

DIRECTORS' REPORT for the year ended 31st March 2023.

To

The Members of INDIAN COUNCIL OF CERAMIC TILES AND SANITARYWARE

Your Directors have pleasure in presenting their Thirty Third Annual report with the Audited Financial Statements of the Company for the year ended 31st March 2023.

INDUSTRY OUTLOOK

The Indian ceramic industry holds potential to become the largest producer in the world. In the last couple of years, the Indian ceramic tile industry has further strengthened its position as a global tile player and as the world's second largest manufacturer, consumer and exporter behind China.

In 2022, India's tile producers chalked up another astonishing success with total exports of 666 million sqm, an achievement that has helped the industry recover more rapidly from the impact of the Covid-19 pandemic and continue to grow substantially in Fiscal Year 2023 (ending on 31 March 2023).

The Indian economy has fully returned to pre-pandemic levels. Inflationary pressures are present, but India is perfectly positioned to lead the industry into the next decade. Only the challenge is the extreme volatility of natural gas prices which in India have doubled in a year and the consequent increase in all input costs, particularly raw materials, a problem common to the entire ceramic industry.

The residential and commercial construction sector has finally emerged from a decade of recession, and the sector is now seeing enormous growth across the country and is likely to continue at these levels for the foreseeable future. This is mainly due to government initiatives such as Housing for All and Clean India (Swachh Bharat) and the huge investments in highway construction which facilitates the development of new urban centers.

Some of the leading companies of the global ceramic sanitaryware market are also looking towards acquisitions of businesses to enter new regions. This is helping the players to enhance their production capacity and is also reducing the requirement for establishing manufacturing and distribution units in the new region.

Commercial production of ceramic tiles started in India approximately 65 years ago and it has come a long way from those humble beginnings. The accelerated growth of the industry in the last ten years can be credited to product quality improvement, investment in technology, and efficient production of good quality products at a reasonable cost. With ceramic tiles and sanitaryware being basic sanitation and hygiene products even for affordable housing, it will be essential to approach the government and continue to seek their approval on the industry's genuine demand of lowering the GST rates (from 18% to 12%) for these ceramic products. It is a big opportunity for the industry to become a champion in the segment with a little support from the Government in the areas of Foreign

Trade Agreements (FTAs) and conserving raw materials by limiting their export to safeguard India's long-term growth interest.

INDUSTRY CONCERNS

- Rate of GST on Tiles and Sanitary ware.
- Bringing Natural Gas under GST regime.
- Proposal for making BIS Standards mandatory for Ceramic Tiles.
- Rationalize the export of raw materials used in production of ceramic tiles and other ceramic products.

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

- ❖ to consider the lowering, the GST from the current 18% to 12% thus making the product cheaper and more affordable in line with the nations dream to have housing for all.
- ❖ to bring Natural Gas under GST regime will help the industry to grow faster. The industry will pass on the benefits to the consumer making the tiles and sanitrayware more affordable and this will help in achieving Hon'ble Prime Minister's laudable vision of Swachh Bharat Abhiyan and Make in India.
- ❖ to request not to make BIS standards mandatory for ceramic tiles. Ceramic tiles are not a functional product but only an aesthetic product. No harm would be caused to anybody if tile has some visual surface defects. The said standard lays down that all tiles should be free from visual surface defects. Any tile which does not confirm to the BIS standard will have to be destroyed. If the standard is made mandatory tile will become more-costlier and also no country has made mandatory standards for ceramic tiles across the world.
- ❖ The raw materials particularly feldspar are indiscriminately being exported which are non-renewable resources which will be depleted soon and will have a colossal impact on tile industry.

MEMBERSHIP

The total number of Council Members as on 31st March 2023 stands at 30.

EXTRACT OF ANNUAL RETURN

The extract of annual return, in Form MGT-9 for the Financial Year 2022-23 has been enclosed with this report as Annexure-I.

NUMBER OF BOARD MEETING

Four meetings of the Board were held during the financial year 2022-23 – 25th July 2022, 3rd October 2022, 6th January 2023 and 22nd March 2023.

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 as on 31st March 2023.

1. Mr. Abhishek Somany
2. Mr. Anil Kumar Beejawat
3. Mr. Chetan Kajaria
4. Mr. Harjivanbhai Laljibhai Ghodasara
5. Mr. Kamleshkumar Bhagubhai Patel
6. Mr. Mansukh Tribhuvanbhai Kaila
7. Mr. Prem Narayan Trivedi
8. Mr. Rajnish Nazar Sacheti
9. Mr. Rishi Kajaria
10. Mr. Sarat Kumar Chandak
11. Mr. Vijay Aggarwal

1. Mr. Sarat Kumar Chandak representing Prism Johnson Ltd. resigned from the position of Directorship of ICCTAS which was approved by the Board of Directors in its meeting held on 03.10.2022.
2. Mr. Vijay Aggarwal representing Prism Johnson Ltd. was appointed as Additional Director by the Board in its meeting held on 03.10.2022 and subsequently at the 32nd AGM of the council held on 03.11.2022 was appointed as Director.
3. Mr. Sarat Kumar Chandak representing Coral Gold Tiles Pvt. Ltd. was appointed as Additional Director by the Board of Directors in its meeting held on 03.10.2022 and subsequently at the 32nd AGM of the council held on 03.11.2022 was appointed 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. Anil Kumar Beejawat
2. Mr. Chetan Kajaria
3. Mr. Mansukh Tribhuvanbhai Kaila
4. Mr. Rajnish Nazar Sacheti

The retiring Directors are eligible for re-appointment.

MATERIAL DISCLOSURE OF THE DEVELOPMENT AFTER YEAR ENDING 31ST MARCH 2022 TILL THE SIGNING OF THIS DIRECTOR'S REPORT

The name of member company Cosa Ceramics Pvt. Ltd. has been changed to Kajaria Infinity Pvt. Ltd. as informed vide their letter dated 26.04.2023.

The name of the member company Jaxx Vitrified Pvt. Ltd. has been changed to Kajaria Vitrified Pvt. Ltd. as informed vide letter dated 27.04.2023.

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 2023, 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, 2023 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 and 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 2023 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

Vijay Aggarwal
Chairman

Place: Mumbai

Dated: 05.07.2023

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31st March, 2023

[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	U74999DL1990NPL038848
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