



Regency Ceramics Limited

Date: May 30, 2022

To, BSE Limited, PhirozeJeejeebhoy 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, BandraKurla Complex, Bandra (East), Mumbai: 400051 Tel: 022-26598235/36/452 Fax: 022-26598237/38 Email: cmlist@nse.co.in SYMBOL: REGENCERAM
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Dear Sir/Ma'am,

Subject: Outcome of Board Meeting held on May 30, 2022

With reference to the subject cited above, it is hereby informed that the meeting of the Board of Directors of the Company was held on Monday, May 30, 2022 at 11:30 A.M and concluded at 8.45 P.M at the Registered Office of the Company.

The outcome of the Board Meeting, inter alia, is as under:

- 1. To consider and approve the Annual Audited Financial Results for the Financial Year ended March 31, 2022.**

The Board considered and approved the Audited Financial Results of the Company for the Financial Year ended March 31, 2022.

- 2. To take note of the Audit Report issued by the Statutory Auditor of the Company for the Financial Year ended March 31, 2022.**

The Board took note of the Audit Report issued by M/s. K.S. Rao & Co, Statutory Auditor of the Company, for the Financial Year ended March 31, 2022.


3. To consider the appointment of M/s. M&K Associates, Company Secretaries as the Secretarial Auditor for the Financial Year 2022-23

The Board considered and approved the appointment of M/s. M&K Associates, Company Secretaries as the Secretarial Auditor pursuant to Section 204 of the Companies Act, 2013 to undertake the Secretarial Audit for the Financial Year 2022-23.

A brief profile of M&K Associates, Company Secretaries is enclosed herewith as Annexure-I

Kindly take the above information on record.

Thanking you,
for Regency Ceramics Limited


Naraiyah Naidu Gudar
Chairman and Managing Director
DIN: 00105597



Regency Ceramics Limited

Annexure-I

Brief Profile of M/s. M&K Associates, Company Secretaries

Reason for change viz., appointment, resignation, removal, death or otherwise	Appointment
Date of appointment/cessation (as applicable) & term of appointment	Appointed in the Board Meeting held on May 30, 2022 for the Financial Year 2022-23
Brief profile (in case of appointment);	<p>M/s. M&K Associates is a firm of Practicing Company Secretaries with extensive experience in Legal, Secretarial and Management Advisory Services in the field of Corporate Laws, SEBI Regulations, FEMA/RBI, Intellectual Property Rights advisory and other related compliances.</p> <p>Mr. Manoj Kumar Koyalkar, (B.Com, L.L.B, FCS, Insolvency Professional), is a Fellow Company Secretary in Practice and a registered Trademark agent, having wide and rich experience, since 2005 working in various industries including Real Estate, Construction, Infrastructure, Hospitality, Manufacturing, Entertainment and Media.</p> <p>In his professional career, he has anchored varied critical assignments and has been instrumental in settling management disputes. He serves as an advisor to the Board of Directors and focuses on aligning their actions to their business plans.</p> <p>Ms. Kushbu Vijayvargi, (B.Com (Hons)., L.L.B, ACS), is an All India 7th Rank holder in the Professional exam conducted by the Institute of Company Secretaries of India. She is a Company Secretary in Practice and a registered trademark agent who brings with her a diverse experience in Corporate consultancy, Management and Advisory.</p> <p>M/s. M&K Associates has accorded consent to act as Secretarial Auditor of the Company and is qualified and eligible for appointment in accordance with the requirements of the Companies Act, 2013.</p>
Disclosure of relationships between Directors (in case of appointment of a Director)	Not Applicable

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Regency Ceramics Limited

CIN : L26914TG1983PLC004249

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

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

Factory : Yanam-533 464



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, 2022 ("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 profit and other comprehensive income and other financial information for the quarter and year ended March 31, 2022.

Basis for Qualified Opinion

1. *Manufacturing operations of the company were stopped due to riots, strike and malicious damage at factory since 27.01.2012. The company declared lock out of the plant on 31.01.2012 and the condition of the fixed assets & its realizable value could not be estimated. The machinery and building were not insured during the year and disclosed at book value after providing depreciation on account of efflux of time.*
2. *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 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 31.03.2022.*
3. *Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets.*
4. *The lenders of the company earlier initiated action under section 13(4) of the SARFAESI Act and also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of*





their dues. Subsequently, all the five lenders sanctioned OTS and then a revised OTS package for settlement of their dues and the company paid entire amount under OTS. Thereafter, all lenders except South Indian Bank and e-Corporation Bank filed Satisfaction of Memo in the DRT and all lenders have filed Satisfaction of Charge with ROC.

- 5. 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.*
- 6. The company has not provided the liability towards interest and penalties payable on account of statutory dues. The Company is of opinion that the statutory authorities shall waive the same in view of the unprecedented incident.*

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 Profit of Rs. 3218.35 lakhs for the year financial year 2021-22 and has accumulated loss of Rs. (6333.62) Lakhs as on 31.03.2022 resulting in erosion of the net worth of the Company and there were no cash flows from the existing business activities. The company is in process of settlement with agitating workers. Also, hopeful of receiving insurance claim on reinstatement value basis for refurbishing the plant and to recommence the plant operations. The Financial Results have been prepared on a going concern. 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 profit 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, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 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 : 30.05.2022



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

(V VENKATESWARA RAO)
Partner

Membership No. 219209

UDIN: 22219209 AJWLE23958



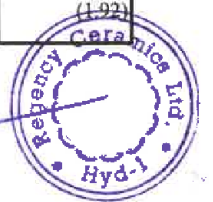
Regency Ceramics Limited

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2022

(Rs. in lakhs except for share data)

S.No	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I	Revenue from Operations	0.00	0.00	0.00	0.00	0.00
II	Other Income	0.28	1.28	1.29	22.99	3.59
III	Total income (I + II)	0.28	1.28	1.29	22.99	3.59
IV	Expenses					
	(a) Cost of Materials consumed	0.00	0.00	0.00	0.00	0.00
	(b) Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(d) Employee benefits expense	0.75	0.75	0.00	2.50	0.00
	(e) Finance Cost	0.02	0.02	-0.02	0.30	9.37
	(f) Depreciation and amortisation expense	107.75	107.75	108.39	430.99	433.54
	(g) Other expenses	9.39	57.58	4.95	137.53	69.07
	Total Expenses	117.91	166.10	113.32	571.32	511.98
V	Profit / (Loss) before Tax(III-IV)	(117.63)	(164.82)	(112.03)	(548.33)	(508.39)
VI	Exceptional Items(income) (refer note: 9)	3766.68			3766.68	0.00
VII	Tax expense	0.00	0.00	0.00	0.00	0.00
VIII	(Loss) / Profit for the period	3649.05	(164.82)	(112.03)	3218.35	(508.39)
IX	Other comprehensive income					
	Items that will not be re classified to profit or loss-(net of taxes)	-	0.00	-	-	0.00
	Other comprehensive income	-	0.00	-	-	0.00
X	Total comprehensive income (VII + VIII+IX)	3649.05	(157.12)	(135.41)	3218.35	(508.39)
XI	Paid-up equity share capital	2644.16	2644.16	2644.16	2644.16	2644.16
	Face Value of Rs.Each	10.00	10.00	10.00	10.00	10.00
	Earning per Share after exceptional items					
	Basic and Diluted Earnings per Share	13.80	(0.62)	(0.42)	12.17	(1.92)

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Regency Ceramics Limited

CIN : L26914TG1983PLC004249

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

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

Factory : Yanam-533 464

Notes:

- 1 These financial results have been prepared in accordance with Indian Accounting Standards(Ind AS) prescribed under Section 133 of the Companies Act,2013 read with relevant rules issued thereunder and 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 at their meeting held on 30 May, 2022. 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 present realisable value could not be estimated and not insured.
- 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 lenders of the company earlier initiated action under section 13(4) of the SARFAESI Act and also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. Subsequently, all the five lenders sanctioned OTS and then a revised OTS package for settlement of their dues and the company paid entire amount under OTS. Thereafter, all lenders except South Indian Bank and e-Corporation Bank filed Satisfaction of Memo in the DRT and all lenders have filed Satisfaction of Charge with ROC.
- 9 a) Exceptional gain amount of Rs. 4430.69 lakhs represents amount of borrowings with State Bank of India and South Indian Bank as on 31 March 2022, which are written back in the books of accounts on receipt of no dues certificate from the said banks on payment of amount as per compromise settlement approved by the banks
b) Exceptional loss of Rs.663.99 lakhs on account of write off of inventory during the the financial year ended 31 March 2022.
- 10 The company has recorded a Net Profit of Rs.3218.35 lakhs during the financial year 2021-22 and has accumulated Loss of Rs.6333.62 lakhs as on 31.03.2022 resulting in erosion of the net worth. Further, there were no cash flows from the existing business activities, the company is in the process of settlement of dues with agitating workers. The company is also hopeful of receiving insurance claim on reinstatement values basis for refurbishing the plant and to recommence the plant operations. In view of the above, the financial statements have been prepared by the company on a "going concern" basis.
- 11 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.
- 12 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.
- 13 The claim made in respect of loss/damage to its properties during the incident on 27.01.2012 was not settled by the Insurance company on reinstatement/ replacement basis and as such, the company invoked arbitration clause as per the policy terms. In this regard, we hereby inform that the Hon'ble Arbitrator has pronounced an award in favour of the company.It is also to be noted that the Insurance company has the right to recourse against this award as per the provisions of the Arbitration and Conciliation Act,1996.
- 14 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.
- 15 Previous period/year figures have been regrouped or rearranged wherever necessary to confirm to current year classification.

For REGENCY CERAMICS LIMITED

Dr. G.N.Naidu

Chairman and Managing Director

Place : Hyderabad
Date : 30.05.2022

Statement of Assets and Liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
	(Audited)	(Audited)
A. ASSETS		
1. Non-current assets		
(a) Property, Plant and Equipment	2427.05	2858.04
(b) Capital work-in-progress	-	-
(c) Non-current investments	1.57	1.66
(d) Long-term loans and advances	17.05	17.05
Total - Non-current assets	2445.67	2876.75
2. Current assets		
(a) Inventories	0.00	664.00
(b) Financial Assets		
Trade receivables	797.43	797.43
Cash and cash equivalents	12.08	134.97
Other Financial Assets	1961.06	1961.04
(c) Other current assets	1870.93	1875.18
(d) Current Tax Assets(Net)	27.35	27.35
Total - Current assets	4668.85	5459.97
TOTAL - ASSETS	7114.52	8336.72
B.EQUITY AND LIABILITIES		
1. Equity		
(a) Equity Share Capital	2644.16	2644.16
(b) Other Equity	(6333.62)	(9551.98)
Total Equity	(3689.46)	(6907.82)
2. Non-current liabilities		
(a) Financial Liabilities-Borrowings	5735.56	5350.56
(b) Provisions	145.30	147.09
Total - Non-current liabilities	5880.86	5497.65
5. Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	0.00	2254.15
(ii) Trade payables		
Micro and small enterprises	146.84	146.84
Creditors other than micro and small enterprises	2354.54	2354.52
(iii) Other financial liabilities	1239.49	3789.85
(b) Other current liabilities	1182.26	1201.53
Total - Current liabilities	4923.13	9746.89
TOTAL - EQUITY AND LIABILITIES	7114.52	8336.72

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CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH,2022

(Rs. in Lakhs)

PARTICULARS	2021-22	2020-21
	Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Tax	3218.36	(508.39)
Adjustments for:		
Depreciation	430.99	433.54
Interest(net)	0.00	10.79
Fair value loss/(profit)	0.09	(0.82)
Exceptional item	(3766.69)	0.00
Profit on sale os Investment	(20.00)	0.00
Operating Loss before working capital changes	(137.26)	(64.88)
Adjustments for:		
Current Assets(Trade and other receivables)	4.23	8.23
Non Current Liabilities	(1.79)	(11.24)
Current Liabilities(Trade payables)	(18.08)	9.55
Cash generated from operations	(152.89)	(58.34)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	20.00	0.00
Net Cash Used in investing activities	20.00	0.00
C CASH FLOW FROM FINANCING ACTIVITIES		
Loans from Directors	385.00	194.27
Repayment of loans from Institutions and others	(375.00)	0.00
Interest paid	0.00	(10.79)
Net Cash used in Financing Activites	10.00	183.48
Net Increase/(decrease) in cash and cash equivalents(A+B+C)	(122.89)	125.14
Cash and Cash equivalents as at 01.04.2021 (Opening Balance)	134.97	9.83
Cash and Cash equivalents as at 31.03.2022 (Closing Balance)	12.08	134.97

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ANNEXURE I

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, 2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Rs. In Lakhs)				
I.	S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	22.99	22.99
	2	Total Expenditure	511.98	511.98
	3	Exceptional Gain	3766.68	3766.68
	4	Net Profit / (Loss) (including exceptional gain)	3218.35	3218.35
	5	Earnings per Share (including exceptional gain)	12.17	12.17
	6	Total Assets	7114.52	7114.52
	7	Total Liabilities	10803.99	10803.99
	8	Net Worth	(3689.46)	(3689.46)
	9	Any other financial item(s) (as felt appropriate by the management)	NA	NA
II.	<p>Audit Qualification (each audit qualification separately):</p> <p>Audit Qualification I –</p> <p>a. Details of Audit Qualification: The condition of the Fixed Assets and its realizable value could not be estimated by the company. The machinery and building were not insured during the year and disclosed at book value after providing depreciation.</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of qualification: repetitive / since 2014</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Not determinable</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>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.</p>			

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.

(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.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of 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 in 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.

(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 the Debtors, Creditors, Loans and Advances and other current assets

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of 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 for commencement of business

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

Audit Qualification IV -

a. Details of Audit Qualification: The lenders of the company earlier initiated action under Section 13(4) of the SARFAESI Act and also filed an application under Section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. Subsequently, all the five lenders sanctioned OTS and then a revised OTS package for settlement of their dues and the company paid entire amount under OTS. Thereafter, all lenders except South Indian Bank and e-Corporation Bank filed Satisfaction Memo in the DRT and all lenders have filed Satisfaction of Charge with ROC.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of 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: No impact to the company's financials. It is only a matter of time that the two banks will file Satisfaction Memo in the DRT

(ii) If management is unable to estimate the impact, reasons for the same:

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

Audit Qualification V -

a. Details of Audit Qualification: The company did not provide the interest on Unsecured loans received from Directors and Bodies Corporate. Also, interest has not been provided in respect of amount due to Micro, Small and Medium Enterprises suppliers for a period exceeding 45 days.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of 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 VI -

a. Details of Audit Qualification: The company has not provided the liability towards interest and penalties payable on account of statutory dues.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of 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 the same in view of the unprecedented incident.

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

III.	<p>Signatories:</p> <ul style="list-style-type: none">• CEO/Managing Director• CFO• Audit Committee Chairman• Statutory Auditor <p>Place: Hyderabad Date: 30-05-2022</p> 
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