

**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, 2019 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, 2019 and of the excess of Expenditure over Income of the Council for the year ended on that date.



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**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, 2019, 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, 2019; 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, 2019.

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

C-2, Basement,  
Lajpat Nagar-III,  
New Delhi-110024  
The 21<sup>st</sup> day of August, 2019

  
J P SINGH  
Proprietor  
M No 084733



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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, 2019)

**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 2019, 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, 2019, 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

  
J.P. SINGH  
Proprietor  
M No 084733

C-2, Basement,  
Lajpat Nagar-III,  
New Delhi-110024  
The 21st day of August, 2019

