

DIRECTORS' REPORT for the year ended 31st March 2017.

To

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

Your Directors have pleasure in presenting their Twenty Seventh Annual report with the Audited Financial Statements of the Company for the year ended 31st March 2017.

INDUSTRY OUTLOOK

The ceramic tiles industry in India is witnessing many interesting trends in terms of innovation and technology. There is optimism due to the demand surge brought about by the real estate sector which is growing steadily. The industry is rising to this challenge and meeting the exponential demand. Dynamic research and development, adoption of the most cutting edge technology among many other factors is helping the Indian Tile and Ceramic industry gain a stronger foothold even in international markets.

These multiple new products along with the conventional wall and floor tiles have together made the industry grow to a formidable Rs.27000 crores industry. This coupled with a spate of expansions by many players make the industry look very promising in the future. The industry has a positive outlook on the sidelines of governmental reforms in order to attract more foreign investment in real estate and retail section.

The Indian Industry has been able to develop an export market which is bound to grow as Indian exports are rising at the rate of 15% per annum.

Manufacturers have leveraged recent printing developments and new techniques for producing texture to substantially raise the bar in tile design. Those seemingly familiar woods, cement and stone looks have evolved considerably with increased realism through illusions of texture in improved graphics, surface texture with graniglia and depth from polishing. A few brand new design trends have emerged as well, injecting plenty of excitement into the industry.

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.

The 23rd World Ceramic Tiles Forum was hosted by ICCTAS on 17-18 November 2016 at hotel "The Imperial", Janpath, New Delhi. The delegates from major tiles manufacturing countries like Belgium, Brazil, China, Israel, Italy, Spain, Turkey and Ukraine participated in the conference and made presentations on the issues of latest developments in tile manufacturing in their respective countries.

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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 Dr. Rohit Misra, Asst. 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.
- 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.
- Representations were made to the Honorable Finance Minister and Mr. Arun Goyal, Additional Secretary, GST Council to tax Ceramic Tiles at Merit Rate of 5% or maximum 12% under GST Regime.

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

During the year three companies M/s. Jalaram Ceramics Ltd., Solid Johnson Floor Tiles Pvt. Ltd., Murudeshwar Ceramics Ltd., Regent Granito India Ltd., and Sunshine Tile Co. Pvt. Ltd. ceased to be members of the Council and M/s. Floera Ceramics Pvt. Ltd., Sentini Sanitarywares (P) Ltd., Sanskar Ceramics Pvt. Ltd., Sirazee Tiles Pvt. Ltd., Vennar Ceramics Ltd. and Wall Cera Tiles Pvt. Ltd. were enrolled as new members of the Council. The total number of Council Members as on 31st March 2017 is 30.

EXTRACT OF ANNUAL RETURN

The extract of annual return, in Form MGT-9 for the Financial Year 2016-17 has been enclosed with this report as Annexure-I.

NUMBER OF BOARD MEETING

Four meetings of the Board were held during the financial year 2016-17 – 30th June 2016, 16th September 2016, 22nd December 2016 and 15th March 2017.

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. However, during the year under review, the Company earned foreign currency amount of Rs.7,71,963/- on account of Delegation Fee for attending World Ceramic Tiles Forum.

DIRECTORS

The following are the Directors on the Board.

1. Mr. A. K. Kajaria
2. Mr. Bimal Kumar Ruia
3. Mr. Harjivanbhai Ghodasara
4. Mr. Mansukhbhai Kaila
5. Mr. Mukeshbhai Patel
6. Mr. P. N. Trivedi
7. Mr. Shreekant Somany
8. Mr. Vijay Aggarwal
9. Mr. Rajnish Sacheti
10. Mr. T Seshagiri Rao
11. Mr. Sarat Chandak
12. Mr. Manish Savsani

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. Vijay Aggarwal
2. Mr. Mansukhbhai Kaila
3. Mr. Harjivanbhai Ghodasara
4. Mr. Mukeshbhai Patel

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 31st March 2017, 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 31st March, 2017 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 31st March 2017 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

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P N Trivedi
Chairman

Place: New Delhi

Dated: 23rd June 2017

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**
as on the financial year ended on 31st March, 2017

[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 th 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 th Floor 4/2 Siri Institutional Area August Kranti Marg New Delhi – 110 016 Ph.: 011-26964238 E-mail: info@icctas.com
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