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22ND ANNUAL REPORT 2008 - 2009

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Acrysil Limited
ISO 9001: 2000 Company

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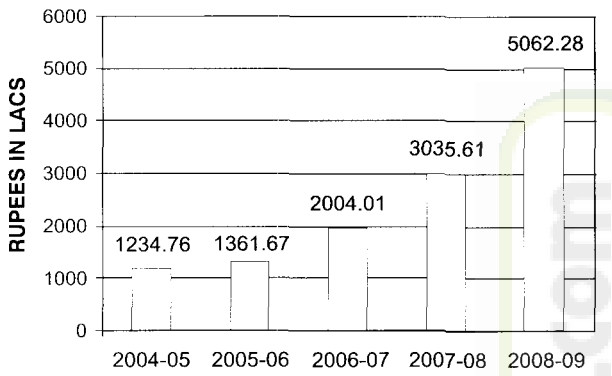
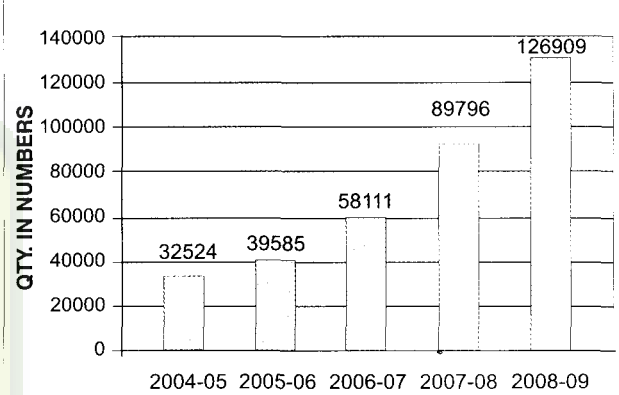
FINANCIAL HIGHLIGHTS

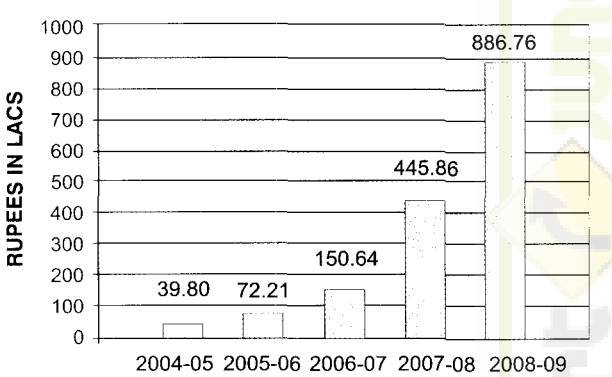
SALES TURNOVER



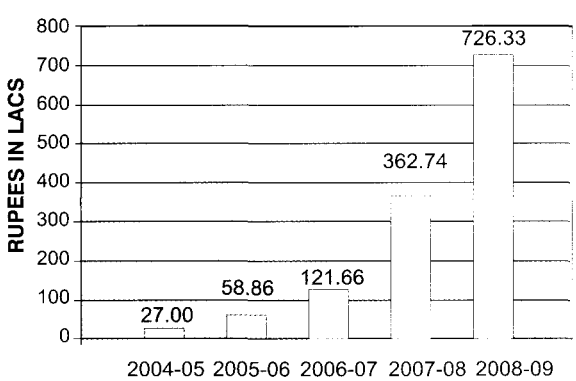
SALES QUANTITY



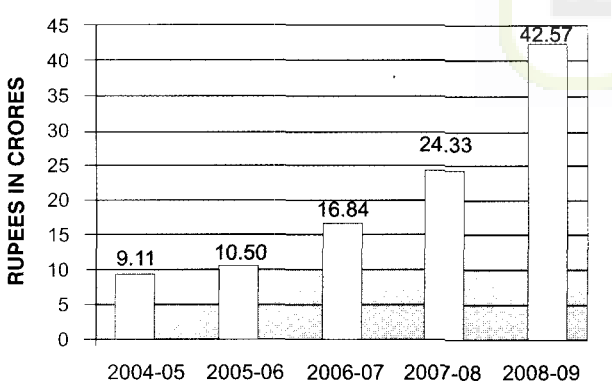
PROFIT BEFORE TAX



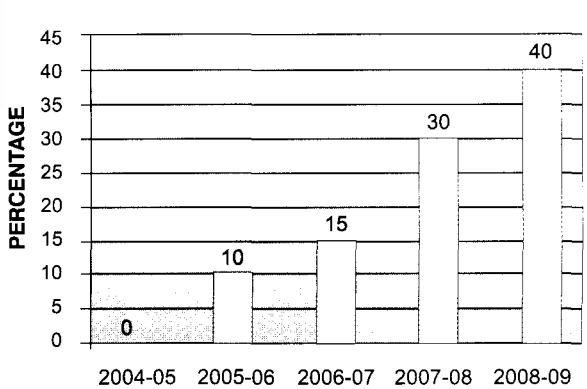
PROFIT AFTER TAX



FOREIGN EARNINGS (FOB)



DIVIDEND HISTORY



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Acrysil Limited

BOARD OF DIRECTORS

Shri A. M. Parekh	Executive Chairman
Shri C. A. Parekh	Managing Director
Shri V. C. Mehta	
Shri M. Nageswará Rao	
Shri J. R. Naik	
Shri Ajit R. Sanghvi	
Dr. Minoo D. Daver	
Shri A.R.Shah	
Shri Rustam Mulla	

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) 40430200, Fax : (022) 28475207

BANKERS

State Bank of India,
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, Fax : (022) 66311525
Email : acrysil@acrysil.com
Website : www.acrysil.com

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NOTICE

NOTICE is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Members of **ACRYSIL LIMITED** will be held at Indian Merchant Chambers, IMC Road, Churchgate, Mumbai on Friday, the 31st July, 2009 at 4.00 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 for the year ended 31st March, 2009 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Minoo D. Daver who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Rustam Mulla 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 if thought fit, to pass with or without modification(s) if any, the following **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to a resolution passed by the Remuneration Committee of Directors of the Company and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded for re-appointment and re-designation and revision in the remuneration and benefits payable to Shri Ashwin M Parekh, as Executive Chairman of the Company for a period of five years with effect from 1st November, 2008 upon the terms and conditions including remuneration and perquisites as set out in the Explanatory Statement."

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

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to a resolution passed by the Remuneration Committee of Directors of the Company and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded for re-appointment and re-designation and revision in the remuneration and benefits payable to Shri Chirag A Parekh, as Managing Director of the Company for a period of five years with effect from 1st November, 2008 upon the terms and conditions including remuneration and perquisites as set out in the Explanatory Statement."

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 THEN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 23rd July, 2009 to Friday, the 31st July, 2009 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item no 6, 7, of the Notice set out about is annexed hereto.

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4. The unpaid dividend for the year 2000-2001 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 become due for payment.

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 Companies Register of Members :-

   a. as Beneficial Owners as at the end of business on Wednesday, the 22nd July, 2009 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 Friday, the 31st July, 2009, after giving effect to valid share transfers lodged with the Company, on or before Wednesday the 22nd July, 2009.

   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 the 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 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 down loaded from the website of the Department of Company Affairs.

12. An Explanatory Statement under section 173(2) of the Companies Act, 1956 is annexed hereto.

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

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

Pradyotsen Shukla
Company Secretary

Bhavnagar : 4th June, 2009

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

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ANNEXURE TO THE NOTICE

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

ITEM NO. 6 & 7

At the meeting of the Board of Directors of Acrysil Limited held on 21st October, 2008, the Board elevated Mr. Ashwin M Parekh as 'Executive Chairman' and Mr. Chirag A. Parekh as 'Managing Director' of the Company with effect from 1st November, 2008.

The Remuneration Committee of Acrysil Limited has at its meeting held on 21st October, 2008 approved the proposal for change in designation and re-appointment of Mr. Ashwin M Parekh as 'Executive Chairman' and Mr. Chirag A. Parekh as 'Managing Director' of the Company with effect from 1st November, 2008 for a period of five years, on the terms and conditions including remuneration as specified hereunder.

The Board of Directors of Acrysil Limited has at its meeting held on 21st October, 2008, also approved the change in designation and re-appointment of Mr. Ashwin M Parekh as 'Executive Chairman' and Mr. Chirag A. Parekh as 'Managing Director' of the Company with effect from 1st November, 2008 for a period of five years, as per the recommendation of the Remuneration Committee.

Mr. Ashwin M Parekh is a founder and Chief Mentor of Acrysil Limited. He is an experienced industrialist and has guided the Company over the years and under his able leadership the Company has grown tremendously and is now expanding to new horizons.

Mr. Chirag A. Parekh, a graduate in Business Administration from Switzerland majored in 'International Marketing' carries with him a wealth of experience. He has been actively associated with the Company since long and contributed significantly to the growth of the Company.

In terms of Section 302 of the Companies Act, 1956, an abstract of the terms of re-appointment of Mr. Ashwin M Parekh and Mr. Chirag A Parekh are given below:

I. SALARY

Rs.1,50,000/- per month in the scale of 1,50,000-20,000-2,30,000

The Board will grant annual increments and revise the Salary within the aforesaid range by granting one or more increments in the above scale, having regard to the merits and the Company's performance.

II. PERQUISITES

(a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water furnishings and repairs; medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance etc.; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Ashwin M. Parekh and Mr. Chirag A Parekh such perquisites for each year not to exceed Rs.6,00,000 respectively.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost. Provision of the Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.

(b) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income tax Act, gratuity payable as per the Rules of the Company and

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encashment of leave at the end of his tenure as per the Rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

III COMMISSION

A sum calculated at the rate of 1% of the net profits of the Company in a particular financial year shall be payable to Mr. Ashwin M Parekh and a sum calculated at the rate of 2% of the net profits of the Company in a particular financial year shall be payable to Mr. Chirag A Parekh.

IV MINIMUM REMUNERATION

If, in any financial year, the Company has no profits or its profits are inadequate, then in such event, notwithstanding the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 but subject to the approval of the Central Government as may be required, the remuneration as set out above in paragraphs I, II and III, will be paid as minimum remuneration.

V *Other terms :*

a) Leave: On full pay and allowances, as per the Rules of the Company, but not exceeding one month's leave for every 11 months of service.

b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in the performance of duties.

c) Mr. Ashwin M. Parekh and 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.

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

e) The re-appointment may be terminated by either party giving to the other party ninety days' notice in writing.

f) In the event of any dispute or difference arising at any time between Mr. Ashwin M. Parekh or Mr. Chirag A. Parekh and the Company in respect of the Agreement or the construction thereof, the same will be submitted to and be decided by Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

By order of the Board of Directors
FOR, ACRYSIL LIMITED

Pradyotsen Shukla
Company Secretary

Bhavnagar : 4th June, 2009

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 Second** Annual Report and the Audited Statement of Accounts for the year ended **31st March, 2009.**

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 31.03.2009	As on 31.03.2008
1	Net Sales/Income from Operations	**5062.28**	3035.61
2	Other Income	**21.98**	35.92
3	Total Income (1 + 2)	**5084.26**	3071.53
4	Total Expenditure	**3782.31**	2400.67
5	Operating Profit before Borrowing Cost, Depreciation and Tax (3-4)	**1301.95**	670.86
6	Borrowing Cost	**205.18**	89.98
7	Depreciation	**210.01**	135.02
8	Profit before Tax (5-6-7)	**886.76**	445.86
9	Provision for Taxation	**160.44**	83.12
10	Prior period adjustment(net)	**12.00**	0.86
11	Net Profit after Tax (8-9+10)	**738.32**	363.60

OPERATIONS REVIEW :

RECORD PERFORMANCE :

Despite of sever Global downturn, our Company has achieved all time high Turnover of Rs. 5062.28 lacs compared to previous year of Rs. 3035.61 lacs, recording 66.76 % growth. Higher sales have been achieved by excellent break-through in Exports. The operating profit before borrowing cost, depreciation and tax is Rs. 1301.95 Lacs against Rs. 670.86 lacs of the previous year. The profit befor tax is higher by 99 % to Rs. 886.76 lacs against Rs. 445.86 lacs of the previous year. The Net Profit After Tax for the year is Rs.738.32 lacs compared to Rs 363.60 Lacs of previous year which is 2 times higher compared to previous year.

DIVIDEND :

Your Directors recommend a record dividend of 40 % on Equity Shares of Rs. 10/- for the year ended March 31, 2009 subject to the approval of shareholders at the ensuing Annual General Meeting.

MARKET : KITCHEN SINKS AND ACCESSORIES :

EXPORTS

We were able to sustain our growth in Exports, which jumped from Rs. 2656.49 Lacs to Rs. 4569.95 Lacs in the year 2008-09, recording 72 % growth as compared to previous year.

Further we have successfully established our hand in Export market in more than 25 countries worldwide to some of the most stringent quality- driven markets. We continue our efforts to develop more export countries by way of

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participating in International exhibitions and new models suitable to other export markets

DOMESTIC :

Sales jumped from Rs. 380 lacs to Rs. 470 lacs, recording 23.68% growth as compared to previous year. We plan to aggressively push domestic sales by way of launching new models, better price and aggressive promotion.

EXPANSION :

Company has successfully increased its installed capacity of manufacturing Kitchen Sinks from 1,20,000 to 1,80,000 Nos. per year.

EQUITY SHARE CAPITAL :

During the year ended 31st March, 2009, the Company received notices from warrants holders for exercising the conversion option in respect of 1,34,000 warrants at a price of Rs. 36.50 out of 4,00,000 warrants, whereupon the Company allotted 1,34,000 equity shares of Rs. 10/- each to the warrant holders. Consequent upon the allotment of these shares, the paid-up Share Capital of the Company stands increased to Rs. 2,83,10,000. The warrants / shares issued / to be issued are lock-in for three years from the date of allotment of warrants.

CERTIFICATION :

Company is under process to obtain OHSAS 18001 and ISO 14001.

DIRECTORS :

The Board consists of Executive and Non-executive Directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

Mr. Minoo Daver and Mr. Rustam Mulla retire by rotation and being eligible, offer themselves for re-appointment.

PARTICULARS REGARDING CONVERSATION OF ENERGY, ETC:

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the board of directors) Rules, 1988, statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo *are annexed hereto and form part of this Report.*

AUDITOR'S AND THEIR REPORT :

Comments of the Auditors in their report and the notes forming part of the Accounts, are self explanatory and need no comments.

M/S Sanghavi & Co. the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 224(1B) of the Companies Act, 1956. The directors recommend the re-appointment of M/S Sanghavi & Co. as the Company's Auditors.

INSURANCE :

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, loss of profits, etc. and other risks which considered necessary by the management. In addition to this coverage, a statutory Public Liability Insurance Policy has been taken to cover by company for providing against the Public liability arising out of Industrial accidents for employees working in plants.

FIXED DEPOSITS :

In compliance with the Companies (Acceptance of Deposits) Rules, 1975, your Directors report that all the fixed deposits due for repayment/renewal on or before 31st March, 2009 were either paid or renewed.

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DIRECTORS' RESPONSIBILITY STATEMENT :

In accordance with the provisions of section 217(2AA) of the Companies (amendment) Act, 2000 the Directors confirm that:-

1. In the preparation of accounts, the applicable accounting standards have been followed.
2. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state
3. of affairs of the Company as at the end of 31st March, 2009 and the profit of the Company for the year ended on that date.
4. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
5. The Annual Accounts of the company have been prepared on a going concern basis.

CORPORATE GOVERNANCE :

It is not mandatory for our Company to adopt Corporate Governance, though your Company is among the few who has voluntarily adopted Corporate Governance Compliances from the year 2008-2009. Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. Over and above the statutory requirements, your Company has implemented several best corporate governance practices as prevalent globally.

TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND TO IEPF :

Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, the declared dividends which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

PERSONNEL :

The Company continued to have cordial relations with its employees. Since no employee of the Company is Drawing remuneration in excess of the ceilings prescribed under the Companies (Particulars of Employees) Rules, 1957 as amended, read with Section 217(2A) of the Companies Act, 1956 information for the same is not furnished.

ACKNOWLEDGEMENTS :

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who, through their dedication, co-operation, support and smart work, have enabled the Company to achieve rapid growth.

For and on behalf of the Board of Directors,

Chirag A. Parekh
Managing Director

Bhavnagar : 4th June, 2009

Registered Office:
Old Kamani Chambers, 2nd Floor,
32, Ramjibhai Kamani Marg,
Ballard Estate,
Mumbai - 400 001 (India).

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