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13th

Annual Report

1999-2000

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ACRYSIL LTD.

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DIRECTORS

Shri A.M. Parekh	*Managing Director*
Shri J.A. Sanghrajka	
Shri V.C. Mehta	
Shri R.J. Shah	
Shri M. Nageswara Rao	
Mr. Karl Schock	
Shri Kekoo Gandhy	*(Alternate Director to Mr. Karl Schock)*
Shri J.R. Naik	
Dr. M. D. Daver	
Shri Ajit Sanghvi	

AUDITORS

Sanghavi & Company
Chartered Accountants

REGISTRAR & TRANSFER AGENT

R & D Consultants Ltd.,
610 Dalamal Tower,
211 Nariman Point,
Mumbai 400 021.

BANKERS

State Bank of Saurashtra,
Bhavnagar

WORKS

Navagam, Survey No. 312,
Bhavnager-Rajkot Highway,
Post : Vartej, Bhavnagar 364 061, Gujarat (India)

REGISTERED OFFICE

32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001 (India)

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NOTICE

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the Members of ACRYSIL LIMITED will be held at M.C. Ghia Hall, 18/20 K. Dubash Marg, Mumbai 400 001 on Wednesday, the 9th August, 2000, at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2000, the Balance Sheet as at that date, and the Reports of the Directors and Auditors thereon.

2. To declare dividend.

3. To appoint a director in place of Shri J. A. Sanghrajka who retires by rotation and is eligible for re-election.

4. To appoint a director in place of Shri M. Nageswara Rao who retires by rotation and is eligible for re-election.

5. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To appoint Dr. M. D. Daver as a director of the Company.

7. To appoint Shri Ajit Sanghvi as a director of the Company.

8. To consider and, if thought fit, to pass with or without modification, as a special resolution, the following:

   "RESOLVED THAT pursuant to Section 292 and all other applicable provisions, if any, of the Companies Act, 1956, Article 140 of the Articles of Association of the Company be altered in the following manner:

   In the fourth line of Article 140, after the words "such member or members of its body" add the words "or Share Transfer Committee of such Directors and/or officers such as secretary, manager or any other principal officer of the Company or the Registrar and Share Agents for attending to share transfer formalities".

9. To consider and, if thought fit, to pass with or without modification, as a special resolution, the following:

   "RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions if any, of the Companies Act, 1956, and subject to the approval of the Central Government, consent of the Company be and it is hereby accorded to the holding of an office or place of profit in the Company by Shri Chirag A. Parekh, a relative of Shri Ashwin Shri Parekh, the Managing Director, as Vice President (Commercial) of the Company on the revised terms and conditions, as are set out in the Explanatory Statement, effective from the date the approval of the Central Government is obtained."

   "RESOLVED further that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to the above resolution".

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NOTES

A. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 6, 7, 8 and 9 of the Notice set out above is annexed hereto.

B. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THE POLL ONLY INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

C. The Register of Members and the Share Transfer Books of the Company will remain closed from 01.08.2000 to 09.08.2000 (both days inclusive).

D. Members are requested to notify change of address, if any.

E. Members desiring any information pursuant to an item on the Agenda are requested to write to the Company well in advance so as to enable the Management to keep the information available at the Meeting.

F. Dividend, if sanctioned at the Annual General Meeting, will be payable to the members whose names appear on the Company's Register of Members on 09.08.2000.

G. Members are requested to bring with them their copy of the Annual Report to the General Meeting.

By order of the Board of Directors
For ACRYSIL LIMITED

A.M. PAREKH
Managing Director

Mumbai, 22nd May, 2000

Registered Office:
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001

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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

Dr. M. D. Daver was appointed as an additional director of the Company with effect from 31st January, 2000 under Article 107 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, Dr. M. D. Daver holds office up to the date of the ensuing Annual General Meeting.

A notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose Dr. M. D. Daver as a candidate for the office of director of the Company. The requisite deposit of Rs. 500/- has been duly received from such member.

Dr. M. D. Daver possesses wide experience, professional knowledge and expertise. It would, therefore, be in the interest of the Company that the Board should continue to avail of the benefit of his experience and advice. The Board recommends his appointment.

Except Dr. M. D. Daver, none of the directors of the Company is, in any way, concerned or interested in this item.

Item No. 7

Shri Ajit Sanghvi was appointed as an additional director of the Company with effect from 31st January 2000, under Article 107 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, Mr. Ajit Sanghvi holds office up to the date of the ensuing Annual General Meeting.

A notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Ajit Sanghvi as a candidate for the office of director of the Company. The requisite deposit of Rs. 500/- has been duly received from such member.

Shri Ajit Sanghvi is a Chartered Accountant and possesses wide experience, professional knowledge and expertise. It would, therefore, be in the interest of the Company that the Board should continue to avail of the benefit of his experience and advice. The Board recommends his appointment.

Except Shri Ajit Sanghvi, none of the directors of the Company is, in any way, concerned or interested in this item.

Item No. 8

SEBI has recently made certain provisions mandatory for listed companies by adding new Clause 49 (on Corporate Governance) in listing Agreement. One of the provisions of this Clause 49 empowers the Board to delegate the power of share transfer to an officer of the Company or to a share transfer committee or to the Registrar and Share Transfer Agents. Since Article No. 140 of the Articles of Association of the Company provides for Share Transfer Committee of directors only, it is necessary to amend Article 140 so as to enable the Board of Directors to delegate the power of share transfer to an officer of the Company or to Share Transfer Committee or to the Registrar and Share Transfer Agents to attend to all share transfer formalities.

Hence shareholders' consent is necessary to pass the above mentioned amendment to Article No. 140 of the Articles of Association of the Company.

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Item No. 9

Shri Chirag A. Parekh, as Dy. General Manager (Commercial), has contributed significantly to the growth of the Company. The Board of Directors of the Company, therefore, feels that the remuneration of Shri Chirag A. Parekh should be increased, subject to the approval of shareholders by way of Special Resolution and the Central Government as required under Section 314 of the Companies Act, 1956.

The proposed revision in the remuneration of Shri Chirag A. Parekh, with effect from the date the approval of the Central Government is obtained, is as under:

(i)	Designation	Vice President (Commercial)
(ii)	Basic Salary	Rs. 22,000/- per month.
(iii)	House Rent Allowance	Rs. 6,000/- per month.
(iv)	Reimbursement of Medical Expenses	Rs. 9,000/- per annum
(v)	Reimbursement of Vehicle Expenses	Car will be provided by the Company for official use.
(vi)	Premium for Mediclaim Insurance Policy	Sum insured Rs. 1.50 lakhs each for self and family
(vii)	Leave Travel Benefit	One month's basic salary once in two years.
(viii)	Holiday Allowance	One month's basic salary once in two years.
(ix)	Reimbursement of telephone expenses	Telephone connection to be provided by the Company
(x)	Reimbursement of Books and Periodicals	Rs. 400/- per month.
(xi)	Provident Fund	As per the rules of the Company
(xii)	Superannuation	As per the rules of the Company
(xiii)	Gratuity / Bonus	As per the rules of the Company

Mr. Chirag A. Parekh is related to Mr. Ashwin M. Parekh who is the Managing Director of the Company. The said director may accordingly be considered to be interested in this resolution.

By order of the Board of Directors
For ACRYSIL LIMITED

A.M. PAREKH
Managing Director

Mumbai, 22nd May, 2000

Registered Office:
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001

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DIRECTORS' REPORT

TO
THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the Thirteenth Annual Report of the Company for the period 1st April, 1999 to 31st March, 2000.

FINANCIAL RESULTS:

The operations of the Company were as under:

(Rs. in lacs)

		As on 31.03.2000	As on 31.03.1999
1	Net Sales/Income from Operations	**1324.70**	1036.68
2	Other Income	**39.24**	122.00
3	Total Income (1 + 2)	**1363.94**	1158.68
4	Total Expenditure	**1169.20**	941.41
5	Interest	**46.91**	71.34
6	Gross Profit after Interest but before Depreciation and Taxation (3 – 4 – 5)	**147.83**	145.93
7	Depreciation	**31.85**	35.19
8	Profit before Taxation (6 – 7)	**115.98**	110.74
9	Provision for Taxation	**17.00**	13.16
10	Net Profit after Tax (8 – 9)	**98.98**	97.58

OPERATIONS OF THE COMPANY:

Performance:

The total turnover in value has increased from Rs. 1036.68 lacs to Rs. 1324.70 lacs. The profit before tax has increased from Rs. 110.74 lacs to Rs. 115.98 lacs. In accordance with the provisions of Section 211 of the Companies Act, 1956 and Accounting Standard AS-2 of the Institute of Chartered Accountants of India, compliance with which has now become mandatory, closing stock of work-in-process and finished goods has been valued on the basis of respective direct cost, as against the past practice of valuing them at the respective sale price minus the balance expenditure to be incurred on them. This resulted in reduction in the profit for the year by Rs. 21.35 lacs.

Kitchen Centres:

Your Directors are pleased to inform you that the total sales of Kitchen Centres have gone up from Rs.700 lacs last year to Rs.884.82 lacs this year, registering an increase of nearly 27%.

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Thermoplastic Co-extruded Profiles:

Sales of these products have gone up from Rs. 332 lacs last year to Rs. 396 lacs this year, registering an increase of more than 19%.

DIVIDEND:

The Directors are pleased to recommend Dividend for the period ended March 31, 2000 @ Rs. 1.40 (Previous year: Re. 0.70) per share on 25,72,000 Equity Shares amounting to Rs. 36 lacs at the ensusing Annual General Meeting.

EXPORTS:

The Company's exports were worth Rs. 803.89 lacs against Rs. 552.44 lacs in the earlier year, showing an impressive growth of about 46%.

QS 9000 (EXTRUSION)

The Directors are happy to inform you that the Company received for its Extrusion Division, QS 9000 certification from the reputed German certifying body RW TUV. This is expected to enhance the Company's reputation with the quality conscious customers, especially in the auto sector, which is an important business area for the Company.

AUDITORS' REPORT

Observations made by the Auditors in their report have been explained in the Notes on the Accounts which are self-explanatory.

Y2K COMPLIANCE:

The Company has achieved Y2K compliance satisfactorily.

DIRECTORS:

a) Shri J. A. Sanghrajka and Shri M. Nageswara Rao retire by rotation and being eligible, offer themselves for re-appointment.

b) Shri B. F. Tamboli, Shri T. Kumar and Shri M. F. Tamboli, Directors of the Company, resigned from the Board with effect from 16th October, 1999, 5th January, 2000 and 28th February, 2000 respectively. The Board of Directors places on record its sincere and warm appreciation for the valuable advice and guidance given by them to the Company during their tenure as Directors.

c) Dr. M. D. Daver and Shri Ajit Sanghvi were appointed by the Board as Additional Directors of the Company effective from 31st January, 2000 and they will hold that position till this Annual General Meeting, and being eligible, offer themselves for re-appointment.

AUDITORS:

The Members will be requested at the forthcoming Annual General Meeting to appoint Auditors and fix their remuneration. M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar, the existing Auditors, are eligible for re-appointment.

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