



Regency Ceramics Limited

REF:RCL/SEC/2020

Date : 27th July, 2020

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

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

Dear Sir / Madam,

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

Ref : NSE CODE : REGENCERAM, BSE CODE : 515018

We wish to inform that the Board of Directors in its meeting held on Monday, the 27th July, 2020 at its Regd office of the company, have inter alia considered:

1. Approved the Audited Financial Results for the quarter and year ended 31st March, 2020.
2. Approved the draft notice of the Annual General Meeting and Directors' report of the Company.

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

- a. Statement showing Audited financial results for the year ended 31st March 2020.
- b. Form – B (Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges).
- c. Auditors Report on the Audited Financial Results for the year 2019-20.

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

Thanking you,

Yours faithfully
For **REGENCY CERAMICS LIMITED**


Authorized signatory

Encl : a/a



Regency Ceramics Limited

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH 2020

(Rs. in lakhs except for share data)

S.No	Particulars	Quarter ended			Year ended	
		3/31/2020	12/31/2019	3/31/2019	3/31/2020	3/31/2019
		(Audited)	(Un Audited)	(Audited)	(Audited)	
I	Revenue from Operations	0.00	0.00	0.00	0.00	0.00
II	Other Income	0.96	0.96	19.16	3.84	91.26
III	Total income (I + II)	0.96	0.96	19.16	3.84	91.26
IV	Expenses					
	(a) Cost of Materials consumed	0.00	0.00	0.00	0.00	0.00
	(b) Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(d) Employee benefits expense	0.00	0.00	7.86	1.93	43.51
	(e) Finance Cost	0.01	0	0	0.01	9.26
	(f) Depreciation and amortisation expense	112.13	112.15	113.99	448.55	455.93
	(g) Other expenses	39.40	3.39	71.49	64.41	99.94
	Total Expenses	151.54	115.54	193.34	514.90	608.64
V	3. Loss before Tax(III-IV)	(150.58)	(114.58)	(174.18)	(511.06)	(517.38)
VI	Exceptional Items(income)	371.49	0.00	0.00	371.49	0.00
VII	Tax expense	0.00	0.00	0.00	0.00	0.00
VIII	(Loss) / Profit for the period	220.91	(114.58)	(174.18)	(139.57)	(517.38)
IX	Other comprehensive income					
	Items that will not be re classified to profit or loss- (net of taxes)	0.00	0.00	0.00	0.00	0.00
	Other comprehensive income	0.00	0.00	0.00	0.00	0.00
X	Total comprehensive income (VII + VIII)	220.91	(114.58)	(174.18)	(139.57)	(517.38)
XI	Paid-up equity share capital	2644.16	2644.16	2644.16	2644.16	2644.16
	Basic and Diluted EPS after extraordinary items (Face value of Rs.10/- each)	0.84	(0.43)	(0.66)	(0.53)	(1.96)



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Regency Ceramics Limited

CIN : L26914TG1983PLC004249

Regd. Office : 89/A, Aishwarya, 1st Floor, Street No.8, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034, Telangana.

Phone : 040-23319902, Email : info@regencytiles.com Website : www.regencytiles.com

Factory : Yanam-533 464

Standalone Statement of Assets and Liabilities

Regency

Particulars	As at	As at
	31.03.2020	31.03.2019
	(Audited)	(Audited)
A. ASSETS		
1. Non-current assets		
(a) Fixed assets	3291.58	3740.13
(b) Capital work-in-progress	-	-
(c) Non-current investments	0.84	1.80
(d) Long-term loans and advances	17.05	17.05
Sub-total - Non-current assets	3309.47	3758.98
2. Current assets		
(a) Inventories	664.00	664.00
(b) Financial Assets		
Trade receivables	797.44	798.24
Cash and cash equivalents	9.83	9.89
Other Financial Assets	1969.35	1969.03
(c) Other current assets	1875.10	1874.93
(d) Current Tax Assets(Net)	27.35	27.35
Sub-total - Current assets	5343.07	5343.44
TOTAL - ASSETS	8652.54	9102.42
B.EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	2644.16	2644.16
(b) Reserves and surplus	(9043.59)	(8904.02)
(c) Money received against share warrants	-	-
Sub-total - Shareholders' funds	(6399.43)	(6259.86)
2. Share application money pending allotment	-	-
3. Minority interest *	-	-
4. Non-current liabilities		
(a) Financial Liabilities-Borrowings	5156.30	3978.24
(b) provisions	158.33	161.52
Sub-total - Non-current liabilities	5314.63	4139.76
5. Current liabilities		
(a) Financial Liabilites- Borrowings	2254.15	2254.15
(b) Trade payables		
Micro and small enterprises	146.84	156.34
Creditors other than micro and small enterprises	2355.66	2344.34
(c) Other financial liabilities	3796.06	5291.89
(d) Other current liabilities	1184.63	1175.80
Sub-total - Current liabilities	9737.34	11222.52
TOTAL - EQUITY AND LIABILITIES	8652.54	9102.42



Notes:

- 1 These financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.
- 2 The above results have been audited by the audit committee and approved by the board at their meeting held on 27 July, 2020. The statutory auditors of the company have carried out an audit of these results for the year ended 31.03.2020.
- 3 The above results were prepared without considering the effect of the loss / damage to Buildings, Plant & Machinery and other assets of the company.
- 4 The unprecedented industrial violence on 27.01.2012 resulted in deaths of personnel and destruction of buildings and equipment in the factory. Consequent to this, a lock-out was declared at the factory from 31.01.2012. After series of negotiations with the workers union, Memorandum of settlement was arrived on 24.10.2019 at Puducherry under Section 12 (3) of the Industrial Disputes Act, 1947 before the Commissioner of Labour -cum- Chief Conciliation Officer, U T of Puducherry between the company and the Regency Ceramics Staff and Workers Union. As per the MOU, the management has agreed to provide house sites at Yanam to all the displaced workers of the company in three categories as proposed by the union. In this connection, two stretches of land owned by ancillary units to the extent of about 25.35 Acres was registered on 18.10.2019 in favour of the union through settlement deeds. The conversion of agricultural land into residential plots, development of land, laying of roads, allotment of plots, etc is in progress and after the actual allotment of plots to each individual, necessary entries will be made in the books of accounts.
- 5 Gratuity Provision as per AS-19 and Leave Encashment were not provided in the books due to loss of employee records in the factory during the incident.
- 6 The condition of the fixed assets, raw materials, stores, spares and its present realisable value could not be estimated and not insured.
- 7 Depreciation on fixed assets calculated as per provisions of Companies Act, 2013 has been provided in the normal course due to efflux of time without considering the effect of loss / damage.
- 8 The lenders of the company earlier initiated action under section 13(4) of the SARFAESI Act and 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. Subsequently, All the five banks sanctioned revised OTS package for settlement of their dues and the company paid entire OTS amount. Thereafter, three banks filed satisfaction of Memo in the DRT and one bank filed Satisfaction of charges with ROC. One bank filed the petition before the Hon'ble NCLT, Hyderabad bench under section 7 of the Insolvency and Bankruptcy Code, 2016 and later on, withdrawn the same. The formalities in respect of other banks for complete closure of the account balances is in progress and as such, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities.
- 9 The company has recorded a Net Loss of Rs.139.57 lakhs for the financial year 2019-20 and has accumulated Loss of Rs.(9043.59 lakhs) as on 31.03.2020 resulting in erosion of the networth. Further, there were no cash flows from the existing business activities. The company is in process of settlement of dues with financial institutions and agitating workers. Also, hopeful of receiving insurance claim on reinstatement values 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.
- 10 The interest on Term Loans and working capital loans was not provided in the books as the company paid the entire OTS amount and obtained No Dues Certificate.
- 11 The Liability provision for Interest and Penalties payable on account of Statutory Dues were not provided in the books expecting waiver in the current situation.
- 12 The claim made in respect of loss/damage to its properties during the incident on 27.01.2012 was not settled by the Insurance company on reinstatement/ replacement basis and as such, the company invoked arbitration clause as per the policy terms. The matter is in progress.
- 13 There are no employees on payroll as on 31.03.2020 and for day to day operations, the company is availing services from outside.
- 14 Segment reporting is not applicable, since the entire operations of the company related to one segment, i.e. Manufacturing of Ceramic Tiles in terms of Ind AS 108 on operating segments.
- 15 Previous period/year figures have been regrouped or rearranged wherever necessary to confirm to current year classification.



REGENCY CERAMICS LIMITED

Dr. G.N.Naidu

Chairman and Managing Director

CASH FLOW STATEMENT

(Rs. In lakhs)

PARTICULARS	Year Ended	
	31.03.2020	31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Tax	(139.57)	(517.38)
Adjustments for:		
Depreciation	448.55	455.93
Interest(net)	0.00	9.26
Fair value loss	0.96	56.04
Term Loan Written back	(371.49)	0.00
Excess Provision /balances return back	0.00	(83.92)
Profit on sale of Fixed Assets(Net)	0.00	(1.50)
Operating Loss before working capital changes	(61.55)	(81.57)
Adjustments for:		
Trade and other receivables	0.48	6.43
Trade payables	(2.05)	(43.63)
Cash generated from operations	(63.12)	(118.77)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	0.00	1.50
Net Cash Used in investing activities	0.00	1.50
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans from Directors	1178.06	133.30
Repayment of loans from Institutions and others	(1115.00)	(6.78)
Interest paid	0.00	(9.26)
Net Cash used in Financing Activites	63.06	117.26
Net Increase/(decrease) in cash and cash equivalents(A+B+C)	(0.06)	(0.01)
Cash and Cash equivalents as at 01.04.2019 (Opening Balance)	9.89	9.90
Cash and Cash equivalents as at 30.09.2019 (Closing Balance)	9.83	9.89





Independent Auditor's Report on Quarterly and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended

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

Report on the Audit of the Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date financial results of **REGENCY CERAMICS LIMITED** (the "Company") for the quarter and the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

Basis for Qualified Opinion

1. *Manufacturing operations of the company were stopped due to riots, strike and malicious damage at factory since 27.01.2012. The company declared lock out of the plant on 31.01.2012 and the condition of the fixed assets & its realizable value could not be estimated. The machinery and building were not insured during the year and disclosed at book value after providing depreciation on account of efflux of time.*
2. *The condition of the raw materials, stores and spares and its realizable value could not be estimated by the company. The stocks were not insured during the year and disclosed at book value.*
3. *During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees pending orders/judgment of the industrial Tribunal. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance to Ind AS-19 "Employee Benefits". Since the company could not compute the liability in the absence of complete records, we are unable to comment upon the impact of non-provision of additional loss of the company for the year and on the current liabilities as at 31.03.2020.*
4. *Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets.*





5. *The lenders of the company earlier initiated action under section 13(4) of the SARFAESI Act and 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. Subsequently, All the five banks sanctioned revised OTS package for settlement of their dues and the company paid entire OTS amount. Thereafter, three banks filed satisfaction of Memo in the DRT and one bank filed Satisfaction of charges with Registrar of Companies. One bank filed the petition before the Hon'ble NCLT, Hyderabad bench under section 7 of the Insolvency and Bankruptcy Code, 2016 and later on, withdrawn the same. The formalities in respect of other banks for complete closure of the account balances is in progress and as such, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities.*
6. *The company did not provide the interest on Unsecured loans received from Directors and Body Corporates. Also, interest has not been provided in respect of overdue amount payable to Micro, Small and Medium Enterprises suppliers for a period exceeding 45 days.*
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.*

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 9 of the Financial Results which states that during the year the company has recorded Net Loss of Rs. (139.57) lakhs for the year financial year 2019-20 and has accumulated loss of Rs. (9043.59) Lakhs as on 31.03.2020 resulting in erosion of the net worth of the Company and there were no cash flows from the existing business activities. The company is in process of settlement of dues with financial institutions and agitating workers. Also, hopeful of receiving insurance claim on reinstatement value basis for refurbishing the plant and to recommence the plant operations. The Financial Results have been prepared on a going concern.

Management's Responsibilities for the Financial Results

The statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the statement that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting





principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Place : Hyderabad
Date : 27.07.2020



for K S RAO & CO.
Chartered Accountants
Firm's Regn No. 0031095

(V VENKATESWARA RAO)
Partner
Membership No. 219209
UDIN: 20219209AAAACI5375