

BOARD OF DIRECTORS

1. Dr G.N.Naidu	... Chairman and Managing Director
2. Dr M.V.G. Rao	... Director (upto 03.09.2014)
3. Sri G. Sreenivasulu Naidu	... Director
4. Sri B.Surendra	... Director
5. Sri D.Chandra Sekhar Babu	... Director
6. Smt G.Vijaya Vani	... Additional Director (w.e.f. 14.11.2014)
7. Sri N. Satyendra Prasad	... Executive Director

President (International Operations)	: Dr S.V. Ramprasad
President (Finance)	: Sri E. Balakrishna Rao

Audit Committee

Dr M.V.G. Rao (upto 03.09.2014)
Sri B. Surendra
Sri D.Chandra Sekhar Babu
Smt Vijaya Vani (w.e.f. 14.11.2014)

Investors' Grievance Committee

Dr G.N. Naidu
Sri B. Surendra
Sri D.Chandra Sekhar Babu

Bankers

State Bank of India
The South Indian Bank Ltd
Corporation Bank
State Bank of Travancore
State Bank of Bikaner & Jaipur

Remuneration Committee

Dr M.V.G.Rao (up to 03.09.2014)
Sri B. Surendra
Sri D.Chandra Sekhar Babu
Smt G.Vijaya Vani (w.e.f.14.11.2014)

Statutory Auditors

M/s Brahmayya & Co
Chartered Accountants
Hyderabad

Registered Office

5-8-356, N N House, Chirag Ali Lane
Abids, Hyderabad - 500001
Ph: +91-40-23204555
Fax: +91-40-23201159

Internal Auditors

M/s K S Rao & Co.,
Chartered Accountants
Hyderabad

Factory

Yanam – 533464
(Union Territory of Puducherry)

Company's Website: www.regencytiles.com

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 31st Annual General Meeting of the Company will be held on Wednesday, the September 30, 2015 at 11.00 a.m. at Registered Office: N. N. House, Chirag Ali Lane, Abids, Hyderabad - 500 001, to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as on 31st March 2015 and statement of Profit and Loss for the year ended on that date along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri N Satyendra Prasad (DIN:01410333) who retires by rotation and being eligible, offers himself, for reappointment.
3. To appoint M/s. Brahmayya & Co., Chartered Accountants, (Registration No.000513S) Hyderabad as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

Special business:

4. **To consider and if thought fit, to pass, with or without modification (s), the following resolution as an ordinary resolution**

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement with stock exchanges, Smt.Vijaya Vani (DIN:01825437) and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company with effect from 14th November, 2014 to hold office for 5 (Five) consecutive years for a term up to 13th November, 2019."

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of section 196, 197, 203 and 152 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Companies (appointment and remuneration of Managerial personnel) rules, 2014 as may be amended from time to time (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to approval of the financial institutions/banks in terms of the loan agreements and such other approvals that may be necessary, the consent of the company be and is hereby accorded for re-appointment of Sri N. Satyendra Prasad, (DIN:01410333) as a whole time director designated as an Executive Director, for a period of five years with effect from July 31, 2015 on the following terms and conditions as recommended by the Remuneration Committee, which are reproduced below:

1. Salary and Perquisites: Salary: Rs. 2,00,000/- (Rupees two lakhs only) per month.

(Sri N Satyendra Prasad, Executive Director is not taking salary and perquisites from 1st April, 2012 since company has no operations on account of devastating



incident occurred on 27.01.2012 and voluntarily decided not to take any salary and Perquisites till the operations of the Company are commenced)

2. Contribution to Provident fund to the extent exempted under the Income Tax, 1961.
3. Contribution to Superannuation fund to the extent exempted under the Income Tax Act, 1961
4. Gratuity payable shall not exceed half a month's salary for each completed year of service.
5. Encashment of leave at the end of tenure
6. Car and telephone facilities for official use.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the tenure of Executive Director, Salary, allowances, perquisites, and other benefits subject to and within the limits prescribed in Schedule V of the Companies Act, 2013, as existing or as modified or re-enacted from time to time, is payable."

By order of the Board
For **Regency Ceramics Limited**

Place : Hyderabad
Date : 29.05.2015

Dr G N Naidu
Chairman and Managing Director

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of him / her. Proxy need not be a member of the company; Proxy form duly completed should be deposited at the company's registered office at least 48 hours before the commencement of the meeting.**
2. An Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 relating to items of Special Business to be transacted at the meeting is annexed hereto
3. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in. Members holding shares in D-mat form shall write their Client ID and DP ID No. and those holding in Physical form to write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
4. The Register of Members and Share Transfer books of the company will remain closed from September 23, 2015 to September 30, 2015 (both days inclusive).
5. Members seeking any information with regard to accounts for the financial year ended 31st March 2015 may send their queries to the company at least 10 days before the meeting, in order to enable the Management to keep the information ready at the Meeting.
6. In case there is any correction/change in your address registered with us, we request you to communicate the same to us/Company's R & T Agent, whose address is given elsewhere in this Annual Report.



7. The Company has already transferred the unclaimed dividend declared for the financial year 1991-92 to the general revenue account of the Central Government as required by the Companies Un-paid Dividend (Transfer to the General Revenue account of the Central Government) Rules, 1978. Shareholders who have not claimed or collected the dividend for the aforesaid financial year may claim their dividend by writing to the Registrar of Companies, Telangana & Andhra Pradesh, Corporate Bhavan, Bandlaguda, Hyderabad - 500 001.
8. The Company has transferred to the 'Investors Education and Protection Fund' the unpaid / unclaimed dividend declared as interim dividend / dividend for the financial year 1999-2000 in June, 2007, for the financial year 2000-01 in October 2008, for the financial year 2001-02 in October 2009, for financial year 2002-03 in November 2010 and for financial year 2003-04 in October 2011. Please note that once the unclaimed dividend is transferred to the aforesaid 'Investors Education and Protection Fund' of the Central Government, no claim shall lie in respect thereof.
9. Your company's securities are listed with The Stock Exchange, Mumbai (BSE) and The National Stock Exchange Limited, Mumbai (NSE). The company has not paid the annual listing fee for the years 2014-15 and 2015-16 to the said Stock Exchanges.
10. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
11. Brief resume of Smt. Vijayavani, proposed Independent Director and Sri Satyendra Prasad, the director seeking reappointment in the ensuing Annual General Meeting is given in Item No.4 & 5 of Explanatory Statement.

12. The instructions for shareholders voting electronically are as under:

- (A) The voting period begins on 27.09.2015 at 9.00 am and ends on 29.09.2015 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday 24th September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - ii) Click on Shareholders.
 - iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - iv) Next enter the Image Verification as displayed and Click on Login.
 - v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>

- iv) After entering these details appropriately, click on "SUBMIT" tab.
- v) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- vii) Click on the EVSN for the relevant Regency Ceramics Ltd., on which you choose to vote.
- viii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- xii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xiii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xiv) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) - Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By order of the Board
For **Regency Ceramics Limited**

Place : Hyderabad
Date : 29.05.2015

Dr G N Naidu
Chairman and Managing Director



Explanatory statement pursuant to section 102(1) of the Companies Act, 2013

Item No.4

The Board of Directors at its meeting held on 14th November 2014 has appointed Smt G. Vijaya Vani as an Additional Director of the Company. As per Section 161(1) of the Companies Act, 2013, the above said Additional Director holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing her as a candidate for the office of Director of the Company.

Smt G. Vijaya Vani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. As per the said Section 149 of the Act, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from her that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

In the opinion of the Board, she fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. She is independent of the management.

Smt G.Vijaya Vani, aged about 53 years, holds a graduate degree and exposed to business activity.

The terms and conditions of appointment of Smt G.Vijaya Vani as an Independent Director shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Save and except Smt G.Vijaya Vani and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item no.5

Sri N. Satyendra Prasad was re-appointed as a whole time director designated as Executive director of the Company by the Board of Directors at its meeting held on May 29, 2015.

Sri N.Satyendra Prasad, aged about 49 years, has an overall experience of 26 years with 23 years of managerial experience in senior positions across diverse industries. He completed his Bachelor's Degree in Computer Science & Engineering from College of Engineering, Guindy, Anna University, Chennai and Masters in Computer Science from University of South Carolina, Columbia, USA. He started his career with Tata Consultancy Services, Chennai and has been an entrepreneur since 1991. He was the co-founder of iSpace Global Services (India) Pvt Ltd., a multinational Company involved in software services to the US healthcare industry. Sri N Satyendra Prasad holds 1,30,550 shares in the Company.

Dr G N Naidu, Chairman and Managing Director being a relative of Mr.N. Satyendra Prasad is concerned and deemed to be interested in the resolution. No other director is concerned or interested directly or indirectly in the above resolution.

The Board of Directors recommend the resolution for your approval.



DIRECTORS' REPORT

Dear Members

Your Directors hereby present their Thirty First Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2015.

FINANCIAL SUMMARY:

The performance of the Company for the Financial Year ended 31st March 2015 is as under:

		Rs in Lakhs	
Sl. No.	Particulars	2014-15	2013-14
1	Turnover	-	3
2	Loss / Profit before Interest and Depreciation	(105)	70
3	Finance charges	104	249
4	Loss before Depreciation and Tax	(209)	(179)
5	Less : Provision for Depreciation	1132	931
6	Loss before Tax	(1341)	(1110)
7	Less : Provision for Income Tax	-	-
8	Net Loss after Tax	(1341)	(1110)
9	Balance carried to Balance Sheet	(9455)	(8114)

REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS:

During the year under review, your Company could not make any sales and as such the Turnover was Rs.NIL compared to previous year of Rs.3 Lakhs and incurred a Net Loss of Rs.1341.06 Lakhs compared to previous year Net loss of Rs.1110.49 Lakhs.

PERFORMANCE & FINANCE:

Your company declared lock-out of its plant at Yanam with effect from 31.01.2012 after the devastating incident occurred on 27.01.2012. Since then, there is no production in the plant.

DIVIDEND :

Your Directors express their inability to recommend any dividend for the year under review due to insufficient disposable income.

INSURANCE SETTLEMENTS:

Your company submitted its claim for loss/damage to the properties of the company and provided all the supporting information as called for by the surveyors. Your company is awaiting the decision of the insurance company.

LABOUR SETTLEMENTS:

Your company paid full and final settlement amounts to those who have resigned from the company and waiting for the balance workmen to come forward for final settlement. Action initiated by your company against the workers involved in the Violence is pending for disposal at the Labour Tribunal.

LENDERS' DUES SETTLEMENTS:

Your company paid part of One Time Settlement (OTS) amount to the lenders and requested for extension of time for balance payment. However, the lenders issued a Demand Notice under section 13(2) of SARFAESI Act. State Bank of India on behalf of



its bank, Corporation Bank and State Bank of Travancore issued a Possession Notice (Symbolic) under Rule 8(1) of Security Interest (Enforcement) Rules, 2002 and taken possession of the properties in exercise of powers conferred on them under section 13(4) of the SARFAESI Act on 04.03.2015. State Bank of Bikaner & Jaipur assigned and transferred the facilities sanctioned by them together with all underlying securities interests thereto to Phoenix ARC Private Limited (Trustee of Phoenix Trust - FY15-5). The lenders 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.

REFERENCE TO BIFR:

A reference made by your company to Board for Industrial and Financial Reconstruction (BIFR) as per the provisions under section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 has been registered as case no. 19/2014.

FUTURE OUTLOOK:

Consequent to the completion of the general elections and assumption of the new governments at the center and as well as in Andhra Pradesh and Telangana states, the economic activity which had slowed down during the past few years has started picking-up. The construction activity and infrastructure activities in the country are expected to push the demand for ceramic tiles and all tile producing Companies would be able to take full advantage of the economic momentum in the coming years.

Your company is in the process of resolving all pending issues including settlement of insurance claim, release of the claim amount, settlement with workmen, settlement with lenders, settlement with statutory authorities, suppliers and other creditors. Your company is also pursuing with Central and State government for extending support by way of reliefs, concessions, grants, etc. for recommencing plant operations.

INSURANCE

All properties and insurable interests of the Company including building, plant and machinery and inventory were being fully insured at the reinstatement values every year. However, after the incident of 27.01.2012, the Insurance companies denied insurance coverage for the good assets as the assessment could not be completed.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from Company's Auditors confirming compliance forms an integral part of this report.

EXTRACTS OF ANNUAL RETURN

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as Annexure – 1 to this Report.

DIRECTORS:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. N. Satyendra Prasad, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.



Further, the tenure of Mr. N. Satyendra Prasad as a Executive Director will expire on 31.07.2015 and the Board of Directors at its meeting held on 29.05.2015 re-appointed him as Executive Director of the Company for further period of 5 years with effect from 31.07.2015 on terms and conditions as mentioned in the notice of the meeting .

The Board of Directors at its meeting held on 14th November 2014 has appointed Smt G. Vijaya Vani as an Additional Director of the Company. As per Section 161(1) of the Companies Act, 2013, the above said Additional Director holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing her as a candidate for the office of Director of the Company with effect from 14th November, 2014 to hold office for five consecutive years for a term up to 14th November, 2019 as Independent Director as mention in the resolution.

NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the financial year 2014-15 forms part of the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The details of Loans, Guarantees, Investments given during the Financial Year ended on 31st March, 2015 in terms of the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014: NIL

REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in Corporate Governance Report.

STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

There are no employees in the Company withdrawing remuneration in excess of Rs. 5 lakhs and the median remuneration of managerial personnel has not been disclosed as no remuneration is being paid to the Key Managerial Personnel of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act, are prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 : NIL

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- 1) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- 3) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;