



Hyderabad, June 14, 2024

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Tel:022-22721233/34
Fax: 022-22722131/1072/2037/2061/41
Email: corp.relations@bseindia.com
corp.compliance@bseindia.com
Scrip Code: 515018

To,
The National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai: 400051
Tel: 022-26598235/36/452
Fax: 022-26598237/38
Email: cmist@nse.co.in
SYMBOL: REGENCERAM

Sub: Submission of Revised Financial Statements for the Quarter and Financial Year ended 31st March 2024.---Reg.

Respected Sir/ Madam,

In Continuation of our earlier announcement dated 30th May 2024 related to outcome of meeting of Board of Directors held on 30th May 2024 wherein we have submitted Audited Financial Results for the Fourth quarter and year ended on 31st March 2024 along with Auditors report, approved by the Board of Directors. This is to inform you that in said announcement we have inadvertently missed out to enclose statement of impact of audit qualifications.

Hence, In compliance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, we are herewith re-submitting the complete set of Audited Financial results for the Fourth quarter and year ended on 31st March 2024.

We Sincerely regret the inconvenience and request your good office to kindly take on record this resubmission of Audited Financial Results.

Thanking You,

for Regency Ceramics Limited



Narala Satyendra Prasad
Managing Director & CFO
DIN: 01410333



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

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

Report on the audit of the Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date financial results of **REGENCY CERAMICS LIMITED** (the "Company") for the quarter and the year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2024.

Basis for Qualified Opinion

1. *Financial statements were prepared without considering the effect of the loss / damage to Buildings, Plant & Machinery and other assets of the company. The condition of the fixed assets & its realizable value could not be estimated post declaration of lock out of the plant on 31.01.2012. The Fixed Assets are disclosed at book value after providing depreciation on account of efflux of time.*
2. *During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance with Ind AS-19 "Employee Benefits". 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 31.03.2024.*
3. *Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets.*
4. *The company did not provide the interest on Unsecured loans received from Directors and Body Corporates. Also, interest has not been provided in respect of overdue amount payable to Micro, Small and Medium Enterprises suppliers for a period exceeding 45 days.*



5. *The company has not provided liability towards interest and penalties payable on account of old statutory dues.*

Consequent to the above, loss for the year ended is understated and Liabilities as on 31st March, 2024 was understated and Shareholders funds are overstated to this extent.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 10 of the Financial Results which states that during the year the company has recorded Net Loss of Rs. (980.68) lakhs for the year financial year 2023-24 and has accumulated loss of Rs. (10749.42) Lakhs as on 31.03.2024 resulting in erosion of the net worth of the Company. The company is in process of settlement with agitating workers. The company is in the process of refurbishing the plant to recommence the plant operations. The Financial Results have been prepared on a going concern. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the statement that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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



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

Other Matter

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Place : Hyderabad
Date : 30.05.2024

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



(V VENKATESWARA RAO)
Partner

Membership No. 219209

UDIN: 24219209BKATRV1930



Regency Ceramics Limited

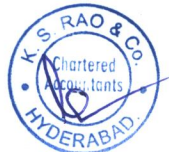
CIN : L26914TG1983PLC004249

FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2024

(Rs.. in lakhs)

S.No	Particulars	Quarter Ended			Year ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	INCOME					
I	Revenue from Operations	126.50	49.15	4.08	215.88	4.08
	Other Income	33.34	31.07	313.11	139.71	336.39
	Total income	159.84	80.22	317.19	355.59	340.47
	EXPENSES					
	Purchase of Traded Goods	122.29	39.91	3.65	192.16	3.65
	Employee Benefits Expenses	111.26	99.56	28.47	333.56	32.22
	Finance Cost	0.03	0.08	0.65	0.38	0.65
	Depreciation and amortisation Expense	112.37	104.63	107.38	415.95	428.30
	Other Expenses	123.97	94.85	113.70	351.21	176.59
	Total	469.92	339.03	253.85	1293.26	641.41
	Profit /(Loss) before Exceptional Items and Tax	(310.09)	(258.81)	63.34	(937.68)	(300.94)
III	Exceptional Items	-	-	(1263.34)	(43.00)	(1263.34)
IV	Profit/ (Loss) before tax	(310.09)	(258.81)	(1200.00)	(980.68)	(1564.28)
V	Tax expense					
	- Current Tax					
	- Deferred Tax					
VI	Profit/ (Loss) after tax	(310.09)	(258.81)	(1200.00)	(980.68)	(1564.28)
VII	Other comprehensive income					
	Items that will not be re classified to profit or loss-(net of taxes)	-	-	-	-	-
	Other comprehensive income	-	-	-	-	-
	Total comprehensive income	-	-	-	-	-
VIII	Paid-up equity share capital	2644.16	2644.16	2644.16	2644.16	2644.16
IX	Earning per Share (of Rs.10 each)					
	Basic & Diluted	(1.17)	(0.98)	(4.54)	(3.71)	(5.92)

For REGENCY CERAMICS LIMITED



Narala Satyendra Prasad
Managing Director & CFO
DIN:01410333



Place : Hyderabad
Date : 30.05.2024



REGENCY CERAMICS LIMITED
Balance Sheet as at 31st March, 2024

(Rs.in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
I. ASSETS		
1. Non-Current Assets		
a) Property, Plant and Equipment	2,306.68	1,992.16
b) Financial Assets		
i) Investments	188.83	1,373.44
ii) Financial Assets	737.05	17.05
c) Other non-current assets	95.84	-
Total Non-Current Assets	3,328.39	3,382.65
2. Current Assets		
a) Financial Assets		
i) Trade receivables	917.27	797.43
ii) Cash and cash equivalents	19.52	32.61
iii) Other Bank Balances	3.09	
iv) Other Financial Assets	454.59	425.74
b) Other current assets	2,099.07	1,871.58
c) Current tax assets (Net)	31.01	29.94
Total Current Assets	3,524.55	3,157.32
TOTAL ASSETS	6,852.94	6,539.96
II. EQUITY AND LIABILITIES		
1. Shareholder's Funds		
a) Share Capital	2,644.16	2,644.16
b) Other Equity	(8,878.58)	(7,897.90)
Total Equity	(6,234.43)	(5,253.74)
2. Non-Current Liabilities		
a) Long Term Borrowings	6,739.57	5,755.76
b) Long Term Provisions	145.30	145.30
Total Non-Current Liabilities	6,884.87	5,901.06
3. Current Liabilities		
a) Financial Liabilities		
i) Trade payables		
Dues to Micro and small enterprises	141.84	141.84
Dues to Creditors other than micro and	2,478.73	2,333.23
ii) Other Financial Liabilities	1,212.46	1,100.27
b) Other current liabilities	2,369.47	2,317.30
	6,202.50	5,892.64
TOTAL EQUITY & LIABILITIES	6,852.94	6,539.96

For REGENCY CERAMICS LIMITED



Narala Satyendra Prasad
Narala Satyendra Prasad
Managing Director & CFO
DIN:01410333



Place: Hyderabad
Date : 30.05.2024



REGENCY CERAMICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March,2024

(Rs. In Lakhs)

PARTICULARS	Year ended 31 March, 2024 (Audited)	Year ended 31 March, 2023 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(980.68)	(1564.28)
Adjustments for:		
Depreciation	415.95	428.30
Interest(net)	(2.40)	(24.89)
Credit Balances written off	-	(290.16)
Gain on Fair valuation of Investments through Profit or Loss	-71.86	(16.82)
Exceptional Item	-	1263.34
Live Stock Written off	-	30.73
Profit on sale of Asset	(61.69)	(0.25)
Operating Loss before working capital changes	(700.68)	(174.03)
Adjustments for:		
Current Assets(Trade and other receivables)	(380.34)	264.82
Non Current Liabilities		0.00
Other Current Liabilities	164.36	1,215.68
Trade Payables	145.50	24.01
Cash generated from Operations	(771.16)	1330.48
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Assets (Including Capital Advances)	(881.05)	(17.22)
Proceeds from sale of Plant & Machinery	116.43	0.25
(Increase)/Decrease in Investments	1256.48	(1338.06)
Movement in Other Bank Balances - Non Current	(720.00)	0.00
Interest Received	2.40	24.89
Cash generated from Investing Activities	(225.74)	(1330.14)
C CASH FLOW FROM FINANCING ACTIVITIES		
Loans from Directors	983.81	20.20
Cash generated from Financing Activities	983.81	20.20
Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	(13.09)	20.54
Cash and Cash equivalents as at 01.04.2023 (Opening Balance)	32.61	12.07
Cash and Cash equivalents as at 31.03.2024 (Closing Balance)	19.52	32.61

For REGENCY CERAMICS LIMITED



Narala Satyendra Prasad
Managing Director & CFO
DIN:01410333

Place : Hyderabad

Date : 30.05.2024



Statement of Audited Financial Results for Three Months and Year Ended 31st March, 2024

Notes to Financial results

1. These financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.
2. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th May, 2024. These results have been subjected to Statutory Audit.
3. The above results were prepared without considering the effect of the loss / damage to Buildings, Plant & Machinery and other assets of the company.
4. The condition of the fixed assets and its realisable value could not be estimated.
5. Depreciation on fixed assets calculated as per provisions of Companies Act, 2013 has been provided in the normal course due to efflux of time without considering the effect of loss / damage.
6. The unprecedented industrial violence on 27.01.2012 resulted in deaths of personnel and destruction of buildings and equipment in the factory. Consequent to this, a lock-out was declared at the factory from 31.01.2012. After series of negotiations with the workers union, Memorandum of Settlement was arrived on 24.10.2019 at Puducherry under Section 12 (3) of the Industrial Disputes Act, 1947 before the Commissioner of Labour-cum-Chief Conciliation Officer, U. T. of Puducherry between the company and the Regency Ceramics Staff and Workers Union. As per the MOU, the management has agreed to provide house sites at Yanam to all the displaced workers of the company in three categories as proposed by the union. In this connection, two stretches of land owned by ancillary units of the Company to the extent of about 25.35 Acres was registered on 18.10.2019 in favour of the union through settlement deeds. The conversion of agricultural land to residential plots, development of land, laying of roads, allotment of plots, etc is in progress and after the actual allotment of plots to each individual, necessary entries will be made in the books of accounts.
7. 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.
8. The company has recorded a Net Loss of Rs.310.09 Lakhs during the Quarter ended 31st March, 2024 and Rs. 980.68 Lakhs during the Year ended 31st March, 2024. And the Company has accumulated Loss of Rs.10749.42 lakhs as on 31.03.2024 resulting in erosion of the net worth. The business activities of the company have been initiated resulting in revenue and consequent cash flows. The company is in the process of refurbishing the plant to recommence the plant operations. In view of the above, the financial statements have been prepared by the company on a "going concern" basis.



A handwritten signature in black ink, appearing to be a stylized name, located to the right of the Regency Ceramics Ltd. stamp.



9. The interest on Unsecured Loans received from Directors and Body Corporates have not been provided in the books. Also interest in respect of dues payable to Micro, Small and Medium Enterprises suppliers for a period exceeding 45 days has not been provided.
10. The Liability provision for Interest and Penalties payable on account of Statutory Dues were not provided in the books expecting waiver in the current situation.
11. As claim preferred in respect of loss/damage to Company's property- Buildings, Plant and Machinery, Finished Goods and Raw Materials during the labour unrest on 27.01.2012 was not settled by the Insurance Company on replacement / reinstatement value basis, and the company invoked arbitration clause as per the terms of policy. The Hon'ble Arbitral Tribunal has pronounced an award in favour of the company. However, the Insurance Company filed set-aside petition u/s 34 of the Arbitration and Conciliation Act, 1996 before the Court of Principal District Judge, Puducherry. Pending final Judgement, the Principal District Judge ordered the Insurance Company to pay the amount assessed by the Insurance Company along with interest to the company. Accordingly, Rs. 15.14 crores including interest of Rs. 24.89 lakhs was received in January 2023. Out of the said amount, Rs. 2.76 crores (claim accepted on Inventories) was adjusted against the claim receivable and the balance is shown in current liabilities since the same is to be utilised for reinstatement/replacement of the Assets destroyed.
12. Segment reporting is not applicable since the entire operations of the company are related to one segment. i.e. Manufacturing of Ceramic Tiles in terms of Ind AS 108 on operating segments.
13. Previous period/year figures have been regrouped or rearranged wherever necessary to confirm to current year classification.

For REGENCY CERAMICS LIMITED


Narala Satyendra Prasad
Managing Director & CFO
DIN:01410333



Place: Hyderabad

Date: 30.05.2024



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results.

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. In Lakhs)

	S. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I.	1.	Turnover / Total income	355.59	355.59
	2.	Total Expenditure	1293.26	1293.26
	3.	Net Profit/(Loss)	-937.68	-937.68
	4.	Earnings Per Share	-3.71	-3.71
	5.	Total Assets	6852.94	6852.94
	6.	Total Liabilities	13087.37	13087.37
	7.	Net Worth	-6234.43	-6234.43
	8.	Exceptional (loss)	-43	-43
	9.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable
II.	<p>Audit Qualification (each audit qualification separately): Audit Qualification. I: - a. Details of Audit Qualification: Financial statements were prepared without considering the effect of the loss / damage to Buildings, Plant & Machinery and other assets of the company. The condition of the fixed assets & its realizable value could not be estimated post declaration of lock out of the plant on 31.01.2012. The Fixed Assets are disclosed at book value after providing depreciation on account of efflux of time. b. Type of Audit Qualification: Qualified opinion c. Frequency of Audit Qualification: Repetitive /since 2014 d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: e. For Audit Qualification(s) where the impact is not quantified by the auditor: i. Management's estimation on the impact of audit qualification: <i>Not determinable</i> ii. If management is unable to estimate the impact, reasons for the same: <i>The Company suffered extensive damage to the Buildings, Plant & Machinery and other assets situated at its factory in Yanam due to unprecedented violence that occurred on January 27, 2012. Stocks of Finished Goods, Raw Materials, Stores and Spares, stocks-in-process and other inventories were largely damaged / looted. The Company declared lock-out of the Plant from January 31, 2012.</i></p>			



Regency Ceramics Ltd., Plot No. 83, 4th Floor, Dwaraka Summit, Kavuri Hills, Hyderabad 500 033

Tel : 040 - 23319903 | support@regencyceramics.in | www.regencyceramics.in

GST: 36AABCR0720Q1Z9 CIN: L26914TG1983PLC004249

[Handwritten signature] VS Ram - *[Handwritten signature]*

The Company has refurbished one of its production lines and all associated miscellaneous fixed assets. Some of the production lines installed prior to year 2000 suffered extensive damage and the OEMs expressed their inability to provide spares or repair / refurbish those equipment's. Hence, 6 production lines have been scrapped and the amount received on sale of scrap has been accounted in the books of accounts. The corresponding amounts in the book value and accumulated depreciation have been reduced to that extent.

iii. Auditors' Comments on (i) or (ii) above: *Impact is not determinable*

Audit Qualification. II: -

- a. Details of Audit Qualification: During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance with Ind AS-19 "Employee Benefits". 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 31.03.2024.
- b. Type of Audit Qualification: Qualified opinion
- c. Frequency of Audit Qualification: Repetitive /since 2013
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
- e. For Audit Qualification(s) where the impact is not quantified by the auditor:
 - i. Management's estimation on the impact of audit qualification: *Not determinable*
 - ii. If management is unable to estimate the impact, reasons for the same:

After series of negotiations with the workers union, Memorandum of settlement was arrived on 24.10.2019 at Puducherry under Section 12 (3) of the Industrial Disputes Act, 1947 before the Commissioner of Labour -cum- Chief Conciliation Officer, U T of Puducherry between the Company and the Regency Ceramics Staff and Workers Union. As per the MOU, the management has agreed to provide house sites at Yanam to all the displaced workers of the Company in three categories as proposed by the union.

In this connection, two stretches of land owned by ancillary units to the extent of about 25.35 Acres was registered on 18.10.2019 in favour of the union through settlement deeds. The conversion of agricultural land into residential plots, development of land, lying of roads, allotment of plots, etc. is in progress and after the actual allotment of plots to each individual, necessary entries will be made in the books of accounts.

iii. Auditors' Comments on (i) or (ii) above: *Impact is not determinable*

Audit Qualification. III: -

- a. Details of Audit Qualification: Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets.
- b. Type of Audit Qualification: Qualified opinion
- c. Frequency of Audit Qualification: Repetitive /since 2013
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
- e. For Audit Qualification(s) where the impact is not quantified by the auditor:
 - i. Management's estimation on the impact of audit qualification: *Not determinable*
 - ii. If management is unable to estimate the impact, reasons for the same:

The Management cannot estimate the impact as the exact quantification of these will be known only when the operations start and these debtors and creditors are approached after commencement of business

iii. Auditors' Comments on (i) or (ii) above: *Impact is not determinable*



Audit Qualification. IV: -

- a. Details of Audit Qualification: The company did not provide the interest on Unsecured loans received from Directors and Body Corporates. Also, interest has not been provided in respect of overdue amount payable to Micro, Small and Medium Enterprises suppliers for a period exceeding 45 days.
- b. Type of Audit Qualification: Qualified opinion
- c. Frequency of Audit Qualification: Repetitive / since 2020
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
- e. For Audit Qualification(s) where the impact is not quantified by the auditor:
 - i. Management's estimation on the impact of audit qualification: *Not determinable*
 - ii. If management is unable to estimate the impact, reasons for the same:

The Management has agreed with Directors and Bodies Corporate that the interest will not be provided on the Unsecured loans. Interest to MSME suppliers will be negotiated and finalized after operations commence

- iii. Auditors' Comments on (i) or (ii) above: *Impact is not determinable*

Audit Qualification. V: -

- a. Details of Audit Qualification: The company has not provided liability towards interest and penalties payable on account of old statutory dues.
- b. Type of Audit Qualification: Qualified opinion
- c. Frequency of Audit Qualification: Repetitive / since 2013
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
- e. For Audit Qualification(s) where the impact is not quantified by the auditor:
 - i. Management's estimation on the impact of audit qualification: *Not determinable*
 - ii. If management is unable to estimate the impact, reasons for the same:

The Company is of opinion that the statutory authorities shall waive interest and penalties in view of the unprecedented incident.

- iii. Auditors' Comments on (i) or (ii) above: *Impact is not determinable*

III. **Signatories:**

- **CEO/Managing Director**

- **CFO**

- **Audit Committee Chairman**

- **Statutory Auditor**

[Handwritten signatures and a circular stamp for S. RAO & Co. Chartered Accountants, Hyderabad]

Place: Hyderabad

Date: 30.05.2024