

## BOARD OF DIRECTORS

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

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

<b>Audit Committee</b>	<b>Investors' Grievance Committee</b>
Sri B. Surendra	Dr G.N. Naidu
Sri D.Chandra Sekhar Babu	Sri B. Surendra
Smt G. Vijaya Vani	Sri D.Chandra Sekhar Babu

<b>Bankers</b>	<b>Remuneration Committee</b>
State Bank of India	Sri B. Surendra
The South Indian Bank Ltd	Sri D.Chandra Sekhar Babu
Corporation Bank	Smt G.Vijaya Vani
State Bank of Travancore	
State Bank of Bikaner & Jaipur	

<b>Statutory Auditors</b>	<b>Registered Office</b>
M/s Brahmayya & Co	6-3-1090/A/7, 3 <sup>rd</sup> Floor, IMS House
Chartered Accountants	Somajiguda, Hyderabad - 500082
Hyderabad	Ph: +91-40-23327555

<b>Internal Auditors</b>	<b>Factory</b>
M/s K S Rao & Co.,	Yanam – 533464
Chartered Accountants	(Union Territory of Puducherry)
Hyderabad	

Company's Website: [www.regencytiles.com](http://www.regencytiles.com)

### Contents :

### Page Nos.

Notice to the Shareholders	1 - 4
Directors' Report	5 -10
Management Discussion and Analysis Report	11 - 12
Report on Corporate Governance	13 - 19
CEO Certificate	20
MGT - 9	21 - 25
Secretarial Audit Report	26 - 29
Independent Auditors' Report	30 - 34
Balance Sheet	35
Statement of Profit and Loss	36
Cash flow Statement	37
Notes Forming part of the Financial Statements	38 - 52

**INDEX**



## **32<sup>nd</sup> Annual Report 2015-16**

### **NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Company will be held on Wednesday the September 28, 2016 at 11.00 a.m. at Registered Office: 6-3-1090/A/7, 3<sup>rd</sup> Floor, IMS House, Somajiguda, Hyderabad - 500 082, to transact the following business:

#### **Ordinary Business:**

1. To consider and adopt the Audited Balance Sheet as on 31st March 2016 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 G. Sreenivasulu Naidu (DIN:00106038) 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.

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

Place : Hyderabad  
Date : 30.05.2016

**Dr G N Naidu**  
Chairman and Managing Director

#### **Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of him / her. Proxy need not be a member of the company; Proxy form duly completed should be deposited at the company's registered office at least 48 hours before the commencement of the meeting.
2. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in. Members holding shares in Demat form shall write their Client ID and DP ID No. and those holding in Physical form to write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
3. The Register of Members and Share Transfer books of the company will remain closed from September 21, 2016 to September 28, 2016 (both days inclusive).
4. Members seeking any information with regard to accounts for the financial year ended 31st March 2016 may send their queries to the company at least 10 days before the meeting, in order to enable the Management to keep the information ready at the Meeting.



5. In case there is any correction/change in your address registered with us, we request you to communicate the same to us/Company's R & T Agent, whose address is given elsewhere in this Annual Report.
6. The Company has already transferred the unclaimed dividend declared for the financial year 1991-92 to the general revenue account of the Central Government as required by the Companies Un-paid Dividend (Transfer to the General Revenue account of the Central Government) Rules, 1978. Shareholders who have not claimed or collected the dividend for the aforesaid financial year may claim their dividend by writing to the Registrar of Companies, Andhra Pradesh & Telangana, 2<sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattiannaram, Nagole, Bandlaguda, Hyderabad - 500 068.
7. The Company has transferred to the 'Investors Education and Protection Fund' the unpaid / unclaimed dividend declared as interim dividend / dividend for the financial year 1999-2000 in June, 2007, for the financial year 2000-01 in October 2008, for the financial year 2001-02 in October 2009, for financial year 2002-03 in November 2010 and for financial year 2003-04 in October 2011. Please note that once the unclaimed dividend is transferred to the aforesaid 'Investors Education and Protection Fund' of the Central Government, no claim shall lie in respect thereof.
8. Your company's securities are listed with Bombay Stock Exchange Ltd., (BSE) and The National Stock Exchange Limited, Mumbai (NSE). The company has not paid the annual listing fee for the years 2014-15, 2015-16 and 2016-17 to the said Stock Exchanges.
9. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

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

(A) The voting period begins on 24.09.2016 at 9.00 am ends on 27.09.2016 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20<sup>th</sup> September 2016 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>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.</li><li>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.</li></ul>
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account or in the company records for the said Demat accounts or folio in dd/mm/yyyy format.

(vii) After entering these details appropriately, click on "SUBMIT" tab

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(x) Click on the EVSN for the relevant **Regency Ceramics Limited (EVSN-160819003)** on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



*Regency Ceramics Limited*

(xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(xviii) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

Place : Hyderabad  
Date : 30.05.2016

**Dr G N Naidu**  
Chairman and Managing Director



#### DIRECTORS' REPORT

##### Dear Members

Your Directors hereby present their Thirty second Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2016.

##### FINANCIAL SUMMARY:

The performance of the Company for the Financial Year ended 31<sup>st</sup> March 2016 is as under:

SI. No.	Particulars	Rs in Lakhs	
		2015-16	2014-15
1	Turnover	-	-
2	Profit / (Loss) before Interest and Depreciation	38	(105)
3	Finance charges	1	104
4	Profit / (Loss) before Depreciation and Tax	37	(209)
5	Less: Provision for Depreciation	502	1132
6	Loss before Tax	(465)	(1341)
7	Less: Provision for Income Tax	-	-
8	Net Loss after Tax	(465)	(1341)
9	Deficit Carried to Balance Sheet	(9920)	(9455)

##### REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS:

During the year under review, your Company could not make any sales and as such the Turnover was Rs.NIL (Previous year : Rs.Nil) and incurred a Net Loss of Rs.465 Lakhs (previous year Net loss: Rs.1341 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 made a claim on reinstatement value basis in accordance with the policy taken and submitted its claim for loss/damage to the properties of the company. The insurance company is not willing to settle the claim under reinstatement value basis since the company did not carry out repairs within 12 months from the date of loss. Your company is contesting the same as the repairs could not be taken up due to prevailing special circumstances.

##### 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 revised OTS due to on-going agitation of the workers, non receipt of insurance claim and inability of the promoters to mobilize funds. The lenders have agreed in-principle to examine the revised OTS offer of the company and in the meantime as



per rules, initiated recovery action against the company under the SARFAESI Act. The lenders also took symbolic Possession under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 of the properties in exercise of powers conferred on them under section 13(4) of the SARFAESI Act. Further, the lenders also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues.

**REFERENCE TO AAIFR:**

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 and registered as case no. 19/2014 was abated and your company preferred an appeal before AAIFR.

**FUTURE OUTLOOK:**

The Indian tile Industry is picking up as expected and witnessing bright days after the general elections. The increasing urbanization over the last two decades from 217 million to 377 million and expected to reach 600 million or about 40% by 2031 with 68 cities population of more than one million is expected to drive housing demand. The Interest rate reduction shall support well for the housing sector. Further, declining commodity prices shall reduce inflationary pressure on the Indian economy, creating a foundation for further interest rate reduction. This should improve housing demand. Cost reduction coupled with reduction in international crude prices shall contribute to reduction in energy costs strengthening business profitability. The Government's decision to develop housing for all by 2022, Swachh Bharat campaign (Sanitisation for all by 2019), Smart City Mission are expected to create growth opportunities for the Indian ceramic tile industry.

Your company is in the process of resolving all pending issues including settlement of insurance claim, 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 insured at the reinstatement values every year. However, after the incident of 27.01.2012, the Insurance companies denied insurance coverage in respect of 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, Sri G.Sreenivasulu Naidu, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

**NUMBER OF MEETINGS OF THE BOARD**

The details of the number of meetings of the Board held during the financial year 2015-16 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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 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 second 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.



## *Regency Ceramics Limited*

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, 2016 being annexed to this Annual Report.

### **AUDITOR'S REMARKS:**

- i. Referring to Para on basis for qualified opinion of the Auditors' Report, the Directors would like to refer Notes forming part of Accounts which is self explanatory. The reference to note numbers are as under :
  - a. Para 1 of basis for qualified opinion – Note No.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 & 23
  - g. Para 7 of basis for qualified opinion – Note No.10
  - h. Para 8 of basis for qualified opinion – Note No.25.10
- ii. Referring to Para 7 (a) and 7 (b) of the Annexure to the Auditors report, your Directors are of the opinion that the Company is in the process of executing various alternative plans to control such delays in future. With regard to para 8 of the Annexure to the Auditors Report, Directors are confident that the revised OTS will be sanctioned and the lenders dues will be fully settled.

### **COST AUDITORS:**

The Board of Directors, on the recommendation of Audit committee 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 2016-17.

The Cost Audit Report for the financial year 2015-16 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, 2016.



## 32<sup>nd</sup> Annual Report 2015-16

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

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

Regarding the observation Nos. 1,2,3,4,7 of the report, the Company is unable to comply with the same due to financial position of the Company.

Regarding the Observation Nos.5&6, the company is in the process of rectifying the same.

Regarding the Observation No.8 the Promoters are advised to convert their share holdings in Dematerialised form at the earliest.

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

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

### **VIGIL MECHANISM**

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

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

### **RISK MANAGEMENT POLICY**

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the financial year 2015-16:

- 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 2015-16.

**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:	2015-16	2014-15
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 : 30.05.2016

**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 is showing signs of stability after the new government assumed control since two years ago. The economy needed a series of structural changes to restore macro-economic balance and enhance long term growth potential. Indian economy has emerged after a dim global backdrop, as a relative outperformer, offering global investors a healthy mix of growth as well as macroeconomic and political stability. The Central Government, over the last two years, is addressing the same with various national initiatives such as the ease of doing business, FDI liberalization, financial inclusion, reviving infrastructure investments in roads and renewable energy, co-operative and competitive federalism as well as subsidy reforms accompanied by some landmark measures like Insolvency and Bankruptcy Code and UDAY Scheme for restructuring state discoms. In a global environment, India's growth in 2016 predominantly hinges on domestic drivers. Thus, all reforms large and incremental are coming together to pave the way for growth outcomes to become more tangible in the coming quarters.

##### **Industry Outlook:**

The Indian economy is expected to grow @ 7.9% in 2016-17 with a sharp rise in manufacturing activity and gains from crude oil prices, despite the global turbulence and volatility. Manufacturing growth is likely to touch 9.5%, much higher than 7.5% growth in earlier years. Inflation measured by the Consumer Price Index (CPI), is likely to decline from 6.5% to 5.5% in the current year, clearing the path for further monetary policy easing. Assuming a further moderation in the average annual price of crude petroleum and other commodities, the current account deficit is estimated at about 1.0% of GDP in the current year. With the macro economic scenario and assuming normal monsoon during 2016, the Indian economy is set to register growth rate in excess of 7% for the third consecutive year.

##### **Indian Tile Industry:**

The outlook for the Indian Tile industry is likely to improve with major focus on infrastructure development 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. The demand for residential and commercial spaces, projected growth for the hospitality, retail, aviation, automobile and the realty sector, the consumers' preferences with rising disposable incomes and ever increasing urbanization, the government initiatives for enhancing the infrastructural facilities in rural and semi urban areas across the country are some of the indicators for better future of Indian tiles industry.

The Indian tile industry has been strong in the past several years with a growth of about 15% per annum. The overall size of the Indian ceramics tile industry is approximately Rs.18,000 Cr. or 600 million square meters. The Indian tile industry is divided into organized and unorganized sector. The current size of the organized sector with 14



players is about Rs 9,000 Cr. The unorganized sector accounts for 70% bearing testimony of the growth potential of this sector.

The competition from the unorganized players of the industry, ever increasing operating costs, availability of natural gas and 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 some major impediments affecting the industry.

**Company Outlook:**

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

**Internal Control Systems:**

Your Company has in place proper and adequate systems of internal controls commensurate with its size and the nature of its operations comprising authority levels and powers, supervision, checks and balances, policies, procedures and internal audit. The internal control system provides reasonable assurance that the transactions are properly recorded and are executed in accordance with proper management authorization and that the assets are safeguarded against loss from unauthorized use or disposition and that the accounting records are adequate for preparation of financial statements and other financial information. The system is reviewed and updated on an on-going basis. The Company is continuously upgrading its internal control systems by various measures such as strengthening of Information Technology, infrastructure, use of external management services and adoption of various recommendations of Audit Committee.

**Human Resources and Industrial relations:**

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

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

**Business Review and Financial Performance**

During the year under review, your company's performance was very badly affected as there was no production due to labour unrest 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 2015-16 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 2015-16, 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 2015-16, four Board Meetings were held and the time gap between any two Board Meetings did not exceed 120 days.

Sl. No.	Name of the Director	Category	Attendance		Number of other Director-ships	Membership in Board / Committees in other Companies as on 31-03-2016	
			Board Meetings	At last AGM		Chairman	Member
1	Dr. G. N. Naidu (Chairman and Managing Director)	Promoter & Executive	4	Yes	4	-	-
2	N. Satyendra Prasad (Whole Time Director)	Promoter & Executive	4	Yes	3	1	-
3	G. Sreenivasulu Naidu (Director)	Promoter & Non- Executive	4	No	4	-	-
4	B. Surendra (Director)	Non-Executive Independent	4	Yes	-	-	-
5	D. Chandra Sekhar Babu (Director)	Non-Executive Independent	4	Yes	-	-	-
6	G. Vijaya Vani (Director)	Non-Executive Independent	4	No	1	-	-



**c) Other provisions as to Board and Committees**

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

During the financial year 4 Board Meetings were held. The details of the Board Meetings are as under:

Date of the Meeting	Board Strength	No. of Directors present
29 <sup>th</sup> May, 2015	6	6
12 <sup>th</sup> August, 2015	6	6
13 <sup>th</sup> November, 2015	6	5
12 <sup>th</sup> February, 2016	6	5

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

**d) Code of Conduct**

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

**e) Disclosure of relationship between directors inter se**

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

f) Brief details of director seeking the re-appointment of Sri. G. Srinivasulu Naidu. Sri.G. Srinivasulu Naidu, aged about 74 years is a Law graduate and a practising Advocate in profession since 1969. He is associated as a Director of your company since 1993-94. His diversified knowledge and experience in both criminal and civil cases, corporate affairs and other fields has helped the company in its difficult times. He was earlier a member of the panel of advocates for United India Insurance Ltd., Cuddapah, New India Insurance Ltd. Cuddapah, and standing counsel for A.P Mineral Development Corporation. Cuddapah and as a standing counsel for APSRTC, Cuddapah.

**3. AUDIT COMMITTEE:**

**a) Brief description and terms of reference:**

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

**b) Composition, Names of Members and Chairman:**

The constitution of the Audit Committee is given below:

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

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

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

During the financial year, four Audit Committee meetings were held i.e. on 29<sup>th</sup> May, 2015, 12<sup>th</sup> August 2015, 13<sup>th</sup> November 2015 and 12<sup>th</sup> February 2016.

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	4

**4. NOMINATION AND REMUNERATION COMMITTEE:**

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

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 1<sup>st</sup> April, 2012 in view of the devastating incident occurred on 27.01.2012.

c) **Attendance during the year**

During the financial year 2015-16 one meeting was held on 29-05-2015, all members were present.

d) **Details of remuneration paid during the year 2015-16 to the Directors are furnished hereunder.**

The aggregate value of salary, perquisites and commissions for the year ended 31<sup>st</sup> March 2016 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

**5. SHARE TRANSFER CUM INVESTORS' GRIEVANCE COMMITTEE**

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

4 meetings of Share Transfer cum Investor Grievance Committee were held during the year 2015-16. The dates on which the meetings were held are as follows:

29th April 2015, 30th July 2015, 29th September 2015 and 15th March, 2016.



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	3

#### **6. GENERAL BODY MEETINGS:**

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

Year	Venue	Date	Time
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
2014-15	Regency Ceramics Ltd Regd Off: 5-8-356, N N House, Chirag Ali Lane, Abids, Hyderabad – 500001	September 30, 2015	11.00 A M

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

#### **7. MEANS OF COMMUNICATION**

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

The Company's website [www.regencytiles.com](http://www.regencytiles.com) contains a separate section "Investors Desk" where shareholders information is available.

Annual Report 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.



**8. GENERAL SHAREHOLDER INFORMATION:**

Date & Time of AGM	: September 28, 2016 at 11.00 a.m.
Venue	: <b>Regency Ceramics Limited</b> , Regd Off: 6-3-1090/A/7, 3 <sup>rd</sup> Floor, IMS House, Somajiguda, Hyderabad - 500082
Financial Calendar (Tentative)	: 1 <sup>st</sup> Quarter Un-audited results: on or before 14 <sup>th</sup> day of August'16 2 <sup>nd</sup> Quarter Un-audited results: on or before 14 <sup>th</sup> day of November'16 3 <sup>rd</sup> Quarter Un-audited results: on or before 14 <sup>th</sup> day of February'17 4 <sup>th</sup> Quarter audited results: on or before 30 <sup>th</sup> day of May' 17
Book Closure Date	: September 21, 2016 to September 28, 2016 (both days inclusive)
Listing on Stock Exchanges & Stock codes	: The Bombay Stock Exchange Limited : 515018 The National Stock Exchange Ltd : REGENCERAM
ISIN allotted to Company's Scrip	: INE277C01012
R & T Agents (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 31<sup>st</sup> March 2016, 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		Bombay Stock Exchange	
	High	Low	High	Low
April 2015	3.15	3.00	3.85	3.15
May 2015	3.50	2.75	4.34	3.33
June 2015	3.35	3.00	4.07	3.50
July 2015	3.30	2.95	3.88	3.05
August 2015	3.40	2.90	3.90	3.11
September 2015	3.00	2.75	3.84	2.95
October 2015	3.15	2.75	3.85	3.31
November 2015	4.35	3.30	4.00	3.33
December 2015	4.20	3.80	4.97	3.20
January 2016	4.00	3.35	4.23	3.43
February 2016	3.80	3.60	3.75	3.01
March 2016	3.95	3.65	3.00	2.39



**Address for Communication:**

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

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

**Shareholding Pattern as on 31<sup>st</sup> March 2016:**

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	0.61
Others	28	0.19	29897	0.11
<b>Total</b>	<b>14913</b>	<b>100.00</b>	<b>26441586</b>	<b>100.00</b>

**Distribution of Shareholding of the Company as on 31<sup>st</sup> March 2016:**

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
<b>TOTAL</b>	<b>14913</b>	<b>100.00</b>	<b>26441586</b>	<b>100.00</b>

**9. Other Disclosures**

a. Related party transactions

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



Related party transactions are given elsewhere in this Annual Report.

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

- a. Details of establishment of Vigil Mechanism (Whistle blower policy)  
The Board of Directors had adopted Whistle blower policy and the Company has established an innovative and empowering mechanism for employees. Employees can report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.  
No personnel has been denied access to the audit committee. A copy of the whistleblower policy is available on the website: <http://www.regencytiles.com>
- b. Compliance with mandatory requirements and adoption of the non mandatory requirements.  
The company has complied with all mandatory requirements of Corporate Governance as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non mandatory requirements will be adopted on a need basis.
- c. The Company as on 31st March, 2016, does not have any subsidiaries and hence the details relating to the policy on material subsidiaries is not applicable to it.
- d. Disclosure of commodity price risks and commodity hedging activities.  
The Company does not deal in commodities, hence it is not applicable.
- e. Accounting treatment  
In preparation of financial statements, the company has followed the accounting principles generally accepted in India, including Accounting Standards specified under s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies which are consistently applied have been set out in the notes to the financial statements.
- f. The Company has complied with the requirements of the Schedule V-Corporate Governance report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- g. Disclosure of the adoption of Discretionary Requirements.  
With regard to the discretionary requirements, the Company will adopt them on a need to basis. One of the clauses of Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 adopted by the Company, is relating to the following:  
The listed entity may move towards a regime of financial statements with unmodified audit opinion.
- h. The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherever applicable, as on 31st March, 2016.
- i. Code of conduct  
I hereby confirm that the company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the 'Code of Conduct' and 'Our Code' for the Financial Year 2015-16.

For Regency Ceramics Limited

Date :30.05.2016  
Place :Hyderabad

**Dr. G.N.Naidu**  
Chief Executive Officer & Chairman and Managing Director



*Regency Ceramics Limited*

**CERTIFICATION BY CEO/ CFO**

The Board of Directors,  
Regency Ceramics Limited  
Hyderabad

We have reviewed the financial statements and the cash flow statement of M/s. Regency Ceramics Limited for the year ended March 31, 2016 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 : 30.05.2016  
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, 2016 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 : 30.05.2016  
Place : Hyderabad

**( K Shravan)**  
Partner  
Membership No. 215798



Annexure - 1

**FORM MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
as on the Financial Year Ended on 31.03.2016  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS :**

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

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

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



*Regency Ceramics Limited*

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):**  
**i) Category - wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year-1st April, 2015			No. of Shares held at the end of the year 31st March, 2016			% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A. Promoters</b>								
(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	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>12788359</b>	<b>2640950</b>	<b>15429309</b>	<b>58.35</b>	<b>12788359</b>	<b>2640950</b>	<b>15429309</b>	<b>58.35</b>
(2) Foreign	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>12788359</b>	<b>2640950</b>	<b>15429309</b>	<b>58.35</b>	<b>12788359</b>	<b>2640950</b>	<b>15429309</b>	<b>58.35</b>
<b>B. PUBLIC SHAREHOLDING</b>								
(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) FIIs	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>150</b>	<b>85450</b>	<b>85600</b>	<b>0.32</b>	<b>150</b>	<b>85450</b>	<b>85600</b>	<b>0.32</b>
(2) Non Institutions	-	-	-	-	-	-	-	-
a) Bodies corporates	3690922	1340241	5031163	19.03	3690922	1340241	5031163	19.03
i) Indian	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	3062905	1091752	4154657	15.71	3062905	1091752	4154657	15.71
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1347298	205621	1552919	5.87	1347298	205621	1552919	5.87
c) Others (specify) NRI	91420	69805	161225	0.61	91420	69805	161225	0.61
Clearing Members	26713	-	26713	0.10	26713	-	26713	0.10
<b>SUB TOTAL (B)(2):</b>	<b>8215927</b>	<b>2710750</b>	<b>10926671</b>	<b>41.32</b>	<b>8215927</b>	<b>2710750</b>	<b>10926671</b>	<b>41.32</b>
<b>Total Public</b>	<b>8216077</b>	<b>2796200</b>	<b>1101227</b>	<b>41.65</b>	<b>8216077</b>	<b>2796200</b>	<b>1101227</b>	<b>41.65</b>
<b>Shareholding (B)= (B)(1)+(B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>21007767</b>	<b>5433819</b>	<b>26441586</b>	<b>100</b>	<b>21007767</b>	<b>5433819</b>	<b>26441586</b>	<b>100</b>



**(ii) SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year 1st April,2015			Shareholding at the end of the year 31st March,2016			% 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	7.172	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	-	-
<b>Total</b>		<b>15429309</b>	<b>58.35</b>	<b>18.46</b>	<b>15429309</b>	<b>58.35</b>	<b>18.46</b>	

**(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	Shareholding at the end of the year 31st March, 2016	% change in share holding during the year
1.	Anil Kumar Goel	120000	120000	-
2.	Rajkumar Lohia	101202	101282	-
3.	D.Jayachandra Reddy	90000	90000	-
4.	Dipaklal Kaniyalal Shah	75000	75000	-
5.	Nilesh kumarmuljibhai Kothari	71959	71959	-
6.	Raju Bhandari	67418	67418	-
7.	Swati Prashanti Patel	62000	62000	-
8.	Raju Ajit Bhandari	49288	49288	-
9.	Shveta Suresh Dakwala	45540	45540	-
10.	Javvaji Umamaheswara Rao	43703	43703	-



**(v) Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year 1st April,2015		Shareholding at the end of the year 31st March,2016	
		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
Indebtess at the beginning of the financial year-1st April, 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	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9857.29</b>	<b>2193.64</b>	<b>-</b>	<b>12050.93</b>
Change in Indebtedness during the financial year				
Additions		763.00	-	763.00
Reduction	783.96	-	-	783.96
<b>Net Change</b>	<b>783.96</b>	<b>763.00</b>	<b>-</b>	<b>-20.96</b>
Indebtedness at the end of the financial year-31st March, 2016				
i) Principal Amount	9073.33	2956.64	-	12029.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9073.33</b>	<b>2956.64</b>	<b>-</b>	<b>12029.97</b>

**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	<b>Gross salary</b> 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	-	-	-
	<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	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	-	-	-
	<b>Total (1)</b>	-	-	-
2	Other Non Executive Directors	-	-	-
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-
	<b>Overall Ceiling as per the Act.</b>	-	-	-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			TOTAL
		CEO	CFO	Others	
1	<b>Gross Salary</b>				
	(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	-	-	-	-
	<b>Total</b>	-	-	-	-

VII Penalties/Punishment/Compounding Of Offences : None



Annexure-2

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31-03-2016  
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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 ("Audit Period") according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there-under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
  - iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable during the audit period.**
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable during the audit period.**
    - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable during the audit period**
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the audit period.**
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable during the audit period.**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable during the audit period.**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (These regulations came into force effect from 01st December, 2015)
- vi. The Company is into business of Manufacturer and sale of ceramics, however, as per the information provided by the Management, the company declared lock-out of its plant with effect from 31.01.2012 after the devastating incident occurred on 27.01.2012. Since then, there was no production in the plant, therefore, there were no instances which required to be complied with specific acts applicable to the Company.

vi.i 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.

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

- 01. *The Company has not appointed key managerial personnel in terms of Section 203 of the Companies Act 2013 and rules made thereunder.*
- 02. *The Company has not paid listing fees to the stock exchanges for the year 2015-16.*
- 03. *The Company has not appointed a company secretary as compliance officer of the Company in terms of Regulation 6 of the SEBI (LODR) Regulations, 2015.*
- 04. *The Company has not paid annual fees to both the depositories (NSDL and CDSL) for the year 2015-16.*
- 05. *The Comapny has not filed half yearly certificates to the stock exchange as required under clause 47 (c) of the listing agreement and Regulation 40 (9) of the SEBI (LODR) regulation 2015.*
- 06. *The Comapny has not updated the information in the wbsite of the Company as required under Regulation 46(2) of the SEBI (LODR) Regulations, 2015.*
- 07. *The Company has not complied with Regulation 47(1)(a) of the SEBI (LODR) Regulations, 2015 in respect of advertisement of notice of board meetings of the Company in the news papers.*
- 08. *The total shareholding of promoters and promoters group of the Company is not in dematerialised form as required Regulation 31(2) of the SEBI (LODR) Regulations, 2015*

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



## *Regency Ceramics Limited*

the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.

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

**K . V . Chalama Reddy**

Practising Company Secretary  
M. No: 13951, C.P No: 5451

Place : Hyderabad  
Date : 30.05.2016

### **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 : 30.05.2016



**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	<b>NIL</b>
(4) Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)	<b>NIL</b>
(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:	<b>NIL</b>

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



#### INDEPENDENT AUDITORS' REPORT

To the Members of  
**REGENCY CERAMICS LIMITED, HYDERABAD.**

##### **Report on the Financial Statements:**

We have audited the accompanying financial statements of REGENCY CERAMICS LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

##### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 and its realizable value could not be estimated. The machinery and building were not insured during the year and disclosed at book value after providing depreciation on account of efflux of time.*

2. *The condition of the raw materials, stores and spares and its realizable value could not be estimated by the company. The stocks were not insured during the year and disclosed at book value.*
3. *During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees pending orders/judgment of the industrial Tribunal. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance to 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 31.03.2016.*
4. *Confirmation of balances was not obtained from Debtors, Creditors, loan and advances and other current assets.*
5. *The company paid Rs.24.40 Crores as One Time Settlement (OTS) amount sanctioned by the lenders and requested for revised OTS. State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities and interests thereto to Phoenix ARC Private Limited (Trustee of Phoenix Trust-FY15-5). The lenders initiated recovery action against the company and took symbolic Possession under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 in exercise of powers conferred on them under section 13(4) of the SARFAESI Act. The lenders also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities. Hypothecation / Hire purchase loans are repayable within one year and shown under Other Current Liabilities.*
6. *The company did not provide the interest on secured loans amounting to Rs. 1133.88 Lakhs for the year and Rs.4248.16 Lakhs up to 31<sup>st</sup> March 2016 which is subject to confirmation from the banks.*
7. *The company has not provided the liability towards interest and penalties payable on account of statutory dues. The Company is of opinion that the statutory authorities shall waive the same in view of the unprecedented incident.*
8. *The reference filed by the company under section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 with the Board for Industrial and Financial Reconstruction (BIFR) has been abated and the company preferred an appeal before AAIFR.*

*Consequent to the above, the Net loss would increase and 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 matter described in the basis for Qualified Opinion Paragraph, the 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 March 31, 2016; of the loss and of the cash flows for the year ended on that date.



**Emphasis of Matter:**

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

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

Our opinion is not qualified in respect of these matters.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and, except for the matters described in the Basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) Except for the effects of the matters described in the Basis for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) Except for the effects of the matters described in the basis for qualified opinion paragraph, in our opinion, the aforesaid 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) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we couldn't evaluate as Company didn't have any manufacturing and business operations during the year under review.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 25 (2), (3), (8), (9), (10) to the financial statements
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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. Shravan)**  
Partner  
Membership No.215798

Place : Hyderabad  
Date : 30.05.2016



#### ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **REGENCY CERAMICS LIMITED, HYDERABAD**, for the year ended March 31, 2016.

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

Name of the Statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
CST Act, 1956	CST	31.65	2011-12	Nov-2011	Not yet paid
VAT Act, 2015	VAT	360.89	2011-12	Sept-2011	Not yet paid
Central Excise & Service Tax Act, 1994	Service Tax	44.75	2011-13	Oct-2011	Not yet paid
Employees' Provident Funds Act, 1952	Provident Fund	1.77	2015-16	Sept-2015	Not yet paid
EST Act, 1948	Employee State Insurance	8.71	2011-15	Oct-2011	Not yet paid
Income Tax Act, 1961	Income Tax	58.19	2003-04	Sept-2004	Not yet paid



## Regency Ceramics Limited

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

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount is related	Forum where dispute pending
Central Excise & Service Tax Act, 1994	Service Tax	35.04	2006-2007	CESTAT, Bangalore
Income Tax Act, 1961	Income Tax	90.98	2004-2005	Income Tax Appellate Tribunal
The Puducherry Municipalities Act, 1973	Municipal Tax	32.35	1998-2007	Yanam Municipality

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

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

Name of Lenders	Amount of default as at the Balance Sheet date (Rs in Lakhs)	Period of default
SBI	3994.37	From June 2012
SBBJ	1331.40	From June 2012
CORPORATION BANK	1486.49	From June 2012
SB TRAVANCORE	1390.33	From June 2012
SOUTH INDIAN BANK	863.96	From June 2012
L & T FINANCE LTD.	6.78	From Mar 2012
<b>TOTAL</b>	<b>9073.33</b>	

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. No managerial remuneration has been paid or provided during the year under report, Hence, paragraph 3(xi) of the Companies (Auditor's Report) Order 2016 is not applicable.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place : Hyderabad  
Date : 30.05.2016

**(K. Shravan)**  
Partner  
Membership No.215798



**32<sup>nd</sup> Annual Report 2015-16**

**BALANCE SHEET AS AT 31ST MARCH, 2016**

(Rs.in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholder's Funds			
a) Share Capital	3	<b>2644.16</b>	2644.16
b) Reserves and Surplus	4	<b>(8049.77)</b>	(7584.60)
		<b>(5405.61)</b>	(4940.44)
2. Non- Current Liabilities			
a) Long-term borrowings	5	-	-
b) Other Long term liabilities	6	<b>2618.93</b>	1855.93
c) Long-term provisions	7	<b>194.03</b>	202.01
		<b>2812.96</b>	2057.94
3. Current Liabilities			
a) Short-term borrowings	8	<b>2254.15</b>	2254.15
b) Trade payables	9	<b>2467.36</b>	2373.16
c) Other current liabilities	10	<b>9269.24</b>	13990.75
		<b>10071.51</b>	14698.82
<b>TOTAL</b>		<b>11398.10</b>	<b>11816.32</b>
<b>II. ASSETS</b>			
1. Non-Current Assets			
a) Fixed Assets			
Tangible	11	<b>5145.65</b>	5740.48
b) Non-current investments	12	<b>202.42</b>	202.42
c) Long-term loans and advances		<b>17.05</b>	<b>5365.12</b>
		<b>17.05</b>	<b>5959.95</b>
2. Current Assets			
a) Inventories	13	<b>664.00</b>	664.00
b) Trade receivables	14	<b>835.40</b>	876.12
c) Cash and cash equivalents	15	<b>609.17</b>	399.03
d) Short-term loans and advances	16	<b>1745.58</b>	1738.66
e) Other current assets	17	<b>2178.83</b>	<b>6032.98</b>
		<b>2178.56</b>	<b>5856.37</b>
<b>TOTAL</b>		<b>11398.10</b>	<b>11816.32</b>

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**  
Chairman and  
Managing Director

**N.SATYENDRA PRASAD**  
Executive Director

**K.SHRAVAN**  
Partner  
Membership No.0215798

**B. SURENDRA**  
Director

**E. BALAKRISHNA RAO**  
President (Finance)

Place : Hyderabad  
Date : 30.05.2016



*Regency Ceramics Limited*

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

(Rs. In Lakhs)

Particulars	Note No.	Current Year	Previous Year
<b>I. INCOME</b>			
Revenue from operations	18	-	-
Other Income	19	<b>157.15</b>	40.57
<b>Total</b>		<b>157.15</b>	40.57
<b>II EXPENSES</b>			
Cost of Raw material Consumed	20	-	-
Changes in inventories of finished goods, work in Process and stock-in-trade	21	-	-
Employee benefits expense	22	<b>40.79</b>	53.63
Finance costs	23	<b>1.44</b>	103.96
Depreciation and amortization expense	11	<b>501.83</b>	1131.78
Other expenses	24	<b>78.26</b>	92.26
<b>Total</b>		<b>622.32</b>	1381.63
<b>III. Loss before tax</b>		<b>(465.16)</b>	(1341.06)
<b>IV. Tax Expense</b>			
-Deferred Tax		-	-
<b>V. Loss after tax</b>		<b>(465.16)</b>	(1341.06)
<b>VI. Earnings per equity share (of Rs.10 each)</b>			
Basic & Diluted		<b>(1.76)</b>	(5.07)
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**  
Chairman and  
Managing Director

**N.SATYENDRA PRASAD**  
Executive Director

**K.SHRAVAN**  
Partner  
Membership No.0215798

**B. SURENDRA**  
Director

**E. BALAKRISHNA RAO**  
President (Finance)

Place : Hyderabad  
Date : 30.05.2016



**32<sup>nd</sup> Annual Report 2015-16**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	2015-16	2014-15
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before Tax	(465.16)	(1341.06)
Adjustments for:		
Depreciation	501.83	1131.78
Interest(net)	1.33	103.06
Profit on sale of Fixed Assets(Net)	(137.46)	(0.50)
Operating Loss before working capital changes	(99.47)	(106.72)
Adjustments for:		
Trade and other receivables	37.12	76.70
Trade payables	64.31	33.05
Cash generated from operations	1.96	3.03
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	230.48	0.50
Interest received	-	(4.73)
Net Cash Used in investing activities	230.48	(4.23)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans from Directors	763.00	-
Repayment of loans from Institutions and others	(783.96)	(2.05)
Interest paid	(1.33)	(2.55)
Net Cash used in Financing Activities	(22.28)	(4.60)
Net Increase/(decrease) in cash and cash equivalents(A+B+C)	210.15	(5.80)
Cash and Cash equivalents as at 01.04.2015 (Opening Balance)	399.03	404.82
Cash and Cash equivalents as at 31.03.2016 (Closing Balance)	609.17	399.02

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.SHRAVAN**  
Partner  
Membership No.0215798

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

Place : Hyderabad  
Date : 30.05.2016



**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 also 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 has recorded a Net Loss of Rs.465.16 Lakhs for the year and has accumulated loss of Rs.9920.59 Lakhs as on 31.03.2016 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. The company paid part of One Time Settlement package already sanctioned by the lenders and requested for revised OTS. The company is of the opinion that the lenders will sanction revised OTS and the promoters will arrange the amount shortly.

The reference made by the company with the Board for Industrial and Financial Reconstruction (BIFR) and registered as case No.19/2014 was abated and the company preferred an appeal before AAIFR. The management is confident that AAIFR 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 on reinstatement value basis for refurbishing the plant and to recommence the plant operations. In view of the above, the financial statements have been prepared by the company on a "going concern" basis.

**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 31.03.2016		As at 31.03.2015	
	No. of shares	Rs in Lakhs	No. of shares	Rs in Lakhs
<b>Authorised</b>				
Equity Shares of Rs.10/- each	<b>30000000</b>	<b>3000.00</b>	30000000	3000.00
Total	<b>30000000</b>	<b>3000.00</b>	30000000	3000.00
<b>Issued</b>				
Equity Shares of Rs.10/- each	<b>26508586</b>	<b>2650.86</b>	26508586	2650.86
Total	<b>26508586</b>	<b>2650.86</b>	26508586	2650.86
<b>Subscribed and Paid up</b>				
Equity Shares of Rs.10/- each fully paid up	<b>26441586</b>	<b>2644.16</b>	26441586	2644.16
Total	<b>26441586</b>	<b>2644.16</b>	26441586	2644.16

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of shares	Rs in Lakhs	No. of shares	Rs in Lakhs
Shares Outstanding at the beginning of the year	<b>26441586</b>	<b>2644.16</b>	26441586	2644.16
Shares Issued during the year	-	-	-	-
Shares redeemed / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>26441586</b>	<b>2644.16</b>	26441586	2644.16

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

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	Shares Held	%	Shares Held	%
G N Naidu	<b>7020533</b>	<b>26.55</b>	7020533	26.55
Radhika Naidu	<b>4704036</b>	<b>17.79</b>	4704036	17.79
Bindu G Naidu	<b>1895934</b>	<b>7.17</b>	1895934	7.17
Regency Transport carriers Limited	<b>3314470</b>	<b>12.54</b>	3314470	12.54



**32<sup>nd</sup> Annual Report 2015-16**

<b>Particulars</b>	(Rs in Lakhs)	
	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>NOTE 4</b>		
<b>RESERVES AND SURPLUS</b>		
<b>a. Capital Reserve</b>		
At the Commencement of the year	<b>0.86</b>	0.86
Closing Balance	<b>0.86</b>	0.86
<b>Other Reserves</b>		
<b>b. General Reserve</b>		
At the commencement of the year	<b>1540.35</b>	1540.35
Closing Balance	<b>1540.35</b>	1540.35
<b>c. Share Premium</b>		
At the commencement of the year	<b>329.61</b>	329.61
Closing Balance	<b>329.61</b>	329.61
<b>d. Surplus</b>		
At the commencement of the year	<b>(9455.43)</b>	(8114.36)
Add: Current year	<b>(465.16)</b>	(1341.06)
Closing Balance	<b>(9920.59)</b>	(9455.43)
<b>Total (a+b+c+d)</b>	<b>(8049.77)</b>	<b>(7584.60)</b>

**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	-	-
<b>Total (A+B+C+D)</b>	<b>-</b>	<b>-</b>



## Regency Ceramics Limited

The company paid part of One Time Settlement(OTS) amount as a compromise towards settlement of dues to the lenders and requested for approval of revised OTS sanction considering the current situation of the company. The lenders are examining the fresh request of the company. However, as per the procedure, the lenders have taken symbolic possession of the properties in exercise of powers conferred under section 13(4) of the SARFAESI Act and filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities and interests thereto to Phoenix ARC Pvt Ltd(Trustee of Phoenix Trust -FY15-5). In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Note No10 (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 31.03.2016	As at 31.03.2015
-------------	---------------------	---------------------

### **NOTE 6 OTHER LONG TERM LIABILITIES(UNSECURED)**

Loans from Body Corporate & Others	<b>30.00</b>	30.00
Loans from Directors	<b>2588.93</b>	1825.93
<b>Total</b>	<b>2618.93</b>	1855.93

### **NOTE 7 LONG TERM PROVISIONS**

Gratuity	<b>178.46</b>	185.76
Leave Encashment	<b>15.57</b>	16.25
<b>Total</b>	<b>194.03</b>	202.01

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	<b>1614.94</b>	1614.94
ii) The South Indian Bank Ltd	<b>639.21</b>	639.21
<b>Total</b>	<b>2254.15</b>	2254.15

### **Terms of Repayment and Security**

The Short term borrowings are repayable on demand, secured by first charge on current assets of the company, ranking pari passu with other member banks and further secured by second charge on the company's fixed assets ranking pari passu 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 part of One Time Settlement(OTS) amount as a compromise towards settlement of dues to the lenders and requested for sanction of revised OTS considering the current situation of the company. The lenders are examining the fresh request of the company. However, as per the procedure, the lenders have taken symbolic possession of the properties in exercise of powers conferred under section 13(4) of the SARFAESI Act and filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities and interests thereto to Phoenix ARC Pvt Ltd (Trustee of Phoenix Trust-FY15-5).

Particulars	As at 31.03.2016	As at 31.03.2015
<b>NOTE 9</b>		
<b>TRADE PAYABLES</b>		
Trade Payables		
- Due to Micro,Small and Medium Enterprises	<b>192.98</b>	193.98
- Others	<b>2274.38</b>	2179.18
<b>Total</b>	<b>2467.36</b>	2373.16

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

- (a) (i) The Principal amount remaining unpaid at the end of the year **192.98** 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 31.03.2016	As at 31.03.2015
<b>Current Maturities of Long Term Borrowings:</b>		
A) Term Loans		
Corporation Bank	<b>1486.49</b>	1729.53
State Bank Of Travancore	<b>1390.33</b>	1424.41
State Bank of India	<b>1549.88</b>	1861.11
State Bank of Bikaner & Jaipur	<b>1275.46</b>	1336.20
Corporation Bank -TL 2	-	40.57
State Bank of Travancore- TL 2	-	16.47
State Bank of India- TL 2	<b>66.91</b>	66.91
State Bank of Bikaner & Jaipur -TL 2	<b>54.66</b>	54.66
	<b>5823.73</b>	6529.86
Hypothecation / Hire Purchase Loans	<b>6.78</b>	7.77
	<b>5830.51</b>	6537.63
B) Funded Interest Term Loans		
Corporation Bank	-	36.99
State Bank of Travancore	-	11.13
State Bank of India	<b>66.36</b>	66.37
State Bank of Bikaner & Jaipur	<b>1.28</b>	1.27
	<b>67.64</b>	115.76
C) Working Capital Term Loans		
State Bank of India	<b>696.28</b>	696.28
The South Indian Bank Ltd.	<b>224.75</b>	253.47
	<b>921.03</b>	949.75
D) Other Current Liabilities		
Creditors for Other Finance	<b>523.70</b>	571.89
Creditors for expenses	<b>1223.66</b>	1193.78
Advance from Customers	<b>294.94</b>	294.94
Trade Deposit from Dealers	<b>337.71</b>	337.71
Income Tax	<b>58.19</b>	58.19
Due to Directors	<b>11.86</b>	11.86
	<b>2450.06</b>	2468.37
<b>Total (A+B+C+D)</b>	<b>9269.24</b>	10071.51

**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 guarantee by the promoter directors of the company.

The Interest on Term Loans and Working Capital Loans for the year 2015-16 amounting to Rs.1133.88 lakhs (Previous Year Rs.1021.93 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 Creditors 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**

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		COST AS AT 01.04.2015	ADDITIONS DURING THE YEAR	SALES/ ADJUSTMENTS DURING THE YEAR	COST AS AT 31.03.2016	UPTO 01.04.2015	FOR THE YEAR	ON SALES/ ADJUSTMENTS	UPTO 31.03.2016	AS AT 31.03.2016
1	LAND	156.37	-	93.01	63.36	-	-	-	-	63.36
2	BUILDINGS	1836.83	-	-	1836.83	951.66	61.31	-	1012.97	823.86
3	PLANT & MACHINERY	18347.34	-	-	18347.34	13723.31	426.33	-	14149.64	4197.70
4	OFFICE EQUIPMENT & COMPUTERS	457.27	-	-	457.27	425.84	7.80	-	433.64	23.63
5	FURNITURE & FIXTURES	69.76	-	-	69.76	68.18	0.36	-	68.54	1.22
6	VEHICLES	102.06	-	-	102.06	83.96	6.03	-	89.99	12.07
7	LIVE STOCK	23.81	-	-	23.81	-	-	-	-	23.81
	<b>T O T A L</b>	<b>20993.44</b>	<b>-</b>	<b>93.01</b>	<b>20900.43</b>	<b>15252.95</b>	<b>501.83</b>	<b>-</b>	<b>15754.78</b>	<b>5145.65</b>
	PREVIOUS YEAR	20997.03	-	3.59	20993.44	14124.76	1131.78	3.59	15252.96	5740.48

**NOTE** : The company suffered extensive damage to the assets situated at Factory, Yanam due to unprecedented violence occurred on 27th January, 2012 and declared lock-out of the Plant from 31st January 2012. The financial results for the year ended 31st March 2016 were prepared without considering loss/damage to Plant & Machinery, Buildings and other assets of the company in the books. Depreciation has been provided in the normal course due to efflux of time as per the provisions of the Companies Act, 2013. Further, during the year, the lenders have sold through auction some part of the lands of the company towards recovery of their dues.



**NOTE 12**

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of shares	Rs in Lakhs	No. of shares	Rs in Lakhs
<b>Un-Quote:</b>				
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
<b>Quoted :</b>				
iv) Equity shares Rs.10 each in IFCI Ltd, (market value Rs.2.49 lakhs (previous year Rs 3.33 lakhs))	10,000	1.00	10,000	1.00
<b>Total</b>		<b>202.42</b>		<b>202.42</b>

(Rs in Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>NOTE 13</b>		
<b>INVENTORIES</b>		
Raw Materials (Valued at lower of cost or net realisable value)	482.29	482.29
Stores & Spares (Valued at lower of cost or net realisable value)	54.72	54.72
Finished Goods (including in-transit for exports) (Valued at lower of cost or net realisable value)	-	-
Stock in Trade (Acquired for trading)	50.84	50.84
Stocks-in-process (Valued at lower of cost or net realisable value)	70.08	70.08
Packing Materials (Valued at lower of cost or net realisable value)	6.07	6.07
<b>Total</b>	<b>664.00</b>	<b>664.00</b>

**NOTE 14**

**TRADE RECEIVABLES**

(Unsecured and considered good)

Receivables for a period exceeding six months	835.40	876.12
Considered Doubtful	28.68	29.22
Less: Provision for Doubtful Debts	28.68	29.22
Other trade receivables	-	-
<b>Total</b>	<b>835.40</b>	<b>876.12</b>



**32<sup>nd</sup> Annual Report 2015-16**

(Rs in Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
-------------	---------------------	---------------------

**NOTE 15**

**CASH AND CASH EQUIVALENTS**

Cash in hand	<b>8.61</b>	8.57
In Current Accounts	<b>2.39</b>	6.25
In No-Lien Accounts	<b>563.10</b>	349.14
In Fixed deposits against BG/LCs	<b>35.07</b>	35.07
<b>Total</b>	<b>609.17</b>	399.03

The company requested the lenders for sanction of revised One Time Settlement in view of its current situation. The lenders have agreed in-principle to consider the revised offer submitted by the company and accordingly kept the amounts paid by the company in No-Lien account at SBI on behalf of all the lenders. The Company made similar treatment in the books in line with the treatment made by the bank.

**NOTE 16**

**SHORT TERM LOANS AND ADVANCES**

Advance for purchase, other advances and deposits	<b>1706.94</b>	1703.06
Advances to Staff & Workers	<b>13.80</b>	15.65
Deposits Recoverable	<b>24.84</b>	19.95
<b>Total</b>	<b>1745.58</b>	1738.66

**NOTE 17**

**OTHER CURRENT ASSETS**

Claims Receivable	<b>1878.00</b>	1877.71
Balance with Govt. Departments	<b>196.79</b>	196.79
Interest accrued on Deposits and Investments	<b>18.63</b>	18.63
Advance Tax & TDS	<b>85.41</b>	85.43
<b>Total</b>	<b>2178.83</b>	2178.56

Particulars	Current Year	Previous Year
-------------	--------------	---------------

**NOTE 18**

**REVENUE FROM OPERATIONS**

Domestic Sale	-	-
Export Sale	-	-
<b>Total</b>	-	-
Less : Excise Duty	-	-
<b>Total</b>	-	-



*Regency Ceramics Limited*

(Rs.in Lakhs)

Particulars	Current Year	Previous Year
<b>NOTE 19</b>		
<b>OTHER INCOME</b>		
Interest	-	0.74
Profit on sale of assets	<b>137.46</b>	0.50
Miscellaneous Income	<b>0.28</b>	8.97
Bad debts written off recovered	-	1.47
Dividend Received	<b>0.25</b>	0.10
Rent received	<b>3.74</b>	2.86
Prior period income	<b>15.42</b>	25.93
<b>Total</b>	<b>157.15</b>	<b>40.57</b>
<b>NOTE 20</b>		
<b>COST OF RAW MATERIAL CONSUMED</b>		
Opening Stock	<b>482.29</b>	482.29
Add: Purchases	-	
	<b>482.29</b>	482.29
Less: Closing Stock	<b>482.29</b>	482.29
Total Cost of Raw materials consumed :	-	-
<b>NOTE 21</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>		
Inventories at the beginning of the year		
Finished Stock	-	-
Trading Stock	<b>50.84</b>	50.84
Stock in process	<b>70.07</b>	70.07
	<b>120.91</b>	120.91
Less: Inventories at the end of the year		
Finished Stock	-	-
Trading Stock	<b>50.84</b>	50.84
Stock in process	<b>70.07</b>	70.07
	<b>120.91</b>	120.91
<b>(Increase) / Decrease</b>	-	-
<b>NOTE 22</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, bonus and Other benefits	<b>35.86</b>	42.47
Contribution to Provident Fund	<b>2.72</b>	3.26
Contribution to ESI	<b>0.11</b>	0.26
Workmen and Staff Welfare Expenses	<b>2.10</b>	1.06
Compensation	-	6.58
<b>Total</b>	<b>40.79</b>	<b>53.63</b>



## 32<sup>nd</sup> Annual Report 2015-16

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
<b>NOTE 23</b>		
<b>FINANCE COST</b>		
Interest	<b>1.33</b>	103.80
Bank Charges	<b>0.11</b>	0.16
<b>Total</b>	<b>1.44</b>	<b>103.96</b>

The Interest on Term Loans and Working Capital Loans for the year 2015-16 amounting to Rs.1133.88 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 and Maintenance	<b>4.45</b>	0.87
Rates and Taxes	<b>0.45</b>	0.33
Rent	<b>1.90</b>	4.33
Insurance	<b>0.13</b>	0.20
Printing and Stationery	<b>1.42</b>	0.98
Postage, Telegrams, Telephone and Telex	<b>4.80</b>	5.46
Travelling and Conveyance	<b>9.81</b>	9.33
Vehicles Maintenance / Hire Charges	<b>6.75</b>	8.49
Payments to auditors- Fee	<b>1.15</b>	1.12
Legal and Professional Charges	<b>1.62</b>	2.66
General Expenses	<b>39.72</b>	40.36
Others written off	-	2.91
Prior Year Expenses	<b>5.69</b>	9.89
Advertisement	<b>0.37</b>	0.65
<b>Total</b>	<b>78.26</b>	<b>92.26</b>



*Regency Ceramics Limited*

**NOTES FORMING PART OF FINANCIAL STATEMENTS :**  
**NOTE 25**

	<b>As at 31.03.2016</b> (Rs. in lakhs)	<b>As at 31.03.2015</b> (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	90.98
25.3. The company suffered extensive damage to the Buildings, Plant & Machinery and other assets situated at Factory, Yanam due to unprecedented violence, occurred on 27th January, 2012. Stocks of Finished goods, Raw materials, stores and spares, stocks-in-process and other inventories were damaged / looted to a large extent. The Company declared lock-out of the Plant from 31st January 2012.		

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

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



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.

	<b>Current Year</b> (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	-	-

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<sup>th</sup> January, 2012.

25.9. The Company paid part of the One Time Settlement amount to the lenders and requested for revised OTS due to present circumstances. The lenders are examining the proposal of the company and in the meantime as per rules, initiated recovery action against the company and took symbolic Possession in exercise of powers conferred on them under section 13(4) of the SARFAESI Act. The lenders also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues.

In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities. Hypothecation / Hire purchase loans are repayable within one year and shown under Other Current Liabilities.

25.10. The reference filed under section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 by the company and registered as case No. 19/2014 with the Board for Industrial and Financial Reconstruction was abated. The company preferred an appeal before AAIIR.

25.11. Remittance in foreign currency on account of Dividend:

There is no remittance in foreign currency on account of Dividend during the year 2015-16.

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:

<b>Name of the party</b>	<b>Nature of relationship:</b>
--------------------------	--------------------------------

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		
4) Smt. Bindu G Naidu		
5) Sri. N. Satyendra Prasad	}	Key Management Personnel



# Regency Ceramics Limited

(Rs. in lakhs)

Particulars	Business		Outstanding	
	Current Year	Previous Year	As on 31.03.16	As on 31.03.15
i) Company under the same management				
- Subscription to Equity Shares	-	-	200.00	200.00
- Brand usage charges earned	-	-	(465.98)	(394.59)
ii) Unsecured loans from Directors	-	-	(2733.74)	(1963.12)
iii) Other entities where Directors/ their relatives are interested.				
- Advances given	-	-	(106.31)	(104.03)
(Figures in bracket represent amount payable to them)				
iv) Payment to Key Management personnel				
- Rent	-	3.50		
- Remuneration (Directors)	-	-		
- Remuneration (other than directors)	-	-		

#### 25.15 Composition of Net Deferred Tax Asset/(liability):

### Composition of Net Deferred Components of Deferred Tax:

Components of Deferred Tax:		
Deferred Tax Assets:		
Loss as per Income Tax Act	<b>3112.62</b>	2959.52
Provision for doubtful debts	<b>8.86</b>	9.03
Disallowances u/s 43B of Income Tax Act	<b>0.77</b>	0.58
Deferred Tax Liability:		
Depreciation	<b>3122.25</b>	2969.13
Depreciation	<b>1130.27</b>	1212.85
Deferred Tax (Liability)/Asset (Net)	<b>1991.98</b>	1756.28

**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)	(465.16)	(1341.06)
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.)	(1.76)	(5.07)

25.17. The Schedule 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.SHRAVAN**  
Partner  
Membership No.0215798

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

Place : Hyderabad  
Date : 30.05.2016



**32<sup>nd</sup> Annual Report 2015-16**

**BALLOT FORM**

(In lieu of E-voting)

**Regency Ceramics Limited**

CIN: L26914AP1983PLC004249

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

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

Website : www.regencytiles.com

Sr. No.:

1. Name : \_\_\_\_\_

Registered Address of the sole/first named Shareholder : \_\_\_\_\_

2. Name(s) of the joint Shareholder(s), if any : \_\_\_\_\_

3. Registered Folio No. /DPID & Client ID No. : \_\_\_\_\_

4. No. of Shares held : \_\_\_\_\_

I / We hereby exercise my / our vote in respect of the Resolutions to be passed through postal ballot for the business stated here under in the Notice of 32<sup>nd</sup> Annual General meeting of the Company to be held on 28<sup>th</sup> day of September, 2016 by conveying my / our assent or dissent to the said resolution(s) by placing a tick ( tick mark) mark in the appropriate box below :

Item No.	Description	No. of Equity Shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	To consider and adopt The Audited Balance Sheet as on 31 <sup>st</sup> March, 2016 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 G.Sreenivasulu Naidu (DIN. 00106038) who retires by rotation and being eligible, offers himself, for reappointment.			
3.	To appoint M/s Brahmayya & co., Chartered Accountants, as statutory Auditors of the Company for the year 2016-17.			

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, Khairtabad, Hyderabad-500004, so as to reach by 5.00 pm on September 27, 2016. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/ CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Venture Capital and Corporate Investments Pvt Ltd.). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID/CLIENT ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society, etc. a certified copy of the relevant authorization/ Board resolution to vote should accompany the Ballot Form.
10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 20<sup>th</sup> September, 2016.



## Regency Ceramics Limited

CIN: L26914TG1983PLC004249

Registered office: 6-3-1090/A/7, 3<sup>rd</sup> Floor, Somajiguda, Hyderabad - 500082. Telangana.  
Tele Phone : 040-23327555, Email-Id : [info@regencytiles.com](mailto:info@regencytiles.com)  
Website : [www.regencytiles.com](http://www.regencytiles.com)

## PROXY

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id / DP ID :

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

1. Name:  
Address:  
E-mail Id: Signature: \_\_\_\_\_, or failing him

2. Name:  
Address:  
E-mail Id: Signature: \_\_\_\_\_, or failing him

3. Name:  
Address:  
E-mail Id: Signature: \_\_\_\_\_,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual general meeting of the company, to be held on the 28<sup>th</sup> day of September, 2016 at 11.00a.m. at 6-3-1090/A/7, 3<sup>rd</sup> Floor, Somajiguda, Hyderabad - 500082 and at any adjournment thereof in respect of such resolutions as are indicated below:

### **Resolution No.**

1. To consider and adopt The Audited Balance Sheet as on 31<sup>st</sup> March, 2016 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 G.Sreenivasulu Naidu who retires by rotation and being eligible, offers himself, for reappoint.
3. Appointment of M/s Brahmayya & co., Chartered Accountants as Statutory Auditors of the Company for the year 2016-17.

Signed this \_\_\_\_\_ day of September, 2016

Signature of shareholder

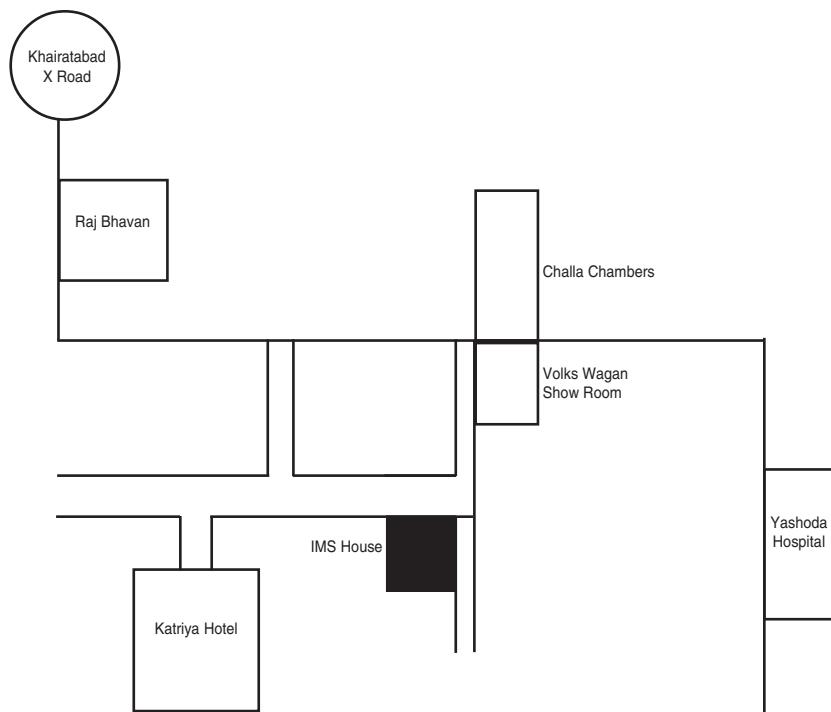
1/- Re  
Revenue  
Stamp

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 time for holding the meeting.



*Regency Ceramics Limited*



## ***Regency Ceramics Limited***

(CIN : L26914TG1983PLC004249)

Regd Office :6-3-1090/A/7, IMS House, 3<sup>rd</sup> Floor, Somajiguda,  
Hyderabad – 500082. Phone : 23327555  
Email : info@regencytiles.com Website : www.regencytiles.com

32<sup>nd</sup> Annual General meeting – Wednesday 28<sup>th</sup> September, 2016

### **ATTENDANCE SLIP**

(Please present this slip at the Meeting Venue)

I hereby record my presence at the 32<sup>nd</sup> Annual General meeting of the members of the Company to be held on Wednesday 28<sup>th</sup> September, 2016 at 11.00 am at 6-3-1090/A/7, IMS House, 3<sup>rd</sup> Floor, Somajiguda, Hyderabad – 500082 and at any adjournment thereof.

Folio No./DP ID and Client ID :	No of Shares Held:
---------------------------------	--------------------

Name and address of  
First/Sole member

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

Name of the Member/  
Proxy (In Block Letters)

Signature of the Member/Proxy

Notes:

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