



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,
Vallabhnbhai 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.