



Acrysil Limited

24<sup>th</sup> Annual Report 2010-2011

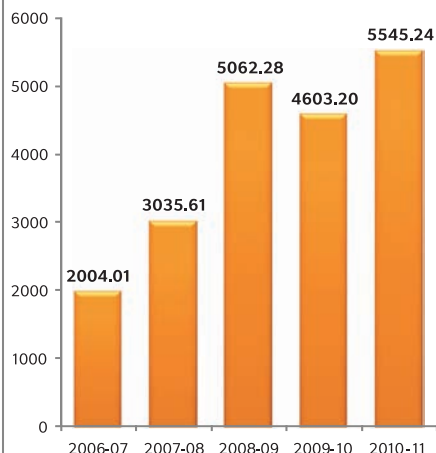
**CARYSIL**®  
KITCHEN SINK



# FINANCIAL HIGHLIGHTS

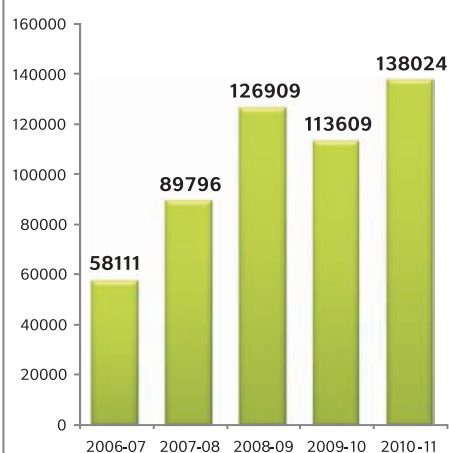
## Sales Turnover

(Rs. in lacs)



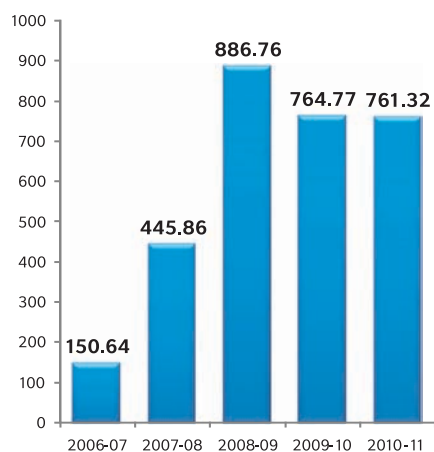
## Sales Quantity

(Qty. in numbers)



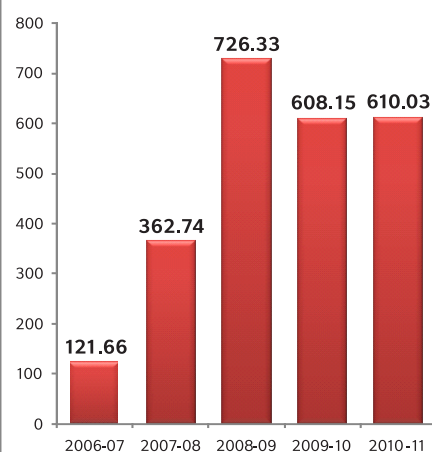
## Profit Before Tax (PBT)

(Rs. in lacs)



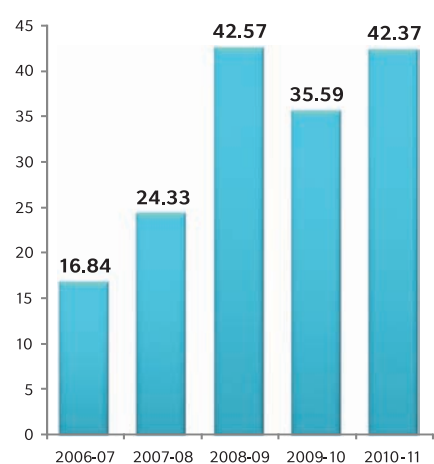
## Profit After Tax (PAT)

(Rs. in lacs)



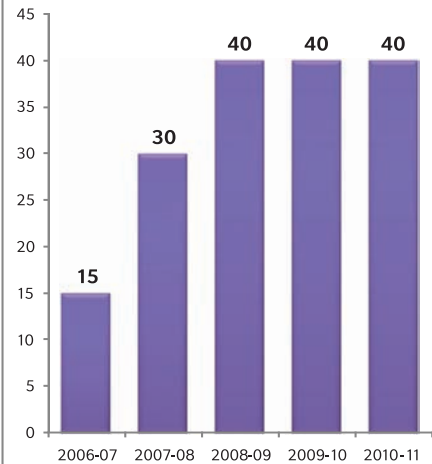
## Foreign Earnings (FOB)

(Rs. in crores)



## Dividend History

(Percentage)



## Page Contents

2	Corporate Information
4	Chairman's Letter
6	Managing Director's Message
12	Notice to Shareholders
14	Directors' Report

### Standalone Financial Statements

20	Auditors' Report
24	Balance Sheet
25	Profit & Loss Account
26	Cash Flow Statement
27	Schedules forming part of Balance Sheet
30	Schedules forming part of Profit & Loss Account
33	Significant Accounting Policies and Notes on Accounts
39	Balance Sheet Abstract & Company's General Business Profile

### Consolidated Financial Statements

40	Consolidated Auditors' Report
41	Consolidated Balance Sheet
42	Consolidated Profit & Loss Account
43	Consolidated Cash Flow Statement
44	Schedules to the Consolidated Balance Sheet
50	Notes to the Consolidated Financial Statements
55	Particulars of Subsidiaries & Information to Shareholders

Feedback Form

Attendance Slip & Proxy Form



## CORPORATE INFORMATION

### Board of Directors

Shri Ashwin M. Parekh,  
*Executive Chairman*

Shri Chirag A. Parekh,  
*Managing Director*

Shri V. C. Mehta

Shri M. Nageswara Rao

Shri J. R. Naik

Shri Ajit R. Sanghvi

Dr. Minoo D. Daver

Shri A. R. Shah

Shri Rustam Mulla

### 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: +91-22-6671 1101/6671 1105  
Fax: +91-22-6671 1109



# Going Global

Acrysil is on a journey. Going across borders and growing in stature. From a strong international presence to a global hallmark. Leveraging its world-class quality and premium value. Benchmarking its products against the most select competitive brands. Establishing Carysil as a prime choice of those who demand the finest – whether homemakers, architects, interior designers or fabricators of modular home units.

It's a journey we replicate in the domestic arena. Elevating standards and expectations – and meeting those criteria – among the nation's growing cadre of affluent and influential and informed customers, both individual and institutional.

It's a journey that's well under way, and one that will take us and our stakeholders into new realms of possibility.



## CHAIRMAN'S LETTER



**Ashwin Parekh, Founder and Chairman**

Dear Shareholders,

Today, we look back over a year that has been marked by impressive growth performance and substantial growth initiatives, even in a global economy that has yet to fully recover from the recent recessionary troubles. It seems a good time to recall the far longer journey we as a Company have made over the years since we began.

I recall how in the early days, from the 60s onwards, we were in a different line entirely: manufacturing industrial jewels for mechanical and quartz watches. In reality, it was not so different after all. When we diversified in the

80s into making composite quartz kitchen sinks, we were still staying with quartz, with its aura of superior products for niche upscale markets. What's more, quartz kitchen sinks appealed to my basic liking for innovation and re-engineering, especially in their use of non-traditional materials to achieve superior results.

We knew that it would be a challenging task to penetrate into niche high-income households and premium institutions, but my colleagues and I were convinced that quartz was destined to be the material for tomorrow's upscale kitchens.

Today, it is a source of pride and happiness for me that our Carysil quartz kitchen sinks are widely sought as the connoisseur's choice, in niche markets both domestic and international.

Looking ahead, we are focusing even more intensely on growth in the domestic market. We are strengthening our marketing efforts, widening our reach and deepening our penetration into the nation's top-tier segments. There could not be a better time, because along with the growth of disposable incomes in the middle-class, there is more than proportionate growth in its very highest strata.

In all major cities in India, you can see the flourishing of premium shopping, in everything from consumer electronics through cars to jewellery and fashion wear. You can see the spread of high-priced entertainment, fine dining, leisure-and-pleasure spots and recreational resorts. You can see the boom in ultra-select housing developments and gated communities. You can see the growing market for goods that were once considered the ultimate in luxury, affordable only by a select few.

In other words, there is now a substantial domestic market for high-end premium products

like Carysil quartz sinks - designed for the higher-income strata, and offering style and visual appeal combined with great functionality, strength and durability. We are going after this market in a big way.

Simultaneously, we will continue to increase our global footprint. Our people, led by their dynamic managing director, are pursuing a shared vision of accelerating growth and capturing new markets across the world by leveraging the full power of Acrysil's technological, design, manufacturing and marketing strengths.

I have every confidence that we will be tremendously successful in this as well as our other endeavours. As one who has been with the company right from the beginning of our journey, I am convinced that our best years have begun.

Let me close by expressing my gratitude to all of you for your unwavering support.

Thank you.

**Ashwin Parekh**

Founder and Chairman

## MANAGING DIRECTOR'S MESSAGE



**Chirag Parekh, Managing Director**

Dear Friends,

At a time when much of the planet is still struggling out of the recent recessionary distress, I am happy to report that Acrysil remains in a position of strength, especially in overseas markets. In fact, we are already in a phase of overall expansion as well as domestic penetration.

Our Carysil sinks and related products are favoured by builders, architects and individual homemakers in India as well as in the most demanding European and Asian markets in over 30 countries overseas. It is indeed, a matter of great pride for us that our brand holds its own against the topmost global brands in some of the most discerning markets in the world.

We have formed strategic partnerships across the globe, with major companies in UK, USA,

Russia, France and others. The Carysil brand is featured prominently in major retail establishments overseas like BnQ (UK), Castorama (France), Bricodepot (France), Menards (USA), Obi (Germany) and Costco (Canada).

Since we decided to focus on quartz kitchen sinks a decade ago, our growth has been impressive. Domestic sales have multiplied nearly tenfold from Rs. 108.32 Lacs in FY02 to Rs. 868 Lacs in FY11, while exports have grown from Rs. 839.49 Lacs in FY02 to Rs. 4560.29 Lacs in FY11.

We continue to perform creditably and our EPS stood at Rs. 20.40 in FY11. Acrysil has strong fundamentals as well - Reserves and Surplus stood at Rs. 22.54 crores on an Equity Share



Capital of Rs. 2.97 crores, yielding a Book Value of Rs. 20.40 as at 31st March, 2011.

Acrysil is now on the move to open its own subsidiaries and branches across the world. We started with our first international subsidiary in Germany, Acrysil GmbH, which has already established itself as a supplier to major German corporations. More subsidiaries are being planned.

We are now focusing more intensely on growth in the domestic market. We are strengthening our marketing efforts, widening our reach and deepening our penetration into the nation's top-tier segments.

This is a market in which people and establishments with the means are willing to pay considerably higher for genuine value. That value has to go beyond mere looks or brand-name appeal. It has to be more than just a status symbol. If our Acrysil products offered nothing but visual elegance, they would not survive in this demanding environment. But because that gloss and attractiveness is coupled with durability, strength and functionality, there is a market eager for it.

As the only company in all of Asia – and one of just three companies worldwide – manufacturing this line of products, Acrysil is in the happy

position of having no competition in its class in India. What's more, we have devoted considerable efforts to improving our products through innovative R&D, and have developed more than 20 models to cater to various segments and strata. We are increasing our current annual production capacity from 2,20,000 to 2,50,000 units.

We have also floated a subsidiary Acrysil Steel Pvt. Ltd. to manufacture world class stainless steel kitchen sinks to cater to both domestic and export markets, which should give a major boost to our business.

Today, we are India's largest sink manufacturer in the non-steel category. Our goal is to be the No.1 manufacturer across all categories, in terms of branded volume. I have every confidence that we will be tremendously successful in this endeavour, and that the rewards lie not far in the future.

I hope you are pleased with how your company is performing and evolving. And I trust you share our excitement about the promising future that lies ahead.

Thank you.

**Chirag Parekh**  
Managing Director

## Share in our world-class success story.

In the highly competitive market of lifestyle products and home fittings, Carysil stands literally in a class of its own. It is India's *only* indigenous brand of kitchen sinks made of quartz bonded with resin, homogeneously moulded by a unique CNC-controlled polymerization process. That results in a product that is scratch-resistance, dent-proof, stain-resistant and heat-proof, with a glossy and truly lasting granite finish in several varieties.



In other words, every Carysil kitchen sink is a designer's dream and a home-owner's pride. It has truly international looks and styling, and is available in a range of attractive colours. It is highly functional, easy to clean, and safe in contact with food. Best of all, it remains as good as new even after years of use.

