Regency TILES

Regency Ceramics Limited

REF:RCL/SEC/2018 Date: 14th August, 2018

1. **National Stock Exchange of India Ltd**
   Exchange Plaza, Bandra Kurla
   Complex, Bandra (E),
   MUMBAI - 400051

2. **Corporate Relationship Department**
   BSE Limited
   25th Floor, P J Towers
   Dalal Street, MUMBAI- 400 001

Dear Sir / Madam,

Sub : Un-Audited financial results for the quarter ended 30th June 2018.
Ref : Regulation 33 of the SEBI (LODR) Regulations 2015.

The Board of Directors in its meeting held on Tuesday 14th August, 2018 at Registered office of the company, have inter alia considered:

1. Un-audited Financial Results for the quarter ended 30th June, 2018 reviewed by the Audit Committee and the Limited Review of the same has been carried out by the Statutory Auditors of the company. A Copy of the Un-Audited Financial Results along with the Limited Review Report on the Un-Audited Financial Results is enclosed as per Regulations 33 & 30(4) of the SEBI (LODR) Regulations, 2015.

2. Took note of the appointment of Sri K.C.Choudappa, Independent Director with effect from 14th August, 2018.

3. Took note of the resignation tendered by Sri B.Surendra, Director with effect from 14th August, 2018.

The above is for your information and record. Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully
For **REGENCY CERAMICS LIMITED**

Authorized signatory

Encl : a/a

Regency Ceramcis Limited

CIN : L26914TG1983PLC004249

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

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th June 2018

(Rs. in lakhs except for share data)

S.No	Particulars	Quarter ended			Year ended
		6/30/2018	3/31/2018	6/30/2017	3/31/2018
		(Un Audited)	(Audited)	(Un Audited)	(Audited)
I	Revenue from Operations	0.00	0.00	0.00	0.00
II	Other Income	4.89	0.13	0.64	7.08
III	**Total income (I + II)**	**4.89**	**0.13**	**0.64**	**7.08**
IV	**Expenses**				
	(a) Cost of Materials consumed	0.00	0.00	0.00	0.00
	(b) Purchase of stock-in-trade	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
	(d) Employee benefits expense	18.17	23.58	6.95	81.13
	(e) Finance Cost	0.25	14.76	17.09	36.84
	(f)Depreciation and amortisation expense	113.98	116.92	117.41	468.67
	(g)Other expenses	16.56	68.93	14.42	118.72
	Total Expenses	**148.96**	**224.19**	**155.87**	**705.36**
V	**Profit / (Loss) before Tax(III-IV)**	**(144.07)**	**(224.06)**	**(155.23)**	**(698.28)**
VI	Exceptional Items	**0.00**	1031.40	**0.00**	1031.40
VII	Tax expense	0.00	0.00	0.00	0.00
VIII	**Profit / (Loss) for the period**	**(144.07)**	**807.34**	**(155.23)**	**333.12**
IX	**Other comprehensive income**				
	Items that will not be re classified to profit or loss-(net of taxes)	**0.00**	**0.00**	**0.00**	**0.00**
	Other comprehensive income	**0.00**	**0.00**	**0.00**	**0.00**
X	**Total comprehensive income (VII + VIII)**	**(144.07)**	**807.34**	**(155.23)**	**333.12**
XI	**Paid-up equity share capital**	2644.16	2644.16	2644.16	2644.16
	Basic and Diluted EPS after extraordinary items (Face value of Rs.10/- each)	(0.54)	3.05	(0.59)	1.26

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 iterms of SEBI(Listing Obligations and Disclosure Requirments) Regulations,2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05,2016.

2. The above results have been audited by the audit committee and approved by the board at their meeting held on 14 August , 2018. The statutory auditors of the company have carried out limited review of the results for the period ended June 30, 2018.

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 27.01.12 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. The Salary, Wages and other benefits to factory employees were not considered as provisional liability and not taken in the books under "No Work - No Pay" principle pending orders / judgment of the Industrial Tribunal.

5. Gratuity Provision as per AS-15 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.

7. 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.

8. The lenders of the company had taken symbolic possession of the properties in exercise of powers conferred under section 13(4) of the SARFAESI Act and filed an application under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 in the Debts Recovery Tribunal, Hyderabad for recovery of their dues. Four banks sanctioned revised OTS pacakge for settlement of their dues and the company paid entire OTS amount.Satisfaction of charges were filed with ROC in respect of one lender. The company is awaiting revised OTS sanction from another Bank based on the decision taken by consortium. In veiw of the above, the Long Term Borrowings are considered as current maturities of long term borrowings and shown under Other Current Liabilities. Hypthecation/Hire purchase loans are repayable with in one year and shown under Other Current Liabilities.

9. The interest on Term Loans and working capital loans was not provided in respect of four banks where the company paid the entire OTS amount and obtained No Dues Certificate. The Interest on Term Loans amounting to Rs.83.65 lakhs for the first quarter 2018-19 and Rs.1711.09 Lakhs upto 30.06.2018 debited by Corporation bank in the current year was not provided in the books as the company is disputing the same.

10. The Liability provision for Interest and Penalities payable on account of Statutory Dues were not provided in the books expecting waiver in the current situation.

11. The claim made in respect of loss/damage to its properties during the incident on 27.01.2012 was settled by the Insurance company on depreciation method although the company is eligible for the claim under reinstatement/replacement method. Hence, the company rejected the claim amount under protest.

12. Segment reporting is not applicable, since the entire operations of the company 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 whereever necessary to confirm to current year clasification.

For REGENCY CERAMICS LIMITED

Regency Ceramics Ltd. HYD.

Dr. G.N.Naidu
Chairman and Managing Director

Place : Hyderabad
Date : 14.08.2018

K.S. Rao & Co.
CHARTERED ACCOUNTANTS

Limited Review Report – Financial Results

To the Board of Directors of Regency Ceramics Limited,

We have reviewed the accompanying Statement of Unaudited Financial Results of **REGENCY CERAMICS LIMITED** ("the Company") for the quarter ended 30th June, 2018 (the "statement") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent Auditor of the Entity,issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

1. Manufacturing operations of the company were stopped due to riots, strike and malicious damage at factory since 27.01.2012. The condition of the fixed assets, raw materials, stores and spares and its present realizable value could not be estimated, not insured and disclosed at book value after providing depreciation on Fixed Assets on account of efflux of time.

2. During the period from 01.04.2012 to 30.06.2018, the company has provided the provisional liability towards salary, wages and other benefits to its factory employee's upto 30.09.2012. Further, the company has not provided for its liability towards Gratuity and leave encashment in accordance to Ind AS-19 "Employee Benefits". The company could not compute the liability in the absence of complete records.

3. There are no confirmatory letters in respect of Debtors, Creditors, loans and advances and other current assets.

K. S. RAO & Co. Chartered Accountants HYDERABAD.

Flat No. 602, Golden Green Apartments, Irrum Manzil Colony, Hyderabad - 500 082.
Phones : (040) - 2337 3399, Fax : (040) - 2337 0005, e-mail : ksraoandcompany@gmail.com

4. The company did not provide the interest on secured loans in respect of four lenders where the accounts were settled under OTS. An amount of Rs.83.65 Lakhs for the current quarter and Rs. 1711.09 Lakhs up to 30.06.2018 debited by one bank was not provided in the books as the company is disputing the same.

5. The company has not provided the liability towards interest and penalties payable on account of statutory dues and we were informed by the company that the statutory authorities shall waive the same in view of the unprecedented incident.

Based on our review conducted as above, we are **unable to comment on the financial statements due to non-availability of information/damages suffered by the Company due to fire and violence by the workers at the manufacturing facility situated at Yanam.**

The figures for the quarter ended 30th June, 2017 included in the statement under report were reviewed by another firm of Chartered Accountants, who were the immediate preceding statutory auditors, who expressed an modified conclusion/opinion thereon.

for **K S RAO & CO.**
Chartered Accountants
Firm's Regn No. 003109S

K. S. RAO & Co. Chartered Accountants HYDERABAD.

(V VENKATESWARA RAO)
Partner
Membership No. 219209

Place : Hyderabad
Date : 14.08.2018