



Regency Ceramics Limited

Date: 20th July, 2021

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: cmlist@nse.co.in
Scrip Code: REGNCERAM

Sub: Clarification on the format of quick results submitted on 29th June, 2021

Ref: Email received from NSE dated 15th July, 2021

Dear Sir/Ma'am,

With reference to the subject cited above, we hereby submit the following lines for your record:

1. That as per Regulation 33(3)(e) of SEBI (Listing Obligations and Disclosure Requirements), 2015, the listed entity shall submit the audited or limited reviewed financial results in respect of the last quarter along-with the results for the entire financial year, with a **note** stating that the figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to-date figures upto the third quarter of the current financial year.
2. That the Company had included the above mentioned note in its Audit Report submitted to the Stock Exchange under the head "**Other Matters**" and had inadvertently missed to include the same in the notes to the Financial Statements.
3. Please note that this omission was done without any ill motive and purely due to clerical error and the same has been duly rectified.

In light of the above mentioned points, we request your good office to please take note of the revised financials as per the format prescribed under SEBI (Listing Obligations and Disclosure Requirements), 2015.

Kindly take the above information on records.

Thanking You,

for **Regency Ceramics Limited**



Narala Satyendra Prasad
Wholtime Director & CFO
DIN: 01410333



Regency Ceramics Limited

Date: 29th June, 2021

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

Subject: Outcome of Board Meeting held on June 29, 2021

With reference to the subject cited, it is hereby informed that the meeting of Board of Directors of the Company was held on Tuesday, June 29, 2021 at 3:00 P.M and concluded at 6:30 P.M. at the Registered office of the Company.

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

1. Approval of the Audited Financial Results for the Quarter and Year ended March 31, 2021.

The Board considered and approved the Audited Financial Results of the Company for the Quarter and Year ended March 31, 2021.

2. Audit Report for the Year ended March 31, 2021.

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, 2021.

3. Approval for change of Secretarial Auditor for the Financial Year 2020-21

In supersession of the resolution passed earlier, the Board considered and approved the appointment of M/s. M&K Associates, Company Secretaries as Secretarial Auditor to undertake Secretarial Audit of the Company for the Financial Year 2020-21.

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

4. Appointment of Secretarial Auditor as per section 204 of the Companies Act, 2013

The Board considered and approved the appointment of M/s. M&K Associates, Company Secretaries as Secretarial Auditor to undertake Secretarial Audit for the Financial Year 2021-22.

5. Appointment of M/s. M&K Associates, Company Secretaries to issue Annual Secretarial Compliance Report for the Financial Year 2020-21 as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board considered and approved the appointment of M/s. M&K Associates, Company Secretaries to issue Annual Secretarial Compliance Report for the Financial Year 2020-21.

6. Appointment of M/s. M&K Associates, Company Secretaries to issue Annual Secretarial Compliance Report and Reconciliation of Share Capital Audit Report for the Financial Year 2021-22 as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board considered and approved the appointment of M/s. M&K Associates, Company Secretaries to issue Annual Secretarial Compliance Report and Reconciliation of Share Capital Audit Report for the Financial Year 2021-22.

Kindly take the above information on record.

Thanking you,
for **Regency Ceramics Limited**



Narala Satyendra Prasad
Whole time 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, 2021 ("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, 2021.

Basis for Qualified Opinion

1. *Manufacturing operations of the company were stopped due to riots, strike and malicious damage at factory since 27.01.2012. The company declared lock out of the plant on 31.01.2012 and the condition of the fixed assets & its realizable value could not be estimated. The machinery and building were not insured during the year and disclosed at book value after providing depreciation on account of efflux of time.*
2. *The condition of the raw materials, stores and spares and its realizable value could not be estimated by the company. The stocks were not insured during the year and disclosed at book value.*
3. *During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees. 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 31.03.2021.*
4. *Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets.*





5. *The lenders of the company earlier initiated action under section 13(4) of the SARFAESI Act and also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. Subsequently, all the five lenders sanctioned OTS and then revised OTS package for settlement of their dues and the company paid entire amount under OTS. Thereafter, four lenders filed satisfaction of Memo in the DRT and two banks filed Satisfaction of charges with ROC. The formalities in respect of remaining lenders for complete closure of the account balances is in progress and as such, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities.*
6. *The company did not provide the interest on Unsecured loans received from Directors and Body Corporates. Also, interest has not been provided in respect of overdue amount payable to Micro, Small and Medium Enterprises suppliers for a period exceeding 45 days.*
7. *The company has not provided the liability towards interest and penalties payable on account of statutory dues. The Company is of opinion that the statutory authorities shall waive the same in view of the unprecedented incident.*

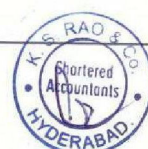
Consequent to the above, the Net loss would increase and Shareholders funds would reduce to this extent. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further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

Material Uncertainty Related to Going Concern

We draw attention to Note 11 of the Financial Results which states that during the year the company has recorded Net Loss of Rs. (508.39) lakhs for the year financial year 2020-21 and has accumulated loss of Rs. (9551.98) Lakhs as on 31.03.2021 resulting in erosion of the net worth of the Company and there were no cash flows from the existing business activities. The company is in process of settlement of dues with financial institutions and agitating workers. Also, hopeful of receiving insurance claim on reinstatement value basis for refurbishing the plant and to recommence the plant operations. The Financial Results have been prepared on a going concern. 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, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 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 : 29.06.2021



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

(V VENKATESWARA RAO)

Partner

Membership No. 219209

UDIN: 21219209AAAAA69435



Regency Ceramics Limited

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2021

(Rs., in lakhs except for share data)

S.No	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I	Revenue from Operations	0.00	0.00	0.00	0.00	0.00
II	Other Income	1.29	1.41	0.96	3.59	3.84
III	Total income (I + II)	1.29	1.41	0.96	3.59	3.84
IV	Expenses					
	(a) Cost of Materials consumed	0.00	0.00	0.00	0.00	0.00
	(b) Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(d) Employee benefits expense	0.00	0.00	0.00	0.00	1.93
	(e) Finance Cost	-0.02	2.67	0.01	9.37	0.01
	(f) Depreciation and amortisation expense	108.39	108.38	112.13	433.54	448.55
	(g) Other expenses	4.95	25.77	39.40	69.07	64.41
	Total Expenses	113.32	136.82	151.54	511.98	514.90
V	Profit / (Loss) before Tax(III-IV)	(112.03)	(135.41)	(150.58)	(508.39)	(511.06)
VI	Exceptional Items	0.00		371.49	0.00	371.49
VII	Tax expense	0.00	0.00	0.00	0.00	0.00
VIII	(Loss) / Profit for the period	(112.03)	(135.41)	220.91	(508.39)	(139.57)
IX	Other comprehensive income					
	Items that will not be re classified to profit or loss-(net of taxes)	-	-	-	-	-
	Other comprehensive income	-	-	-	-	-
X	Total comprehensive income (VII + VIII)	(112.03)	(135.41)	220.91	(508.39)	(139.57)
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 extraordinary items					
	Basic	(0.42)	(0.51)	0.84	(1.92)	(0.53)
	Diluted					

[Signature]

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.

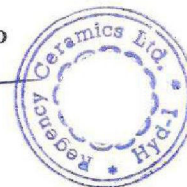
Phone : 040-23319902, Email : info@regencytiles.com Website : www.regencytiles.com

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 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 29 June, 2021. The results for the quarter ended March, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to limited review by statutory auditors, as required under Regulation 33(3) e of SEBI (LODR) Regulation, 2015.
- 3 The above results were prepared without considering the effect of the loss / damage to Buildings, Plant & Machinery and other assets of the company.
- 4 The unprecedented industrial violence on 27.01.2012 resulted in deaths of personnel and destruction of buildings and equipment in the factory. Consequent to this, a lock-out was declared at the factory from 31.01.2012. After series of negotiations with the workers union, Memorandum of settlement was arrived on 24.10.2019 at Puducherry under Section 12 (3) of the Industrial Disputes Act, 1947 before the Commissioner of Labour - cum - Chief Conciliation Officer, U T of Puducherry between the company and the Regency Ceramics Staff and Workers Union. As per the MOU, the management has agreed to provide house sites at Yanam to all the displaced workers of the company in three categories as proposed by the union. In this connection, two stretches of land owned by ancillary units to the extent of about 25.35 Acres was registered on 18.10.2019 in favour of the union through settlement deeds. The conversion of agricultural land 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.
- 5 Gratuity Provision as per AS-19 and Leave Encashment were not provided in the books due to loss of employee records in the factory during the incident.
- 6 The condition of the fixed assets, raw materials, stores, spares and its present realisable value could not be estimated and not insured.
- 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 revised OTS package for settlement of their dues and the company paid entire amount under OTS. Thereafter, four lenders filed satisfaction of Memo in the DRT and two banks filed Satisfaction of charges with ROC. The formalities in respect of remaining lenders for complete closure of the account balances is in progress and as such, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities.
- 9 The company requested both BSE and NSE for waiver of Annual Listing Fees from financial year 2013-14 onwards due to the devastating incident occurred in the factory and that the factory is under Lock-out since 30th Jan, 2012. Expecting the waiver, the Company did not provide for the liability in the books of accounts in the respective financial years. However, during the year, the company received Notices from both the stock exchanges for payment of Annual Listing Fees alongwith Interest and SOP Fines. The company paid an amount of Rs. 40.59 Lakhs as Listing Fees alongwith interest and Rs. 18.80 lakhs as SOP Fines during the current year.
- 10 The company has not paid the Custodian Fee in full to both CDSL and NSDL, Depository Participants of the company for the Financial years 2013-14 till 2020-21 and requested the DPs from time to time for waiver of the same due to the devastating incident occurred in the factory and that the factory is under Lock-out since then. As the company was hopeful of getting waiver from the DPs, liability in the books of accounts in the respective financial years was not provided. However, the company received the notices during the year and paid Rs. 7.42 lakhs as custodian fee along with interest.
- 11 The company has recorded a Net Loss of Rs. 508.39 lakhs during the financial year 2020-21 and has accumulated Loss of Rs. (9551.98 lakhs) as on 31.03.2021 resulting in erosion of the networth. Further, there were no cash flows from the existing business activities. The company is in the process of settlement of dues with financial institutions and 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.
- 12 The interest on Term Loans and working capital loans was not provided in the books as the company paid the entire OTS amount and is in the process of obtaining clear No Dues Certificate from the lenders.
- 13 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.
- 14 The claim made in respect of loss/damage to its properties during the incident on 27.01.2012 was not settled by the Insurance company on reinstatement/ replacement basis and as such, the company invoked arbitration clause as per the policy terms. The matter is in progress.
- 15 There are no employees on payroll as on 31.03.2021 and for day to day operations, the company is availing services from outside.
- 16 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.
- 17 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 : 29.06.2021
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

Statement of Assets and Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
	(Audited)	(Audited)
A. ASSETS		
1. Non-current assets		
(a) Property, Plant and Equipment	2858.04	3291.58
(b) Capital work-in-progress	-	-
(c) Non-current investments	1.66	0.84
(d) Long-term loans and advances	17.05	17.05
Total - Non-current assets	2876.75	3309.47
2. Current assets		
(a) Inventories	664.00	664.00
(b) Financial Assets		
Trade receivables	797.43	797.43
Cash and cash equivalents	134.97	9.83
Other Financial Assets	1961.04	1969.35
(c) Other current assets	1875.18	1875.10
(d) Current Tax Assets(Net)	27.35	27.35
Total - Current assets	5459.97	5343.06
TOTAL - ASSETS	8336.72	8652.53
B. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity Share Capital	2644.16	2644.16
(b) Other Equity	(9551.98)	(9043.59)
Total Equity	(6907.82)	(6399.43)
2. Non-current liabilities		
(a) Financial Liabilities-Borrowings	5350.56	5156.30
(b) Provisions	147.09	158.33
Total - Non-current liabilities	5497.65	5314.63
5. Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	2254.15	2254.15
(ii) Trade payables		
Micro and small enterprises	146.84	146.84
Creditors other than micro and small enterprises	2354.52	2355.66
(iii) Other financial liabilities	3789.85	3796.06
(b) Other current liabilities	1201.53	1184.63
Total - Current liabilities	9746.89	9737.34
TOTAL - EQUITY AND LIABILITIES	8336.72	8652.53

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS		2020-21 (In.Lakhs)	2019-20 (In.Lakhs)
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Loss before Tax	(508.39)	(139.57)
	Adjustments for:		
	Depreciation	433.54	448.55
	Interest(net)	10.79	0.00
	Fair value loss/profit	(0.82)	0.96
	Term Loan Written Back	0.00	(371.49)
	Operating Loss before working capital changes	(64.88)	(61.55)
	Adjustments for:		
	Trade and other receivables	8.23	0.48
	Trade payables	(1.69)	(2.05)
	Cash generated from operations	(58.34)	(63.12)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale of Fixed Asset	0.00	0.00
	Net Cash Used in investing activities	0.00	0.00
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Loans from Directors	194.27	1178.06
	Repayment of loans from Institutions and others	0.00	(1115.00)
	Interest paid	(10.79)	0.00
	Net Cash used in Financing Activities	183.48	63.06
	Net Increase/(decrease) in cash and cash equivalents(A+B+C)	125.14	(0.06)
	Cash and Cash equivalents as at 01.04.2020 (Opening Balance)	9.83	9.90
	Cash and Cash equivalents as at 31.03.2021 (Closing Balance)	134.97	9.83

[Signature]

[Circular Stamp: Regency Ceramics Ltd. Hyd-1]

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, 2021 [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 (Rs. In lakhs)	3.59	3.59
	2	Total Expenditure (Rs. In lakhs)	511.98	511.98
	3	Net Profit / (Loss) (Rs. In lakhs)	(508.39)	(508.39)
	4	Earnings per Share	(1.92)	(1.92)
	5	Total Assets (Rs. In lakhs)	8336.72	8336.72
	6	Total Liabilities (Rs. In lakhs)	8336.72	8336.72
	7	Net Worth (Rs. In lakhs)	(6907.82)	(6907.82)
	8	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, 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.</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:</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> <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.</p>			

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.

(iii) Auditors' Comments on (i) or (ii) above:

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:

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.

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

(iii) Auditors' Comments on (i) or (ii) above:

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:

(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:



Audit Qualification IV -

- a. Details of Audit Qualification: Lenders action under SARFAESI Act and Long term borrowings shown under other financial liabilities.
 - 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:
 - (ii) If management is unable to estimate the impact, reasons for the same:
- The Company could not obtain confirmation of balances in respect of Sundry Debtors & Sundry Creditors, loans and advances, other current assets and other liabilities.
- (iii) Auditors' Comments on (i) or (ii) above:

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:
 - (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:

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:
 - (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:



III.	<p>Signatories:</p> <ul style="list-style-type: none">• CEO/Managing Director• CFO• Audit Committee Chairman• Statutory Auditor <p>Place: HYDERABAD Date: 29-06-2021</p>
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The form contains handwritten signatures and two circular stamps. The first stamp is for 'K. S. RAO & Co. Chartered Accountants HYDERABAD'. The second stamp is for 'Regency Ceramics Ltd. Hyderabad'. There are three handwritten signatures in blue ink, one of which is crossed out with an 'X'.