

Euro Ceramics Ltd.

CIN : L26914MH2002PLC135548



30th May, 2016

To,
The Manager - CRD,
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort.
Mumbai - 400051
Scrip Code: 532823

National Stock Exchange of India Limited,
"Exchange Plaza", Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 001
Symbol: EUROCERA

Dear Sir,

Sub: Outcome of the Board Meeting held today i.e. 30th May, 2016

Pursuant to Regulation 30 read with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today i.e. Monday, 30th May, 2016; *inter-alia*, considered and approved the Audited Financial Results of the Company for the quarter and year ended on 31st March, 2016.

A copy of the Audited Financial Results for the quarter and year ended 31st March, 2016 along-with Auditors' Report, Statement of Assets and Liabilities of the Company and Statement of Impact of Audit Qualifications as per Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are enclosed herewith for your record.

The meeting of the Board of Directors commenced at 5.30 PM and concluded at 8.30 PM.

Kindly take the above on your record.

Thanking you,

Yours faithfully,
For Euro Ceramics Limited

Pratik Shah
Chairman & Compliance Officer

Encl.: As abovez

Regd. Office : 208, Sangam Arcade, Vallabhnbhai Road, Vile Parle (West), Mumbai - 400056. INDIA.

Tel.: +91-22-4019 4019 • Fax : +91-22-4019 4020 • Email : sales@eurocl.com • Web : www.eurocl.com

Plant : Survey No. 510, 511, 512, 517/1, Bhachau, Dudhai Road, Bhachau (Kutch), Gujarat, Pin : 370140.
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EURO CERAMICS LTD.

Regd. Office : 208, Sangam Arcade, Vallabhkhai Road, Vile Parle West, Mumbai 400 056 (CIN- L26914MH2002PLC135548)

Web - www.eurocl.com, email - sales@eurocl.com, Ph-022 40194019, Fax - 022 40194020

(Rs. in Lacs except EPS)

Statement of Audited Financial Results for the Quarter and Year Ended 31st March 2016

Sr. No.	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended	Year Ended	Year Ended	Year Ended
		31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	Income form the operations							
a	Net Sales/Income from Operations (Net of excise duty)	2,130.18	1,041.87	1,815.12	5,597.66	4,971.09	5,605.90	5,051.34
b	Other Operating Income	-	-	-	-	-	-	-
	Total income from Operations (net)	2,130.18	1,041.87	1,815.12	5,597.66	4,971.09	5,605.90	5,051.34
2	Expenses							
a	Cost of Materials consumed	1,164.95	713.86	1,108.72	2,727.91	2,388.52	2,727.91	2,388.52
b	Purchase of stock-in-trade	17.55	12.25	37.46	106.28	139.15	108.63	157.87
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	524.59	(327.49)	32.33	581.75	9.25	1,039.94	45.27
d	Employee benefits expense	165.67	155.64	175.17	613.39	576.77	616.50	584.05
e	Depreciation and amortisation expense	673.92	674.18	(80.84)	2,696.12	2,882.80	2,696.40	2,886.31
f	Power & Fuel Expenses	245.86	223.10	207.17	867.90	1,085.51	867.90	1,085.51
g	Other expenses	303.98	197.96	220.68	847.78	741.73	890.75	771.70
	Total Expenses	3,096.53	1,649.51	1,700.69	8,441.13	7,823.72	8,948.03	7,919.23
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(966.35)	(607.63)	114.43	(2,843.47)	(2,852.64)	(3,342.13)	(2,867.89)
4	Other Income	121.96	5.96	243.24	168.56	271.09	174.28	288.13
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(844.39)	(601.68)	357.67	(2,674.91)	(2,581.55)	(3,167.85)	(2,579.76)
6	Finance Cost	16.75	10.59	3.87	76.30	69.95	74.09	70.10
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)	(861.13)	(612.27)	353.80	(2,751.21)	(2,651.50)	(3,241.94)	(2,649.86)
8	Exceptional Items	-	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	(861.13)	(612.27)	353.80	(2,751.21)	(2,651.50)	(3,241.94)	(2,649.86)
10	Tax expense	(1,523.92)	-	-	(1,523.92)	-	(1,523.20)	(0.06)
11	Net Profit / (Loss) from ordinary activities after tax (9 + 10)	662.79	(612.27)	353.80	(1,227.29)	(2,651.50)	(1,718.74)	(2,649.92)
12	Extraordinary items (net of tax expense)	-	-	(142.50)	-	(3,552.17)	-	(3,552.17)
13	Net Profit / (Loss) for the period (11 + 12)	662.79	(612.27)	211.30	(1,227.29)	(6,203.67)	(1,718.74)	(6,202.09)
14	Paid-up equity share capital (Face Value of Rs. 10 each)	3,373.77	3,373.77	3,373.77	3,373.77	3,373.77	3,373.77	3,373.77
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(20,708.54)	(19,481.24)	(23,200.37)	(21,481.63)
16 i	Earnings Per Share (before extraordinary items) (of Rs.10/- each) (not annualised):							
	(a) Basic	1.96	(1.81)	1.05	(3.64)	(7.86)	(5.09)	(7.85)
	(b) Diluted	1.96	(1.81)	1.05	(3.64)	(7.86)	(5.09)	(7.85)
ii	Earnings Per Share (after extraordinary items) (of Rs.10/- each) (not annualised):							
	(a) Basic	1.96	(1.81)	0.63	(3.64)	(18.39)	(5.09)	(18.38)
	(b) Diluted	1.96	(1.81)	0.63	(3.64)	(18.39)	(5.09)	(18.38)



Segmentwise Revenue, Results and Capital Employed

Rs. In Lacs

Sr. No.	Particulars	STANDALONE					CONSOLIDATED	
		Quarter Ended		Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
		31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	Segment Revenue							
	(a) Tiles	1,203.19	269.64	1,128.55	2,515.54	2,512.11	2,523.78	2,592.37
	(b) Aluminium Sections	-	-	-	-	-	-	-
	(c) Sanitaryware	926.99	772.24	686.56	3,082.12	2,458.97	3,082.12	2,458.97
	(d) Realty	-	-	-	-	-	-	-
	Total	2,130.18	1,041.88	1,815.11	5,597.66	4,971.08	5,605.90	5,051.34
	Less: Inter-Segment Revenue	-	-	-	-	-	-	-
	Net Sales	2,130.18	1,041.88	1,815.11	5,597.66	4,971.08	5,605.90	5,051.34
2	Segmental Results							
	(a) Tiles	(800.96)	(523.77)	532.18	(2,365.02)	(1,898.29)	(2,857.96)	(1,897.50)
	(b) Aluminium Sections	(2.96)	(1.10)	7.50	(6.24)	(4.37)	(6.24)	(4.37)
	(c) Sanitaryware	73.73	103.25	(61.90)	282.22	(3.64)	282.22	(3.65)
	(d) Realty	-	-	-	-	-	-	-
	Total	(730.19)	(421.62)	477.77	(2,089.04)	(1,906.30)	(2,581.98)	(1,905.52)
	Less: (i) Interest	16.75	10.59	3.87	76.30	69.95	74.09	70.10
	(ii) Other Unallocable (Income)/ Expenditure (Net)	114.93	179.32	120.10	585.87	675.24	585.87	674.24
	(iii) Exceptional/Extraordinary Items	-	-	142.50	-	3,552.17	-	3,552.17
	Profit Before Tax	(861.87)	(611.53)	211.30	(2,751.21)	(6,203.66)	(3,241.94)	(6,202.03)
3	Capital Employed (Segment Assets Less Segment Liabilities)							
	(a) Tiles	16,015.66	16,124.74	16,223.33	16,015.66	16,223.33	13,569.36	14,268.19
	(b) Aluminium Sections	241.22	243.10	243.10	241.22	243.10	241.22	243.10
	(c) Sanitaryware	11,612.67	11,541.71	11,462.34	11,612.67	11,462.34	11,612.67	11,462.34
	(d) Realty	4,332.42	4,357.74	4,355.67	4,332.42	4,355.67	4,332.42	4,355.67
	(e) Unallocable	(18,866.25)	(20,260.93)	(20,410.21)	(18,866.25)	(20,410.21)	(18,866.25)	(20,410.21)
	Total Capital Employed	13,335.72	12,006.35	11,874.23	13,335.72	11,874.23	10,889.42	9,919.09

STATEMENT OF ASSETS AND LIABILITIES

		(Rs. in Lacs)			
		Standalone		Consolidated	
		Audited		Audited	
Particulars		As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2016	As at 31-Mar-2015
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	(a) Share capital	3,373.77	3,373.77	3,373.77	3,373.77
	(b) Reserves and surplus	(20,708.54)	(19,481.24)	(23,200.37)	(21,481.63)
		(17,334.77)	(16,107.47)	(19,826.60)	(18,107.86)
2	Non-current liabilities				
	(a) Long-term borrowings	3,150.68	3,222.04	3,290.79	3,362.16
	(b) Deferred tax liabilities (net)	-	1,523.92	-	1,523.92
		3,150.68	4,745.96	3,290.79	4,886.08
3	Current liabilities				
	(a) Short-term borrowings	1,458.83	1,458.33	1,558.90	1,558.40
	(b) Trade payables	3,663.31	3,037.20	3,859.76	3,231.77
	(c) Other current liabilities	48,945.40	48,835.59	51,306.16	51,276.81
	(d) Short-term provisions	79.46	74.92	221.96	218.16
		54,147.00	53,406.04	56,946.78	56,285.14
	TOTAL	39,962.91	42,044.53	40,410.97	43,063.36
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets				
	(i) Tangible assets	28,646.80	31,341.44	28,650.08	31,347.73
	(ii) Capital work-in-progress	-	-	-	-
		28,646.80	31,341.44	28,650.08	31,347.73
	(b) Non-current investments	134.11	134.11	135.11	135.11
	(c) Long-term loans and advances	877.60	940.75	877.90	941.05
		29,658.51	32,416.30	29,663.09	32,423.89
2	Current assets				
	(a) Inventories	3,193.28	3,208.82	3,270.06	3,743.80
	(b) Trade receivables	1,840.46	1,311.03	1,845.51	1,299.53
	(c) Cash and Bank Balances	560.34	315.18	562.58	362.75
	(d) Short-term loans and advances	4,708.69	4,792.04	5,068.10	5,193.86
	(e) Other current assets	1.63	1.16	1.63	39.53
		10,304.40	9,628.23	10,747.88	10,639.47
	TOTAL	39,962.91	42,044.53	40,410.97	43,063.36



NOTES

- 1 The above financial results for the quarter ended and year ended March 31, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 30, 2016.
- 2 The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the financial year.
- 3 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.
- 4 Other Income includes Rental Income, Interest Income and amount written off on account of liabilities which are no longer payable.
- 5 The Company's financing arrangements have expired and the amount outstanding is overdue for repayment for more than two years. 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. Further some of the secured lenders have taken symbolic possession of the securities u/s. 13(4) of the SARFAESI Act, 2002. In addition to this, the Company has continuously been incurring substantial losses since past few years. The Company's current liabilities exceeds its current assets and 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 is taking appropriate action and negotiating with the lenders for finding amicable solution.
- 6 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 and the hearings of which are in process for determination of sickness; has not provided for interest amounting to Rs.2,698.39 lacs and Rs.10250.96 lacs for the quarter and year ended March 31, 2016 respectively on financing facilities taken from Banks. Had the same been accounted for, the net loss (after tax) and current liability for the quarter ended and year ended March 31, 2016 would have increased by that amount. The Company had also not provided the interest amounting to Rs. 15,184.52 Lacs pertaining to F.Y.2013-14 and F.Y.2014-15 on the said facilities.
- 7 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 and virtual uncertainty of earning future taxable income in the Company. Therefore the Company has reversed its entire Deferred Tax liability amounting to Rs. 1523.92 Lacs pursuant to its estimate that there would not be any taxable income in near foreseeable future.
- 8 Previous Period/Year's figures have been regrouped / reclassified wherever necessary.

Place : Mumbai
Date : May 30, 2016

For and on behalf of Board of Directors


Pratik K. Shah
Whole Time Director
DIN : 01049516



**Auditor's Report On Annual Financial Results of the Company Pursuant to the Regulation
33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

The Board of Directors

Euro Ceramics Limited

We have audited the annual financial results of **Euro Ceramics Limited** for the year ended **31st March 2016**, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These financial results have been prepared on the basis of the annual financial statements, which are the responsibility of the company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial results based on our audit of such annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these annual financial results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and



(ii) give a true and fair view of the net profit/ loss₂ and other financial information for the quarter ended 31st March 2016 as well as the year to date results for the period from 01st April 2015 to 31st March 2016 ,

SUBJECT TO THE FOLLOWING:

- (a) *We draw attention to Note No.5 of 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 last more than 3 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 Company has been continuously incurring substantial losses since past few years and as on March 31, 2016, the Company's current liabilities exceed its current assets by Rs. 43,842.60 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.

- (b) *Attention is also drawn to Note No. 6 of 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 Rs. 10,250.96 lacs for the year ending March 31, 2016, subject to reconciliation with banks. Had the same been provided, the loss for the year ending March 31, 2016, would have increased by Rs. 10,250.96 lacs. The corresponding liabilities would also have increased by Rs. 10,250.96 lacs as at March 31, 2016.

- (c) Attention is also drawn to the fact that 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 13th September, 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.
- (d) Further attention is also drawn to the fact that there has been delay in transferring unclaimed dividend amounting to Rs. 0.37 lacs pertaining to financial year 2007-08 into the Investor Education and Protection Fund, by the Company during the year ended March 31, 2016.
- (e) We draw attention to the fact that financial statements are subject to receipt of confirmation of balances from all of the debtors, loans & advances, investments, banks, sundry creditors and other liabilities. Pending receipt of confirmation of these balances and consequential reconciliations / adjustments, if any, the resultant impact on the financial statements is not ascertainable.
- (f) We draw attention to the facts that the non-ascertainment of complete particulars of dues to Micro, Small and Medium enterprises, if any under MSMED Act, 2006, and provisions towards interest, if any, is not ascertained at this stage which is not in conformity with para 14 of Accounting Standard 29- 'Provision, Contingent Liabilities and Contingent Assets.



- (g) *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 in respect of loans granted by the Company to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence we are unable to comment as to regularity of repayments of principal and interest amount.*
- (h) *The Company has not appropriated within the prescribed period of 365 days from the date of receipt, the amount received by it for the supply of goods / provision of services that were received in normal course of and for the purpose of its business amounting to Rs. 135.06 lacs. The said amount tantamount to acceptance of deposit within the meaning of sec.73 to sec.76 of the Companies Act 2013 and the rules framed there under. The Company has not complied with Company's Acceptance of Deposits Rule as provided in sec.73 to 76 of the Companies Act, 2013 to that extent.*
- (i) *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.*

For DEEPAK MARU & CO.

Chartered Accountants

Firm Regn. No.115678W

Jaymin P. Shah
CA. Jaymin P. Shah

Partner

(Mem. No.118113)

Place : Mumbai

Date: May 30, 2016



Euro Ceramics Ltd.

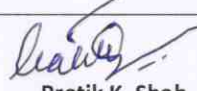

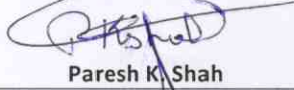

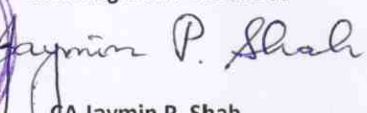

CIN : L26914MH2002PLC135548



Statement on Impact of Audit Qualifications on Standalone Financial Statements for the Financial Year ended March 31, 2016

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. In Lacs)

I	Sr. No.	Particulars	Audited Figures (As reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/ Income	5,766.22	5766.22
	2	Total Expenditure	6993.51	17244.47
	3	Net Profit/(Loss)	(1,227.29)	(11478.25)
	4	Earnings Per Share	(3.64)	(34.02)
	5	Total Assets	39962.92	39962.92
	6	Total Liabilities	57297.68	67548.64
	7	Net Worth	(17334.76)	(27585.72)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification		Refer Annexure	
	a.	Details of Audit Qualification		
	b.	Type of Audit Qualification		
	c.	Frequency of Qualification		
	d.	For Audit Qualification(s) where the impact is quantified by the Auditor, Management's view		
	e.	For Audit Qualifications(s) where the impact is not quantified by the Auditor		
	i.	Management's estimation on the impact of audit qualification		
	ii.	If Management is unable to estimate the impact, reasons for the same		
	iii.	Auditor's comments on (i) or (ii) above.		
III	Signatories			
	a.	Whole Time Director	 Pratik K. Shah	
	b.	CFO	 Paresh K. Shah	
	c.	Audit Committee Chairman	 Karan Rajput	
	d.	Auditor	For Deepak Maru & Co. Chartered Accountant Firm Regn. No. 115678W  CA Jaymin P. Shah Partner Mem No. 118113	

Regd. Office : 208, Sangam Arcade, Vallabhnbhai Road, Vile Parle (West), Mumbai - 400056. INDIA.

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Plant : Survey No. 510, 511, 512, 517/1, Bhachau, Dudhai Road, Bhachau (Kutch), Gujarat, Pin : 370140.
Tel.: +91-2837-224751 / 224752 / 224753

**ANNEXURE TO STATEMENT ON IMPACT OF AUDIT QUALIFICATION OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED
MARCH 31, 2016**

Sr. No.	Details of Audit Qualification	Type of Audit Qualification	Frequency of Qualification	For Audit Qualifications where the impact is quantified by the auditor, management's view	For Audit Qualifications where the impact is not quantified by the Auditor		
					(i) Management estimation on the impact of audit qualification	(ii) If management is unable to estimate the impact, reasons for the same.	(iii) Auditor's comment on (i) and (ii)
1	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.	Qualified	Repeated	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	N.A.	N.A.	N.A.



					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.				
2	The Company has not provided for interest on financing facilities amounting to Rs. 10250.96 lacs for the year ending March 31, 2016. Had the same been provided, the loss for the year ending March 31, 2016, would have increased by Rs. 10250.96 lacs. The corresponding liabilities would also have increased by Rs. 10250.96 lacs as at March 31, 2016.	Qualified	Repeated	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 Rs. 10250.96 lacs, (calculated based on last sanction letters in hand) on financing facilities, for the year ending March 31, 2016.					
3	The Company has not provided for impairment or diminishing value of its assets/ investment as per "Accounting Standard 28-	Qualified	Repeated	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					



	Accounting for Impairment of Assets" as notified under the Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated 13th September, 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.			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.		
4	There has been delay in transferring unclaimed dividend amounting to Rs. 0.37 Lacs pertaining to financial year 2007-08 into Investor Education and Protection Fund, by the Company during the year ended March 31, 2016.	Qualified	First Time	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 some technical error.		
5	That financial statements are subject to receipt of confirmation of balances from all of the debtors, loans &	Disclaimer Qualification	First Time	Your management would like to state that the Company is in the process of obtaining the confirmations from debtors, creditors, lenders and loans advances in		



	advances, investments, banks, sundry creditors and other liabilities. Pending receipt of confirmation of these balances and consequential reconciliations / adjustments, if any, the resultant impact on the financial statements is not ascertainable.			routine course of business and have obtained from some of them. The reconciliations are made and the effects have been given in the books of accounts wherever required.			
6	The non-ascertainment of complete particulars of dues to Micro, Small and Medium enterprises, if any under MSMED Act, 2006, and provisions towards interest, if any, is not ascertained at this stage which is not in conformity with para14 of Accounting Standard 29-'Provision, Contingent Liabilities and Contingent Assets.	Disclaimer Qualification	First Time	The Company is in the process of identifying the creditors which are Micro, Small and Medium Enterprises under MSMED Act	NA	NA	NA
7	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,	Qualified	Repeated	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.			



	there are no stipulations made regarding the repayment of principal amount and interest. Hence we are unable to comment as to regularity of repayments of principal and interest amount.								
8	The Company has not appropriated within the prescribed period of 365 days from the date of receipt, the amount received by it for the supply of goods / provision of services that were received in normal course of and for the purpose of its business amounting to Rs. 135.06 lacs. The said amount to tantamount to acceptance of deposit within the meaning of sec.73 to sec.76 of the Companies Act 2013 and the rules framed there under. The Company has not complied with Company's Acceptance of Deposits Rule as provided in sec.73 to	Qualified	First Time	The management would like to state that the advances are received in the normal course of business and the appropriation will be done in the next financial year.					



	76 of the Companies Act, 2013 to that extent.						
9	<p>The Company has given 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.</p>	Qualified	Repeated	<p>The management 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.</p>			



Deepak Maru & Co.

Chartered Accountants

Auditor's Report On Annual Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Board of Directors

Euro Ceramics Limited

We have audited the annual consolidated financial results of **Euro Ceramics Limited** for the year ended **31st March 2016**, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These annual consolidated financial results have been prepared from annual consolidated financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard mandated under Section 133 of the Companies Act, 2013 read with relevant rules issued there under or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We have also audited the financial statements of **one** subsidiary included in the consolidated financial results, whose consolidated financial statements reflect total assets of **Rs. 40,410.97 lacs** as at **31st March 2016**; as well as the total revenue of **Rs. 5,780.18 lacs** as at **31st March 2016**.

In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results:

(i) include the financial results of the following entities;



(a) Euro Ceramics Limited – Holding Company

(b) Euro Merchandise (I) Limited – Subsidiary Company

(ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(iii) give a true and fair view of the consolidated net loss and other financial information for the consolidated results for the year ended 31st March 2016, **SUBJECT TO THE FOLLOWING;**

- (a) *We draw attention to Note No.5 of the 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 last more than 3 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 Group 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, 2016, the consolidated current liabilities exceed consolidated current assets by Rs. 46,198.89 lacs. Further, the consolidated networth of the Group has fully eroded and the Group 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 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 financial results do not disclose the fact that the fundamental accounting assumption of going concern has not been followed.



- (b) *Attention is also drawn to Note No.6 of the consolidated financial statements, the Group has not provided for interest on financing facilities amounting to Rs. 10,674.15 lacs for the year ending March 31, 2016, subject to reconciliation with banks. Had the same been provided, the loss for the year ending March 31, 2016, would have increased by Rs. 10,674.15 lacs. The corresponding consolidated liabilities would also have increased by Rs. 10,674.15 lacs as at March 31, 2016.*
- (c) *Attention is also drawn to the fact that the Group 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 13th September, 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.*
- (d) *Further attention is also drawn to the fact that there has been delay in transferring unclaimed dividend amounting to Rs. 0.37 lacs pertaining to financial year 2007-08 into the Investor Education and Protection Fund, by the Holding Company during the year ended March 31, 2016.*
- (e) *We draw attention to the fact that the consolidated financial statements are subject to receipt of confirmation of balances from all of the debtors, loans & advances, investments, banks, sundry creditors and other liabilities. Pending receipt of confirmation of these balances and consequential reconciliations / adjustments, if any, the resultant impact on the consolidated financial statements is not ascertainable.*
- (f) *We draw attention to the facts that the non-ascertainment of complete particulars of dues to Micro, Small and Medium enterprises, if any under MSMED Act, 2006, and provisions towards interest, if any, in the consolidated financial statement which is not ascertained at this stage and which is not in conformity with para14 of Accounting Standard 29- 'Provision, Contingent Liabilities and Contingent Assets.*



- (g) *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 in respect of loans granted by the Company to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence we are unable to comment as to regularity of repayments of principal and interest amount.*
- (h) *The Group has not appropriated within the prescribed period of 365 days from the date of receipt, the amount received by it for the supply of goods / provision of services that were received in normal course of and for the purpose of its business amounting to Rs. 167.81 lacs. The said amount tantamount to acceptance of deposit within the meaning of sec.73 to sec.76 of the Companies Act 2013 and the rules framed there under. The Company has not complied with Company's Acceptance of Deposits Rule as provided in sec.73 to 76 of the Companies Act, 2013 to that extent.*
- (i) *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 Subsidiary Company would be able to repay its liabilities or realize its assets.*

For DEEPAK MARU & CO.
Chartered Accountants
Firm Regn. No.115678W

Jaymin P. Shah
(CA. Jaymin P. Shah)

Partner
(Mem. No.118113)



Place: Mumbai
Date: May 30, 2016

Euro Ceramics Ltd.

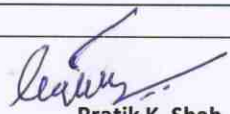
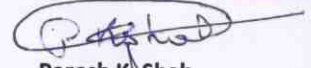
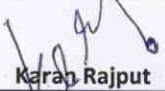

CIN : L26914MH2002PLC135548



Statement on Impact of Audit Qualifications on Consolidated Financial Statements for the Financial Year ended March 31, 2016

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. In Lacs)

I	Sr. No.	Particulars	Audited Figures (As reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/ Income	5,780.18	5,780.18
	2	Total Expenditure	7498.92	18,173.07
	3	Net Profit/(Loss)	(1,718.74)	(12,392.89)
	4	Earnings Per Share	(5.09)	(36.73)
	5	Total Assets	40,410.97	40,410.97
	6	Total Liabilities	60,237.57	70,911.72
	7	Net Worth	(19,826.60)	(30,500.75)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification		Refer Annexure	
	a.	Details of Audit Qualification		
	b.	Type of Audit Qualification		
	c.	Frequency of Qualification		
	d.	For Audit Qualification(s) where the impact is quantified by the Auditor, Management's view		
	e.	For Audit Qualifications(s) where the impact is not quantified by the Auditor		
	i.	Management's estimation on the impact of audit qualification		
	ii.	If Management is unable to estimate the impact, reasons for the same		
	iii.	Auditor's comments on (i) or (ii) above.		
III	Signatories			
	a.	Whole Time Director	 Pratik K. Shah	
	b.	CFO	 Paresh K. Shah	
	c.	Audit Committee Chairman	 Karan Rajput	
	d.	Auditor	 For Deepak Maru & Co. Chartered Accountant Firm Regn. No. 115678W CA Jaymin P. Shah Partner Mem No. 118113	

Regd. Office : 208, Sangam Arcade, Vallabhnbhai Road, Vile Parle (West), Mumbai - 400056. INDIA.

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Tel.: +91-2837-224751 / 224752 / 224753

**ANNEXURE TO STATEMENT ON IMPACT OF AUDIT QUALIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED
MARCH 31, 2016**

Sr. No.	Details of Audit Qualification	Type of Audit Qualification	Frequency of Qualification	For Audit Qualifications where the impact is quantified by the auditor, management's view	For Audit Qualifications where the impact is not quantified by the Auditor		
					(i) Management estimation on the impact of audit qualification	(ii) If management is unable to estimate the impact, reasons for the same.	(iii) Auditor's comment on (i) and (ii)
1	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 network of the Company fully eroded and the lenders and creditors have initiated legal proceedings against the Company for recovery.	Qualified	Repeated	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	N.A.	N.A.	N.A.



					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.				
2	The Company has not provided for interest on financing facilities amounting to Rs. 10674.15 lacs for the year ending March 31, 2016. Had the same been provided, the loss for the year ending March 31, 2016, would have increased by Rs. 10674.15 lacs. The corresponding liabilities would also have increased by Rs. 10674.15 lacs as at March 31, 2016.	Qualified	Repeated		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, rephasesment in terms of borrowings etc., has not provided for interest to the tune of Rs. 10674.15 Lacs, (calculated based on last sanction letters in hand) on financing facilities, for the year ending March 31, 2016.				
3	The Company has not provided for impairment or diminishing value of its assets/ investment as per "Accounting Standard 28-	Qualified	Repeated		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				



	Accounting for Impairment of Assets" as notified under the Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated 13th September, 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.	Qualified	First Time	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.			
4	There has been delay in transferring unclaimed dividend amounting to Rs. 0.37 Lacs pertaining to financial year 2007-08 into Investor Education and Protection Fund, by the Company during the year ended March 31, 2016.	Qualified	First Time	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 some technical error.			
5	That financial statements are subject to receipt of confirmation of balances from all of the debtors, loans &	Disclaimer Qualification	First Time	Your management would like to state that the Company is in the process of obtaining the confirmations from debtors, creditors, lenders and loans advances in			



	advances, investments, banks, sundry creditors and other liabilities. Pending receipt of confirmation of these balances and consequential reconciliations / adjustments, if any, the resultant impact on the financial statements is not ascertainable.				routine course of business and have obtained from some of them. The reconciliations are made and the effects have been given in the books of accounts wherever required.			
6	The non-ascertainment of complete particulars of dues to Micro, Small and Medium enterprises, if any under MSMED Act, 2006, and provisions towards interest, if any, is not ascertained at this stage which is not in conformity with para14 of Accounting Standard 29-'Provision, Contingent Liabilities and Contingent Assets.	Disclaimer Qualification	First Time		The Company is in the process of identifying the creditors which are Micro, Small and Medium Enterprises under MSMED Act	NA	NA	NA
7	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,	Qualified	Repeated		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.			



	there are no stipulations made regarding the repayment of principal amount and interest. Hence we are unable to comment as to regularity of repayments of principal and interest amount.									
8	<p>The Company has not appropriated within the prescribed period of 365 days from the date of receipt, the amount received by it for the supply of goods / provision of services that were received in normal course of and for the purpose of its business amounting to Rs. 167.81 lacs. The said amount tantamount to acceptance of deposit within the meaning of sec.73 to sec.76 of the Companies Act 2013 and the rules framed there under. The Company has not complied with Company's Acceptance of Deposits Rule as provided in sec.73 to</p>	Qualified	First Time		<p>The management would like to state that the advances are received in the normal course of business and the appropriation will be done in the next financial year.</p>					



	76 of the Companies Act, 2013 to that extent.						
9	<p>The Company has given 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.</p>	Qualified	Repeated	<p>The management 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.</p>			

