

Regency Ceramics Limited

CIN : L26914TG1983PLC004249

Registered office : Plot No.89/A, Aishwarya, 1stFloor, Street No.8, Sagar Society,
Road No.2, Banjara Hills, Hyderabad - 500 034,
Phone: 040-23319902 E-Mail ID : relcosec@gmail.com

REF:RCL/SEC/2019

Date : 05.09.2019

- 1. National Stock Exchange of India Ltd**
Exchange Plaza, Bandra Kurla
Complex, Bandra (E),
MUMBAI - 400051
- 2. Corporate Relationship Department**
BSE Limited, 25th Floor
Phiroze Jeejeebhoy Towers
Dalal Street, MUMBAI- 400 001.

Dear Sir/ Madam,

Sub : Annual report for the year 2018-19


Ref : Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015

With reference to the subject cited, please find enclosed Annual report of the Company for the year 2018-19 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as sent to the shareholders for the ensuing AGM to be held on 30.09.2019.

This is for the information and records of the exchange, please.

Thanking you.

Yours faithfully,
For Regency Ceramics Limited


Dr G N Naidu
Chairman and Managing Director
DIN: 00105597

BOARD OF DIRECTORS

Dr. G. N. Naidu	- Chairman and Managing Director	(DIN: 00105597)
Mr. G. Sreenivasulu Naidu	- Non- Executive Director	(DIN: 00106038)
Mr. Y. Gopala Krishna	- Non Executive & Independent Director	(DIN: 02210405)
Mr. Kunda China Chowdappa	- Non Executive & Independent Director	(DIN: 08110992)
Mrs.Y. Vijayalakshmi	- Non Executive & Independent Director	(DIN: 02210385)
Mr. N. Satyendra Prasad	- Executive Director	(DIN: 01410333)

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

Audit Committee		Stakeholders Relationship Committee	
Sri K.C. Chowdappa	- Chairman	Sri K.C. Chowdappa	- Chairman
Sri Y.Gopala Krishna	- Member	Sri Y.Gopala Krishna	- Member
Smt Y.Vijaya lakshmi	- Member	Dr G.N. Naidu	- Member

Remuneration Committee		Independent Directors	
Sri K.C. Chowdappa	- Chairman	Sri K.C. Chowdappa	
Sri Y.Gopala Krishna	- Member	Sri Y.Gopala Krishna	
Smt Y.Vijaya lakshmi	- Member	Smt Y.Vijaya lakshmi	

Registrar and Transfer Agents

Venture Capital & Corporate Investments Pvt. Ltd.
H.No. 12-10-167, Bharat Nagar,
Hyderabad, Telangana - 500 018.
Ph: 040-23818475, 23818476, 23868023
E-mail: info@vccilindia.com,
Website: www.vccilindia.com

Bankers

State Bank of India
The South Indian Bank Ltd
Corporation Bank
State Bank of Travancore
State Bank of Bikaner & Jaipur

Registered Office

6-3-1090/A/7, 3rd Floor,
IMS House
Somajiguda,
Hyderabad - 500082

Corporate Office

89/A, Aishwarya, 1st Floor, Street
No.8, Sagar Society, Raod No.2,
Banjara Hills, Hyderabad – 500 034
Ph: 040-23319902

Statutory Auditors

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

Internal Auditors

M/s Brahmayya & Co.,
Chartered Accountants, Hyderabad

Secretarial Auditors

KV Chalama Reddy
Practicing Company Secretary
Hyderabad

Factory : Yanam – 533464
(Union Territory of Puducherry)

Listed at : BSE Limited and NSE Limited

ISIN : INE 277C01012

WEBSITE : www.regencytiles.com

Investor E-mail ID : info@regencytiles.com, rclcosec@gmail.com

Corporate Identity No. : L26914TG1983PLC004249

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 35th Annual General Meeting of the Shareholders of Regency Ceramics Limited will be held on Monday, the September 30, 2019 at 12.00 noon at Corporate Office: Plot No.89/A, Aishwarya, 1st Floor, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034 to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as on 31st March 2019 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 Mr. G. Sreenivasulu Naidu (DIN:00106038) who retires by rotation and being eligible, offers himself, for reappointment.

Special Business:

3. APPOINTMENT OF MR. K C CHOWDAPPA AS INDEPENDENT DIRECTOR OF THE COMPNAY:

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 and Rules made their under, Mr. K C Chowdappa (DIN:08110992) who was appointed as ‘Additional Director’ in the category of Non-Executive Independent Director in the Board of the Company on 14.08.2018 and pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which Annual General Meeting would have been held, which ever is earlier and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. K C Chowdappa (DIN:08110992) as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from 14th August, 2018 to 13th August, 2023.”

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to approve the terms and sto do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

4. APPOINTMENT OF MR. Y.GOPALA KRISHNA AS INDEPENDENT DIRECTOR OF THE COMPNAY:

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 and Rules made their under, Mr. Y.Gopala Krishna (DIN:02210405) who was appointed as ‘Additional Director’ in the Board of the Company on 14.02.2019 and pursuant to the provisions of Section 161 (1) of the Companies





Act, 2013 (“the Act”) read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which the Annual General Meeting would have been held, whichever is earlier, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Y.Gopala Krishna (DIN:02210405) as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from 14th February, 2019 to 13th February, 2024.”

“**RESOLVED FURTHER THAT**, the Board be and is hereby authorized to approve the terms and conditions and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

5. RE-APPOINTMENT OF DR. G N NAIDU AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Dr. G N Naidu, (DIN:00105597) Chairman and Managing Director of the Company for a period of three years with effect from 09.02.2019 to 08.02.2022 at a remuneration of Rs. 85,000 p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

“**RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Dr. G N Naidu, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“**RESOLVED FURTHER THAT**, the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

6. CONTINUATION OF DR G N NAIDU AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in



force and Articles of Association of the Company, approval of the Members of the Company be and is hereby granted for continuation of holding of office by Dr G N Naidu, Chairman and Managing director who has already attained the age of 70 years (Seventy) on the terms and conditions as mentioned in the item no.5 of this notice of Annual General Meeting.”

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to approve the terms and conditions and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

7. CONTINUATION OF MR. G. SREENIVASULU NAIDU (DIN: 00106038) AS NON-EXECUTIVE DIRECTOR:

To consider and if thought fit, pass with or without modification(s), the following resolutions as Special Resolution:

“RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the members of the Company be and is hereby accorded for continuation of Mr. G, Sreenivasulu Naidu, who has exceeded the age of 75 years.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

8. CONTINUATION OF MR. K C CHOWDAPPA AS NON-EXECUTIVE INDEPENDENT DIRECTOR:

To consider and if thought fit, pass with or without modification(s), the following resolutions as Special Resolution:

“RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the members of the Company be and is hereby accorded for continuation of Mr. K C Chowdappa (DIN:08110992), who has exceeded the age of 75 years.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

For and on behalf of the Board
For **Regency Ceramics Limited**

Dr G N Naidu

Chairman and Managing Director
(DIN: 00105597)

Place : Hyderabad

Date : 30.05.2019






Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.


2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
 3. The Register of Members and Share Transfer books of the company will remain closed from September 21, 2019 to September 30, 2019 (both days inclusive).
 4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
 5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
 6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
 7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
 8. The Securities and Exchange Board of India issued a circular for submission of PAN/Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN/Aadhar card details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN/Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. Venture Capital & Corporate Investments Private Limited).
 9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
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10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to info@vccilindia.com, Share Transfer Agents of the Company for doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode.
15. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.regencytiles.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same by post at free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cosec@regencytiles.com.
16. Your company's securities are listed with BSE Limited, Mumbai (BSE) and The National Stock Exchange of India Limited, Mumbai (NSE). The company has not paid the annual listing fee from 2014-15 to 2019-20 to the said Stock Exchanges.
17. **Voting through Electronic Means (E-Voting Facility)**

Pursuant to the provisions of Section 108 of the Act read with the rules thereunder and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 35th Annual General Meeting scheduled to be held on Monday, the September 30, 2019 at 12.00 noon at Corporate Office: Plot No.89/A, Aishwarya, 1st Floor, Street No. 8, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorized Agency to provide e-voting facilities.





The e-voting facility will be available during the following voting period:

Commencement of e-voting: **From 27.09.2019 at 9.00 a.m.**

End of e-voting: **Up to 29.09.2019 at 5.00 p.m.**

The cut-off date (i.e. the record date) for the purpose of e-voting is 20.09.2019.

Please read the procedure and instructions for e-voting given below before exercising the vote.

This communication forms an integral part of the Notice dated 30.05.2019 for the AGM scheduled to be held on Monday, the September 30, 2019 at 12.00 noon at Corporate Office: Plot No.89/A, Aishwarya, 1st Floor, Street No. 8, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034 which is enclosed herewith and is also made available on the website of the Company www.regencytiles.com. Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through CDSL for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 35th Annual General Meeting of the Company dated 30th May 2019.

The instructions for shareholders voting electronically are as under:

- (A) The voting period begins on 27.09.2019 at 9.00 am and ends on 29.09.2019 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 20th September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - ii) Click on Shareholders.
 - iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - iv) Next enter the Image Verification as displayed and Click on Login.
 - v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vi) If you are a first time user follow the steps given below:
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For Members holding shares in Demat Form and Physical Form

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

- ii) After entering these details appropriately, click on "SUBMIT" tab.
- iii) 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.
- iv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- v) Click on the EVSN for the relevant **Regency Ceramics Limited(EVSN-190829075)** on which you choose to vote.
- vi) 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.
- vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- viii) 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.
- x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xi) 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.





xii) 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.

xiii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xiv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

OTHER INSTRUCTIONS:

- (i) Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
- (ii) The voting rights of shareholders shall be in proportions to the shares held by them in the paid equity share capital of the Company as on the cut-off date i.e. 20.09.2019.
- (iv) The Company has appointed KV Chalama Reddy, Practicing Company Secretary, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
- (v) The Scrutinizer shall after the conclusion of the Voting at the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the





- votes cast though remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him.
- (vi) Voting is provided to the members through e-voting and at the Annual General Meeting of the Company. A Member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the Company.
- (vii) If a Member casts votes by both modes, then voting done through e-voting shall prevail.
- (viii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.regancytiles.com and on the website of CDSL and will be communicated to the BSE Limited and National Stock Exchange of India Limited.
18. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
19. Relevant documents referred to in the accompanying Notice, as well as Annual Report are open for inspection at the Corporate Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
20. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
21. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

For and on behalf of the Board
For **Regency Ceramics Limited**

Dr G N Naidu

Chairman and Managing Director
(DIN: 00105597)

Place : Hyderabad
Date : 30.05.2019





Annexure to notice:

Explanatory Statement pursuant to section 102 of the Companies Act, 2013.

Item No: 3

APPOINTMENT OF MR. K C CHOWDAPPA AS INDEPENDENT DIRECTOR OF THE COMPANY:

Mr. K C Chowdappa was appointed as Additional Director on 14th August, 2018 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mr. K C Chowdappa for the office of Director in Independent category.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. K C Chowdappa as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. 14th August, 2018 to 13th August, 2023.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no.3 of the notice for appointment of Mr. K C Chowdappa.

Save and except Mr. K C Chowdappa Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Item No: 4

APPOINTMENT OF MR. Y.GOPALA KRISHNA AS INDEPENDENT DIRECTOR OF THE COMPANY:

Mr. Y.Gopala Krishna was appointed as Additional Director on 14.02.2019 respectively in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mr. Y.Gopala Krishna for the office of Director in Independent category.



In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Y.Gopala Krishna as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of their appointment as Additional Directors i.e. 14th February, 2019 upto 13th February, 2024.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 4 of the notice for appointment of Mr. Y. Gopala Krishna.

Save and except Mr. Y. Gopala Krishna, Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Item No.5

Dr. G N Naidu, (DIN: 00105597) was appointed as Chairman and Managing Director of the Company for a period of 5 years from 09.02.2014 to 08.02.2019 at the 30th Annual General Meeting held on 30th September 2014.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 14.11.2018, approved the re-appointment of Dr. G N Naidu, (DIN: 00105597) as Chairman and Managing Director of the Company for a term of three years commencing from 09.02.2019 to 08.02.2022 with a remuneration of Rs. 85,000 per month.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 5 of the notice for reappointment of Dr. G N Naidu.

Save and except Dr. G N Naidu, Chairman and Managing Director, being an appointee and Mr.N.Satyendra Prasad, Whole-Time Director and CFO being his relative, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

1	Nature of Industry	: Ceramic Industry		
2	Date or expected date of commencement of commercial:	The Company started its commercial operations on 01.05.1986		
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects:	Not Applicable		
4	Financial performance based on given indications			
	Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)
	Turnover	-	-	-
	Net profit after Tax	(517.38)	333.12	(621.82)
5	Foreign investments or collaborations, if any:	Not Applicable		



II. INFORMATION ABOUT THE APPOINTEE:

1.	<p>Background Details:</p> <p>Dr. G.N. Naidu is a born leader and the visionary behind Regency. He has chartered the company all through its 30 years of journey. Under his leadership, the company has grown exponentially and has achieved different recognitions and received many awards. His entrepreneurial skills have led to the establishment of one of the biggest architectural and structural consultancy company in Hyderabad called as NN Associates. In 1983, he has promoted Regency Ceramics Ltd, a pioneer in single fast fired ceramic tiles. Regency is one of the major producers of Ceramic Tiles in the country. Dr.G.N.Naidu was the recipient of the Pride of India Gold Medal in 1991 for his distinguished and outstanding services. Burkes University (UK) has conferred on him the honorary degree of Doctor Philosophy in Business Management in 2003. He is also the recipient of the Bharat Ratna Sir Mokshagundam Visvesvaraya Award for his outstanding contribution in the field of engineering in 2006.</p>
2.	<p>Past Remuneration: NIL</p>
3.	<p>Remuneration proposed:As set out in the resolutions for the item No.5 the remuneration to Dr. G N Naidu,Chairman and Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.</p>
4.	<p>Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</p> <p>Taking into consideration of the size of the Company, the profile of Dr. G N Naidu and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</p>
5.	<p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:Besides the remuneration, he is holding 72,75,183 Equity Shares of the Company.</p>

OTHER INFORMATION:

1. Reasons for inadequate profits: The Business operations of the Company are Closed.
2. Steps taken or proposed to be taken for improvement and excepted increase in productivity and profit in measurable terms : Necessary efforts are being made to restart the operations which may take time depending upon the various circumstances involving approvals from statutory authorities.

Item No 6

Dr. G N Naidu, Chairman and Managing Director aged 77 years. The Company seeks consent of the members by way of special resolution for continuation as Chairman and Managing Director even after attaining the age of 70 years during his tenure of Office under the provisions of Section 196 (3) (a) of the Companies Act, 2013.

Accordingly the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 6 of the notice for continuation of Dr. G N Naidu.





Save and except Dr.G.N.Naidu and Sri.N.Satyendra Prasad being his relative, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Item No 7

CONTINUATION OF MR. G. SREENIVASULU NAIDU (DIN: 00106038) AS NON-EXECUTIVE DIRECTOR:

Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 requires appointment or continuance of any person as Non-Executive Director of a listed Company who has attained the age of 75 years to be approved by the shareholders by way of a Special Resolution.

Mr.G. Sreenivasulu Naidu (DIN: 00106038), Non-Executive Director of the Company has joined the Board of Directors of the Company on 10.01.1994. Continuation of Mr. G. Sreenivasulu Naidu as Non-executive Director requires special resolution to be passed in terms of SEBI LODR (Amendment) Regulations, 2018 since he has attained the age of 75 years.

Accordingly the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 7 of the notice for continuation of Mr. G. Sreenivasulu Naidu

Save and except Mr. G. Sreenivasulu Naidu Non-Executive Director, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

ITEM NO 8

CONTINUATION OF MR. K C CHOWDAPPA AS NON-EXECUTIVE INDEPENDENT DIRECTOR:

Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 requires appointment or continuance of any person as Non-Executive Director of a listed Company who has attained the age of 75 years to be approved by the shareholders by way of a Special Resolution.

Mr. K C Chowdappa (DIN:08110992), Non-Executive Independent Director of the Company has joined the Board of Directors of the Company on 14.08.2018. Continuation of Mr. K C Chowdappa (DIN:08110992) as Non-executive Independent Director requires special resolution to be passed in terms of SEBI LODR (Amendment) Regulations, 2018 since he has attained the age of 75 years.

Accordingly the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 8 of the notice for continuation of Mr. K C Chowdappa.

Save and except Mr. K C Chowdappa, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

For and on behalf of the Board
For **Regency Ceramics Limited**

Dr G N Naidu
Chairman and Managing Director
(DIN: 00105597)

Place : Hyderabad
Date : 30.05.2019





DIRECTORS' REPORT

Dear Members

Your Directors hereby present their 35th Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2019.

FINANCIAL SUMMARY:

The performance of the Company for the Financial Year ended 31st March 2019 is as under:

Sl. No.	Particulars	Rs in Lakhs	
		2018-19	2017-18
1	Income	91.26	7.08
2	Expenses	608.31	705.36
3	Loss before exceptional Items	(517.05)	(698.28)
4	Exceptional Items	-	1031.40
5	Profit / (Loss) before Tax	(517.05)	333.12
6	Profit / (Loss) after Tax	(517.05)	333.12

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.517.05 Lakhs (previous year Net profit: Rs.333.00 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:

As there was no operations in the company from the last 7 years due to devastating incident occurred on 27.01.2012 and hence the company is not in a position to recommend any dividend for the year under review.

RESERVES:

During the year your Company has not transferred any amount to General Reserve Account.

CHANGE IN THE NATURE OF BUSINESS:

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

INSURANCE SETTLEMENTS:

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



LABOUR SETTLEMENTS:

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

LENDERS' DUES SETTLEMENTS:

The company requested the lenders for sanction of revised OTS due to on-going agitation of the workers, non receipt of insurance claim and inability of the promoters to mobilize funds. Four lenders have sanctioned the same and the company paid the entire OTS amounts to them. The Company is awaiting similar sanction from the fifth lender based on the decision taken by consortium, the Bank filed a petition before Hon'ble NCLT, Hyderabad Bench under section of Insolvency and Bankruptcy code, 2016. Your company contesting the same.

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

FUTURE OUTLOOK:

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

INSURANCE:

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

MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no major material changes and commitments affecting the financial position of the Company after the end of the financial year and up to date of this report i.e. 30.05.2019)

BOARD MEETINGS:

The Board of Directors duly met five (5) times during the financial year from 1st April 2018 to 31st March 2019. The dates on which the meetings were held are 30.05.2018, 14.08.2018, 06.11.2018, 14.11.2018 and 14.02.2019.

APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL:

Mr. B. Surendra and Mr. D. Chandra Sekhar Babu, Non-executive Independent Directors have resigned from the company with effect from 14.08.2018 and 14.02.2019 respectively.

Dr. G N Naidu shall be reappointed as Chairman and Managing Director with effect from 09.02.2019 for the period of three years.

Mr. G. Sreenivasulu Naidu, Non-executive director is liable to retire by rotation and has offered himself for reappointment.





Mr. K. C. Choudappa and Mr. Y. Gopala Krishna were appointed as additional directors on 14.08.2018 and 14.02.2019 and are seeking to be appointed as Independent Directors of the Company.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:-

Name of the Director	Dr. G N Naidu	Mr. G Sreenivasulu Naidu	Mr. K C Choudappa	Mr. Y.Gopala
Date of Birth	01.07.1941	01.07.1942	01.07.1941	15.07.1949
Qualification	Civil Engineering PG (Dip.) W.R.D., M.I.E.	Bsc BL	BE (Machanical) BL	B.Com LLB
Expertise in specific functional areas	Worked as civil engineer in public works department in 1964 and around 35 years of experience in the Industry.	Legal	Technical and Legal	Finance
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	-	-	-	-
No. of Shares held in the Company	7275183	-	-	-
Inter se relationship with any Director	Mr. N. Satyendra Prasad, Executive Director is Son in Law of Dr. G N Naidu.	-	-	-

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Mr. Kunda China Chowdappa, Mr. Y. Gopala Krishna and Mrs.Y. VijayaLakshmi, Independent Directors of the Company to the effect that they are meeting the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2018-19 are also disclosed on the Company's website at [https:// www.regencytiles.com](https://www.regencytiles.com).



POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013, Clause 49 (IV) (B) of the Listing Agreement and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management. The Policy is attached as an Annexure to the Corporate Governance Report.

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(C) and 134(5) of the Companies Act, 2013 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts of the Company from time to time, we state as under:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgment 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 or loss of the Company for that period;
3. That the Directors have 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 annual accounts on a going concern basis;
5. That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INDIAN ACCOUNTING STANDARDS -IndAS:

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. The implementation



of Indian Accounting Standards (IndAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

As no dividend was declared from Financial Year 2004-05 and hence no amount has been transferred to IEPF.

INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:

During the year under review, the Company does not have any subsidiaries, joint ventures or associate Companies.

EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 is a part of this Annual Report in enclosed as Annexure-I.

STATUTORY AUDITORS:

The members of the Company in accordance with Section 139 of the Companies Act, 2013 had passed a resolution for appointment of M/s. K S Rao & Co., as Statutory Auditors of the Company for a period of 5 years in the AGM held on 27.09.2017 to hold office up to the conclusion of 38th Annual General Meeting of the Company to be held in the year 2022 which was subject to ratification as per the provisions of Companies Act, 2013.

However, pursuant to notification from the MCA dated 07.05.2018, ratification of appointment of statutory auditors at every Annual General Meeting has been dispensed with.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

There have been no frauds reported by the auditors u/s 143(12).

INTERNAL AUDITORS:

Pursuant to the provisions of Section 138 of the Companies read with rules made there under, the Board has appointed M/s. Brahmayya & Co, Chartered Accountants as Internal Auditors of the Company for the financial year 2019-2020.

DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to the company.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 134(3) (f) &Section 204 of the Companies Act, 2013, the Board has appointed Mr. K. V. Chalama Reddy, Practicing Company Secretaries to under take Secretarial Audit of the Company for financial year ending 31.03.2019. The report of the Secretarial Auditor is enclosed herewith vide Annexure-II of this Report.

QUALIFICATIONS IN AUDIT REPORTS:

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made



(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2019 beeing annexure to this Annual Report.

AUDITOR'S REMARKS:

- i. Referring to Para on basis for qualified opinion of the Auditors' Report, the Directors would like to refer Notes forming part of Accounts which is self explanatory. The reference to note numbers are as under :
 - a. Para 1 of basis for qualified opinion – Note No.27
 - b. Para 2 of basis for qualified opinion – Note No.27
 - c. Para 3 of basis for qualified opinion – Note No.30
 - d. Para 4 of basis for qualified opinion – Note No.32
 - e. Para 5 of basis for qualified opinion – Note No.28
 - f. Para 6 of basis for qualified opinion – Note No.23
 - g. Para 7 of basis for qualified opinion – Note No.27

- 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.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2019 on the Compliances according to the provisions of Section 204 of the Companies Act 2013.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given loans, Guarantees or made any investments during the year under review.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

None of the Directors have any pecuniary relationship or transactions with the Company, except payments made to them in the form of remuneration, rent, sitting fees and interest on unsecured loans.



The Company has not entered into any contracts/arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 including certain arm length transaction during the year. Accordingly no disclosure or reporting is required covered under this Section.

NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

During the year under review, no Company has become or ceased to become its subsidiaries, joint ventures or associate Company.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided Hereunder:

A. Conservation of Energy:

The company has installed LED Bulbs to save the energy in the factor and office.

B. Technology Absorption:

During the year , there was no technology absorbtion. The company is planning to revive its operations and in this process your company is planning to absorb the new technology.

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: NIL
Foreign Exchange Outgo: NIL

COMMITTEES:

(I) AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of SEBI (LODR) Regulations with the Stock Exchanges read with Section 177 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

(II) NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of SEBI (LODR) Regulations with the Stock Exchanges read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

(III) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations with the Stock Exchanges read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.



RISK MANAGEMENT POLICY:

The Company has formulated a Risk Management Policy under which various risks associated with the business operations is identified and risk mitigation plans have been put in place.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a vigil Mechanism for Directors and employees to report genuine concerns has been established. It also provides for necessary safeguards for protection against victimization for whistle blowing in good faith.

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR, COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY):

Since your Company does not has the net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crores or more, or a net profit of Rs. 5 crores or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to the Company.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec 73, 74 & 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

SIGNIFICANT & MATERIAL ORDERS PASSED BY COURTS / REGULATORS / TRIBUNALS:

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

SHARE CAPITAL

The authorised share capital of the Company stands at Rs.30,00,00,000/-.

The paid up share capital of the company stands at Rs. 26,44,15,860/- divided into 2,64,41,586 equity shares of Rs.10/- each.





CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

The Company has implemented all of its major stipulations as applicable to the Company. As stipulated under Regulation 34 read with schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance duly audited is appended as Annexure III for information of the Members. A requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation appended as Annexure IV for information of the Members.

POLICIES:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website (<https://www.regencytiles.com>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the Government.

We would like to place on record our appreciation for the efforts made by the management and the keen interest shown by the Employees of your Company in this regard.

STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

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

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received during the financial year: Nil
- No. of complaints disposed off during the financial year: Nil
- No. of complaints pending at the end of the financial year: Nil

STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure V to this Report.



The Company is not carrying any operations and is making efforts to revive the Company.

Upto 31-12-2018 there were only 5 employees in the Company and they were drawn very negligible salary and after the Company is taking the services from outsiders as and when required.

During the year NONE of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act,2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RATIO OF REMUNERATION TO EACH DIRECTOR

No remuneration was paid to Dr. G N Naidu, Chairman and Managing Director and Mr. N Satyendra Prasad, Whole-time Director of the Company for the financial year 2018-19.

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website www.regencytiles.com

SECRETARIAL STANDARDS

The Company is in compliance with the applicable secretarial standards.

EVENT BASED DISCLOSURES

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

CEO/ CFO Certification

The Managing Director cum CEO and CFO certification of the financial statements for the year 2018-2019 is annexed in this Annual Report.





ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company for their continued support for the growth of the Company.

**For and on behalf of the Board
Regency Ceramics Limited**

Dr G N Naidu

Chairman and Managing Director

DIN : 00105597

Place : Hyderabad

Date : 30.05.2019

CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2018-19

The shareholders,

Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2018-19 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Regency Ceramics Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all Director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2018-2019.

**For and on behalf of the Board
Regency Ceramics Limited**

Dr G N Naidu

Chairman and Managing Director

DIN : 00105597

Place : Hyderabad

Date : 30.05.2019



FORM MGT - 9
EXTRACT OF ANNUAL RETURN
as on the Financial Year Ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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



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

i) Category - wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUIF	13126459	2109350	15235809	57.62	13349909	2671216	16021125	60.59	2.97
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI's	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	13126459	2109350	15235809	57.62	13349909	2671216	16021125	60.59	2.97
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	13126459	2109350	15235809	57.62	13349909	2671216	16021125	60.59	2.97
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	0	2000	2000	0.01	0	2000	2000	0.01	-
b) Banks / FI	150	650	800	0.00	150	650	800	0.00	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	398800	398800	1.51	-	416800	416800	1.58	0.07
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	150	401450	401600	1.52	150	419450	419600	1.59	0.07
2. Non Institutions									
a) Bodies Corporate									
i) Indian	3599321	1340141	4939462	18.68	553925	3599321	4153246	15.71	(2.97)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	3291667	1097220	4388887	16.60	3291667	1080120	4371787	16.53	(0.70)
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	1285077	29071	1314148	4.9	1285077	29071	1314148	4.9	0.00
c) Others									
i) IEPF	-	-	-	-	-	-	-	-	-
ii) Clearing members	9388	-	9388	0.04	9388	-	9388	0.04	-
iii) Non-Resident Indian (NRI)	87704	64488	152192	1.58	87704	64488	152192	0.58	0.00
Sub Total (B) (2)	8273257	2530920	10804177	41.32	8273257	1727604	10000861	37.82	-3.5
Total Public Shareholding (B) = (B)(1) + (B) (2)	8273407	2932370	11205777	42.38	8273407	2932370	10420461	39.41	1.91
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS									
GRAND TOTAL (A+B+C)	21399886	5041700	26441586	100	21623316	4818270	26441586	100	-



(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year (as on 01-04-2018)			Shareholding at the end of the year (as on 31-03-2019)			% 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	7275083	27.51	17.56	7275183	27.51	17.56	0.0
2	N.Radhika Prasad	4669586	17.66	-	4819586	18.23	-	0.57
3	Bindu G Naidu	1881984	7.12	-	2418750	9.15	-	2.03
4	G.Sarojini	1049406	3.97	-	1214206	4.59	-	0.62
5	G V Naidu	132850	0.50	0.05	132850	0.50	0.05	-
6	N.Satyendra Prasad	130550	0.49	-	130550	0.49	-	-
7	G.Doraswamy Naidu	20000	0.08	0.08	20000	0.08	0.08	-
8	Narayanamma P	10000	0.04	0.04	10000	0.04	0.04	-
	Total	15235809	57.62	17.73	16021125	60.59	17.73	2.97

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
G N Naidu	7275083	27.51	7275083	27.51
At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.):				
	26-11.2018 increase (of market purchase)		100	0
At the End of the year			7275183	27.51
Bindu G Naidu	1881984	7.12	1881984	7.12
At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.):				
	16.03.2019 increase (of market purchase)		536766	2.03
At the End of the year			2418750	9.15
Radhika Prasad N	4669586	17.66	4669586	17.66
At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	30.3.2019 increase (of market purchase)		150000	0.57
At the End of the year			4819586	18.23
G.Sarojini	1049406	3.97	1049406	3.97
At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):				
	23.7.2018, increase (of market purchase) 12.11.2018 increase (of market purchase)		7800 157000	0.03 0.59
At the End of the year			1214206	4.59



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

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

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year 1st April, 2018		Shareholding at the end of the year 31st March, 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr G N Naidu	7275083	27.51	7275183	27.51
2	N.Satyendra Prasad	130550	0.49	130550	0.49

V. INDEBTEDNESS

(Rs.in Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	6298.96	4037.42	-	10336.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6298.96	4037.42	-	10336.38
Change in Indebtedness during the financial year				
Additions	-	133.31	-	133.31
Reduction	6.78	-	-	1331.37
Net Change	6.78	133.31	-	126.53
Indebtedness at the end of the financial year				
i) Principal Amount	6292.18	4170.73	-	10462.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6292.18	4170.73	-	10462.91



VI Remuneration Of Directors And Key Managerial Personnel

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

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

B. Remuneration to other directors

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



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

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

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees imposed	Authority (RD /NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board
Regency Ceramics Limited

Dr G N Naidu

Chairman and Managing Director

DIN : 00105597

Place : Hyderabad
Date : 30.05.2019



FORM NO. MR .3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31-03-2019

To

The Members,

REGENCY CERAMICS LIMITED

Hyderabad.

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Regency Ceramics Limited** (hereinafter called "the **Company**"). 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 Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2018 and ended 31st March, 2019 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2019 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 there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings; no such instances during the period under review.

Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2018-19:-

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures, wherever applicable.**
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.regencytiles.com**
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the company has not issued any shares during the year under review.**



- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vi. 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; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has Venture Capital and Corporate Investments Pvt. Ltd., as its Share Transfer Agent.**
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**

The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

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.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mention below :

01. **The Company has not appointed key managerial personnel in terms of Section 203 of the Companies Act 2013 and rules made there under.**
02. **The Company has not paid listing fees to the Stock exchanges for the Year 2019-20.**
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 2019-20.**
05. **The Company has not complied with Regulation 47(1)(a) of the SEBI (LODR) Regulations, 2015 in respect of advertisement of notice of board meetings of the Company in the new papers.**
06. **The total shareholding of promoters and promoters group of the Company is not in dematerialised form as required under Regulation 31(2) of the SEBI (LODR) Regulations, 2015.**
07. **The website of the Company does not contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.**



4. I further report that:
- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - b) Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
 - c) As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
5. 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.

Place : Hyderabad
Date : 14.08.2019

K . V . Chalama Reddy
Practicing Company Secretary
M. No. F9268, C.P. No: 5451

Annexure- A

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 relied on the reports given by the concerned professionals in verifying 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.

Place : Hyderabad
Date : 30.05.2019

K . V . Chalama Reddy
Practising Company Secretary
M. No: F9268, C.P No: 5451





Annexure-III

REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at **Regency Ceramics Limited** as follows:

Regency Ceramics Limited is committed to best practices in the area of Corporate Governance. Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all stakeholders.

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2019. The Report is updated as on the date of the report wherever applicable.

BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website.

1. BOARD OF DIRECTORS

A. COMPOSITION OF THE BOARD

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors headed by the Chairman and Managing Director. As on date of this report, the Board of Directors of the Company has 6 members (including three independent Non-Executive Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director.

The Board has been enriched with the advices and skills of the Independent Directors. The composition of the Board of Directors and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:



Sl. No.	Name of the Director	Category	Number/Name of Directorships in other Listed Companies		Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Number	Name	Member	Chairman	Last AGM	Board meetings 2018-19	
							28.09.2018	Held	Attended
1	Dr G N Naidu (Chairman and Managing Director)	Promoter & Executive	-	-	-	-	Yes	5	5
2	N.Satyendra Prasad (Executive Director)	Promoter & Executive	-	-	-	1	Yes	5	5
3	G.Sreenivasulu Naidu (Director)	Promoter & Non-Executive	-	-	-	-	No	5	4
4	*K C Chowdappa (Additional Director) Wef 14.08.2018	Non-Executive Independent	-	-	-	-	NA	5	4
5	**B. Surendra (Director) Up to 14.08.2018	Non-Executive Independent	-	-	-	-	NA	5	2
6	***Y.Gopala Krishna (Additional Director)Wef 14.02.2019	Non-Executive Independent	-	-	-	-	NA	5	1
*7	****D.Chandrasekhar Babu (Director)Up to 14.02.2019	Non-Executive Independent	-	-	-	-	Yes	5	5
8.	Y.Vijaya Lakshmi (Director)	Non-Executive Independent	-	-	-	-	Yes	5	5

- * Sri K C Chowdappa appointed as Additional Director with effect from 14.08.2018
** Sri B.Surendra ceased to be a Non-Executive Director with effect from 14.08.2018
*** Sri Y.Gopala Krishna appointed as Additional Director with effect from 14.02.2019
**** Sri D.ChandraSekharBabu ceased to be a Non-Executive Director with effect from 14.02.2019

B. DETAILS OF SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

S.No	Names of the Director	Existing Skills/Expertise/Competence
1	Dr G N Naidu	Technical & Management
2	N.Satyendra Prasad	Technical & Operational Management
3	G.Sreenivasulu Naidu	Legal & Personal Relations
4	K C Chowdappa	Technical
5	Y.Gopala Krishna	Finance
6	Y.Vijaya Lakshmi	Administration

C. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Dr.G N Niadu, Chairman and Managing Director and N.Satyendra Prasad, Executive Director, are relatives other than them, none of the Directors are related to any other directors.

D. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON EXECUTIVE DIRECTORS:

No shares and Convertibles instruments is held by any of the Non-Executive Directors.

E. INDEPENDENT DIRECTORS

The Company has complied with the definition of Independence as per Regulation 16(1) (b) of the SEBI (LODR), Regulations, 2015 and according to the Provisions of



Section 149(6) of the Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

F. INDEPENDENT DIRECTORS' MEETING:

As per Clause 7 of the Schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent Directors) was held on 14.02.2019, and discussed the following:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company eligible to attend were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

G. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2018-19 are also disclosed on the Company's website at <https://www.regancytiles.com>.

H. INFORMATION SUPPLIED TO THE BOARD:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the CFO is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring



- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. DECLARATION BY BOARD

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

2. AUDIT COMMITTEE:

(Audit Committee constituted in terms of sec. 177 of Companies Act, 2013 read with reg. 18 of SEBI (LODR) Regulations, 2015)

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, interalia, includes

1. Over view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement reflects a true and fair position and that sufficient and credible information is disclosed.
2. Recommending the appointment and removal of statutory auditors, internal auditors and cost auditors, fixation of their audit fees and approval for payment of any other services.
3. Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
4. Reviewing the financial statement and draft audit report, including quarterly/half yearly financial information.
5. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - i) Any changes in accounting policies and practices.
 - ii) Major accounting entries based on excises of judgment by the management.
 - iii) Qualifications in draft audit report.
 - iv) Significant adjustment arises out of audit.



- v) The going concern assumption.
 - vi) Compliance with accounting standards, stock exchange and legal requirement concerning financial statements.
 - vii) View and approval of related party transactions.
6. Reviewing the company's financial and risk management's policies.
 7. Disclosure of contingent liabilities.
 8. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
 9. Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 10. Discussion with internal auditors of any significant findings and follow-up thereon.
 11. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 12. Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 13. Reviewing compliances as regards the Company's Whistle Blower Policy.

B. COMPOSITION, MEETINGS & ATTENDANCE

There were four (4) Audit Committee Meetings held during the year on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019.

Name	Designation	Category	Number of meetings during the year 2018-2019	
			Held	Attended
*K C Chowdappa Wef 14.08.2018	Chairman	Independent, Non-Executive	4	3
**B.Surendra Upto 14.08.2018	Chairman	Independent, Non-Executive	4	2
***Y.Gopala Krishna Wef.14.02.2019	Member	Independent, Non-Executive	4	1
****D.Chandra Sekhar Babu Upto.14.02.2019	Member	Independent, Non-Executive	4	3
Y.Vijaya Lakshmi	Member	Independent, Non-Executive	4	4

- * Sri K C Chowdappa appointed as Additional Director with effect from 14.08.2018
- ** Sri B.Surendra ceased to be a Non-Executive Director with effect from 14.08.2018
- *** Sri Y.Gopala Krishna appointed as Additional Director with effect from 14.02.2019
- **** Sri D.ChandraSekharBabu ceased to be a Non-Executive Director with effect from 14.02.2019

- C. Previous Annual General Meeting of the Company was held on 28th September 2018 and K C Choudappa, Chairman of the Audit Committee, attended previous AGM.



3. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration committee constituted in terms of Section 178 of Companies Act, 2013 and as per Regulation 19 of SEBI (LODR) Regulations, 2015 are as under:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

B. COMPOSITION OF THE COMMITTEE, MEETINGS & ATTENDANCE

There was one Nomination and Remuneration Committee Meetings held during the financial year on 14.11.2018.

Name	Designation	Category	Number of meetings during the year 2018-2019	
			Held	Attended
*K C Chowdappa Wef 14.08.2018	Chairman	Independent, Non-Executive	1	1
**B.Surendra Upto 14.08.2018	Chairman	Independent, Non-Executive	1	0
***Y.Gopala Krishna Wef.14.02.2019	Member	Independent, Non-Executive	1	0
****D.Chandra Sekhar Babu Upto.14.02.2019	Member	Independent, Non-Executive	1	1
Y.Vijaya Lakshmi	Member	Independent, Non-Executive	1	1



- * Sri K C Choudappa appointed as Additional Director with effect from 14.08.2018
- ** Sri B.Surendra ceased to be a Non-Executive Director with effect from 14.08.2018
- *** Sri Y.Gopala Krishna appointed as Additional Director with effect from 14.02.2019
- **** Sri D.ChandraSekharBabu ceased to be a Non-Executive Director with effect from 14.02.2019

C. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 **"Director"** means a Director appointed to the Board of a Company.

2.2 **"Nomination and Remuneration Committee"** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 **"Independent Director"** means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.



3.1.3 The proposed appointee shall also fulfill the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the Company for Directors and senior Management personnel;
- shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any prescribed, from time to time, under the companies Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

3.2 Criteria of Independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent Director in relation to a Company, means a Director other than a managing Director or a whole-time Director or a nominee Director-

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the Company or its holding, subsidiary or associate Company;
- (ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company
- c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the two immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;



- e. who, neither himself nor any of his relative-
 - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate Company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-
 - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
 - (i) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty five per cent or more of its receipt from the Company any of its promoters, Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
 - (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age

3.2.3 The independent Director shall abide by the "code for independent Directors" as specified in Schedule IV to the companies Act, 2013.

3.3 Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.





- 3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed Company.
- 3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds Directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, key managerial personnel and other employees of the Company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

- 2.1 **"Director"** means a Director appointed to the Board of the Company.
- 2.2 **"key managerial personnel"** means
- (i) The Chief Executive Officer or the managing Director or the manager;
 - (ii) The Company Secretary;
 - (iii) The Whole-time Director;
 - (iv) The Chief Financial Officer; and
 - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

- 3.1 Remuneration to Executive Director and key managerial personnel
- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the Company within the overall approved by the shareholders.



- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.
- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retrial benefits
 - (vi) Annual performance Bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

- 3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.
- 3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

- 3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

D. MECHANISM FOR EVALUATION OF THE BOARD

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;



- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

E. REMUNERATION TO DIRECTORS

- (a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report;
- (b) criteria of making payments to non-executive directors. alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report;
- (c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:
 - (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
 - (ii) details of fixed component and performance linked incentives, along with the performance criteria;
 - (iii) service contracts, notice period, severance fees;
 - (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

The aggregate value of salary, perquisites and commissions for the year ended 31st March 2019 paid to Dr. G N Naidu, Chairman and Managing Director and Sri N Satyendra Prasad, Executive Director is as follows:

		Amount (Rs. in lakhs)
Dr. G. N. Naidu	:	Nil
Sri N Satyendra Prasad	:	Nil

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



Name of the Director	Remuneration (Rs)	Sitting Fee (Rs)	Total (Rs)	No. of Shares held
Dr G N Naidu (Chairman and Managing Director)	-	-	-	72,75,183
N. Satyendra Prasad (Executive Director)	-	-	-	1,30,550
G. Sreenivasulu Naidu (Director)	-	-	-	-
*K C Chowdappa (Additional Director)Wef 14.08.2018	-	-	-	-
**B. Surendra (Director) Up to 14.08.2018	-	-	-	-
***Y.Gopala Krishna (Additional Director)Wef 14.02.2019	-	-	-	-
****D. Chandrasekhar Babu (Director)Up to 14.02.2019	-	-	-	-
Y.Vijaya Lakshmi (Director)	-	-	-	-

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year April 2018 to March 2019, Twelve (12) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings were held are 19.06.2018, 12.07.2018, 23.07.2018, 07.08.2018, 03.09.2018, 11.10.2018, 03.11.2018, 12.11.2018, 26.11.2018, 30.11.2018, 29.12.2018 and 16.03.2019.

A. COMPOSITION AND ATTENDANCE FOR MEETINGS:

Name	Designation	Category	Number of meetings during the year 2018-2019	
			Held	Attended
*K C Chowdappa Wef 14.08.2018	Chairman	Independent, Non-Executive	12	8
**B.Surendra Upto 14.08.2018	Member	Independent, Non-Executive	12	4
***Y.Gopala Krishna Wef.14.02.2019	Member	Independent, Non-Executive	12	1
****D.Chandra Sekhar Babu Upto.14.02.2019	Member	Independent, Non-Executive	12	11
Dr. G.N. Naidu	Member	Promoter & Executive Non-Independent	12	12

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Dr. G N Naidu was the Compliance officer of the Company.



C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2018-19.

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2019
Pending at the beginning of the year	Nil
Received during the year	Nil
Disposed of during the year	Nil
Remaining unresolved at the end of the year	Nil

5. GENERAL BODY MEETINGS

LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Venue	Special Resolution Passed
2015-16	28.09.2016	11.00 A.M.	Regency Ceramics Ltd Reg Off: 6-3-1090/A/7, IMS House, Somajiguda, Hyderabad – 500082	-
2016-17	27.09.2017	12.30 A.M.	Regency Ceramics Ltd Regd Off: 6-3-1090/A/7, IMS House, Somajiguda, Hyderabad – 500082	-
2017-18	28.09.2018	12.00 A.M	Regency Ceramics Ltd Regd Off: 6-3-1090/A/7, IMS House, Somajiguda, Hyderabad – 500082	-

No Extra-ordinary General Meetings / Postal ballot was held during the year 2018-19.

6. DISCLOSURES

A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

During the year under review, the Company had not entered in to any materially significant transaction with any related party. During the year, the Company had not entered into any other contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

B. COMPLIANCES:

The Penalties were imposed by BSE/NSE for Non appointment of Company Secretary, Non- submission of investor Complaints and submission of Corporate Governance Report, Non Payment of Listing fees.

Your company has filed the Investor complaints and Corporate Governance report with delay.

The Company is looking for a suitable candidate for the post of Company Secretary.

C. WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI Regulations 2015 and in terms of Section 177 of the Companies Act, 2013

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct



which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Chairman of the Audit Committee.

D. CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

E. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2018-2019

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2019 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

F. CEO/ CFO Certification

The Managing Director and CEO/ CFO certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the year 2018-19 is provided elsewhere in this Annual Report.

G. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISLOSURE REQUIREMENTS) REGULATIONS, 2015

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

The Company has an Executive Chairman and the Board is having required number of Independent directors.

H. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

I. RECONCILIATION OF SHARE CAPITAL:

A qualified Practicing Chartered Accountant carry out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Reconciliation of Share Capital Audit Report confirms that the total paid up capital was in agreement with the total number of shares in physical firm and the total number of dematerialized shares held with NSDL and CDSL.

J. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.



K. DISCLOSURE 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 Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received during the financial year: Nil
- No. of complaints disposed off during the financial year: Nil
- No. of complaints pending at the end of the financial year: Nil

7. MEANS OF COMMUNICATION:

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Regulation 33 of SEBI (LODR), Regulations, 2015 within forty five days/sixty days of the close of the respective period.
- The approved financial results are forthwith sent to the listed Stock Exchanges and are published in the newspapers namely, The Financial Express, Prajashakti and ManaTelangana within forty-eight hours of approval thereof.
- As the Company's quarterly/half yearly financial results are published in press, the same are not mailed to the Shareholders.
- These financial statements, press releases are also posted on the Company's website www.regencytiles.com

8. General Shareholders Information:

- Company Registration Details The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L26914AP1983PLC004249.
- Date 30th September, 2019
- Time 12:00 P.M
- Venue of AGM Regency Ceramics Limited,
Corporate Off: 89/A, Aishwarya, Raod No.8,
1st Floor, Sagar Society, Sreet No.2,
Banjara Hills. Hyderabad - 500034.
Telangana.
- Financial Calendar 1st April to 31st March.
- Tentative Schedule for considering Financial Results:
For the Quarter ending June, 2019 July/August,2019
For the Quarter ending September, 2019 October/ November, 2019
For the Quarter ending December, 2019 January/ February, 2020
For the Quarter/year ending March, 2020 April/ May, 2020
Date of Book Closure 21.09.2019 to 30.09.2019
Listing on Stock Exchanges BSE Limited, NSE Limited
Scrip Code BSE:515018, NSE: REGENCERAM
ISIN Number for NSDL & CDSL INE277C01012



- Payment of annual listing fees to stock exchanges
 - Address for correspondence
 - Plant Location
 - Investor Correspondence /
- Company has not paid annual listing fees from the financial year 2014-15 to 2019-20
- To be addressed to:
Venture Capitals & Corporate Investments Pvt Ltd.
12-10-167, Bharat Nagar, Hyderabad – 500018.
Yanam – 533464 (Union Territory of Puducherry)
Regency Ceramics Limited Plot No.89/A,
Aishwarya, 1st Floor, Sagor Society, Road No.2,
Banjara Hills, Hyderabad - 500 034, Telangana

- A. Registrars & Transfer Agents :** M/s Venture Capitals & Corporate Investments Pvt Ltd.
12-10-167, Bharat Nagar, Hyderabad – 500018,
Ph.No. 040-23818475, 23818476, 23868023
Emailld: info@vccilindia.com,
Website: www.vccilindia.com

B. Share Transfer System:

The Company's Shares are traded on BSE Limited and NSE Limited compulsorily in the dematerialized form. Transfer of these shares is done through depositories with no involvement of the Company. However, all requests received for transfer of shares for off market transaction in physical form from furnishing with a copy of PAN card of the transferee(s) in compliance with the SEBI circular in that behalf, are processed by the Registrars and Transfer Agents. The Share Transfers are registered and returned within a period of 15 days from the date of lodgement, if documents are complete in all respects.

All matters pertaining to share transfer in physical form are handled by the Registrars and Share Transfer Agents M/s. Venture Capitals & Corporate Investments Pvt Ltd, Hyderabad, who is registrar to the Company. The share transfer requests are processed by them and a transfer register is sent to the Company for approval once in a fortnight. There were no share transfers pending as on 31st March 2019.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, Conversion date and likely impact of equity:

We have no GDRs/ADRs or any commercial instrument.

C. Market price data:

Monthly High/Low of market price of the Company's shares traded on the BSE Limited.

Months	National Stock Exchange Ltd.		Bombay Stock Exchange Ltd.	
	High	Low	High	Low
April 2018	4.90	4.10	5.49	5.22
May 2018	4.70	3.15	4.96	4.34
June 2018	3.45	2.85	4.25	3.66
July 2018	3.15	2.70	3.66	2.73
August 2018	3.15	2.70	2.87	2.61
September 2018	3.25	2.85	3.02	2.57
October 2018	3.15	2.70	2.71	2.35
November 2018	3.05	2.70	2.80	2.25
December 2018	3.65	2.65	3.12	2.55
January 2019	5.50	3.80	4.75	3.21
February 2019	3.65	2.80	4.00	3.36
March 2019	3.30	2.65	3.90	2.57



D. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019:

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	1,60,21,125	60.59	46,87,159	29.26
b.	Central Government/State Government(s)	-	-	-	-
c.	Bodies Corporate	-	-	-	-
d.	Financial Institutions/Banks	-	-	-	-
	Others :-	-	-	-	-
e.	Mutual Funds	-	-	-	-
f.	Trusts	-	-	-	-
	Sub Total (A)(1)	1,60,21,125	60.59	46,87,159	29.26
(2)	Foreign				
a.	Individuals (Non Resident Individuals/ Foreign Individuals)	-	-	-	-
b.	Bodies Corporate	-	-	-	-
c.	Institutions	-	-	-	-
	Others :-	-	-	-	-
d.	Overseas Corporate Bodies	-	-	-	-
	Sub Total (A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	1,60,21,125	60.59	46,87,159	29.26
(B)	Public Shareholding	-	-	-	-
(1)	Institutions	-	-	-	-
a.	Mutual Funds/UTI	2000	0.01	-	-
b.	Financial Institutions/Banks	800	0.00	-	-
c.	Central Government/State Government(s)	416800	1.58	-	-
d.	Venture Capital Funds	-	-	-	-
e.	Insurance Companies	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-
h.	Foreign Companies	-	-	-	-
	Sub Total (B)(1)	419600	1.59	-	-
(2)	Non-Institutions	-	-	-	-
a.	Bodies Corporate	4153246	15.71	-	-
b.	Individuals	-	-	-	-
	i) Individual shareholders holding nominal share capital upto Rs.2 lakh	4371787	16.53	-	-
	ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1314148	4.97	-	-
c.	Any Others :-	-	-	-	-
	i) Non Resident Individuals	1,52,192	0.58	-	-
	ii) Overseas Corporate Bodies	-	-	-	-
	iii) Trusts	100	0.00	-	-
	iv) Employees	-	-	-	-
	v) Clearing Members	9,388	0.04	-	-
	vi) Foreign Nationals	-	-	-	-
	vii) NBFCs registered with RBI	-	-	-	-
	Sub Total (B)(2)	1,00,00,861	37.82	-	-
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1,04,20,461	39.41	-	-
	Total (A)+(B)	2,64,41,586	100.00	-	-
(C)	Shares held by Custodians and against Depository Receipts have been Issued	-	-	-	-
	Grand Total (A)+(B)+(C)	2,64,41,586	100.00	-	-



E. Distribution of Shareholding as on 31.03.2019 :

No. of share held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	12655	89.31	1843018	6.97
501-1000	814	5.75	665636	2.52
1001-2000	345	2.43	527529	1.99
2001-3000	121	0.87	308765	1.17
3001-4000	43	0.30	150185	0.57
4001-5000	45	0.32	210435	0.80
5000-10000	74	0.52	550400	2.08
10000-50000	51	0.36	1091926	4.13
50000 and above	18	0.14	21093642	79.77
TOTAL	14165	100.00	26441586	100.00

F. DEMATERIALIZATION & LIQUIDITY OF SHARES:

Dematerialization and Liquidity of Shares:

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is 515018. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

Particulars	No. of Shares	% Share Capital
NSDL	15150543	57.30
CDSL	6472773	24.48
Physical	4818270	18.22
Total	26441586	100.00

GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, Dividend intimations etc., by email Physical copies are sent only to those shareholders whose email addresses are not registered with the Company and for bounced mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/concerned depository to enable the Company to send the documents in electronic form or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

For and on behalf of the Board
For **Regency Ceramics Limited**

Dr G N Naidu
Chairman and Managing Director
(DIN: 00105597)

Place : Hyderabad

Date : 30.05.2019

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON DIRECTORS

To the Members of **Regency Ceramics Limited**

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Place : Hyderabad

Date : 30.05.2019

K V Chalama Reddy
Practising Company Secretary
M. No. F9268, C.P. No: 5451



Annexure-IV

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian economic overview

India, after demonetization, has reset its indirect tax base by replacing several indirect taxes into GST during the year 2018-19. These reforms took time for India's economic progress in the first half year and later on bounced back with over 7% GDP growth in the second half year. The GDP @ near 8% is the indication of strong turnaround of the Indian economy. The growth in agricultural sector was 4.5%, manufacturing sector was 9.1% and construction sector was 11.5% as against global GDP growth rate of 3.8% to 4%. India as such, has become the fastest growing major economy in the world and is expected to grow more than 7% in 2019-20.

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

Tile Industry

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

Future out Look

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

Company Outlook:

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

Internal Control Systems:

Your Company has in place proper and adequate systems of internal controls commensurate with its size and the nature of its operations comprising authority levels and powers, supervision, checks and balances, policies, procedures and internal audit.





The internal control system provides reasonable assurance that the transactions are properly recorded and are executed in accordance with proper management authorization and that the assets are safeguarded against loss from unauthorized use or disposition and that the accounting records are adequate for preparation of financial statements and other financial information. The system is reviewed and updated on an on-going basis. The Company is continuously upgrading its internal control systems by various measures such as strengthening of Information Technology, infrastructure, use of external management services and adoption of various recommendations of Audit Committee.

Human Resources and Industrial relations:

Your Company believes that human resource is the most important asset of the organization and lays importance on competence and commitment of human capital for its growth.

As the Company is in the process of reviving its operations in the near future with hope to resolve the strained labour relations and the matters pending before the industrial tribunal, the company shall hire the employees in the coming future. An enabling environment that fosters continuous learning and innovation remains a key focus area of your company.

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.

THREATS

Constantly increasing in fuel price is very big issue for the industry because the manufacturing involves a highly energy intensive manufacturing process; gas, power and transportation cost are the key cost-related issued and impacting the industry. Consistently in fuel and power availability at reasonable rates is very major concern for the industry. The Ceramic industry in India is highly competitive on account of low entry barriers, growing competitive intensity

OPPORTUNITIES

Due to the Increased compliance (GST & e-way bill) to favour organised sector give the opportunities for development in the Industry. The New initiative was introduced by the Government under "housing for all" India is looking to add around 2 crore new affordable houses by 2022, making them an incredible value proposition for big players in the home lifestyle solutions providers

RISKS AND CONCERN

The prices of petroleum products depend upon international market and subject to volatility. Some of the competitors who have the facilities of natural gas, tax incentives etc. are dominating the market. There may be a threat from some of the larger capacity players, who have varied range of products, effects and colors to dominate market presence.





CERTIFICATION BY CEO/CFO

We have reviewed the financial statements and the cash flow statement of M/s. Regency Ceramics Limited for the year ended March 31, 2019 and to the best of our knowledge and belief:

1. We have reviewed the Balance Sheet and Statement of Profit and Loss and all its schedules and notes to accounts, as well as the Cash Flow Statements and the Director's Report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or in violation of the Company's code of conduct;
5. We are responsible for establishing and maintaining internal controls over financial reporting for the Company, and have
 - a. Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.
 - b. Evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and
 - c. Disclosed in this report and change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors in regard to:
 - a. Deficiencies in the design or operation of internal controls and steps taken / proposed to be taken to rectify these deficiencies.
 - b. Significant changes in internal controls over financial reporting, if any, during the year covered by this report.
 - c. Significant changes in accounting policies during the year, if any, and that the same, have been disclosed in the notes to the financial statements.
 - d. Instances of significant fraud of which I am aware, that involves management or other employees who have a significant role in the Company's internal controls system over financial reporting.

For Regency Ceramics Limited

Place : Hyderabad
Date : 30.05.2019

Dr. G N Naidu
CMD/Chief Executive Officer
DN : 00105597

Mr. N. Satyendra Prasad
Chief Financial Officer
DN : 01410333





AUDITORS CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members,
Regency Ceramics Limited

We have examined relevant records of Regency Ceramics Limited ("Company") for the purpose of certifying compliance of the conditions of the Corporate Governance as specified in regulations 17-27, clause (b) to (i) of Regulations 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), for the financial year ended March 31, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

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

Restrictions on Use

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

Place: Hyderabad
Date : 30.05.2019

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



Disclosure with Respect to Demat Suspense Account/ Unclaimed Suspense Account:

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of Shares holders who approached the company for transfer of shares from suspense account during the year.	No. of share holders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
Nil	Nil	Nil	Nil

Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.

ANNEXURE-V

The details of remuneration during the year 2018-2019 as per Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2015 are as follows:

Sl. No	Disclosure Requirement	Disclosure Details	
i.	Ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the Financial year	Executive Directors	Ratio to median remuneration
		Dr G N Naidu	-
		N. Satyendra Prasad	-
ii.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
		Dr G N Naidu	-
		N. Satyendra Prasad	-

- iii. Percentage increase in the median remuneration of employees in the financial year 2018-2019: As there are no employees in the company there is no remuneration paid.
- iv. Number of permanent employees on the rolls of the Company as on 31st March, 2019 : upto 31-12-2018 there were 5 employees in the company and they were drawn negligible salary and after that the company was taking services from outsiders as and when required.
- v. **Affirmation that the remuneration is per the remuneration policy of the Company:**
The Company is not paying any remuneration to any of the Directors of the Company.





INDEPENDENT AUDITORS' REPORT

To the Members of
REGENCY CERAMICS LIMITED, HYDERABAD.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **REGENCY CERAMICS LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of our observations stated in "Basis for Qualified Opinion" section below, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Manufacturing operations of the company were stopped due to riots, strike and malicious damage at factory since 27.01.2012. The company declared lock out of the plant on 31.01.2012 and the condition of the fixed assets and its realizable value could not be estimated. The machinery and building were not insured during the year and disclosed at book value after providing depreciation on account of efflux of time.
2. The condition of the raw materials, stores and spares and its realizable value could not be estimated by the company. The stocks were not insured during the year and disclosed at book value.
3. During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees pending orders/judgment of the industrial Tribunal. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance to Ind AS-19 "Employee Benefits". Since the company could not compute the liability in the absence of complete records, we are unable to comment upon the impact of non-provision of additional loss of the company for the year and on the current liabilities as at 31.03.2019.
4. Confirmation of balances was not obtained from Debtors, Creditors, loan and advances and other current assets.
5. The company requested the lenders for sanction of revised OTS and paid entire OTS amount in respect of four lenders where sanctions were received. Satisfaction of charges were filed with ROC in respect of Phoenix ARC Private Limited (Trustee of Phoenix Trust-FY15-5) and the remaining term loans outstanding against them were written back as income during the previous year. While the company is awaiting



revised OTS sanction from another Bank based on the decision taken by consortium, the bank filed the petition before the Hon'ble NCLT, Hyderabad bench under section 7 of the Insolvency and Bankruptcy code, 2016 and the company is contesting the same. Earlier, the lenders initiated recovery action against the company and took symbolic Possession under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 in exercise of powers conferred on them under section 13(4) of the SARFAESI Act. The lenders also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Financial Liabilities. Hypothecation / Hire purchase loans are repayable within one year and shown under Other Financial Liabilities.

6. The company did not provide the interest on secured loans in respect of four lenders where the accounts were settled under OTS. An amount of Rs.345.45 Lakhs for the year and Rs.1972.89. lakhs up to 31st March 2019 debited by one bank was not provided in the books as the company is disputing the same.
7. The company has not provided the liability towards interest and penalties payable on account of statutory dues. The Company is of opinion that the statutory authorities shall waive the same in view of the unprecedented incident.

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

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditors responsibility for the Audit of Financial Statements* 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 (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules made 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 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 modified in respect of this matter.

Key Audit Matters

Except for the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.





Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these Standalone financial statements. 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 financial statements, 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 financial controls 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 system 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 management.
- Conclude on the appropriateness of management's 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 statements 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 financial statements, including the disclosures, and whether the financial statements represent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 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 including Other Comprehensive Income, Statement of Changes in Equity 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) The matters described in Basis for Qualified Opinion and Material Uncertainty Relation to Going Concern above, in our opinion, may have an adverse effect on the functioning of the Company
- f) On the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act,
- g) 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
- h) No Managerial remuneration was paid during the year under review, so reporting under requirements of section 197 doesn't apply.
- i) 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 27,28,29, 30 and 31 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(V. Venkateswara Rao)
Partner
Membership No.219209

Place : Hyderabad
Date : 30.05.2019





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, 2019.

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, 2019 for a period of more than six months from the date they became payable are as follows.

Name of the Statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
CST Act, 1956	Central Sales Tax	26.78	2011-12	Nov-2011	Not yet paid
VAT Act, 2005	VAT	335.02	2011-13	Sept-2011	Not yet paid
Central Excise & Service Tax Act, 1994	Service Tax	44.75	2011-13	Oct-2011	Not yet paid
ESI Act, 1948	Employee State Insurance	3.28	2011-13	Oct-2011	Not yet paid
Income Tax Act, 1961	Income Tax	58.19	2003-04	Sept-2004	Not yet paid



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

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount is related	Forum where dispute pending
Central Excise & Service Tax Act, 1994	Service Tax	5.33	2009-2010	CESTAT, Hyderabad
Central Excise & Service Tax Act, 1994	Excise Duty	39.99	2011-2012	CESTAT, Chennai
Income Tax Act, 1961	Income Tax	90.98	2003-2004	Income Tax Appellate Tribunal
The Pondicherry Municipality Act, 1973	Municipal Tax	75.79	1998-2007	Yanam Municipality

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

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

Name of Lenders	Amount of default as at the Balance Sheet date (Rs in Lakhs)	Period of default
SBI	2894.37	From June 2012
CORPORATION BANK	1486.49	From June 2012
SBI (e-SBT)	1134.33	From June 2012
SOUTH INDIAN BANK	776.98	From June 2012
TOTAL	6292.18	

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 give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place : Hyderabad
Date : 30.05.2019

(V. Venkateswara Rao)
Partner
Membership No.219209





BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs.in Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
I. ASSETS			
1. Non-Current Assets			
a) Property, Plant and Equipment	2	3740.13	4196.05
b) Financial Assets			
Investments	3	1.80	57.84
c) Other Financial Assets			
Margin Money Deposits(Electricity)		17.05	17.05
Total Non-Current Assets		3758.98	4270.94
2. Current Assets			
a) Inventories	4	664.00	664.00
b) Financial Assets			
i) Trade receivables	5	798.24	804.54
ii) Cash and cash equivalents	6	9.90	9.89
iii) Other Bank Balances	7	35.07	35.07
iv) Other Financial Assets	8	1928.29	1928.31
c) Other current assets	9	2001.92	1997.90
		5437.42	5439.71
TOTAL ASSETS		9196.40	9710.65
II. EQUITY AND LIABILITIES			
1. Shareholder's Fund			
a) Share Capital	10	2644.16	2644.16
b) Other Equity	11	(8904.02)	(8386.64)
Total Equity		(6259.86)	(5742.49)
2. Non- Current Liabilities			
a) Financial Liabilities			
Borrowings	12	3833.02	3699.71
b) Provisions	13	161.52	169.99
Total Non-Current Liabilities		3994.54	3869.70
3. Current Liabilities			
a) Financial Liabilities			
i) Borrowings	14	2254.15	2254.15
ii) Trade payables			
Micro and small enterprises	15	156.34	192.98
Creditors other than micro and small enterprises	15	2538.00	2610.57
iii) Other Financial Liabilities	16	4038.03	4044.81
b) Other Current Liabilities	17	2475.20	2480.93
		11461.72	11583.44
Total		9196.40	9710.65

Significant accounting policies and key accounting adjustments and judgements

1-41

As per our report of even date.

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

Dr G N NAIDU
Chairman and
Managing Director

N.SATYENDRA PRASAD
Executive Director

V. VENKATESWARA RAO
Partner
Membership No.219209

K C CHOWDAPPA
Director

E. BALAKRISHNA RAO
President (Finance)

Place : Hyderabad
Date : 30.05.2019



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakhs)

Particulars	Note No.	Current Year	Previous Year
I. INCOME			
Revenue from operations	18	—	—
Other Income	19	91.26	7.08
Total Income		<u>91.26</u>	<u>7.08</u>
II EXPENSES			
Cost of Raw material Consumed	20	-	-
Purchase of stock-in-trade			
Changes in inventories of finished goods, work in Process and Stock-in-trade	21	-	-
Employee benefits expense	22	43.51	81.13
Finance costs	23	9.37	36.83
Depreciation and amortization expense	2	455.93	468.68
Other expenses	24	99.83	118.72
Total Expenses		<u>608.64</u>	<u>705.36</u>
III Loss: before exceptional items and tax		(517.38)	698.28
IV Exceptional items		-	1031.40
V. Profit/(Loss) before tax		<u>(517.38)</u>	333.12
VI. Tax Expense			
-Deferred Tax		-	-
V Loss after tax		<u>(517.38)</u>	333.12
VI Earnings per equity share (face value of Rs.10 each)			
Basic & Diluted		(1.96)	1.26
Significant accounting policies and key accounting adjustments and judgements	1-41		

As per our report of even date.

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

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K C CHOWDAPPA
Director

E. BALAKRISHNA RAO
President (Finance)

Place : Hyderabad
Date : 30.05.2019



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakhs)

Particulars	2018-19	2017-18
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before Tax	(517.38)	333.12
Adjustments for:		
Depreciation	455.93	468.67
Fair value gain	56.04	49.63
Excess provision / balances return back	(83.92)	-
Interest(net)	9.26	35.12
Term Loan Written back	0.00	(1031.40)
Profit on sale of Fixed Assets(Net)	(1.50)	(2.03)
Operating Loss before working capital changes	(81.57)	(146.89)
Adjustments for:		
Trade and other receivables	6.43	15.28
Trade payables	(43.63)	61.83
Cash generated from operations	(118.77)	(69.78)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	1.50	3.00
Net Cash Used in investing activities	1.50	3.00
C CASH FLOW FROM FINANCING ACTIVITIES		
Loans from Directors	133.30	286.78
Repayment of loans from Institutions and others	(6.78)	(300.00)
Interest paid	(9.26)	(35.12)
Net Cash used in Financing Activites	117.26	(48.34)
Net Increase/(decrease) in cash and cash equivalents(A+B+C)	0.01	(115.12)
Cash and Cash equivalents as at 01.04.2018 (Opening Balance)	44.96	160.08
Cash and Cash equivalents as at 31.03.2019 (Closing Balance)	44.97	44.96

As per our report of even date.

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

Dr G N NAIDU
Chairman and
Managing Director

N.SATYENDRA PRASAD
Executive Director

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Partner
Membership No.219209

K C CHOWDAPPA
Director

E. BALAKRISHNA RAO
President (Finance)

Place : Hyderabad
Date : 30.05.2019





NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

CORPORATE INFORMATION

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

The company has recorded a Net Loss of Rs.517.05 for the year 2018-19 and has accumulated loss of Rs.8904.02 Lakhs as on 31.03.2019 resulting in erosion of the net worth. Further, there were no cash flows from the existing business activities. The lenders of the company had taken symbolic possession of the properties in exercise of powers conferred under section 13(4) of the SARFAESI Act and filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues.

The company paid the entire OTS amount in respect of four lenders where sanctions were received and awaiting revised OTS sanction from another bank based on the decision taken by consortium. The bank filed the petition before the Hon'ble NCLT, Hyderabad bench under section 7 of the Insolvency and Bankruptcy Code, 2016 and the company contesting the same. The company is confident of an amicable settlement with the agitating workers and is also hopeful of receiving insurance claim on reinstatement value basis for refurbishing the plant and to recommence the plant operations.

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

SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS.

1. Significant Accounting Policies:

Statement of Compliance

1.1) Basis of Preparation of Financial Statements.

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

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

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



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

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

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

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

- i. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies act-2013 except the assets costing Rs.5000 or less on which depreciation is charged @100% in the year of acquisition.
- v. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

(1.4)Inventory:

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

Stores and packing materials are valued at cost on weighted average basis.

(1.5)Financial Instruments:

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

a. Financial Asset:

Initial recognition and measurement

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



Subsequent Measurement

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

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

Financial Asset measured at amortized cost

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

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

Financial Assets Measured at fair value through other comprehensive income

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

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

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

De-recognition of Financial Assets

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

Impairment of Financial Assets

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



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

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

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

b. Financial Liabilities.

Initial recognition and measurement

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

Subsequent Measurement

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

Financial Liabilities at amortized cost

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

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

De recognition of Financial Liabilities

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

(1.6) Foreign Currency Transactions

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

(1.7) Borrowing Costs

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





(1.8) Revenue Recognition

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

a. Sale of Products

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

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

b. Recognition of Export benefits

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

c. Interest Income

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

(1.9) Dividend Distribution

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

(1.10) Employee Benefits:

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

(1.11) Provisions, Contingent Liabilities and Contingent Assets:

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





(1.12) Income Taxes

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

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

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

(1.13) Earnings Per Share

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

(1.14) Cash flow statement

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

(1.15) Segment Reporting

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

(1.16) Events after Reporting date

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

(1.17) Standards issued, but not yet effective:

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





Ind AS 116- Leases

"On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

The core principle of the new standard lies in identifying whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The new standard modifies the accounting of leases in the books of lessee. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability, for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The accounting for leases in the books of the lessor is substantially similar to the requirements of Ind AS 17.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2019, will not be retrospectively adjusted. The cumulative effect of the initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

On a preliminary assessment effect on adoption of Ind AS 116 is assessed to be of limited impact on the financials of the Company."

(1.18) Critical Accounting Estimates and Judgments

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

The areas involving critical estimates or judgments are –

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



(Rs in Lakhs)

S. No.	P A R T I C U L A R S	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		COST AS AT 01.04.2018	ADDITIONS DURING THE YEAR	SALES/ ADJUSTMENTS DURING THE YEAR	COST AS AT 31.03.2019	UPTO 01.04.2018	FOR THE YEAR	ON SALES/ ADJUSTMENTS	UPTO 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
1	LAND	63.36	-	-	63.36	-	-	-	-	63.36	63.36
2	BUILDINGS	1836.83	-	-	1836.83	1129.76	57.79	-	1187.55	649.28	707.07
3	PLANT & MACHINERY	18347.34	-	-	18347.34	14958.72	394.25	-	15352.97	2994.37	3388.62
4	OFFICE EQUIPMENT & COMPUTERS	457.27	-	-	457.27	444.61	3.56	-	448.17	9.11	12.66
5	FURNITURE & FIXTURES	69.76	-	-	69.76	69.26	0.33	-	69.58	0.17	0.50
6	VEHICLES	81.28	-	9.63	71.65	81.25	0.00	9.63	71.62	0.03	0.03
7	LIVE STOCK	23.81	-	-	23.81	-	-	-	-	23.81	23.81
	T O T A L	20879.65	-	9.63	20870.02	16683.60	455.93	9.63	17129.89	3740.13	4196.05
	PREVIOUS YEAR	20891.77		12.12	20879.65	16226.08	468.67	11.15	16683.60	4196.05	4665.70

* **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 2019 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 the efflux of time as per the provisions of the Companies Act,2013.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs in Lakhs)

Particulars	As at	
	31.03.2019	31.03.2018
NOTE 3		
INVESTMENTS		
i) 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 shares)	-	55.47
iii) Equity Shares Rs.10 each in Sai Regency Power co Ltd (10,00,000 shares) Quoted :	-	-
iv) Equity shares Rs.10 each in IFCI Ltd, (10,00,000 shares)	1.38	1.95
Total	1.80	57.84
NOTE 4		
INVENTORIES		
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
Total	664.00	664.00
NOTE 5		
TRADE RECEIVABLES		
A. Secured	-	-
B. Unsecured		
i. Considered good	-	-
ii. Significant increase in credit risk	798.24	804.54
iii. Credit Impaired	28.68	28.68
Less: Provision for doubtful allowance	28.68	28.68
Total	798.24	804.54
NOTE 6		
CASH AND CASH EQUIVALENTS		
Cash in hand	8.62	8.56
In Current Accounts	1.28	1.31
In No-Lien Accounts	-	0.02
Total	9.90	9.89



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs in Lakhs)

Particulars	As at	
	31.03.2019	31.03.2018

NOTE 7

OTHER BANK BALANCES

In Fixed deposits against Bank Guarantee	35.07	35.07
Total	35.07	35.07

NOTE 8

OTHER FINANCIAL ASSETS

Claims Receivable	1878.18	1878.00
Advances to Staff & Workers	6.92	7.12
Deposits Recoverable	24.56	24.56
Interest accrued on Deposits and Investments	18.63	18.63
Total	1928.29	1928.31

NOTE 9

OTHER CURRENT ASSETS

Advance for purchase, other advances and deposits	1719.61	1715.59
Balance with Govt. Departments	196.78	196.78
Advance Tax & TDS	85.53	85.53
Total	2001.92	1997.90

NOTE 10 : SHARE CAPITAL

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Rs in Lakhs	No. of shares	Rs in Lakhs
Authorised				
Equity Shares of Rs.10/- each	30000000	3000.00	30000000	3000.00
Total	30000000	3000.00	30000000	3000.00
Issued				
Equity Shares of Rs.10/- each	26508586	2650.86	26508586	2650.86
Total	26508586	2650.86	26508586	2650.86
Subscribed and Paid up				
Equity Shares of Rs.10/- each fully paid up	26441586	2644.16	26441586	2644.16
Total	26441586	2644.16	26441586	2644.16



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs in Lakhs)

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Rs in Lakhs	No. of shares	Rs in Lakhs
Shares Outstanding at the beginning of the year	26441586	2644.16	26441586	2644.16
Shares Issued during the year	-	-	-	-
Shares redeemed / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	26441586	2644.16	26441586	2644.16

Rights, preference and restriction attached to shares :

Equity shares : The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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 31.03.2019		As at 31.03.2018	
	Shares Held	%	Shares Held	%
G N Naidu	7275183	27.51	7275083	27.51
Radhika Naidu	4819586	18.23	4669586	17.66
Bindu G Naidu	2418750	9.15	1881984	7.12
Regency Transport Carriers Limited	3314470	12.54	3314470	12.54



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
NOTE 11		
OTHER EQUITY		
a. Capital Reserve		
At the Commencement of the year	0.86	0.86
Closing Balance	<u>0.86</u>	<u>0.86</u>
Other Reserves		
b. General Reserve		
At the commencement of the year	1540.35	1540.35
Closing Balance	<u>1540.35</u>	<u>1540.35</u>
c. Share Premium		
At the commencement of the year	329.61	329.61
Closing Balance	<u>329.61</u>	<u>329.61</u>
d. Surplus		
At the commencement of the year	(10257.47)	(10590.59)
Add: Current year	<u>(517.38)</u>	<u>333.12</u>
Closing Balance	<u>(10774.84)</u>	<u>(10257.47)</u>
Total (a+b+c+d)	<u>(8904.02)</u>	<u>(8386.64)</u>

- 1) The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.
- 2) Securities Premium: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.
- 3) General Reserve: This Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.
- 4) Retained Earnings: This Reserve represents the cumulative profits/ (Loss) of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

NOTE 12

NON-CURRENT LIABILITIES-FINANCIAL LIABILITIES - BORROWINGS

Loans from Body Corporate & Others	30.00	30.00
Loans from Directors	<u>3803.02</u>	<u>3669.71</u>
Total	<u>3833.02</u>	<u>3699.71</u>

NOTE 13

PROVISIONS

Gratuity	150.47	157.42
Leave Encashment	<u>11.05</u>	<u>12.57</u>
Total	<u>161.52</u>	<u>169.99</u>

Gratuity Provision as per Ind AS-19 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
NOTE 14		
CURRENT LIABILITIES-FINANCIAL LIABILITIES - BORROWINGS		
Cash Credit		
i) State Bank of India	1614.94	1614.94
ii) The South Indian Bank Ltd	639.21	639.21
Total	2254.15	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 paripassu with other member banks and further secured by second charge on the company's fixed assets ranking paripassu with other member banks of the consortium. These Borrowings are further secured by i) pledge of 10% equity shares of the company held by the promoters, ii) tangible collateral security provided by the promoters equivalent to 15% of the share capital of the company and iii) personal guarantee of 3 promoter directors of the company on paripassu basis to all the lenders. Interest is payable on monthly basis.

NOTE 15

TRADE PAYABLES

Trade Payables

- Due to Micro, Small and Medium Enterprises	156.34	192.98
- Others	2538.00	2610.57
Disclosures required by the Micro Small and Medium Enterprises (MSMED) Act, 2006 are as under:		
(a) (i) The Principal amount remaining Unpaid at the end of the year	156.34	192.98
(ii) Interest due on principal remaining unpaid at the end of the year	-	-
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(ii) Interest actually paid under Section 16 of the MSMED Act.	-	-
(c) Normal Interest due and payable during the year, for all the delayed		
(d) Total Interest accrued during the year and remaining unpaid	-	-
The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company.		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
NOTE 16		
OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Borrowings:		
A) Term Loans		
Corporation Bank	1486.49	1486.49
State Bank Of Travancore	1134.33	1134.33
State Bank of India	449.88	449.88
State Bank of India- TL 2	66.91	66.91
	<u>3137.61</u>	<u>3137.61</u>
Hypothecation / Hire Purchase Loans	-	6.78
	<u>3137.61</u>	<u>3144.39</u>
B) Funded Interest Term Loans		
State Bank of India	66.37	66.37
C) Working Capital Term Loans		
State Bank of India	696.28	696.28
South Indian Bank	137.77	137.77
	<u>834.05</u>	<u>834.05</u>
	<u>4038.03</u>	<u>4044.81</u>

*** Terms of Repayment and Security:**

Term Loans under A,B and C above are repayable in quarterly instalments. Interest is payable on monthly basis. These loans are secured by first paripasu 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.

NOTE 17

OTHER CURRENT LIABILITIES

Creditors for Other Finance	486.47	513.98
Creditors for expenses	1286.03	1264.25
Advance from Customers	294.94	294.94
Trade Deposit from Dealers	337.71	337.71
Income Tax	58.19	58.19
Due to Directors	11.86	11.86
	<u>2475.20</u>	<u>2480.93</u>

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs in Lakhs)

Particulars	Current Year	Previous Year
NOTE 18		
REVENUE FROM OPERATIONS		
Domestic Sale	-	-
Export Sale	-	-
Total	<u>-</u>	<u>-</u>
Less : Excise Duty	-	-
Total	<u>-</u>	<u>-</u>
NOTE 19		
OTHER INCOME		
Interest	-	1.15
Profit on sales of asset	1.50	2.03
Excess provision written back / credit balance W/b	83.92	-
Rent received	3.57	3.60
Prior period income	2.27	0.30
Total	<u>91.26</u>	<u>7.08</u>
NOTE 20		
COST OF RAW MATERIAL CONSUMED		
Opening Stock	482.29	482.29
Add: Purchases	-	-
	<u>482.29</u>	<u>482.29</u>
Less: Closing Stock	482.29	482.29
Total Cost of Raw materials consumed :	<u>-</u>	<u>-</u>
NOTE 21		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished Stock	-	-
Trading Stock	50.84	50.84
Stock in process	70.07	70.07
	<u>120.91</u>	<u>120.91</u>
Less: Inventories at the end of the year		
Finished Stock	-	-
Trading Stock	50.84	50.84
Stock in process	70.07	70.07
	<u>120.91</u>	<u>120.91</u>
(Increase)\ Decrease	<u>-</u>	<u>-</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
(Rs in Lakhs)

Particulars	Current Year	Previous Year
NOTE 22		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, bonus and Other benefits	14.77	26.81
Contribution to Provident Fund	1.21	2.22
Contribution to ESI	0.10	0.13
Workmen and Staff Welfare Expenses	0.29	0.44
Compensation	27.14	51.53
Total	43.51	81.13

The unprecedented industrial violence on 27.1.2012 had resulted in deaths of personnel and destruction of buildings and equipment in the factory. Consequently, a lock-out was declared at the factory from 31.01.2012. The Salary, Wages and other benefits to factory employees were not considered as provisional liability and not taken in the books under "No Work - No Pay" principle pending orders / judgment of the Industrial Tribunal.

NOTE 23
FINANCE COSTS

Interest	9.26	36.27
Bank Charges	0.11	0.57
Total	9.37	36.84

An amount of Rs.345.45 lakhs for the year and Rs.1972.89 lakhs upto 31.03.2019 debited by one Bank in the current year was not provided in the books as the company is disputing the same.

NOTE 24
OTHER EXPENSES

Repairs and Maintenance	0.69	0.72
Rates and Taxes	0.04	0.21
Rent	10.99	10.89
Insurance	-	0.07
Printing and Stationery	0.67	0.42
Postage, Telegrams, Telephone and Telex	1.17	1.82
Travelling and Conveyance	4.05	9.87
Vehicles Maintenance / Hire Charges	0.82	1.84
Payments to auditors- Fee	1.18	1.18
Legal and Professional Charges	10.59	1.36
General Expenses	8.84	39.66
Prior Year Expenses	4.46	0.78
Advertisement	0.29	0.27
Fair value loss on investments	56.04	49.63
Total	99.83	118.72



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 25

Financial Risk Management

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

I. Market Risk

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

II. Foreign Currency Risk -

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

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

III. Interest Rate Risk –

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

IV. Credit Risk

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

V. Liquidity Risk

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 26

Capital Management

The Company's objectives when managing capital are to

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

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

Gearing Ratio

(Rs in Lakhs)

Particulars	As at	
	March 31, 2019	March 31, 2018
a) Debt Obligations	6292.18	6298.96
b) Cash and Cash equivalents	44.96	44.96
c) Net Debt (a-b)	6247.22	6254.00
d) Total Equity	(6259.86)	(5742.49)
e) Net Debt/Equity Ratio (c/d)	(1.00)	(1.09)

Note 27

Factory status

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 28

Status with lenders

The lenders of the company had taken symbolic possession of the properties in exercise of powers conferred under section 13(4) of the SARFAESI Act and filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. The company paid the entire OTS amount in respect of four lenders where sanctions were received. The company is awaiting revised OTS sanction form another bank based on the decision taken by consortium. The bank filed petition before the Honourable NCLT Hyderabad bench under section 7 of the Insolvency and Bankruptcy Code, 2016 and the Company contesting the same. In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities.

Note 29

Insurance status

The claim made in respect of loss/damage to its properties during the incident on 27.01.2012 was assessed by insurance company on depreciation method although the company is eligible for the claim under reinstatement/replacement method. Hence, the company rejected the claim amount under protest and invoked arbitration clause as per the policy terms. And the matter is in progress.

Note 30

Employee Benefits

The company has not provided the provisional liability towards salary, wages and other benefits to its factory employees pending orders/judgment of the industrial Tribunal. Further, the company has not provided for its liability towards Gratuity and leave encashment as per Ind AS-19 "Employee Benefits" due to loss of employee records in the factory during the violent incidence occurred on 27th January, 2012.

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 31

Contingent Liabilities

		As at 31.03.2019 (Rs. in lakhs)	As at 31.03.2018 (Rs. in lakhs)
i)	Contingent Liabilities not provided for: On account of Letters of Credit and Bank Guarantees given by Bankers.	-	-
ii)	Demand from Customs & Central Excise (Service Tax Cell), disputed by the company, Pending in appeal before CESTAT, Hyderabad	5.33	5.33
iii)	Demand from Customs & Central Excise (Excise Duty), disputed by the company, Pending in appeal before CESTAT, Chennai	39.99	39.99
iv)	Demand from Yanam Municipality (Property Tax-With retrospective effect) disputed by the company- pending with commissioner, Yanam Municipality	75.79	75.79

Note 32

Confirmation of Balances

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

Note 33

Forex Transactions

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

Note 34

Fair Value Measurement Hierarchy

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

Level 1 –Quoted prices in an active market

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Level 2 –Valuation techniques with observable inputs.**

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

Level 3 –Valuation Techniques with significant un observable inputs.

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

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

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2019

(Rs. in lakhs)

Particulars	Fair Value Hierarchy (Level)	As at March 31, 2019	As at March 31, 2018
Financial Assets measured at FVTPL			
Investments	1	1.38	1.95
Investments	2	0.00	55.89
Financial Asset Measured at Amortized cost			
Margin Money Deposits	3	17.05	17.05
Other Financial Assets	3	1928.29	1928.11
Financial liabilities measured at Amortized cost			
Term loans	3	6292.18	6298.96

Note 35: There are no remittances in foreign currency on account of Dividend during the year 2018-19.

Note 36: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 37**Segment Reporting**

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

Note 38**Deferred Tax**

Particulars	Current Year (Rs. in lakhs)	Previous year (Rs. in lakhs)
Composition of Net Deferred Tax Asset/(Liability):		
Components of Deferred Tax:		
Deferred Tax Assets:		
Loss as per Income Tax Act	2692.40	2761.22
Provision for doubtful debts	7.39	7.39
Disallowances u/s 43B of Income Tax Act	0.00	0.64
	2699.79	2769.25
Deferred Tax Liability:		
Depreciation	715.05	794.67
Deferred Tax (Liability)/Asset (Net)	1984.74	1974.58

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 39

Earnings per Share :

i) Net Profit/(Loss) after tax (Rs. in lakhs)	(517.38)	333.12
ii) No. of equity shares of Rs.10/- each	2,64,41,586	2,64,41,586
iii) Weighted average No. of shares	2,64,41,586	2,64,41,586
iv) Earnings per share (in Rs.)	(1.96)	1.26

NOTE 40:

RELATED PARTY DISCLOSURES AS REQUIRED BY THE IND AS 24

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

Rs. in Lakhs

Particulars	Business		Outstanding	
	Current Year	Previous Year	As at 31.03.2019	As at 31.03.2018
i) Company under the same management				
- Subscription of Equity Shares	-	-	200.00	200.00
- Brand usage and other charges	-	-	(597.99)	(593.10)
ii) Unsecured loans from Directors	-	-	(3943.89)	(3812.43)
iii) Other entities where Directors /their relatives are interested				
- Advances given	-	-	(366.25)	(356.25)
iv) Payment to Key Management Personnel				
- Rent	-	-		
- Remuneration	-	-		
- Remuneration (other than directors)	-	-		

Note 41

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

As per our report of even date.

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

V. VENKATESWARA RAO
Partner
Membership No.219209

Place : Hyderabad
Date : 30.05.2019

Dr G N NAIDU
Chairman and
Managing Director
K C CHOWDAPPA
Director

N.SATYENDRA PRASAD
Executive Director
E. BALAKRISHNA RAO
President (Finance)

INSTRUCTIONS TO BALLOT FORM

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to Mr. K.V.Chalama Reddy, Practicing Company Secretary, Flat No.301, Madhava Apartments, Hill Colony, Khairatabad, Hyderabad-500004, so as to reach by **5.00 pm on September 29, 2019**. 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 20th September, 2019.



Regency Ceramics Limited

BALLOT FORM
(In lieu of E-voting)

Regency Ceramics Limited

CIN: L26914TG1983PLC004249

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

Corp. Office :89/A. Aishwarya, 1st Floor, Road no.2, Street No.8, Sagar Society, Banjar Hills, Hyderabad- 500034.

Tele Phone : 040-23327555, Email-Id : rlcosec@gmail.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 35th Annual General meeting of the Company to be held on 30th day of September, 2019 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 on 31 st March, 2019 and statement of Profit and Loss for the year ended on that date along with the reports of Board of 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.	To appoint Sri K C Chowdappa (DIN:08110992) as an Independent Director of the company.			
4.	To appoint Sri Y.Gopala Krishna (DIN:022010405) as an Independent Director of the Company.			
5.	Re-appointment of Sri Dr G N Naidu (DIN:00105597) as a Chairman and Managing Director of the company.			
6.	Continuation of Dr. G.N. Naidu as Chairman and Managing Director of the company.			
7.	Continuation of Sri G. Srinivasulu Naidu as Director of the company.			
8.	Continuation of Sri K. C. Chowdappa as Director of the company.			

Place :

Date :

(Signature of the Member)

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



Regency Ceramics Limited

CIN: L26914TG1983PLC004249

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Corp. Office :89/A, Aishwarya, 1st Floor, Road no.2, Street No.8, Sagar Society, Banjar Hills, Hyderabad– 500034.

Tele Phone : 040-23327555, Email-Id : rclcosec@gmail.com

Website : www.regencytiles.com

PROXY

Name of the member (s) :
Registered address :
E-mail Id:
Folio No/ Client Id / DP ID :

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

1. Name:

Address:

E-mail Id:

Signature: _____, or failing him

2. Name:

Address:

E-mail Id:

Signature: _____, or failing him

3. Name:

Address:

E-mail Id:

Signature: _____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held on Friday the 30th September, 2019 at 11.00 A.M at 89/ A. Aishwarya, 1st Floor, Road no.2, Street No.8, Sagar Society, Banjar Hills, Hyderabad– 500034 and at any adjournment thereof in respect of such resolutions as are indicated below :

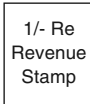
Resolution No.

1. To receive, consider and adopt the Audited Financial Statements for the year 2018-19 including report of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. G. Sreenivasulu Naidu who retires by rotation and being eligible, offers himself, for reappoint.
3. Appointment of Mr. K C Chowdappa as Independent Director of the Company
4. Appointment of Mr. Y.Gopala Krishna as Independent Director of the Company
5. Re-appointment of Dr. G N Naidu as Chairman and Managing Director of the Company
6. Continuation Of Dr. G N Naidu as Chairman and Managing Director of the Company
7. Continuation of G. Sreenivasulu Naidu as Director of the Company
8. Continuation of Mr. K C Chowdappa as Independent Director of the Company

Signed this _____ day of September, 2019

Signature of shareholder

Signature of Proxy holder(s)



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

Regency Ceramics Limited

CIN: L26914TG1983PLC004249

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

Corp. Office :89/A. Aishwarya, 1st Floor, Road no.2, Street No.8, Sagar Society, Banjar Hills, Hyderabad– 500034.

Tele Phone : 040-23327555, Email-Id : rcldsec@gmail.com

Website : www.regencytiles.com

35th Annual General meeting – Monday 30th September, 2019

ATTENDANCE SLIP

(Please present this slip at the Meeting Venue)

I hereby record my presence at the 35th Annual General meeting of the members of the Company to be held on Monday 30th September, 2019 at 12.00 noon at Corporate Office of the Company at 89/A. Aishwarya, 1st Floor, Road no.2, Street No.8, Sagar Society, Banjar Hills, Hyderabad– 500034 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.
-

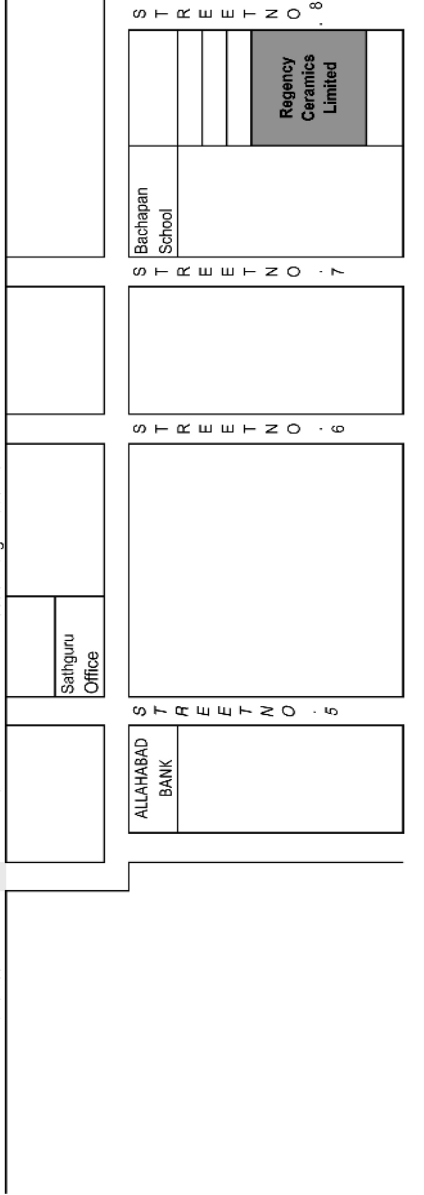
TV9 Office

Traffic
Signal

TV9 Office

to

L V Prasad Marg Road No.2



Regency Ceramics Limited
89/A, Aishwarya, 1st Floor
Street No.8, Sagar Society
Road No.2, Banjara Hills
Hyderabad - 500034