



Acrysil Limited

#### **BOARD OF DIRECTORS**

Shri Ashwin M. Parekh

Shri Chirag A. Parekh

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

Executive Chairman

Managing Director

#### **COMPANY SECRETARY**

Damodar Sejpai

#### **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**

704, Centre Point, J. B. Nagar,

Andheri - Kurla Road, Andheri (East),

Mumbai - 400 059 (India).

Phone : (022) 66711101/05

Fax : (022) 66711109

Email : [acrysil@acrysil.com](mailto:acrysil@acrysil.com)

Website : [www.acrysil.com](http://www.acrysil.com)

## NOTICE

NOTICE is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the Members of **ACRYSIL LIMITED** will be held at Indian Merchant Chambers, IMC Road, Churchgate, Mumbai, on Tuesday, the 10th August, 2010, 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 for the year ended 31st March, 2010 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 A. R. Sanghavi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri J.R. Naik who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint Auditors to hold office from the 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 **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 302, 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 the 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 revision in the remuneration and benefits payable to Shri Chirag A. Parekh, Managing Director of the Company for the remaining period of his tenure of office with effect from 1st April, 2010 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 Wednesday, the 4th August, 2010 to Tuesday, the 10th August, 2010 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 6 of the Notice set out above is annexed hereto.
4. The unpaid dividend for the year 2001-2002 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.
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 Tuesday, the 3rd August, 2010 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 10th August, 2010 after giving effect to valid share transfers lodged with the Company, on or before Tuesday, the 3rd August, 2010.
  - 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 a 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. Any query/difficulty in the 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 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 General Meeting.

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

**Damodar Sejpal  
Company Secretary**

Bhavnagar : 24th May, 2010

**Registered Office :**

704, Centre Point,  
J.B. Nagar, Andheri – Kurla Road,  
Andheri (East),  
Mumbai - 400 059 (India).

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 6**

Mr. Chirag A. Parekh was reappointed Managing Director of the Company for a period of five years with effect from 1st November, 2008. The Board of Directors of the Company had at its meeting held on 31st March, 2010, approved the proposal for increase in remuneration of Mr. Chirag A. Parekh, Managing Director of the Company for the remaining period of his tenure of office. Earlier, the Remuneration Committee of the Company passed a resolution approving and recommending the said increase in remuneration.

The said proposal for increase in remuneration is subject to the approval of the members of the Company in a General Meeting and/ or Central Government.

The revised terms and conditions including remuneration are as under:

**I. SALARY**

Rs.3, 00,000/- per month (in the scale of Rs. 3, 00,000 - Rs. 4, 00, 000)

The Board will grant annual increments and revise the Salary within the aforesaid range, 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. Chirag A. Parekh; such perquisites for each year not to exceed Rs.6, 00,000.

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, as per the rules of the Company, gratuity payable as per the Rules of the Company and encashment of leave at the end of his tenure as per the Rules of the Company applicable to senior executives.

**III COMMISSION**

A sum calculated at the rate of 2% of the net profits of the Company in a particular financial year.

**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. 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 Managing Director of the Company.
- d) Subject to the provisions of the Companies Act, 1956, Mr. Chirag A. Parekh shall not, while he continues to hold office, 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 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.

In the event of any dispute or difference arising at any time between 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**

**Damodar Sejpal  
Company Secretary**

Bhavnagar : 24th May, 2010

**Registered Office :**

704, Centre Point,  
J.B. Nagar, Andheri – Kurla Road,  
Andheri (East),  
Mumbai - 400 059 (India).

## DIRECTORS' REPORT

To,  
THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the **Twenty Third** Annual Report and the Audited Statement of Accounts for the year ended **31st March, 2010**.

### 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 31.03.2010	As on 31.03.2009
1 Net Sales/Income from Operations	4576.70	5062.28
2 Other Income	20.35	21.98
3 Total Income (1+2)	4597.05	5084.26
4 Total Expenditure	3503.30	3782.31
5 Operating Profit before Borrowing Cost, Depreciation and Tax (3-4)	1093.75	1301.95
6 Borrowing Cost	63.77	205.18
7 Depreciation	265.21	210.01
8 Profit before Tax (5-6-7)	764.77	886.76
9 Provision for Taxation	156.62	160.44
10 Prior period adjustment(net)	(17.19)	12.00
11 Net Profit after Tax (8-9+10)	590.96	738.32

### OPERATIONS OF THE COMPANY :

#### PERFORMANCE :

As you all aware that the global recession affected the world economy. The financial year witness the global meltdown and financial ups and down. In spite of this, the Company's sales turnover and profit just fell marginally. Sales turnover for the year was Rs. 4576.70 lacs against Rs. 5062.28 lacs in the previous year. The net profit for the year was Rs.590.96 compared to Rs. 738.32 lacs of previous year. The Company's profit fell mainly because of a depreciated foreign currency affecting the export revenues/margins.

#### DIVIDEND :

**Your Directors recommend a dividend of 40 % on Equity Shares of Rs. 10/- for the year ended March 31, 2010 subject to the approval of shareholders at the ensuing Annual General Meeting.**

#### EXPORT MARKET :

Company had put significant efforts to promote sales in emerging countries. Hence, inspite of global meltdown, export sales marginally fell from Rs.4569.95 lacs to Rs. 3860.37 lacs.

Company's focus continues on emerging and high potential markets.

**DOMESTIC MARKET :**

Sales jumped from Rs. 470 lacs to Rs. 680 lacs, recording 44.68 % growth as compared to previous year. We plan to further increase domestic sales by way of launching new models, catering new projects and aggressive promotion.

**REVIEW OF OPERATIONS :**

The Company has achieved Turnover of Rs. 4576.70 lacs compared to previous year of Rs. 5062.28 lacs, recording 10% lower. The operating profit before borrowing cost, depreciation and tax is Rs. 1093.75 lacs against Rs. 1301.95 lacs of the previous year. The profit before tax is Rs. 764.77 lacs against Rs. 886.76 lacs of the previous year. The Net Profit After Tax for the year is Rs.590.96 lacs compared to Rs 738.32 lacs of previous year which is 20 % lower compared to previous year.

**EXPANSION / DIVERSIFICATION :**

Company has successfully increased its installed capacity of manufacturing Quartz Kitchen Sinks from 1,80,000 to 2,00,000 Nos. per annum.

Company plans to float a subsidiary to manufacture Stainless Steel Kitchen Sinks and other allied products.

**EQUITY SHARE CAPITAL :**

During the year ended 31st March, 2010, the Company received notices from warrants holders for exercising the conversion option in respect of 1,41,000 warrants at a price of Rs. 36.50 out of 4,00,000 warrants, whereupon the Company allotted 1,41,000 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. 2,97,20,000. The warrants / shares issued / to be issued are lock-in for three years from the date of allotment of warrants.

**CERTIFICATION :****1) ISO 9001: 2000 :**

Your Company is having status of ISO 9001:2000 Certification, which is internationally recognized for the production, quality control and other qualities. The scope of certificate is design, manufacture, supply, installation and commissioning of fluid couplings and flexible fluid couplings. The ISO certification will give international reorganization and will help boost export turnover.

**2) ISO 14001:2004 OHSAS & BIS- 18001:2007 FOR ENVIRONMENT, HEALTH AND SAFETY POLICY:**

Your Company has got ISO 14001:2004 OHSAS & BIS-18001:2007 for Environment, Health and Safety Policy Certification. Your Company considers the environment, health and safety performance criterion as an integral part of our business and essential for long term success.

**COMPLYING STANDARDS :**

Your Company is also complying standards including CE Marking and CSA.

**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. A. R. Sanghavi and Mr. J.R. Naik 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, 2010 were either paid or renewed.

### **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, 2010 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,

**Ashwin M. Parekh**  
**Executive Chairman**

Bhavnagar : 24th May, 2010

**Registered Office:**

704, Centre Point,  
J.B. Nagar, Andheri – Kurla Road,  
Andheri (East),  
Mumbai - 400 059 (India).

## ANNEXURE TO DIRECTORS' REPORT

The information required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

### A. Conservation of energy :

The operations of the Company are not energy intensive. However, conservation measures have already been taken up wherever applicable. Disclosure of particulars with respect to conservation of energy in Form 'A' is not applicable.

### B. Technological Absorption :

Form 'B' for disclosure of particulars with respect to Technology Absorption.

## RESEARCH & DEVELOPMENT (R & D)

### 1. Specific areas in which R & D is carried out by the Company :

Continuous development work in existing products has not only helped in quality improvement but also in cost effectiveness and productivity improvement. During the year under review, quality control measures were updated and upgraded to meet global requirement.

### 2. Benefits derived as a result of the above efforts :

- (a) Broadening the product range.
- (b) Improvement in quality, productivity and cost effectiveness.
- (c) Certification in EN ISO 9001: 2000, ISO 14001:2004 OHSAS & BIS - 18001:2007 for Environment, Health and Safety Policy.

### 3. Future Plan of Action :

To develop and introduce new range of products.

### 4. Expenditure on R & D for the year 2009-2010

(a) Capital	NIL
(b) Recurring	5,00,000
(c) Total	5,00,000
(d) Total R & D expenditure as a percentage of Total Turnover	0.11 %

## TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

### (1) Research and Development

### (2) Technology absorption, adoption and innovation :

#### (a) Efforts in brief made towards technology absorption, adoption and innovation:

- Constant monitoring of process and technology up gradation taking place in advance countries and to offer similar products through in-house R & D as well as through progressive manufacturing activities. The Company is in the process of further improving its quality control methods and testing facilities.
- Regular interaction with equipment designers and manufacturers and major raw material suppliers for improvements to processing and operating parameters.