



ALL AROUND TILING SOLUTIONS

# EURO CERAMICS LIMITED

## ANNUAL REPORT

**2005-2006**

# EURO CERAMICS LIMITED

## BOARD OF DIRECTORS

Mr. Shantilal L. Shah  
Mr. Nenshi L. Shah  
Mr. Talakshi L. Nandu  
Mr. Kumar P. Shah  
Mr. Paresh K. Shah  
Mr. Pravin D. Gala  
Mr. Lalji K. Shah  
Mr. Shivji K. Vikamsey  
Mr. Raichand K. Shah  
Mr. Anil M. Mandevia  
Mr. Amit G. Shah

Chairman  
Managing Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director

## AUDITORS

Deepak Maru & Co.  
Chartered Accountants,  
Mumbai

## BANKERS

The Cosmos Co-op. Bank Ltd.  
State Bank of India  
State Bank of Saurashtra  
HDFC Bank Limited

## REGISTERED OFFICE

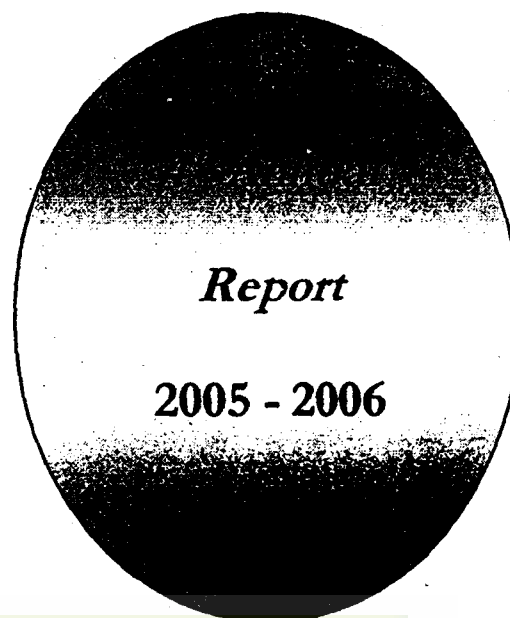
Boston House, Gr. Floor,  
Suren Road, Chakala,  
Andheri (East)  
Mumbai - 400 093

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## FACTORY

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



# Euro Ceramics Ltd.

Manufacturers of Vitrified Ceramic Tiles



ALL AROUND TILLING SOLUTIONS

## NOTICE

**NOTICE** is hereby given that Fourth Annual General Meeting of the Members of Euro Ceramics Limited will be held on Thursday, 24<sup>th</sup> day of August 2006 at 2.30 p.m. at the registered office of the company at Boston House, Ground Floor, Suren Road, Chakala, Andheri (East), Mumbai 400093 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> March 2006 and the Balance Sheet as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pravin D. Gala, who retires by rotation and being eligible, offers himself for reappointment.
3. To re-appoint M/s. Deepak Maru & Co. as the statutory auditors and fix their remuneration.

### Special Business:

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

**"RESOLVED THAT** Shri Shantilal L. Shah, who was appointed as an additional director with effect from 2<sup>nd</sup> November 2005 at the meeting of the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit to pass with or without modification(s), if any the following resolutions as an ordinary resolution :-

**"RESOLVED THAT** Shri Lalji K. Shah, who was appointed as an additional director with effect from 2<sup>nd</sup> November 2005 at the meeting of the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

(2)

**Regd. Off. :** Boston House, Ground Floor, Suren Road, Chakala, Andheri (East), Mumbai 400 093. India.

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

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

Tel : (+91-02837) 224751 / 224752 / 224753

**EURO CERAMICS LTD.**

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

**"RESOLVED THAT** Shri Raichand K. Shah, who was appointed as an additional director with effect from 2<sup>nd</sup> November 2005 at the meeting of the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** Shri Amit G. Shah, who was appointed as an additional director with effect from 2<sup>nd</sup> November 2005 at the meeting of the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** Shri Shivji K. Vikamsey, who was appointed as an additional director with effect from 2<sup>nd</sup> November 2005 at the meeting of the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** Shri Anil M. Mandevia, who was appointed as an additional director with effect from 2<sup>nd</sup> November 2005 at the meeting of the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

10. **To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), and as may be enacted from time to time, the main objects clause of the Memorandum of Association of the Company be and is hereby substituted in the following manner:

**EURO CERAMICS LTD.**

"To carry on in India and abroad the business to manufacture, produce, treat, process, design, develop, build, convert, compound, cure, crush, distribute, display, exchange, explore, **extrude**, extract, excavate, purchase, sell, jobwork, mix, modify, market, operate, prepare and to act as brokers, agents, stockists, collaborators, distributors, suppliers, promoters, adatis, consultants, C & F agents, wholesalers, retailers and sales organizers of all shapes, sizes, varieties, specifications, descriptions, applications and uses of vitrified ceramic and sanitary tiles, **calcarious tiles**, sanitary wares, ceramic wares, earthen wares, table wares, hotel wares, pressedwares, decorative wares, garden wares, kitchen wares, crockeries, potteries, insulators, terracotta, porcelainware, bathroom accessories, pipes, wall tiles, floor tiles, roofing tiles, porcelain tiles, bricks, building materials, asbestos sheets, poles, blocks, **aluminium extruded sections, rods, squares, flats, hexagons, tubes**, plumbing fixtures including fittings, parts, accessories, consumables, components & by-products thereof whether made out of mild steel, galvanized or forged steel, brass, copper, aluminium, **aluminium alloys, stone materials, calcite, titanium powder, joint material, press papers, compound powder, resins, solicitation materials**, gypsum, limestone, porcelain, sand, ores, cement, concrete, asbestos cement, china-clay, pulp, paper, plastic, chemical, stone powder, PVC, rubber, canvas, acrylic, fiber, glass, glass fiber, or any other man made synthetic or natural material or any combination thereof."

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby severally authorized to do all such things as may be necessary, proper or incidental to give effect to this resolution, including sign all necessary papers, documents, forms as may be necessary for Change of Other Objects and to obtain necessary Certificate in this regard from the Registrar of Companies Maharashtra, Mumbai."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof), the present Articles of Association of the Company be and is hereby altered in the following manner:

- i) That the existing **article no. 87** be deleted.

87. Deleted

- ii) That the existing **article no. 152** be deleted

152. Deleted.

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**EURO CERAMICS LTD.**

- iii) That the following new article be substituted in place of the existing article no. 239

239. The Board may retain dividends payable upon shares in respect of which any person is, under these Articles, entitled to become a Member, or which any person under these Articles is entitled to transfer, until such person shall become a Member, in respect of such shares or share duly transfer the same.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby severally authorised on behalf of the Company to do all acts, deeds and things as may be necessary, incidental or proper to give effect to aforesaid resolution including to agree to and make or accept such conditions, modifications and alterations by any of the relevant authorities while according its approvals, consents or permissions as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for the said purpose including to settle any questions, difficulties or doubts that may arise in this regard."

**By Order of the Board of Directors**

**Sd/-  
Nenshi L. Shah**

Place: Mumbai  
Date: 29<sup>th</sup> June, 2006

**Registered Office:**

Boston House, Ground Floor,  
Suren Road, Chakala,  
Andheri (East),  
Mumbai – 400093

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself. The proxy need not be a member of the Company.
2. The Proxy Form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
3. Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 annexed herewith and forming part of the notice.
4. Members / Proxies should fill the Attendance Slip for attending the Meeting.
5. Altered Copy of MOA and AOA referred to in the accompanying Notice and Explanatory Statement will be available for inspection at the Registered Office of the Company, during office hours on all working days, (except Saturdays and holidays) between 11.00 a.m. and 1.00 p.m. upto the date of the Extraordinary General Meeting.

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**EURO CERAMICS LTD.****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) (A) OF THE COMPANIES ACT, 1956****Item No. 4**

Mr. Shantilal L. Shah was appointed as an additional director of the company at the meeting of the Board of directors held on 2<sup>nd</sup> November 2005 pursuant to section 260 of the Companies Act, 1956.

As per the section 260 of the Companies Act, 1956 the appointment of additional director is effective from the date of appointment at the Board Meeting upto the date of the next annual general meeting. So the director of the Company recommends Mr. Shantilal Shah's appointment as a director of the company at the annual general meeting.

Mr. Shantilal's appointment requires the approval of shareholders for the passing of the given resolution.

**Item No. 5**

Mr. Lalji K. Shah was appointed as an additional director of the company at the meeting of the Board of directors held on 2<sup>nd</sup> November 2005 pursuant to section 260 of the Companies Act, 1956.

As per the section 260 of the Companies Act, 1956 the appointment of additional director is effective from the date of appointment at the Board Meeting upto the date of the next annual general meeting. So the director of the Company recommends Mr. Lalji Shah's appointment as a director of the company at the annual general meeting.

Mr. Lalji's appointment requires the approval of shareholders for the passing of the given resolution.

**Item No. 6**

Mr. Raichand K. Shah was appointed as an additional director of the company at the meeting of the Board of directors held on 2<sup>nd</sup> November 2005 pursuant to section 260 of the Companies Act, 1956.

As per the section 260 of the Companies Act, 1956 the appointment of additional director is effective from the date of appointment at the Board Meeting upto the date of the next annual general meeting. So the director of the Company recommends Mr. Raichand Shah's appointment as a director of the Company at the annual general meeting.

Mr. Raichand's appointment requires the approval of shareholders for the passing of the given resolution.

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**EURO CERAMICS LTD.****Item No. 7**

Mr. Amit G. Shah was appointed as an additional director of the company at the meeting of the Board of directors held on 2<sup>nd</sup> November 2005 pursuant to section 260 of the Companies Act, 1956.

As per the section 260 of the Companies Act, 1956 the appointment of additional director is effective from the date of appointment at the Board Meeting upto the date of the next annual general meeting. So the director of the Company recommends Mr. Amit Shah's appointment as a director of the Company at the annual general meeting.

Mr. Amit's appointment requires the approval of shareholders for the passing of the given resolution.

**Item No. 8**

Mr. Shivji K. Vikamsey was appointed as an additional director of the company at the meeting of the Board of directors held on 2<sup>nd</sup> November 2005 pursuant to section 260 of the Companies Act, 1956.

As per the section 260 of the Companies Act, 1956 the appointment of additional director is effective from the date of appointment at the Board Meeting upto the date of the next annual general meeting. So the director of the Company recommends Mr. Shivji Vikamsey's appointment as a director of the Company at the annual general meeting.

Mr. Shivji's appointment requires the approval of shareholders for the passing of the given resolution.

**Item No. 9**

Mr. Anil M. Mandevia was appointed as an additional director of the company at the meeting of the Board of directors held on 2<sup>nd</sup> November 2005 pursuant to section 260 of the Companies Act, 1956.

As per the section 260 of the Companies Act, 1956 the appointment of additional director is effective from the date of appointment at the Board Meeting upto the date of the next annual general meeting. So the director of the Company recommends Mr. Anil Mandevia's appointment as a director of the company at the annual general meeting.

Mr. Anil's appointment requires the approval of shareholders for the passing of the given resolution.

**Item No. 10**

The Company is carrying on the business activity of manufacturing of Vitrified Tiles & Aluminium extruded sections, which are already covered in the Object Clause of the Memorandum of Association of the Company.

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**EURO CERAMICS LTD.**

However, as the Company is coming out with the Initial Public Offering, as a matter of abundant precaution; and to have a wider and elaborate meaning in the Main Object and to properly reflect the business activities of the Company in the Main Object Clause, it is proposed to amend the Main Object Clause by substituting new Main Object Clause as mentioned in the resolution.

None of the Directors of the Company is in any way, concerned or interested in the resolution.

**Item No. 11**

The Company has adopted a new set of Articles of Association at the Extra Ordinary General Meeting held on 31<sup>st</sup> January 2006. However, few clauses of the Articles of Association are required to be modified in order to make a correct interpretation.

As per the provisions of Section 31 of the Companies Act, 1956, the proposed modifications / substitutions in the Articles of Association of the Company requires the approval of the members in a duly convened general meeting.

The proposed resolution is recommended as a special resolution for the approval of the members.

None of the Directors of the Company is concerned or interested in the resolution except to the extent of their shareholding in the company.

**By Order of the Board of Directors**

Sd/-  
**Nenshi L. Shah**

Place: Mumbai  
Date: 29<sup>th</sup> June, 2006

**Registered Office:**

Boston House, Ground Floor,  
Suren Road, Chakala,  
Andheri (East),  
Mumbai – 400093

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# Euro Ceramics Ltd.

Manufacturers of Vitrified Ceramic Tiles



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## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Fourth Annual Report of the Company for the year ended 31<sup>st</sup> March 2006.

### Financial Results:

(Rupees in Lacs)		
Particulars	Current Year	Previous Year
<b>Income:</b>		
Sales	13,233.19	22,830.30
Other Income	27.90	3.48
<b>Total Income</b>	<b>13,261.09</b>	<b>22,833.78</b>
<b>Total Expenditure</b>	<b>10,281.42</b>	<b>20,741.40</b>
<b>Profit before Depreciation</b>	<b>2,979.67</b>	<b>2,092.38</b>
Less: Depreciation	451.95	82.98
<b>Profit after exceptional items</b>	<b>2,527.72</b>	<b>2,009.40</b>
Less: Provision for Tax	504.02	654.55
<b>Net Profit After Tax</b>	<b>2,023.70</b>	<b>1,354.85</b>

### Business Performance Review:

Your Company continues to post superior performance during the year. The company has achieved a turnover of Rs. 13233.19 Lacs during the year.

- During the year the Company has discontinued the operations and activities of manufacturing Gold Coins and Jewellery, due to which there is a fall in the total revenue.
- However, the Company's Ceramics and Aluminium division has achieved a growth of 16.08 % as compared to previous year. The turnover from Ceramics & Aluminium Division is Rs. 13028.63 lacs in current year as compared to Rs. 11223.42 lacs of previous year.
- Profit before tax has increased by 25.80 % and Profit after tax has increased by 49.37 % as compared to previous years figure.

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Regd. Off. : Boston House, Ground Floor, Suren Road, Chakala, Andheri (East), Mumbai 400 093. India.  
 Tel: +91-22-4019 4019 Fax : +91-22-4019 4020 Email : sales@eurovitrified.com Web : www.eurovitrified.com  
 Plant : Survey No. 510, 511, 512, 517/1, Bhachau Dudhai Road, Bhachau (Kutch), Gujarat, Pin : 370140.  
 Tel : (+91-02837) 224751 / 224752 / 224753