

EURO CERAMICS LIMITED

CIN: L26914MH2002PLC135548

Regd. Office : 208, Sangam Arcade, Vallabhbai Road, Vile Parle (West), Mumbai - 400 056

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Standalone Unaudited Financial Results for the Quarter and Six Months ended 30th September 2014

PART I		(Rs. In Lacs except EPS & No. of					
Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Net Sales/Income from Operations (Net of excise duty)	1,027.23	1,082.18	2,675.86	2,109.41	4,303.69	7,662.85
	(b) Other Operating Income	-	-	-	-	-	-
	Total Income from operations (net)	1,027.23	1,082.18	2,675.86	2,109.41	4,303.69	7,662.85
2	Expenses						
	(a) Cost of Materials Consumed	295.73	470.89	2,527.42	766.62	3,113.05	4,657.08
	(b) Purchase of stock in trade	43.88	18.17	42.12	62.05	55.49	121.29
	(c) (Increase) / Decrease in Inventories of finished goods & work-in-progress and stock in trade	135.70	(198.61)	(507.81)	(62.91)	(473.97)	635.26
	(d) Employees Benefit Expenses	118.05	158.35	202.61	276.40	510.78	881.78
	(e) Power and Fuel Expenses	261.07	407.09	334.77	668.16	814.32	1,252.79
	(f) Depreciation and amortisation expenses	991.44	980.95	752.93	1,972.39	1,498.16	2,961.61
	(g) Other expenses	158.07	228.62	209.06	386.69	803.89	1,165.64
	Total expenses	2,003.94	2,065.46	3,561.11	4,069.40	6,321.72	11,675.43
3	Profit / (Loss) from Operations before other Income, finance cost and exceptional items (1-2)	(976.71)	(983.28)	(886.25)	(1,959.99)	(2,018.03)	(4,012.58)
4	Other Income	1.17	6.63	609.98	7.80	653.98	676.96
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(975.54)	(976.65)	(276.27)	(1,952.19)	(1,364.05)	(3,335.63)
6	Finance Costs	27.03	19.34	91.13	46.37	136.45	164.35
7	Profit / (Loss) from ordinary activities after finance costs and exceptional items (5+6)	(1,002.57)	(995.99)	(366.40)	(1,998.56)	(1,500.50)	(3,499.98)
8	Exceptional items	3,409.67	-	-	3,409.67	-	-
9	Profit / (Loss) from ordinary activities before tax (7+8)	(4,412.24)	(995.99)	(366.40)	(5,408.23)	(1,500.50)	(3,499.98)
10	Tax expenses	-	-	-	-	(1.76)	(1.76)
11	Profit / (Loss) from ordinary activities after tax (9+10)	(4,412.24)	(995.99)	(366.40)	(5,408.23)	(1,498.74)	(3,498.22)
12	Extraordinary items (Net of tax expenses)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11+12)	(4,412.24)	(995.99)	(366.40)	(5,408.23)	(1,498.74)	(3,498.22)
14	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	3,373.77	3,373.77	2,857.80	3,373.77	2,857.80	3,373.77
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	(7,343.11)
16.i	EPS (Before extraordinary items) (of Rs. 10/- each) (not annualised)						
	(a) Basic	(13.08)	(2.95)	(1.28)	(16.03)	(5.24)	(13.00)
	(b) Diluted	(13.08)	(2.95)	(1.09)	(16.03)	(4.44)	(13.00)
16.ii	EPS (After extraordinary items) (of Rs. 10/- each) (not to be annualised)						
	(a) Basic	(13.08)	(2.95)	(1.28)	(16.03)	(5.24)	(13.00)
	(b) Diluted	(13.08)	(2.95)	(1.09)	(16.03)	(4.44)	(13.00)
PART II SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2014							
A PARTICULARS OF SHAREHOLDING							
1	Public shareholding:						
	- Number of shares	26,233,160	26,204,111	21,044,406	26,233,160	21,044,406	26,204,111
	- Percentage of shareholdings	77.76	77.67	73.64	77.76	73.64	77.67
2	Promoters and Promoters group Shareholding**						
	(a) Pledged / Encumbered						
	- Number of shares	7,504,047	7,504,047	7,504,047	7,504,047	7,504,047	7,504,047
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	99.61	99.61	100	99.61	99.61
	- Percentage of shares (as a % of the total share capital of the Company)	22.24	22.24	26.26	22.24	26.26	22.24
	(b) Non-encumbered						
	- Number of shares	510	29559	29559	510	29559	29559
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00	0.39	0.39	0.00	0.39	0.39
	- Percentage of shares (as a % of the total share capital of the Company)	0.00	0.09	0.10	0.00	0.10	0.09
B INVESTOR COMPLAINTS							
	Particulars	30-Sep-14					
	Pending at the beginning of the quarter	NIL					
	Received during the quarter	NIL					
	Disposed of during the quarter	NIL					
	Remaining unresolved at the end of the quarter	NIL					

Segmentwise Revenue, Results and Capital Employed							(Rs. in Lacs)
Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	(a) Tiles	450.33	455.56	2,311.04	905.89	3,693.96	5,997.36
	(b) Aluminium Sections	-	-	-	-	-	-
	(c) Sanitaryware	576.90	626.62	384.82	1,203.62	609.73	1,665.49
	(d) Realty	-	-	-	-	-	-
	Total	1,027.23	1,082.18	2,675.86	2,109.41	4,303.69	7,662.85
	Less: Inter-Segment Revenue	-	-	-	-	-	-
	Net Sales	1,027.23	1,082.18	2,675.86	2,109.41	4,303.69	7,662.85
2	Segmental Results						
	(a) Tiles	(761.38)	(885.16)	(511.46)	(1,646.54)	(1,170.78)	(2,714.13)
	(b) Aluminium Sections	(3.97)	(3.93)	(8.69)	(7.90)	(16.11)	(26.59)
	(c) Sanitaryware	(16.48)	123.57	13.08	107.09	(278.77)	(214.38)
	(d) Realty	-	-	-	-	-	(3.51)
	Total	(781.83)	(765.52)	(507.07)	(1,547.35)	(1,465.64)	(2,958.61)
	Less: (i) Interest	27.03	19.34	91.13	46.37	136.45	184.35
	(ii) Other Unallocable (Income)/ Expenditure (Net)	193.71	211.13	(231.61)	404.84	(101.59)	377.02
	(iii) Exceptional Items	3409.67	0.00	-	3,409.67	-	-
	Profit Before Tax	(4,412.24)	(995.99)	(366.40)	(5,408.23)	(1,500.50)	(3,499.98)
3	Capital Employed						
	(Segment Assets Less Segment Liabilities)						
	(a) Tiles	16,024.33	16,167.14	16,807.45	16,024.33	16,807.45	16,194.71
	(b) Aluminium Sections	243.23	243.24	245.45	243.23	245.45	243.24
	(c) Sanitaryware	11,611.69	11,589.97	11,470.60	11,611.69	11,470.60	11,532.16
	(d) Realty	4,358.89	7,768.56	7,775.45	4,358.89	7,775.45	7,768.56
	(e) Unallocable	(20,478.66)	(20,588.85)	(21,817.11)	(20,478.88)	(21,817.11)	(20,540.81)
	Total Capital Employed	11,759.26	15,180.06	14,481.84	11,759.26	14,481.84	15,197.86

STATEMENT OF ASSETS AND LIABILITIES

Particulars		(Rs. in Lacs)	
		As at 30-Sept-2014	As at 31-Mar-2014
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	3,373.77	3,373.77
	(b) Reserves and surplus	(12,752.98)	(7,343.11)
		(9,379.21)	(3,969.33)
2	Non-current liabilities		
	(a) Long-term borrowings	3,249.53	3,315.56
	(b) Deferred tax liabilities (net)	1,523.92	1,523.92
		4,773.45	4,839.48
3	Current liabilities		
	(a) Short-term borrowings	1,467.33	1,479.33
	(b) Trade payables	3,778.39	3,236.03
	(c) Other current liabilities	49,004.68	48,925.71
	(d) Short-term provisions	36.61	51.46
		54,287.01	53,692.54
	TOTAL	49,681.25	54,562.69
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	38,180.32	40,159.00
	(ii) Capital work-in-progress	-	-
		38,180.32	40,159.00
	(b) Non-current investments	277.61	277.61
	(c) Long-term loans and advances	932.09	953.00
		39,390.02	41,389.60
2	Current assets		
	(a) Inventories	3,833.00	3,205.99
	(b) Trade receivables	1,340.54	1,478.10
	(c) Cash and Bank Balances	272.32	282.20
	(d) Short-term loans and advances	4,844.45	8,206.11
	(e) Other current assets	0.92	0.68
		10,291.23	13,173.08
	TOTAL	49,681.25	54,562.69

NOTES:

- The above Un-audited financial results for the quarter and six months ended 30th September 2014 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 14th November 2014 and have undergone limited review by the Statutory Auditors of the Company.
- Pursuant to Companies Act 2013, the Company has revised the Depreciation Rates w.e.f. 1st April 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. As a result depreciation as calculated on SLM Method, for the quarter and half year ended 30th September 2014 is higher by Rs. 253.77 lacs and Rs. 504.98 Lacs respectively. Similarly in case of Fixed Assets whose useful life has already been completed as on 31st March 2014, the carrying value (net of residual value) of those Fixed Assets amounting to Rs. 1.63 lacs have been debited to the opening balance of General Reserve Account.
- As per AS 17 issued by the Institute of Chartered Accountants of India, the Company has four reportable segments namely Tiles, Aluminium Extruded Sections, Sanitaryware & Realty.
- Other income includes Rental Income and Interest Income.
- The Company's financing arrangements have expired and the amount outstanding is overdue for repayment for more than one year. The Company has been unable to renegotiate, restructure nor obtain replacement financing and the bankers have initiated legal proceeding for recovery from the Company with the Debt Recovery Tribunal. In addition to this, the Company has continuously been incurring substantial losses since past few years and as of 30th September, 2014, the Company's current liabilities exceeds its current assets by Rs. 40,586.10 lakhs. Further, the net worth of the Company has been fully eroded and the Company has filed application for registration u/s 15 (1) of 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 is under doubt.
- The Company on the basis of application filed u/s 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985, before the Hon'ble Board for Industrial & Financial Reconstruction, & the hearings of which are in process for determination of sickness, has not provided for interest on financing facilities amounting to Rs. 2,164.08 lakhs and Rs. 4,198.67 lakhs for the quarter and half year ended 30th September, 2014 respectively. Had the same been accounted for, the net loss (after tax) for the quarter and half year ended 30th September, 2014 would have increased by that amount respectively. The corresponding liability on account of non provision of interest, would have also been increased by Rs. 4,198.67 lakhs for half year ended 30th September, 2014.
- The Company during the quarter has provided for permanent diminution in value of its investments / Loans & Advances made to its partnership firm and the same has been shown as an exceptional item in Statement of Profit & Loss for the quarter and six months ended 30th September, 2014.
- The Deferred Tax provision as per AS 22 issued by the Institute Of Chartered Accountants of India has not been made on account of losses.
- The Company has not provided for impairment on its assets as per 'Accounting Standard 28 - Accounting for Impairment of Assets' as notified under the Companies (Accounting Standards) Rules, 2006. The effect of such impairment has not been quantified by the management and hence the same is not ascertainable.
- Previous Period/Year's figures have been regrouped / reclassified wherever necessary.

By Order of the Board of Directors
For Euro Ceramics Limited

Nenshi L. Shah

Nenshi L. Shah
Managing Director

Deepak Maru & Co.

Chartered Accountants

2/5, Ground Floor, Gajanan Colony,

Goregaon (W), Mumbai - 400062

Tel.: 022- 30284747 / 022-30284748

Certificate No.: J-DMC/0011/2014-15

To,
The Board of Directors,
EURO CERAMICS LIMITED,
208, Sangam Arcade,
Vallabhbhai Road, Vile Parle (W),
Mumbai - 400 056.

Dear Sirs,

Sub: Limited Review Report for the quarter ended 30th September 2014

We have reviewed the accompanying statement of unaudited financial results of EURO CERAMICS LIMITED for the period ended 30th September 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

As referred in Note No.5, the Company's financing arrangements have expired and the amount outstanding is overdue for repayment for more than one year. The Company has been unable to renegotiate, restructure nor obtain replacement financing and the bankers have initiated legal proceeding for recovery from the Company with the Debt Recovery Tribunal. In addition to this, the Company has continuously been incurring substantial losses since past few years and as of 30th September, 2014, the Company's current liabilities exceeds its current assets by Rs. 43,995.77 lakhs. Further, the net worth of the Company has been fully eroded and the Company has filed application for registration u/s 15 (1) of 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



Deepak Maru & Co.

Chartered Accountants

2/5, Ground Floor, Gajanan Colony,

Goregaon (W), Mumbai - 400062

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results do not disclose the fact that the fundamental accounting assumption of going concern is under doubt.

As referred in Note No. 6 of the accompanying statement, for the quarter ended 30th September 2014, The Company on the basis of application filed u/s 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985, before the Hon'ble Board for Industrial & Financial Reconstruction, & the hearings of which are in process for determination of sickness; has not provided for interest on financing facilities amounting to Rs.2,164.08 lakhs and Rs.4,198.67 lakhs for the quarter and half year ended 30th September, 2014 respectively. Had the same been accounted for; the net loss (after tax) for the quarter and half year ended 30th September, 2014 would have increased by that amount respectively. The corresponding liability on account of non provision of interest, would have also been increased by Rs. 4,198.67 lakhs for half year ended 30th September, 2014.

As referred in Note No.9 of the accompanying statement, the Company has not provided for impairment on its assets as per 'Accounting Standard 28 - Accounting for Impairment of Assets' as notified under the Companies (Accounting Standards) Rules, 2006. The effect of such impairment has not been quantified by the management and hence the same is not ascertainable.

Based on our review conducted as above, and **subject to** the effect of the matters stated in above paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For DEEPAK MARU & CO.

Chartered Accountants

Firm Regn. No.115678W

Jaymin P. Shah

CA Jaymin P. Shah

(Partner)

Mem. No. 118113

Place : Mumbai

Date : 14th November, 2014

