



EURO CERAMICS LTD.

**13th Annual Report
2014-15**

Vitrified Tiles • Agglomerated Marble • Sanitaryware • Wall Tiles

Corporate Information

BOARD OF DIRECTORS

1. **Mr. Nenshi L. Shah**
Chairman & Managing Director
2. **Mr. Mahendra V. Modi**
Independent Director
3. **Mr. Amit Nandu**
Independent Director
4. **Mr. Karan Rajput**
Independent Director
5. **Mr. Pratik K. Shah**
Whole-time Director
(w.e.f. June 01, 2014)
6. **Mrs. Usha Jaysheel Kotian**
Independent Director
(w.e.f. March 28, 2015)

Chief Financial Officer

Mr. Paresh K. Shah
(w.e.f. June 01, 2014)

Auditors

M/s. Deepak Maru & Co.
Chartered Accountants, Mumbai

Secretarial Auditors

Manish Ghia & Associates
Company Secretaries, Mumbai

Bankers

State Bank of India
The Cosmos Co-op. Bank Ltd.
ICICI Bank Limited
Bank of India
Indusind Bank

Registered Office

208, Sangam Arcade,
Vallabhbhai Road, Opp. Railway Station,
Vile Parle (West),
Mumbai – 400 056

Factory

Survey No. 510,511,512,517/1,
Bhachau Dudhai Road,
Bhachau (Kutch)
Gujarat – 370 140

Registrar & Share Transfer Agent

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai – 400 078

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EURO CERAMICS LIMITED

(CIN: L26914MH2002PLC135548)

Registered Office: 208, Sangam Arcade, Vallabhbhai Road, Opp. Railway Station, Vile Parle (West), Mumbai – 400 056**Phone:** +91-22-4019 4019; **E-mail:** sales@eurocl.com; **Website:** www.eurovittrified.com**NOTICE**

Notice is hereby given that the 13th Annual General Meeting of the members of Euro Ceramics Limited will be held on Tuesday, the September 29, 2015 at 10.00 a.m. at Gomantak Seva Sangh, 72/A, Mahant Road Extension, Vile Parle (East), Mumbai - 400 057 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended March 31, 2015 together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Pratik Kumar Shah (DIN: 01049516), Whole-time Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Deepak Maru & Co., Chartered Accountants, Mumbai (having FRN: 115678W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mrs. Usha Jaysheel Kotian (DIN : 07140529), who was appointed as an Additional (Independent) Director of the Company w.e.f. March 28, 2015

pursuant to the provisions of Section 161(1) of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the Articles of Association of the Company and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 to hold office as such up to March 27, 2020, who shall not be liable to retire by rotation."

By Order of the Board of Directors

Nenshi L. Shah
Chairman & Managing Director

Place: Mumbai
Date: August 14, 2015

Registered Office:
208, Sangam Arcade,
Vallabhbhai Road,
Opp. Railway Station,
Vile Parle (West),
Mumbai – 400 056

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Further a person can act on behalf of member or members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
2. Members / Proxies are requested to bring duly filled in Attendance slip along with the Annual Report at the Annual General Meeting. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
3. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto and forms part of this Notice.
4. Brief resume of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice. The Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
5. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and the Register of Contracts or Arrangement in which Directors are interested under Section 189 of the

Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.

6. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account Details along with self-attested documentary proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.
7. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
8. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least 10 days before the Meeting to enable the Company to provide the required information.
9. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited for consolidation of all such shareholding into one folio to facilitate better services.
10. Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2015 to September 29, 2015 (both days inclusive).
11. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, permits Nomination by the members of the Company in the prescribed Form SH-13. Members are requested to avail this facility.
12. Members are requested to quote their Ledger Folio Number / DP ID / Client ID in all their future correspondence with the Company.
13. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card, etc, having photo identity) while attending the meeting.
14. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participants with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrars & Share Transfer Agents of the Company – M/s. Link Intime India Private Limited.
15. Non Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in

India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.

16. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules, 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.

You are thus requested to kindly submit your e-mail ID vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning this letter by post.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

17. The notice of 13th Annual General Meeting and instructions for remote e-voting, along with the attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participants unless a member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by courier.

18. Voting through electronic means:

The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 13th Annual General Meeting of the Company, dated August 14, 2015 (the AGM Notice).

The facility for voting, either through ballot / polling paper shall also be made available at the venue of the 13th Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM. In case members cast their votes through both the modes, voting done by remote e-voting shall be considered and votes cast through polling papers shall be treated as invalid.

The Company has appointed M/s. Manish Ghia & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and the voting process at the Annual General Meeting in a fair and transparent manner. E-voting is optional. In terms of

requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed September 22, 2015 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. September 22, 2015 only.

The remote e-voting period begins on September 26, 2015 (09:00 am) and ends on September 28, 2015 (05:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 22, 2015 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting after 05.00 pm on September 28, 2015.

The e-voting facility is available at the link www.evotingindia.com

(A) Procedure/ Instructions for e-voting are as under:

- Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" to cast your votes.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- 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 last 8 digits of the demat account/folio number in the PAN field. • In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.

DOB#	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.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the Members DP ID / Client ID / Folio Number in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for **Euro Ceramics Limited** on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) 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.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Tuesday, September 29, 2015.

(B) General:

- In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
- If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of September 22, 2015.
- In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 22, 2015, may obtain the login ID and

password by sending a request at helpdesk.evoting@cdslindia.com.

- A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- M/s. Manish Ghia & Associates, Company Secretaries, Mumbai has been appointed as Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, not later than three days of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.eurovitrified.com and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting (in pursuance of Clause 49(V)(G) of the Listing Agreement):

Particulars	Mr. Pratik Kumar Shah	Mrs. Usha Jaysheel Kotian
DIN	01049516	07140529
Date of Birth	October 17, 1981	July 9, 1964
Nationality	Indian	Indian
Date of appointment on the Board	June 1, 2014	March 28, 2015
Designation	Whole-time Director	Additional Independent Director
Qualifications	B.COM	B.COM
Expertise in functional area	Experience of more than 11 years in Marketing	Experience of more than 11 years in Sadbhavna Computers as faculty cum Administrator
Number of shares held in the Company as on March 31, 2015	1,61,060	Nil
List of Directorships held in other Companies as on March 31, 2015	<ul style="list-style-type: none"> • Euro Merchandise (India) Ltd. • Euro Glass Private Limited • Indian Council of Ceramic Tiles and Sanitaryware 	Nil
Chairman/Member of the Committees of other Companies in which he is a Director as on March 31, 2015	Nil	Nil
Relationship with existing Directors of the Company	Son-in-law of Mr. Nenshi L. Shah	Nil

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No: 4 of the accompanying Notice**

Mrs. Usha Jaysheel Kotian who has been appointed as an Additional Independent Director for a period of five years with effect from March 28, 2015, subject to approval of shareholders at the ensuing Annual General Meeting. Mrs. Kotian is having an independent business of computer training and running computer classes. She also provides recruitment to the talented candidates.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Director requires approval of shareholders.

Mrs. Usha Jaysheel Kotian has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notice along with requisite deposit from a member under section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director. Further, she is not disqualified from being appointed as Director in terms of section 164 of the Act and has given her consent to act as Director.

In the opinion of the Board, Mrs. Usha Jaysheel Kotian fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management.

The Nomination & Remuneration Committee has also recommended the appointment of Mrs. Usha Jaysheel Kotian as Independent Director for a period of 5 years.

The draft letter of appointment is available for inspection by members at the registered office of the Company between 11.00 a.m. to 1.00 p.m. on all working days of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Usha Jaysheel Kotian as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Usha Jaysheel Kotian as an Independent Director, for the approval by the shareholders of the Company.

Mrs. Usha Jaysheel Kotian is not holding any shares in the Company. Except Mrs. Usha Jaysheel Kotian, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 4.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under the Clause 49 of the Listing Agreement with BSE Limited and National Stock Exchange Limited are given in the annexure to the Notice.

By Order of the Board of Directors

Nenshi L. Shah
Chairman & Managing Director

Place: Mumbai
Date: August 14, 2015

Registered Office:
208, Sangam Arcade,
Vallabhghai Road,
Opp. Railway Station,
Vile Parle (West),
Mumbai – 400 056

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy Overview:

In 2014, global recovery continues on an uneven space, despite setbacks. First half of 2014 was weaker and the growth forecast for the world economy has been downgraded to 3.4 percent for 2014 and the growth projection for 2015 was lowered to 3.8 percent.

Downside risks have increased due to various factors like geopolitical tensions, volatility compression in financial markets, stagnation and low potential growth in advanced economies and a decline in potential growth in emerging markets.

Given these increased risks, raising actual and potential growth must remain a priority. In advanced economies, this will require continued support from monetary policy and fiscal adjustment attuned in pace and composition to supporting both the recovery and long term growth. An increase in public infrastructure investment can also provide support to demand in the short term and help boost potential output in the medium term. In advanced economies as well as emerging market and developing economies, there is a general, urgent need for structural reforms to strengthen growth potential or make growth more sustainable.

Overall economic recovery is becoming more country specific. India has recovered slightly due to effective policies and renewal of confidence with New Government in place. Overall growth rate is expected to be above 5 percent in coming years, due to export potentials and investment.

Global Tiles Industry:

According to the report, the global ceramic tiles market stood at US\$60.74 billion in 2013 and is further expected to reach US\$112.32 billion by the end of 2019. Due to various growth drivers such as easy availability of raw materials, rapid growth of the building and construction industry, and increasing technological innovation in manufacturing ceramic tiles, the overall market is estimated to grow at a healthy CAGR of 9.2% from 2013 to 2019.

The demand for ceramic tiles market is the highest in Asia Pacific as compared to North America, Europe, Latin America, and Rest of the World. Asia Pacific is the fastest growing region in the ceramic tiles market, in terms of production and consumption. It is now growing as a key destination for several major players and manufacturers of ceramic tiles in the market. The region held nearly 66% of the global ceramic tiles market in 2012.

Indian Tiles Industry:

India is the third largest tiles market in the world. While the global tiles production grew at an annualized rate of 6.3% for the period 2006-2013, tiles production in India grew almost double at 12.0% during the same period. Ceramic tiles that accounts for close to 60% of the total tiles demand in India is expected to grow at a CAGR of 8.7% for the period 2014-2019.

Indian Tile Industry has undergone fast changes over a period and always emphasized on the latest technology and designing, which has opened up new segments such Digital Tiles, 3D tiles, germ free tiles and artistic tiles. Organized players are outperforming with their added advantages of Brand, Quality, innovations and designs. India has huge potential as per capita consumption of tiles is still low compared to other countries in the World.

Global Ceramic Sanitaryware Industry:

Ceramics Sanitaryware Market is growing at healthy CAGR and expected to register a CAGR of 10.1% between 2014 and 2019 and will reach \$46 billion, by 2019. Asia-Pacific holds a significant market share in the ceramic sanitary ware market and China leads the Asian market in terms of production of sanitary wares. Asia-pacific is thus expected to maintain its dominance in the global market owing to the steady growth in China, India, and Thailand. Followed by Asia-Pacific, Europe is the second-largest market for ceramic sanitary wares. The European ceramic sanitary ware market is principally focused on delivering high-quality products to its consumers. The products are tailored to meet the specific requirements of the end consumers coupled with tremendous pre and post sales services. The demand for ceramic sanitary wares in Europe is mainly driven by the Western Europe countries, such as U.K., Austria, The Netherlands, Belgium, and so on.

Indian Ceramic Sanitaryware Industry:

Indian sanitaryware Industry is improving with increase in awareness about basic sanitation and urbanization coupled with the Government's Initiative of "Swachh Bhart Abhiyan" and Educating households for safe sanitation, in 2014. Indian Sanitaryware segment is estimated to be valued at approximately 124 million USD in 2014. The increasing per capita disposable income, residential projects, malls, commercial projects, growth in hospital and hospitality sector etc. has created demand for sanitaryware in India. It is forecasted that the India's sanitary ware market will grow at the CAGR of about 12% during 2013-18.

Indian Marble Industry:

India possesses wide spectrum of stones like granite, marble, sandstone, lime stone, slate and quartz. Rajasthan is the main depository of marble and accounts for more than 90% of total production of marble. Marble industry has evolved into production and manufacturing of artificial marble slabs and blocks and the demand for this product is increasing due to its awareness in market. Import of marble blocks in India is governed by Foreign Trade policy of India and its License base trade.

Growth Drivers:

In spite of slow economy recovery worldwide, there is wide

opportunities for ceramic and marble industry in India, depending on the various factors riding growth year on year.

Increasing Urbanization: India is witnessing massive migration of population from rural to urban areas. About one third of urban India lives in Metropolitan cities which have million plus population spending on better life style. New policies of Government will also increase urbanization, especially for tier 2 and tier 3 cities. Such rapid urbanization led to increase in standard of living in turn creating demand for ceramics and sanitarywares.

Increase in Disposable Income : Increase in disposable income led to increase in purchasing power of the consumer across all the group. Consumer mind set changed to superior and luxurious life style leading more demand for marble, sanitaryware and tiles in India.

Real Estate Sector: With a new Government, there is a growing positivity among the real estate sector that can now hope for a new phase of growth: be it in the commercial or the residential segments. The Government has taken many steps to create an environment of growth for the sector. The policies have been two-pronged, which includes providing greater access to funding on the one hand and extending liquidity to the end-user to strengthen affordability. Both steps would lead to a balance of demand and supply in the near future. The Indian government has allowed foreign direct investment of up to 100% under the automatic route in real estate projects. This will be for housing, townships, commercial and industrial construction to boost infrastructure activities in India. Real estate growth in turn will create huge demand for ceramics and marble industry.

Growth in Tourism and Hospitality Industry : India's travel and tourism industry has huge growth potential. The revenue growth of Indian hotel industry strengthening to 9-11 per cent in 2015-16. Government's initiatives and growing tourism business in India has created demand for the hotel industry and fresh investment in the sector. The tourism and hospitality sector is among the top 15 sectors in India to attract the highest foreign direct investment (FDI). This will directly create the demand for ceramics products.

Export Potential: India has brighter export potential for Ceramic products especially with the changes in Chinese economy and quality of products produced in India. Indian export is merely negligible compare to Chinese exports of Ceramics Products. Cost effective production in India and falling Rupee against USD is also making price competitive against low cost Chinese products.

Increasing awareness of Sanitation: Government of India has launched "Swachh Bharat Abhiyan" on October 2014 under five years program to accelerate the efforts to achieve universal sanitation coverage and to put focus on sanitation in India, which aims to achieve Swachh Bharat by 2019. This has motivated the people for better hygienic clean life style especially in rural India. This mission will create demand for sanitaryware products.

SWOT Analysis

Strengths:

- Emphasize on Quality Products
- Established Brand
- Infrastructure and Locational Advantages to Plant
- Retained Human Resources

Weakness

- Liquidity Crunch and shortages of Working capital
- Low Capacity utilization affecting the cost.

Opportunities

- Opportunities with the growth in Real Estate segment
- Urbanization of Rural India
- Increasing Sanitation awareness in India
- Unlimited Export Opportunities
- Increase in life style and standard of living of people with increase in disposable income

Threats

- Fast changing technology
- Increasing Competition from International and National Players
- Low spending on Branding and sales promotion

Future Outlook

The Company's emphasis on manufacture quality product, service to customer, timely delivery as per commitment has made it preferred OEM for many established player in Sanitaryware and helped in increasing capacity utilization in sanitaryware. The quality of marble produced by the Company is also well accepted by the end customers and made them to continued their procurement from the Company during the year.

Along with the challenges to mitigate the working capital gaps and liquidity crunch, the Company is hopeful of increasing the production capacity in both the running divisions and will be able to run the plant smoothly to tap the opportunities in future.

The growing demand in housing and construction sector, immense export opportunities, increasing awareness of sanitation coupled with Government initiatives, Ceramics Industry will grow in the near future and will help the Company in regaining its growth and achieving short term and long term goals.

Financial Statement Analysis:

Key Financial Information

During the year the revenue were generated from Sanitaryware and Marble Division of the Company. The Vitrified Tiles and Aluminum Section plants were non operative during the year due to shortages of working Capital. There was no business from Realty Division.

Revenue

Net sales during the financial year 2014-15 was ₹ 4,971.09 lacs against the previous year's net sales of ₹ 7,662.85 Lacs, showing decrease by ₹ 2,691.76 Lacs on account of low off take of Marble.

97% business of the Company is through domestic market during the year, which is almost in the same ratio of previous year. The total export turnover for financial year 2014-15, was ₹ 139.78 Lacs against ₹ 282.91 Lacs in the previous year.

Other Income of ₹ 238.55 Lacs during the financial year 2014-15, comprises of Rental Income, sale of trademark and reversal of provisions made in earlier years.

Expenditure

The total expenditure was at ₹ 7,893.68 Lacs in financial year 2014-15 as against ₹ 11,839.79 Lacs in the previous year, reduced by ₹ 3,946.11 Lacs due to reduction in the activity.

Staff Cost of ₹ 576.77 Lacs during the financial year 2014-15, is reduced by ₹ 305.01 Lacs compared to previous year's cost of ₹ 881.78 Lacs mainly on account of reduction of manpower in the closed unit of vitrified tiles plant.

In cost of production, major cost is Power and Fuel cost which amounts to ₹ 1,085.51 Lacs in the financial year 2014-15 against ₹ 1,252.79 Lacs, reduced due to reduction in activity in tiles division and increase in efficiency in sanitaryware division.

The Company has reduced many other cost like fixed overheads, admin cost, selling and distribution cost etc. as the cost control measure and also in commensurate with the running plant operations.

Operational Margins

The Company made positive EBDITA of ₹ 301.25 lacs during the financial year 2014-15 against the loss of ₹ 374.03 Lacs during the previous year. The improvement in the operational efficiency is due to increased capacity utilization in sanitaryware division and reduction in fixed cost to some extent.

Finance Cost

The Company's finance cost for the financial year 2014-15 was ₹69.95 Lacs, mainly consist of interest on some of the borrowings, interest on late payment of statutory dues, bank charges etc.

Depreciation

Pursuant to the Companies Act 2013, the Company has revised the depreciation rates w.e.f. April 1, 2014, based on the maximum useful life of its various Fixed Assets as prescribed in Part-C of

Schedule -II to the Companies Act, 2013. The Company has reworked the estimated useful life of the fixed assets during the year and provided the depreciation of ₹ 2,882.79 Lacs for the financial year 2014-15 against the previous year's ₹ 2,961.60 Lacs.

The assets whose life has already been exhausted as on March 31, 2014 has been adjusted against General Reserve.

Extra Ordinary Item

Extra Ordinary item amounting to ₹ 3,552.17 Lacs debited to profit and loss account during the financial year 2014-15 on account of provisions made for permanent diminution in value of Investments in its subsidiary and Loans & Advances made to its partnership firm.

Sources of Funds

Share Capital

There is no change in the capital structure of the Company during the financial year 2014-15.

Reserves and Surplus

The Reserves and Surplus as at March 31, 2015 was negative at ₹ 19,481.24 Lacs, decreased by ₹12,138.13 Lacs during the year due to loss for the financial year amounting to ₹6,203.67 lacs and Amortization of Depreciation of ₹ 5,934.46 Lacs pertaining to assets whose life is exhausted.

Long Term Borrowings

The long term borrowings is reduced in absolute number by ₹ 93.51 Lacs as on March 31, 2015 mainly on account of repayment of some of the deposits and loans.

Deferred Tax Liability

Due to losses there has been no change in the deferred tax liability of ₹ 1,523.92 Lacs as on March 31, 2015.

Application of Funds

Fixed Assets

The Gross Block of fixed assets stood at ₹ 59,323.14 Lacs with marginal decrease by ₹ 3.05 Lacs on account of sale of Vehicle and Furniture which are not in use.

Investment

Investment as at March 31, 2015 is reduced by ₹ 143.50 Lacs due to amount written off and provision made for permanent diminution in the value of investment made in Subsidiaries.

Current Assets & Current Liabilities

Current Assets of the Company as on March 31, 2015 was ₹ 9,628.23 Lacs reduced by ₹ 3,544.86 Lacs, mainly on account of provision made for diminution in the value of the short term loans and advances made to partnership firm.

Current Liabilities of the Company as on March 31, 2015 was ₹ 53,406.04 Lacs as against ₹ 53,692.54 Lacs as on March 31, 2014, showing decrease of ₹ 286.51 Lacs on account of trade payable and other current liabilities.

Risk Management:

Identification and effective management of Risk is critical in achieving business objective of the Company. It is the continuous process which is carried out by the Company on regular basis. Following are the possible risks identified by the Company with possible measures :

1. Strategic Risk

Lack of awareness about the market conditions and economic conditions, including commodity prices, exchange rates, fuel prices etc. may affect the Company's revenue.

Mitigation

Making effective policies and implementing the same with proper monitoring and keeping updates about the day to day current affairs of the economy may keep the Company updated.

2. Financial Risk

Lack of adequate cash flows, stretched working capital cycle, poor financial performance, ineffective use of capital, may affect the Company's financial health and reputation.

Mitigation

Making effective use of limited working capital and increasing efficiency and capacity utilization, controlling cost and generating more sales with tight control on working capital will give positive cash flows to the Company.

3. Branding

Low spending on the brand promotion and negative marketing by competitors may affect brand image of the Company.

Mitigation

The Company has established brand in the Industry and is supplying quality products in the market with its own brand, which will keep its presence in the market. With ease in future cash flows, the Company may increase the Brand spend and can increase the visibility of brand in near future.

4. Technology Change

Change in technology may affect the revenues of the Company.

Mitigation

The Company has ISO 9001:2008 certification. The Company has state of the art plant which can produce quality products and are sellable in all segments of the market. Sanitaryware and Marble plant are with latest technology and can generate good revenues for the Company. Tiles plant can be upgraded with minimal capital expenditure.

Human Resource, Health and Safety and Environment

The Company maintains cordial relationship with the employees and always retains the talented manpower. The Company trains the employees for efficiency improvisation and rewards for the work.

Health and safety is always on the top priority and continuous awareness is created among the employees with training programs, assembly etc. The Company also takes care of all environment norms and maintains the healthy environment in the factory. The Company also tries to make green and clean environment by growing trees and by proper discharge of waste.

Internal Control

The Company has effective and adequate internal control system and internal audit, commensurate with the size, scale and complexities of the Business. All the transactions are recorded in proper manner duly authorized and verified by the concerned authorities and reported accordingly. Internal audit is carried out by the professional firm of Chartered Accountant and Audit Committee reviews the same.

Cautionary Statement

The statement in the Management Discussion and Analysis Report cannot be construed as holding out any forecasts, projections, expectations, invitations, offers, etc. within the meaning of applicable securities laws and regulations. This Report basically seeks to furnish information, as laid down within the different headings to meet the Listing Agreement requirements.

DIRECTOR'S REPORT

To
The Members,
Euro Ceramics Limited

Your Directors hereby present the 13th Annual Report together with the Financial Statements of the Company for the financial year ended March 31, 2015

FINANCIAL RESULTS: (₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from operations	4,971.09	7,662.85
Other Income	271.09	676.95
Total Income	5,242.18	8,339.80
Less: Total Expenditure	4,940.93	8,713.83
Earnings Before Interest, Depreciation and Tax	301.25	(374.03)
Less : Interest and other finance expenses	69.95	164.35
Less: Depreciation	2,882.80	2,961.60
Profit/(Loss) Before Tax and Extraordinary Item	(2,651.50)	(3,499.98)
Less: Extraordinary Item	3,552.17	-
Profit/(Loss) Before Tax	(6,203.67)	(3499.98)
Less: Provision of Tax	-	(1.76)
Net Profit/(Loss) After Tax	(6,203.67)	(3,498.22)
Add: Balance Brought forward from the previous year	(18,906.99)	(15,408.77)
Balance Carried forward to Balance Sheet	(25,110.66)	(18,906.99)

FINANCIAL REVIEW:

The Company achieved a turnover of ₹ 4,971.09 Lacs lower by ₹ 2,691.76 Lacs compared to previous year due to limited working capital and liquidity crunch.

The brief financial highlights are given above and discussed in detail in Management Discussion and Analysis as part of this report.

SHARE CAPITAL :

There was no change in share capital of the Company during the year 2014-15.

OPERATIONAL REVIEW:**a. Tiles Division, Aluminum Extruded Section and Realty Division :**

The Company's vitrified tiles plant and Aluminum Extruded Sections plants were continued to be in-operative during the year under review due to working capital shortages and did not generate any significant revenue except for sale of old stock in hand. The Wall tiles plant was also in-operative for a

major part of the year.

b. Calcareous Tiles/Mable Division :

The Company presently operating this division on limited scale due to liquidity crunch. The marble division has contributed around 50% in the total revenue with operating capacity utilization of around 12% p.a.

c. Sanitaryware Division:

The turnover of sanitaryware division for the FY 2014-15 is increased by ₹ 793.48 Lacs from ₹ 1,665.48 Lacs to ₹ 2,458.97 Lacs, showing a growth of 48%. The production of quality product has kept the Company as preferred OEM for many leading players. The Capacity utilization of the division increased to around 48% during the year from 20% in the previous financial year.

DIVIDEND:

In view of losses during the year under review, your Directors do not recommend any dividend for the financial year 2014-15.

REFERENCE TO BIFR:

The Company on the basis of the audited accounts for the financial year ended as on March 31, 2013, and being mandatory, filed the reference U/s 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board for Industrial & Financial Reconstruction (BIFR). The above reference has duly been registered by the Registrar of Hon'ble BIFR and hearings of which are in the process for determination of sickness.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the Articles of Association of the Company, Mr. Pratik Kumar Shah, Whole-time Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

Mrs. Usha Jaysheel Kotian was appointed as an Additional Director of the Company with effect from March 28, 2015 and she holds office upto the date of the ensuing Annual General Meeting. The Company has received Notice along with requisite deposit from a member of the Company under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director of the Company.

The Board of Directors recommend the above appointment /re-appointment.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges are given in the Notice convening the 13th Annual General Meeting.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Paresh Kanji Shah was appointed as Chief Financial Officer (CFO) of the Company w.e.f. June 1, 2014.

MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss and decide on Company/ business policy and strategy apart from other business. A tentative annual calendar of the Board and Committee Meetings is informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors of the Company. The Meetings of the Board are held in Mumbai, Maharashtra. The agenda of the Board / Committee meetings is circulated 7 days, prior to the date of the meeting. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met five times during the year, the details of which are given in the Report on Corporate Governance. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE AND ITS COMPOSITION

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

As on March 31, 2015, the Audit Committee comprised of Mr. Mahendra Modi and Mr. Karan Rajput, Independent Directors and Mr. Nenshi L. Shah, Chairman and Managing Director of the Company.

Mr. Mahendra Modi is the Chairman of Audit Committee of the Company.

AUDITORS:

M/s. Deepak Maru & Co., Chartered Accountants, Mumbai (FRN: 115678W), the Statutory Auditors of your Company, holds office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them regarding their willingness to act as Statutory Auditors of the Company. The Company has also received a certificate from them to the effect that their re-appointment, if made, would be in compliance with the conditions as prescribed under Section 139 of the Companies Act, 2013 and they satisfy the criteria as provided under Section 141 of the Act.

Your Directors recommend the appointment of M/s. Deepak Maru & Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of next Annual General Meeting of and to audit financial statements for the financial year 2015-16.

AUDITORS' REPORT:

With regards to the observations from the Statutory Auditors in their report (on standalone financials), which are self explanatory, your Directors would like to reply as under:

- I. **The financial statement have been prepared on a "going concern" basis, inspite the fact that the Company's financial facilities/arrangements have expired and the same are overdue for repayment and the networth of the Company fully eroded and the lenders and creditors have initiated legal proceedings against the Company for recovery.**

Your Directors would like to state that the Company is operational and Manufacturing Marble and Sanitaryware Products and employed more than 200 manpower. The Company is also making serious efforts in negotiating with the banks and resolving the issues with banks. The management has taken and been taking all diligent steps under legal advice, to defend the Company in all the litigation. Considering the ample opportunities in the market and growth drivers for the industry per say, your Directors are optimistic about the turnaround of the Company with the infusion of the long term funds and with support of the lenders. The Company can derive a comprehensive package under BIFR for the secured and unsecured lenders with potential future earning plans, for resolution of its debts.

- II. **The Company has not provided for interest on financing facilities amounting to ₹ 8,758.47 Lacs for the year ending March 31, 2015. Had the same been provided, the loss for the year ending March 31, 2015, would have increased by ₹ 8,758.47 Lacs. The**

corresponding liabilities would also have increased by ₹ 8,758.47 Lacs as at March 31, 2015.

The Company on the basis of registration filed u/s. 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, before the Hon'ble Board for Industrial & Financial Reconstruction, and the hearings for which are in process for determination of sickness and on the basis of negotiation with the lenders for reduction in interest, rephasing in terms of borrowings etc., has not provided for interest to the tune of ₹ 8,758.47 Lacs, (calculated based on last sanction letters in hand) on financing facilities, for the year ending March 31, 2015.

- III. The Company has not provided for impairment or diminishing value of its assets/investment as per 'Accounting Standard 28 – Accounting for Impairment of Assets' as notified under the Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The effect of such Impairment or diminishing value has not been quantified by the management and hence the same is not ascertainable.**

The Company has made the provisions for diminution in the value of its investments/assets wherever required. Management has a policy to maintain the assets and keep them in working condition, so that its value does not get affected in long run. The management is optimistic about realizing the value of its Assets / Investments nearest to its carrying value, and there is no further diminution in the value of its assets/investment other than depreciation / amortization provided for.

- IV. There has been delay in transferring unclaimed dividend amounting to ₹ 25,303/- pertaining to financial year 2006-07 into the Investor Education and Protection Fund, by the Company during the year ended March 31, 2015.**

Your management would like to state that the delay in transferring the amounts to the Investor Education and Protection Fund was unintentional and due to oversight.

- V. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under section 189 of the Act, here are no stipulations made regarding repayment of principal amount and interest. Hence we are unable to comment as to regularity of repayments of principal and interest amount.**

Your directors would like to state that the Loans and Advances are given in the normal course of business to a firm where your Company is a partner with majority share.

- VI. The Company has accumulated losses at the end of the financial year and at the immediately preceding financial year and the Company has defaulted in repayment of loans and interest to the banks.**

Your directors would like to state that the loss is mainly on account of Depreciation and provisions made for diminution in the value of the investment/ assets. However the Company was able to generate marginal cash profit of ₹ 231.30 Lacs during the year under review. The Company had working capital shortages during the year and was unable to run all the plants. Further the plants which were operational during the year were also run at lower capacity due to liquidity crunch, despite of the demand of the products in the market. Due to inadequate cashflows from the operations of the Company, there were defaults in the repayment of the loans and interest to the Banks. However the management is hopeful with the changing economic scenario, of arriving at a comprehensive business restructuring along with the debt realignment proposal with the lenders under BIFR.

- VII. The Company has given the guarantee for loans taken by its subsidiary from bank. The terms and conditions of the same are not prejudicial to the interest of the Company. The said subsidiary has been continuously incurring losses and its net worth has been fully eroded and there is substantial doubt whether the said subsidiary would be able to repay its liabilities or realize its assets.**

Your directors would like to state that the management of the subsidiary Company is hopeful of reviving its business with the changing economic scenario and is negotiating with the lender for amicable settlement of its dues.

INTERNAL AUDIT:

The Company has appointed M/s. Rahul Khanderia & Associates, Chartered Accountants, Mumbai, as its Internal Auditor. However, due to pre-occupation they resigned and M/s. J H Ghumara & Co. Chartered Accountant were appointed as Internal Auditor for the financial year 2014-15. The Internal Auditors have given their report to the Audit Committee.

Based on the report of internal audit function the Board takes corrective action in the specific areas observed and thereby to strengthen the controls on significant audit observations, corrective actions thereon are presented to the Audit Committee of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3) (c) of the Companies Act, 2013 state that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the directors have 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 loss of the Company for that period;
- c. the directors have 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;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

EXTRACT OF ANNUAL RETURN:

An extract of Annual Return in Form MGT 9 is appended to this Report as **Annexure I**.

LISTING OF SHARES:

The Equity shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE). The Company has paid the requisite listing fees to the said stock exchanges for the financial year 2015-16.

REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and determination of salary of Directors, Senior Management Personnel and any other employees of the Company. The Remuneration Policy is stated in the Report on Corporate Governance.

RISKS AND AREAS OF CONCERN:

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC-2 is not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The details of loans, guarantee or investment made by your Company under Section 186 of the Companies Act, 2013 during the financial year 2014-15 are given under Notes to Accounts of financial statements.

ANNUAL PERFORMANCE EVALUATION BY THE BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has adopted a Policy for evaluation of the performance of the Directors, Key Managerial Personnel and Senior Management Personnel. Based on the consideration of various parameters, gathered from all Directors, the performance of the Board and individual Directors is evaluated. Besides, the Board has also developed a system to evaluate the performances of each of executive and non-executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors and the value addition provided by them.

The Policy, *inter alia*, provides the criteria for performance evaluation of Directors consisting of;

- I. Attendance of the directors at the Meetings and the quality of contribution at Board and it's Committee/s meetings;
- ii. Participation of such director in the Company's business and attribution to the strategic plans of the Management;
- iii. Relationship with other Board members and other officials of the Senior Management;
- iv. Sharing of knowledge and experience for the benefit of the Company.

During the year under review, a separate meeting of the Independent Directors was held for evaluation of performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND Company'S OPERATIONS IN FUTURE:

There was no order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on Company's operations in future.

WHISTLE BLOWER POLICY:

The Company has a Vigil mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil Mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company. We affirm that during the financial year 2014-15, no employee or Director was denied access to the Audit Committee.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Secretarial Audit Report received from M/s. Manish Ghia & Associates, Practising Company Secretaries, Mumbai is appended as **Annexure – II** and forms part of this report.

With regards to the observations from the Secretarial Auditors in their report, which are self explanatory, your Directors would like to reply as under:

- (a) *As required under section 203 of the, Act the Company is yet to appoint a Company Secretary;*

The Company is in process of appointment of Whole time Company Secretary.

- (b) *the Company has extended loans/advances which are interest free in nature and there are no stipulation as to its repayment;*

Your directors would like to state that the Loans and Advances are given in the normal course of business to a firm where your Company is a partner with majority share.

- (c) *on account of default in payment of interest/repayment of deposits in the earlier financial years by the Company, some of the directors of the Company are disqualified to act as directors under section 164 of the Act;*

The Company is facing liquidity crunch due to losses in the Company since couple of years. The Company has also filed for registration u/s. 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, before the Hon'ble Board for Industrial & Financial Reconstruction, and the hearings for determination of sickness are in process and will arrive at the comprehensive package to settle the secured and unsecured creditors.

- (d) *in respect of outstanding deposits as at March 31, 2014, the Company was required to file Form DPT-3 latest by June 30, 2014 which is yet to be filed;*

- (e) *in respect of unpaid/unclaimed amount of dividend /interest / matured deposits, the Company is yet to file Form 5INV relevant to the financial year ended March 31, 2014 and also to upload the same on its website; the said Form 5INV is required to be filed within 90 days from the date of Annual General Meeting which was held on September 30, 2014;*

- (f) *there has been a delay of 408 days in transferring amounts (₹ 25303/-), required to be transferred to the credit of Investor Education and Protection Fund by the Company during the year ended March 31, 2015; and*

- (g) *as required under clause 32 of the Listing Agreement, the details of inter corporate loans have not been disclosed in the Company's annual report for the year ended March 31, 2014.*

For point numbers (d), (e), (f) and (g), in the absence of Whole time Company Secretary the compliances were missed out inadvertently.

REPORT ON CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement entered into with the stock exchanges, the following have been made a part of the Annual Report and are attached to this report:

- a. Management Discussion and Analysis
- b. Report on Corporate Governance.
- c. Auditors' Certificate regarding compliance of conditions of Corporate Governance

COMMITTEES OF THE BOARD:

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees. There are currently three Committees of the Board, as follows:

- 1) Audit Committee
- 2) Stakeholders' Relationship Committee
- 3) Nomination and Remuneration Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

PARTICULARS OF REMUNERATION:

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure III** to this Report.

INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules 2014, the information relating to the foregoing matters is given as under:

Details regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is given in **Annexure IV**.

SUBSIDIARY COMPANIES:

Euro Merchandise (India) Limited is a Wholly owned Subsidiary of the Company. The Company does not have any Associate Company. M/s. Subhnen Sanitaryware Pvt Ltd., a wholly owned subsidiary of the Company has been voluntarily struck off under section 560 of the Companies Act, 1956 w.e.f. March 31, 2014.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Wholly owned Subsidiary in Form AOC 1 is attached as **Annexure V** to this report.

APPRECIATION:

Your Directors acknowledges with gratitude and wish to place on record, their deep appreciation of continued support and co-operation received by the Company from the various Government authorities, Shareholders, Bankers, Lenders, Business Associates, Dealers, Customers, Financial Institutions and Investors during the year.

Your Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their continued support in the future as well.

By Order of the Board of Directors

Place: Mumbai

Nenshi L. Shah

Date: August 14, 2015 Chairman & Managing Director

Annexures to Directors' Report**Annexure I
EXTRACT OF ANNUAL RETURN**

**Form No. MGT-9
Extract of Annual Return
(As on the financial year ended on March 31, 2015)**

**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L26914MH2002PLC135548
2.	Registration Date	April 16, 2002
3.	Name of the Company	Euro Ceramics Limited
4.	Category/Sub-Category of the Company	Indian Non-Government Company limited by shares
5.	Address of the Registered office and contact details	208, Sangam Arcade, Vallabhbhai Road, Opp. Railway Station, Vile Parle (West), Mumbai, Maharashtra-400056 Phone: 022-40194019, Fax: 022-40194020 Email: sales@eurocl.com Website: www.eurovitrfied.com
6.	Whether listed Company (Yes/No):-	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra-400078 Phone: 022-25946970-78, 25963838, 25960320 Fax: 022-25946969, 25960329 Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the Company
1.	Sanitary ware	2392	49.47
2.	Marble	2395/2396	42.22
3.	Other	NA	8.31

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares	Applicable Section
1.	Euro Merchandise (India) Limited Address: 208, Sangam Arcade, Vallabhbhai Road, Opp. Railway Station, Vile Parle (West), Mumbai, Maharashtra-400056	U51420MH2004PLC145654	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1.Indian									
a. Individual/ HUF	7533606	0	7533606	22.33	7504557	0	7504557	22.24	(0.09)
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt.	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	0	0	0	0	0	0	0	0	0
e. Bank/ FI	0	0	0	0	0	0	0	0	0
f. Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A) (1):-	7533606	0	7533606	22.33	7504557	0	7504557	22.24	(0.09)
2. Foreign									
a. NRI- Individual	0	0	0	0	0	0	0	0	0
b. Other Individuals	0	0	0	0	0	0	0	0	0
c. Body Corporate	0	0	0	0	0	0	0	0	0
d. Bank/ FI	0	0	0	0	0	0	0	0	0
e. Any Others	0	0	0	0	0	0	0	0	0
Sub-total(A) (2):-	0	0	0	0	0	0	0	0	0
Total Share Holders of Promoters (A)=(A1+A2)	7533606	0	7533606	22.33	7504557	0	7504557	22.24	(0.09)
B. Public Shareholding									
1. Institution									
a. Mutual Funds	0	0	0	0	0	0	0	0	
b. Bank/FI	4950295	5159705	10110000	29.97	4784000	5159705	9943705	29.47	(0.50)
c. Central Govt.	0	0	0	0	0	0	0	0	0
d. State Govt.	0	0	0	0	0	0	0	0	0
e. Venture Capital	0	0	0	0	0	0	0	0	0
f. Insurance Co.	0	0	0	0	0	0	0	0	0
g. FIIs	50000	0	50000	0.15	0	0	0	0	(0.15)
i. Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
j. Others	0	0	0	0	0	0	0	0	0
Sub Total B(1)	5000295	5159705	10160000	30.12	4784000	5159705	9943705	29.47	(0.65)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a. Body Corporate	1615106	0	1615106	4.79	1491746	0	1491746	4.42	(0.37)
b. Individual									
i. Individual shareholders holding nominal share capital upto ₹ 1 Lac	2064714	23	2064737	6.12	2226172	23	2226195	6.60	0.48
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lac	8884811	0	8884811	26.33	9074987	0	9074987	26.90	0.57
c. Others									
(i) NRI	827085	2477579	3304664	9.80	841579	2477579	3319158	9.84	0.04
(ii) Clearing Member	174793	0	174793	0.52	177369	0	177369	0.53	0.01
Sub-total B (2)	13566509	2477602	16044111	47.56	13811853	2477602	16289455	48.28	0.72
Total Public Shareholding (B) = (B1+B2)	18566804	7637307	26204111	77.67	18595853	7637307	26233160	77.76	0.09
C. Shares held by Custodians for GDR's and ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	26100410	7637307	33737717	100	26100410	7637307	33737717	100	0

(ii) Shareholding of Promoters and Promoters group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Nenshi Ladhobhai Shah	1485440	4.40	4.40	1485440	4.40	4.40	0
2	Mr. Talakshi Lakhamshi Nandu	1423760	4.22	4.22	1423760	4.22	4.22	0
3	Mr. Paresh Kanji Shah	1183360	3.51	3.51	1183360	3.51	3.51	0
4	Mr. Kumar Panchalal Shah	1123380	3.33	3.33	1123380	3.33	3.33	0
5	Mr. Nitesh Panchalal Shah	790000	2.34	2.34	790000	2.34	2.34	0
6	Mrs. Kasturben Talakshi Nandu	740000	2.19	2.19	740000	2.19	2.19	0
7	Mrs. Urmi Paresh Shah	460000	1.36	1.36	460000	1.36	1.36	0
8	Mr. Pratik Kumar Shah	161060	0.48	0.48	161060	0.48	0.48	0
9	Lalji Khirabhai Shah – HUF	137047	0.41	0.41	137047	0.41	0.41	0
10	Mr. Anish Kumar Shah	100	0.00	0.00	100	0.00	0.00	0
11	Mr. Mahek Harish Shah	100	0.00	0.00	100	0.00	0.00	0
12	Mr. Pinank Nenshi Shah	100	0.00	0.00	100	0.00	0.00	0
13	Mrs. Minal Paragbhai Shah	29259	0.09	0.00	200	0.00	0.00	(0.09)
14	Mrs. Gunvantiben N. Shah	0	0.00	0.00	10	0.00	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Particulars' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. NenshiLadhabhai Shah				
A	At the beginning of year	1485440	4.40	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	1485440	4.40
2.	Mr. Talakshi Lakhamshi Nandu				
A	At the beginning of year	1423760	4.22	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	1423760	4.22
3	Mr. Paresh Kanji Shah				
A	At the beginning of year	1183360	3.51	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	1183360	3.51
4	Mr. Kumar Panchalal Shah				
A	At the beginning of year	1123380	3.33	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	1123380	3.33
5	Mr. Nitesh Panchalal Shah				
A	At the beginning of year	790000	2.34	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	790000	2.34
6	Mrs. Kasturben Talakshi Nandu				
A	At the beginning of year	740000	2.19	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	740000	2.19
7	Mrs. Urmi Paresh Shah				
A	At the beginning of year	460000	1.36	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	460000	1.36
8	Mr. Pratik Kumar Shah				
A	At the beginning of year	161060	0.48	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	161060	0.48

Sr. No.	Particulars' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	Lalji Khirabhai Shah - HUF					
A	At the beginning of year		137047	0.41	-	-
B	Change during the year		No change during the year			
C	At the end of year		-	-	137047	0.41
10	Mr. Anish Kumar Shah					
A	At the beginning of year		100	0.00	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	100	0.00
11	Mr. Mahek Harish Shah					
A	At the beginning of year		100	0.00	-	-
B	Change during the year		No change during the year			
C	At the end of year		-	-	100	0.00
12	Mr. Pinank Nenshi Shah					
A	At the beginning of year		100	0.00	-	-
B	Change during the year		No change during the year			
C	At the end of year		-	-	100	0.00
13	Mrs. Minal Paragbhai Shah					
A	At the beginning of year		29259	0.09	-	-
B	Change during the year					
	Date	Reason				
	13/06/2014	Sell	(25000)	0.07	4259	0.02
	30/09/2014	Sell	(4059)	0.02	200	0.00
C	At the end of year		-	-	200	0.00
14	Mrs. Gunvantiben N. Shah					
A	At the beginning of year		0	0.00	-	-
B	Change during the year					
	Date	Reason				
	30/09/2014	Purchase	10	0.00	10	0.00
C	At the end of year		-	-	10	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholders' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Dharmesh Kishor Gathani					
A	At the beginning of year		6826757	20.23	-	-
B	Changes during the year					
	Date	Reason				
	29.08.2014	Sell	(6753767)	(20.02)	72990	0.22
	05.09.2014	Purchase	145980	0.43	218970	0.65
	12.09.2014	Sell	(145980)	(0.43)	72990	0.22
	19.09.2014	Purchase	6753767	20.02	6826757	20.23
C	At the end of year		-	-	6826757	20.23
2.	ICICI Bank Limited					
A	At the beginning of year		4949901	14.67	-	-
B	Changes during the year					
	Date	Reason				
	16.01.2015	Sell	(9348)	(0.03)	4940553	14.64
	23.01.2015	Sell	(42408)	(0.13)	4898145	14.52
	30.01.2015	Sell	(22793)	(0.07)	4875352	14.45
	13.02.2015	Sell	(1375)	(0.004)	4873977	14.45
	20.02.2015	Sell	(1100)	(0.003)	4872877	14.44
	27.02.2015	Sell	(48021)	(0.14)	4824856	14.30
	06.03.2015	Sell	(41250)	(0.12)	4783606	14.18
C	At the end of year		-	-	4783606	14.18
3	State Bank of India					
A	At the beginning of year		4135954	12.26	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	4135954	12.26
4	Mr. Milankumar Dhirajlal Mehta					
A	At the beginning of year		2477579	07.34	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	2477579	07.34
5	Bank of India					
A	At the beginning of year		1023751	03.03		-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	1023751	03.03

Sr. No.	Shareholders' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	Mr. Hemang Bhagwandas Shah					
A	At the beginning of year		576000	01.71	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	576000	01.71
7	Mrs. Daksha Subhash Shah					
A	At the beginning of year		325600	0.97	-	-
B	Changes during the year					
	Date	Reason				
	05.09.2014	Purchase	551200	1.63	876800	02.60
	12.09.2014	Sell	(551200)	(1.63)	325600	0.97
C	At the end of year		-	-	325600	0.97
8	Prachar Communications Ltd					
A	At the beginning of year		250000	0.74	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	250000	0.74
9	Mr. Pravin Dharamshi Gala					
A	At the beginning of year		236400	0.70	-	-
B	Changes during the year					
	Date	Reason				
	05.09.2014	Purchase	236400	0.70	472800	1.40
	12.09.2014	Sell	(236400)	(0.70)	236400	0.70
C	At the end of year		-	-	236400	0.70
10	Mrs. Reena Hemang Shah					
A	At the beginning of year		206260	0.61	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	206260	0.61

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	Name of the Director/KMP	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Nenshi Ladhabsai Shah				
A	At the beginning of the year	1485440	4.40		
B	Changes during the year	No change during the year			
C	At the end of year			1485440	4.40
2.	Mr. Pratik Kumar Shah (w.e.f. June 1, 2014)				
A	At the beginning of the year	161060	0.48		
B	Changes during the year	No change during the year			
C	At the end of year			161060	0.48
3.	Mr. Mahendra Vrajilal Modi				
A	At the beginning of the year	NIL	NIL		
B	Changes during the year	No change during the year			
C	At the end of year			NIL	NIL
4.	Mr. Karan Bharatkumar Rajput				
A	At the beginning of the year	NIL	NIL		
B	Changes during the year	No change during the year			
C	At the end of year			NIL	NIL
5.	Mr. Amit Nandu				
A	At the beginning of the year	NIL	NIL		
B	Changes during the year	No change during the year			
C	At the end of year			NIL	NIL
6.	Mrs. Usha Kotian (w.e.f. March 28, 2015)				
A	At the beginning of the year	NIL	NIL		
B	Changes during the year	No change during the year			
C	At the end of year			NIL	NIL
7.	Mr. Paresh Kanji Shah (w.e.f. June 1, 2014)				
A	At the beginning of the year	1183360	3.51	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	1183360	3.51

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2014				
1) Principal Amount	4,54,81,34,713	26,02,13,182	21,37,05,965	5,02,20,53,860
2) Interest due but not paid	28,60,41,222	-	53,94,677	29,14,35,899
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	4,83,41,75,935	26,02,13,182	21,91,00,642	5,31,34,89,759
Change in Indebtedness during the financial year				
+ Addition	-	3,30,000	-	3,30,000
-Reduction	25,62,285	41,08,200	74,98,000	1,41,68,485
Net change	(25,62,285)	(37,78,200)	(74,98,000)	(1,38,38,485)
Indebtedness at the end of the financial year 31.03.2015				
1) Principal Amount	4,54,55,72,428	25,64,34,982	20,62,07,965	5,29,96,51,274
2) Interest due but not paid	28,60,41,222	-	53,94,677	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	4,83,16,13,650	25,64,34,982	21,16,02,642	5,29,96,51,274

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (in ₹)
		Mr. Nenshi Ladhahbai Shah Managing Director	Mr. Pratik Kumar Shah Whole-Time Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	15,00,000	Nil	15,00,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	
2.	Stock Option	NA	NA	-
3.	Sweat Equity	NA	NA	-
4.	Commission			
	- As % of Profit	-	-	-
	- Others, specify	-	-	-
5.	Others, please specify	NA	NA	-
	Total (A)	15,00,000	NA	15,00,000
	Overall Ceiling as per the Act	Section 197 read with Schedule V of the Companies Act, 2013		

B. Remuneration of other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
		Mr. Mahendra Vrajlal Modi	Mr. Karan Bharatkumar Rajput	Mr. Amit Nandu	Mrs. Usha Kotian (w.e.f 28 th March, 2015)	
1	Independent Directors					
	-Fee for attending board committee meetings	50,000	-	-	-	50,000
	- Commission	-	-	-	-	-
	-Others	-	-	-	-	-
	Total (1)	50,000	-	-	-	50,000
2	Other Non Executive Directors					
	-Fee for attending board committee meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	-Others	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (1+2)	50,000	-	-	-	50,000
	Overall Ceiling as per the Act	Section 197 read with Schedule V of the Companies Act, 2013				

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	Name of the KMP	Total Amount (in ₹)
		Mr. Paresh Kanji Shah, Chief Financial Officer	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	15,00,000	15,00,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2.	Stock Option	NA	-
3.	Sweat Equity	NA	-
4.	Commission	NA	-
	- As % of Profit	-	-
	- Others, specify	-	-
5.	Others, please specify	NA	-
	Total (A)	15,00,000	15,00,000

VII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES:- NIL

Annexure II
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE 9 OF THE COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

**To,
The Members,
Euro Ceramics Limited
Mumbai**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Euro Ceramics Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the audit period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014 (**Not applicable to the Company during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the audit period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**);
- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (**Not applicable as Secretarial Standards were not notified during the audit period**)

- (ii) The Listing Agreements entered into by the Company with BSE Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above subject to the following observations:

- (a) *as required under Section 203 of the Act, the Company is yet to appoint a Company Secretary;*
- (b) *the Company has extended loans/advances which are interest free in nature and there are no stipulation as to its repayment;*
- (c) *on account of default in payment of interest/repayment of deposits in the earlier financial years by the Company, some of the directors of the Company are disqualified under Section 164(2) of the Act;*
- (d) *in respect of outstanding deposits as at March 31, 2014, the Company was required to file Form DPT-3 latest by June 30, 2014 which is yet to be filed;*
- (e) *in respect of unpaid/unclaimed amount of dividend/interest/matured deposits, the Company is yet to file Form 5INV relevant to the financial year ended March 31, 2014 and also to upload the same on its website; the said Form 5INV is required to be filed within 90 days from the date of Annual General Meeting which was held on September 30, 2014;*
- (f) *there has been a delay of 408 days in transferring amounts (₹ 25,303/-), required to be transferred to the credit of Investor Education and Protection Fund by the Company during the year ended March 31, 2015; and*
- (g) *as required under Clause 32 of the Listing Agreement, the details of inter corporate loans have not been disclosed in the Company's annual report for the year ended March 31, 2014.*

We further report that

In view of our observation at 'para (c)' above regarding the disqualification of some of the directors, we are unable to express our opinion as to whether the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to our observation under 'para (c)' above.

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. Company has made an application to the Company Law Board, Mumbai Bench under Section 74(2) of the Act, on March 30, 2015, seeking extension of time for repayment of outstanding deposits aggregating to ₹11,80,66,868/- for a period of at least 36 months i.e., upto March 31, 2018;
2. the Company has passed Special Resolution under Section 180(1)(c) of the Act at the 12th Annual General Meeting held on September 30, 2014 enabling borrow of funds in excess of its aggregate of paid up share capital and free reserves and up to a maximum limit of ₹1000 Crores;
3. the Company has passed Special Resolution under Section 180(1)(a) of the Act at the 12th Annual General Meeting held on September 30, 2014 for creation of mortgage/charge on the movable and immovable assets of the Company up to the overall borrowing limit of ₹1000 Crores;

For Manish Ghia & Associates
Company Secretaries

Place : Mumbai
Date: August 11, 2015

Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘Annexure A’

**To,
The Members,
Euro Ceramics Limited
Mumbai**

Our report of even date is to read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manish Ghia & Associates
Company Secretaries

**Place : Mumbai
Date: August 11, 2015**

**Manish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531**

Annexure III

Details of the ratio of remuneration of each Director to the median employee's remuneration.

(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year :-			
Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees		
(a)	Mr. Nenshi Ladhahbai Shah	10.8x		
(ii)	The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year	During the current financial year there were no increments in the remuneration of Directors, CFO, CEO, Company Secretary or Manager.		
(iii)	The percentage increase in the median remuneration of employees in the financial year	13% to 14%		
(iv)	The number of permanent employees on the rolls of the Company	225		
(v)	The explanation on the relationship between average increase in remuneration and Company performance	Annual increase in remuneration is based on the remuneration policy for different grades, division, industry pattern, qualifications and experience, responsibilities shouldered and individual performance of the Key Managerial personnel & other employees and also performance of the Company.		
(vi)	Comparison of the remuneration of the KMP against the performance of the Company	It is commensurate with the performance of the Company.		
(vii)	Variation in the market capitalization of the Company, price earnings ratio as at the close date of the current financial year and previous financial year and the percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year			
Sr. No.	Particulars	As on March 31, 2015	As on March 31, 2014	Variation %
1	Market Capitalization	₹ 23.71 Crores	₹ 12.85 Crores	84.51%
2	Price earning ratio	Price Earning Ratio is not applicable as there is no earning per share of the Company due to losses.		
3	Percent increase / (decrease) in the Market quotation of shares of the Company as compared to the rate at which the Company came out with the last public offer	The last offer of shares to the public was made in 2006-07 which was Public Issue of 56,21,500 Equity shares of ₹10 each at a premium of ₹155 per equity share as against this, the closing price of the Company's equity shares on the BSE Limited as at March 31, 2015 was ₹ 7.03, a decrease of 95.74%		
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the salaries of employees other than the managerial personnel in the last financial year is 13% to 14 %, as against no increment in the salary of the Chairman and Managing Director & Executive Director (Managerial Personnel as defined under the Act.). Annual increase in remuneration is based on different grades, industry pattern, qualifications & experience, responsibilities shouldered and individual performance of managerial personnel and other employees.		

(ix)	The key parameters for any variable component of remuneration availed by the directors	Not applicable
(x)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not applicable
<p>We hereby confirm that the remuneration is as per the Remuneration Policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.</p> <p>Place: Mumbai Date: August 14, 2015</p> <p>Nenshi L. Shah Chairman & Managing Director</p> <p>Mahendra V. Modi Chairman of Nomination & Remuneration Committee</p>		

Annexure IV**STATEMENT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**

The information required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2015 is given here below and terms forms part of the Directors' Report.

A. Conservation of Energy: -

In line with the Company's commitment towards conservation of energy, all segments continue with their efforts to improve energy efficiency. Some of the additional steps taken are as under, which has helped Company in cost reduction and product improvement :

- i. Replaced the normal lighting bulb to with CFL.
- ii. Placed inverter drives in polishing lines of Marble, for reduction in power consumption.
- iii. Improved the quality of first fired products in Sanitaryware.

B. Research & Development and Technology Absorption : NIL**C. Foreign Exchange Earnings and Outgo**

The information on foreign exchange earnings and outgo is contained in Notes No.25,26 & 27, forming part of the Financial Statement.

D. Future plan of action are as under:

- To develop the new designs with international standards, in sanitaryware and marble division with inhouse research.
- To develop better glaze and body component giving better recovery in sanitaryware division.

Annexure V**AOC 1**

[Pursuant to provisions of Sub Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lacs)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Euro Merchandise (India) Limited
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees
4.	Share Capital	19.00
5.	Reserves & Surplus	(1,873.80)
6.	Total Assets	1,133.65
7.	Total Liabilities	2,988.44
8.	Investments	Nil
9.	Turnover	102.09
10.	Profit before taxation	(4.65)
11.	Provision for taxation	Nil
12.	Profit after taxation	(4.65)
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : N.A.
- Names of subsidiaries which have been liquidated or sold during the year : N.A.

Part "B": Associates and Joint Ventures

Not Applicable as the Company does not have any Associate and Joint Venture

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is both the structure and relationships which determine corporate direction and performance. It comprises of processes and structures by which the business and affairs of the Company are directed and managed, in order to enhance long term shareholder value, through enhancing corporate performance and accountability, whilst taking into account the interests of all stakeholders. It is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values.

Good governance practices stem from the quality and mindset of the organisation. Euro Ceramics visualises "Corporate Governance" as a process which provides transparency of corporate policies, strategies and the decision-making process and also strengthen internal control systems and helps in building relationship with stakeholders. Our Company, through Corporate Governance, strives for an exemplary shift in its work culture and provides a congenial environment to harmonise the goals of maximizing the stakeholders' value and maintaining a customer-centric focus in all its dealings.

2. BOARD OF DIRECTORS:

a) Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on March 31, 2015 the Board of Directors of the Company has an optimum combination of Executive and Non-Executive/Independent Directors. As on March 31, 2015, the Board of Directors comprises of total six Directors out of

which four are Independent Director's. The Chairman of the Board is Executive Director. The composition of the Board of Directors is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

b) Board Procedure

Dates for the Board meetings are decided well in advance and communicated to the Directors. Board meetings are generally held at the registered office of the Company and additional meetings of the Board are held when deemed necessary by the Board.

The agenda is prepared in consultation with the Chairman of the Board and the Chairman of the other Committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, is circulated well in advance of the meeting.

Matter discussed at Board Meeting generally relate to Company's performance, quarterly results, approval of related party transactions, general notice of interest of Directors, review of the reports of the Committees and compliance with their recommendations, suggestions, compliance of any regulatory, statutory or listing requirements, etc.

c) Attendance at Board meetings:

During the year under review, the Board of Directors met five (5) times viz. May 30, 2014, August 14, 2014, November 14, 2014, February 14, 2015 and March 28, 2015 and as required, the gap between two Board meetings did not exceed one hundred and twenty days.

The composition of the Board and particulars of attendance of the Directors at the Board Meetings during the financial year 2014-15 are given below:

Name	Category	No. of Board meetings held	No. of Board meetings attended	No. of other Directorship in other Public Companies # (refer note 1)	Membership / Chairmanship of Committees in other Companies # (refer note 2&3)		Whether attended the last AGM
					Member	Chairman	
Mr. Nenshi L. Shah	Chairman & Managing Director	5	5	-	--	--	Present
Mr. Pratik Kumar Shah (w.e.f. 01.06.2014)	Whole-time Director	5	5	1	--	--	Present
Mr. Mahendra V. Modi	Non-Executive/ Independent Director	5	5	-	--	--	Present
Mr. Karan Rajput	Non-Executive/ Independent Director	5	5	-	--	--	No
Mr. Amit Nandu	Non-Executive/ Independent Director	5	5	-	--	--	Present
Mrs. Usha Kotian (w.e.f. 28.03.2015)	Non-Executive/ Independent Director	-	-	-	--	--	N.A.

Note:

1. Directorships in respect of private limited companies, Section 8 companies and foreign companies have not been included.
2. Position in Audit Committee and Stakeholders Relationship Committee are considered for the purpose.
3. None of the directors hold directorships in more than 10 public limited companies, membership in more than 10 committees and chairmanship in more than 5 committees.

d) Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on February 14, 2015 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole.

e) Directors Familiarisation Programme

The Company undertakes and makes necessary provision of an appropriate induction programme for new Directors and ongoing training for existing Directors. The new Directors are introduced to the Company's culture, through appropriate training programmes. Such kind of training programmes helps develop relationship of the Directors with the Company and familiarise them with Company's processes. The management provides such information and training either at the meeting of Board of Directors or at other occasions.

The induction process is designed to:

- build an understanding of the Company processes and
- fully equip Directors to perform their role on the Board effectively

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of Director's induction and familiarization are available on the Company's website at www.eurovitrified.com.

f) Code of Conduct:

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the senior management grade of the Company. The Code covers amongst things, such as the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board members and senior management personnel have confirmed compliance with the code. A declaration by Mr. Nenshi L. Shah, Chairman and Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on March 31, 2015 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to this Annual Report.

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code.

The Company has laid down a code of conduct for the Directors, Senior Management and Employees of the

Company. The code has been posted on Company's website www.eurovitrified.com. A declaration to the effect that the Directors and Senior Managerial personnel have adhered to the same, signed by the Managing Director of the Company, forms part of this report.

3. COMMITTEES OF THE BOARD

The Board Committees focus on certain specific areas and make informed decisions about the same. Each Committee of the Board functions according to its charter that defines its composition, scope, power and role in accordance with Companies Act, 2013 and the Listing Agreement. Presently, the Board has the following three Committees:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee

The roles and responsibilities assigned to these Committees are covered under the term of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the meetings of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee are placed before the Board for its discussions and noting. The details of the composition, terms of reference, number of meetings and attendance of these Committees are provided below:

a) Audit Committee:

The Company has an Audit Committee in accordance with the requirement of Section 177 of the Companies Act, 2013 and these terms of reference are in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The Committee comprises of two Non-Executive / Independent Directors and one Executive Director of the Company. The Statutory Auditors are also invited to the meetings. The Committee oversees the work carried out by the management, internal auditors on the financial reporting process, the safeguards employed by them and such relevant matters as it finds necessary to entrust.

The Audit Committee met four (4) times during the year under review on May 30, 2014, August 14, 2014, November 14, 2014 and February 14, 2015. The number of meetings attended by each member during the year ended March 31, 2015 is as under:

Name of the member	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Mahendra V. Modi	Chairman	4	4
Mr. Karan Rajput	Member	4	4
Mr. Nenshi L. Shah	Member	4	4

The Compliance officer acts as the Secretary to the committee.

All the members of the Audit Committee are financially literate and Mr. Mahendra V. Modi, Chairman is a qualified Chartered Accountant. He has the relevant accounting and related financial management expertise.

The terms of reference of this Committee are wide. Besides having access to all the required information from the Company; the Committee acts as a link between the Statutory Auditors and the Board of Directors of the Company.

➤ Terms of reference

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreement with the Stock Exchanges. The terms of reference also conform to the requirements of Section 177 of the Companies Act, 2013.

Role of the Audit Committee includes the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/re-appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions, i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of Company at large.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors and significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

- To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
- It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly, and annual financial statements before submission to the Board.
- It shall ensure compliance of internal control systems.

b) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises of one Executive and two Non- Executive/ Independent Directors. The Committee met four times during the year under review on 4 (four) times on May 30, 2014, August 14, 2014, November 14, 2014 and February 14, 2015. The number of meetings attended by each member during the year ended March 31, 2015 is as detail given below :

Name of the member	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Mahendra V. Modi	Chairman	4	4
Mr. Nenshi L. Shah	Member	4	4
Mr. Karan Rajput	Member	4	4

The Compliance Officer acts as secretary of the Committee

To examine object of the Committee and to redress the complaints and grievances of the shareholders/investors of the Company such as transfer / transmission / demat / remat of shares, issue of duplicate, split-up, consolidation, renewal of share certificate, non-receipt of Annual Report, non receipt of dividend, non-receipt of application money and other issues concerning the shareholders / investors.

The Committee also looks into matters which can facilitate/smoothen investor's services and relations. Wherever deemed expedient, it also directs the Registrar and Share Transfer Agents (RTA) to ensure prompt redressal of genuine complaints of investors. The Committee also examines and recommends to the Board about appointment/removal of RTA and /or fees payable to them etc.

There were no complaints outstanding as on March 31, 2015 and investor grievances remained unattended/ pending for more than 30 days, during the year.

Name and designation of Compliance officer:

Mr. Pratik Shah - Whole time Director is the Compliance Officer of the Company.

c) Nomination & Remuneration Committee:

The Nomination and Remuneration Committee comprises of three Non-executive/Independent Directors.

During the year under review, the Nomination and Remuneration Committee met three (3) times on May 30, 2014, August 14, 2014 and November 14, 2014. The number of meetings attended by each member during the

year ended March 31, 2015 is as under:

Name of the member	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Mahendra V. Modi	Chairman	3	3
Mr. Amit Nandu	Member	3	3
Mr. Karan Rajput	Member	3	3

The Compliance officer acts as the Secretary to the committee.

➤ **Terms of reference:**

The Committee is empowered to –

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel.
- Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees

4. REMUNERATION POLICY:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the industry standards.

(a) Remuneration of Managing Director:

- At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Managing Director is broadly divided into fixed and variable component.
- The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise of performance bonus.
- In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall consider the following:
 1. The relationship of remuneration and performance benchmarks is clear;

2. Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
3. Responsibility of the Managing Director's and the industry benchmarks and the current trends;
4. The Company's performance vis-à-vis the annual budget achievement and individual performance.

(b) Remuneration of Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

(c) Remuneration of Senior Management Employees:

In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination & Remuneration Committee shall consider the following:

1. The relationship of remuneration and performance benchmark is clear;
2. The fixed pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
3. The components of remuneration includes salaries, perquisites and retirement benefits;
4. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned here in above, recommends the annual increment to the Nomination & Remuneration Committee for its review and approval.

The Board members are provided with necessary documents and policies to enable them to familiarize themselves with the Company's procedures and practices. The details of such familiarization programmes for Independent Directors of the Company are posted on the Company's website at www.eurovitrified.com

Details of remuneration and sitting fees paid to the Directors:

Details of remuneration/sitting fees paid during the year 2014-15 and number of shares held as on March 31, 2015 by the directors of the Company are as follows:

(Amount in ₹)

Name of the Directors	Salary & Perquisites	Performance/ Incentive/Bonus	Commission	Sitting Fees	Total	No. of Shares held
Mr. Nenshi L. Shah	15,00,000	-	-	-	15,00,000	14,85,440
Mr. Pratik Kumar Shah (w.e.f 01.06.2014)	-	-	-	-	-	1,61,060
Mr. Mahendra V. Modi	-	-	-	50,000	50,000	-
Mr. Karan Rajput	-	-	-	-	-	-
Mr. Amit Nandu	-	-	-	-	-	-
Mrs. Usha Kotian (w.e.f 28.03.2015)	-	-	-	-	-	-

Presently, the Company does not have any scheme to grant stock options either to the Whole-time directors or employees and the Independent Directors shall not be eligible for any stock options.

No remuneration/compensation is paid to non-executive directors.

5. VIGIL MECHANISM POLICY/ WHISTLE BLOWER MECHANISM:

The Company promotes ethical behavior in all its business activities and has put a mechanism of reporting illegal or unethical behavior. The Company has a Whistle Blower Policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the employees / workers. The confidentiality of those reporting violation is maintained and they are not subjected to any

discriminatory practice. However, no violation of laws or unethical conduct etc was brought to the notice of the Management or Audit Committee during the year ended March 31, 2015, no employee of the Company was denied access to the Audit Committee.

6. SUBSIDIARY COMPANIES

As on March 31, 2015, the Company has a subsidiary Company i.e. 'Euro Merchandise India Limited' which does not fall under the norms prescribed in Clause 49 of the Listing Agreement classifying it as "Material non-listed Indian Subsidiary".

7. GENERAL BODY MEETINGS AND POSTAL BALLOT:

Details of Venue, time and date where last three Annual General Meetings were held are given below:

Financial Year	Date	Time	Venue	Special Resolution passed
2011-12	September 28, 2012	11.00 a.m.	Swagat Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400095	--
2012-13	August 22, 2013	11.30 a.m.	Swagat Bageecha, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400095	--
2013-14	September 30, 2014	10.00 a.m.	Gomantak Seva Sangh, 72/A, Mahant Road Extension, Vile Parle (East), Mumbai- 400 057	1) Increase in the borrowing powers of the Company under section 180(1)(c) of the Companies Act, 2013; 2) Granting authority to create charge /mortgage on the assets of the Company under section 180(1)(a) of the Companies Act, 2013; 3) Adoption of new set of Articles of Association of the Company;

During the year under review, no resolution was passed through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

8. DISCLOSURES**a) Related-party transactions**

Related party transactions are defined as transactions of the Company of material nature, with promoters, Directors or with their relatives; its subsidiaries etc. None of the transactions with any of the related parties were in conflict

with the interest of the Company.

The transactions with the related parties, as per the requirements of the Accounting Standard (AS) 18, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transaction is available on Company's website at www.eurovitrified.com

b) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory Authorities.

c) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed accounting standards issued by the Institute of the Chartered Accountants of India to the extent applicable.

d) Disclosure of Risk management

The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

e) CEO / CFO Certification

In terms of Clause 49 (IX) of the Listing Agreement, Mr. Nenshi L. Shah, Chairman and Managing Director, and Mr. Paresh Kanji Shah, CFO have submitted a certificate to the Board of Directors in the prescribed format in respect of financial year ended March 31, 2015.

f) Review of Directors' Responsibility statement

The Board, in its report, has confirmed that the annual accounts for the year ended March 31, 2015 have been prepared as per applicable accounting standards and policies, and that sufficient care has been taken for maintaining adequate accounting records.

g) Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. The details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant sections of this report.

9. MEANS OF COMMUNICATION

- **Quarterly Results:** Quarterly Results are published in accordance with the provisions of the Listing Agreement. The results are published in English Newspapers viz. Business Standard and in Marathi newspapers viz. Mahanayak.
- **Website:** The Company's website www.eurovitrified.com contains a separate dedicated section- "Investor Relationship"- where shareholders information is available. Un-audited quarterly results, annual results and Shareholding Pattern, Code of Conduct for the Board of Directors and Senior Management Personnel, are also available on the website in a user-friendly and downloadable form.

10. GENERAL INFORMATION FOR SHAREHOLDERS

a)	Date, Time and Venue of Annual General Meeting	Date : Tuesday, September 29, 2015 Time : 10.00 a.m. Venue : Gomantak Seva Sangh, 72/A, Mahant Road Extension, Vile Parle (East), Mumbai – 400057
b)	Financial Year	April 1, 2014 to March 31, 2015
c)	Book Closure dates	Wednesday September 23, 2015 to Tuesday, September 29, 2015 (both days inclusive)
d)	Financial Calendar (2015- 2016)	Result for the quarter ended June 30, 2015 - on August 14, 2015 Result for the quarter ending September 30, 2015 - by November 14, 2015 Result for the quarter ending December 31, 2015 - by February 14, 2015 Audited Result for the year/ quarter ending March 31, 2016 - by May 30, 2016.
e)	Dividend payment date	Not applicable
f)	Listing on Stock Exchanges	BSE Limited (BSE) & National Stock Exchange of (India) Limited (NSE)
g)	Stock Code / Symbol ISIN for CDSL and NSDL	BSE - 532823 NSE – EUROCERA INE649H01011
h)	Cut off Date	September 22, 2015

i) Market Price Data:

The monthly high and low quotations of shares traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during each month in 2014-15 are as follows:

Month	BSE*		BSE Sensex*		NSE**		CNX Nifty** (Points)	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
Apr-14	5.10	3.46	22939.31	22197.51	5.10	3.60	6869.85	6650.40
May-14	5.96	3.71	25375.63	22277.04	6.05	3.80	7563.50	6638.55
Jun-14	9.18	6.25	25725.12	24270.20	9.30	6.35	7700.05	7239.50
Jul-14	11.50	8.85	26300.17	24892.00	12.10	8.50	7840.95	7422.15
Aug-14	10.10	8.40	26674.38	25232.82	10.10	7.45	7968.25	7540.10
Sep-14	8.90	6.48	27354.99	26220.49	7.65	5.20	8180.20	7841.80
Oct-14	7.80	6.22	27894.32	25910.77	7.20	6.15	8330.75	7723.85
Nov-14	9.00	6.16	28822.37	27739.56	8.50	6.05	8617.00	8290.25
Dec-14	6.43	4.70	28809.64	26469.42	5.90	4.45	8626.95	7961.35
Jan-15	6.29	4.55	29844.16	26776.12	6.75	4.90	8996.60	8065.45
Feb-15	5.61	4.06	29560.32	27248.45	5.50	4.10	8941.10	8470.50
Mar-15	8.97	4.12	30024.74	26897.54	8.95	4.40	9119.20	8269.15

Source : * www.bseindia.com, ** www.nseindia.com

j) Shareholding Pattern as on March 31, 2015:

Sr. No.	Category	No. of shares held	Percentage of Shareholding (%)
1	Promoters	75,04,557	22.24
2	Foreign Institutional Investors	-	-
3	Bodies Corporate	14,91,746	4.42
4	Financial Institutions/Banks	99,43,705	29.47
5	Clearing Member	1,77,369	0.53
6	Non Resident Indians	33,19,158	9.84
7	Resident Individuals (Public)	1,13,01,182	33.50
	Total	3,37,37,717	100.00

k) Distribution of Shareholding as on March 31, 2015:

Shareholding (No. of Shares)	Number of Share-holders	% of total number of share-holders	Total Number of Shares	% of Total Number of Shares
1 to 500	5785	85.20	704880	2.09
501 to 1000	421	6.20	350173	1.04
1001 to 2000	262	3.86	391154	1.16
2001 to 3000	89	1.31	232545	0.69
3001 to 4000	33	0.49	118225	0.35
4001 to 5000	51	0.75	234593	0.70
5001 to 10000	60	0.88	406261	1.20
10001 and above	89	1.31	31299886	92.77
Total	6790	100.00	33737717	100.00

l) Share Transfer System:

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agent within 15 days of the lodgement, if documents are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days. The Company obtains, from a Practicing Company Secretary, a half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement entered into with Stock Exchanges and files a copy of the certificate with the concerned Stock Exchanges.

m) Dematerialization of shares and liquidity:

As on March 31, 2015 the total number of Equity Shares of the Company in dematerialization form, stood at

2,61,00,410 Shares (representing 77.36% of the Company's Paid-up Equity Share Capital of the Company).

n) Outstanding ADRs, GDRs, Warrants or any convertible instruments, conversion date and impact on Equity.

As on March 31, 2015, the Company did not have any outstanding ADRs, GDRs, Warrants or any convertible instruments.

o) Plant Location:

Survey No. 510, 511, 512, 517/1,
Bhachau Dudhai Road,
Bhachau (Kutch),
Gujarat – 370140

p) Registrar & Share Transfer Agent:

M/s. Link Intime India Private Limited has been appointed as one point agency, for dealing with shareholders. Shareholders correspondence should be addressed to the Company's Registrar & Share Transfer Agent at the

address mentioned below:

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg,
Bhandup (West),
Mumbai – 400 078
Tel: 91 22 2594 6970
Fax: 91 22 2594 6969
E-mail: helpline@linkintime.co.in

q) Address for Investor Correspondence:

Shareholders can contact the Compliance Officer for Share / Secretarial related matters of the Company at the below mentioned address:

Mr. Pratik Shah
Compliance Officer
Euro Ceramics Limited
208, Sangam Arcade, Vallabhbhai Road,
Opp. Railway Station, Vile Parle (West),
Mumbai - 400056
E-mail: sales@eurocl.com
Tel No.: 91 22 4019 4019
Fax No.: 91 22 4019 4020

Declaration on Compliance with Code of Conduct:

It is hereby confirmed that the Company has adopted Code of Conduct for the Board of Directors and Senior Management Personnel of the Company and all have affirmed their adherence to the code during the year.

For Euro Ceramics Limited

Place: Mumbai
Date: August 14, 2015

Nenshi L. Shah
Chairman & Managing Director

Auditors Certificate on Compliance of the Corporate Governance

To ,
The members of
EURO CERAMICS LIMITED

We have examined the Compliance of the conditions of Corporate Governance by **EURO CERAMICS LIMITED** for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and based on the information and explanations given to us and the representations made by management and to the best of our knowledge and belief, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deepak Maru & Co.
Chartered Accountants
ICAI Firm Registration No. 115678W

Place: Mumbai
Date: August 14, 2015

Jaymin P. Shah
Membership No. 118113
Partner

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

To the members of **Euro Ceramics Limited**

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of Euro Ceramics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the standalone financial statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the Accounting Standards and matters which are required to be included in the audit report.
5. We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give

a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over the financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, **except for** the matters illustrated and described in the **Basis for Qualified Opinion** herein below, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. The attention is invited to note no.33 to the financial statements, towards the fact that the Company's financial facilities/arrangements including Term Loans, Working Capital Facilities and Non Fund Based Credit Facilities have expired and the accounts with the Banks have turned into Non Performing Assets since more than 2 years.

The Company is unable to renegotiate, restructure or obtain replacement of financing arrangements and the banks have initiated legal proceedings for the recovery from the Company u/s. 19 of the Debt Recovery Tribunal (DRT), u/s. 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security (Second) Interest (SARFAESI) Act, 2002 and winding up petition at Mumbai High Court. In addition to this, the Group has been continuously incurring substantial losses since past few years and as on March 31, 2015, the Company's current liabilities exceed its current assets by ₹ 43,777.81 lacs. Further, the networth of the Company has fully eroded and the Company has filed for registration u/s. 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, before the Hon'ble Board for Industrial & Financial Reconstruction.

All the above events indicate a material uncertainty that casts a significant doubt on the Company's ability to continue as a going concern

and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial results do not disclose the fact that the fundamental accounting assumption of going concern has not been followed.

2. Further attention is also invited to note no.34 to the financial statements, the Company on the basis of registration filed u/s. 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, before the Hon'ble Board for Industrial & Financial Reconstruction, and the hearings for which are in process for determination of sickness; has not provided for interest on financing facilities amounting to ₹ 8,758.47 lacs for the year ending March 31, 2015, subject to reconciliation with banks. Had the same been provided, the loss for the year ending March 31, 2015, would have increased by ₹ 8,758.47 lacs. The corresponding liabilities would also have increased by ₹ 8,758.47 lacs as at March 31, 2015.
3. The Company has not provided for impairment or diminishing value of its assets/investment as per 'Accounting Standard 28 – Accounting for Impairment of Assets' as notified under the Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated September 30, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The effect of such Impairment or diminishing value has not been quantified by the management and hence the same is not ascertainable.

Report on other legal and regulatory requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as 'the Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014, except for as stated in basis for qualifications above.
- e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as director in terms of section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015, on its financial position in its standalone financial statements **except as stated in basis for qualifications above;**
 - ii) The Company has made provision as at March 31, 2015 as required under the applicable law or Accounting Standards for material foreseeable losses, if any, on long-term contracts including derivative contracts **except as stated in basis for qualifications above;**
 - iii) **There has been delay in transferring unclaimed dividend amounting to ₹ 25,303/- pertaining to financial year 2006-07 into the Investor Education and Protection Fund, by the Company during the year ended March 31, 2015.**

For Deepak Maru & Co.

Chartered Accountants

ICAI Firm Registration No. 115678W

Jaymin P. Shah

Membership No. 118113

Partner

Place: Mumbai

Date: May 30, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Euro Ceramics Limited on the standalone financial statements as of and for the year ended March 31, 2015)

(1) In respect of Fixed Assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(2) In respect of its Inventories:

- a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the respective entities and the nature of their businesses.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(3) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under section 189 of the Act:

- a) According to the information and explanation given to us, the Company has granted loan to party covered in the register maintained under section 189 of the Act.
- b) In our opinion and according to the information and explanations given to us, there are no stipulations made regarding repayment of principal amount and interest. Hence we are unable to comment as to regularity of repayments of principal and interest amount.**

(4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the respective entities and the nature of their businesses with regards to purchases of inventory, fixed assets and with regards to the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weakness in the aforesaid internal control system.

(5) In our opinion and according to the information and explanations given to us, the Company during the year has not accepted any deposits from the public within the meaning of section 73 & 76 of the Act and the Rules framed there under to the extent notified. Further in respect of deposits accepted by the Company before the commencement of this Act, within the meaning of section 74 & 75 of the Act and the Rules framed there under to the extent notified, the principal amount of such deposits and interest due thereon remained unpaid even after expiry of one year from such commencement. However, the Company duly filed an application within the meaning of section 74(2) with the Company Law Board requesting to allow further time for compliance. However the final decision of the Tribunal as required under section 75 (1) of the Act is still awaited.

(6) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the products of the Company.

(7) In respect of Statutory Dues:

- a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion the Company has been facing liquidity stress since past few years due to which there were delays in depositing various undisputed statutory dues with appropriate authorities including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to it and there are no arrears of outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable except service tax payable amounting to ₹ 9.81 lacs.
- b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, as at March 31, 2015, which have not been deposited on account of any dispute. However there are dues of income tax which have not been deposited on account of a dispute which are as under:

Name of the Statute	Nature of Dues	Amount ₹	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Demand arisen pursuant to assessment	207.76 lacs	Financial Year 2011-12	Assessing officer

c) There has been delay in transferring unclaimed dividend amounting to ₹ 25,303/- pertaining to financial year 2006-07 into the Investor

Education and Protection Fund, by the Company during the year ended March 31, 2015.

- (8) The Company has accumulated losses at the end of financial year and also had the same at the end of the immediately preceding financial year. However the Company has not incurred cash loss during the financial year covered by our audit but had incurred cash losses in the immediately preceding financial year. The accumulated losses of the Company have exceeded its net worth.
- (9) In our opinion and according to the information and explanations given to us the Company has defaulted in repayment of loans and interests dues to the banks and financial institution. The principal outstanding of Term Loans and Cash Credit facilities amounts to ₹ 45,453.37 lacs and overdue interest (not provided) calculated based on last sanction letters amounts to ₹ 18,044.93 lacs as at March 31, 2015, subject to reconciliation with the banks. The period of default is more than 2 years.

(10) According to the information and explanations given to us, the Company has given the guarantee for loans taken by its subsidiary from bank. The terms and conditions of the same are not prejudicial to the interest of the Company. However in our opinion the said subsidiary has been continuously incurring losses and its net worth has been fully eroded and there is substantial doubt whether the said subsidiary would be able to repay its liabilities or realize its assets.

(11) In our opinion, the term loans are being applied for the purpose for which they were obtained.

(12) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Deepak Maru & Co.
Chartered Accountants
ICAI Firm Registration No. 115678W

Place: Mumbai
Date: May 30, 2015

Jaymin P. Shah
Membership No. 118113
Partner

Balance Sheet As at March 31, 2015

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
		₹	₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	337,377,170	337,377,170
(b) Reserves and surplus	2	(1,948,123,950)	(734,310,647)
		(1,610,746,780)	(396,933,477)
2 Non-current liabilities			
(a) Long-term borrowings	3	322,204,147	331,555,827
(b) Deferred tax liabilities (net)		152,392,056	152,392,056
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
		474,596,203	483,947,883
3 Current liabilities			
(a) Short-term borrowings	4	145,833,477	147,933,477
(b) Trade payables	5	303,719,638	323,603,426
(c) Other current liabilities	6	4,883,559,040	4,892,571,395
(d) Short-term provisions	7	7,491,849	5,146,448
		5,340,604,004	5,369,254,746
TOTAL		4,204,453,426	5,456,269,152
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	3,134,144,603	4,015,900,084
(ii) Capital work-in-progress		-	-
		3,134,144,603	4,015,900,084
(b) Non-current investments	9	13,410,750	27,760,750
(c) Long-term loans and advances	10	94,075,144	95,299,503
		3,241,630,497	4,138,960,337
2 Current assets			
(a) Inventories	11	320,882,205	320,599,468
(b) Trade receivables	12	131,102,584	147,809,941
(c) Cash and Bank Balances	13	31,517,794	28,219,807
(d) Short-term loans and advances	14	479,204,187	820,611,175
(e) Other current assets	15	116,159	68,423
		962,822,929	1,317,308,814
TOTAL		4,204,453,426	5,456,269,152
Significant Accounting Policies and Notes on Financial Statements forming part of the financial statements	1 to 39		

In terms of our report attached.

For Deepak Maru & Co.

Chartered Accountants

ICAI Firm Registration No. 115678W

For and on behalf of the Board of Directors**Nenshi L. Shah**

(Chairman & Managing Director)

Pratik K. Shah

(Whole-Time Director)

Jaymin P. Shah

Membership No. 118113

Partner

Paresh K. Shah

(Chief Financial Officer)

Place : Mumbai**Date : May 30, 2015****Place : Mumbai****Date : May 30, 2015**

Statement of Profit and Loss For the year ended March 31, 2015

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
		₹	₹
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	16	541,959,517	827,768,848
Less: Excise duty		44,850,836	61,483,845
		497,108,681	766,285,003
2 Other Income	17	27,109,414	67,695,555
3 Revenue from operations (net)		524,218,095	833,980,558
4 Expenses			
(a) Cost of materials consumed	18	238,851,851	465,707,854
(b) Purchases of stock-in-trade	18.1	13,914,697	12,128,732
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18.2	925,318	63,525,681
(d) Employee benefits expense	19	57,677,106	88,178,240
(e) Finance Cost	20	6,995,102	16,435,231
(f) Depreciation and amortisation expense	8	288,279,945	296,160,688
(g) Other expenses	21	182,723,976	241,842,651
Total Expenses		789,367,995	1,183,979,078
5 Profit / (Loss) before exceptional and extraordinary items and tax		(265,149,900)	(349,998,520)
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax		(265,149,900)	(349,998,520)
8 Extraordinary items	32	355,217,347	-
9 Profit / (Loss) before tax		(620,367,247)	(349,998,520)
10 Tax expense:			
Current tax expense relating to prior years		-	(176,159)
11 Profit / (Loss) for the year		(620,367,247)	(349,822,361)
12 Earnings per share (of ₹ 10/- each) :			
(a) Basic		(18.39)	(13.00)
(b) Diluted		(18.39)	(13.00)
Significant Accounting Policies and Notes on Financial Statements forming part of the financial statements	1 to 39		

In terms of our report attached.

For Deepak Maru & Co.

Chartered Accountants

ICAI Firm Registration No. 115678W

For and on behalf of the Board of Directors**Nenshi L. Shah**

(Chairman & Managing Director)

Pratik K. Shah

(Whole-Time Director)

Jaymin P. Shah

Membership No. 118113

Partner

Paresh K. Shah

(Chief Financial Officer)

Place : Mumbai**Date : May 30, 2015****Place : Mumbai****Date : May 30, 2015**

Cash Flow Statement For the year ended March 31, 2015

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(265,149,900)		(349,998,520)
<i>Adjustments for:</i>				
Depreciation and amortisation	288,279,945		296,160,688	
Amortisation of Software Expenses	-		2,041,059	
(Profit) / loss on sale / write off of assets & Investments	372,714		1,991,797	
Finance costs	6,995,102		16,435,231	
Interest income	(3,108,605)		(7,029,720)	
Sale of Trademark	(3,000,000)		-	
Rental income from investment properties	(1,139,870)		(1,024,575)	
Share of (profit)/Loss from partnership firms	321,316	288,720,603	688,969	309,263,449
Operating profit / (loss) before working capital changes		23,570,702		(40,735,072)
<i>Changes in working capital:</i>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(282,737)		79,985,140	
Trade receivables	16,707,358		56,126,043	
Short-term loans and advances	439,640		(54,319,926)	
Long-term loans and advances	1,224,359		4,574,265	
Other current assets	(47,736)		(47,737)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(19,883,788)		(5,251,718)	
Other current liabilities	(9,012,357)		(16,309,199)	
Short-term provisions	2,345,401	(8,509,861)	(15,385,115)	49,371,753
		15,060,841		8,636,681
Cash flow from extraordinary items		-		-
Cash generated from operations		15,060,841		8,636,681
Net income tax (paid) / refunds		-		65,245,091
Net cash flow from / (used in) operating activities (A)		15,060,841		73,881,772
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(466,290)		(36,000)	
Proceeds from sale of fixed assets	123,052		592,737	
Sale of Trademark	3,000,000			
Interest received	3,108,605		7,029,720	
Rental income from investment properties	1,139,870		1,024,575	
(Increase)/decrease in Investment	100,000		-	
Amounts received from partnership firms	(321,316)	6,683,921	(688,969)	7,922,063
Net cash flow from / (used in) investing activities (B)		6,683,921		7,922,063
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		125,999,997	
Repayment of long-term borrowings	(9,351,681)		(179,723,779)	
Repayment of other short-term borrowings	(2,100,000)		(13,853,790)	
Finance cost	(6,995,102)	(18,446,783)	(16,435,231)	(84,012,803)
Net cash flow from / (used in) financing activities (C)		(18,446,783)		(84,012,803)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		3,297,979		(2,208,967)
Cash and cash equivalents at the beginning of the year		28,219,807		30,428,774
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		31,517,787		28,219,807

Cash Flow Statement For the year ended March 31, 2015

Particulars	For the year ended		For the year ended	
	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 13)		31,517,787		28,219,807
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		-		-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		31,517,787		28,219,807
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		-		-
Cash and cash equivalents at the end of the year *		31,517,787		28,219,807
* Comprises:				
(a) Cash on hand		2,191,589		1,136,362
(b) Balances with banks				
(i) In current accounts		3,889,377		1,646,626
(ii) In earmarked accounts (Refer Note (ii) below)		139,619		139,619
(c) Others - Fixed Deposits Kept as Margin Money		25,297,201		25,297,201
		31,517,787		28,219,807
Note : (i) The Cash Flow statement reflects the Combined Cash Flow pertaining to continuing and discontinuing operations (ii) This earmarked account balances with Banks can be utilized only for the specific identified purposes.				

In terms of our report attached.

For Deepak Maru & Co.

Chartered Accountants

ICAI Firm Registration No. 115678W

For and on behalf of the Board of Directors

Nenshi L. Shah

(Chairman & Managing Director)

Pratik K. Shah

(Whole-Time Director)

Jaymin P. Shah

Membership No. 118113

Partner

Paresh K. Shah

(Chief Financial Officer)

Place : Mumbai

Date : May 30, 2015

Place : Mumbai

Date : May 30, 2015

Notes forming part of the Financial Statements For the year ended March 31, 2015

SIGNIFICANT ACCOUNTING POLICIES

A Basis of accounting and preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

B System of accounting and Use of estimates

- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- (ii) Financial statements are prepared under the historical cost convention. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- (iii) Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

C Inventories

Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase, cost of conversion and all other costs incurred in bringing the goods to their respective present location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

D Cash and Bank Balances

Cash and Bank Balances also include fixed deposits, margin money deposits, earmarked balances with bank, other bank balances and cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

E Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

F Depreciation and amortisation

- (i) From the current year, depreciation is provided on a pro rata basis on the straight line method (SLM method) over the useful lives of the respective assets as defined in Schedule II-Part 'C' of the Companies Act, 2013 as against the past practice of computing depreciation at rates with reference to the life of the assets subject to the minimum rates provided by Schedule XIV of the Companies Act, 1956.
- (ii) The Vitrified Ceramic Tile Plant and the allied Machineries have been classified as a continuous process plant on technical assessment & depreciation has been provided accordingly.
- (iii) Depreciation on additions is being provided on a pro-rata basis from the date of such additions.
- (iv) Depreciation on assets sold, discarded or demolished during the year is being provided at their rates upto the date on which such assets are sold, discarded or demolished.

G Revenue recognition

- (i) "Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Notes forming part of the Financial Statements For the year ended March 31, 2015

- (ii) Export Incentives on Advance License are recognised on accrual basis.
- (iii) Interest Income is recognized on accrual basis and dividend income is accounted for when the right to receive the same is established.

H Tangible fixed assets

- (i) Fixed assets are stated at cost net of tax / duty credits availed if any less accumulated depreciation.
- (ii) The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.
- (iii) Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.
- (iv) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- (v) Tangible Assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable interest are disclosed under capital work-in-progress.

I Foreign currency transactions and translations

- (i) Transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction or the rate approximate to the actual rate at the date of transaction. Exchange Rate fluctuation between the transaction date and the settlement date in respect of revenue transactions are recognized in Statement of Profit and Loss and in respect of acquisition of the fixed assets are adjusted to the cost of the respective assets.
- (ii) Non-monetary foreign currency items are carried at cost.
- (iii) Monetary Items of Current Assets & Liabilities denominated in Foreign Currency are translated at year end exchange rates and the Profit/Loss so determined is recognized in the Profit & Loss account.
- (iv) The profit/loss on cancellation or renewal of derivative instruments such as forward contract and option contract undertaken to hedge exchange fluctuation/price risks are recognized as income/expenses in the Statement of Profit and Loss for the year.

J Investments

Non-Current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

K Employee benefits

(i) Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salary, wages, short term compensated absences etc. and the expected cost of bonus / performance incentives are recognised in the period in which the employee renders the related service.

(ii) Defined contribution plans

The Company's contribution to provident fund and employees state insurance scheme and other welfare funds are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

(iii) Defined benefit plans

The employees gratuity fund scheme managed by the trust is the Company's defined benefit plan. The present value of the obligation under such plan is determined based on actuarial valuation using the projected unit credit method. In case of a funded plan, the fair value of the plan assets is reduced from the gross obligation to recognise such obligation on a net basis.

Notes forming part of the Financial Statements For the year ended March 31, 2015**L Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing Costs attributable to acquisition and construction of qualifying asset are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use or sale. A qualifying asset is the one that necessarily takes a substantial period to get ready for intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

M Segment reporting

- (i) The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.
- (ii) "The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
- (iii) Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.
- (iv) Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

N Earning Per Share

In determining the earnings per share, the Company considers the net profit/loss after tax and post tax effect of any extraordinary/exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares considered for computing diluted earnings per share comprises the weighted average number of shares used for deriving the basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.

O Taxes on income

- (i) "Provision for taxation comprises of Current tax and Deferred Tax. Current tax Provision has been made in accordance with the Income Tax Act, 1961.
- (ii) "Deferred tax for timing differences between the book and tax profits for the period is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.
- (iii) "Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.
- (iv) Deferred tax assets are recognized on unabsorbed losses only if there is virtual certainty that such deferred tax asset can be realized against future taxable profit.

P Impairment of assets

An asset is treated as impaired when the carrying cost of such asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Q Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the financial statements

Note 1:- SHARE CAPITAL

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹ 10 each	35,000,000	350,000,000	35,000,000	350,000,000
(b) Issued, Subscribed and fully paid up Equity shares of ₹ 10 each	33,737,717	337,377,170	33,737,717	337,377,170
Total	33,737,717	337,377,170	33,737,717	337,377,170

Terms and Rights attached to the Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. No Dividends were proposed by the Board of Directors for the financial year 2014-2015 / 2013-2014. In the event of liquidation of the Company, equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution shall be in proportion to the number of equity shares held by them.

1.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Add: Shares issued	Closing Balance
Equity shares with voting rights Year ended March 31, 2015			
- Number of shares	33,737,717	-	33,737,717
- Amount (₹)	337,377,170	-	337,377,170
Year ended March 31, 2014			
- Number of shares	28,578,012	5,159,705	33,737,717
- Amount (₹)	285,780,120	51,597,050	337,377,170

1.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Dharmesh Kishor Gathani	6,826,757	20.23%	6,753,767	20.02%
Jointly with Deena Kishor Gathani	2,477,579	7.34%	2,477,579	7.34%
Milankumar Dhirajlal Mehta	4,783,606	14.18%	4,949,901	14.67%
ICICI Bank Ltd	4,135,954	12.26%	4,135,954	12.26%
State Bank of India				

Notes forming part of the financial statements

1.3 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares			
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Equity shares with voting rights				
Shares issued on conversion of Compulsorily Convertible Debentures of even numbers pursuant to completion of its tenure, without its payments being received in cash.	-	5,159,705	-	-
Shares out of the issued, subscribed and paid-up share capital were allotted pursuant to Scheme of Corporate Debt Restructuring (CDR) without payments being received in cash.	-	-	2,149,878	-
Shares out of the issued, subscribed and paid-up share capital were allotted pursuant to Scheme of Demerger without payments being received in cash.	-	-	-	9,328,134
Fully paid up by way of bonus shares	-	-	-	-
Shares bought back	-	-	-	-

Note 2:- RESERVES & SURPLUS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(a) Capital reserve (on Demerger)		
Opening balance	49,728,952	49,728,952
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	49,728,952	49,728,952
(b) Securities premium account		
Opening balance	1,096,659,721	1,022,256,774
Add : Premium on shares issued during the year	-	74,402,947
Less : Utilised during the year	-	-
Closing balance	1,096,659,721	1,096,659,721
(c) General reserve		
Opening balance	10,000,000	10,000,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Depreciation on Assets (Refer Note No. 31)	(593,446,056)	-
Closing balance	(583,446,056)	10,000,000
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(1,890,699,320)	(1,540,876,959)
Add: Profit / (Loss) for the year	(620,367,247)	(349,822,361)
Less: Appropriations	-	-
Closing balance	(2,511,066,567)	(1,890,699,320)
Total (a + b + c + d)	(1,948,123,950)	(734,310,647)

Notes forming part of the financial statements

Note 3:- LONG TERM BORROWINGS

Particulars	Long Term Debts	Current Maturities of Long Term Debt	Long Term Debts	Current Maturities of Long Term Debt
	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014
	(₹)	(₹)	(₹)	(₹)
SECURED:				
(a) Term loans				
(i) From banks (Refer Note No. 3.1 to 3.6)	-	3,529,202,977	-	3,529,202,977
(ii) From others	-	-	-	-
(b) Vehicle Loans	-	235,656	175,480	567,696
Total	-	3,529,438,633	175,480	3,529,770,673
UNSECURED:				
(a) Zero Coupon Bonds	38,500,000	-	38,500,000	
(b) Deposits	65,769,165		71,167,165	
(c) Loans and advances from related parties	217,934,982		221,713,182	
Total	322,204,147	3,529,438,633	331,380,347	3,529,770,673
Less : Transfer to Other Current Liability	-	(3,529,438,633)	-	(3,529,770,673)
Total (Secured + Unsecured)	322,204,147	-	331,555,827	-

Note:

- 3.1 The Company has been incurring losses since F.Y.2011-12 onwards which has resulted in erosion of its net worth and depletion in its working capital. Eventually there were defaults in the repayment of obligations to banks and the relevant loan accounts - Term Loans, Cash Credits and other Non-Fund Based Credits classified as Non Performing Assets by the Lenders. Consequently the Lenders have called-off their advances and issued notice for recovery under section 19 of Recovery of Debts (DRT) and under section 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security (Second) Interest (SARFAESI) Act, 2002 to the Company.
- 3.2 The Company on the basis of audited accounts for the financial year ended March 31, 2013 has filed the reference under section 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board For Industrial And Financial Reconstruction (BIFR). The above reference has been duly registered by the Learned Registrar of Hon'ble BIFR and hearings of the same are in process for determination of sickness.
- 3.3 In the light of the above scenario, all the term loans from banks are no longer treated as Long Term Borrowings, but have been classified as Current maturities of Loans & Credit Facilities from Banks under Other Current Liabilities in Note No.6.

Notes forming part of the financial statements

3.4 Interest and Repayment Schedule for Long Term Borrowings (For the year ended March 31, 2015) :

Particulars	Type	Long Term Debts As At March 31, 2015 (₹)	Current maturities of long-term debt - included in Other Current Liabilities As At March 31, 2015 (₹)	Interest Rate Range % p.a. as at Year End	Repayment Schedule (as per last sanction letters)
Secured Borrowings	Term Loans from Banks :				
	Category I	-	159,300,000	8.00% to 14.00%	34 structured quarterly installments in a stepped up manner starting from Oct 2012 to March 2021 as prescribed in approved CDR Package.
	Category II	-	2,031,054,599	14.00%	38 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Category III	-	860,573,600	14.00%	38 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Category IV	-	478,274,779	14.00%	38 to 47 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Total	-	3,529,202,977		
	Vehicle Loans	-	235,656	8.00% to 13.50%	Equated Monthly Installments as per specific repayment schedule predetermined in case of each vehicle loan.
	Total	-	235,656		
	Grand Total	-	3,529,438,633		
Unsecured Borrowings	Zero Coupon Bonds	38,500,000	-	0.00%	385 Bonds of the F.V. of ₹ 1,00,000/- each, redeemable after March 31, 2021 as per approved CDR Package.
	Deposits	65,769,165	-	0.00% to 18.00%	No Specific Repayment Schedule has been prescribed by the Lendor.
	Loans and advances from related parties	217,934,982	-	0.00% to 18.00%	No Specific Repayment Schedule has been prescribed by the Lendor.
	Total	322,204,147	-		
	Grand Total	322,204,147	3,529,438,633		

Notes forming part of the financial statements

3.5 Interest and Repayment Schedule for Long Term Borrowings (For year ended March 31, 2014):

Particulars	Type	Long Term Debts As At March 31, 2014 (₹)	Current maturities of long-term debt - included in Other Current Liabilities As At March 31, 2014 (₹)	Interest Rate Range % p.a. as at Year End	Repayment Schedule (as per last sanction letters)
Secured Borrowings	Term Loans from Banks				
	Category I	-	159,300,000	8.00% to 12.00%	34 structured quarterly installments in a stepped up manner starting from Oct 2012 to March 2021 as prescribed in approved CDR Package.
	Category II	-	2,031,054,599	12.00%	38 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Category III	-	860,573,600	12.00%	38 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Category IV	-	478,274,779	12.00%	38 to 47 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Total	-	3,529,202,977		
	Vehicle Loans	175,480	567,696	8.00% to 13.50%	Equated Montly Installments as per specific repayment schedule predetermined in case of each vehicle loan.
	Total	175,480	567,696		
	Grand Total	175,480	3,529,770,673		
Unsecured Borrowings	Zero Coupon Bonds	38,500,000	-	0.00%	385 Bonds of the F.V. of ₹1,00,000/- each, redeemable after March 31, 2021 as per approved CDR Package.
	Deposits	71,167,165	-	0.00% to 18.00%	No Specific Repayment Schedule has been prescribed by the Lendor.
	Loans and advances from related parties	221,713,182	-	0.00% to 18.00%	No Specific Repayment Schedule has been prescribed by the Lendor.
	Total	331,380,347	-		
	Grand Total	331,555,827	3,529,770,673		

Notes forming part of the financial statements

3.6 Nature of Security for Long Term Secured Borrowings:

Category of Loan	Nature of Security
Category I	Secured against the pari passu charge created on Non Exclusive movable and immovable fixed assets worth ₹ 50 Cr., situated at Bhachau (Kutch), Gujarat
Category II	Secured against the First pari passu Charge created by mortgage on all the existing and future fixed assets situated at Bhachau (Kutch), Bharuch and Mumbai (except for plant & machinery of Calcareous Line II) and second charge created by hypothecation of current assets of the Company and against the collateral securities & Personal Guarantee given by the Directors and Related Parties.
Category III	Secured against Exclusive charge on all the moveable assets including its moveable plant and machinery, spares, tools and accessories, both present and future assets of the project situated at Bhachau, Kutch on plant pertaining to Calcareous Line II. Additional Security by way of tertiary charge on the current assets and fixed assets both moveable and immovable, present and future, located at Bhachau (Kutch), Gujarat and against the collateral securities & Personal Guarantee given by the Directors and Related Parties.
Category IV	Secured by way of tertiary charge on the current assets and fixed assets both moveable and immovable, present and future, located at Kutch, Gujarat and against the collateral securities & Personal Guarantee given by the Directors and Related Parties.
Vehicle Loans	Secured against the Hypothecation of underlying Company owned vehicles

Note 4:- SHORT TERM BORROWINGS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
UNSECURED:		
(a) Deposits	145,833,477	147,933,477
Total	145,833,477	147,933,477

4.1 As explained in Note No. 3.1, Lenders have claied off their advances granted by way of Term Loans, Cash Credit Facilities and other Non fund Base Limits, and in light of such senario all the secured working capital borrowings have been classified as Current Maturities of Loans and Credit Facilities from Banks under Other Current Liabilities in Note No. 6

4.2 Working capital loan from banks are secured against the hypothecation of present and future stocks of Raw Materials, Stock-In-Process, Finished Goods, Stock-In-Trade, Stores & Spares, Consumables and Book Debts and against the collateral securities & Personal Guarantee given by the Directors and Related Parties.

Note 5:- TRADE PAYABLES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Micro, Small and Medium Enterprises	3,965,761	3,965,761
Other	299,753,877	319,637,665
Total	303,719,638	323,603,426

5.1 The information of amounts outstanding to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

5.2 No interest is paid / payable during the year to any enterprise registered under the MSME.

Notes forming part of the financial statements

Note 6:- OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(a) Current maturities of Loans & Credit Facilities from Banks (Refer Note No. 3 to 4.2)	4,545,572,428	4,548,134,713
(b) Interest accrued and due on borrowings	286,041,222	286,041,222
(c) Unclaimed dividends	167,087	167,087
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Excise Duty, VAT, Service Tax, etc.)	18,967,102	29,034,890
(ii) Trade / security deposits received	1,808,207	4,476,692
(iii) Advances from customers	31,002,994	24,716,790
Total	4,883,559,040	4,892,571,395

Note 7:- SHORT TERM PROVISIONS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Provision for employee benefits:		
(i) Provision for bonus	1,550,818	1,485,875
(ii) Provision for leave encashments	1,728,455	1,386,779
(iii) Provision for gratuity (net) (Refer Note 35)	4,212,576	2,273,794
Total	7,491,849	5,146,448

Note 8:- FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block				Depreciation					Net Block	
	Cost as on 31-Mar-14	Additions	Deletions / Adjustment	Cost as on 31-Mar-15	Upto 31-Mar-14	Transferred to Retained Earnings	For the Y. E. 31-Mar-15	On Deletions	As on 31-Mar-15	As on 31-Mar-15	As on 31-Mar-14
Tangible Assets :											
I Land - Freehold	94,544,616	-	-	94,544,616	-	-	-	-	-	94,544,616	94,544,616
II Building	874,020,351	30,310	-	874,050,661	173,832,031	-	24,533,136	-	198,365,167	675,685,494	700,188,320
III Plant & Machinery	4,603,165,819	435,980	-	4,603,601,799	1,470,422,103	570,743,776	252,202,204	-	2,293,368,083	2,310,233,716	3,132,743,716
IV Furniture & Fixtures	48,247,334	-	452,469	47,794,865	19,674,389	14,137,626	8,344,428	139,929	42,016,514	5,778,351	28,572,945
V Office Equipments	13,237,540	-	8,500	13,229,040	4,640,615	7,770,050	80,033	3,145	12,487,553	741,487	8,596,925
VI Vehicles	21,118,443	-	310,845	20,807,598	12,654,755	630,843	2,089,983	132,970	15,242,610	5,564,988	8,463,688
VII Computers	10,242,958	-	-	10,242,958	10,008,813	163,762	14,350	-	10,186,925	56,033	234,145
VIII Power Project	268,032,690	-	-	268,032,690	225,476,962	-	1,015,811	-	226,492,773	41,539,917	42,555,728
Intangible Assets :											
I Trademarks	10,000	-	-	10,000	10,000	-	-	-	10,000	-	-
Grand Total	5,932,619,751	466,290	771,814	5,932,314,227	1,916,719,667	593,446,056	288,279,945	276,044	2,798,169,624	3,134,144,603	4,015,900,084
Previous Year	5,889,065,873	47,743,504	4,189,626	5,932,619,751	1,622,164,071	-	296,160,688	1,605,092	1,916,719,667	4,015,900,084	4,266,901,805

Notes forming part of the financial statements

Note 9:- NON-CURRENT INVESTMENTS

Particulars		As at March 31, 2015	As at March 31, 2014
		₹	₹
Investments (At cost):			
A. Other investments			
(a) Investment in equity instruments - Unquoted, fully paid up			
(i) of subsidiaries			
1,90,000 (As at March 31, 2014: 1,90,000) shares of ₹ 10 each in Euro Merchandise (India) Limited	14,250,000		14,250,000
Less : Provision for diminution in investment	(14,250,000)	-	
10,000 (As at March 31, 2014: 10,000) shares of ₹ 10 each in Subhnen Sanitaryware Private Limited	100,000		100,000
Less : Investment written off	(100,000)	-	
(ii) of other entities			
13,00,000 (As at March 31, 2014: 13,00,000) shares of ₹ 10 each in Euro Glass Private Limited		13,000,000	13,000,000
35,075 (As at March 31, 2014: 35,075) shares of ₹ 10 each in The Cosmos Co-Operative Bank Ltd. (Pledged with Bank)		350,750	350,750
		13,350,750	27,700,750
(b) Investment in government or trust securities			
6 Years National Savings Certificate (Deposited with Sales Tax Department)		10,000	10,000
(c) Investment in partnership firms			
M/s. Euro Realtors (Fixed Capital)		50,000	50,000
Share of Profit/Loss - 95% and Other Partner Dharmesh Gathani 5%			
Total		13,410,750	27,760,750

Note 10:- LONG TERM LOANS AND ADVANCES

Particulars		As at March 31, 2015	As at March 31, 2014
		₹	₹
Unsecured, considered good			
(a) Capital advances		-	-
(b) Security deposits		11,950,613	9,098,389
(c) Prepaid expenses		25,666,668	29,944,445
(d) Advance income tax (Net of Provisions)		3,194,180	2,992,986
(e) MAT Credit Entitlement		53,263,683	53,263,683
Total		94,075,144	95,299,503

Notes forming part of the financial statements

Note 11:- INVENTORIES

(As Valued and Certified by Management)

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(a) Raw Materials & Consumables	119,738,676	112,180,636
(b) Work-in-progress	20,950,311	19,224,977
(c) Finished goods (other than those acquired for trading)	118,758,238	122,277,149
(d) Stock-in-trade (acquired for trading)	16,496,000	15,627,741
(e) Stores and spares	40,139,330	46,628,467
(f) Power & Fuel	162,622	181,182
(g) Packing Materials	4,637,028	4,479,316
Total	320,882,205	320,599,468

Note 12:- TRADE RECEIVABLES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Unsecured and considered good Outstanding for a period exceeding six months from the date they were due for payment	138,775,364	131,160,341
Less : Provision for Doubtful Debts	47,446,739	58,090,589
	91,328,625	73,069,752
Others	39,773,958	74,740,189
Total	131,102,584	147,809,941

Note 13:- CASH AND BANK BALANCES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(a) Cash and cash equivalents		
(i) Balances with banks		
- In current accounts	3,889,377	1,646,626
(ii) Cash on hand	2,191,596	1,136,362
	6,080,974	2,782,987
(b) Other Bank Balances		
In earmarked accounts		
(i) Balances held as margin money or security against borrowings, guarantees and other commitments.	25,297,201	25,297,201
(ii) Unclaimed Dividend Account	139,619	139,619
Total	31,517,794	28,219,807

Notes forming part of the financial statements

Note 14:- SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Unsecured, considered good		
(a) Loans and advances to related parties	779,113,791	779,564,670
Less : Provision for Diminution in Investment / Loans & Advances	(340,967,347)	-
	438,146,444	779,564,670
(b) Loans and advances to employees	3,085,669	2,216,559
(c) Prepaid expenses	1,856,269	2,321,543
(d) Balances with government authorities		
(i) CENVAT credit receivable	124,051	580,125
(ii) VAT credit receivable	6,801,077	7,502,994
(iii) Service Tax credit receivable	3,233,573	2,630,960
(e) Others	25,957,104	25,794,324
Total	479,204,187	820,611,175

14.1 Discloser as per Clause 32 of Listing Agreement

(a) Loans and Advances in the nature of loan given to Related Parties or Subsidiaries

Particulars	As at March 31, 2015	As at March 31, 2014	Maximum Amount due at any time during the Year Ended March 31, 2015	Maximum Amount due at any time during the Year Ended March 31, 2014
	₹	₹	₹	₹
Euro Realtors	775,992,577	776,313,892	776,313,892	777,002,862

(b) Loans and Advances in the nature of loan given to Employees

Particulars	As at March 31, 2015	As at March 31, 2014	Maximum Amount due at any time during the Year Ended March 31, 2015	Maximum Amount due at any time during the Year Ended March 31, 2014
	₹	₹	₹	₹
Employee Loan given in the ordinary course of the business and as per the service rules of the Company, where there are no repayment schedule and no interest or at an interest rate below which is specified in Section 186 of the Companies Act, 2013	1,504,899	1,416,295	1,996,438	2,817,447

Note 15:- OTHER CURRENT ASSETS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(i) Interest Accrued On Fixed Deposits	116,159	68,423
Total	116,159	68,423

Notes forming part of the financial statements

Note 16:- REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
(a) Sale of products (Refer Note 16.1 below)	536,300,307	825,674,214
(b) Sale of services (Refer Note 16.2 below)	5,407,023	6,790,388
(c) Other operating revenues (Refer Note 16.3 below)	252,187.00	(4,695,754)
	541,959,517	827,768,848
(d) Less : Excise Duty	44,850,836	61,483,845
Total	497,108,681	766,285,003

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
16.1 Sale of products comprises:		
<u>Manufactured goods</u>		
Tiles	260,921,454	631,827,854
Others	260,406,742	172,965,737
Total - Sale of manufactured goods	521,328,196	804,793,590
<u>Traded goods</u>		
Others	14,972,112	20,880,624
Total - Sale of traded goods	14,972,112	20,880,624
Total - Sale of products	536,300,307	825,674,214
16.2 Sale of services comprises:		
Others	5,407,023	6,790,388
Total - Sale of services	5,407,023	6,790,388
16.3 Other operating revenues comprise:		
Sale of scrap	208,054	-
Export incentives on Advance Licenses and Focus Licenses	44,133	(4,695,754)
Total - Other operating revenues	252,187	(4,695,754)

Note 17:- OTHER INCOME

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
(a) Interest income (Refer Note 17.1 below)	3,108,605	7,029,720
(b) Commission Received	145,827	-
(c) Other non-operating income (net of expenses directly attributable to such income)(Refer Note 17.2 below)	23,854,982	60,665,835
Total	27,109,414	67,695,555

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
17.1 Interest income comprises:		
(a) Interest from banks on Deposits	2,281,452	2,281,453
(b) Interest on overdue trade receivables	827,153	444,288
(c) Interest on income tax refund	-	4,303,979
Total - Interest income	3,108,605	7,029,720

Notes forming part of the financial statements

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
17.2 Other non-operating income comprises:		
(a) Rental income from properties	1,139,870	1,024,575
(b) Sale of Trademark	3,000,000	-
(c) Key Man Insurance Policy- Maturity Proceeds	-	59,641,260
(d) Liabilities / provisions no longer required written back	19,715,112	-
Total - Other non-operating income	23,854,982	60,665,835

Note 18:- COST OF MATERIAL CONSUMED

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Opening stock	116,659,952	116,646,309
Add: Purchases	246,567,604	465,721,497
	363,227,555	582,367,806
Less: Closing stock	124,375,705	116,659,952
Cost of material consumed	238,851,851	465,707,854
Material consumed comprises:		
Clay	9,505,711	9,243,195
Feldsper	5,009,989	6,979,441
Quartz	1,516,109	948,066
Marble & Stone	146,668,901	346,123,622
Resin	12,315,080	-
Powder Chemicals for Resin	17,818,842	26,660,163
Binders & Others	22,914,811	13,529,833
Others	23,102,408	62,223,534
Total	238,851,851	465,707,854

18.1 Purchase of Stock-in-Trade

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Sanitaryware	11,655,668	6,705,448
Tiles	2,259,029	5,423,284
Total	13,914,697	12,128,732

Notes forming part of the financial statements

18.2 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Inventories at the end of the year:		
Finished goods	118,758,238	122,277,149
Work-in-progress	20,950,311	19,224,977
Stock-in-trade	16,496,000	15,627,741
	156,204,549	157,129,868
Inventories at the beginning of the year:		
Finished goods	122,277,149	152,958,149
Work-in-progress	19,224,977	50,119,535
Stock-in-trade	15,627,741	17,577,865
	157,129,868	220,655,549
Net (increase) / decrease	925,318	63,525,681

Note 19:- EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Salaries and Wages	54,636,846	82,946,276
Contributions to provident and other funds	1,415,530	1,646,266
Staff welfare expenses	1,624,730	3,585,698
Total	57,677,106	88,178,240

Note 20:- FINANCE COSTS

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
(i) Interest expense on Borrowings	4,972,712	8,787,348
(ii) Interest expense on Others	2,241,659	3,602,191
(iii) Other borrowing costs	608,660	348,124
(iv) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	(827,928)	3,697,568
Total	6,995,102	16,435,231

Notes forming part of the financial statements

Note 21:- OTHER EXPENSES

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Consumption of stores and spare parts	10,717,332	22,777,524
Increase / (decrease) of excise duty on inventory	(1,559,906)	(12,564,427)
Power and fuel	108,551,024	125,278,777
Processing Charges	31,709,397	19,759,256
Repairs and maintenance - Machinery	352,506	108,772
Repairs and maintenance - Others	989,274	2,604,249
Freight and forwarding	1,472,814	5,095,660
Payments to auditors (Refer Note 21.1 below)	540,000	630,000
Loss on fixed assets sold / scrapped / written off	372,714	1,991,797
Bad trade and other receivables, loans and advances written off	-	19,653,669
Share of Profit / Loss from Partnership Firm	321,316	688,969
Selling and Distribution Expenses	3,149,235	15,720,193
Investment Written off	100,000	-
Legal Expenses	7,280,204	7,999,273.5
Miscellaneous expenses	18,728,066	32,098,940
Total	182,723,976	241,842,651

21.1 Payments to the auditors comprises (net of service tax input credit, where applicable):

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
As auditors - statutory audit	360,000	630,000
For taxation matters - considered as Professional fees	180,000	300,000
For other services - considered as Professional fees	-	250,000
Total	540,000	1,180,000

Note 22:- CONTINGENT LIABILITIES

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
a.	Bank Guarantees	255,000	255,000
b.	Guarantees given to the Banks for the loans taken by the Euro Merchandise (India) Ltd., (100 % Subsidiary)	162,000,000	162,000,000
c.	The Company has imported various Capital Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, through various licenses, at concessional rates of Custom Duty on an undertaking to fulfill quantified exports within a period of eight years from the date of the respective licenses. Pending Export Obligation on the Custom Duty so saved amounts to ₹ 1,69,44,88,563 (Previous year ₹ 1,69,53,45,986) as on the Balance Sheet date. If the said export is not made within the stipulated time period, the Company is required to pay the corresponding balance of saved Custom Duty together with interest @15% p.a. Formal discharge from the obligation by the appropriate authorities is in progress in respect of some of the Licenses of which Export Obligation is entirely fulfilled by the close of the year. The time limit for completing of export obligation has already expired as on Balance Sheet date.		

Note 23 : CAPITAL COMMITMENTS

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
	Estimated amount of contracts remaining to be executed on capital account and not provided for.	-	-

Notes forming part of the financial statements

Note 24:- VALUES OF IMPORTED AND INDIGENOUS RAW MATERIALS, CONSUMABLES, STORES & SPARES, ETC. CONSUMED

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
a.	Raw Materials & Consumables		
	-Imported	152,845,347 63.99%	341,176,020 73.26%
	-Indigenous	86,006,504 36.01%	124,531,834 26.74%
		238,851,851	465,707,854
b.	Stores and Spares		
	-Imported	1,029,186 9.60%	3,099,677 13.61%
	-Indigenous	9,688,146 90.40%	19,677,847 86.39%
		10,717,332	22,777,524

Note 25 :- VALUES OF IMPORTS ON CIF BASIS IN RESPECT OF :

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
a.	Raw Materials & Consumables	133,686,090	278,913,749
b.	Stores & Spares	164,410	1,243,256
c.	Trading Goods	2,264,374	1,320,538

Note 26 :- EXPENDITURE IN FOREIGN CURRENCY

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
a.	Foreign Traveling Expenses	188,931	389,186

Note 27:- EARNINGS IN FOREIGN CURRENCY

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
a.	FOB value of Exports (excluding sales to SEZ)	5,745,754	11,087,506

Notes forming part of the financial statements

Note 28:- DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Unhedged Foreign Currency Exposure :		
I	Outstanding Creditors for Purchase of Raw Material, Consumables & Spares	USD 561,648.57	USD 561,618.57
II	Outstanding Creditors for Purchase of Raw Material, Consumables & Spares	EURO 85,751.28	EURO 84,948.78
III	Outstanding Creditors for Capital Goods	EURO 49,000.00	EURO 49,000.00
IV	Outstanding Debtors	USD 217,012.92	USD 179,002.90
V	Advance to Creditors for Purchase of Raw Material, Consumables & Spares	USD 21,814.38	USD 6,635.20
VI	Advance to Creditors for Purchase of Raw Material, Consumables & Spares	EURO 31,000.00	EURO -----
VII	Advance from Debtors	USD 13,674.24	USD 7,126.24

Note 29:- EARNINGS PER SHARE

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
(a)	Basic		
	Net profit / (loss) for the year	(620,367,247)	(349,822,361)
	Weighted average number of equity shares	33,737,717	26,909,859
	Par value per share	10/-	10/-
	Earnings per share	(18.39)	(13.00)
(b)	Diluted		
	Net profit / (loss) for the year	(620,367,247)	(349,822,361)
	Weighted average number of equity shares	33,737,717	26,909,859
	Par value per share	10/-	10/-
	Earnings per share	(18.39)	(13.00)

Note 30:- MAJOR COMPONENT OF DEFERRED TAX LIABILITY

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
	Depreciation	146,794,651	146,794,651
	Expenditure / Provisions Disallowable	5,597,405	5,597,405
		152,392,056	152,392,056

The Company has not provided for Deferred Tax Liability / Assets for the financial year 2014-15 on account of absence of virtual certainty of future taxable profit and brought forward business losses and depreciation under the Income Tax Act.

Notes forming part of the financial statements

- 31 Pursuant to the Companies Act 2013, the Company has revised the depreciation rates w.e.f. April 1, 2014, based on the maximum useful life of its various Fixed Assets as prescribed in Part-C of Schedule -II to the Companies Act, 2013. The Company has reworked the estimated useful life of the fixed assets during the current financial year and accordingly in case of fixed assets whose useful life has already been completed as on April 1, 2014, the carrying value (net of residual value) of those Fixed Assets amounting to ₹ 5,934.66 lacs have been debited to the opening balance of General Reserve Account.
- 32 Extra Ordinary item amounting to ₹ 3,552.17 Lacs debited to profit and loss account during the financial year 2014-15 is on account of provisions made for permanent diminution in value of Investments in its subsidiary and Loans & Advances made to its partnership firm.
- 33 The Company's financial facilities/arrangements including Term Loans, Working Capital Facilities and Non Fund Based Credit Facilities have expired and the accounts with the Banks have turned into Non Performing Assets since more than 2 years. The Banks have initiated legal proceedings for the recovery from the Company u/s. 19 of the Debt Recovery Tribunal (DRT) and u/s. 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security (Second) Interest (SARFAESI) Act, 2002. Some of the creditors filed cases against the Company and its Directors for recovery of their dues, including petitions for winding up of the Company, in the High Court of Mumbai. The management has taken and been taking all diligent steps under legal advice, to defend the Company in all the litigation. Since the matters are sub-judice, the exact liability of the Company can't be ascertained at this point of time.
- 34 The Company on the basis of registration filed u/s. 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, before the Hon'ble Board for Industrial & Financial Reconstruction, and the hearings for which are in process for determination of sickness and on the basis of ongoing negotiations with the lenders for reduction in interest, rephasing in terms of borrowings etc., has not provided for interest to the tune of ₹ 8,758.47 Lacs (calculated based on last sanction letters in hand) on financial facilities, for the year ending March 31, 2015.

Notes forming part of the financial statements

Note 35:- DISCLOSURE PURSUANT TO ACCOUNTING STANDARD (AS-15) (REVISED)			
a.	Defined Contribution Plan : The Company has recognized the following amounts in statement of Profit & Loss Account		
	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
	Employer's Contribution to Provident Fund	1,258,802	1,456,352
	Employer's Contribution to Employees' State Insurance	32,737	54,795
b.	Defined Benefit Plan : Gratuity The Company has Group Gratuity Policy managed by LIC and SBI Life Insurance Co. Ltd., the below mentioned disclosure have been obtained from them:		
	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
a.	Changes in the present value of obligations		
	Present value of obligations as at Beginning of the year	3,148,960	8,233,280
	Interest cost	288,445	712,438
	Current Service Cost	772,818	549,797
	Benefits Paid	-	(911,141)
	Actuarial (Gain)/Loss on obligations	943,023	(5,435,414)
	Present value of obligations as at End of the year	5,153,246	3,148,960
b.	Changes in the fair value of plan assets		
	Fair value of plan assets at Beginning of the year	875,166	1,687,457
	Expected return on plan assets	72,752	98,850
	Employer's Contributions	22,884	-
	Benefits paid	-	(911,141)
	Actuarial Gain / (Loss) on Plan assets	(30,132)	-
	Fair value of plan assets at End of the year	940,670	875,166
c.	Table showing fair value of plan assets		
	Fair value of plan assets at Beginning of the year	875,166	1,687,457
	Actual return on plan assets	42,620	98,850
	Contributions	22,884	-
	Benefits Paid	-	(911,141)
	Fair value of plan assets at End of the year	940,670	875,166
	Funded status	(4,212,576)	(2,273,794)
	Excess of Actual over estimated return on plan assets	NIL	NIL
	(Actual rate of return = Estimated rate of return as ARD falls on March 31)		
d.	Actuarial Gain/Loss recognized		
	Actuarial Gain/(Loss) for the year—Obligation	(943,023)	5,435,414
	Actuarial Gain/(Loss) for the year - plan assets	(30,132)	-
	Total Gain/(Loss) for the year	(973,155)	5,435,414
	Actuarial Gain/(Loss) recognized in the year	(973,155)	5,435,414
e.	The amounts to be recognized in the balance sheet and statements of profit and loss		
	Present value of obligations as at the end of the year	5,153,246	3,148,960
	Fair value of plan assets as at the end of the year	940,670	875,166
	Funded status	4,212,576	2,273,794
	Net Asset/(Liability) to be recognized in balance sheet	(4,212,576)	(2,273,794)
	-Current Liability	-	-
	-Non Current Liability	(4,212,576)	(2,273,794)
f.	Expenses Recognized in statement of Profit & Loss	4,235,460	2,273,794
g.	Principal Actuarial Assumptions used at the Balance Sheet Date		
	Discount Rate	7.82%	9.16%
	Salary Escalation	7.00%	6.00%

Notes forming part of the financial statements

Note 36 :- DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD 18:

(a)	Subsidiary		
	Euro Merchandise (India) Limited		
(b)	Name of the enterprises having same Key Management Personnel and/or their relatives as the Reporting enterprises:		
	Eurobond Industries Private Limited	Euro Polaad Minerals & Steel LLP	Subhnen Ply Pvt. Ltd.
	Euro Renewable Energy Pvt. Ltd.	Euro Solo Energy Systems Pvt. Ltd.	Euro India Cylinders Ltd.
	Euro Realtors	Euro Glass Pvt. Ltd.	Kanch Ghar
	Neelam Metal	Maxim Enterprises	Euro Solar Power Pvt. Ltd.
	Neelam Ply & Laminates	Gala Enterprises	Monex Stationers
	Euro Foundation		
(c)	Relatives of Key Management Personnel:		
	Nenshi L. Shah H.U.F.	Shantilal L. Shah H.U.F.	Rekhaben Nishar
	Manjari H. Shah	Hitesh S. Shah H.U.F.	Kasturben T. Nandu
	Nitesh P. Shah	Hitesh S. Shah	Viral T. Nandu
	Shantaben L. Shah	Urmi P. Shah	Gunvantiben N. Shah
	Pinank N. Shah	Parag K. Shah	Dimple A. Shah
	Parita V. Nandu	Shantilal L. Shah	Mahek H. Shah
	Dhruti P. Shah	Anish K. Shah	Hiral M. Shah
(d)	Key Management Personnel:		
	Nenshi L. Shah	Kumar P. Shah	Talakshi L. Nandu
	Pratik K. Shah		Paresh K. Shah

Notes forming part of the financial statements

(e) During the year following transactions were carried out with the related parties in the ordinary course of business.

(Amount in ₹)

Nature of Transactions	Subsidiary	Enterprises having common Key Management Personnel	Relative of the Key Management Personnel	Key Management Personnel
Sales Service and other income	134,818 (3,091,777)	114,830 (2,424,268)	----- (-----)	----- (-----)
Sale of Fixed Assets	----- (-----)	----- (-----)	----- (-----)	----- (-----)
Purchase of goods and services	344,578 (1,141,779)	(3,774,795)	----- (-----)	----- (-----)
Purchase of fixed assets	----- (-----)	----- (-----)	----- (-----)	----- (-----)
Donation	----- (-----)	----- (-----)	----- (-----)	----- (-----)
Director's Remuneration/Sitting Fees	----- (-----)	----- (-----)	750,000 (1,080,000)	6,000,000 (9,692,500)
Interest Received	----- (-----)	----- (-----)	----- (-----)	----- (-----)
Interest Paid/Payable	----- (-----)	----- (-----)	----- (-----)	----- (-----)
Loans/Advances Taken	----- (-----)	----- (26,094,320)	----- (-----)	----- (-----)
Loans/Advance Repaid	----- (-----)	3,692,000 (6,684,579)	(4,999,998)	----- (-----)
Loans/Advances Given	----- (-----)	----- (68,411,031)	----- (-----)	----- (-----)
Loans/Advance Received Back	----- (-----)	----- (-----)	----- (-----)	----- (-----)
Outstanding balance As at March 31, 2015:				
Loans Payable	----- (-----)	(92,545,741) (125,832,847)	----- (15,701,026)	(69,856,183) (99,283,107)
Loans Receivable	----- (-----)	----- (776,570,093)	----- (-----)	----- (-----)
Amount Receivable	8,660,465 (14,485,729)	8,310 (24,370,870)	----- (-----)	----- (-----)
Amount Payable	----- (82,372)	(941,481) (1,536,879)	----- (-----)	----- (-----)

Note 37:- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note 38:- The Company does not have a Company Secretary as required under the provision of Section 203 of the Companies Act, 2013. The Company is in the process of appointing a whole time Company Secretary as required by the provision of Section 203 of the Companies Act, 2013.

NOTE : 39 SEGMENTWISE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2015 - PURSUANT TO ACCOUNTING STANDARD - 17

I) PRIMARY SEGMENTS - BUSINESS

	Tiles Division		Aluminium Division		Sanitaryware Division		Realty Division		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
a) Segmental Revenue										
Sales to External Customers	268,015,488	642,244,824	-	-	273,944,029	185,524,024	-	-	541,959,517	827,768,848
Less : Excise Duty	16,803,846	42,508,662	-	-	28,046,990	18,975,183	-	-	44,850,836	61,483,845
	251,211,642	599,736,162	-	-	245,897,039	166,548,841	-	-	497,108,681	766,285,003
Inter-Segmental Revenue	-	-	-	-	-	-	-	-	-	-
Total Segmental Revenue	251,211,642	599,736,162	-	-	245,897,039	166,548,841	-	-	497,108,681	766,285,003
b) Segmental Results (PBIT)										
Less: Interest & Finance Charges	(189,828,948)	(271,413,112)	(437,180)	(2,659,496)	(364,578)	(21,437,700)	-	(350,869)	(190,630,706)	(295,861,177)
									6,995,102	16,435,231
									(197,625,808)	(312,296,408)
Less: Unallocable Expenses Net of Unallocable Income									67,524,092	37,702,112
Profit Before Tax & Exceptional Items									(265,149,900)	(349,998,520)
Loss / (Gain) due to Extraordinary Items									355,217,347	-
Profit Before Tax									(620,367,247)	(349,998,520)
Less: Provision for Current Tax									-	-
Less: Earlier Years Excess/Short Provision									-	(176,159)
Profit After Tax									(620,367,247)	(349,822,361)
c) Carrying amount of Segmental Assets										
Unallocated Assets	4,472,137,177	4,493,543,802	26,018,760	26,032,627	1,193,281,309	1,187,358,457	435,567,345	776,856,008	6,127,004,591	6,483,790,894
Total Assets									875,618,459	889,197,924
d) Carrying amount of Segmental Liabilities										
Unallocated Liabilities	2,849,804,399	2,874,072,772	1,709,108	1,709,108	47,046,847	34,142,454	-	-	2,898,560,354	2,909,924,334
Total Liabilities									2,916,639,852	2,943,278,295
e) Cost incurred to acquire Segment										
Fixed Assets during the year	435,980	-	-	-	-	-	-	-	435,980	-
Unallocated Assets									30,310	36,000
f) Depreciation / Amortization										
Unallocated depreciation	202,169,810	203,104,592	437,180	2,572,573	68,595,996	48,231,715	-	-	271,202,986	253,908,880
									17,076,959	42,251,809

Note : There are no inter segment transactions in the previous year as well as in current year.

II) PRIMARY SEGMENTS -GEOGRAPHICAL

	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
The Company's operating facilities are located in India		
Domestic Revenues	483,130,332	737,994,115
Export Revenues	13,978,349	28,290,888
TOTAL	497,108,681	766,285,003

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To
The Members of
EURO CERAMICS LIMITED

1. We have audited the accompanying consolidated financial statements of **EURO CERAMICS LIMITED** ('hereinafter referred to as the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as 'the Consolidated Financial Statements')

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made there under including the Accounting Standards and matters which are required to be included in the audit report.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards

and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, **except for the matters illustrated and described in the *Basis for Qualified Opinion* herein below**, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

1. ***The attention is invited to note no.29 to the consolidated financial statements, towards the fact that the Group's financial facilities / arrangements including Term Loans, Working Capital Facilities and Non Fund Based Credit Facilities have expired and the accounts with the Banks have turned into Non Performing Assets since more than 2 years.***

The Group is unable to renegotiate, restructure or obtain replacement of financing arrangements and the banks have initiated legal proceedings for the recovery from the Companies u/s. 19 of the Debt Recovery Tribunal (DRT) and u/s. 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security

(Second) Interest (SARFAESI) Act, 2002. In addition to this, the Group has been continuously incurring substantial losses since past few years and as on March 31, 2015, the consolidated current liabilities exceed its current assets by ₹ 45,645.67 Lacs. Further, the consolidated networth has fully eroded.

All the above events indicate a material uncertainty that casts a significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The consolidated financial results do not disclose the fact that the fundamental accounting assumption of going concern has not been followed.

2. ***Further attention is also invited to note no.30 to the consolidated financial statements, the Group has not provided for interest on financing facilities amounting to ₹ 9,123.05 lacs for the year ending March 31, 2015. Had the same been provided, the consolidated loss for the year ending March 31, 2015, would have increased by ₹ 9,123.05 lacs. The corresponding consolidated liabilities would also have increased by ₹ 9,123.05 lacs as at March 31, 2015.***
3. ***The Group has not provided for impairment or diminishing value of consolidated assets / investment as per 'Accounting Standard 28 – Accounting for Impairment of Assets' as notified under the Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The effect of such Impairment or diminishing value has not been quantified by the management and hence the same is not ascertainable.***

Report on other legal and regulatory requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and subsidiary Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2015 on the consolidated financial position of the Group ***except as stated in basis for qualifications above.***
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2015 in respect of such items as it relates to the Group ***except as stated in basis for qualifications above.***
 - iii. ***The Holding Company has delayed in transferring unclaimed dividend amounting to ₹25,303/- pertaining to financial year 2006-07 into the Investor Education and Protection Fund, during the year ended March 31, 2015.***

For Deepak Maru & Co.

Chartered Accountants
ICAI Firm Registration No. 115678W

Jaymin P. Shah

Membership No. 118113
Partner

Place: Mumbai
Date: May 30, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Euro Ceramics Limited on the consolidated financial statements for the year ended March 31, 2015)

- (1) In respect of the fixed assets of the Holding Company and subsidiary companies:
 - a) The respective entities have maintained proper records showing full particulars, including quantitative details and situations of the fixed assets.
 - b) The fixed assets are physically verified by the Managements of the respective entities according to a phased periodical manner, which in our opinion is reasonable, having regards to the size of the respective entities and nature of their respective assets. No material discrepancies were noticed on such physical verification.
- (2) In respect of the inventories of the Holding Company and subsidiary companies:
 - a) The inventories were physically verified by the Management of the respective entities. In our opinion, the frequency of such verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the Management of the respective entities are reasonable and adequate in relation to the size of the respective entities and the nature of their businesses.
 - c) On the basis of our examination of the inventory records, in our opinion, the respective entities are maintaining proper records of inventories. No material discrepancies were noticed on such physical verification.
- (3) In respect of loans, secured or unsecured, granted by the Holding and Subsidiary Company, to the companies, firms or other parties covered in the register maintained under section 189 of the Act:
 - a) According to the information and explanation given to us, the Holding Company has granted loan to a party covered in the register maintained under section 189 of the Act.
 - b) *In our opinion and according to the information and explanations given to us, there are no stipulations made regarding repayment of principal amount and interest. Hence we are unable to comment as to regularity of repayments of principal and interest amount.***
- (4) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the respective entities and the nature of their businesses, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the aforesaid Holding Company and its Subsidiary as furnished to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (5) In our opinion and according to the information and explanations given to us, the Holding Company and its Subsidiary during the year has not accepted any deposits from the public within the meaning of section 73 & 76 of the Act and the Rules framed there under to the extent notified. Further in respect of deposits accepted by the Holding Company before the commencement of this Act, within the meaning of section 74 & 75 of the Act and the Rules framed there under to the extent notified, the principal amount of such deposits and interest due thereon remained unpaid even after expiry of one year from such commencement and the Holding Company has duly filed an application within the meaning of section 74(2) with the Company Law Board requesting to allow further time for compliance. However the final decision of the Tribunal as required under section 75 (1) of the Act is still awaited. The Subsidiary Company repaid its deposits accepted before the commencement of this Act, within the meaning of section 74 & 75 of the Act and the Rules framed there under to the extent notified before the end of the financial year.
- (6) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the products of the Holding Company or its Subsidiary Company.
- (7) In respect of Statutory Dues:
 - a) According to the information and explanation given to us and the records of the respective entities examined by us, in our opinion the Holding and its Subsidiary Company have been facing liquidity stress since past few years due to which there were delays in depositing various undisputed statutory dues with appropriate authorities including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to it and there are no arrears of outstanding statutory dues as at the year end for a period of more than six months from the date they became payable except service tax payable amounting to ₹ 9.81 Lacs in case of Holding Company.
 - b) According to the information and explanation given to us and the records of the respective entities examined by us, there are no dues of sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, as at March 31, 2015, which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of Dues	Amount ₹	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Demand arisen pursuant to assessment	207.76 lacs	Financial Year 2011-12	Assessing officer
Customs Duty	Custom Duty including Anti dumping Duty and Penalties.	216.64 lacs	Financial Year 2005-06	Commissioner of Customs (Appeals).

- c) *The Holding Company has delayed in transferring unclaimed dividend amounting to ₹25,303/- pertaining to financial year 2006-07 into the Investor Education and Protection Fund, during the year ended March 31, 2015.*
- (8) *The Holding and Subsidiary Companies have accumulated losses at the end of financial year and also had the same at the end of the immediately preceding financial year. The Holding Company has not incurred cash loss during the financial year covered by our audit but had incurred cash losses in the immediately preceding financial year. Further the Subsidiary Company has incurred cash loss during the financial year covered by our audit and also in the immediately preceding financial year. The Consolidated accumulated losses of the Group have exceeded its net worth.*
- (9) *In our opinion and according to the information and explanations given to us the Holding Company and Subsidiary Company have defaulted in repayment of loans and interests dues to the banks and financial institution. The consolidated principal outstanding of Term Loans and Cash Credit facilities amounts to*

₹47,266.90 lacs and consolidated overdue interest calculated based on last sanction letters and subject to reconciliation with the banks amounts to ₹19,254.75 lacs as at March 31, 2015. The period of default is more than 2 years.

- (10) *According to the information and explanations given to us, the Holding Company has given the guarantee for loans taken by Subsidiary Company from bank. The terms and conditions of the same are not prejudicial to the interest of the Holding Company. However in our opinion the Subsidiary Company has been continuously incurring losses and its net worth has been fully eroded and there is substantial doubt whether the said Subsidiary Company would be able to repay its liabilities or realize its assets.*
- (11) In our opinion, the term loans have been applied by the Holding Company and Subsidiary Company for the purpose for which they were obtained.
- (12) According to the information and explanations given to us, no material fraud on or by the Holding Company and Subsidiary Company has been noticed or reported during the course of our audit.

For Deepak Maru & Co.
Chartered Accountants
ICAI Firm Registration No. 115678W

Place: Mumbai
Date: May 30, 2015

Jaymin P. Shah
Membership No. 118113
Partner

Consolidated Balance Sheet as at March 31, 2015

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
		₹	₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	337,377,170	337,377,170
(b) Reserves and Surplus	2	(2,148,163,195)	(939,235,509)
		(1,810,786,025)	(601,858,339)
2 Non-current liabilities			
(a) Long-term borrowings	3	336,215,899	345,841,719
(b) Deferred tax liabilities (net)		152,392,056	152,392,056
		488,607,955	498,233,775
3 Current liabilities			
(a) Short-term borrowings	4	155,839,967	157,939,967
(b) Trade payables	5	323,176,912	348,051,840
(c) Other current liabilities	6	5,127,681,142	5,135,931,317
(d) Short-term provisions	7	21,815,792	5,175,116
		5,628,513,813	5,647,098,240
TOTAL		4,306,335,743	5,543,473,677
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	3,134,773,163	4,019,603,115
(ii) Capital work-in-progress		-	-
		3,134,773,163	4,019,603,115
(b) Non-current investments	9	13,510,750	13,510,750
(c) Long-term loans and advances	10	94,105,169	95,335,528
		3,242,389,082	4,128,449,393
2 Current assets			
(a) Inventories	11	374,379,734	377,699,316
(b) Trade receivables	12	129,953,430	136,962,399
(c) Cash and Bank Balances	13	36,274,352	33,564,950
(d) Short-term loans and advances	14	519,386,397	863,293,907
(e) Other current assets	15	3,952,748	3,503,712
		1,063,946,661	1,415,024,284
TOTAL		4,306,335,743	5,543,473,677
Significant Accounting Policies and Notes on Financial Statements forming part of the financial statements	1-34		

In terms of our report attached.

For and on behalf of the Board of Directors

For Deepak Maru & Co.

Chartered Accountants

ICAI Firm Registration No. 115678W

Nenshi L. Shah
(Chairman & Managing Director)**Pratik K. Shah**
(Whole-Time Director)**Jaymin P. Shah**

Membership No. 118113

Partner

Paresh K. Shah
(Chief Financial Officer)

Place : Mumbai

Date : May 30, 2015

Place : Mumbai

Date : May 30, 2015

Consolidated Statement of Profit and Loss For the year ended March 31, 2015

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
		₹	₹
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	16	549,984,838	843,661,591
Less: Excise duty		44,850,836	61,483,845
		505,134,002	782,177,746
2 Other income	17	28,813,463	69,666,751
3 Revenue from operations (net)		533,947,466	851,844,497
4 Expenses			
(a) Cost of materials consumed	18	238,851,851	465,707,854
(b) Purchases of stock-in-trade	18.1	15,787,177	20,275,697
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18.2	4,527,638	72,362,243
(d) Employee benefits expense	19	58,404,510	89,016,515
(e) Finance Cost	20	7,009,956	16,455,993
(f) Depreciation and amortisation expense	8	288,631,169	296,469,644
(e) Other expenses	21	185,720,991	247,392,838
Total		798,933,291	1,207,680,784
5 Profit / (Loss) before exceptional and extraordinary items and tax		(264,985,825)	(355,836,287)
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax		(264,985,825)	(355,836,287)
8 Extraordinary items	28	355,217,347	-
9 Profit / (Loss) before tax		(620,203,172)	(355,836,287)
10 Tax expense:			
(a) Current tax expense relating to prior years		6,000	(176,159)
11 Profit / (Loss) for the year		(620,209,172)	(355,660,128)
12 Earnings per share (of ₹ 10/- each):			
(i) Basic	25.a	(23.05)	(13.22)
(ii) Diluted	25.b	(23.05)	(13.22)
Significant Accounting Policies and Notes on Financial Statements forming part of the financial statements	1-34		

In terms of our report attached.

For and on behalf of the Board of Directors

For Deepak Maru & Co.

Chartered Accountants

ICAI Firm Registration No. 115678W

Nenshi L. Shah
(Chairman & Managing Director)**Pratik K. Shah**
(Whole-Time Director)**Jaymin P. Shah**

Membership No. 118113

Partner

Paresh K. Shah
(Chief Financial Officer)

Place : Mumbai

Date : May 30, 2015

Place : Mumbai

Date : May 30, 2015

Consolidated Cash Flow Statement For the year ended March 31, 2015

	Particulars	For the year ended		For the year ended	
		March 31, 2015		March 31, 2014	
		₹	₹	₹	₹
A.	Cash flow from operating activities				
	Net Profit / (Loss) before extraordinary items and tax		(264,985,825)		(355,836,287)
	Adjustments for:				
	Depreciation and amortisation	288,631,169		296,469,644	
	Amortisation of Software Expenses	-		2,041,059	
	(Profit) / loss on sale / write off of assets and Investments	372,714		1,991,797	
	Finance costs	7,009,956		16,455,993	
	Interest income	(3,509,905)		(7,639,567)	
	Sale of Trademark	(3,000,000)		-	
	Rental income from investment properties	(1,139,870)		(1,024,575)	
	Dividend Income	(12,000)		(12,000)	
	Amenity Income	(218,400)		(655,200)	
	Share of (profit)/Loss from partnership firms	321,316	288,454,980	688,969	308,316,119
	Operating profit / (loss) before working capital changes		23,469,155		(47,520,168)
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	3,319,582		88,821,248	
	Trade receivables	14,459,761		58,673,535	
	Short-term loans and advances	2,940,163		(36,935,547)	
	Long-term loans and advances	1,224,359		4,544,241	
	Other current assets	(449,036)		(657,584)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	(24,874,928)		(9,476,532)	
	Other current liabilities	(8,250,175)		(17,957,804)	
	Short-term provisions	2,390,676	(9,239,598)	(16,408,166)	70,603,393
		14,229,557		23,083,225	
	Cash flow from extraordinary items		-		-
	Cash generated from operations		14,229,557		23,083,225
	Net income tax (paid) / refunds		-		65,245,091
	Net cash flow from / (used in) operating activities (A)		14,229,557		88,328,316
B.	Cash flow from investing activities				
	Capital expenditure on fixed assets, including capital advances	(466,290)		(36,000)	
	Proceeds from sale of fixed assets	123,052		592,737	
	Interest received	3,509,905		7,639,567	
	Sale of Trademark	3,000,000		-	
	Rental income from investment properties	1,139,870		1,024,575	
	Dividend Income	12,000		12,000	
	Amenity Income	218,400		655,200	
	Amounts received from partnership firms	(321,316)	7,215,621	(688,969)	9,199,110
	Net cash flow from / (used in) investing activities (B)		7,215,621		9,199,110

Consolidated Cash Flow Statement For the year ended March 31, 2015

Particulars	For the year ended		For the year ended	
	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		125,999,997	
Repayment of long-term borrowings	(9,625,820)		(183,069,210)	
Repayment of short-term borrowings	(2,100,000)		(26,992,109)	
Finance cost	(7,009,956)	(18,735,776)	(16,455,993)	(100,517,315)
Net cash flow from / (used in) financing activities (C)		(18,735,776)		(100,517,315)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		2,709,402		(2,989,889)
Cash and cash equivalents at the beginning of the year		33,564,950		36,554,839
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		36,274,352		33,564,950
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 13)		36,274,352		33,564,950
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		-		-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		36,274,352		33,564,950
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		-		-
Cash and cash equivalents at the end of the year *		36,274,352		33,564,950
* Comprises:				
(a) Cash on hand		2,248,832		1,341,836
(b) Cheques, drafts on hand		-		-
(c) Balances with banks				
(i) In current accounts		3,985,422		2,183,015
(ii) In earmarked accounts (give details) (Refer Note (ii) below)		139,619		139,619
(d) Others - Fixed Deposits Kept as Margin Money		29,900,480		29,900,480
		36,274,352		33,564,950

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

In terms of our report attached.

For Deepak Maru & Co.

Chartered Accountants

ICAI Firm Registration No. 115678W

Jaymin P. Shah

Membership No. 118113

Partner

Place : Mumbai**Date : May 30, 2015****For and on behalf of the Board of Directors****Nenshi L. Shah**

(Chairman & Managing Director)

Pratik K. Shah

(Whole-Time Director)

Paresh K. Shah

(Chief Financial Officer)

Place : Mumbai**Date : May 30, 2015**

Notes forming part of the Consolidated Financial Statements For the year ended March 31, 2015

SIGNIFICANT ACCOUNTING POLICIES

A Basis of Consolidation

- i The consolidated financial statements (CFS) comprises of the financial statements of Euro Ceramics Limited (the Company) and its subsidiaries.
- ii The details of subsidiaries are as under :
- | Name | Incorporated in | % of holding |
|-------------------------------|-----------------|--------------|
| Euro Merchandise (Inida) Ltd. | India | 100 % |
- iii These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013. The financial statements of the Company and its Subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Company balances, intra-Company transactions and unrealized profits or losses in accordance with Accounting Standard –21 'Consolidated Financial Statements', issued by the Institute Of Chartered Accountants of India.
- iv Euro Merchandise (India) Ltd., is a wholly owned subsidiary of the Company and therefore, the information pertaining to minority shareholders is not applicable in respect thereof.
- v The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

B Accounting Policies

As far as possible, the consolidated financial statements are prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.

Notes forming part of the consolidated financial statements

Note 1:- SHARE CAPITAL

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹ 10 each	35,000,000	350,000,000	35,000,000	350,000,000
(b) Issued, Subscribed and fully paid up Equity shares of ₹ 10 each	33,737,717	337,377,170	33,737,717	337,377,170
Total	33,737,717	337,377,170	33,737,717	337,377,170

Terms and Rights attached to the Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. No Dividends were proposed by the Board of Directors for the financial year 2014-2015 / 2013-2014. In the event of liquidation of the Company, equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution shall be in proportion to the number of equity shares held by them.

1.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Add: Shares issued During the year	Closing Balance
Equity shares with voting rights Year ended March 31, 2015			
- Number of shares	33,737,717	-	33,737,717
- Amount (₹)	337,377,170	-	337,377,170
Year ended March 31, 2014			
- Number of shares	28,578,012	5,159,705	33,737,717
- Amount (₹)	285,780,120	51,597,050	337,377,170

1.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Dharmesh Kishor Gathani	6,826,757	20.23%	6,753,767	20.02%
Jointly with Deena Kishor Gathani	2,477,579	7.34%	2,477,579	7.34%
Milankumar Dhirajlal Mehta	4,783,606	14.18%	4,949,901	14.67%
ICICI Bank Ltd	4,135,954	12.26%	4,135,954	12.26%
State Bank of India				

Notes forming part of the consolidated financial statements

1.3 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares			
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012
Equity shares with voting rights				
Shares issued on conversion of Compulsorily Convertible Debentures of even numbers pursuant to completion of its tenure, without its payments being received in cash.	-	5,159,705	-	-
Shares out of the issued, subscribed and paid-up share capital were allotted pursuant to Scheme of Corporate Debt Restructuring (CDR) without payments being received in cash.	-	-	2,149,878	-
Shares out of the issued, subscribed and paid-up share capital were allotted pursuant to Scheme of Demerger without payments being received in cash.	-	-	-	9,328,134
Fully paid up by way of bonus shares	-	-	-	-
Shares bought back	-	-	-	-

Note 2:- RESERVES & SURPLUS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(a) Capital reserve (on Demerger)		
Opening balance	49,728,952	49,728,952
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	49,728,952	49,728,952
(b) Capital reserve (on Consolidation)		
Opening balance	2,098,827	2,098,827
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	2,098,827	2,098,827
(c) Securities premium account		
Opening balance	1,096,659,721	1,022,256,774
Add : Premium on shares issued during the year	-	74,402,947
Less : Utilised during the year	-	-
Closing balance	1,096,659,721	1,096,659,721
(d) General reserve		
Opening balance	10,000,000	10,000,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Depreciation on Assets	(588,718,514)	-
Closing balance	(578,718,514)	10,000,000
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(2,097,723,009)	(1,742,062,880)
Add: Profit / (Loss) for the year	(620,209,172)	(355,660,128)
Less: Appropriations	-	-
Closing balance	(2,717,932,181)	(2,097,723,009)
Total (a + b + c + d + e)	(2,148,163,195)	(939,235,509)

Notes forming part of the consolidated financial statements

Note 3:- LONG TERM BORROWINGS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
SECURED:		
(a) Term loans		
(i) From banks (Refer Note No. 3.1 to 3.6)	-	-
	-	-
(b) Vehicle Loans	-	175,480
Total	-	175,480
UNSECURED:		
(a) Zero Coupon Bonds	38,500,000	38,500,000
(b) Deposits	65,769,165	71,167,165
(c) Loans and advances from related parties	231,946,734	235,999,073
Total	336,215,899	345,666,238
Total (Secured + Unsecured)	336,215,899	345,841,718

Note:

- 3.1 The group has been incurring losses since F.Y.2011-12 onwards which has resulted in erosion of its net worth and depletion in its working capital. Eventually there were defaults in the repayment of obligations to banks and the relevant loan accounts - Term Loans, Cash Credits and other Non-Fund Based Credits classified as Non Performing Assets by the Lenders. Consequently the Lenders have called-off their advances and issued notice for recovery under section 19 of Recovery of Debts (DRT) and under section 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security (Second) Interest (SARFAESI) Act, 2002 to the Holding Company.
- 3.2 In the F.Y.2013-14, the Holding Company on the basis of audited accounts for the financial year ended March 31, 2013 and being mandatory requirement has filed the reference under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board For Industrial And Financial Reconstruction (BIFR). The above reference has been duly registered by the Learned Registrar of Hon'ble BIFR and hearings of the same are in process for determination of sickness.
- 3.3 In the light of the above scenario, all the term loans from banks are no longer treated as Long Term Borrowings, but have been classified as Current maturities of Loans & Credit Facilities from Banks under Other Current Liabilities in Note No.6.

Notes forming part of the consolidated financial statements

3.4 Interest and Repayment Schedule for Long Term Borrowings: (For The Year Ended March 31, 2015)

Particulars	Type	Long Term Debts As At March 31, 2015 (₹)	Current maturities of long-term debt - included in Other Current Liabilities As At March 31, 2015 (₹)	Interest Rate Range % p.a. as at Year End	Repayment Schedule (as per last sanction letters)
Secured Borrowings	Term Loans from Banks :				
	Category I	-	159,300,000	8.00% to 14.00%	34 structured quarterly installments in a stepped up manner starting from Oct 2012 to March 2021 as prescribed in approved CDR Package.
	Category II	-	2,031,054,599	14.00%	38 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Category III	-	860,573,600	14.00%	38 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Category IV	-	478,274,779	14.00%	38 to 47 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Total	-	3,529,202,977		
	Vehicle Loans	-	235,656	8.00% to 13.50%	Equated Montly Installments as per specific repayment schedule predetermined in case of each vehicle loan.
	Total	-	235,656		
	Grand Total	-	3,529,438,633		
Unsecured Borrowings	Zero Coupon Bonds	38,500,000	-	0.00% to 18.00%	385 Bonds of the F.V. of ₹1,00,000/- each, redeemable after March 31, 2021 as per approved CDR Package.
	Deposits	65,769,165	-	0.00% to 18.00%	No Specific Repayment Schedule has been prescribed by the Lendor.
	Loans and advances from related parties	231,946,734	-	0.00% to 18.00%	No Specific Repayment Schedule has been prescribed by the Lendor.
	Total	336,215,899	3,529,438,633		
	Grand Total	336,215,899	3,529,438,633		

Notes forming part of the consolidated financial statements

3.5 Interest and Repayment Schedule for Long Term Borrowings (For The Year Ended March 31, 2014) :

Particulars	Type	Long Term Debts As At March 31, 2014 (₹)	Current maturities of long-term debt - included in Other Current Liabilities As At March 31, 2014 (₹)	Interest Rate Range % p.a. as at Year End	Repayment Schedule (as per last sanction letters)
Secured Borrowings	Term Loans from Banks				
	Category I	-	159,300,000	8.00% to 12.00%	34 structured quarterly installments in a stepped up manner starting from Oct 2012 to March 2021 as prescribed in approved CDR Package.
	Category II	-	2,031,054,599	12.00%	38 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Category III	-	860,573,600	12.00%	38 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Category IV	-	478,274,779	12.00%	38 to 47 structured quarterly installments in a stepped up manner starting from Oct 2011 to March 2021 as prescribed in approved CDR Package.
	Total	-	3,529,202,977		
	Vehicle Loans	175,480	783,309	8.00% to 13.50%	Equated Montly Installments as per specific repayment schedule predetermined in case of each vehicle loan.
	Total	175,480	783,309		
	Grand Total	175,480	3,529,986,286		
Unsecured Borrowings	Zero Coupon Bonds	38,500,000	-	0.00%	385 Bonds of the F.V. of ₹1,00,000/- each, redeemable after March 31, 2021 as per approved CDR Package.
	Deposits	71,167,165	-	0.00% to 18.00%	No Specific Repayment Schedule has been prescribed by the Lendor.
	Loans and advances from related parties	235,999,073	-	0.00% to 18.00%	No Specific Repayment Schedule has been prescribed by the Lendor.
	Total	345,666,238	-		
	Grand Total	345,841,718	-		

Notes forming part of the consolidated financial statements

3.6 Nature of Security for Long Term Secured Borrowings:

Category of Loan	Nature of Security
Category I	Secured against the pari passu charge created on Non Exclusive movable and immovable fixed assets worth ₹ 50 Cr., situated at Bhachau (Kutch), Gujarat
Category II	Secured against the First pari passu Charge created by mortgage on all the existing and future fixed assets situated at Bhachau (Kutch), Bharuch and Mumbai (except for plant & machinery of Calcareous Line II) and second charge created by hypothecation of current assets of the Company and against the collateral securities & Personal Guarantee given by the Directors and Related Parties.
Category III	Secured against Exclusive charge on all the moveable assets including its moveable plant and machinery, spares, tools and accessories, both present and future assets of the project situated at Bhachau, Kutch on plant pertaining to Calcareous Line II. Additional Security by way of tertiary charge on the current assets and fixed assets both moveable and immovable, present and future, located at Bhachau (Kutch), Gujarat and against the collateral securities & Personal Guarantee given by the Directors and Related Parties.
Category IV	Secured by way of tertiary charge on the current assets and fixed assets both moveable and immovable, present and future, located at Kutch, Gujarat and against the collateral securities & Personal Guarantee given by the Directors and Related Parties.
Vehicle Loans	Secured against the Hypothecation of underlying Company owned vehicles

Note 4:- SHORT TERM BORROWINGS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
UNSECURED:		
(a) Loans and advances from related parties	10,006,490	10,006,490
(b) Deposits	145,833,477	147,933,477
Total	155,839,967	157,939,967

4.1 As explained in Note No. 3.1, Lenders have claied off their advances granted by way of Term Loans, Cash Credit Facilities and other Non fund Base Limits, and in light of such senario all the secured working capital borrowings have been classified as Current Maturities of Loans and Credit Facilities from Banks under Other Current Liabilities in Note No. 6

4.2 Working capital loan from banks are secured against the hypothecation of present and future stocks of Raw Materials, Stock-In-Process, Finished Goods, Stock-In-Trade, Stores & Spares, Consumables and Book Debts and against the collateral securities & Personal Guarantee given by the Directors and Related Parties.

Note 5:- TRADE PAYABLES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Micro, Small and Medium Enterprises	3,965,761	3,965,761
Other	319,211,151	344,086,079
Total	323,176,912	348,051,840

5.1 The information of amounts outstanding to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

5.2 No interest is paid / payable during the year to any enterprise registered under the MSME.

Notes forming part of the consolidated financial statements

Note 6:- OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(a) Current maturities of Loans & Credit Facilities from Banks (Refer Note No. 3 to 4.2)	4,772,365,416	4,774,939,701
(c) Interest accrued and due on borrowings	286,041,222	286,041,222
(b) Unclaimed dividends	167,087	167,087
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	33,112,247	43,795,205
(ii) Trade / security deposits received	1,918,263	5,437,783
(iii) Advances from customers	34,076,908	25,525,319
(iv) Outstanding Expenses	-	25,000
Total	5,127,681,142	5,135,931,317

Note 7:- SHORT TERM PROVISIONS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Provision for employee benefits:		
(i) Provision for bonus	1,563,981	1,514,543
(ii) Provision for leave encashments	1,728,455	1,386,779
(iii) Provision for gratuity (net)	4,273,356	2,273,794
Provision for Diminution in Value of Investment	14,250,000	-
Total	21,815,792	5,175,116

Notes forming part of the consolidated financial statements

Note 8:- FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block		
	Holding	Subsidiary	Consolidated as on March 31, 2015	Holding	Subsidiary	Consolidated as on March 31, 2015	Holding	Subsidiary	Consolidated as on March 31, 2015
Tangible Assets :									
I Land -Freehold	94,544,616	272,600	94,817,216	-	-	-	94,544,616	272,600	94,817,216
II Building	874,050,661	-	874,050,661	198,365,167	-	198,365,167	675,685,494	-	675,685,494
III Plant & Machinery	4,603,601,799	198,640	4,603,800,439	2,293,368,083	188,708	2,293,556,791	2,310,233,716	9,932	2,310,243,648
IV Furniture & Fixtures	47,794,865	3,385,071	51,179,936	42,016,514	3,135,074	45,151,588	5,778,351	249,997	6,028,348
V Office Equipments	13,229,040	385,412	13,614,452	12,487,553	366,141	12,853,694	741,487	19,271	760,757
VI Vehicles	20,807,598	912,314	21,719,912	15,242,610	835,556	16,078,166	5,564,988	76,758	5,641,746
VII Computers	10,242,958	-	10,242,958	10,186,925	-	10,186,925	56,033	-	56,033
VIII Power Project	268,032,690	-	268,032,690	226,492,773	-	226,492,773	41,539,917	-	41,539,917
Intangible Assets :									
I Trademarks	10,000	-	10,000	10,000	-	10,000	-	-	-
Grand Total	5,932,314,227	5,154,037	5,937,468,264	2,798,169,624	4,525,479	2,802,695,103	3,134,144,603	628,558	3,134,773,163
Previous Year	5,932,619,751	5,675,783	5,938,295,534	1,916,719,667	1,972,754	1,918,692,420	4,015,900,084	3,703,029	4,019,603,115

Note 9:- NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Investments (At cost):		
A. Other investments		
(a) Investment in equity instruments - Unquoted, fully paid up		
(i) of other entities		
13,00,000 (As at March 31, 2014: 13,00,000) shares of ₹ 10 each in Euro Glass Private Limited	13,000,000	13,000,000
45,075 (As at March 31, 2014: 45,075) shares of ₹ 10 each in The Cosmos Co-Operative Bank Ltd. (Pledged with Bank)	450,750	450,750
	13,450,750	13,450,750
(b) Investment in government or trust securities		
6 Years National Savings Certificate (Deposited with Sales Tax Department)	10,000	10,000
(c) Investment in partnership firms		
M/s. Euro Realtors (Fixed Capital)	50,000	50,000
Share of Profit/Loss - 95% and Other Partner Dharmesh Gathani 5%		
Total	13,510,750	13,510,750

Notes forming part of the consolidated financial statements

Note 10:- LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Unsecured, considered good		
(a) Security deposits	11,980,638	9,128,414
(b) Prepaid expenses	25,666,668	29,944,445
(c) Advance income tax (Net of Provision)	3,194,180	2,992,986
(d) MAT Credit Entitlement	53,263,683	53,269,683
Total	94,105,169	95,335,528

Note 11:- INVENTORIES

(As Valued and Certified by Management)

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(a) Raw Materials & Consumables	119,738,676	112,180,636
(b) Work-in-progress	20,950,311	19,224,977
(c) Finished goods (other than those acquired for trading)	118,758,238	122,277,149
(d) Stock-in-trade (acquired for trading)	69,993,529	72,727,590
(e) Stores and spares	40,139,330	46,628,467
(f) Power & Fuel	162,622	181,182
(g) Packing Materials	4,637,028	4,479,316
Total	374,379,734	377,699,316

Note 12:- TRADE RECEIVABLES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Unsecured and considered good		
Outstanding for a period exceeding six months from the date they were due for payment	134,241,668	139,129,214
Less : Provision for Doubtful Debts	47,446,739	58,090,589
	86,794,929	81,038,625
Others	43,158,500	55,923,774
Total	129,953,430	136,962,399

Notes forming part of the consolidated financial statements

Note 13:- CASH AND BANK BALANCES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(a) Cash and cash equivalents		
(i) Balances with banks		
- In current accounts	3,985,422	2,183,015
(ii) Cash on hand	2,248,832	1,341,836
	6,234,253	3,524,851
(b) Other Bank Balances		
- In earmarked accounts		
(i) Balances held as margin money or security against borrowings, guarantees and other commitments.	29,900,480	29,900,480
(ii) Unclaimed Dividend Account	139,619	139,619
Total	36,274,352	33,564,950

Note 14:- SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Unsecured, considered good		
(a) Loans and advances to related parties	786,287,471	786,738,350
Less : Provision for Diminish in Investment / Loans & Advances	(340,967,347)	-
	445,320,124	786,738,350
(b) Loans and advances to employees	3,122,769	2,236,559
(c) Prepaid expenses	1,876,095	2,321,543
(d) Balances with government authorities		
(i) CENVAT credit receivable	124,051	580,125
(ii) VAT credit receivable	20,298,179	23,240,060
(iii) Service Tax credit receivable	3,233,573	2,630,960
(iv) Custom Duty receivable	16,359,968	16,359,968
(e) Advance income tax (net of provisions)	553,447	510,206
(f) Others	28,498,191	28,676,136
Total	519,386,397	863,293,907

Note 15:- OTHER CURRENT ASSETS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(i) Interest Accrued On Fixed Deposits	3,952,748	3,503,712
Total	3,952,748	3,503,712

Note 16:- REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
(a) Sale of products	544,325,628	841,566,958
(b) Sale of services	5,407,023	6,790,388
(c) Other operating revenues	252,187	(4,695,754)
	549,984,838	843,661,591
(d) Less: Excise duty	44,850,836	61,483,845
Total	505,134,002	782,177,746

Notes forming part of the consolidated financial statements

Particulars		For the year ended March 31, 2015	For the year ended March 31, 2014
		₹	₹
16.1 Sale of products comprises:			
Manufactured goods			
Tiles		260,848,786	629,029,247
Others		260,344,592	172,744,802
Total - Sale of manufactured goods		521,193,378	801,774,048
Traded goods			
Tiles		6,534,803	12,178,794
Others		16,597,448	27,614,115
Total - Sale of traded goods		23,132,251	39,792,909
Total - Sale of products		544,325,628	841,566,958
16.2 Sale of services comprises:			
Others		5,407,023	6,790,388
Total - Sale of services		5,407,023	6,790,388
16.3 Other operating revenues comprise:			
Sale of scrap		208,054	-
Export incentives on Advance Licenses and Focus Licenses		44,133	(4,695,754)
Total - Other operating revenues		252,187	(4,695,754)

Note 17:- OTHER INCOME

Particulars		For the year ended March 31, 2015	For the year ended March 31, 2014
		₹	₹
(a) Interest income (Refer Note 17.1 below)		3,509,905	7,639,567
(b) Dividend Received		12,000	12,000
(c) Commission Received		359,832	685,961
(d) Net gain on foreign currency transactions and translation (other than considered as finance cost)		-	8,188
(e) Other non-operating income (net of expenses directly attributable to such income)(Refer note 17.2 below)		24,931,726	61,321,035
Total		28,813,463	69,666,751
Particulars		For the year ended March 31, 2015	For the year ended March 31, 2014
		₹	₹
17.1 Interest income comprises:			
Interest from banks on Deposits		2,682,752	2,891,300
Interest on overdue trade receivables		827,153	444,288
Interest on income tax refund		-	4,303,979
Total - Interest income		3,509,905	7,639,567

Notes forming part of the consolidated financial statements

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
17.2 Other non-operating income comprises:		
Rental income from investment properties	1,139,870	1,024,575
Key man Insurance Policy - receipts on policy surrender	-	59,641,260
Sale of Trademark	3,000,000	-
Liabilities / provisions no longer required written back	20,573,456	-
Amenity charges	218,400	655,200
Total - Other non-operating income	24,931,726	61,321,035

Note 18:- COST OF MATERIAL CONSUMED

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Opening stock	116,659,952	116,646,309
Add: Purchases	246,567,604	465,721,497
	363,227,555	582,367,806
Less: Closing stock	124,375,705	116,659,952
Cost of material consumed	238,851,851	465,707,854

18.1 Purchase of Stock-in-Trade

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Sanitaryware	11,311,090	6,705,448
Tiles	3,222,426	9,328,348
Others	1,253,661	4,241,901
Total	15,787,177	20,275,697

18.2 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Inventories at the end of the year:		
Finished goods	118,758,238	122,277,149
Work-in-progress	20,950,311	19,224,977
Stock-in-trade	69,993,529	72,727,590
	209,702,078	214,229,716
Inventories at the beginning of the year:		
Finished goods	122,277,149	152,958,149
Work-in-progress	19,224,977	50,119,535
Stock-in-trade	72,727,590	83,514,275
	214,229,716	286,591,959
Net (increase) / decrease	4,527,638	72,362,243

Notes forming part of the consolidated financial statements

Note 19:- EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Salaries and Wages	55,362,150	83,774,857
Contributions to provident and other funds	1,415,530	1,646,266
Staff welfare expenses	1,626,830	3,595,392
Total	58,404,510	89,016,515

Note 20:- FINANCE COSTS

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
(i) Interest expense on Borrowings	4,972,712	8,787,348
(ii) Interest expense on Others	2,241,659	3,602,191
(iii) Other borrowing costs	623,513	368,885
(iv) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	(827,928)	3,697,568
Total	7,009,956	16,455,993

Note 21:- OTHER EXPENSES

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Consumption of stores and spare parts	10,717,332	22,777,524
Increase / (decrease) of excise duty on inventory	(1,559,906)	(12,564,427)
Power and fuel	108,551,024	125,278,777
Processing Charges	31,709,397	19,759,256
Rent	-	3,268,325
Repairs and maintenance - Machinery	352,506	108,772
Repairs and maintenance - Others	1,004,314	2,670,211
Insurance	-	5,558,551
Rent, Rates and taxes	-	3,582,914
Travelling and conveyance	-	4,313,118
Freight and forwarding	1,524,347	5,233,648
Sales commission	-	6,225,596
Payments to auditors (Refer note 21.1)	568,090	669,325
Bad trade and other receivables, loans and advances written off	-	(61,842)
Loss on fixed assets sold / scrapped / written off	372,714	1,991,797
Provision for doubtful trade and other receivables, loans and advances (net)	-	19,653,669
Share of Loss From Partnership Firm - M/s.Euro Realtors	321,316	688,969
Selling and Distribution Expenses	3,314,162	15,725,992
Legal Expenses	7,280,204	-
Miscellaneous expenses	21,565,491	22,512,663
Total	185,720,991	247,392,838

Notes forming part of the consolidated financial statements

21.1 Payments to the auditors comprises (net of service tax input credit, where applicable):

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
As auditors - statutory audit	388,090	669,325
For taxation matters - Considered as Professional Fees	180,000	300,000
For other services - Considered as Professional Fees	-	250,000
Total	568,090	1,219,325

Note 22:- CONTINGENT LIABILITIES

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
a	Bank Guarantees	255,000	255,000
b	Customs Duty	36,988,372	36,988,372
c	The Company has imported various Capital Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, through various licenses, at concessional rates of Custom Duty on an undertaking to fulfill quantified exports within a period of eight years from the date of the respective licenses. Pending Export Obligation on the Custom Duty so saved amounts to ₹ 1,69,44,88,563 (Previous Year ₹ 1,69,53,45,986) as on the Balance Sheet date. If the said export is not made within the stipulated time period, the Company is required to pay the corresponding balance of saved Custom Duty together with interest @15% p.a. Formal discharge from the obligation by the appropriate authorities is in progress in respect of some of the Licenses of which Export Obligation is entirely fulfilled by the close of the year. The time limit for completion of export obligation has already expired as on Balance Sheet date.		

Note 23:- CAPITAL COMMITMENTS

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
	Estimated amount of contracts remaining to be executed on capital account and not provided for.	-	-

Notes forming part of the consolidated financial statements

Note 24:- DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Unhedged Foreign Currency Exposure :		
I	Outstanding Creditors for Purchase of Raw Material, Consumables & Spares	USD 561,648.57	USD 561,618.57
II	Outstanding Creditors for Purchase of Raw Material, Consumables & Spares	EURO 85,751.28	EURO 84,948.78
III	Outstanding Creditors for Capital Goods	EURO 49,000.00	EURO 49,000.00
IV	Outstanding Debtors	USD 217,012.92	USD 179,002.90
V	Advance to Creditors for Purchase of Raw Material, Consumables & Spares	USD 21,814.38	USD 6,635.20
VI	Advance to Creditors for Purchase of Raw Material, Consumables & Spares	EURO 31,000.00	EURO -----
VII	Advance from Debtors	USD 13,674.24	USD 7,126.24

Note 25:- EARNINGS PER SHARE

	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
		₹	₹
(a)	Basic		
	Net profit / (loss) for the year	(620,209,172)	(355,660,128)
	Weighted average number of equity shares	33,737,717	26,909,859
	Par value per share	10/-	10/-
	Earnings per share	(18.38)	(13.22)
(b)	Diluted		
	Net profit / (loss) for the year	(620,209,172)	(355,660,128)
	Weighted average number of equity shares	33,737,717	26,909,859
	Par value per share	10/-	10/-
	Earnings per share	(18.38)	(13.22)

Note 26:- MAJOR COMPONENT OF DEFERRED TAX LIABILITY

	Particulars	As at March 31, 2015	As at March 31, 2014
		₹	₹
	Depreciation	146,794,651	146,794,651
	Expenditure / Provisions Disallowable	5,597,405	5,597,405
		152,392,056	152,392,056
	The Company has not provided for Deferred Tax Liability / Assets for the financial year 2014-15 on account of absence of virtual certainty of future taxable profit and brought forward business losses and depreciation under the Income Tax Act.		

Notes forming part of the consolidated financial statements

27	Pursuant to the Companies Act 2013, the Company has revised the depreciation rates w.e.f. April 1, 2014, based on the maximum useful life of its various Fixed Assets as prescribed in Part-C of Schedule -II to the Companies Act, 2013. The Company has reworked the estimated useful life of the fixed assets during the current financial year and accordingly in case of fixed assets whose useful life has already been completed as on April 1, 2014, the carrying value (net of residual value) of those Fixed Assets amounting to ₹ 5961.69 lacs have been debited to the opening balance of General Reserve Account.
28	Extra Ordinary item amounting to ₹ 3,552.17 Lacs debited to profit and loss account during the financial year 2014-15 is on account of provisions made for permanent diminution in value of Investments in its subsidiary and Loans & Advances made to its partnership firm.
29	The Group's financial facilities/arrangements including Term Loans, Working Capital Facilities and Non Fund Based Credit Facilities have expired and the accounts with the Banks have turned into Non Performing Assets since more than 2 years. The Banks have initiated legal proceedings for the recovery from the Group u/s. 19 of the Debt Recovery Tribunal (DRT) and u/s. 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security (Second) Interest (SARFAESI) Act, 2002. Some of the creditors filed cases against the Group and its Directors for recovery of their dues, including petitions for winding up of the Company, in the High Court of Mumbai. The management has taken and been taking all diligent steps under legal advice, to defend the Company in all the litigation. Since the matters are sub-judice, the exact liability of the Group can't be ascertained at this point of time.
30	The Holding Company on the basis of registration filed u/s. 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, before the Hon'ble Board for Industrial & Financial Reconstruction, and the hearings for which are in process for determination of sickness and on the basis of ongoing negotiations with the lenders for reduction in interest, rephasing in terms of borrowings etc., has not provided for interest to the tune of ₹ 8,758.47 Lacs (calculated based on last sanction letters in hand) on financial facilities, for the year ending March 31, 2015. Further interest amounting to ₹ 364.58 Lacs (calculated based on last sanction letters in hand) on financial facilities has not been provided by the Subsidiary Company.
31	Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

Note 32:- DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD 18:

(a)	Name of the enterprises having same Key Management Personnel and/or their relatives as the Reporting enterprises:			
	Eurobond Industries Private Limited	Euro Polaad Minerals & Steel LLP	Subhnen Ply Pvt. Ltd.	
	Euro Renewable Energy Pvt. Ltd.	Euro Solo Energy Systems Pvt. Ltd.	Euro India Cylinders Ltd.	
	Euro Realtors	Euro Glass Pvt. Ltd.	Kanch Ghar	
	Neelam Metal	Maxim Enterprises	Euro Solar Power Pvt. Ltd.	
	Neelam Ply & Laminates	Gala Enterprises	Monex Stationers	
	Euro Foundation			
(b)	Relatives of Key Management Personnel:			
	Nenshi L. Shah H.U.F.	Shantilal L. Shah H.U.F.	Rekhaben Nishar	
	Manjari H. Shah	Hitesh S. Shah H.U.F.	Kasturben T. Nandu	
	Nitesh P. Shah	Hitesh S. Shah	Viral T. Nandu	
	Shantaben L. Shah	Urmi P. Shah	Gunvantiben N. Shah	
	Pinank N. Shah	Parag K. Shah	Dimple A. Shah	
	Parita V. Nandu	Shantilal L. Shah	Mahek H. Shah	
	Dhruti P. Shah	Anish K. Shah	Hiral M. Shah	
(c)	Key Management Personnel:			
	Nenshi L. Shah	Kumar P. Shah	Talakshi L. Nandu	Pratik K. Shah
	Paresh K. Shah	Nitesh P. Shah		

Notes forming part of the consolidated financial statements

(d) During the year following transactions were carried out with the related parties in the ordinary course of business.

(Amount in ₹)

Nature of Transactions	Enterprises having common Key Management Personnel	Relative of the Key Management Personnel	Key Management Personnel
Sales Service and other income	----- (549,711)	----- -----	----- -----
Sale Of Fixed Assets	----- -----	----- -----	----- -----
Purchase of goods and services	----- (4,004,164)	----- -----	----- -----
Purchase of fixed assets	----- -----	----- -----	----- -----
Donation	----- -----	----- -----	----- -----
Director's Remuneration/Sitting Fees	----- -----	750,000 (1,080,000)	6,000,000 (9,992,500)
Interest Received	----- -----	----- -----	----- -----
Interest Paid/Payable	----- -----	----- -----	----- -----
Loans/Advances Taken	----- (26,094,320)	----- -----	----- -----
Loans/Advance Repaid	3,692,000 (18,610,899)	(7,649,998)	----- -----
Loans/Advances Given	----- (68,411,031)	----- -----	----- -----
Loans/Advance Received Back	----- (13,126,320)	----- -----	----- -----
Outstanding balance As at March 31, 2015:			
Loans Payable	(92,545,741) (129,839,337)	59,226 (15,701,026)	----- (113,568,998)
Loans Receivable	- (783,743,773)	----- (-----)	----- (-----)
Amount Receivable	8,310 (26,293,823)	----- (-----)	----- (-----)
Amount Payable	(941,481) (3,361,656)	----- (-----)	----- (-----)
Note 33:- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.			

NOTE 32 : SEGMENTWISE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2015 - PURSUANT TO ACCOUNTING STANDARD - 17 CONSOLIDATED

I) PRIMARY SEGMENTS - BUSINESS

	Tiles Division		Aluminium Division		Sanitaryware Division		Realty Division		Total	
	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹
a) Segmental Revenue										
Sales to External Customers	276,040,809	658,137,567	-	-	273,944,029	185,524,024	-	-	549,984,838	843,661,591
Less : Excise Duty	16,803,846	42,508,662	-	-	28,046,990	18,975,183	-	-	44,850,836	61,483,845
	259,236,963	615,628,905	-	-	245,897,039	166,548,841	-	-	505,134,002	782,177,746
Inter-Segmental Revenue	-	-	-	-	-	-	-	-	-	-
Total Segmental Revenue	259,236,963	615,628,905	-	-	245,897,039	166,548,841	-	-	505,134,002	782,177,746
b) Segmental Results (PBIT)										
(189,750,019)	(277,230,118)	(2,659,496)	(437,180)	(21,437,700)	(364,578)	(21,437,700)	-	(350,869)	(190,551,777)	(301,678,183)
Less: Interest & Finance Charges									7,009,956	16,455,993
									(197,561,733)	(318,134,176)
Less: Unallocable Expenses Net of Unallocable Income									67,424,092	37,702,112
Profit Before Tax & Exceptional Items									(264,985,825)	(355,836,288)
Loss / (Gain) due to Extraordinary Item									355,217,347	-
Profit Before Tax									(620,203,172)	(355,836,288)
Less: Earlier Years Excess/Short Provision									6,000	(176,159)
Profit After Tax									(620,209,172)	(355,660,129)
c) Carrying amount of Segmental Assets	4,578,544,973	4,582,721,080	26,018,760	26,032,627	1,193,281,309	1,187,358,457	435,567,345	776,856,008	6,233,412,387	6,572,968,172
Unallocated Assets									875,618,459	889,197,924
Total Assets									7,109,030,846	7,462,166,096
d) Carrying amount of Segmental Liabilities	3,151,725,961	3,166,202,159	1,709,108	1,709,108	47,046,847	34,142,454	-	-	3,200,481,916	3,202,053,721
Unallocated Liabilities									2,916,639,852	2,943,278,295
Total Liabilities									6,117,121,768	6,145,332,016
e) Cost incurred to acquire Segment										
Fixed Assets during the year	435,980	-	-	-	-	-	-	-	435,980	-
Unallocated Assets									30,310	36,000
f) Depreciation / Amortization	202,521,034	203,413,548	437,180	2,572,573	68,595,996	48,231,715	-	-	271,554,210	254,217,836
Unallocated depreciation									17,076,959	42,251,809

Note : There are no inter segment transactions in the previous year as well as in current year.

II) PRIMARY SEGMENTS -GEOGRAPHICAL

	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
The Company's operating facilities are located in India		
Domestic Revenues	487,946,628	753,886,858
Export Revenues	17,187,374	28,290,888
TOTAL	505,134,002	782,177,746

NOTES

NOTES



EURO CERAMICS LIMITED

(CIN: L26914MH2002PLC135548)

Registered Office: 208, Sangam Arcade, Vallabhnbhai Road, Vile Parle (West), Mumbai – 400 056

Phone: +91-22-4019 4019; **E-mail:** sales@eurocl.com; **Website:** www.eurovitrified.com

FOR KIND ATTENTION OF MEMBERS

Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated April 21, 2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	
Name of the Members	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail ID	
PAN or CIN	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Date: _____

Place: _____

Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. "Link Intime India Private Limited", C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078.

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking you,

For Euro Ceramics Limited

Nenshi L. Shah
Chairman & Managing Director



EURO CERAMICS LIMITED

(CIN: L26914MH2002PLC135548)

Registered Office: 208, Sangam Arcade, Vallabhnbhai Road, Vile Parle (West), Mumbai – 400 056

Phone: +91-22-4019 4019; **E-mail:** sales@eurocl.com; **Website:** www.eurovitrified.com

ATTENDANCE SLIP

13TH ANNUAL GENERAL MEETING ON SEPTEMBER 29, 2015

Registered Folio/DP ID & Client ID	
Name and Address of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	
No. of Shares held	

I/we hereby record my/our presence at the 13th Annual General Meeting of the Company held at Gomantak Seva Sangh, 72/A Mahant Road Extension, Vile Parle(East), Mumbai 400 057 on Tuesday, September 29, 2015.

Member's / Proxy's Name
(in Block Letters)

Member's/Proxy's Signature

Note:

1. Please fill on the Folio No./DP ID-Client ID, name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL.**
2. Please read the instructions for e-voting given along with Annual Report. The Voting period starts from, Saturday, September 26, 2015 (9.00 a.m.) and ends on Monday, September 28, 2015 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.



EURO CERAMICS LIMITED

(CIN: L26914MH2002PLC135548)

Registered Office: 208, Sangam Arcade, Vallabhnbhai Road, Vile Parle (West), Mumbai – 400 056

Phone: +91-22-4019 4019; **E-mail:** sales@eurocl.com; **Website:** www.eurovitrified.com

MGT 11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

13TH ANNUAL GENERAL MEETING ON SEPTEMBER 29, 2015

Name of the Member (s) / : _____

Registered address : _____

Email Id : _____

Folio No/Client Id : _____

DP ID : _____

I/We, being a Member (s) of _____ shares of the above named Company hereby appoint:

1. Name : _____

Address : _____

Email ID : _____

Signature : _____, or failing him

2. Name : _____

Address : _____

Email ID : _____

Signature : _____, or failing him

3. Name : _____

Address : _____

Email ID : _____

Signature : _____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company to be held on Tuesday, September 29, 2015 at 10.00 a.m. at Gomantak Seva Sangh, 72/A Mahant Road Extension, Vile Parle (East), Mumbai 400 057 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)		
		For	Against	Abstain
	Ordinary Business:			
1.	Ordinary Resolution to consider and adopt Audited Financial Statements (including Consolidated financial statements) for the year ended March 31, 2015 and the Reports of the Directors' and the Auditors'.			
2.	Ordinary Resolution to appoint a Director in the place of Mr. Pratik Kumar Shah (DIN: 01049516), Whole-time Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ordinary Resolution for re-appointment of M/s. Deepak Maru & Co., Chartered Accountants, Mumbai (FRN: 115678W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.			
	Special Business:			
4.	Ordinary Resolution for appointment of Mrs. Usha Jaysheel Kotian (DIN:07140529), as an Independent Director of the Company to hold office as such upto March 27, 2020.			

Signed this _____ day of _____ 2015

Signature of Member: _____

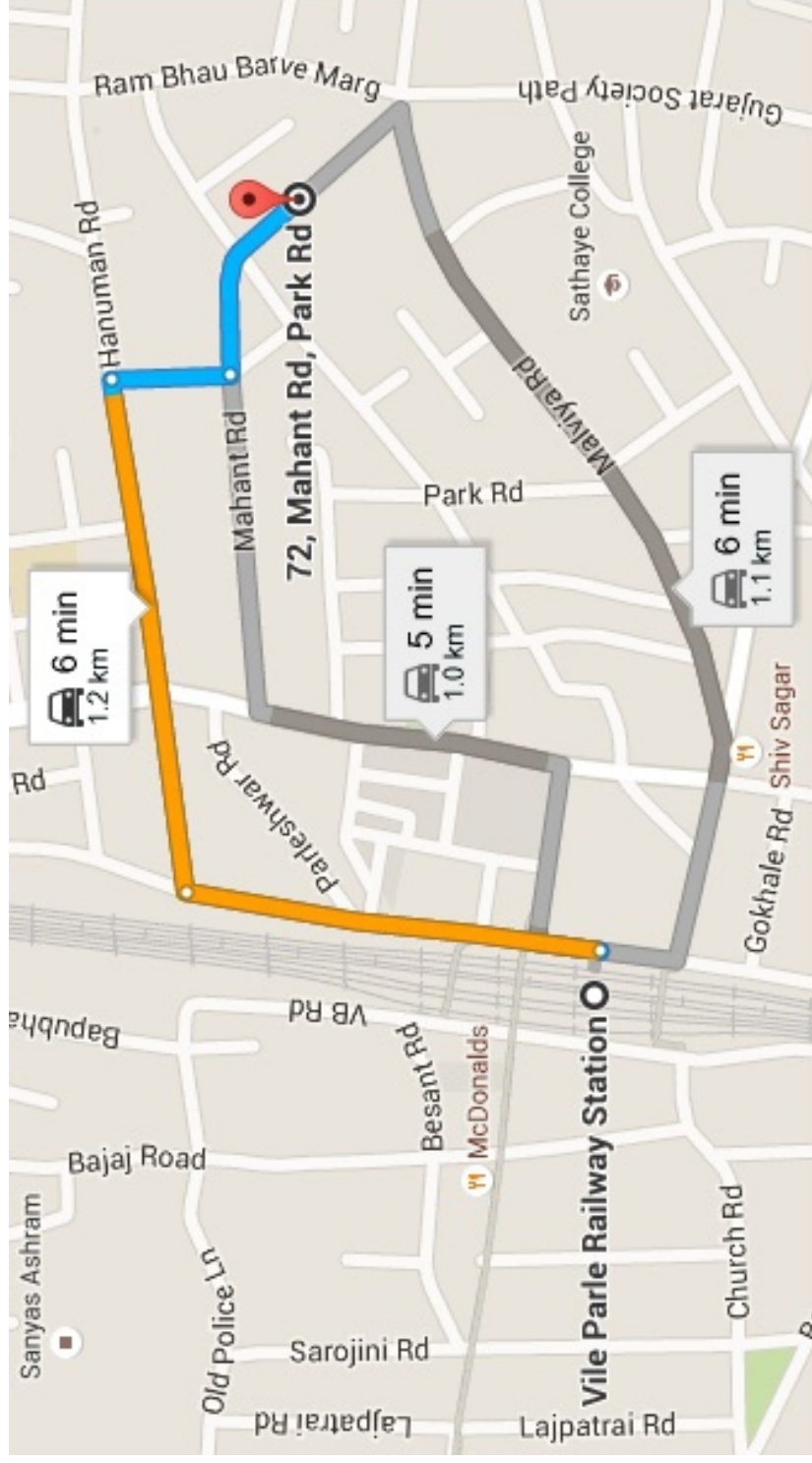
Signature of Proxy holder: _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.

Affix
Revenue
Stamp
of ₹ 0.15

ROUTE MAP FOR AGM VENUE



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