



Acrysil Limited

31ST ANNUAL REPORT 2017-18

OUR STRATEGY FOR GROWTH



STERNHAGEN[®]
BESPOKE BATH LIFESTYLE

CARYSIL[®]

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 ("the Company") 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 2017-18.



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CONCEPT

PERSEVERANCE. PERFORMANCE. PERFECTION.

At Acrysil, these three pillars of progress are instilled in our DNA. The 3Ps have helped us lay a strong foundation for a big leap forward.

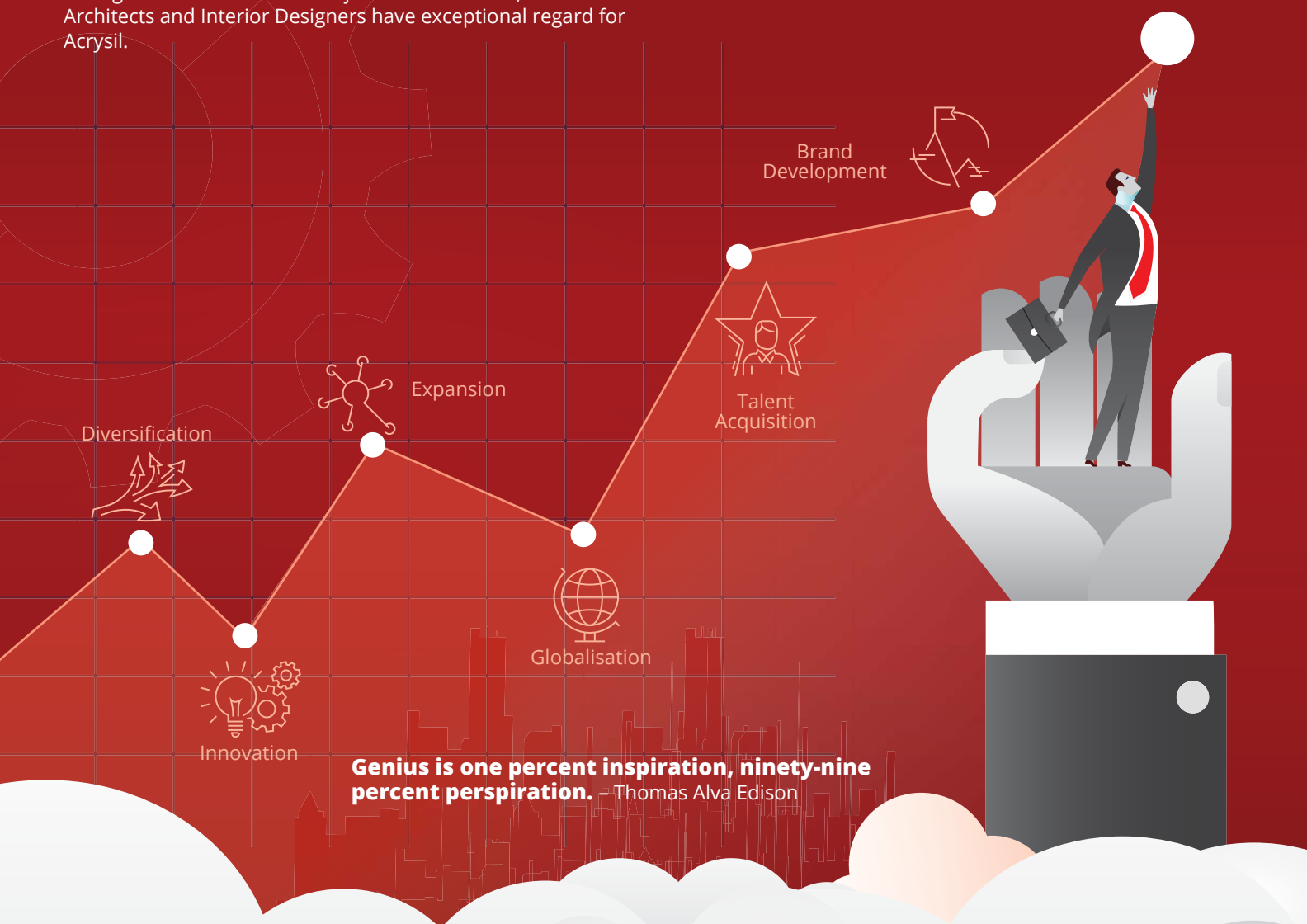
We firmly believe that delivering growth demands a clear strategy, effective execution, penchant for excellence as well as investment of time. Over the 31 years of our existence, we have been persevering every second, to move ahead towards achieving excellence in whatever we do. Our products are created at the intersection of design innovation and engineering excellence. Each product, be it a sink or a faucet, is artfully thought-out, pragmatically engineered and flawlessly brought into form.

The larger goal is to amplify the power of everyday essentials so as to enhance the overall quality of life, elevate the joy of living, as well as perk up the daily grind.

As important it is to boost sales, it is equally important to ensure unmatched product quality. It is this mindset that has helped Acrysil inch ahead to become bigger, better and stronger as an institution. Not just Home Owners, but also Architects and Interior Designers have exceptional regard for Acrysil.

We believe that we stand on a solid foundation and are geared to leapfrog to achieve our short-term (₹ 300 Cr.), medium-term (₹ 500 Cr.) and long-term goals (₹ 1000 Cr.). We are committed to achieve these goals by effective brand building, nurturing human capital, widening our global reach, expanding capacities, focusing on innovation and diversifying our portfolios.

We, at Acrysil, reiterate our commitment to cross the cusp of high growth and reaffirm our responsibility towards our investors, our employees, our customers and the community at large.



Genius is one percent inspiration, ninety-nine percent perspiration. – Thomas Alva Edison

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

P A R K & 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

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Fax: +91-22-2825 8052

CIN: L26914MH1987PLC042283

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REGISTRAR & 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 (India)

Phone: +91-22-6263 8200 / 6263 8222 / 6263 8223

Fax: +91-22-2847 5207

E-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

INVESTOR CONTACT

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Company Secretary and Compliance Officer

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Nr. Prahladnagar Garden, Satellite

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Ph: +91-79-4003 4112

E-mail: cs.al@acrysil.com

BANKERS

Axis Bank Limited

ICICI Bank Limited

Citibank N.A.

WORKS

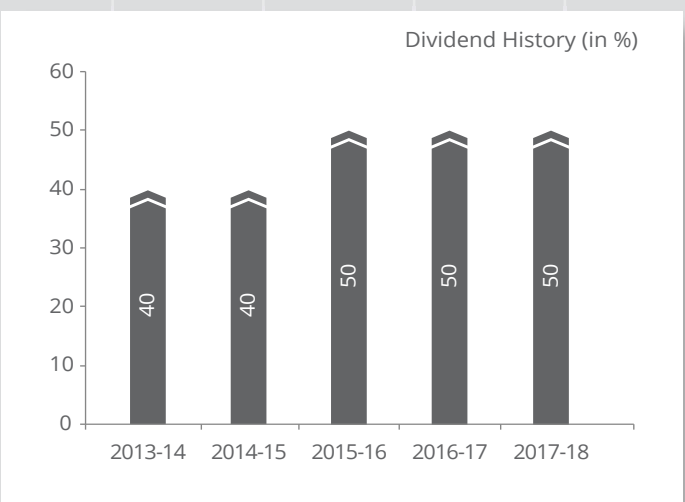
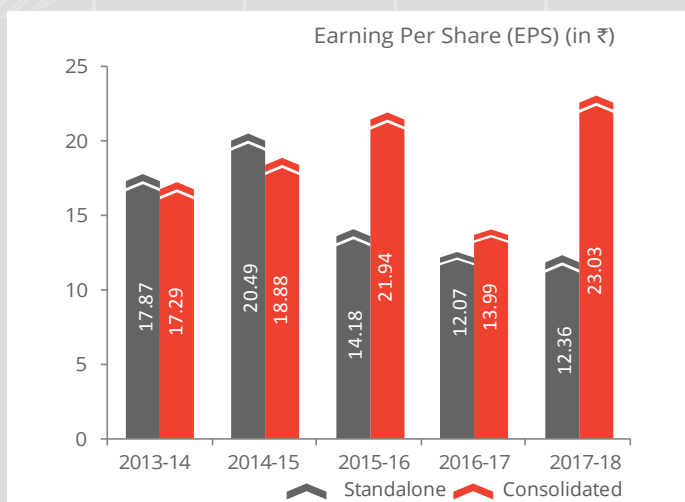
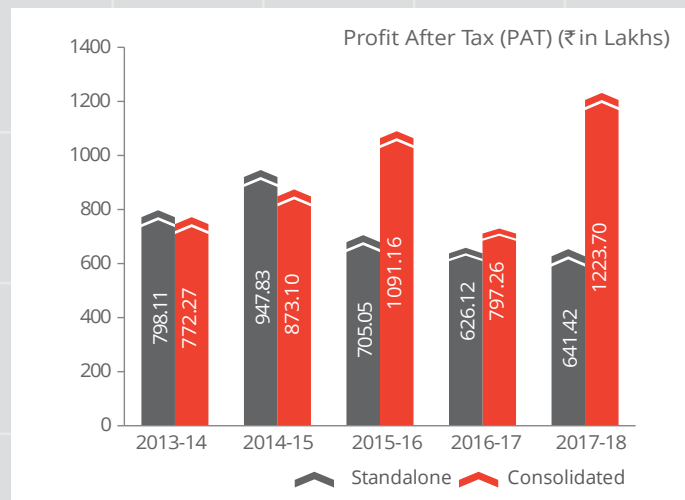
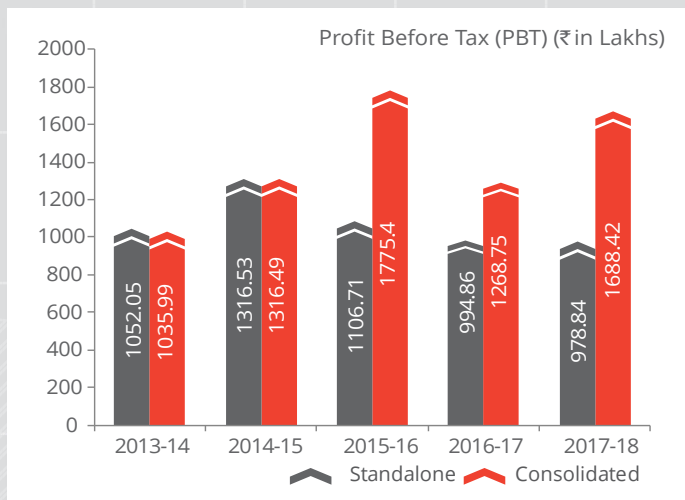
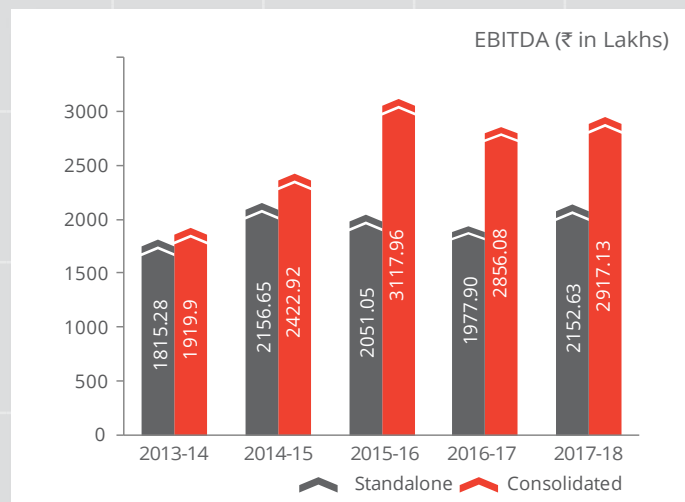
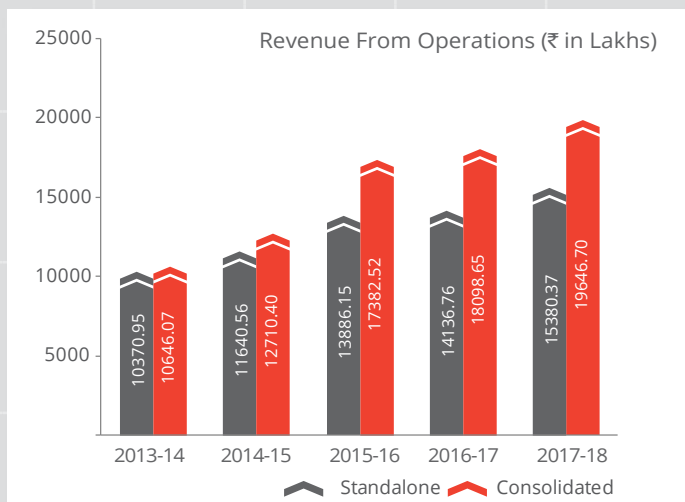
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FINANCIAL HIGHLIGHTS



MESSAGE FROM CHAIRMAN EMERITUS



MR. ASHWIN PAREKH
Chairman Emeritus

“The only thing constant in the World is change. I am very happy with the positive changes and innovations taking place in the Company, both in processes and products. Introduction of new quality products by way of applying creativity and new technology are great assurance that Team Acrysil, with Chirag Parekh as leader, continues to carry forward the rich legacy. I am confident that as the rightful flag-bearer of our vision, Team Acrysil would continue to conquer newer and higher peaks.”



CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

“We are aiming to be World's No.3 Quartz Sink Manufacturer.”

MR. CHIRAG PAREKH

Chairman and Managing Director



Dear Shareholders,

For Acrysil, FY 2017-18 was yet another year of innovation, expansion and excellence.

We continued to introduce new products, expand our production capacity, enhance presence in foreign shores, and bring winning products to market; thereby maximising value for our Shareholders. This is a manifestation of implementation of strategic imperatives like delving into new possibilities, seizing new opportunities, embracing emerging trends, synergising strengths and pursuing perfection endlessly.

Within a span of over three decades, Acrysil has become a force to reckon within the Kitchen Appliance Industry. With customers spanning 43 Nations, we continue to hold the market's attention with intelligently-designed products that excel at the intersection of form, function and finesse. We have been steadily moving up the value chain and capturing the brand mind space of Niche Consumer Segments across all the categories we are present in, be it our Quartz Sinks, Stainless Steel Sinks, Wash Basins or Bath Fittings.

In the year under review, our growth strategy translated into healthy financial performance. Your Company posted a 64.62% increase in the Consolidated Earnings Per Share and a 53.5% rise in Consolidated Profit After Tax. Brand Sternhagen particularly performed extremely well, recording 83.5% increase in sales.

BRAND DEVELOPMENT

Acrysil prides itself in being the custodian of renowned brands – Carysil, TekCarysil and Sternhagen. Over the years, these brands have found a pride of place among the mind space of Influencers as well as Consumers. Carysil Quartz Sinks are sold to discerning Customers across the World. TekCarysil, featuring High-end Kitchen Sinks is synonymous with best-in-class design, style and quality. Sternhagen symbolises the pinnacle of luxury in design and engineering and is set to redefine the Luxury Bathroom Segment in India and beyond.

TALENT ACQUISITION

The key drivers of growth are our People. We are putting in place talent of the highest calibre and further nurturing their

talent with tools that can boost productivity. In the financial year, we conducted a slew of Employee Development Programs such as 'Kaizen' Training Session and Time Management Workshop.

GLOBALISATION

Our thrust on creating products par excellence bestows upon us the opportunity to cater to the Global Market with utmost confidence and success. Be it USA, UK, Germany, France, Canada, China, Far East or Gulf countries - our brands have strengthened their position across the Globe. In the financial year, we penetrated into five new markets, namely El Salvador, Italy, Mexico, Saudi Arabia and UAE. Going ahead, we remain committed to spread our footprint across 70 Countries.

EXPANSION

Changing consumer lifestyles, increasing Customer awareness, growing working population base, rising women workforce, growing personal disposable income levels, and availability of a number of financing alternatives – trends suggest that the Kitchen Appliance Market in India is expected to multiply manifold.

It is with this readiness that we at Acrysil reiterate our commitment to cross the cusp of high growth. Expanding our manufacturing capacity and distribution strength is vital towards reaching a higher growth trajectory. This year, we flagged off our capacity expansion process to raise the Quartz Sinks production by 25%. We have collaborated with 100 new dealers and also joined hands with Schock GmbH, Germany for exclusive distribution of Kitchen Sinks in India. We stand strong in fast-tracking the pace of growth. While it took us two-and-a-half decades to clock its first ₹100 crore revenue, the second ₹100 crore revenue milestone was achieved in five years. Similarly, the third such milestone will be recorded soon.

Going ahead, we look forward to introduce a series of new products. TekCarysil plans to launch a super-premium range of Sinks and Appliances, which will complement the specifications of modular kitchens. We will also launch an economical range for the Hotel Segment under Sternhagen.

INNOVATION

In a design-driven industry like ours, thinking out of the box is a prerequisite. Our focus has been in being innovative across all the stages of design, product development, manufacturing and marketing. Our brands concentrate on constantly reimagining the Kitchen and Bathroom experience for the user and focus on finer nuances by using and inventing new materials and technologies that ally art to engineering.

In the financial year, our teams triggered some disruptive innovations in the Market. We became the First Company in the World to execute moulding of a 90° Apron Sink made of composite quartz. We also began the manufacturing of 3D composite Wall Tiles, becoming the First Company in Asia and the Second Company in the World to do so.

DIVERSIFICATION

Acrysil has diversified into Stainless Steel Sinks, Faucets, Food Waste Disposer, and Kitchen Appliances like Hobs and Cook Tops, Oven, Wine Chillers, Dishwashers, etc. Through our wholly-owned subsidiary Homestyle Products Limited (HSL), UK we provide holistic kitchen solutions to our customers in the UK markets by offering faucets and other allied products over and above Quartz and Steel Sinks. Under the tutelage of Acrysil, HSL's turnover has turned around to GBP 4.5 million in FY18 from GBP 2 million when we acquired it in FY15. Acrysil prides itself in being one of the few Indian companies in the Industry to acquire a foreign company only to boost its performance.

With a comprehensive growth strategy in place, we stand affirmative on strengthening our position in the Country as well as across the World.

In a rapidly changing business environment, what has remained constant is our focus on nurturing our relationship with our Investors, Customers, Influencers, Distributors, Employees and Community.

I thank you all for supporting us in our journey.



BOARD OF DIRECTORS



Mr. Chirag A. Parekh,
Chairman and Managing Director

- A BBA Degree from European University
- After joining the Company in 1993, he successfully steered it to become one of the Leading Brands; increasing the Turnover from ₹ 3.5 crore in 1993 to ₹ 196 crore in 2018
- He heads the Company as the Managing Director since 2008 and has been Chairman and Managing Director since 2013



Dr. Sonal Ambani
Independent Director

- A Ph.D in Business Management and an MBA in Marketing and Finance
- She 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'