

## OUR STRATEGY FOR GROWTH



**STERNHAGEN**<sup>®</sup>  
BESPOKE BATH LIFESTYLE

**CARYSIL**<sup>®</sup>

Kitchen Sinks &  
Built-in Kitchen Appliances





**Caution regarding forward-looking statements:** This document contains statements about expected future events and financial & operating results of Acrysil Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the Acrysil Limited Annual Report 2016-17.



# CONTENTS

Concept	02	Notice to Shareholders	24
Corporate Information	03	Directors' Report	32
Financial Highlights	04	Corporate Governance Report	57
Message from Chairman Emeritus	05	Management Discussion and Analysis	71
Chairman and Managing Director's Message	06	Seven Years' Consolidated Financial Highlights	77
Board of Directors	08	Standalone Financial Statements	
Our Foundation for Growth		1 Independent Auditors' Report	79
a) Expansion in Capacity	10	2 Annexure - A to the Independent Auditors' Report	81
(Production and Operations)		3 Annexure - B to the Independent Auditors' Report	82
b) Growing Our Markets	12	4 Balance Sheet	84
(Sales and Distribution)		5 Statement of Profit and Loss	85
c) Development through Innovation	16	6 Cash Flow Statement	86
(Product Development and Processes)		7 Notes to Financial Statement	87
d) Widening Our Reach	18	Consolidated Financial Statements	
(Marketing and Promotions)		1 Independent Auditors' Report	104
e) Accentuating Our Human Capital	20	2 Consolidated Balance Sheet	108
(HR and Employee Engagement)		3 Statement of Consolidated Profit and Loss	109
The Outlook	22	4 Consolidated Cash Flow Statement	110
		5 Notes to Consolidated Financial Statements	111
		6 Particulars of Subsidiaries	126
		Attendance Slip	127
		Proxy Form	129



# CONCEPT

Success and growth are not achieved easily. It takes time, dedication, sacrifice and a lot of forces working together. The most important ingredient for success and growth is a strong foundation. Without a 'Strong Foundation' you can never achieve sustainable and unequivocal growth. At Acrysil, we firmly believe in this thought-process. And this thought has been clearly visible in the way we have grown over the years. At Acrysil, we do not believe in resting on our laurels and firmly believe that we have it in us to be bigger, better and a stronger force in the market. While we have our vision intact for short-term and long-term goals, the realisation of the importance of a strong foundation has never been beyond us. As we are poised to embark on a journey of further growing our markets and achieve success in terms of a larger market share, we are also cognizant of the key elements required for building a strong foundation – and towards that the year gone by has been an important milestone.

Expansion in our capacities towards building an effective and efficient production system, while combining state-of-the-art technology with economies of scale; widening our reach through insightful marketing and promotions; growing our markets by incremental sales in every market through optimisation and integration of the distribution network; developing new and niche product categories through innovation and creativity; and, accentuating our human

capital by capability building towards a higher intellectual as well as emotional quotient leading to individual and team-led brilliance, resulting into a highly productive work-force. While the seeds of all the above activities were planted years ago, last year has seen re-energised impetus towards strengthening and sustaining these roots that would lead to short-term fruits as well as long-term growth.

It is with this belief and preparation, we at Acrysil, are confident that we are at the cusp of a high-growth and all-round successful period. We are extremely motivated and poised towards achieving our short-term growth milestone of ₹ 300 crore revenue, medium-term milestone of reaching ₹ 500 crore revenue and our long-term growth milestone of ₹ 1000 crore revenue.



# CORPORATE INFORMATION

## CHAIRMAN EMERITUS

Mr. Ashwin M. Parekh

## BOARD OF DIRECTORS

Mr. Chirag A. Parekh, Chairman and Managing Director  
Dr. Sonal V. Ambani, Independent Director  
Mr. Jagdish R. Naik, Independent Director  
Mr. Ajit R. Sanghvi, Independent Director  
Mr. Pradeep H. Gohil, Independent Director

## COMPANY SECRETARY

Mr. Damodar H. Sejpal

## CHIEF FINANCIAL OFFICER

Mr. Anand H. Sharma

## AUDITORS

Sanghavi & Company  
Chartered Accountants, Bhavnagar

## AUDIT COMMITTEE

Mr. Jagdish R. Naik, Chairman  
Mr. Chirag A. Parekh, Member  
Dr. Sonal V. Ambani, Member  
Mr. Ajit R. Sanghvi, Member  
Mr. Pradeep H. Gohil, Member

## NOMINATION AND REMUNERATION COMMITTEE

Mr. Pradeep H. Gohil, Chairman  
Dr. Sonal V. Ambani, Member  
Mr. Jagdish R. Naik, Member  
Mr. Ajit R. Sanghvi, Member

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Ajit R. Sanghvi, Chairman  
Mr. Chirag A. Parekh, Member  
Dr. Sonal V. Ambani, Member  
Mr. Jagdish R. Naik, Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Chirag A. Parekh, Chairman  
Dr. Sonal V. Ambani, Member  
Mr. Pradeep H. Gohil, Member

## REGISTERED OFFICE

B-307, Citi Point, J. B. Nagar  
Andheri-Kurla Road  
Andheri (East)  
Mumbai - 400 059 (India)  
Phone: +91-22-401 578 17/18/19  
Fax: +91-22-2825 8052  
CIN: L26914MH1987PLC042283

## REGISTRAR AND TRANSFER AGENT

M/s Bigshare Services Pvt. Ltd.  
1st Floor, Bharat Tin Works Building  
Opp. Vasant Oasis Apartments  
Marol-Maroshi Road  
Andheri (East), Mumbai - 400 059  
Phone: +91-22-6263 8200  
Fax: +91-22-2847 5207  
E-mail: investor@bigshareonline.com

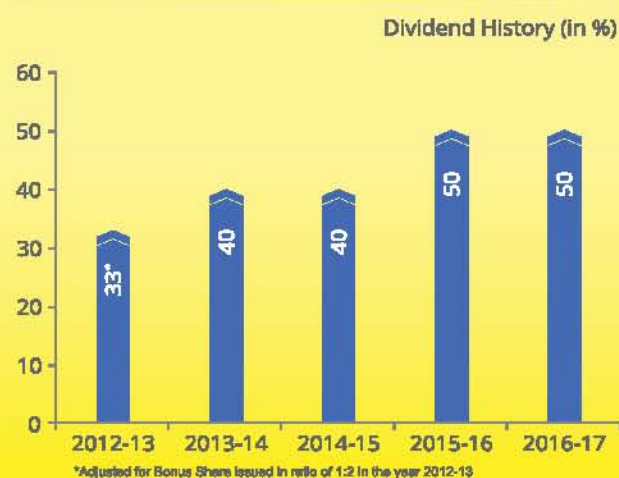
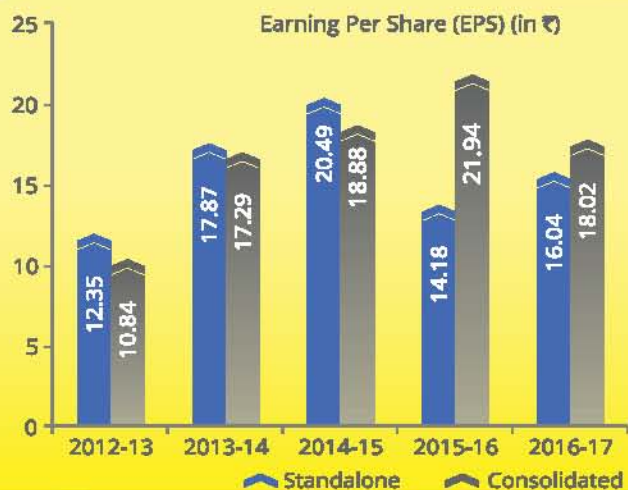
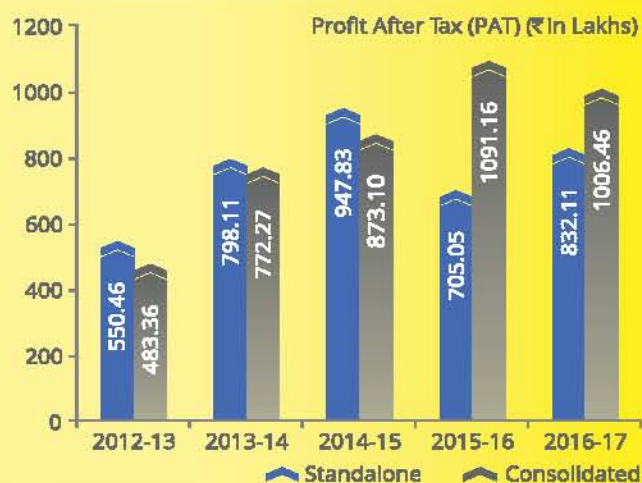
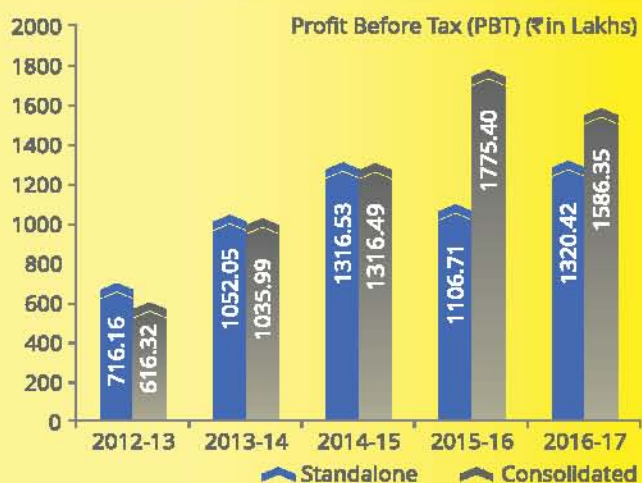
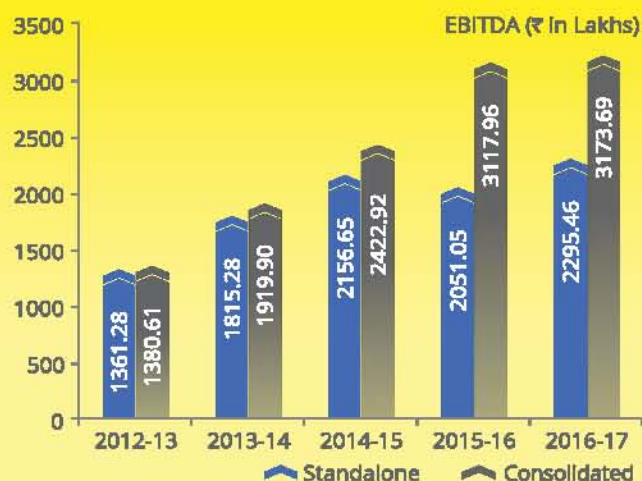
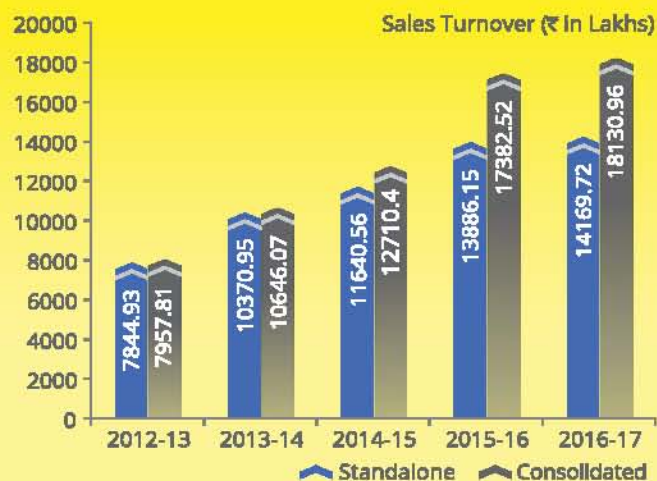
## BANKERS

Axis Bank Limited  
ICICI Bank Limited

## WORKS

Survey No.312  
Bhavnagar-Rajkot Highway (13th Km.)  
Navagam, Post: Vartej  
Bhavnagar - 364 060, Gujarat (India)  
Phone: +91-278-2540 218 / 893 / 392 / 232  
Fax: +91-278-2540 558

# FINANCIAL HIGHLIGHTS



## MESSAGE FROM CHAIRMAN EMERITUS



**Mr. Ashwin Parekh**  
Chairman Emeritus

“ Every moment we have lived by our motto - Being better than the best. Be it our products, services, people management, corporate governance or growth. We have never compromised on this and shall never will. I remain assured that the Team Acrysil, led by Chirag Parekh, will continue to carry forward this rich legacy. I am also confident that as the rightful flag-bearer of our vision, Team Acrysil would continue to conquer greater peaks in the years to come. ”





# CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE



*With India as a thrust sphere, we seek to expand our dealer network going ahead; substantially enhance brand-building activities and expand our product range, both in kitchen and bath segments. We are also on course to double our domestic revenues in three years.*



## MR. CHIRAG PAREKH

Chairman and Managing Director ,

***We at Acrysil are at the cusp of all-round and high growth. We remain extremely motivated and poised to achieve our growth milestones.***

## Dear Shareholders,

It is the mindset of learning and rapidly translating those learnings in to action that has helped us grow over the last three decades since we first began our journey in 1987, a little over 946,771,200 seconds ago.

At Acrysil, we have been translating these learnings into action each second. This has helped us make our mark in a fiercely competitive marketplace. We have always been a step ahead to emerge as a bigger, better and a stronger force in the market, instead of resting on our laurels.

We continue with our multi-pronged and holistic strategy for growth, with focus on upgrading our technology, investing in R&D, continuous improvement in materials we use, making the right CAPEX, investing in our brand visibility, expanding reach via our dealer network across newer geographies around the world and prune the unwarranted costs at all stages. To give an example, in one year alone we introduced 25 new models and invested over ₹ 15 crore in new moulds to meet specific needs of our esteemed customers. We have been rowing upstream with all our



might patiently and I now firmly believe that the time to earn fruits for our patience is just round the corner.

Our products today sport a strikingly innovative look and styling, originality in design as well as are a delight to the eyes. However, to us it is not just the looks but also the substance they carry. Our products conform to the highest international quality standards.

Acrysil is fast progressing towards establishing its name in the Kitchen Segment, Bath Segment and Commercial Kitchen Space, both nationally and in international markets. We have been steadily moving up the value chain and capturing the brand mindspace of the niche consumer segments across all the categories, be it Quartz, Stainless Steel Sinks, Appliances, Food Waste Disposer in uber kitchens; Wash Basins, WCs, Quartz Tiles or Bath Fittings in ultra-radiant bathrooms.

Spurred by its success with Carysil Quartz Sinks, Acrysil has diversified into Stainless Steel Sinks, Faucets, Food Waste Disposers and Kitchen Appliances like Hobs and Cook Tops, Oven, Wine Chillers and Dishwashers. Needless to say, these products are made of nothing but finest quality raw materials, using cutting-edge technology and incorporating the latest global trends in design and style.

You would also be happy to know that your company leads the pack of India's Granite Sink market. Having moved ahead of the competition, we are on our way to further capture lion's share of this market going forward.

We believe that with nuclear families on the rise in urban India, the appliances market is set to take off and we seek to multiply our appliances business of ₹ 15 crore to over ₹ 100 crore in the coming five years.

We have also pioneered setting up the state-of-the-art experience centres in the commercial capital of India – Mumbai and in Ahmedabad, the commercial hub of India's most progressive state Gujarat. We would add to our current gallery strength by over 10% in coming three years and almost double existing distributor supply points.

Among other categories, this year one of the focus areas is on tie-ups with OEM customers, including those in export markets. We have been able to make a solid beginning by meeting commercial kitchen needs of huge hotel-chain brands in the Country. We hope to leverage this inherent strength and that of our brand 'Carysil'.

Sporting contemporary look and feel, Carysil and Sternhagen products are also adding sheen to the kitchens and bathrooms in over 40 countries across continents – North America, Europe and Asia. We are also moving to become a total solutions provider in these segments for our classy, style and quality-conscious customers in these markets and more.

A case in point is our wholly-owned subsidiary Homestyle Products Limited (HSL), which has seen turnover more than quadruple to GBP 3.88 million during FY17, from GBP 0.81 million when we acquired it in December 2014.

We also seek to serve the demanding European markets through our German subsidiary Acrysil GmbH and make our presence felt in no less than 70 nations across globe over next five years. For exports, we are tapping in to emerging markets of China, Gulf, Vietnam, even as we continue to focus on our traditional strong markets in US, Europe and Asia.

The efforts during the last year have been focused on providing the re-energised impetus towards strengthening and sustaining the roots of the tree whose seeds were sown three decades ago. While the short-term goals aim to get the fruits, the long-term goal remains to provide enough and right nutrition for the tree to remain healthy and continue to bloom for years to come.

Our confidence stems from within the larger family of employees that we have been able to nurture within the Company. To us, our employees are not just one of the most valuable assets, but key partners in business success and its sustained growth. Our approach of building and nurturing the engaged, efficient, committed and adequately empowered employee-base has reflected in drastically falling attrition rates. It has reduced to a low of just about 1%, even as our human capital has risen by almost 50% in last five years.

With India as a thrust sphere, going ahead we seek to expand our dealer network, substantially enhance brand building activities and expand our product range, both in kitchen and bath segments. We are also on course to double our domestic revenues in three years. We at Acrysil are at the cusp of all-round and high growth. We remain extremely motivated and poised to achieve our growth milestones – ₹ 300 crore revenues in the short-term, ₹ 500 crore in the medium term and the long-term goal of being a ₹ 1000 crore revenue earning company.

What further gives us confidence is that the equity of your brand in Indian and global markets is only growing with every passing moment. The goal we set for ourselves may look far-fetched to many. But we are committed. We are focused. We are patient. We are firm. We are willing. We are and will continue to be a synonym of Success.



# BOARD OF DIRECTORS



**Mr. Chirag A. Parekh,**  
Chairman and Managing Director

- He holds a BBA Degree from premier 'European University'. After joining the Company in 2002, he successfully steered it to become one of the leading brands
- He heads the Company as the Managing Director since 2008



**Dr. Sonal V. Ambani,**  
Independent Director

- A Ph.D. in Business Management and an MBA in Marketing and Finance, Dr. Ambani also holds two patents granted in the US, namely, "Systems and Method for Providing Financial Services to Children and Teenagers" and "Purchase Management System and Electronic Receipts"
- She is also the founder of Samara Art Gallery, World Peace 2040, Cancer Screening and Research Trust and Founder Member and first Chairperson of FICCI Ladies Organisation, Ahmedabad