

Regency Ceramics Limited

FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	REGENCY CERAMICS LIMITED
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	since previous year
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Qualifications : Page No.32 to 36 of Annual Report</p> <p>Management's response : Page No.10 and Page No.44 to 54 of Annual Report.</p>
6.	Additional comments from the board/audit committee chair:	The plant was destroyed and President (Operations) of the Company was killed on 27.01.2012. Plant under lock-out since then and no production. Hence Audit Qualifications

Signed by

For REGENCY CERAMICS LIMITED

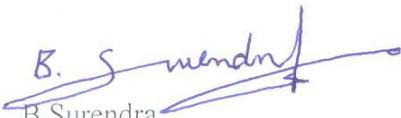


Dr G N Naidu

Chairman and Managing Director



E. Balakrishna Rao
President (Finance)



B. Surendra
Audit Committee Chairman

for Brahmayya & co
Chartered Accountants
Firm Registration No.000513S




 K.S. Rao
 Partner
 Membership No.015850



Regency Ceramics Limited

Regd Office : 5-8-356, N.N. House, Chirag Ali Lane, Abids, Hyderabad- 500 001, A.P., INDIA

Phone : +91-40-23204555, Fax: +91-40-23201159, E-mail : info@regencytiles.com, Website: www.regencytiles.com

Factory : Yanam-533 464, Phone:+91-884 2321 001/002/501/502, Fax: +91-884 2321200, Email : rclyanam@regencytiles.com

CIN : L26914AP1983PLC004249

BOARD OF DIRECTORS

1. Dr G.N.Naidu	... Chairman and Managing Director
2. Dr M.V.G. Rao	... Director (upto 03.09.2014)
3. Sri G. Sreenivasulu Naidu	... Director
4. Sri B.Surendra	... Director
5. Sri D.Chandra Sekhar Babu	... Director
6. Smt G.Vijaya Vani	... Additional Director (w.e.f. 14.11.2014)
7. Sri N. Satyendra Prasad	... Executive Director

President (International Operations)

President (Finance)

: Dr S.V. Ramprasad

: Sri E. Balakrishna Rao

Audit Committee

Dr M.V.G. Rao (upto 03.09.2014)

Sri B. Surendra

Sri D.Chandra Sekhar Babu

Smt Vijaya Vani (w.e.f. 14.11.2014)

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

State Bank of Bikaner & Jaipur

Remuneration Committee

Dr M.V.G.Rao (up to 03.09.2014)

Sri B. Surendra

Sri D.Chandra Sekhar Babu

Smt G.Vijaya Vani (w.e.f.14.11.2014)

Statutory Auditors

M/s Brahmayya & Co

Chartered Accountants

Hyderabad

Registered Office

5-8-356, N N House, Chirag Ali Lane

Abids, Hyderabad - 500001

Ph: +91-40-23204555

Fax: +91-40-23201159

Internal Auditors

M/s K S Rao & Co.,

Chartered Accountants

Hyderabad

Factory

Yanam – 533464

(Union Territory of Puducherry)

Company's Website: www.regencytiles.com

Contents :

Page Nos.

INDEX

Notice to the Shareholders	1 – 6
Directors' Report	7 – 12
Management Discussion and Analysis Report	13 – 14
Report on Corporate Governance	15 – 31
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 – 54



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 31st Annual General Meeting of the Company will be held on Wednesday, the September 30, 2015 at 11.00 a.m. at Registered Office: N. N. House, Chirag Ali Lane, Abids, Hyderabad - 500 001, to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as on 31st March 2015 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. Brahmayya & Co., Chartered Accountants, (Registration No.000513S) 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.

Special business:

4. **To consider and if thought fit, to pass, with or without modification (s), the following resolution as an ordinary resolution**

“RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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) and Clause 49 of Listing Agreement with stock exchanges, Smt.Vijaya Vani (DIN:01825437) and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company with effect from 14th November, 2014 to hold office for 5 (Five) consecutive years for a term up to 13th November, 2019.”

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.**

“RESOLVED THAT pursuant to the provisions of section 196, 197, 203 and 152 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Companies (appointment and remuneration of Managerial personnel) rules, 2014 as may be amended from time to time (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to approval of the financial institutions/banks in terms of the loan agreements and such other approvals that may be necessary, the consent of the company be and is hereby accorded for re-appointment of Sri N. Satyendra Prasad, (DIN:01410333) as a whole time director designated as an Executive Director, for a period of five years with effect from July 31, 2015 on the following terms and conditions as recommended by the Remuneration Committee, which are reproduced below:

1. Salary and Perquisites: Salary: Rs. 2,00,000/- (Rupees two lakhs only) per month.

(Sri N Satyendra Prasad, Executive Director is not taking salary and perquisites from 1st April, 2012 since company has no operations on account of devastating



incident occurred on 27.01.2012 and voluntarily decided not to take any salary and Perquisites till the operations of the Company are commenced)

2. Contribution to Provident fund to the extent exempted under the Income Tax, 1961.
3. Contribution to Superannuation fund to the extent exempted under the Income Tax Act, 1961
4. Gratuity payable shall not exceed half a month's salary for each completed year of service.
5. Encashment of leave at the end of tenure
6. Car and telephone facilities for official use.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the tenure of Executive Director, Salary, allowances, perquisites, and other benefits subject to and within the limits prescribed in Schedule V of the Companies Act, 2013, as existing or as modified or re-enacted from time to time, is payable."

By order of the Board
For Regency Ceramics Limited

Place : Hyderabad

Date : 29.05.2015

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. An Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 relating to items of Special Business to be transacted at the meeting is annexed hereto
3. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in. Members holding shares in D-mat 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.
4. The Register of Members and Share Transfer books of the company will remain closed from September 23, 2015 to September 30, 2015 (both days inclusive).
5. Members seeking any information with regard to accounts for the financial year ended 31st March 2015 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.
6. 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.



7. 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, Telangana & Andhra Pradesh, Corporate Bhavan, Bandlaguda, Hyderabad - 500 001.
8. 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.
9. Your company's securities are listed with The Stock Exchange, Mumbai (BSE) and The National Stock Exchange Limited, Mumbai (NSE). The company has not paid the annual listing fee for the years 2014-15 and 2015-16 to the said Stock Exchanges.
10. 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.
11. Brief resume of Smt. Vijayavani, proposed Independent Director and Sri Satyendra Prasad, the director seeking reappointment in the ensuing Annual General Meeting is given in Item No.4 & 5 of Explanatory Statement.

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

(A) The voting period begins on 27.09.2015 at 9.00 am and ends on 29.09.2015 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 of Thursday 24th September 2015, 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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.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.
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.

iv) After entering these details appropriately, click on “SUBMIT” tab.

v) 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.

vi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

vii) Click on the EVSN for the relevant Regency Ceramics Ltd., on which you choose to vote.

viii) 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.

ix) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

x) 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.

xi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.



xii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

xiii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xiv) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) - 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 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.

xv) 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 : 29.05.2015

Dr G N Naidu
Chairman and Managing Director



Explanatory statement pursuant to section 102(1) of the Companies Act, 2013

Item No.4

The Board of Directors at its meeting held on 14th November 2014 has appointed Smt G. Vijaya Vani as an Additional Director of the Company. As per Section 161(1) of the Companies Act, 2013, the above said Additional Director holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing her as a candidate for the office of Director of the Company.

Smt G. Vijaya Vani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. As per the said Section 149 of the Act, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from her that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

In the opinion of the Board, she fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. She is independent of the management.

Smt G.Vijaya Vani, aged about 53 years, holds a graduate degree and exposed to business activity.

The terms and conditions of appointment of Smt G.Vijaya Vani as an Independent Director shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Save and except Smt G.Vijaya Vani and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item no.5

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

Sri N.Satyendra Prasad, aged about 49 years, has an overall experience of 26 years with 23 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.



DIRECTORS' REPORT

Dear Members

Your Directors hereby present their Thirty First Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2015.

FINANCIAL SUMMARY:

The performance of the Company for the Financial Year ended 31st March 2015 is as under:

Sl. No.	Particulars	Rs in Lakhs	
		2014-15	2013-14
1	Turnover	-	3
2	Loss / Profit before Interest and Depreciation	(105)	70
3	Finance charges	104	249
4	Loss before Depreciation and Tax	(209)	(179)
5	Less : Provision for Depreciation	1132	931
6	Loss before Tax	(1341)	(1110)
7	Less : Provision for Income Tax	-	-
8	Net Loss after Tax	(1341)	(1110)
9	Balance carried to Balance Sheet	(9455)	(8114)

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 compared to previous year of Rs.3 Lakhs and incurred a Net Loss of Rs.1341.06 Lakhs compared to previous year Net loss of Rs.1110.49 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.

INSURANCE SETTLEMENTS:

Your company submitted its claim for loss/damage to the properties of the company and provided all the supporting information as called for by the surveyors. Your company is awaiting the decision of 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:

Your company paid part of One Time Settlement (OTS) amount to the lenders and requested for extension of time for balance payment. However, the lenders issued a Demand Notice under section 13(2) of SARFAESI Act. State Bank of India on behalf of



its bank, Corporation Bank and State Bank of Travancore issued a Possession Notice (Symbolic) under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 and taken possession of the properties in exercise of powers conferred on them under section 13(4) of the SARFAESI Act on 04.03.2015. State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities interests thereto to Phoenix ARC Private Limited (Trustee of Phoenix Trust - FY15-5). The lenders 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.

REFERENCE TO BIFR:

A reference made by your company to Board for Industrial and Financial Reconstruction (BIFR) as per the provisions under section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 has been registered as case no. 19/2014.

FUTURE OUTLOOK:

Consequent to the completion of the general elections and assumption of the new governments at the center and as well as in Andhra Pradesh and Telangana states, the economic activity which had slowed down during the past few years has started picking-up. The construction activity and infrastructure activities in the country are expected to push the demand for ceramic tiles and all tile producing Companies would be able to take full advantage of the economic momentum in the coming years.

Your company is in the process of resolving all pending issues including settlement of insurance claim, release of the claim amount, settlement with workmen, settlement with lenders, settlement with statutory authorities, suppliers and other creditors. Your company is also pursuing with Central and State government for extending support by way of reliefs, concessions, grants, etc. for recommencing plant operations.

INSURANCE

All properties and insurable interests of the Company including building, plant and machinery and inventory were being 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

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from Company's Auditors confirming compliance forms an integral part of this 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:

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



Further, the tenure of Mr. N. Satyendra Prasad as a Executive Director will expire on 31.07.2015 and the Board of Directors at its meeting held on 29.05.2015 re-appointed him as Executive Director of the Company for further period of 5 years with effect from 31.07.2015 on terms and conditions as mentioned in the notice of the meeting .

The Board of Directors at its meeting held on 14th November 2014 has appointed Smt G. Vijaya Vani as an Additional Director of the Company. As per Section 161(1) of the Companies Act, 2013, the above said Additional Director holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing her as a candidate for the office of Director of the Company with effect from 14th November, 2014 to hold office for five consecutive years for a term up to 14th November, 2019 as Independent Director as mention in the resolution.

NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the financial year 2014-15 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, 2015 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 withdrawing remuneration in excess of Rs. 5 lakhs 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 of the Act, 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, 2015 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.

STATUTORY AUDITORS

M/s Brahmayya & Co., Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company to hold office until conclusion of Thirty First Annual General Meeting. The Board pursuant to the recommendation of Audit Committee of the company now recommends the re-appointment of M/s Brahmayya & Co., Chartered Accountants, Hyderabad as statutory auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual general Meeting and authorized the Board of Directors to fix their remuneration.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

AUDITORS REPORT

M/s.Brahmayya & Co., Chartered Accountants (ICAI Regn. No.000513S) have issued Auditors Report for the Financial Year ended 31st March, 2015 being annexed to this Annual Report.

The Auditors' comments in the Report are self-explanatory.

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.25.3
 - b. Para 2 of basis for qualified opinion – Note No.25.3
 - c. Para 3 of basis for qualified opinion – Note No.25.8
 - d. Para 4 of basis for qualified opinion – Note No.25.4
 - e. Para 5 of basis for qualified opinion – Note No.25.9
 - f. Para 6 of basis for qualified opinion – Note No.10
 - g. Para 7 of basis for qualified opinion – Note No.25.10
- ii. Referring to Para 7 (a), 7(b) and 7(c) 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.

COST AUDITORS:

The Board of Directors, on the recommendation of Audit committee has appointed M/s. Badri Prasad & Associates, Practicing Cost Accountants, Hyderabad as Cost Auditor to audit the cost accounts of the Company for the financial year 2015-16.

The Cost Audit Report for the financial year 2014-15 was not applicable to the company.

CUSTOMS, EXCISE, INCOME TAX & OTHER MATTERS:

1. Your Company preferred appeals before the Hon'ble CESTAT, Bangalore against the demand from Customs & Central Excise Department (Service Tax Cell) for service tax on installation, erection and commissioning of plant & machinery imported during the year 2005-06 and on GTA services during the year 2008-09, though paid by the service provider.
2. 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.

3. Yanam Municipality has demanded Property Tax of Rs.32.35 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 thereunder, 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, 2015.

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, the explanations are as follows:

Regarding the observation Nos, 01, 03, 04 and 05 of the report, the Company could not comply with the same due to current financial position of the Company.

Regarding the Observation No.02, Non -compliance noticed was rectified later.

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 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 Chairman 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.

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 each calendar year:

- 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.

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 2014-15.

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:	2014-15	2013-14
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

Place : Hyderabad

Date : 29.05.2015

Dr G N Naidu

Chairman and Managing Director

N Satyendra Prasad

Executive Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

The Indian economy during the FY 2014-15 registered a GDP growth of 7.4%. The FY 2014-15 had growth of 3.6% for the Indian construction sector faster than 1.6% growth of last year. Due to change in governments and major focus on infrastructure development the construction sector is on high. The outlook for the construction is likely to improve for construction companies in the coming years. The government is making pertinent efforts to remove bottlenecks that are delaying infrastructure projects in India and with the Make in India initiative the infrastructure development will mark a major growth in the sector.

Indian Tile Industry:

The Indian tile industry has been strong in the past several years and has reported a growth around healthy 15% per annum. Investments in the last 5 years have aggregated over Rs.6000 crores. The overall size of the Indian ceramics tile industry is approximately Rs.18,000 crore (FY15). The production during 2014-15 stood at approx 600 million square meters. India ranks in the top 3 list of countries in terms of tile production in the world. With proper planning and better quality control, the exports contribution is likely to increase significantly.

The Indian tile industry is divided into organized and unorganized sector. The organized sector comprises of approximately 14 players. The current size of the organized sector is about Rs 7,200 Crores. The unorganized sector accounts for nearly 60% of the total industry bearing testimony of the growth potential of this sector.

Industry Outlook:

The long term outlook for Indian construction sector continues to remain encouraging. The demand for both residential and commercial spaces remains unstinted. This is fuelled by the projected growth for the hospitality, retail and aviation sectors as well. The realty sector continues to be the primary driving force and the consumers' preferences are being aligned towards pronominal value additions, with rising disposable incomes and the ever increasing urbanization. The long term prospects are also affirmative envisaging the government initiatives for enhancing the infrastructural facilities in rural and semi urban areas across the country.

The ceramic industry in the country is growing and the prospects are bright as the use of ceramics in infrastructure and automobile sectors is increasing. Boom in housing sector coupled by the government policies fuelling strong growth in housing sector; Retail boom in the Indian economy has also influenced the demand for higher end products.

However, in the near term, companies in the sector could witness challenges on account of sluggishness of new order inflows, executive concerns surrounding their current order books, elongated working capital cycle and resultant increase in debt levels, as reported by ICRA Ltd.



The competition offered by the unorganized players of the industry is a major impediment as well. The ever increasing operating costs, supply of natural gas and its prices, availability and procurement of raw materials whose prices again tend to be volatile, foreign exchange risks, gaps in working capital cycles and availability of skilled labour for ensuring quality of the output are the menacing aspects affecting the industry.

Company Outlook:

The recent incident had an impact on the whole town of Yanam with several people depending on the Company being thrown out of balance. Your company is in the process of exploring options for recommencing the plant operations in phases and is awaiting settlement of claim by the insurance company.

Your company had established a firm footing in the area, penetrating into various aspects of the society with its activities and is absolutely optimistic about bouncing back to its original standing. This is hence considered to be 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. Skilled and committed workforces in the plant who had left the company are willing to rejoin once the plant re-commences its operations.

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 which dragged the Company's bottom line further.



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 2014-15 in accordance with Clause 49 of the Listing Agreement 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 2014-15, 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 2014-15, five 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 31-03-2015	
			Board Meetings	At last AGM		Chairman	Member
1	Dr. G. N. Naidu (Chairman and Managing Director)	Promoter & Executive	5	Yes	4	-	-
2	N. Satyendra Prasad (Executive Director)	Promoter & Executive	5	Yes	3	1	-
3	G. Sreenivasulu Naidu	Promoter & Non- Executive	5	No	4	-	-
4	B. Surendra	Non-Executive Independent	5	Yes	-	-	-
5	D. Chandra Sekhar Babu	Non-Executive Independent	5	Yes	-	-	-
6	*G. Vijayavani	Non-Executive Independent	2	No	1	-	-
7	**Dr.M.V.G. Rao	Non-Executive Independent	2	No	8	1	2

* Smt. G. Vijayavani appointed as Additional Director of the Company, with effect from 14-09-2014.

** Dr. M.V.G. Rao ceased to be Non-Executive Independent Director with effect from 03-09-2014.



c) Other provisions as to Board and Committees

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

During the financial year 5 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, 2014	6	4
12 th August, 2014	6	3
3 rd September, 2014	6	4
14 th November, 2014	6	6
13 th February, 2015	6	6

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.

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 under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

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	Vijayavani Gudaru	Member	Non-Executive Independent Director
4	Dr. M.V.G. Rao	Member	Non-Executive Independent Director

* Smt. G. Vijayavani appointed as Additional Director of the Company, with effect from 14-09-2014.

** Dr. M.V.G. Rao ceased to be Non-Executive Independent Director with effect from 03-09-2014.

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, 2014, 12th August 2014, 14th November 2014 and 13th February 2015



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
Vijayavani Gudaru	2

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 under Clause 49 of the Listing Agreement.

b) Composition, Names of Members and Chairman:

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

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

c) Attendance during the year

During the Financial Year 2014 - 15 one meeting was held on 29-5-2014.

d) Details of remuneration paid during the year 2014-15 to the Directors are furnished hereunder.

The aggregate value of salary, perquisites and commissions for the year ended 31st March 2015 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

4. 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.

4 meetings of Share Transfer cum Investor Grievance Committee were held during the year 2014-15. The dates on which the meetings were held are as follows:

24th June 2014, 22nd August, 2014, 02nd December, 2014 and 30th March, 2015.



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	4
Dr G N Naidu	Promoter & Executive Non-Independent	4
D.Chandra Sekhar Babu	Non-Executive Independent Director	-

6. GENERAL BODY MEETINGS:

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

Year	Venue	Date	Time
2011-12	Regency Ceramics Ltd Regd Off: 5-8-356, N N House, Chirag Ali Lane, Abids, Hyderabad - 500001	December 27, 2012	11.00 A M
2012-13	Regency Ceramics Ltd Regd Off: 5-8-356, N N House, Chirag Ali Lane, Abids, Hyderabad – 500001	September 30, 2013	11.00 A M
2013-14	Regency Ceramics Ltd Regd Off: 5-8-356, N N House, Chirag Ali Lane, Abids, Hyderabad – 500001	September 30, 2014	11.00 A M

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

7. DISCLOSURES

- **Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.**

There are no materially significant related party transactions that have potential conflict with the interests of the Company at large. The details of the transactions considered to be 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**



8. 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 Andhra Prabha.

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

Annual Report is containing 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.

9. GENERAL SHAREHOLDER INFORMATION:

Date & Time of AGM	: September 30, 2015 at 11.00 a.m.
Venue	: Regency Ceramics Limited, Regd Off: 5-8-356, N N House, Chirag Ali Lane, Abids, Hyderabad - 500001
Financial Calendar (Tentative)	: 1 st Quarter Un-audited results : on or before 14 th day of August '15 2 nd Quarter Un-audited results: on or before 14 th day of November '15 3 rd Quarter Un-audited results: on or before 14 th day of February '16 4 th Quarter audited results: on or before 31 st day of May '16
Book Closure Date	: September 23, 2015 to September 30, 2015 (both days inclusive)
Listing on Stock Exchanges & Stock codes	: The Stock Exchange, Mumbai: 515018 The National Stock Exchange Ltd: REGENCERAM
ISIN allotted to Company's Scrip	: INE277C01012
R & T Agents (For both Demat and Physical segment)	: M/s Venture Capitals & Corporate Investments Pvt Ltd. (Unit: Regency Ceramics Ltd) 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. As on 31st March 2015, 79.44% of the Company's total shares representing 2,10,04,436 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		Stock Exchange, Mumbai	
	High	Low	High	Low
April 2014	2.80	2.80	2.70	2.09
May 2014	3.15	2.50	3.57	2.42
June 2014	4.00	3.00	4.60	3.23
July 2014	5.10	3.80	5.27	3.87
August 2014	4.90	4.15	5.22	4.37
September 2014	5.00	4.25	5.42	3.91
October 2014	4.75	4.10	5.10	4.13
November 2014	4.80	4.00	5.04	4.15
December 2014	4.20	3.75	4.82	4.05
January 2015	4.20	3.70	4.85	3.84
February 2015	4.00	3.55	4.58	3.50
March 2015	3.60	3.10	4.39	3.05

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 5-8-356, N N House, Chirag Ali Lane, Abids, Hyderabad - 500 001. Tel: +91-40-23204555 Fax: 040 – 23201159 Email: cosec@regencytiles.com

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



Shareholding Pattern as on 31st March 2015:

Category	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Resident Individuals	14303	95.90	5707576	21.59
Body Corporates	198	1.33	5113579	19.34
Promoters	13	0.09	15429309	58.35
NRI's	371	2.49	161225	00.61
Others	28	0.19	29897	00.11
Total	14913	100.00	26441586	100.00

Distribution of Shareholding of the Company as on 31st March 2015:

Category	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	13301	89.19	1986633	07.51
501-1000	867	05.81	706880	02.67
1001-2000	369	02.47	560914	02.12
2001-3000	122	00.82	310416	01.17
3001-4000	53	00.36	186723	00.72
4001-5000	49	00.33	228337	00.86
5001-10000	73	00.49	520240	01.97
10001-50000	58	00.39	1254524	04.74
50001 and above	21	00.14	20686919	78.24
TOTAL	14913	100.00	26441586	100.00

WHISTLE BLOWER POLICY

The company has established a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of mechanism and also provide for direct access to the Chairman of the Audit Committee.

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES 2009

Your Company's policies and practices embrace most of the elements of the Corporate Governance Voluntary Guidelines 2009 issued by the Ministry of Corporate Affairs. The company will be reviewing its corporate governance parameters in the context of recommendations under the said guidelines for appropriate adoption in keeping with the Company's unique business model.

GREEN INITIATIVE – PAPERLESS COMMUNICATION

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants and in case you desire to have a different e-mail id to be registered, please update the same with your Depository Participant from time to time. Members who hold shares in physical form are requested to register their email address by sending e-mail to cosec@regencytiles.com.

Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2015.

For Regency Ceramics Limited

Date: 29.05.2015

Place: Hyderabad

Dr. G.N.Naidu

Chief Executive Officer & Chairman and Managing Director



CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 V OF THE LISTING AGREEMENT

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, 2015 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

Date : 29.05.2015
Place: Hyderabad

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 the compliance of conditions of Corporate Governance by M/s. Regency Ceramics Limited for the financial year ended March 31, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, 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.

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

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

For Bhramayya & Co.
Chartered Accountants
(Registration No. 000513S)

Date : 29.05.2015
Place : Hyderabad

(K S Rao)
Partner
Membership No. 15850



FORM MGT - 9
EXTRACT OF ANNUAL RETURN
as on the Financial Year Ended on 31.03.2015
(Pursuant of Section 92(3) of the Companies Act, 2013 and rule 12 (1) of the
Companies (Management and Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS :

i	CIN	L26914AP1983PLC004249
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	5-8-356, N N House,Chirag Ali Lane, AbidsHyderabad.
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	VENTURE CAPITAL AND CORPORATE INVESTEMENTS PRIVATE LTD12-10-167, 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 Breakup as percentage of Total Equity)
i) Category - wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year-1st April, 2014				No. of Shares held at the end of the year 31st March, 2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	12788359	2640950	15429309	58.35	12788359	2640950	15429309	58.35	-
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	12788359	2640950	15429309	58.35	-
(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	12788359	2640950	15429309	58.35	-
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	-	82800	82800	0.31	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII'S	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	150	85450	85600	0.32	150	85450	85600	0.32	-
(2) Non Institutions									
a) Bodies corporates	3669857	1340241	5010098	18.95	3690922	1340241	5031163	19.03	0.08
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto									
Rs.1 lakhs	3111885	1095083	4206968	15.91	3062905	1091752	4154657	15.71	-0.20
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1324774	205621	1530395	5.79	1347298	205621	1552919	5.87	0.08
c) Others (specify) NRI	92420	69805	162225	0.61	91420	69805	161225	0.61	-
Clearing Members	16991	-	16991	0.06	26713	-	26713	0.10	0.04
SUB TOTAL (B)(2):	8215927	2710750	10926671	41.32	8219258	2707419	10926677	41.32	-
Total Public Shareholding									
(B)= (B)(1)+(B)(2)	8216077	2796200	1101227	41.65	8219408	2792869	11012277	41.65	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	21004436	5437150	26441586	100	21007767	5433819	26441586	100	-



(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year 1st April,2014			Shareholding at the end of the year 31st March,2015			% 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	7020533	26.55	17.56	-
2	N.Radhika Prasad	4704036	17.79	0.35	4704036	17.79	0.35	-
3	Bindu G Naidu	1895934	7.17	0.05	1895934	7.17	0.05	-
4	G.Sarojini	1024406	3.87	-	1024406	3.87	-	-
5	G K Murthy Naidu	150400	0.57	-	150400	0.57	-	-
6	G S Naidu	142100	0.54	0.33	142100	0.54	0.33	-
7	G V Naidu	132850	0.50	0.05	132850	0.50	0.05	-
8	N.Satyendra Prasad	130550	0.49	-	130550	0.49	-	-
9	G.Doraswamy Naidu	124150	0.47	0.08	124150	0.47	0.08	-
10	Narayananamma P	10000	0.04	0.04	10000	0.04	0.04	-
11	G.Aruna	66350	0.25	-	66350	0.25	-	-
12	G.Sita Lakshmi	25000	0.09	-	25000	0.09	-	-
13	Rishika Prasad	3000	0.01	-	3000	0.01	-	-
	Total	15429309	58.35	18.46	15429309	58.35	18.46	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (NO CHANGE)
NONE

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 1st April, 2014	Shareholding at the end of the year 31st March, 2015
1.	Anil Kumar Goel	120000	120000
2.	Rajkumar Lohia	101202	101282
3.	D.Jayachandra Reddy	-	90000
4.	Dipaklal Kaniyalal Shah	50000	75000
5.	Nilesh kumarmuljibhai Kothari	52551	71959
6.	Raju Bhandari	67418	67418
7.	Swati Prashanti Patel	62000	62000
8.	Raju Ajit Bhandari	20453	49288
9.	Shveta Suresh Dakwala	29469	45540
10.	Javvaji Umamaheswara Rao	19025	43703



(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year 1st April,2014		Shareholding at the end of the year 31st March,2015	
		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	7020533	26.55
2	G.Sreenivasulu Naidu	142100	0.54	142100	0.54
3	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
Indebtedness at the beginning of the financial year-1st April,2014				
i) Principal Amount	9758.09	2193.64	-	11951.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9758.09	2193.64	-	11951.73
Change in Indebtedness during the financial year				
Additions	101.25	-	-	101.25
Reduction	2.05	-	-	2.05
Net Change	99.20	-	-	99.20
Indebtedness at the end of the financial year-31st March,2015				
i) Principal Amount	9756.04	2193.64	-	11949.68
ii) Interest due but not paid	101.25	-	-	101.25
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9857.29	2193.64	-	12050.93

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		
1	Independent Directors	B. Surendra	D. Chandrasekhar Babu	G. Vijayavani
	(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	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



Annexure-2

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2015
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, 2015 generally 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, 2015 (“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, 1992;
 - 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ***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.*
- 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 is no production in the plant, hence, there were no instances which required to be complied with specific acts applicable to the Company.
- vii.l, have also examined compliance with the applicable clauses of the following:
 - a. The Listing Agreement entered into with stock exchange.
 - b. Secretarial Standards issued by the institute of Company Secretaries of India were not considered in the Audit, as the same were not notified during the period considered for Audit.

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.
- 02. The Company has defaulted in filing of form MR-1 with Registrar of companies, in respect of appointment of Managing director of the Company
- 03. The Company has defaulted in payment of listing fees to the Stock exchanges for the Year 2014-15
- 04. The Company has not appointed compliance officer of the Company in terms of clause 47 (c) of the listing agreement
- 05. The Company has defaulted the payment of Annual Fees to the both depositories (NSDL & CDSL) for the year 2014-15.
- 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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
 - 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, there were no 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.
- 7. I further report that a reference to Board for Industrial and Financial Reconstruction (BIFR) as per the provision under section 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985 has been registered by the Company as case no 19/2014.

Place : Hyderabad
Date : 29.05.2015

K . V . Chalama Reddy
Practising Company Secretary
M. No: 13951, C.P No: 5451



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: 13951, C.P No: 5451

Place : Hyderabad
Date : 29.05.2015



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. G.Vijayavani
(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(1) 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					
(2)						



INDEPENDENT AUDITORS' REPORT

To the Members of
REGENCY CERAMICS LIMITED, HYDERABAD.

Report on the Financial Statements:

We have audited the accompanying financial statements of **REGENCY CERAMICS LIMITED, HYDERABAD**, ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance 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 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 financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matter 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standard require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial control system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the 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 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 & 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 / judgement of the industrial Tribunal. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance to AS-15 "Employee Benefits". Since the company could not compute the liability in the absence of complete records, we are unable to comment upon the impact of non-provision of additional loss of the company for the year and on the current liabilities as at 31.03.2015.
4. Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets.
5. The company paid 28.93% of loan Outstanding as One Time Settlement (OTS) to the lenders and requested for extension of time for balance payment. However, the lenders issued a Demand Notice under section 13(2) of SARFAESI Act. State Bank of India on behalf of its bank, Corporation Bank and State Bank of Travancore issued a Possession Notice (Symbolic) under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 stating that they have taken possession of the properties in exercise of powers conferred on him under section 13(4) of the SARFAESI Act on 04.03.2015 State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities in interests thereto to Phoenix ARC Private Limited (Trustee of Phoenix Trust - FY15-5). The lenders filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities. Hypothecation / Hire purchase loans are repayable within one year and shown under Other Current Liabilities.
6. The company has not provided the liability towards interest and penalties payable on account of statutory dues. The Company is of opinion that the statutory authorities shall waive the same in view of the unprecedented incident.
7. The company filed a reference under section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 with the Board for Industrial and Financial Reconstruction (BIFR) and same has been registered.
8. In view of the above, the Net Loss would increase and the shareholders funds would reduce to this extent.



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 matters described in the basis for qualified opinion paragraph, the aforesaid 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 of the state of affairs of the Company as at 31st March 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2015, ("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 purpose of our audit.
 - b) Except for the effects of the matter described in the Basis for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects of the matter described in the basis for qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The matter described in the Basis for qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Companies Act.
 - g) With respect to the other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 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 financial statements – Refer Note 25 (2), (3), (8), (9) to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.
 - iii. According to the information and explanations given to us, there were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

For **BRAHMAYYA & CO.,**
Chartered Accountants.
Firm Registration No. 000513S

(K.S.RAO)
Partner
Membership No.015850

Place : Hyderabad
Date : 29.05.2015



ANNEXURE TO 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, 2015.

- 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) During the year the Company has not disposed off any of the fixed assets.
- 2) No Physical verification of inventory has been conducted during year.
- 3) a) During the year the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b) In view of our comment in paragraph (a) above, clause (III) (a) and (b) of paragraph 3 of the aforesaid order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- 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 of the Company, the company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities.
 - b) According to information and explanations given to us, the Company is not regular in depositing with appropriate authorities, the following undisputed dues outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.



Nature of the dues	Amount Rs.(in lakhs)	Period to which relates
CST	56.65	2011-12
VAT	360.89	2011-12
Service Tax	44.75	2012-14
Provident Fund	0.95	2014.15
Employees State Insurance	8.64	2012-15
Tax Deducted at Source	0.05	2014-15
Income Tax	58.19	2003-04

c) According to the records of the Company and the information and explanations given to us, the dues of Service Tax / Income Tax / Municipal Taxes which have not been deposited on account of any dispute are as follows.

Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount is related	Forum where dispute pending
Service Tax	35.04	2006-2007	CESTAT, Bangalore
Income Tax	90.98	2004-2005	Income Tax Appellate Tribunal
Municipal Tax	32.35	1998-2007	Yanam Municipality

d) According to the records of the Company, there were no amounts which were required to be transferred to Investor Education and Protection Fund. Therefore, the provisions of clause 3 (vii) (c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.

8) The accumulated losses of the Company at the end of the financial year ended 31.03.2015 are in excess of 50% of its net worth. The Company has incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.

9) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of Rs.9857.30 lakhs dues to any financial institutions and Banks.

10) The company has not given any guarantee for the loans taken by others from bank or financial institutions.

11) In our opinion and according to the information and explanations given to us, the Company has not availed any term loans during the year.

12) Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For Brahmayya & CO.
Chartered Accountants
Firm Registration No. 000513S

Place : Hyderabad
Date : 29.05.2015

K S Rao
Partner
Membership No. : 015850



BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs.in Lakhs)

Particulars	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a) Share Capital	3	2644.16	2644.16
b) Reserves and Surplus	4	(7584.60)	(6243.54)
		<hr/>	<hr/>
		(4940.44)	(3599.38)
2. Non- Current Liabilities			
a) Long-term borrowings	5	-	-
b) Other Long term liabilities	6	1855.93	1855.93
c) Long-term provisions	7	202.01	2057.94
		<hr/>	<hr/>
		216.09	2072.02
3. Current Liabilities			
a) Short-term borrowings	8	2254.15	2182.26
b) Trade payables	9	2373.16	2300.84
c) Other current liabilities	10	10071.51	14698.82
		<hr/>	<hr/>
		10069.38	14552.48
TOTAL		<u>11816.32</u>	<u>13025.12</u>
II. ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
Tangible	11	5740.48	6872.27
b) Non-current investments	12	202.42	202.42
c) Long-term loans and advances		<hr/>	<hr/>
		17.05	5959.95
		<hr/>	<hr/>
		23.32	7098.01
2. Current Assets			
a) Inventories	13	664.00	664.00
b) Trade receivables	14	876.12	937.57
c) Cash and cash equivalents	15	399.03	404.81
d) Short-term loans and advances	16	1738.66	1744.28
e) Other current assets	17	2178.56	5856.37
		<hr/>	<hr/>
		2176.45	5927.11
TOTAL		<u>11816.32</u>	<u>13025.12</u>

Notes on accounts forming part of the financial statements

1 - 25

As per our report of even date.
 For M/s. **BRAHMAYYA & CO.,**
 Chartered Accountants
 Firm Registration No.000513S

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

K.S.RAO
 Partner
 Membership No.015850

E. BALAKRISHNA RAO
 President (Finance)

Place : Hyderabad
 Date : 29.05.2015



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015
(Rs. In Lakhs)

Particulars	Note No.	Current Year	Previous Year
I. INCOME			
Revenue from operations	18	-	3.12
Other Income	19	40.57	386.49
Total		40.57	389.61
II EXPENSES			
Cost of Raw material Consumed	20	-	-
Changes in inventories of finished goods, work in Process and stock-in-trade	21	-	2.17
Employee benefits expense	22	53.62	157.09
Finance costs	23	103.97	249.49
Depreciation and amortization expense	11	1131.78	930.94
Other expenses	24	92.26	160.41
Total		1381.63	1500.10
III. Loss before tax		(1341.06)	(1110.49)
IV. Tax Expense			
-Deferred Tax		-	-
V. Loss after tax		(1341.06)	(1110.49)
VI. Earnings per equity share (of Rs.10 each)			
Basic & Diluted		(5.07)	(4.20)

Notes on accounts forming part of the financial statement

1 - 25

As per our report of even date.
For M/s.**BRAHMAYYA & CO.**,
Chartered Accountants
Firm Registration No.000513S

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

K.S.RAO
Partner
Membership No.015850

E. BALAKRISHNA RAO
President (Finance)

Place : Hyderabad
Date : 29.05.2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	2014-15	2013-14 (Rs. In Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Tax	(1341.06)	(1110.49)
Adjustments for:		
Depreciation	1131.78	930.94
Interest(net)	103.06	240.17
Profit on sale of Fixed Assets(Net)	(0.50)	(5.99)
Operating (Loss)/profit before working capital changes	(106.72)	54.63
Adjustments for:		
Trade and other receivables	76.70	453.68
Inventories	-	2.17
Trade payables	33.05	(361.95)
Cash generated from operations	3.03	148.53
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	0.50	28.80
Sale of Investments	-	-
Interest received	(4.73)	32.62
Net Cash Used in investing activities	(4.23)	61.42
C CASH FLOW FROM FINANCING ACTIVITIES		
Loans from Directors	-	1053.16
Repayment of loans from Institutions and others	(2.05)	(360.37)
Decrease in Working Capital Loan	-	(630.03)
Interest paid	(2.55)	(246.95)
Net Cash used in Financing Activities	(4.60)	(184.19)
Net Increase/(decrease) in cash and cash equivalents(A+B+C)	(5.80)	25.76
Cash and Cash equivalents as at 01.04.2014	404.82	379.06
(Opening Balance)		
Cash and Cash equivalents as at 31.03.2015	399.02	404.82
(Closing Balance)		

As per our report of even date.

For M/s. **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Registration No.000513S

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

K.S.RAO
Partner
Membership No.015850

E. BALAKRISHNA RAO
President (Finance)

Place : Hyderabad
Date : 29.05.2015



Notes forming part of the Financial Statements

Note 1: NATURE OF OPERATIONS:

Regency Ceramics Limited was incorporated in 1983. The company manufactures ceramic floor and wall tiles suitable to domestic and international markets. The company introduced 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 declared lock-out of its plant on 31st January, 2012 and since then, there is no production.

The company has recorded a Net Loss of Rs.1341.06 Lakhs for the year and has accumulated loss of Rs.9455.42 Lakhs as on 31.03.2015 resulting in erosion of the net worth. Further, there were no cash flows from the existing business activities. The company has defaulted in payment of dues to banks/financial institution and could not comply with the terms of sanction and/or repayment schedules of the lenders. Consequently, the lenders recalled the loans and initiated legal proceedings for recovery of the debts. However, the company is of the opinion that One Time Settlement package already sanctioned by the lenders where part amount is already paid and the promoters are in the process of arranging the balance amount, will be fulfilled shortly.

The matter was referred to Board for Industrial and Financial Reconstruction (BIFR) and the case was registered. The management is hopeful that BIFR will declare the company sick and grant an acceptable and viable rehabilitation package to the company.

Further, the company is confident of an amicable settlement with the agitating workers and is also hopeful of receiving insurance claim 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.

Note 2 : SIGNIFICANT ACCOUNTING POLICIES:

2.1. SYSTEM OF ACCOUNTING:

The company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

2.2. FIXED ASSETS:

Fixed Assets are stated at cost of acquisition inclusive of foreign exchange fluctuation, inland freight, duties and taxes and incidental expenses related to acquisition.

2.3. DEPRECIATION:

During the year, depreciation is provided on Straight Line Method and at the useful life and in the manner specified in Schedule II to the Companies Act, 2013.

2.4. SALES:

Gross sales are stated net of Sales Tax and inclusive of Excise duty.



2.5. 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.

2.6. INVENTORIES:

Inventories are valued at lower of cost or net realizable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

2.7. INVESTMENTS:

Long term investments are stated at cost. Any decline in the value of long term investment is recognized by providing for such diminution in the value of investments, unless the reduction is of temporary in nature.

2.8. RECOGNITION OF INCOME:

Advance Licenses and Import Entitlements received against exports made by the company are accounted in the books on accrual basis.

2.9. FOREIGN EXCHANGE TRANSACTIONS:

Foreign currency transactions are accounted at the exchange rates ruling on the date of transactions. The net gain/loss arising on revenue account during the year in respect of foreign exchange transaction is reckoned in the Profit and Loss Account.

2.10. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of long lead time capital assets are capitalized as a part of cost of the asset. All other borrowing costs are charged to revenue.

2.11. DEFERRED TAXATION:

Deferred tax, being tax on timing difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years, has been recognized. Deferred tax assets, arising from temporary timing differences and out of unabsorbed loss or depreciation are recognized to the extent that there is reasonable certainty that the assets can be realized in future.

2.12. RESEARCH AND DEVELOPMENT:

- i. Revenue expenditure is charged to Profit & Loss Account.
- ii. Capital expenditure is shown as addition to fixed assets under natural heads.

2.13. CONTINGENT LIABILITIES:

Contingent liabilities not provided for are indicated by way of a Note and will be provided/ paid on crystallization.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3 : SHARE CAPITAL

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. of shares	Rs in Lakhs	No. of shares	Rs in Lakhs
Authorised				
Equity Shares of Rs.10/- each	30000000	3000.00	30000000	3000.00
Total	30000000	3000.00	30000000	3000.00
Issued				
Equity Shares of Rs.10/- each	26508586	2650.86	26508586	2650.86
Total	26508586	2650.86	26508586	2650.86
Subscribed and Paid up				
Equity Shares of Rs.10/- each fully paid up	26441586	2644.16	26441586	2644.16
Total	26441586	2644.16	26441586	2644.16

The reconciliation of number of shares as on 31st March, 2015 is set out below:

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. of shares	Rs in Lakhs	No. of shares	Rs in Lakhs
Shares Outstanding at the beginning of the year	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

The Details of shareholders holding more than 5% shares.

Name of the Shareholder	As at 31.03.2015		As at 31.03.2014	
	Shares Held	%	Shares Held	%
G N Naidu	7020533	26.55	7020533	26.55
Radhika Naidu	4704036	17.79	4704036	17.79
Bindu G Naidu	1895934	7.17	1895934	7.17
Regency Transport carriers Limited	3314470	12.54	3314470	12.54



Particulars	(Rs in Lakhs)	
	As at 31.03.2015	As at 31.03.2014
NOTE 4		
RESERVES AND SURPLUS		
a. Capital Reserve		
At the Commencement of the year	0.86	0.86
Closing Balance	0.86	0.86
Other Reserves		
b. General Reserve		
At the commencement of the year	1540.35	1540.35
Closing Balance	1540.35	1540.35
c. Share Premium		
At the commencement of the year	329.61	329.61
Closing Balance	329.61	329.61
d. Surplus		
At the commencement of the year	(8114.36)	(7003.87)
Add: Current year	(1341.06)	(1110.49)
Closing Balance	(9455.42)	(8114.36)
Total (a+b+c+d)	(7584.60)	(6243.54)

NOTE 5**LONG TERM BORROWINGS: (SECURED)**

A) Term Loans		
Corporation Bank	-	-
State Bank Of Travancore	-	-
State Bank of India	-	-
State Bank of Bikaner & Jaipur	-	-
Corporation Bank -TL 2	-	-
State Bank of Travancore- TL 2	-	-
State Bank of India- TL 2	-	-
State Bank of Bikaner & Jaipur -TL 2	-	-
B) Funded Interest Term Loans		
Corporation Bank	-	-
State Bank of Travancore	-	-
State Bank of India	-	-
State Bank of Bikaner & Jaipur	-	-
C) Working Capital Term Loans		
State Bank of India	-	-
The South Indian Bank Ltd.,	-	-
D) Other Loans		
Under Hypothecation / Hire Purchase	-	-
Total (A+B+C+D)	-	-



The company paid 28.93% of loan Outstanding as One time Settlement (OTS) amount as a compromise towards settlement of dues to the lenders and requested for extension of time for balance payment. However, the lenders issued a Demand Notice under section 13(2) of SARFAESI Act. State Bank of India on behalf of its bank, Corporation Bank and State Bank of Travancore issued a Possession Notice (Symbolic) under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 stating that the undersigned has taken possession of the properties in exercise of powers conferred on him under section 13(4) of the SARFAESI Act on 04.03.2015. State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities interests thereto to Phoenix ARC Private Limited (Trustee of Phoenix Trust - FY15-5). The lenders 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 Note No.10 (Other Current Liabilities). Hypothecation / Hire purchase loans under (D) are repayable within one year and shown under Note No.10 (Other Current Liabilities)

Particulars	As at 31.03.2015	As at 31.03.2014
-------------	---------------------	---------------------

NOTE 6

OTHER LONG TERM LIABILITIES(UNSECURED)

Loans from Body Corporate & Others	30.00	30.00
Loans from Directors	1825.93	1825.93
Total	1855.93	1855.93

NOTE 7

LONG TERM PROVISIONS

Gratuity	185.76	197.84
Leave Encashment	16.25	18.25
Total	202.01	216.09

Gratuity Provision as per AS-15 and Leave Encashment were not provided in the books due to loss of employee records in the factory during the incident occurred on 27.01.2012

NOTE 8

SHORT TERM BORROWINGS (SECURED)

Cash Credit

i) State Bank of India	1614.94	1614.93
ii) The South Indian Bank Ltd	639.21	567.33
Total	2254.15	2182.26

Terms of Repayment and Security

The Short term 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.

The company paid 28.93% of loan Outstanding as One Time Settlement (OTS) amount as a compromise towards settlement of dues to the lenders and requested for extension of time for balance payment. However, the lenders issued a Demand Notice under section 13(2) of SARFAESI Act. State Bank of India on behalf of its bank, Corporation Bank and State Bank of Travancore issued a Possession Notice (Symbolic) under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 stating that the undersigned has taken possession of the properties in exercise of powers conferred on him under section 13(4) of the SARFAESI Act on 04.03.2015. State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities interests thereto to Phoenix ARC Private Limited (Trustee of Phoenix Trust - FY15-5). The lenders 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.

(Rs in Lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
-------------	---------------------	---------------------

NOTE 9

TRADE PAYABLES

Trade Payables

- Due to Micro,Small and Medium Enterprises	193.98	193.98
- Others	2179.18	2106.86
Total	2373.16	2300.84

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 **193.98** 193.98
- (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 payments as per the agreed terms - -
- (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.



NOTE 10

OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Current Maturities of Long Term Borrowings:		
A) Term Loans		
Corporation Bank	1729.53	1729.53
State Bank Of Travancore	1424.41	1424.41
State Bank of India	1861.11	1861.11
State Bank of Bikaner & Jaipur	1336.20	1336.20
Corporation Bank -TL 2	40.57	40.57
State Bank of Travancore- TL 2	16.47	16.47
State Bank of India- TL 2	66.91	66.91
State Bank of Bikaner & Jaipur -TL 2	54.66	54.66
	<u>6529.86</u>	<u>6529.86</u>
Hypothecation / Hire Purchase Loans	7.77	9.82
	<u>6537.63</u>	<u>6539.68</u>
B) Funded Interest Term Loans		
Corporation Bank	36.99	36.98
State Bank of Travancore	11.13	11.13
State Bank of India	66.37	66.37
State Bank of Bikaner & Jaipur	1.27	1.28
	<u>115.76</u>	<u>115.76</u>
C) Working Capital Term Loans		
State Bank of India	696.28	696.28
South Indian Bank	253.47	224.09
	<u>949.75</u>	<u>920.37</u>
D) Other Current Liabilities		
Creditors for Other Finance	571.89	573.93
Creditors for expenses	1193.78	1216.94
Advance from Customers	294.94	294.94
Trade Deposit from Dealers	337.71	337.71
Income Tax	58.19	58.19
Due to Directors	11.86	11.86
	<u>2468.37</u>	<u>2493.57</u>
Total (A+B+C+D)	<u>10071.51</u>	<u>10069.38</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.

The Interest on Term Loans and Working Capital Loans for the year 2014-15 amounting to Rs.1021.93 lakhs (Previous Year Rs.978.11 Lakhs) calculated @ interest rates as per sanction was not provided in the books in line with the treatment made by the banks. The actual interest liability shall vary depending upon the actual date of payment.

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.

Note 11:
FIXED ASSETS

(Rs in Lakhs)

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		COST AS AT 01.04.2014	ADDITIONS DURING THE YEAR	SALES/ ADJUSTMENTS DURING THE YEAR	COST AS AT 31.03.2015	UPTO 01.04.2014	FOR THE YEAR	ON SALES/ ADJUSTMENTS	UPTO 31.03.2015
1	LAND	156.37	-	-	156.37	-	-	-	156.37
2	BUILDINGS	1836.83	-	-	1836.83	806.75	144.91	-	951.66
3	PLANT & MACHINERY	18347.34	-	-	18347.34	12750.11	973.20	-	13723.31
4	OFFICE EQUIPMENT & COMPUTERS	457.27	-	-	457.27	424.51	1.34	-	425.85
5	FURNITURE & FIXTURES	69.76	-	-	69.76	67.82	0.36	-	68.18
6	VEHICLES	105.65	-	3.59	102.06	75.58	11.97	3.59	83.96
7	LIVE STOCK	23.81	-	-	23.81	-	-	-	23.81
	T O T A L	20997.03	-	3.59	20993.44	14124.77	1131.78	3.59	15252.96
	PREVIOUS YEAR	21061.92	-	64.89	20997.03	13235.89	930.94	42.08	14124.77

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 2015 were prepared without considering loss/damage to Plant & Machinery, Buildings and other assets of the company in the books. Consequent to the enactment of the Companies Act, 2013, the company has charged depreciation based on the useful life of the assets as prescribed as per Schedule II of the companies Act, 2013. Accordingly where the remaining useful life of the asset expired as on 1st April, 2014, the carrying amount of Rs. 615.60 lakhs on those assets has been adjusted against depreciation for the year.



NOTE 12

NON-CURRENT INVESTMENTS (NON-TRADE, AT COST)

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. of shares	Rs in Lakhs	No. of shares	Rs in Lakhs
Un-Quote:				
i) National Savings Certificates and Indira Vikas Patras (Deposited with Sales Tax Department)		0.42		0.42
ii) Equity Shares Rs.10 each in Regma Ceramics Limited	20,00,000	200.00	20,00,000	200.00
iii) Equity Shares Rs.10 each in Sai Regency Power co Ltd	10,000	1.00	10,000	1.00
Quoted :				
iv) Equity shares Rs.10 each in IFCI Ltd, (market value Rs.3.33 lakhs (previous year Rs 2.65 lakhs)) -	10,000	1.00	10,000	1.00
Total		202.42		202.42

(Rs in Lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 13		
INVENTORIES		
Raw Materials	482.29	482.29
(Valued at lower of cost or net realisable value)		
Stores & Spares	54.72	54.72
(Valued at lower of cost or net realisable value)		
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
Stocks-in-process	70.08	70.08
(Valued at lower of cost or net realisable value)		
Packing Materials	6.07	6.07
(Valued at lower of cost or net realisable value)		
Total	664.00	664.00

NOTE 14

TRADE RECEIVABLES

(Unsecured and considered good)

Receivables for a period exceeding six months	876.12	937.57
Considered Doubtful	29.22	29.22
Less: Provision for Doubtful Debts	29.22	29.22
Other trade receivable	-	-
Total	876.12	937.57



Particulars	As at 31.03.2015	As at 31.03.2014	(Rs in Lakhs)
NOTE 15 CASH AND CASH EQUIVALENTS			

Cash in hand	8.57	8.64
In Current Accounts	6.25	11.96
In No-Lien Accounts	349.14	349.14
In Fixed deposits against BG/LCs	35.07	35.07
Total	399.03	404.81

The company paid 28.93% of the OTS amount under settlement to all the banks. Corporation Bank had shown the same in the No-lien Account, State Bank of India had shown part of this amount in the No-Lien Account while others have adjusted against the regular Term loan Accounts. The Company made similar treatment in the books in line with the treatment made by the respective banks.

NOTE 16
SHORT TERM LOANS AND ADVANCES

Advance for purchase, other advances and deposits	1703.06	1706.81
Advances to Staff & Workers	15.65	17.51
Deposits Recoverable	19.95	19.96
Total	1738.66	1744.28

NOTE 17
OTHER CURRENT ASSETS

Claims Receivable	1877.71	1881.78
Balance with Govt. Departments	196.79	196.11
Prepaid Expenses	-	0.19
Interest accrued on Deposits and Investments	18.63	13.17
Advance Tax & TDS	85.43	85.20
Total	2178.56	2176.45

Particulars	Current Year	Previous Year
NOTE 18 REVENUE FROM OPERATIONS		
Domestic Sale	-	3.12
Export Sale	-	-
Total	-	3.12
Less : Excise Duty	-	-
Total	-	3.12



(Rs.in Lakhs)

Particulars	Current Year	Previous Year
NOTE 19		
OTHER INCOME		
Interest	0.74	6.78
Profit on sale of assets	0.50	11.30
Miscellaneous Income	8.97	5.53
Excess Provisions Written back	-	74.86
Credit Balances Written back	-	7.64
Bad debts written off recovered	1.47	-
Dividend Received	0.10	0.10
Rent received	2.86	3.67
Prior period income	25.93	149.17
Exchange Fluctuation	-	127.44
Total	40.57	386.49
NOTE 20		
COST OF RAW MATERIAL CONSUMED		
Opening Stock	482.29	482.29
Add: Purchases	-	-
	482.29	482.29
Less: Closing Stock	482.29	482.29
Total Cost of Raw materials consumed :	-	-
NOTE 21		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished Stock	-	2.17
Trading Stock	50.84	50.84
Stock in process	70.07	70.07
	120.91	123.08
Less: Inventories at the end of the year		
Finished Stock	-	-
Trading Stock	50.84	50.84
Stock in process	70.07	70.07
	120.91	120.91
(Increase)\ Decrease	-	2.17
NOTE 22		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, bonus and Other benefits	42.47	79.50
Gratuity	-	2.94
Contribution to Provident Fund	3.26	3.84
Contribution to ESI	0.25	0.37
Workmen and Staff Welfare Expenses	1.06	2.03
Compensation	6.58	68.41
Total	53.62	157.09



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 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.

(Rs.i.n Lakhs)

Particulars	Current Year	Previous Year
NOTE 23		
FINANCE COST		
Interest	103.80	246.95
Bank Charges	0.17	2.54
Total	103.97	249.49

The Interest on Term Loans and Working Capital Loans for the year 2014-15 amounting to Rs.1021.93 lakhs was not provided in the books in line with the treatment made by the banks. The actual interest liability shall vary depending upon the actual date of payment.

NOTE 24

OTHER EXPENSES

Power and Fuel	4.68	-
Repairs to -Buildings	-	0.79
-Others	0.87	4.53
Rates and Taxes	0.33	9.68
Rent	4.33	11.93
Insurance	0.20	0.64
Printing and Stationery	0.98	2.51
Postage, Telegrams, Telephone and Telex	5.46	7.53
Travelling and Conveyance	9.33	15.86
Directors sitting fees	-	0.04
Vehicles Maintenance / Hire Charges	8.49	9.93
Payments to auditors- as auditors	1.12	1.12
Legal and Professional Charges	2.66	16.72
Loss on Sale of Fixed assets	-	5.31
General Expenses	40.36	46.18
Debit Balances written off	-	3.93
Others written off	2.91	-
Prior Year Expenses	9.89	23.17
Carriage, Freight and Insurance on despatches	-	0.16
Advertisement	0.65	0.38
Total	92.26	160.41



NOTES FORMING PART OF FINANCIAL STATEMENTS :

NOTE : 25

	As at 31.03.2015 (Rs. in lakhs)	As at 31.03.2014 (Rs. in lakhs)
25.1. Estimated Amount of contracts remaining to be executed on Capital Accounts and not provided for	-	-
25.2. 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, Bangalore.	35.04	35.04
iv) Demand from Yanam Municipality (Property Tax-With retrospective effect) disputed by the company- pending with commissioner, Yanam Municipality	32.35	32.35
v) 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	101.17
25.3. The company suffered extensive damage to the Buildings, Plant & Machinery and other assets situated at Factory, Yanam due to unprecedent 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.		
25.4. The Company could not obtain confirmation of balances in respect of Sundry Debtors & Sundry Creditors, loans and advances, other current assets and other liabilities.		



	Current Year (Rs. in lakhs)	Previous year (Rs. in lakhs)
25.5. CIF Value of Imports		
i) Raw material	-	-
ii) Packing Material, Stores & Spares	-	-
iii) Capital Goods	-	-
	<hr/>	<hr/>
25.6. Expenditure in Foreign Currency:		
i) Travelling Expenses	-	-
ii) Sales Commission	-	-
25.7. Earnings in Foreign Exchange: F.O.B. Value of Exports	-	-
25.8. 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 AS-15 due to loss of employee records in the factory during the violent incidence occurred on 27 th January, 2012.		
25.9. The company paid part of One Time Settlement (OTS) amount to the lenders and requested for extension of time for balance payment. However, the lenders issued a Demand Notice under section 13(2) of SARFAESI Act. State Bank of India on behalf of its bank, Corporation Bank and State Bank of Travancore issued a Possession Notice (Symbolic) under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 stating that the undersigned has taken possession of the properties in exercise of powers conferred on him under section 13(4) of the SARFAESI Act on 04.03.2015 State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities interests thereto to Phoenix ARC Private Limited (Trustee of Phoenix Trust - FY15-5). The lenders filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues.		
In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities. Hypothecation / Hire purchase loans are repayable within one year and shown under Other Current Liabilities.		
25.10. The company filed a reference under section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 with the Board for Industrial and Financial Reconstruction. The reference made by the company has been registered in the BIFR as Case No.19/2014.		
25.11. Remittance in foreign currency on account of Dividend: There is no remittance in foreign currency on account of Dividend during the year 2014-15.		
25.12. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
25.13. Segment Reporting : The entire operations of the Company relate only to one segment.		
25.14. Related Party Disclosure:		
	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		



Particulars	Current Year	Business Previous Year	(Rs. in lakhs)	
			Outstanding As on 31.03.15	31.03.14
i) Company under the same management				
- Subscription to Equity Shares	-	-	200.00	200.00
- Brand usage charges earned	-	-	(394.59)	(367.82)
ii) Unsecured loans from Directors	-	-	(1963.12)	(1962.43)
iii) Other entities where Directors/ their relatives are interested.				
- Advances given	-	-	(104.03)	(93.02)
(Figures in bracket represent amount payable to them)				
iv) Payment to Key Management personnel				
- Rent	3.50	6.00		
- Remuneration (Directors)	-	-		
- Remuneration (other than directors)	-	-		

25.15. Composition of Net Deferred Tax Asset/(Liability):	Current Year (Rs. in lakhs)	Previous year (Rs. in lakhs)
Components of Deferred Tax:		
Deferred Tax Assets:		
Loss as per Income Tax Act	2959.52	2778.80
Provision for doubtful debts	9.03	9.03
Disallowances u/s 43B of Income Tax Act	0.58	15.45
Deferred Tax Liability:	2969.13	2803.28
Depreciation	1212.85	1477.45
Deferred Tax (Liability)/Asset (Net)	1756.28	1325.83

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

25.16. Earning per Share:

i) Net Loss after tax (Rs. in lakhs)	(1341.06)	(1110.49)
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) Earning per share (in Rs.)	(5.07)	(4.20)

25.17. The Scheduled III to the Companies Act, 2013 has become effective from 1st April, 2014 for the preparation of Financial Statements and accordingly, disclosure and presentation have been made in the financial statements.

25.18. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date.

For M/s. **BRAHMAYYA & CO.**,
Chartered Accountants
Firm Registration No.000513S

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

K.S.RAO
Partner
Membership No.015850

E. BALAKRISHNA RAO
President (Finance)

Place : Hyderabad
Date : 29.05.2015



BALLOT FORM

(In lieu of E-voting)

Regency Ceramics Limited

CIN: L26914AP1983PLC004249

Registered Office: 5-8-356, N. N. House, Chirag Ali Lane, Abids, Hyderabad - 500001

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 exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 31st Annual General Meeting of the Company to be held on 30th day of September, 2015, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick ("") mark at 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)
ORDINARY BUSINESS				
1.	To receive, consider and adopt the Audited Financial Statements for the year 2014-15, including report of Board of 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 re-appointment.			
3.	Appointment of M/s Brahmayya & Co., Chartered Accountants as Statutory Auditors of the Company for the year 2015-16			
SPECIAL BUSINESS				
4.	Appointment of Smt. Vijaya Vani (DIN: 01825437) as Independent Director of the Company			
5.	Appointment of Sri N Satyendra Prasad as Whole Time Director of the Company			

Place:

Date:

(Signature of the Member)

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



INSTRUCTIONS

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, Khairstabad, Hyderabad-500004, so as to reach by **5.00 pm on September 29, 2015**. 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. XL Softech Systems 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 25th September, 2015.



Regency Ceramics Limited

CIN: L26914AP1983PLC004249

Registered office: 5-8-356, N. N. House, Chirag Ali Lane, Abids, Hyderabad - 500001 Telangana

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 31st Annual general meeting of the company, to be held on the 30th day of September, 2015 at 11.00a.m. at 5-8-356, N. N. House, Chirag Ali Lane, Abids, Hyderabad - 500001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt the Audited Financial Statements for the year 2014-15, including report of Board of 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 re-appointment.
3. Appointment of M/s Brahmayya & Co., Chartered Accountants as Statutory Auditors of the Company for the year 2015-16
4. Appointment of Smt. Vijaya Vani (DIN: 01825437) as Independent Director of the Company
5. Appointment of Sri N Satyendra Prasad as Whole Time Director of the Company

Signed this _____ day of _____ 2015

Signature of shareholder

1/- Re
Revenue
Stamp

Signature of Proxy holder(s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.