINANCIAL LIABILITIES**

(Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current Maturities of Long Term Borrowings:			
A) Term Loans			
Corporation Bank	1486.49	1486.49	1486.49
SBI (e-SBT)	1134.33	1134.33	1390.33
State Bank of India	449.88	449.88	1549.88
Phoenix ARC Pvt Ltd	-	1275.46	1275.46
State Bank of India- TL 2	66.91	66.91	66.91
Phoenix ARC Pvt Ltd	-	54.66	54.66
	<u>3137.61</u>	<u>4467.73</u>	<u>5823.73</u>
Hypothecation / Hire Purchase Loans			
	6.78	6.78	6.78
	<u>3144.39</u>	<u>4474.51</u>	<u>5830.51</u>
B) Funded Interest Term Loans			
State Bank of India	66.37	66.37	66.37
Phoenix ARC Pvt Ltd	-	1.28	1.28
	<u>66.37</u>	<u>67.65</u>	<u>67.65</u>
C) Working Capital Term Loans			
State Bank of India	696.28	696.28	696.28
South Indian Bank	137.77	137.77	224.75
	<u>834.05</u>	<u>834.05</u>	<u>921.03</u>
Total (A+B+C)	<u>4044.81</u>	<u>5376.21</u>	<u>6819.19</u>

Terms of Repayment and Security:

Term Loans under A,B and C above are repayable in quarterly instalments. Interest is payable on monthly basis. These loans are secured by first paripassu charge by way of mortgage and hypothecation over all the fixed assets of the company, both existing and future, further secured by second paripassu hypothecation charge over current assets of the company both present and future. These loans are further secured by i) pledge of 10% equity shares of the company held by the promoters, ii) tangible collateral security provided by the promoters equivalent to 15% of the share capital of the company and iii) personal guarantee of 3 promoter directors of the company on paripassu basis to all the lenders. Hypothecation / Hire Purchase loans under (A) above are secured by hypothecation of vehicles and guaranteed by the promoter directors of the company

NOTE 16**OTHER CURRENT LIABILITIES**

(Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Creditors for Other Finance	513.98	520.52	523.70
Creditors for expenses	1264.24	1231.13	1223.65
Advance from Customers	294.94	294.94	294.94
Trade Deposit from Dealers	337.71	337.71	337.71
Income Tax	58.19	58.19	58.19
Due to Directors	11.86	11.86	11.86
	<u>2480.93</u>	<u>2454.34</u>	<u>2450.05</u>

Creditors for Other Finance and Creditor for Expenses include dues payable to the Statutory Authorities. The liability towards Interest and Penalties payable on account of Statutory Dues were not provided in the books expecting waiver in the current situation.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs in Lakhs)

Particulars	Current Year	Previous Year
NOTE 17		
REVENUE FROM OPERATIONS		
Domestic Sale	-	-
Export Sale	-	-
Total	<u>-</u>	<u>-</u>
Less : Excise Duty	-	-
Total	<u>-</u>	<u>-</u>
NOTE 18		
OTHER INCOME		
Interest	1.15	-
Profit on sales of asset	2.03	3.32
Miscellaneous Income	-	0.16
Excess provision written back	-	0.02
Rent received	3.60	3.60
Prior period income	0.30	-
Total	<u>7.08</u>	<u>7.10</u>
NOTE 19		
COST OF RAW MATERIAL CONSUMED		
Opening Stock	482.29	482.29
Add: Purchases	-	-
	<u>482.29</u>	<u>482.29</u>
Less: Closing Stock	<u>482.29</u>	<u>482.29</u>
Total Cost of Raw materials consumed :	<u>-</u>	<u>-</u>
NOTE 20		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished Stock	-	-
Trading Stock	50.84	50.84
Stock in process	70.07	70.07
	<u>120.91</u>	<u>120.91</u>
Less: Inventories at the end of the year		
Finished Stock	-	-
Trading Stock	50.84	50.84
Stock in process	70.07	70.07
	<u>120.91</u>	<u>120.91</u>
(Increase)\ Decrease	<u>-</u>	<u>-</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs in Lakhs)

Particulars	Current Year	Previous Year
NOTE 21		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, bonus and Other benefits	26.81	27.37
Contribution to Provident Fund	2.22	2.29
Contribution to ESI	0.13	0.11
Workmen and Staff Welfare Expenses	0.44	0.52
Compensation	51.53	1.58
Total	81.13	31.87

The unprecedented industrial violence on 27.1.2012 had resulted in deaths of personnel and destruction of buildings and equipment in the factory. Consequently, 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.

NOTE 22
FINANCE COSTS

Interest	36.27	4.16
Bank Charges	0.57	0.14
Total	36.84	4.30

An amount of Rs.299.24 lakhs for the year and Rs.1627.44 lakhs upto 31.03.2018 debited by one Bank in the current year was not provided in the books as the company is disputing the same.

NOTE 23
OTHER EXPENSES

Repairs and Maintenance	0.71	1.58
Rates and Taxes	0.21	1.48
Rent	10.89	10.32
Insurance	0.07	0.30
Printing and Stationery	0.42	1.01
Postage, Telegrams, Telephone and Telex	1.82	2.99
Travelling and Conveyance	9.87	7.38
Vehicles Maintenance / Hire Charges	1.84	2.79
Payments to auditors- Fee	1.18	1.15
Legal and Professional Charges	1.36	0.81
General Expenses	39.67	34.23
Prior Year Expenses	0.78	2.82
Advertisement	0.27	0.44
Fair value loss on investments	49.63	76.77
Total	118.72	144.07



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE NO 24

FIRST TIME ADOPTION OF IND AS

These financial statements for the year ended 31st March 2018 are the company's first annual Ind AS complied financial statements. For all periods up to and including the year ended 31st March 2017, the company prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has effected the Company's Balance Sheet, financial performance and Cash flows are given as under:

In preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

1. Mandatory Exceptions from retrospective application Estimates

a. Estimates

The estimates at 1st April 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2016 and 31st March, 2017

- i. Fair values of financial assets & financial Liabilities.
- ii. Impairment of financial assets based on expected credit loss model.
- iii. Discount rates

b. Classification and measurement of financial asset:

The classification of financial assets to be measured at amortized cost or fair value through Profit and loss or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

2. Optional Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied following exemption:

Deemed Cost

The Company has elected to consider carrying amount of all items of property, plant and equipments measured as per Indian GAAP as recognized in the financial statements as at the date of transition, as deemed cost at the date of transition. The effect of consequential changes arising on the application of other Ind AS has been adjusted to the deemed cost of Property, Plant & Equipment.

Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Reconciliation between previous GAAP and Ind AS as at 31st March, 2017 and 1st April, 2016

(Rs. In Lakhs)

Particulars	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effects on transition	Ind AS	Previous GAAP	Effects of transition	Ind AS
I. ASSETS						
1. Non-Current Assets						
a) Property, Plant and Equipment	4665.70		4665.70	5145.65		5145.65
b) Financial Assets	202.42	(94.95)	107.47	202.42	(18.18)	184.24
c) Other Financial Assets Margin Money Deposits (Electricity)	17.05		17.05	17.05		17.05
Total Non-Current Assets	4885.17	(94.95)	4790.22	5365.12	(18.18)	5346.94
2. Current Assets						
a) Inventories	664.00		664.00	664.00		664.00
b) Financial Assets						
i) Trade receivables	812.02		812.02	835.40		835.40
ii) Cash and equivalents	160.07		160.07	609.17		609.17
iii) Other Financial Assets	1936.03		1936.03	1935.27		1935.27
c) Other Current Assets	1989.14		1989.14	1989.14		1989.14
Total Current Assets	5561.26		5561.26	6032.98		6032.98
Total Assets	10446.43	(94.95)	10351.48	11398.10	(18.18)	11379.92
II. EQUITY AND LIABILITIES						
1) Shareholder funds						
a) Share Capital	2644.16		2644.16	2644.16		2644.16
b) Other Equity	(8624.82)	(94.95)	(8719.76)	(8049.77)	(18.18)	(8067.95)
Total Equity and Liabilities	(5980.66)	(94.95)	(6075.61)	(5405.61)	(18.18)	(5423.79)
2) Non-Current Liabilities						
a) Financial Liabilities						
Borrowings	3412.93		3412.93	2618.93		2618.93
b) Provisions	192.93		192.93	194.03		194.03
	3605.86		3605.86	2812.96		2812.96
3) Current Liabilities						
a) Financial Liabilities						
Borrowings	2254.15		2254.15	2254.15		2254.15
b) Trade payables						
Micro and small enterprises	192.98		192.98	192.98		192.98
Creditors other than micro and small enterprises	2543.55		2543.55	2274.38		2274.38
c) Other Financial Liabilities	5376.21		5376.21	6819.19		6819.19
d) Other Current Liabilities	2454.34		2454.34	2450.05		2450.05
Total Current Liabilities	12821.23		12821.23	13990.75		13990.75
Total Equity and Liabilities	10446.43	(94.95)	10351.48	11398.10	(18.18)	11379.92

The previous GAAP Figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Reconciliation of Statement of Profit and Loss for the year ended 31st March,2017

(Rs. In Lakhs)

PARTICULARS	I GAAP	Effects of transition to Ind AS	Ind AS
I. Revenue from Operations	-	-	-
II. Other Income	7.10	-	7.10
III. Total Income (I+II)	7.10	-	7.10
IV. Expenses			
Cost of Materials Consumed	-	-	-
Changes in inventories of Stock-In-Trade	-	-	-
Employees Benefits Expense	31.87	-	31.87
Finance Cost	4.30	-	4.30
Depreciation and Amortisation expenses	478.68	-	478.68
Other Expenses	67.30	76.77	144.07
Total Expenses (IV)	582.15	76.77	658.92
V. Loss before tax (III-IV)	(575.05)	(76.77)	(651.82)
VI. Tax Expenses:			
a. Current Tax			
Relating to Current period	-	-	-
b. Defferred tax liability/(Asset) On Temporary Differences	-	-	-
VII. Loss for the year (V-VI)	(575.05)	(76.77)	(651.82)
VIII. Other Comprehensive income			
i. Items that will not be reclassified subsequently to profit or loss	-	-	-
ii. Income tax relating to items that will not be reclassified to profit or loss	-	-	-
Total Comprehensive Income for The year (VII + VIII)	(575.05)	(76.77)	(651.82)
IX. Earnings per equity share from Continuing operations:			
Basic and Diluted	(2.17)		(2.47)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Notes to reconciliation of Balance Sheet and Statement of Profit and Loss as previously reported under IGAAP to Ind-AS

i. Property, Plant & Equipment, Non-current Asset

Under the previous GAAP the transactions costs relating to origination of term loans raised specifically for acquisition of items of Property, Plant & Equipment were capitalized. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the proceeds of borrowings on initial recognition. These costs are treated as part of the interest expense by applying the effective interest method.

ii. Other Financial Assets

Loans to employees

Under Indian GAAP, interest free loan to employees are recorded at their transaction value. Under IndAS, these loans are to be measured at amortized cost on the basis of effective interest rate method.

iii. Current Investment

At the date of transition to Ind AS, difference between the fair value of the instruments and its Previous GAAP carrying amount has been recognized in retained earnings. Fair value changes are recognized in the Statement of Profit and Loss for the year ended 31st March, 2018.

iv. Provisions

Under Previous GAAP, proposed dividends and related dividend distribution taxes are recognized as a provision in the year to which they relate, irrespective of when they are declared. Under Ind-AS, dividends and related dividend distribution tax are recognized as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.

v. Other Income

- a. Under Ind AS, the Investment is classified at Fair Value through Profit & Loss (FVPL). The adjustment reflect amount of change in value of investment measured at FVTPL.
- b. As stated earlier on, Loans to employees are measured at amortized cost Notional interest on such loans is included under Other Income.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 25

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focus the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

I. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

II. Foreign Currency Risk

Foreign Currency Risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates is negligible.

The company does not enter into any derivative instruments for trading or speculative purposes.

III. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and re-balances its financing strategies to achieve an optimal maturity profile and financing cost.

IV. Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or custom contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

V. Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 26

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- I) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- II) Maintain an optimal capital structure to reduce the cost of capital Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

Gearing Ratio

(Rs in Lakhs)

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
a) Debt Obligations	6298.96	7630.36	9073.34
b) Cash and Cash equivalents	44.96	160.07	609.17
c) Net Debt (a-b)	6254.00	7470.29	8464.17
d) Total Equity	(5742.49)	(6075.61)	(5423.79)
e) Net Debt/Equity Ratio (c/d)	(1.09)	(1.23)	(1.56)

NOTE 27

FACTORY STATUS

The company suffered extensive damage to the Buildings, Plant & Machinery and other assets situated at Factory, due to unprecedented violence, occurred on 27th January, 2012. Stocks of Finished goods, Raw materials, stores and spares, stocks-in-process and other inventories were damaged / looted to a large extent. The Company declared lock-out of the Plant from 31st January 2012.

The extent of loss/damage to Plant & Machinery, Buildings and other assets of the company were not considered in the books pending assessment and disclosed at book value after providing depreciation without considering 5% residual value on account of efflux of time. The company could not estimate the condition of the existing fixed assets & its realizable value. As such, the machinery & buildings could not be insured.

Similarly, the condition of the raw materials, stores & spares and its realizable value could not be estimated by the company, not insured and disclosed at book value.

NOTE 28

STATUS WITH LENDERS

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,



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. The company paid the entire OTS amount in respect of four lenders where sanctions were received. The company is awaiting revised OTS sanction form another bank based on the decision taken by consortium. In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Financial Liabilities. Hypothecation / Hire purchase loans are repayable within one year and shown under Other Financial Liabilities.

Note 29

EXCEPTIONAL ITEM

Satisfaction of charge was filed with ROC in respect of one lender and balance outstanding in their Term Loan accounts amounting to Rs. 1031.40 lakhs were written back as exceptional income during the year.

NOTE 30

INSURANCE STATUS

The claim made in respect of loss/damage to its properties during the incident on 27.01.2012 was assessed by 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.

NOTE 31

EMPLOYEE BENEFITS

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 as per Ind AS-19 "Employee Benefits" due to loss of employee records in the factory during the violent incidence occurred on 27th January, 2012.

In view of very limited strength of the employees, presently working in the Company the requirements of the Ind AS -19 Employee Benefits in respect of Gratuity could not be complied with. However, Provisions for gratuity as required under The Payment of Gratuity Act has been provided for and is being paid as and when liability arises.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 32

CONTINGENT LIABILITIES

	As at 31.03.2018 (Rs. in lakhs)	As at 31.03.2017 (Rs. in lakhs)
Contingent Liabilities not provided for:		
i) On account of Letters of Credit and Bank Guarantees given by Bankers.	-	-
ii) Demand from Directorate of Enforcement, disputed by the Company pending in Appellate Tribunal for Foreign Exchange.	5.50	5.50
iii) Demand from Customs & Central Excise (Service Tax Cell), disputed by the company, Pending in appeal before CESTAT, Hyderabad	5.33	-
iv) Demand from Customs & Central Excise (Excise Duty), disputed by the company, Pending in appeal before CESTAT, Chennai	39.99	-
v) Demand from Yanam Municipality (Property Tax-With retrospective effect) disputed by the company- pending with commissioner, Yanam Municipality	75.79	32.35
vi) Demand from The Deputy Commissioner of Income Tax, Hyderabad, disputed by the Company. Appeal allowed by ITAT, Hyderabad. DCIT modified the demand to Rs.90.98 Lakhs after giving partial effect to ITAT orders.. The company again requested DCIT to set aside the modified order by giving effect to the entire ITAT orders.	90.98	90.98

NOTE 33

CONFIRMATION OF BALANCES

The Company could not obtain confirmation of balances in respect of Sundry Debtors & Sundry Creditors, loans and advances, other current assets and other liabilities.

NOTE 34

FOREX TRANSACTIONS

	Current Year (Rs. in lakhs)	Previous year (Rs. in lakhs)
CIF Value of Imports		
i) Raw material	-	-
ii) Packing Material, Stores & Spares	-	-
iii) Capital Goods	-	-
Expenditure in Foreign Currency:		
i) Traveling Expenses	-	-
ii) Sales Commission	-	-
Earnings in Foreign Exchange:		
F.O.B. Value of Exports	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 35

FAIR VALUE MEASUREMENT HIERARCHY

The following table provide analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 as described below.

Level 1 –Quoted prices in an active market

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted prices. The fair value of all equity instruments (including bonds) which are traded in the Stock Exchanges is valued using the closing price as at the reporting period.

Level 2 –Valuation techniques with observable inputs.

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and really as little as possible and entity-specific estimates if all significant in put required to fail value an instrument are observable, the instrument is included in level 2.

Level 3 –Valuation Techniques with significant un observable inputs.

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2018

Particulars	Fair Value Hierarchy (Level)	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets measured at FVTPL				
Investments	1	1.95	2.98	2.44
Investments	2	55.89	104.47	181.80
Financial Asset Measured at Amortized cost				
Margin Money Deposits	3	17.05	17.05	17.05
Other Financial Assets	3	1928.31	1936.03	1935.27
Financial liabilities measured at Amortized cost				
Term loans	3	6298.96	7630.36	9073.34

NOTE 36: There are no remittances in foreign currency on account of Dividend during the year 2017-18.

NOTE 37: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 38

SEGMENT REPORTING

The entire operations of the Company relate only to one segment.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 39

DEFERRED TAX

	Current Year (Rs. in lakhs)	Previous year (Rs. in lakhs)
Composition of Net Deferred Tax/Asset / (Liability) :		
Components of Deferred Tax:		
Deferred Tax Assets :		
Loss as per Income Tax Act	2761.22	3223.15
Provision for doubtful debts	7.39	8.86
Disallowances u/s 43B Income Tax Act	0.64	<u>0.62</u>
	2769.25	3232.63
Deferred Tax Liability :		
Depreciation	794.67	<u>1045.08</u>
Deferred Tax (Liability) / Asset (Net)	1974.58	2187.55

Note : The Company has not recognized deferred tax asset as a matter of prudence.

NOTE 40

EARNINGS PER SHARE

i) Net Profit / (Loss) after tax (Rs. in lakhs)	333.12	(651.82)
ii) No. of equity shares of Rs. 10/- each	2,64,41,586	2,64,41,586
iii) Weighted average No. of Shares	2,64,41,586	2,64,41,586
iv) Earnings per share (in Rs.)	1.26	(2.47)

NOTE 41:

RELATED PARTY DISCLOSURES AS REQUIRED BY THE IND AS 24

Name of the Party	Nature of relationship
1) Regma Ceramics Limited	: Company under the same management
2) Regency Educational Society	: Other entities where Directors / their relatives are interested
3) Dr. G.N. Naidu	} : Key Management Personnel
4) Smt. Bindu G. Naidu	
5) Sri. N. Satyendra Prasad	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lakhs

Particulars	Business		Outstanding	
	Current Year	Previous Year	As at 31.03.2018	As at 31.03.2017
i) Company under the same management				
- Subscription of Equity Shares	-	-	200.00	200.00
- Brand usage and other charges	-	-	(593.10)	(574.61)
ii) Unsecured loans from Directors	-	-	(3812.43)	(3525.65)
iii) Other entities where Directors /their relatives are interested				
- Advances given	-	-	(356.25)	(290.71)
iv) Payment to Key Management Personnel				
- Rent	-	-		
- Remuneration	-	-		
- Remuneration (other than directors)	-	-		

NOTE 42

Previous Year's figures have been regrouped wherever necessary to correspond with current year's figures, except otherwise stated.

As per our report of even date.

For and on behalf of the Board

For K.S. RAO & CO.,
Chartered Accountants
Firm Registration No.003109S

Dr G N NAIDU
Chairman and
Managing Director

N.SATYENDRA PRASAD
Executive Director

V. VENKATESWARA RAO
Partner
Membership No.219209

B. SURENDRA
Director

E. BALAKRISHNA RAO
President (Finance)

Place : Hyderabad
Date : 30.05.2018

INSTRUCTIONS TO BALLOT FORM

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to Mr. K.V.Chalama Reddy, Practicing Company Secretary, Flat No.301, Madhava Apartments, Hill Colony, Khairatabad, Hyderabad-500004, so as to reach by **5.00 pm on September 27, 2018**. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Venture Capital and Corporate Investments Pvt Ltd.). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID/CLIENT ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 21st September, 2018.

BALLOT FORM
(In lieu of E-voting)

Regency Ceramics Limitd

CIN: L26914AP1983PLC004249

Regd Office : 6-3-1090/A/7, 3rd Floor, Somajiguda, Hyderabad – 500082

Tele Phone : 040-23327555, Email-Id : info@regencytiles.com

Website : www.regencytiles.com

Sr. No.:

1. Name :
Registered Address of the sole/first named Shareholder :
2. Name(s) of the joint Shareholder(s), if any :
3. Registered Folio No. /DPID & Client ID No. :
4. No. of Shares held :

I / We hereby exercise my / our vote in respect of the Resolutions to be passed through postal ballot for the business stated here under in the Notice of 34th Annual General meeting of the Company to be held on 28th day of September, 2018 by conveying my / our assent or dissent to the said resolution(s) by placing a tick (tick mark) mark in the appropriate box below :

Item No.	Description	No. of Equity Shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	To consider and adopt the Audited Balance Sheet as on 31st March 2018 and statement of Profit and Loss for the year ended on that date along with the reports of the Directors and Auditors thereon.			
2.	To appoint a Director in place of Sri N.Satyendra Prasad (DIN: 01410333) who retires by rotation and being eligible, offers himself, for reappointment.			
3.	To ratify the appointment of M/s. K S Rao & Co., Chartered Accountants, (Registration No. 003109S) Hyderabad, as Statutory Auditors of the Company for the year 2018-19.			

Place :

Date :

(Signature of the Member)

Note: Kindly read the instructions printed overleaf before filling the form.



Regency Ceramics Limited

CIN: L26914TG1983PLC004249

Registered office:6-3-1090/A/7, 3rd Floor, Somajiguda, Hyderabad - 500082. Telangana.

Tele Phone : 040-23327555, Email-Id : info@regencytiles.com

Website : www.regencytiles.com

PROXY

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id / DP ID :

I/We, being the member (s) of..... Shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature: _____, or failing him

2. Name:

Address:

E-mail Id:

Signature: _____, or failing him

3. Name:

Address:

E-mail Id:

Signature: _____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual general meeting of the company, to be held on the 28th day of September, 2018 at 12.00 noon at 6-3-1090/A/7, 3rd Floor, Somajiguda, Hyderabad - 500082 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To consider and adopt The Audited Balance Sheet as on 31st March, 2018 and statement of Profit and Loss for the year ended on that date along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri N. Satyendra Prasad (DIN:01410333) who retires by rotation and being eligible, offers himself, for reappointment.
3. To appoint M/s KS Rao & co., Chartered Accountants, as statutory Auditors of the Company for the year 2018-19.

Signed this _____ day of September, 2018

Signature of shareholder

1/- Re
Revenue
Stamp

Signature of Proxy holder(s)

Note : This form of Proxy in order to be effective should be dully completed and deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

Regency Ceramics Limited

(CIN : L26914TG1983PLC004249)

Regd Office :6-3-1090/A/7, IMS House, 3rd Floor, Somajiguda,
Hyderabad – 500082. Phone : 23327555

Email : info@regencytiles.com Website : www.regencytiles.com

33rd Annual General meeting – Friday 28th September, 2018

ATTENDANCE SLIP

(Please present this slip at the Meeting Venue)

I hereby record my presence at the 34th Annual General meeting of the members of the Company to be held on Friday 28th September, 2018 at 12.00 noon at 6-3-1090/A/7, IMS House, 3rd Floor, Somajiguda, Hyderabad – 500082 and at any adjournment thereof.

Folio No./DP ID and Client ID :

No of Shares Held:

Name and address of
First/Sole member

I certify that I am a Member/Proxy/Authorised Representative for the members of the Company.

Name of the Member/
Proxy (In Block Letters)

Signature of the Member/Proxy

Notes:

1. Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.
 2. A Proxy need not be a member of the Company.
 3. In the case of joint holders, the vote of the first named person as per the register of members, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders.
-

Khairatabad
X Road

Raj Bhavan

Challa Chambers

Volks Wagan
Show Room

IMS House

Yashoda
Hospital

Katriya Hotel

BOOK POST



Regd. Off : 6-3-1090/A/7, IMS House, 3rd Floor, Somajiguda, HYDERABAD - 500 001, T.S.
Tel : +91 40 23327555.
Email : info@regencytiles.com
Website : regencytiles.com