



RWTUV

20th Annual Report 2006 -2007



Acrysil Limited

ISO 9001 : 2000 Company

BOARD OF DIRECTORS

Shri A.M. Parekh	Chairman & Managing Director
Shri C.A. Parekh	Executive 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	

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 E-mail: bigshare@bom7.vsnl.net.in

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

NOTICE

Notice is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the Members of **ACRYSIL LIMITED** will be held at Indian Merchant Chambers, IMC Road, Churchgate, Mumbai on Friday, the 28th September, 2007, at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the year ended 31st March, 2007, the Balance Sheet as at that date, and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. M. Nageswara Rao, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. J. R. Naik, who retires by rotation and is eligible for re-appointment.
5. To re-appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Apurva Shah, who was appointed as an Additional Director by the Board effective from 28.10.2006 and who holds office upto the date of ensuing Annual General Meeting 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 an Independent Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT 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, the consent of the Company be and is hereby accorded to the appointment of Shri Ashwin Mohanlal Parekh as the Managing Director of the Company for a period of five years with effect from 16th January, 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 with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.3,00,00,000/- (Rupees Three Crores only) divided into 30,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each."

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following as new Clause V.

The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each, with rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

10. To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause 3 of the Articles of Association of the Company be and is hereby substituted by the following as new Clause 3:

The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each, with rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for time being be provided by the regulations of the Company.

NOTES:

- A. 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.
- B. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 6, 7, 8, 9 & 10 of the Notice set out above is annexed hereto.
- C. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 20th September, 2007 to Friday, the 28th September, 2007 (both days inclusive).
- D. 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 :-
- as Beneficial Owners as at the end of business on Wednesday, the 19th September, 2007 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.
 - as Members in the Register of Members of the Company on Friday, the 28th September, 2007, after giving effect to valid share transfers lodged with the Company, on or before Wednesday, the 19th September, 2007.
- E. Members are requested to notify immediately any change in their address/mandate/bank details, if any, quoting their folio number(s) to the Company's Registrar & Transfer Agent.
- F. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar & Transfer Agent, and send their share certificates to enable consolidation of their holdings into single folio.

- G Members who hold shares in the physical form can nominate, as permitted under Section 109A of the Companies Act, 1956, a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing Form 2B. Blank forms will be supplied by the Company's Registrar & Transfer Agent on request. Members holding shares in dematerialised form may contact their Depository Participant for recording nomination in respect of their shares.
- H Members desiring any information or clarification on the Accounts and also any item on the Agenda are requested to send in writing queries to the Company, at least one week before the Meeting, so as to enable the Management to keep the information available at the Meeting. Replies will be provided in respect of such written queries received only at the Meeting.
- I Members are requested to bring with them their copy of the Annual Report to the General Meeting.

By Order of the Board of Directors

CHIRAG PAREKH
EXECUTIVE DIRECTOR

Mumbai, August 24, 2007

Registered Office:

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

ANNEXURE TO THE NOTICE

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

Item No. 6

Mr. Apurva Shah was appointed by the Board of Directors as an Additional Director effective from 28th October, 2006, till this Annual General Meeting.

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. Apurva Shah for election to the office of Director of the Company, liable to retire by rotation.

Mr. Apurva Shah, 36 years, is a Chartered Accountant, Cost and Works Accountant and a graduate from the London School of Economics and Political Sciences with a distinction in International Accounting and Finance. He was a rank holder in a Chartered Accountancy Examination with an award for the highest distinction in Financial Accounting and in Direct Tax Laws. He is a partner at Rajendra & Co., Chartered Accountants. He has over the years developed expertise in areas such as Accounting, Direct Taxation, Foreign Exchange Management Law, Financial Management and Business Restructuring.

The Company will be benefited with his knowledge and experience.

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

Except Mr. Apurva Shah, 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, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the shareholders at the general meeting, the Board of Directors of the Company at its meeting held on January 16, 2007, re-appointed Shri Ashwin M Parekh as Managing Director of the Company for another term of five years with effect from January 16, 2007. Shri Ashwin M Parekh, the promoter Director of the Company, is an experienced industrialist and technocrat and has been actively associated with the Company since its inception 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 Ashwin M Parekh for the re-appointment as the Managing Director. Abstract of the terms and conditions of appointment of Managing Director pursuant to Section 302 of the Companies Act, 1956 are as under :

Period

The appointment is effective from 16th January, 2007, for a period of five years i.e. upto 15th January, 2012.

Overall Remuneration

Subject to the provisions of Sections 198, 269, 309, Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the shareholders at the general meeting, the remuneration payable to the Managing Director in any financial year shall be as under:

(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 (subject to the ceiling of 50% of the Annual Salary).

(iii) House Rent Allowance :

30% of the basic salary, i.e. Rs.21,000/- subject to change as may be made by the Board of Directors.

(iv) Perquisites :

- (a) Gas/electricity/water/furnishing the value of which should not exceed 10% of the basic salary.
- (b) 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.
- (c) 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 actuals, once a year.
- (d) Leave: One month's leave with full pay for every 11 months' service subject to the condition that unutilised leave will be allowed to be encashed as per the service conditions of the Company.
- (e) Membership of Clubs: Membership of not more than 2 clubs, (for which subscription will not include entrance fee), will be paid by the Company.
- (f) Insurance: Premium upto Rs.4,000/- per annum for Personal Accident, Group Life Insurance and Flight Insurance coverage as applicable to other senior executives of the Company.
- (g) Company's Contribution to Provident Fund and Superannuation Fund: These together should not be in excess of 27% of the basic salary.
- (h) Gratuity: To be paid at 15 days' salary for each completed year of service.

Ceiling on Remuneration

The remuneration including perquisites payable to Shri Ashwin M. Parekh, the Managing Director of the Company, 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 agreement.

Minimum Remuneration

Notwithstanding anything contained herein, where, in any financial year during the currency of tenure of the Managing Director, the Company has no profit or its profits are inadequate, the Company shall pay, by way of minimum remuneration, the aforesaid remuneration including perquisites as specified in the Agreement, provided that the total remuneration including perquisites 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 agreement or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

The Managing Director shall not be entitled, under any circumstances whatsoever, to any compensation for loss of office, unless otherwise decided by the Company.

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

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

Item Nos. 8, 9 & 10

The present Authorised Capital of the Company is Rs. 3,00,00,000/- (Rupees Three Crores Only) divided into 30,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each. In order to provide for any further increase in the Share Capital of the Company, it is proposed to increase the Authorised Capital from Rs. 3,00,00,000/- (Rupees Three Crores Only) divided into 30,00,000 Equity Shares of Rs. 10/- each to Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each.

Consequent upon increase in the Authorised Share Capital, it will be necessary to amend Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company relating to the Authorised Share Capital of the Company.

The Board of Directors therefore recommend passing of the Ordinary Resolutions at Item Nos. 8 & 9 and Special Resolution at Item No. 10 pursuant to sections 94, 16 and 31 of the Companies Act, 1956, respectively.

A copy of Memorandum and Articles of Association of the Company with proposed amendments thereto is available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m and will also be available for inspection at the Meeting.

None of the Directors of the Company is in any way concerned or interested in the said Resolutions.

By Order of the Board of Directors

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CHIRAG PAREKH
EXECUTIVE DIRECTOR

Mumbai, August 24, 2007.

Registered Office:

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

DIRECTORS' REPORT

To
THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the **Twentieth** Annual Report of the Company for the period 1st April, 2006 to 31st March, 2007.

FINANCIAL RESULTS:

The operations of the Company are as under:

	(Rs. in Lacs)	
	As on 31.03.2007	As on 31.03.2006
1 Net Sales/Income from Operations	2004.01	1361.67
2 Other Income	21.31	13.98
3 Total Income (1 + 2)	2025.32	1375.65
4 Total Expenditure	1690.09	1135.68
5 Operating Profit before Interest, Depreciation and Tax [3 – 4]	335.23	239.97
6 Interest	81.36	71.23
7 Depreciation	103.23	96.53
8 Profit before Taxation (5 – 6 – 7)	150.64	72.21
9 Provision for Taxation	28.98	13.35
10 Net Profit after Tax (8 – 9)	121.66	58.86

OPERATIONS OF THE COMPANY:

Performance:

The Company has achieved all time high Turnover of Rs. 2,004 lacs compared to previous year of Rs.1,362 lacs, recording 47 % growth. Higher sales have been achieved by excellent break-through in Exports. The operating profit before interest, depreciation and tax is Rs.335.23 lacs as against Rs.239.97 lacs of the previous year. The profit before tax is higher by 108.61 % to Rs.150.64 lacs as against Rs. 72.21 lacs of the previous year.

Exports:

The Company has made an impressive export growth of 57.30 % as compared to the previous year. The Company's exports were all time high of Rs.1,842.49 lacs as compared to Rs. 1171.29 lacs of the previous year.

DIVIDEND:

Your Directors are pleased to recommend a Dividend of 15 % on Equity Share of Rs. 10/- for the year ended March 31, 2007 subject to approval of shareholders at the ensuing Annual General Meeting.

EXPANSION AND DIVERIFICATION:

Expansion of Capacity:

In view of ever growing business prospects in both export and domestic market the Company has planned to increase its installed capacity of manufacturing Kitchen Sinks from 82,000 Nos. to 1,20,000 Nos. per year.