



Regency Ceramics Limited

REF:RCL/SEC/2016

Date: 29th July, 2016

1. National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla
Complex, Bandra (E),
MUMBAI - 400051
2. Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street, MUMBAI - 400 001

Dear Sir/Madam,

Sub: Statement on Impact of Audit Qualifications - reg.

Please find enclosed Statement on Impact of Audit Qualifications for Financial year 31.03.2016 (See Regulation 33/52 of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully

For REGENCY CERAMICS LIMITED

Authorised Sginatory

Encl: a/a



Regency Ceramics Limited

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Phone : +91-40-23204555, Fax: +91-40-23201159, E-mail : info@regencytiles.com, Website: www.regencytiles.com

Factory : Yanam-533 464, Phone:+91-884 2321 001/002/501/502, Fax: +91-884 2321200, Email : rclyanam@regencytiles.com

Regency Ceramics Limited

CIN : L26914TG1983PLC004249

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

Phone : 040-23327555

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with annual Audited Financial Results.(Standalone or consolidated separately)

Statement on Impact of Audit Qualifications for Financial Year 31.03.2016.				
(See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
I	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1	Turnover /Total Income	157.15	157.15
	2	Total Expenditure	622.31	1756.19
	3	Net Loss	465.16	1599.04
	4	Earnings Per Share	-1.76	-6.05
	5	Total Assets	11398.10	11398.10
	6	Total Liabilities	16803.70	21051.86
	7	Net Worth	-5405.60	-9653.76
	8	Any other financial Item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (each audit qualification separately)			
	a. Details of Audit Qualification :			
	1. Manufacturing operations of the company were stopped due to riots, strike and malicious damage at factory since 27.01.2012. The company declared lock out of the plant on 31.01.2012 and the condition of the fixed assets & its realizable value could not be estimated. The machinery and building were not insured during the year and disclosed at book value after providing depreciation on account of efflux of time. 2. The condition of the raw materials, stores and spares and its realizable value could not be estimated by the company. The stocks were not insured during the year and disclosed at book value. 3. During the year, the company has not provided the provisional liability towards salary, wages and other benefits to its factory employees pending orders/judgment of the industrial Tribunal. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance to AS-15 "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 31.03.2016. 4. Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets.			

	5. The company paid Rs.24.40 Crores as One Time Settlement (OTS) amount sanctioned by the lenders and requested for revised OTS. State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities and interests thereto to Phoenix ARC Private Limited (Trustee of Phoenix Trust-FY15-5). The lenders initiated recovery action against the company and took symbolic Possession under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 in exercise of powers conferred on them under section 13(4) of the SARFAESI Act. The lenders also filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. In view of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities. Hypothecation / Hire purchase loans are repayable within one year and shown under Other Current Liabilities. 6. The company did not provide the interest on secured loans amounting to Rs.1133.88 Lakhs for the year and Rs.4248.16 Lakhs up to 31st March 2016 which is subject to confirmation from the banks. 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. 8. The reference filed by the company under section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 with the Board for Industrial and Financial Reconstruction (BIFR) has been abated and the company preferred an appeal before AAIFR.
	b. Types of Qualification : Qualified Opinion/Disclaimer of Opinion/ Adverse Opinion : Qualified Opinion
	c.Frequency of Qualification : Whether appeared first time/ repetitive / since how long continuing : Since 2011-12
	d. For Audit Qualification(s)where the impact is quantified by the Auditor, management's Views: Plant under lockout since 31.01.2012
	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: Factory lockout since 31.01.2012 after devastating incident took place on 27.01.2012
	(iii) Auditors' Comments on (i) or (ii) above: as above
III	Sgnatories :   Dr G N Naidu Chairman and Managing Director (CEO)  B. Surendra, Director Audit Committee Chairman  N. Satyendra Prasad Executive Director (CFO)  K. S. Shawar STATUTORY AUDITOR Place : Hyderabad Date : 21.07.2016