

# **J S JOHAR & ASSOCIATES**

CHARTERED ACCOUNTANTS

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE**

### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of **INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE** (hereinafter referred to as the **Council**), which comprise the Balance Sheet as at 31st March, 2017 and the Statement of Income and Expenditure for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Board of Directors of the Council is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Council in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Council and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent and designing, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Companies Act, 2013 and the Rules made there under including the accounting and auditing standards and matters which are required to be included in the Audit Report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Council's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Council's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, **subject to Note 1(a) of Financial Statements regarding non-accounting of Income and Expenses on accrual basis except Interest Income on Fixed Deposits, Audit Fee and Provision for Income Tax**, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Council as at 31st March, 2017 and of the excess of Expenditure over Income of the Council for the year ended on that date.

# **J S JOHAR & ASSOCIATES**

CHARTERED ACCOUNTANTS

## **INDEPENDENT AUDITORS' REPORT**

### **Report on Other Legal and Regulatory Requirements**

In our opinion, provisions of the Companies (Auditors' Report) Order, 2016 issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 are not applicable as the Council is covered under Clause 2(iii) of Para 1 of the said Order.

As required by Section 143(3) of the Companies Act, 2013 we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. in our opinion proper books of accounts as required by law have been kept by the Council so far as it appears from our examination of those books;
- c. the Balance Sheet and the Statement of Income and Expenditure dealt with by this Report are in agreement with the books of accounts;
- d. in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of written representations received from Directors and taken on record by the Board of Directors, none of the Directors of the Council, is disqualified as on 31st March, 2017, from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013;
- f. with respect to the adequacy of the Internal Financial Controls over financial reporting of the Council and the operating effectiveness of such controls, refer our separate report in the Annexure; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and according to the information and explanations given to us:
  - i. there are no pending litigations which would have any significant impact on the financial position in the aforesaid Financial Statements of the Council;
  - ii. the Council did not have any long term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2017; and
  - iii. there were no amounts required to be transferred to the Investor Education and Protection Fund by the Council during the year ended 31st March, 2017.
  - iv. the Council has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Council.

**for J S JOHAR & ASSOCIATES**  
**Chartered Accountants**  
**Registration No 007328N**

**C-2, Basement,**  
**Lajpat Nagar-III,**  
**New Delhi-110024**  
**The 23rd day of June, 2017**

**-sd-**  
**J P SINGH**  
**Proprietor**  
**M No 084733**

# J S JOHAR & ASSOCIATES

CHARTERED ACCOUNTANTS

## ANNEXURE TO THE AUDITORS' REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(i) OF THE COMPANIES ACT, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Financial Statements of **INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE** as at and for the year ended 31st March, 2017)

### Report on the Financial Statements

1. We have audited the Internal Financial Controls over financial reporting of **INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE** (the Council) as at 31st March 2017, in conjunction with our audit of the financial statements of the Council for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Management of the Council is responsible for establishing and maintaining internal financial controls based on the Internal Financial Controls over financial reporting criteria established by the Council considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Council's activities, including adherence to Council's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Council's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards of Auditing ('Standards') issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls over financial reporting and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Council's Internal Financial Controls System over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

6. Internal Financial Controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. Internal Financial Controls over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Council; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Council are being made only in accordance with authorisations of management and directors of the Council and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Council's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Council has, in all material respects, an adequate Internal Financial Controls System over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March, 2017, based on the Internal Controls over financial reporting criteria established by the Council considering the essential components of Internal Financial Controls stated in the Guidance Note issued by the ICAI.

for J S JOHAR & ASSOCIATES  
Chartered Accountants  
Registration No 007328N

C-2, Basement,  
Lajpat Nagar-III,  
New Delhi-110024  
The 23rd day of June, 2017

-sd-  
J P SINGH  
Proprietor  
M No 084733

**INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE  
BALANCE SHEET AS AT 31ST MARCH, 2017**

<b>EQUITY &amp; LIABILITIES</b>	<b>NOTES</b>	<b>2017 RUPEES</b>	<b>2016 RUPEES</b>
<b>Members Funds</b>			
Reserves & Surplus	2	98,49,842.27	1,03,88,373.01
<b>Current Liabilities</b>			
Trade Payables	3	22,153.00	1,13,011.00
Other Liabilities	4	5,347.00	14,392.00
		27,500.00	1,27,403.00
<b>TOTAL</b>		<b>98,77,342.27</b>	<b>1,05,15,776.01</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	5		
Tangible		64,408.70	91,854.70
Intangible		482.00	794.00
		64,890.70	92,648.70
Long Term Loans & Advances	6	9,29,834.00	27,44,076.00
		9,94,724.70	28,36,724.70
<b>Current Assets</b>			
Cash & Cash Equivalents	7	47,47,300.84	57,58,780.84
Short Term Loans & Advances	8	38,28,656.30	15,44,318.00
Other Current Assets	9	3,06,660.43	3,75,952.47
		88,82,617.57	76,79,051.31
<b>TOTAL</b>		<b>98,77,342.27</b>	<b>1,05,15,776.01</b>

The accompanying Notes 1 to 15 are forming part of the Financial Statements

**As Per Our Report Attached  
for J S JOHAR & ASSOCIATES  
Chartered Accountants  
Registration No 007328N**

**New Delhi  
The 23rd day of June 2017**

**sd  
J P SINGH  
Proprietor  
MNo 084733**

**sd  
P N Trivedi  
A K Kalaria  
Bimal Kumar Ruia  
Sarat Chandak  
Directors**

**INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE**  
**STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2017**

<b>Revenues</b>	<b>NOTES</b>	<b>2017 RUPEES</b>	<b>2016 RUPEES</b>
Revenue from Operations			
Magazines Publication Receipts		4,46,326.00	7,26,160.00
Other Income	10	19,86,543.26	6,21,715.60
Total Revenue		<u>24,32,869.26</u>	<u>13,47,875.60</u>
<b>Expenses</b>			
Employee Benefit Expenses	11	10,91,787.00	9,91,617.00
Depreciation & Amortisation	5	46,013.00	28,129.00
Other Expenses	12	41,40,789.00	14,64,454.25
Total Expenses		<u>52,78,589.00</u>	<u>24,84,200.25</u>
Excess of Expenditure over Income for the year		28,45,719.74	11,36,324.65
Add: FBT for earlier years		1,550.00	-
Net Excess of Expenditure over Income for the year		<u>28,47,269.74</u>	<u>11,36,324.65</u>

The accompanying Notes 1 to 15 are forming part of the Financial Statements

**As Per Our Report Attached  
for J S JOHAR & ASSOCIATES  
Chartered Accountants  
Registration No 007328N**

**New Delhi  
The 23rd day of June 2017**

**sd  
J P SINGH  
Proprietor  
MNo 084733**

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P N Trivedi  
A K Kajaria  
Bimal Kumar Ruia  
Sarat Chandak  
Directors**

**INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE**

**Notes forming part of Financial Statements for the year ended 31st March, 2017**

**1 Significant Accounting Policies:**

**a Basis of preparation of Financial Statements**  
 The Financial Statements have been prepared as a going concern under the historical cost convention in accordance with the generally accepted accounting principles as well as the applicable Accounting Standards and the provisions of the Companies Act, 2013. All Income & Expenses are accounted for on cash basis except interest income on Fixed Deposits, Audit Fee and Provision for Income Tax which are accounted for on accrual basis  
 Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles. All the Assets and Liabilities have been classified as Current or Non-current as per Council's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013

**b Use of Estimates**  
 The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of Assets and Liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materilised

**c Tangible Assets**  
 Tangible Assets are stated at cost of acquisition, including related pre-operational expenditure, less accumulated depreciation and impairment loss, if any

**d Intangible Assets**  
 Intangible Assets are stated at cost of acquisition, including related pre-operational expenditure, less accumulated depreciation, amortization and impairment loss, if any

**e Depreciation**  
 Depreciation is provided to the extent of Depreciable Amount of the Fixed Asset on Written Down Value method over the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 with effect from 1st April, 2014

**f Revenue Recognition**  
 Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable

**g Provision for Current and Deferred Tax**  
 Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and tax laws that are enacted or substantively enacted on the date of Balance Sheet. Deferred Tax Asset is recognised and carried forward only to the extent that there is virtual certainty that the asset will be realized in future

**h Provisions, Contingent Liabilities and Contingent Assets**  
 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements

**i Contributions from Members**  
 Annual Subscriptions and Entrance Fee from Members are credited to Capital Fund

<b>2 RESERVES &amp; SURPLUS</b>	<b>2017 RUPEES</b>	<b>2016 RUPEES</b>
Capital Fund:		
As per last year	69,52,500.00	63,82,500.00
Additions during the year	23,08,739.00	5,70,000.00
	<b>92,61,239.00</b>	<b>69,52,500.00</b>
General Fund:		
As per last year	34,35,873.01	29,59,682.66
Add: R & D and Other Promotional Contributions received during the year	-	18,17,315.00
	34,35,873.01	47,76,997.66
Less: Amount spent during the year*	-	2,04,800.00
	34,35,873.01	45,72,197.66
Less: Transfer to Income & Expenditure	28,47,269.74	11,36,324.65
	<b>5,88,603.27</b>	<b>34,35,873.01</b>
Income & Expenditure:		
Excess of Expenditure over Income for the year	28,47,269.74	11,36,324.65
Less: Transfer from General Fund	28,47,269.74	11,36,324.65
	-	-
	<b>98,49,842.27</b>	<b>1,03,88,373.01</b>
* Amount spent on R & D and Other Promotional activities represents:		
Advertisement Expenses	-	1,78,500.00
Website Expenses	-	26,300.00
	-	2,04,800.00

**INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE**

Notes forming part of Financial Statements for the year ended 31st March, 2017

	<b>2017</b>	<b>2016</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>3 TRADE PAYABLES</b>		
Sundry Creditors	22,153.00	1,13,011.00
	<b>22,153.00</b>	<b>1,13,011.00</b>
<b>4 OTHER CURRENT LIABILITIES</b>		
Statutory Dues	5,347.00	14,392.00
	<b>5,347.00</b>	<b>14,392.00</b>
<b>6 LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Fixed Deposits with Companies	7,96,634.00	26,10,876.00
Security Deposits	1,33,200.00	1,33,200.00
	<b>9,29,834.00</b>	<b>27,44,076.00</b>
<b>7 CASH &amp; CASH EQUIVALENTS</b>		
Balance with Banks:		
In Savings Account	2,19,023.29	2,10,614.29
In Current Account	16,60,821.29	28,99,832.29
Cash in hand	32,527.00	4,273.00
	19,12,371.58	31,14,719.58
Other Bank Balances:		
In Fixed Deposit Accounts	28,34,929.26	26,44,061.26
	<b>47,47,300.84</b>	<b>57,58,780.84</b>
<b>8 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Fixed Deposits with Companies	35,60,760.00	13,51,432.00
Advances recoverable in cash or in kind or for value to be received	-	8,896.00
Advance Income Tax	1,86,839.30	1,69,615.00
Advance Fringe Benefit Tax - Net of Provisions	-	1,550.00
Balance with Service Tax Authorities	81,057.00	12,825.00
	<b>38,28,656.30</b>	<b>15,44,318.00</b>
<b>9 OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Interest Accrued	3,06,660.43	3,75,952.47
	<b>3,06,660.43</b>	<b>3,75,952.47</b>
<b>10 OTHER INCOME</b>		
Interest:		
From Bankers & Others	5,90,886.26	6,03,920.60
On Income Tax Refund	421.00	8,056.00
World Ceramic Tiles Forum - Delegation Fee	7,71,963.00	-
World Ceramic Tiles Forum - Special Contributions	5,21,738.00	-
Miscellaneous Receipts	8,663.00	8,783.00
Profit on Sale of Fixed Assets	-	956.00
Boric Acid Representation Imprest written off	92,872.00	-
	<b>19,86,543.26</b>	<b>6,21,715.60</b>
<b>11 EMPLOYEE BENEFIT EXPENSES</b>		
Establishment Expenses	10,91,787.00	9,91,617.00
	<b>10,91,787.00</b>	<b>9,91,617.00</b>

**INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE**

**Notes forming part of Financial Statements for the year ended 31st March, 2017**

	<b>2017 RUPEES</b>	<b>2016 RUPEES</b>
<b>12 OTHER EXPENSES</b>		
Secretarial Fees	5,82,383.00	5,56,547.00
Printing & Stationery	4,705.00	6,901.00
Subscription	10,663.00	32,538.00
Bank Charges	1,069.00	476.00
Electricity Charges	9,646.00	9,334.00
Communication Expenses	68,764.00	45,134.00
Travelling & Conveyance	1,19,987.00	1,04,010.00
Meeting Expenses	43,556.00	75,385.00
Expenses towards Anti Dumping Matters	9,20,207.00	2,56,782.00
Magazines Publication Expenses	4,16,807.00	2,32,955.00
World Ceramic Tiles Forum Expenses	17,95,584.00	-
Miscellaneous Expenses	98,108.00	78,109.25
Repairs & Maintenance	14,100.00	17,530.00
Auditors Remuneration:		
Audit Fee	27,500.00	25,000.00
Fee for Taxation Matters	20,150.00	18,315.00
Certification Fee	1,100.00	1,000.00
Reimbursement of Expenses	4,715.00	4,290.00
Service Tax Paid	-	148.00
Fixed Assets Discarded	1,745.00	-
	<b>41,40,789.00</b>	<b>14,64,454.25</b>
<b>13 Earnings in Foreign Exchange - World Ceramic Tiles Forum Delegation Fee</b>	7,71,963.00	-

**14 DISCLOSURE ON SPECIFIED BANK NOTES**

Detail of Specified Bank Notes (SBNs) and Other Denomination Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as follows:

Particulars	Other Denomination Notes		Total
	SBNs		
Closing Cash in hand as on 08.11.2016	28,000.00	3,287.00	31,287.00
Add: Permitted receipts including withdrawals from Banks	-	79,000.00	79,000.00
Less: Permitted payments	-	57,818.00	57,818.00
Less: Amount deposited in Banks	28,000.00	-	28,000.00
Closing Cash in hand as on 30.12.2016	-	24,469.00	24,469.00

**15** Figures for previous year have been regrouped/reclassified where necessary to correspond with figures, classifications and disclosures for current year

**As per Our Report Attached  
for J S JOHAR & ASSOCIATES  
Chartered Accountants  
Registration No 007328N**

sd  
**P N Trivedi  
A K Kalaria  
Bimal Kumar Ruia  
Sarat Chandak  
Directors**

sd  
**J P SINGH  
Proprietor  
MNo 084733**

**New Delhi  
The 23rd day of June 2017**



**INDIAN COUNCIL OF CERAMIC TILES & SANITARYWARE**

**5 FIXED ASSETS**

Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Additions	Sales	As at 31.03.2017	Up to 31.03.2016	For the year	Written back	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
Tangible:										
Furniture & Fixtures	1,85,658.70	-	-	1,85,658.70	1,46,558.00	10,123.00	-	1,56,681.00	28,977.70	39,100.70
Office Equipments	2,79,088.00	20,000.00	6,850.00	2,92,238.00	2,26,334.00	35,578.00	5,105.00	2,56,807.00	35,431.00	52,754.00
	4,64,746.70	20,000.00	6,850.00	4,77,896.70	3,72,892.00	45,701.00	5,105.00	4,13,488.00	64,408.70	91,854.70
Intangible:										
Computer Software	13,500.00	-	-	13,500.00	12,706.00	312.00	-	13,018.00	482.00	794.00
Total	4,78,246.70	20,000.00	6,850.00	4,91,396.70	3,85,598.00	46,013.00	5,105.00	4,26,506.00	64,890.70	92,648.70
Previous Year	3,78,638.70	1,00,668.00	1,060.00	4,78,246.70	3,58,485.00	28,129.00	1,016.00	3,85,598.00	92,648.70	20,153.70