

DIRECTORS' REPORT for the year ended 31st March 2019.

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

Your Directors have pleasure in presenting their Twenty Ninth Annual report with the Audited Financial Statements of the Company for the year ended 31st March 2019.

INDUSTRY OUTLOOK

India has emerged as the second largest producer and consumer of ceramic tiles in the world. In 2017 tiles production in India has increased to 1080 million sqm from 955 million sqm in 2016 i.e the industry has grown at a CAGR of 13.1% as against the global CAGR of 2.2%. During the same period the domestic consumption has decreased by 3.2% as against increase of 2.3 % at global level.

With each passing year, we see new emerging trends in the world. The year 2018, was all about new designs, new sizes, contemporary tiles and various new technologies in Indian ceramic tile and sanitaryware market.

Innovation in the Tile industry has improved the living standard in India. Tile industry plays an important role in home décor as tile applications are just not limited to interiors but also exteriors, transforming spaces with modern designs and technologies. The sustained public and private measures in recent years has also increased the level of sanitation, creating an increase in the market for sanitaryware products.

Complex scenarios and new competitive challenges are therefore expected in 2019, which is likely to be a year of change in number of global markets. The success of companies will depend amongst other things on their ability to develop strategic plans in response to these challenges.

ICCTAS, as a council, we will help to propel the industry marketers to bring out the best in tiles products in the near future also, which will strive for the growth and success in the competitive market on the global platform. 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

- natural gas is kept out of GST regime and is left subject to different VAT rates of the states.
- the current process to secure CIB&RC permit makes it near impossible for our member companies and also their suppliers (frit producers) to secure high-quality raw material at reasonable prices and upon demand.
- Indiscriminate export of non-renewable resource.

- GST rate rationalization.
- National Green Tribunal- Pollution Control Case

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

- ❖ to bring natural gas under GST regime
- ❖ to restrict unfair import restriction on Boric Acid
- ❖ capping on export of Feldspar
- ❖ to rationalize GST rate of Tiles and Sanitaryware.
- ❖ procurement (Preference to Make in India), Order 2017

MEMBERSHIP

During the year Taurus Tiles Pvt. Ltd. ceased to be members of the Council and Soriso Ceramics Pvt. Ltd. withdrew its membership from the Council. Indesign Ceramics LLP was enrolled as new members of the Council. The total number of Council Members as on 31st March 2019 stands at 29.

EXTRACT OF ANNUAL RETURN

The extract of annual return, in Form MGT-9 for the Financial Year 2018-19 has been enclosed with this report as Annexure-I.

NUMBER OF BOARD MEETING

Four meetings of the Board were held during the financial year 2018-19 – 30th June 2018, 12th September 2018, 18th December 2018 and 18th March 2019.

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. Ashok Kajaria
2. Mr. Chetan Kajaria
3. Mr. Harjivanbhai Ghodasara
4. Mr. Manish Savsani

5. Mr. Mansukhbhai Kaila
6. Mr. Mukeshbhai Patel
7. Mr. P. N. Trivedi
8. Mr. Rajnish Sacheti
9. Mr. Shreekant Somany
10. Mr. T Seshagiri Rao
11. Mr. Vijay Aggarwal

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. Shreekant Somany
2. Mr. Vijay Aggarwal
3. Mr. Mukeshbhai Patel
4. Mr. Mansukhbhai Kaila

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 2019, 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, 2019 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 2019 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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Chetan Kajaria

Chairman

Place: New Delhi

Dated: 21st August 2019

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31st March, 2019

[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.: 011-40364502 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