



CARYSIL
KITCHEN SINKS

21st Annual Report 2007 - 2008

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ACRYSIL LIMITED

ISO 9001: 2000 Company



BOARD OF DIRECTORS

Shri A. M. Parekh

Chairman & Managing Director

Shri C. A. Parekh

Executive Director

Shri Ajit R. Sanghvi

Shri A. R. Shah

Shri J. R. Naik

Shri M. Nageswara Rao

Dr. Minoo D. Daver

Shri V. C. Mehta

COMPANY SECRETARY

Pradyotsen Shukla

AUDITORS

Sanghavi & Company,
Chartered Accountants

REGISTRAR & TRANSFER AGENT

M/s Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Mumbai – 400 072.
Phone: (022) 28473747, 28473474, 28470652/53
Fax : (022) 28475207

BANKERS

State Bank of Saurashtra,
Bhavnagar.

WORKS

Survey No. 312,
Bhavnagar-Rajkot Highway (13th Km.)
Navagam, Post: Vartej,
Bhavnagar 364 060, Gujarat (India).
Phone : (0278) 2540218, 2540893, 2540392, 2540232
Fax : (0278) 2540558

REGISTERED OFFICE

Old Kamani Chambers, 2nd Floor,
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001 (India).
Phone : (022) 66311521, 66311523/24
Fax : (022) 66311525
Email: acrysil@acrysil.com
Website: www.acrysil.com

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NOTICE

NOTICE is hereby given that the **TWENTYFIRST ANNUAL GENERAL MEETING** of the Members of **ACRYSIL LIMITED** will be held at Indian Merchant Chambers, IMC Road, Churchgate, Mumbai on Tuesday, the 24th June, 2008 at 3.00 p.m. to transact the following business :

I. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and the Profit and Loss Account of the Company for the year ended 31st March, 2008 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. V. C. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Apurva R. Shah who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

II. SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Rustam Mulla who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Article 107 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, and in respect of whom the Company has received notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to be retire by rotation."

7. To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 302, 309 & 310 read with the provisions of Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) the consent of the members of the Company be and is hereby accorded for re-appointment and revision in the remuneration and benefits payable to Shri Chirag A. Parekh, the Whole-time Director of the Company, for a period of five years with effect from 2nd November, 2007 upon the terms and conditions including remuneration and perquisites as set out in the Explanatory Statement."

8. To consider and, if thought fit to pass the following Resolution with or without modification(s), if any, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Banks and/or from any one or more persons, firms, Bodies Corporate or Financial Institutions, Multilateral agencies, Foreign Institutional Investors, Foreign Financial Institutions and from any other persons or combination thereof, whether by way of overdrafts, cash credit, advance or deposits, loans, debentures or bills discounting or



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otherwise and whether unsecured or secured by simple mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether in full or in part, whether immovable, movable or stock in trade (including raw materials, stores, spare parts and components in stock or in transit) current assets and work in progress and all or any of the undertakings of the Company, provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed at any time the aggregate of the paid up capital of the Company and its free-reserves, (that is to say, reserves not set apart for any specific purpose) by a sum of **Rs. 30 Crores (Rupees Thirty Crores only)** in rupees and/or in equivalent foreign currency."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable."

9. To consider and if thought fit to pass the following Resolution with or without modification(s), if any, as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to the provisions of the Securities Contracts and Regulations Act, 1956, Listing Agreement, Central Listing Authority and any other such consent, approval and any directions or modifications as may be issued by any regulating authorities, the consent of the members of the Company be and is hereby granted for Voluntary Delisting of 25,72,000 Equity Shares of Rs. 10 each from the Ahmedabad Stock Exchange."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to accept any terms and conditions as may be imposed by the Stock Exchanges, Central Listing Authority, SEBI or any regulating authorities and to settle all the questions and matters arising out of and incidental to the proposed voluntary delisting of the equity shares of the Company from the above said stock exchange and to take all necessary steps including execution of all writings, which the Board, in its absolute discretion consider necessary, proper or expedient for giving effect to the above said resolution."

NOTES:

1. **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.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 16th June, 2008 to Tuesday, the 24th June, 2008 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item nos. 6, 7, 8, 9 of the Notice set out above is annexed hereto.
4. The unpaid dividend for the years 1998-99 and 1999-2000 remaining unclaimed for 7 years from the date of declaration have been transferred to the Investor Education and Protection Fund established by the Government of India pursuant to Section 205C of the Companies Act, 1956. Consequently, no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date they first became due for payment.



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5. The dividend, as recommended by the Board, if sanctioned at the Annual General Meeting, will be paid to those members or their mandates whose names stand registered on the Company's Register of Members :-
 - a. as Beneficial Owners as at the end of business on Sunday, the 15th June, 2008 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of Shares held in demat form.
 - b. as Members in the Register of Members of the Company on Tuesday, the 24th June, 2008, after giving effect to valid share transfers lodged with the Company, on or before Sunday the 15th June, 2008.
 - c. Members are requested to notify immediately any change of address/mandate/bank details, if any, quoting their number(s) to the Company's Registrar & Transfer Agent.
6. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
 - (a) the change in the residential status on return to India for permanent settlement.
 - (b) the particulars of NRE Account with Bank in India, if not furnished earlier.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays between 1.00 p.m. to 3.00 p.m.
8. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar & Share Transfer Agent/Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
9. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
10. The Company has connectivity from CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. The ISIN No. for the Equity Shares of the Company is INE 482D01016. In case of any query/difficulty in any matter relating thereto may be addressed to the Registrar and Share Transfer Agent.
11. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be downloaded from the website of the Department of Company Affairs.
12. Members are requested to bring with them their copy of Annual Report to the Annual General Meeting.

**By Order of the Board of Directors,
FOR, ACRYSIL LIMITED**

**Pradyotsen Shukla
COMPANY SECRETARY**

Mumbai : 29th April, 2008

Registered Office :

Old Kamani Chambers, 2nd Floor,
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai 400 001

ANNEXURE TO THE NOTICE

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

ITEM NO. 6

At the meeting of the Board of Directors of the Company held on 29th April, 2008, Mr. Rustam Mulla was appointed as an Additional Director to the Board of Directors of the Company. By virtue of the provisions of Section 260 of the Companies Act, 1956 and Article 107 of the Articles of Association of the Company, he holds office as an Additional Director up to the date of ensuing Annual General Meeting of the Company.

The Company has received a Notice under Section 257 of the Companies Act, 1956 along with the requisite deposit of Rs. 500/- from a member signifying his intention to propose the candidature of Mr. Rustam Mulla for election to the office of Director of the Company, liable to retire by rotation.

Mr. Rustam Mulla, 38 years, is a qualified Advocate, partner of Desai Desai & Carrimjee Advocates & Solicitors and in the profession for over 14 years. He is an erstwhile partner of M/s. Mulla & Mulla & Craigie Blunt & Caroe. He has an active practice in Real Estate, Corporate Laws, Joint Ventures, Foreign Direct Investment, EPC contracts and a vast experience in Commercial Arbitration & Alternate Dispute Resolution.

The Company will be benefited with his knowledge and experience.

The Board of Directors recommends this Resolution for members' approval as it is in the interest of the Company.

Except Mr. Rustam Mulla, none of the Directors of the Company is, in any way, concerned or interested in this Resolution.

ITEM NO. 7

Pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the said Act as amended up-to-date and Article 132 of the Articles of Association of the Company, Mr. Chirag A. Parekh was re-appointed as the Whole-time Director designated as an "EXECUTIVE DIRECTOR" of the Company for a period of five years with effect from 2nd November, 2007. He is an experienced industrialist and has been actively associated with the Company since long and responsible for the growth of the Company it would, therefore, be in the interest of the Company that the Board should continue to avail of the benefit of his rich experience and advice.

The Company has renewed the Agreement with Shri Chirag A. Parekh for the re- appointment as the Executive Director. Abstract of the terms and conditions of re-appointment of Executive Director pursuant to Section 302 of the Companies Act, 1956 are as under.

1. Period

The appointment is effective from **2nd November, 2007**, for a period of five years i.e. upto 1st November, 2012.

2. Overall Remuneration

Subject to the provisions of section 198, 269, 309, Schedule-XIII, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the shareholders at a general meeting, the remuneration payable to Mr. Chirag A. Parekh, Executive Director, in any financial year shall be as under:

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(i) Salary :

Salary of Rs. 70,000 (Rupees Seventy Thousand only) per month in the grade of Rs. 70,000 - 5,000 - 95,000.

(ii) Commission :

One percent of the net profits of the Company as determined in the manner laid down in Sections 349 and 350 of the Companies Act, 1956.

(iii) House Rent Allowance :

30% of basic salary per month, subject to change as may be made by the Board of Directors.

(iv) Perquisites :

In addition to the above remuneration, Mr. Chirag A. Parekh shall be entitled to the following by way of the perquisites ;

- (a) Car will be provided by the Company for official use.
- (b) Telephone connection at residence to be provided by the Company.
- (c) Gas/electricity/water/furnishing the value of which should not exceed 10% of basic salary.
- (d) Medical Expenses: Maximum reimbursement permitted is one month's salary, per annum. However, in case of major sickness, 3 months' salary can be claimed at a time, over a block of 3 years.
- (e) Leave Travel Assistance: Reimbursement of leave travel expenses in respect of traveling alone, to any place in India (including home district) for self, wife and dependent children, at actual, once a year.
- (f) Leave : One month's leave with full pay for every 11 months' service subject to the condition that unutilized leave will be allowed to be encashed as per service conditions of the Company.
- (g) Membership of Clubs: Membership of not more than 2 clubs, (for which subscription will not include entrance fee), will be paid by the Company.
- (h) Insurance: Premium up to Rs.4,000/- per annum for Personal Accident, Group Life Insurance and Flight Insurance coverage as applicable to other senior executives of the Company.
- (i) Company's contribution to P.F. and Superannuation Fund: These together should not be in excess of 27% of the basic salary.
- (j) Gratuity : Contribution to LIC under Group Gratuity Scheme @ 15 days' salary for each completed year of service.
- (k) Children's education allowance: In case of children studying in or outside India, an allowance limited to maximum of Rs. 5,000 per month per child or actual expenses incurred, whichever is less. Such allowance is admissible upto a maximum of two children.
- (l) Holiday passage for children studying outside India / family staying abroad: Return holiday passage once in a year by economic class or once in two year by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.

(v) Other terms :

- (a) Mr. Chirag A. Parekh shall not be entitled for sitting fees for attending meetings of the Board of Directors of the Company or Board Committees so long as he functions as the Executive Director of the Company.

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- (b) Subject to the provisions of the Companies Act, 1956, Mr. Chirag A. Parekh, Executive Director shall not, while he continues to hold office of the Executive Director, be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Director or in fixing the number of Directors to retire.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified above to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Chirag A. Parekh shall not exceed the limit prescribed in Part II in Section II(1)(A) of Schedule XIII with reference to the effective capital of the Company as at the end of every financial year, during the tenure of this appointment or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under and the terms of the aforesaid appointment between the Company and Mr. Chirag A. Parekh shall be suitably modified to give effect to such variation or increase, as the case may be.”

The Board of Directors recommends this resolution for the approval of the Members.

Except Shri Chirag A. Parekh, being an appointee and Shri A. M. Parekh no other Directors of the Company, concerned or interested in the said resolution.

ITEM NO. 8

At present the Company can borrow in excess of the aggregate of its paid-up capital and free reserve subject to limit of Rs. 20 crore. The Company owns and operates its Factory unit situated at Bhavnagar in Gujarat and is planning to expand its production capacity to meet the global requirement. For that purpose it would be inevitable to import the machinery, mould & dies, etc. The Company need to borrow further funds. As such, such borrowing may exceed the borrowing limits stated above. Hence, it is proposed to raise the borrowing limit to Rs. 30 crore in excess of the aggregate of its paid-up capital and free reserves for which the approval of the members is required under section 293(1)(d) of the Companies Act, 1956.

The Directors recommend the Resolution for members' approval as it is in the interest of the Company.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

ITEM NO. 9

The Company's Equity Shares are listed with the Bombay and Ahmedabad Stock Exchanges; there is no trading or negligible trading of equity shares since listing at the Ahmedabad Stock Exchange. However, the Company's shares are regularly being traded at the Bombay Stock Exchange. In terms of the SEBI (Delisting of Securities) Guidelines, 2003, recently announced by the SEBI, now the Companies have been permitted for voluntary delisting of shares including from the Regional Stock Exchange, subject to the compliance of the terms and conditions of the said guidelines. The Board considered that the Bombay Stock Exchange is having nationwide trading terminals having online BOLT trading facilities and the investors have access to trade and deal in Company's shares across the country. Equity shares of the Company listed on the Ahmedabad Stock Exchange are not providing any significant tangible advantage to the shareholders and investors of the Company.

Therefore, the Board at their meeting held on 29th April, 2008 has considered to recommend for voluntary delisting of the Company's Equity Shares from the Ahmedabad Stock Exchange and continue its listing only with the Bombay Stock Exchange to avoid unnecessary financial and administrative burden due to multiple compliance

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of the various clauses of the Listing Agreement from time to time and to provide better services to the investors through the nationwide Stock Exchange terminal. Previously, the approval of the members of the Company was already taken in the Fourteenth Annual General Meeting by passing Special Resolution for delisting the shares from Ahmedabad Stock Exchange but it could not be implemented.

Your Directors recommend to pass the said resolution as Special Resolution as set out in Item No 9 of the notice, for voluntarily delisting the Shares of the Company from said Stock Exchange.

None of the Directors are concerned or interested in the above said resolution, except as a member of the Company.

**By order of the Board of Directors
FOR, ACRYSIL LIMITED**

**Pradyotsen Shukla
COMPANY SECRETARY**

Mumbai : 29th April, 2008

Registered Office :

Old Kamani Chambers, 2nd Floor,
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 **Twenty First** Annual Report and the Audited Accounts for the year ended **31st March, 2008**.

FINANCIAL RESULTS:

Financial Results of the Company for the year under review along with the figures for previous year are as follows:—

	(Rs. in Lacs)	
	As on 31.03.2008	As on 31.03.2007
1 Net Sales/Income from Operations	3035.61	2004.01
2 Other Income	35.92	21.31
3 Total Income (1 + 2)	3071.53	2025.32
4 Total Expenditure	2400.67	1690.09
5 Operating Profit before Interest, Depreciation and Tax (3-4)	670.86	335.23
6 Interest	89.98	81.36
7 Depreciation	135.02	103.23
8 Profit before Tax (5-6-7)	445.86	150.64
9 Provision for Taxation	83.12	28.98
10 Net Profit after Tax (8-9)	362.74	121.66

OPERATIONS OF THE COMPANY :**PERFORMANCE:**

Turnover for the year was Rs. 3035.61 Lacs against Rs. 2004.01 Lacs in the previous year. During the year, the Company has scaled new heights and set several new benchmarks in terms of sales, profits, net worth and assets. The net profit for the year was Rs. 363.60 Lacs compared to Rs. 123.34 Lacs of previous year.

DIVIDEND :

Your Directors recommend a Dividend of 30 % on Equity Shares of Rs. 10/- for the year ended March 31, 2008 subject to the approval of shareholders at the ensuing Annual General Meeting.

REVIEW OF OPERATIONS :

The Company has achieved all time high Turnover of Rs. 3035 lacs compared to previous year of Rs. 2004 lacs, recording 51.45 % growth. Higher sales have been achieved by excellent break-through in Exports. The operating profit before interest, depreciation and tax is Rs. 670.86 lacs as against Rs. 335.23 lacs of the previous year. The profit before tax is higher by 196 % to Rs. 445.86 lacs against Rs. 150.64 lacs of the previous year. The Net Profit After Tax for the year is Rs. 363.60 Lacs compared to Rs. 123.34 Lacs of previous year which is 3 times higher compared to previous year. Your Company continued to strengthen its position in this rapidly-growing market.