

**DIRECTORS' REPORT** for the year ended 31<sup>st</sup> March 2018.

To  
**The Members of  
INDIAN COUNCIL OF CERAMIC TILES AND SANITARYWARE**

Your Directors have pleasure in presenting their Twenty Eighth Annual report with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2018.

### **INDUSTRY OUTLOOK**

India has emerged as the second largest producer and consumer of ceramic tiles in the world. In 2016 tiles production in India has increased to 955 million sqm from 850 million sqm in 2015 i.e the industry has grown at a CAGR of 12.4% as against the global CAGR of 5.7%. During the same period the domestic consumption has increased by 2.9% as against 5% at global level.

Over the period of time ceramic players have made several changes and adopted new technologies such as digital printing and automation to improve quality of products. This has opened the export market for India in a big way. We are now capable of competing with China and Italy internationally.

The Indian government has taken various initiative e.g. GST to shift trade to the formal economy. India is set to see a major overhaul in the trade structure in favor of the organized (formal) segment, with the government taking a number of initiative to curb the shadow economy. Now in GST regime the organized segment is well poised to confront the high presence of unorganized (informal) players.

As a body we are actively engaged and alert to the changes and recommendations necessary to provide the impetus that our industry requires to function at its optimal best. The Council is recognized nationally as well as internationally as the apex organization of manufacturers of ceramic tiles and sanitaryware in India and has been participating in all the important International Forums.

### **INDUSTRY CONCERNS**

- Rising input costs of major raw materials and fuels, eroding competitive edge.
- No ceramic industry cell in the Government to act as a nodal agency to address industry concerns and
- China has been vigorously dumping their tiles in Indian Markets which has posed a serious threat for the survival and growth of the indigenous industry.
- Representations were made to the Honorable Agriculture Minister and Industrial Adviser, Department of Chemicals and Petrochemicals Ministry of Chemicals & Fertilizers requesting to rationalize the import norms for Boric Acid so that our members do not face difficulty in securing Boric Acid from overseas suppliers.

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- To persuade Government of Gujarat to withdraw Notification No.(GHN-70)VAT – 2016-S.11 (6)(7) dated 28.11.2016 withdrawing Input Tax credit and make the input tax structure uniform for the consumers in Gujarat and outside Gujarat.

The Council continued its earlier actions to fulfill the wish list of the industry by requesting the government

- ❖ to provide Natural Gas / R-LNG at spot prices for the industry
- ❖ to establish a dedicated desk in the Ministry for ceramic tiles industry headed by a Joint Secretary to appraise the concerns of the Industry
- ❖ to impose Anti-dumping duty on tiles imported from China.

### **MEMBERSHIP**

There was no change in membership during the year. The total number of Council Members as on 31<sup>st</sup> March 2018 is 30.

### **EXTRACT OF ANNUAL RETURN**

The extract of annual return, in Form MGT-9 for the Financial Year 2017-18 has been enclosed with this report as Annexure-I.

### **NUMBER OF BOARD MEETING**

Four meetings of the Board were held during the financial year 2017-18 – 23<sup>rd</sup> June 2017, 28<sup>th</sup> September 2017, 29<sup>th</sup> December 2017 and 27<sup>th</sup> March 2018.

### **CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

The activities of the Company consist of assisting the cause of its Members for promotion of Ceramic Tiles and Sanitaryware and to serve the interest of its Members. The Company is not engaged in any manufacturing or other business activity requiring any reporting on conservation of energy and technology absorption. The Company has not incurred any expenditure in foreign currency during the year under review.

### **DIRECTORS**

The following are the Directors on the Board.

1. Mr. Harjivanbhai Ghodasara
2. Mr. Mansukhbhai Kaila
3. Mr. Mukeshbhai Patel
4. Mr. P. N. Trivedi

5. Mr. Shreekant Somany
6. Mr. Vijay Aggarwal
7. Mr. Rajnish Sacheti
8. Mr. T Seshagiri Rao
9. Mr. Sarat Chandak
10. Mr. Manish Savsani

In addition to the above Directors the following were appointed as Additional Directors by the Board in its meeting held on 27.03.2018.

1. Mr. Ashok Kajaria
2. Mr. Chetan Kajaria

Both the above Additional Directors will stand retired on conclusion of the ensuing Annual General Meeting.

The retiring Additional Directors are eligible for appointment as Director.

In terms of Article 25 of Articles of Association of the company, the following Directors will retire by rotation on Annual General Meeting.

1. Mr. P. N. Trivedi
2. Mr. T. Seshagiri Rao
3. Mr. Rajnish Sacheti
4. Mr. Manish Savsani

The retiring Directors are eligible for re-appointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- i. That in the presentation of the accounts for the financial year ended on 31<sup>st</sup> March 2018, the applicable accounting standards have been followed along with proper explanation relating to materials departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and excess of expenditure over income of the Company for the year under review;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. That the Directors have prepared the accounts for the financial year ended on 31<sup>st</sup> March, 2018 on a going concern basis.
- v. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **AUDITORS**

M/s. J. S. Johar & Associates, Chartered Accountants retire with the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, will be within the limit prescribed under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act 2013.

The comments in the Annual Report read with the Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### **INTERNAL CONTROL SYSTEM**

The Company has wide ranging established systems of internal financial controls to adequately ensure that the financial and other records maintained are accurate, effective and are reliable for preparing Financial Statements.

### **PARTICULARS OF LOANS & GUARANTEES GIVEN AND INVESTMENTS MADE**

The Company has not given any loan or made investment or given guarantee under Section 186 of the Companies Act, 2013 during the year under review

### **PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES**

There are no contracts or arrangements with related parties by the company.

### **MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments in the operation of the Company from the Financial Year ended 31<sup>st</sup> March 2018 to the date of signing of the Director's Report.

There are no significant and material orders passed by the Regulators and Courts that would impact the going concern status of the Company and its future operations.

**For and on behalf of the Board of Directors**

**-sd-**

**P N Trivedi**

**Chairman**

Place: New Delhi

Dated: 30<sup>th</sup> June 2018

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31<sup>st</sup> March, 2018

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

**I. REGISTRATION AND OTHER DETAILS**

1	CIN	U72999DL1990NPL038848
2	Registration Date	5 <sup>th</sup> January 1990
3	Name of the Company	INDIAN COUNCIL OF CERAMIC TILES AND SANITARYWARE
4	Category / Sub-Category of the Company	Section 8 Company (Not for profit)
5	Address of the Registered office and contact details	PHD House, 4 <sup>th</sup> Floor 4/2 Siri Institutional Area August Kranti Marg New Delhi – 110 016 Ph.: 011-40364502 E-mail: <a href="mailto:info@icctas.com">info@icctas.com</a>
6	Whether listed company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

The company is a not-for-profit body, promoting domestic manufacturing interest of the members engaged in the ceramic tile and sanitaryware manufacturing.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

The company does not have any Holding, Subsidiary and Associate Companies.

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

Not Applicable

**V. INDEBTEDNESS**

The company had no debts at any time during the year.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

No remuneration is paid to any Directors and Key Managerial Personnel.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Nil