

## 22<sup>ND</sup> ANNUAL REPORT 2008 - 2009

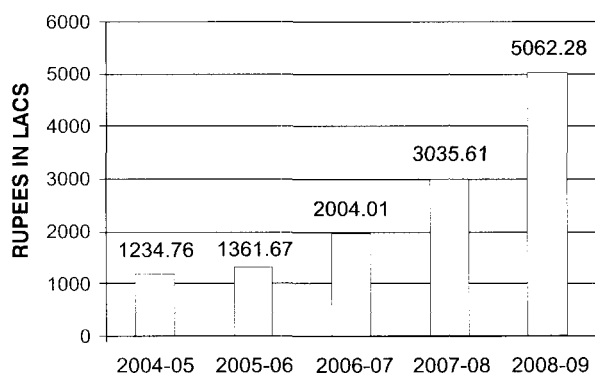


**Acrysil Limited**

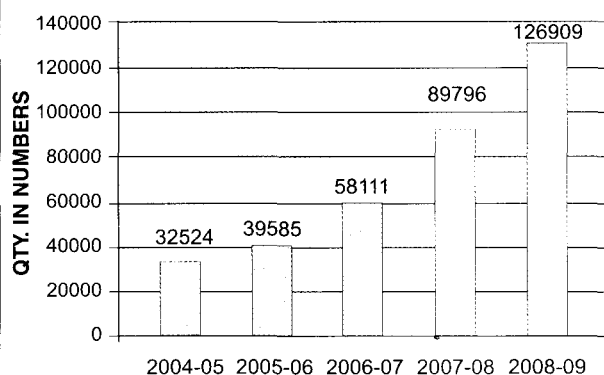
ISO 9001: 2000 Company

# FINANCIAL HIGHLIGHTS

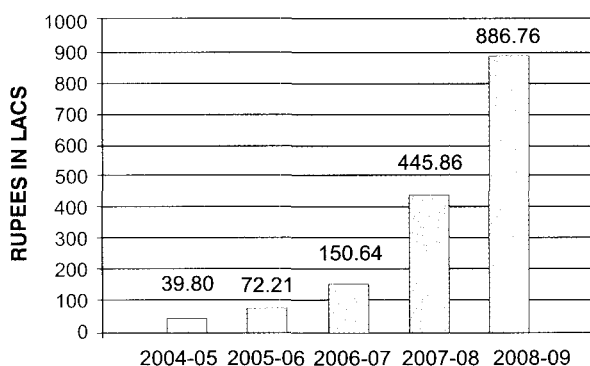
## SALES TURNOVER



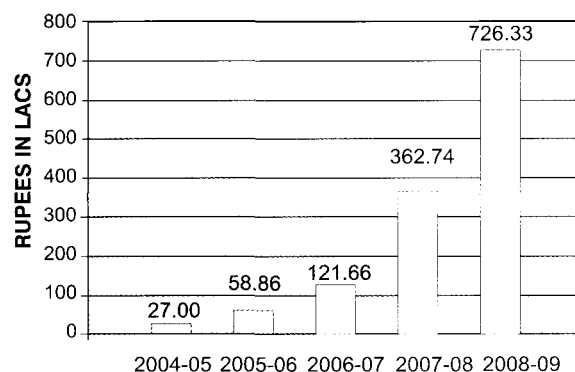
## SALES QUANTITY



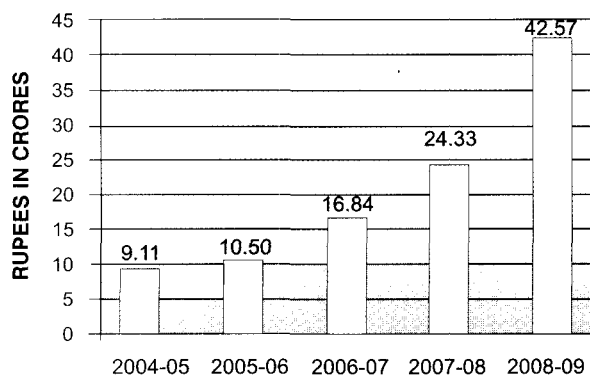
## PROFIT BEFORE TAX



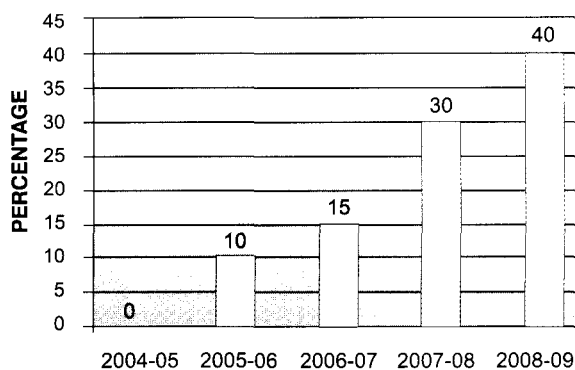
## PROFIT AFTER TAX



## FOREIGN EARNINGS (FOB)



## DIVIDEND HISTORY



**BOARD OF DIRECTORS**

Shri A. M. Parekh

Shri C. 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**

Pradyotsen Shukla

**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**

Old Kamani Chambers, 2nd Floor,  
32, Ramjibhai Kamani Marg,  
Ballard Estate, Mumbai 400 001 (India).  
Phone : (022) 66311521, Fax : (022) 66311525  
Email : [acrysil@acrysil.com](mailto:acrysil@acrysil.com)  
Website : [www.acrysil.com](http://www.acrysil.com)

## NOTICE

NOTICE is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Members of **ACRYSIL LIMITED** will be held at Indian Merchant Chambers, IMC Road, Churchgate, Mumbai on Friday, the 31st July, 2009 at 4.00 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, 2009 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 Minoo D. Daver who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Rustam Mulla who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint Auditors to hold office from 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 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, 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 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 re-appointment and re-designation and revision in the remuneration and benefits payable to Shri Ashwin M Parekh, as Executive Chairman of the Company for a period of five years with effect from 1st November, 2008 upon the terms and conditions including remuneration and perquisites as set out in the Explanatory Statement.”

7. To consider 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, 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 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 re-appointment and re-designation and revision in the remuneration and benefits payable to Shri Chirag A Parekh, as Managing Director of the Company for a period of five years with effect from 1st November, 2008 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 Thursday, the 23rd July, 2009 to Friday, the 31st July, 2009 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item no 6, 7, of the Notice set out about is annexed hereto.

4. The unpaid dividend for the year 2000-2001 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 become 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 Companies Register of Members :-
  - a. as Beneficial Owners as at the end of business on Wednesday, the 22nd July, 2009 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 Friday, the 31st July, 2009, after giving effect to valid share transfers lodged with the Company, on or before Wednesday the 22nd July, 2009.
  - 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 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. In case of any query/difficulty in any 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 down loaded from the website of the Department of Company Affairs.
12. An Explanatory Statement under section 173(2) of the Companies Act, 1956 is annexed hereto.
13. 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**

**Pradyotsen Shukla  
Company Secretary**

Bhavnagar : 4th June, 2009

**Registered Office :**

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

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6 & 7**

At the meeting of the Board of Directors of Acrysil Limited held on 21st October, 2008, the Board elevated Mr. Ashwin M Parekh as 'Executive Chairman' and Mr. Chirag A. Parekh as 'Managing Director' of the Company with effect from 1st November, 2008.

The Remuneration Committee of Acrysil Limited has at its meeting held on 21st October, 2008 approved the proposal for change in designation and re-appointment of Mr. Ashwin M Parekh as 'Executive Chairman' and Mr. Chirag A. Parekh as 'Managing Director' of the Company with effect from 1st November, 2008 for a period of five years, on the terms and conditions including remuneration as specified hereunder.

The Board of Directors of Acrysil Limited has at its meeting held on 21st October, 2008, also approved the change in designation and re-appointment of Mr. Ashwin M Parekh as 'Executive Chairman' and Mr. Chirag A. Parekh as 'Managing Director' of the Company with effect from 1st November, 2008 for a period of five years, as per the recommendation of the Remuneration Committee.

Mr. Ashwin M Parekh is a founder and Chief Mentor of Acrysil Limited. He is an experienced industrialist and has guided the Company over the years and under his able leadership the Company has grown tremendously and is now expanding to new horizons.

Mr. Chirag A. Parekh, a graduate in Business Administration from Switzerland majored in 'International Marketing' carries with him a wealth of experience. He has been actively associated with the Company since long and contributed significantly to the growth of the Company.

In terms of Section 302 of the Companies Act, 1956, an abstract of the terms of re-appointment of Mr. Ashwin M Parekh and Mr. Chirag A Parekh are given below:

**I. SALARY**

Rs.1,50,000/- per month in the scale of 1,50,000-20,000-2,30,000

The Board will grant annual increments and revise the Salary within the aforesaid range by granting one or more increments in the above scale, 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. Ashwin M. Parekh and Mr. Chirag A Parekh such perquisites for each year not to exceed Rs.6,00,000 respectively.

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 to the extent these either singly or together are not taxable under the Income tax Act, 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 and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

### **III COMMISSION**

A sum calculated at the rate of 1% of the net profits of the Company in a particular financial year shall be payable to Mr. Ashwin M Parekh and a sum calculated at the rate of 2% of the net profits of the Company in a particular financial year shall be payable to Mr. Chirag A Parekh.

### **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. Ashwin M. Parekh and 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 Executive Director of the Company.
- d) Subject to the provisions of the Companies Act, 1956, Mr. Ashwin M. Parekh and Mr. Chirag A. Parekh shall not, while he continues to hold office, be subject to retirement by rotation of Directors and they 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.
- f) In the event of any dispute or difference arising at any time between Mr. Ashwin M. Parekh or 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**

**Pradyotsen Shukla  
Company Secretary**

Bhavnagar : 4th June, 2009

#### **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 **Twenty Second** Annual Report and the Audited Statement of Accounts for the year ended **31st March, 2009**.

### 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 31.03.2009	As on 31.03.2008
1 Net Sales/Income from Operations	<b>5062.28</b>	3035.61
2 Other Income	<b>21.98</b>	35.92
3 Total Income (1 + 2)	<b>5084.26</b>	3071.53
4 Total Expenditure	<b>3782.31</b>	2400.67
5 Operating Profit before Borrowing Cost, Depreciation and Tax (3-4)	<b>1301.95</b>	670.86
6 Borrowing Cost	<b>205.18</b>	89.98
7 Depreciation	<b>210.01</b>	135.02
8 Profit before Tax (5-6-7)	<b>886.76</b>	445.86
9 Provision for Taxation	<b>160.44</b>	83.12
10 Prior period adjustment(net)	<b>12.00</b>	0.86
11 Net Profit after Tax (8-9+10)	<b>738.32</b>	363.60

### OPERATIONS REVIEW :

#### RECORD PERFORMANCE :

Despite of sever Global downturn, our Company has achieved all time high Turnover of Rs. 5062.28 lacs compared to previous year of Rs. 3035.61 lacs, recording 66.76 % growth. Higher sales have been achieved by excellent break-through in Exports. The operating profit before borrowing cost, depreciation and tax is Rs. 1301.95 Lacs against Rs. 670.86 lacs of the previous year. The profit before tax is higher by 99 % to Rs. 886.76 lacs against Rs. 445.86 lacs of the previous year. The Net Profit After Tax for the year is Rs.738.32 lacs compared to Rs 363.60 Lacs of previous year which is 2 times higher compared to previous year.

#### DIVIDEND :

Your Directors recommend a record dividend of 40 % on Equity Shares of Rs. 10/- for the year ended March 31, 2009 subject to the approval of shareholders at the ensuing Annual General Meeting.

### MARKET : KITCHEN SINKS AND ACCESSORIES :

#### EXPORTS

We were able to sustain our growth in Exports, which jumped from Rs. 2656.49 Lacs to Rs. 4569.95 Lacs in the year 2008-09, recording 72 % growth as compared to previous year.

Further we have successfully established our hand in Export market in more than 25 countries worldwide to some of the most stringent quality- driven markets. We continue our efforts to develop more export countries by way of



participating in International exhibitions and new models suitable to other export markets

**DOMESTIC :**

Sales jumped from Rs. 380 lacs to Rs. 470 lacs, recording 23.68% growth as compared to previous year. We plan to aggressively push domestic sales by way of launching new models, better price and aggressive promotion.

**EXPANSION :**

Company has successfully increased its installed capacity of manufacturing Kitchen Sinks from 1,20,000 to 1,80,000 Nos. per year.

**EQUITY SHARE CAPITAL :**

During the year ended 31st March, 2009, the Company received notices from warrants holders for exercising the conversion option in respect of 1,34,000 warrants at a price of Rs. 36.50 out of 4,00,000 warrants, whereupon the Company allotted 1,34,000 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. 2,83,10,000. The warrants / shares issued / to be issued are lock-in for three years from the date of allotment of warrants.

**CERTIFICATION :**

Company is under process to obtain OHSAS 18001 and ISO 14001.

**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. Minoo Daver and Mr. Rustam Mulla retire by rotation and being eligible, offer themselves for re-appointment.

**PARTICULARS REGARDING CONSERVATION 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, 2009 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, 2009 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,

**Chirag A. Parekh**  
Managing Director

Bhavnagar : 4th June, 2009

**Registered Office:**

Old Kamani Chambers, 2nd Floor,  
32, Ramjibhai Kamani Marg,  
Ballard Estate,  
Mumbai - 400 001 (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 operation 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' in 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

### 3. Future Plan of Action :

To develop and introduce new range of products.

### 4. Expenditure on R & D for the year 2008-2009

(a) Capital	Nil
(b) Recurring	5,50,000
(c) Total	5,50,000
(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.

**(b) Benefits derived as a result of above efforts.**

- Improved product quality
- Cost saving and increased output

**(c) Technology imported during the last 5 years.**

The company has not imported any technology during the last 5 years.

**C FOREIGN EXCHANGE EARNINGS AND OUTGO :**

	<b>Year ended 31.03.2009 ( Rs.)</b>
1. Foreign Exchange Earnings (FOB value of exports)	425,673,264
2. Foreign Exchange Outgo :	
(a) For Import of Raw Material	140,643,142
(b) For import of Accessories And Traded Goods	37,692,764
(c) For Import of Capital Goods	19,344,370
(d) For Expenses	1,583,682
	<u>199,263,958</u>
3. Net saving in Foreign Exchange	<u>226,409,306</u>

For and on behalf of the Board of Directors,

**Chirag A. Parekh**  
**Managing Director**

Bhavnagar : 4th June, 2009

**Registered Office:**

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

## AUDITORS' REPORT

To  
The Members of  
**ACRYSIL LIMITED**

We have audited the attached Balance Sheet of **Acrysil Limited** as at 31st March 2009 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - (iv) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956, to the extent applicable;
  - (v) Based on the written representations received from the directors of the company and taken on the record by the Board of Directors, no director is disqualified as on 31st March 2009 from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with all the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) In the case of the Balance Sheet, of the State of affairs of the company as at 31st March 2009;
    - (b) In the case of the Profit & Loss Account, of the **PROFIT** of the Company for the year ended on that date; and
    - (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For SANGHAVI & COMPANY**  
**Chartered Accountants**

Bhavnagar  
4th June, 2009

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

## ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the members of **ACRYSIL LIMITED** on the accounts for the year ended 31st March 2009.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 In respect of fixed assets:
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As explained to us, fixed assets are physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. Discrepancies noticed on such verification, which were not material, have been properly dealt with in the accounts.
  - c. There was no substantial disposal of fixed assets during the year.
- 2 In respect of inventories:
  - a. The inventories were physically verified by the management at reasonable intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification carried out by the management of the Company.
- 3 In respect of loans granted or taken to/from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956:
  - a. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b. The Company has taken unsecured loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties and the amount involved in the transactions during the year were three and Rs. 4.20 lacs respectively and the year-end balance of loans taken from such parties was Rs. 4.20 lacs.
  - c. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company.
  - d. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5 In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
  - a. Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
  - b. There are no transactions exceeding the value of five lacs rupees in respect of any party.
- 6 The Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Board Tribunal or Reserve Bank of India.
- 7 In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.

- 8 As informed to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- 9 In respect of statutory and other dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year.
  - b. As explained to us, there are no amounts outstanding, which have not been deposited on account of dispute except for disputed Income Tax demand Rs. 9,21,203 for which appeal has been preferred before The Commissioner of Income Tax (Appeals).
- 10 The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current or in the immediately preceding financial year.
- 11 *Based on our audit procedures and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not obtained any borrowings by way of debentures.*
- 12 The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.
- 14 *The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the Company.*
- 15 According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- 16 Terms loans obtained during the year have been applied for the purpose for which they were obtained.
- 17 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short-term basis, prima facie, have not been used during the year for long-term investment.
- 18 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act 1956 except for allotment of 134,000 equity shares to the directors against conversion of warrants issued to them on preferential basis in accordance with the guidelines issued by the Securities and Exchange Board of India in this regard.
- 19 The Company did not have any outstanding debentures during the year.
- 20 The Company has not raised any money through a public issue during the year.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For SANGHAVI & COMPANY**  
**Chartered Accountants**

Bhavnagar  
4th June, 2009

**MANOJ GANATRA**  
**Partner**  
**Membership No. 043485**

**BALANCE SHEET AS AT 31st MARCH, 2009**

(Amount in Rupees)

Schedule		As at 31st March, 2009	As at 31st March, 2008
<b>SOURCES OF FUNDS :</b>			
1. SHAREHOLDERS' FUNDS :			
Share Capital	A	28,310,000	26,970,000
Share Warrant Application Money		514,650	1,003,750
Reserves and Surplus	B	129,600,970	65,208,193
		<b>158,425,620</b>	<b>93,181,943</b>
2. DEFERRED TAX LIABILITY (NET)		<b>11,474,079</b>	7,959,951
3. LOAN FUNDS :			
Secured Loans	C	102,229,573	95,068,663
Unsecured Loans	D	31,025,981	32,336,856
		<b>133,255,554</b>	<b>127,405,519</b>
<b>TOTAL :</b>		<b>303,155,253</b>	<b>228,547,413</b>
<b>APPLICATION OF FUNDS :</b>			
1. FIXED ASSETS :			
Gross Block	E	254,333,093	186,368,647
Less : Accumulated Depreciation		102,281,700	81,280,542
Net Block		152,051,393	105,088,105
Add : Capital Work in Progress		5,436,530	7,531,430
		<b>157,487,923</b>	<b>112,619,535</b>
2. CURRENT ASSETS, LOANS AND ADVANCES :			
Current Assets			
Inventories		85,265,666	51,770,402
Sundry Debtors		100,944,406	118,260,676
Cash and Bank Balances		8,829,981	9,183,727
		<b>195,040,053</b>	<b>179,214,805</b>
Loans & Advances		35,089,903	17,529,547
		<b>230,129,956</b>	<b>196,744,352</b>
LESS : CURRENT LIABILITIES AND PROVISIONS	G	84,462,626	80,816,474
<b>NET CURRENT ASSETS</b>		<b>145,667,330</b>	<b>115,927,878</b>
<b>TOTAL :</b>		<b>303,155,253</b>	<b>228,547,413</b>
NOTES ON ACCOUNTS			
The Accompanying Schedules A to N are an integral part of these financial statements			

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

**A. M. Parekh**  
Executive Chairman

**C. A. Parekh**  
Managing Director

**MANOJ GANATRA**  
Partner

**Pradyotsen Shukla**  
Company Secretary

**J. R. Naik**  
Director

Bhavnagar  
Dated: June 04, 2009

Bhavnagar  
Dated: June 04, 2009



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

(Amount in Rupees)

	Schedule	Year ended 31st March, 2009	Year ended 31st March, 2008
<b>INCOME :</b>			
Sales and Operational Income	H	506,227,626	303,561,102
Other Income	I	2,197,873	3,591,895
		<b>508,425,499</b>	<b>307,152,997</b>
<b>EXPENDITURE :</b>			
Change in Inventory	J	(5,426,174)	(5,935,383)
Raw Materials Consumption and			
Other Manufacturing Expenses	K	250,493,484	153,377,512
Selling, Administrative and Other Expenses	L	133,163,478	92,623,959
Borrowing Cost	M	20,517,642	8,997,590
Depreciation		21,001,158	13,502,862
		<b>419,749,588</b>	<b>262,566,539</b>
Profit Before Taxation		<b>88,675,911</b>	<b>44,586,458</b>
Less : Provision for Taxation			
- Current Tax		12,000,000	5,600,000
- Deferred Tax		3,514,128	2,251,914
- Fringe Benefit Tax		530,000	460,000
		<b>16,044,128</b>	<b>8,311,914</b>
Profit After Taxation		<b>72,631,783</b>	<b>36,274,544</b>
Add : Prior Period Adjustments (net)		1,200,798	85,793
		<b>73,832,581</b>	<b>36,360,337</b>
Add : Balance brought forward from the previous year		34,376,193	14,628,804
<b>Amount available for Appropriation</b>		<b>108,208,774</b>	<b>50,989,141</b>
<b>APPROPRIATIONS:</b>			
(a) General Reserve		50,000,000	7,504,101
(b) Dividend		11,103,726	7,785,672
(c) Corporate Tax on Dividend		1,887,078	1,323,175
		<b>62,990,804</b>	<b>16,612,948</b>
<b>Balance Carried to Balance Sheet</b>		<b>45,217,970</b>	<b>34,376,193</b>
Earning Per Share - Basic		<b>26.60</b>	<b>14.01</b>
Earning Per Share - Diluted		<b>26.05</b>	<b>13.47</b>
Face Value per Share		<b>10.00</b>	<b>10.00</b>
NOTES ON ACCOUNTS	N		
The Accompanying Schedules A to N are an integral part of these financial statements			

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

**A. M. Parekh**  
Executive Chairman

**C. A. Parekh**  
Managing Director

**MANOJ GANATRA**  
Partner

**Pradyotsen Shukla**  
Company Secretary

**J. R. Naik**  
Director

Bhavnagar  
Dated: June 04, 2009

Bhavnagar  
Dated: June 04, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009**

(Rs. in Lacs)

	2008-2009	2007-2008
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax And Extraordinary Items	886.76	445.86
Adjustments for -		
Depreciation	210.01	135.03
Deferred Revenue Expenses	-	0.51
Prior Period Adjustments	12.01	(1.97)
Provision for doubtful debts	72.62	-
Interest	134.96	88.71
Loss (Profit) on sale of Assets	- 429.60	0.02 222.30
Operating Profit Before Working Capital Changes	1,316.36	668.16
Adjustments for -		
Trade and Other Receivables	(8.73)	(191.06)
Inventories	(334.96)	(90.32)
Trade Payables	(101.34) (445.03)	119.06 (162.32)
Cash Generated From Operations	871.33	505.84
Interest Paid	(137.06)	(89.49)
Direct Taxes Paid	(107.76) (244.82)	(28.71) (118.20)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>626.51</b>	<b>387.64</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(658.70)	(645.69)
Sale of Fixed Assets	-	0.06
Interest Received	2.10	0.78
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(656.60)</b>	<b>(644.85)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issuance of Share Capital	44.02	45.63
Proceeds from issuance of Share Warrants	-	10.04
Proceeds from Loans Borrowed (net)	58.49	281.94
Dividend Paid	(75.96)	(39.18)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>26.55</b>	<b>298.43</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(3.54)</b>	<b>41.22</b>
Cash And Cash Equivalents as at beginning of the year	91.84	50.62
Cash And Cash Equivalents as at end of the year	88.30	91.84

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

**A. M. Parekh**  
Executive Chairman

**C. A. Parekh**  
Managing Director

**MANOJ GANATRA**  
Partner

**Pradyotsen Shukla**  
Company Secretary

**J. R. Naik**  
Director

Bhavnagar  
Dated: June 04, 2009

Bhavnagar  
Dated: June 04, 2009

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

(Amount in Rupees)

**SCHEDULE - A****SHARE CAPITAL**

Authorised :

5,000,000 Equity Shares of Rs. 10/- each

Issued, Subscribed and Paid up :

2,831,000 (previous year - 2,697,000)

Equity Shares of Rs. 10 each fully paid up

**TOTAL :****SCHEDULE - B****RESERVES AND SURPLUS**

Securities Premium Account

Capital Reserve :

State Government Subsidy

Profit on Reissue of Forfeited Shares

General Reserve :

Balance at the beginning of the year

Less : Incremental transitional liabilities  
for employees benefit costs

Transferred from Profit Loss Account

Profit and Loss Account

**TOTAL :****SCHEDULE - C****SECURED LOANS**

A. WORKING CAPITAL FINANCE FROM BANK

B. TERM LOAN FROM BANK

C. HIRE PURCHASE FINANCE

**TOTAL :****Notes :**

- a. Working Capital Finance and Term Loan from Bank is secured by hypothecation of all tangible movable assets including stock of raw materials, finished goods, goods in process, stores & spares, book debts and exclusive charge on immovable properties etc. and personally guaranteed by some of the Directors of the Company.

[ Term Loan due within one year :Rs. 1,06,00,000 (Rs. 7,000,000) ]

- b. Hire Purchase Finance is against Hypothecation of Vehicles

**SCHEDULE - D****UNSECURED LOANS**

From Shareholders

Fixed Deposits

External Commercial Borrowings (In Foreign Currency)

Interest accrued and due

**TOTAL :****As at 31st  
March, 2009****As at 31st  
March, 2008****50,000,000**

50,000,000

**28,310,000**

26,970,000

**28,310,000**

26,970,000

**6,863,500**

3,312,500

**2,500,000**

2,500,000

**19,500**

19,500

**2,519,500**

2,519,500

**25,000,000**

18,000,000

**-**

504,101

**50,000,000**

7,504,101

**75,000,000**

25,000,000

**45,217,970**

34,376,193

**129,600,970**

65,208,193

**61,485,779**

77,141,246

**40,265,455**

16,702,528

**478,339**

1,224,889

**102,229,573**

95,068,663

**420,000**

420,000

**1,705,000**

4,505,000

**28,367,506**

26,917,939

**533,475**

493,917

**31,025,981**

32,336,856

# SCHEDULE FORMING PART OF THE BALANCE SHEET

## SCHEDULE - E

### FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	As at 31.03.2009 (Rs.)	Up to 31.03.2008 (Rs.)	For the year (Rs.)	Deductions/ Adjustments (Rs.)	Total (Rs.)	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Freehold Land	619,579	5,295,350	-	5,914,929	-	-	-	-	<b>5,914,929</b>	619,579
Buildings	20,266,896	20,607,396	-	40,874,292	4,866,159	867,025	-	5,733,184	<b>35,141,108</b>	15,400,737
Plant & Machinery	54,091,152	13,079,610	-	67,170,762	27,718,387	3,168,621	-	30,887,008	<b>36,283,754</b>	26,372,765
Moulds and Dies	94,150,307	27,708,014	-	121,858,321	39,837,231	14,692,066	-	54,529,297	<b>67,329,024</b>	54,313,076
Furnitures, Fixtures & Office Equipment	12,472,111	1,274,076	-	13,746,187	7,335,305	1,433,139	-	8,768,444	<b>4,977,743</b>	5,136,806
Vehicles	4,768,602	-	-	4,768,602	1,523,460	840,307	-	2,363,767	<b>2,404,835</b>	3,245,142
	186,368,647	67,964,446	-	254,333,093	81,280,542	21,001,158	-	102,281,700	<b>152,051,393</b>	105,088,105
CAPITAL WORK IN PROGRESS	7,531,430	5,436,530	7,531,430	5,436,530	-	-	-	-	<b>5,436,530</b>	7,531,430
<b>TOTAL</b>	<b>193,900,077</b>	<b>73,400,976</b>	<b>7,531,430</b>	<b>259,769,623</b>	<b>81,280,542</b>	<b>21,001,158</b>	<b>-</b>	<b>102,281,700</b>	<b>157,487,923</b>	<b>112,619,535</b>
PREVIOUS YEAR	129,359,387	64,737,182	196,492	193,900,077	67,798,149	13,502,862	20,469	81,280,542	112,619,535	61,561,238

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

(Amount in Rupees)

**SCHEDULE - F****CURRENT ASSETS, LOANS AND ADVANCES****CURRENT ASSETS**

## 1. Inventories

(As taken, valued and certified by the Management)

a) Raw Materials (at cost) *	45,563,797	19,046,282
b) Stores & Spares (at cost)	2,500,099	1,894,687
c) Packing Materials (at cost)	4,600,730	3,654,567
d) Semi-Finished Goods (at estimated cost)	3,535,612	7,198,011
e) Traded Goods	22,104,054	12,355,300
f) Finished Goods	6,961,374	7,621,555
[e & f at lower of cost or market value]		

**As at 31st  
March, 2009****As at 31st  
March, 2008****85,265,666****51,770,401**

\* includes materials lying in bonded warehouse Rs. 56,37,238 (Previous Year Rs. 30,48,961)

## 2. Sundry Debtors

(Unsecured Considered Good, unless otherwise stated)

Over six months

(Including doubtful Rs. 7,262,175)

Others

**8,771,594** 9,067,625**99,434,987** 109,193,051**108,206,581** 118,260,676**7,262,175** -

Less : Provision for Doubtful Debts

**100,944,406****118,260,676**

## 3. Cash &amp; Bank Balances

Cash on Hand

**385,351** 667,432

Balance with Scheduled Banks :

a. In Current Accounts

**6,574,783** 5,736,249

b. In Dividend Accounts

**114,287** 206,211c. In Fixed Deposit Accounts  
(pledged with the bankers against  
various credit facilities except for a  
TDR of Rs. 2,36,960/-)**1,755,560** 2,573,836**8,829,981****9,183,727****TOTAL ( I )****195,040,053****179,214,805****LOANS AND ADVANCES**

(Unsecured Considered Good )

Advances recoverable in cash or in  
kind or for value to be received**23,200,725** 12,976,263

Advance Payment of Taxes

**10,380,427** 3,747,677

Sundry Deposits

**1,508,751** 805,607**TOTAL ( II )****35,089,903****17,529,547****TOTAL ( I + II )****230,129,956****196,744,352**

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

(Amount in Rupees)

**SCHEDULE - G****CURRENT LIABILITIES AND PROVISIONS****CURRENT LIABILITIES**

	<b>As at 31st March, 2009</b>	<b>As at 31st March, 2008</b>
Sundry Creditors	<b>42,561,620</b>	54,198,612
Advances from Customers	<b>2,074,503</b>	272,566
Statutory Liabilities	<b>917,049</b>	1,182,508
Unclaimed Dividend *	<b>643,920</b>	453,572
Other Liabilities	<b>1,575,147</b>	1,376,854
	<b>47,772,239</b>	57,484,113

\* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**PROVISIONS**

Provision for Leave Encashment	<b>784,986</b>	594,168
Provision for Bonus	<b>978,105</b>	902,835
Provision for Gratuity	<b>527,824</b>	1,026,715
Provision for Super Annuation Contribution	<b>476,565</b>	476,565
Provision for Taxation	<b>20,932,103</b>	11,223,231
Proposed Dividend	<b>11,103,726</b>	7,785,672
Provision for Corporate Tax on Dividend	<b>1,887,078</b>	1,323,175
	<b>36,690,387</b>	23,332,361
<b>TOTAL :</b>	<b>84,462,626</b>	80,816,474

**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT****SCHEDULE - H****SALES AND OPERATIONAL INCOME**

	<b>As at 31st March, 2009</b>	<b>As at 31st March, 2008</b>
Sales	<b>503,565,026</b>	303,104,188
Less: Excise Duty	<b>5,419,762</b>	5,542,831
	<b>498,145,264</b>	297,561,357
Technical Fees Receipts	-	4,544,323
DEPB claims on Export Sales	<b>2,278,390</b>	-
Exchange Rate Difference on Sales	<b>5,803,972</b>	1,455,422
<b>TOTAL :</b>	<b>506,227,626</b>	303,561,102

## SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Amount in Rupees)

**SCHEDULE - I****OTHER INCOME**

	As at 31st March, 2009	As at 31st March, 2008
Interest Received	210,038	77,579
Insurance claims received	1,351,614	833,110
Exchange rate difference	375,225	1,619,459
Miscellaneous Income	260,996	1,061,747
<b>TOTAL :</b>	<b>2,197,873</b>	<b>3,591,895</b>

**SCHEDULE - J****CHANGE IN INVENTORY**

## Closing Stock :

Finished Goods	6,961,374	7,621,555
Traded Goods	22,104,054	12,355,300
Semi-Finished Goods	3,535,612	7,198,011
	<b>32,601,040</b>	<b>27,174,866</b>

## Less : Opening Stock :

Finished Goods	7,621,555	5,399,546
Traded Goods	12,355,300	6,164,647
Semi-Finished Goods	7,198,011	9,675,289
	<b>27,174,866</b>	<b>21,239,482</b>
	<b>5,426,174</b>	<b>5,935,383</b>

**SCHEDULE - K****RAW MATERIAL CONSUMPTION AND OTHER MANUFACTURING EXPENSES**

## Raw Materials Consumed :

Opening Stock	15,997,320	16,191,318
Add : Purchases and Expenses	155,115,195	83,176,688
	<b>171,112,515</b>	<b>99,368,006</b>
Less : Closing Stock	39,926,559	15,997,321

	<b>131,185,956</b>	<b>83,370,685</b>
	<b>45,893,185</b>	<b>28,210,672</b>

## Trading Purchases :

## Manufacturing Expenses :

Stores Consumed	9,683,871	5,359,205
Power and Fuel	21,898,787	11,555,374
Machinery Repairs	2,104,262	1,217,839
Packing Materials	39,564,565	22,842,895
Other Expenses	162,858	820,844
	<b>73,414,343</b>	<b>41,796,156</b>
<b>TOTAL :</b>	<b>250,493,484</b>	<b>153,377,513</b>

**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

(Amount in Rupees)

**SCHEDULE - L****SELLING, ADMINISTRATIVE AND OTHER EXPENSES****PERSONNEL COST :**

Salaries, Wages, Bonus etc.	<b>35,921,528</b>	24,416,071
Contribution to Provident Fund,		
Gratuity and other funds	<b>1,879,991</b>	1,741,946
Employees' Welfare Expenses	<b>1,476,379</b>	928,788
	<b>39,277,898</b>	27,086,804

**SALES AND DISTRIBUTION COST :**

Sales Discount and Commission	<b>357,600</b>	873,953
Advertisement and Sales Promotion	<b>5,128,080</b>	5,694,061
Freight and handling charges	<b>49,985,564</b>	32,120,846
Insurance Premium (sales)	<b>3,015,014</b>	2,059,977
	<b>58,486,258</b>	40,748,837

**ESTABLISHMENT COST :**

Travelling and Conveyance Expenses [including Directors' Travelling Rs.47,64,406 (Previous Year Rs.27,81,432)	<b>8,168,712</b>	5,825,224
Rent	<b>1,183,324</b>	919,050
Rates and Taxes	<b>33,074</b>	2,000
Insurance	<b>912,741</b>	877,390
Repairs to Building and others	<b>2,534,760</b>	1,405,689
Payment to Auditors	<b>158,000</b>	95,500
Directors' Sitting Fees	<b>160,000</b>	117,500
Legal and Professional Fees	<b>2,514,046</b>	1,748,624
Charity & Donation	<b>460,925</b>	23,500
Postage and Telephone Expenses	<b>1,462,064</b>	1,792,823
Printing and Stationery Expenses	<b>1,008,113</b>	985,621
Bank Commission and Charges	<b>4,113,345</b>	2,228,910
Vehicles expenses	<b>280,647</b>	404,404
Loss of sale of Asset	-	1,806
Bad Debt/Sundry Balance written off	-	4,380,075
Provision for Doubtful Debts	<b>7,262,175</b>	-
General Expenses	<b>5,147,396</b>	3,980,201

**TOTAL :**

<b>35,399,322</b>	24,788,317
<b>133,163,478</b>	92,623,959

**SCHEDULE - M****BORROWING COST**

Banks	<b>13,078,005</b>	8,024,218
Others	<b>667,079</b>	973,372
Exchange Rate Difference on Foreign Currency Borrowings	<b>6,772,558</b>	-
<b>TOTAL :</b>	<b>20,517,642</b>	8,997,590



**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

- a. Figures in the brackets are the figures for the previous year, unless otherwise stated.
- b. All the amounts are stated in Indian Rupees, unless otherwise stated.
- c. Previous year's figures are regrouped and rearranged, wherever necessary.

**SCHEDULE – N****1. SIGNIFICANT ACCOUNTING POLICIES****BASIS OF ACCOUNTING:**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 and are based on the historical cost convention on an accrual basis.

**USE OF ESTIMATES:**

The preparation of financial statement in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**FIXED ASSETS:**

All tangible assets are stated at cost less depreciation. All the costs incurred till the date the assets are put to use, have been capitalized and included in the cost of the respective assets.

Depreciation is provided on Written Down Value method except for Buildings, Plant and Machinery and Dies and Moulds where depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV in accordance with the provisions of section 205(2)(b) of the Companies Act, 1956.

**INVENTORIES:**

Raw Materials, Packing Materials and Stores & Spares are valued at cost on FIFO basis. Semi-Finished Goods are valued at estimated cost. Traded Goods and Finished Goods are valued at lower of the cost or net realizable value.

**SALES:**

Sales comprise sale of products and services net of excise duty.

**EXCISE AND CUSTOM DUTY:**

Excise duty in respect of goods manufactured by the Company is, according to the method consistently followed by the Company, accounted for at the time of removal of goods from the factory for sale.

However, excise duty payable on the closing stock of Finished Goods is provided for in the account. Purchases of goods and fixed assets are accounted for net of excise cenvat credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.

**EMPLOYEE BENEFITS:****Post-employment benefit plans**

- i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the company is made in accordance with the scheme with Life Insurance Corporation of India.
- ii. Defined Benefit Plan: The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur.

Contributions in respect of gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of respective fund.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

**FOREIGN CURRENCY TRANSACTIONS:**

Foreign Currency Transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit and loss account. Current assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising therefrom is dealt with in the profit and loss account.

**BORROWING COSTS:**

Net cost of borrowed funds for the projects are capitalized and included in the cost of fixed assets till its completion and other borrowing costs are recognized as expenses in the period in which they are incurred.

**TAXATION:**

Provisions are made for current income tax and fringe benefit tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**EARNING PER SHARE:**

Basic Earning Per share (EPS) is computed by dividing the net profit for the year attributable to the equity shareholders, by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted number of equity and dilutive equity equivalent shares outstanding at the year-end.

**PROVISION AND CONTINGENCIES:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

2. Balances with Sundry Debtors, Sundry Creditors and for Loans and Advances are subject to confirmations from the respective parties. In absence of such confirmations, the balances as per books have been relied upon by the Auditors.
3. In the opinion of the Directors, Current Assets, Loans and Advances are of the value stated in the Balance Sheet, if realised in the normal course of the business and also provisions for all known liabilities have been made.
4. Deferred tax liabilities of Rs. 3,514,128 arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under Income Tax Act, is charged to the Profit & Loss Account. Details of the balance of Rs. 11,474,079 are as under:

Particulars	Rs.
Depreciation	14,883,159
Disallowances u/s. 43B of the Income Tax Act	( 940,667)
Others	(2,468,413)
Total	11,474,079

5. Some of the unclaimed dividend accounts and bank accounts are subject to reconciliation.
6. As per the resolution passed by the Board, dividend on 1,34,000.00 shares allotted to the promoter on 29.08.2008 upon conversion of the warrants, is proposed on pro-rata basis.
7. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to the amounts unpaid as at the year-end together with interest paid/payable under this Act have not been given.

**8. CONTINGENT LIABILITIES :**

- In respect of Excise Duty claim disputed by Excise Authorities: Rs. 109,659 (Rs. 109,659).
- In respect of disputed Income tax liability of Rs. 9,21,203 (Rs. Nil)
- Claims against the company, not acknowledged as debt Rs.20,00,500 (Rs. Nil)

**9. AUDITORS' REMUNERATION :**

	2008-2009	2007-2008
Audit Fees	87,500	50,000
Tax Audit Fees	22,500	17,500
Other Matters	48,000	28,000

**10. ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED INCLUDE :**

	<b>2008-2009</b>	2007-2008
Advances to suppliers	<b>8,907,631</b>	5,818,655
Loans and Advances to Staff	<b>1,192,200</b>	1,217,076
Balances with Excise Authorities	<b>57,562</b>	25,987
Prepaid Expenses	<b>700,123</b>	936,146
Other Advances	<b>12,343,209</b>	4,978,399

**11. DIRECTORS' REMUNERATION: (INCLUDED IN PERSONNEL COSTS)**

	<b>2008-2009</b>	2007-2008
Salaries and allowances	<b>2,844,977</b>	2,152,505
Contribution to Provident and Superannuation Fund & Others	<b>583,861</b>	365,938
Commission	<b>2,276,381</b>	963,764
Total	<b>5,705,219</b>	3,482,207

**12. COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 198 READ WITH SECTIONS 349 AND 350 OF THE COMPANIES ACT, 1956**

	<b>2008-2009</b>	2007-2008
Profit before Tax as per Profit and Loss Account	<b>88,675,911</b>	44,586,458
Add: Depreciation as per books	<b>21,001,158</b>	13,502,862
Add: Directors' Remuneration	<b>5,705,219</b>	3,482,207
Less :- Prior Period Expenses	<b>346,078</b>	--
Add: Directors' Sitting Fees	<b>1,60,000</b>	117,500
Less: Profit (loss) on sales of Assets	--	(1,806)
	<b>115,196,210</b>	61,690,833
Less: Depreciation u/s. 350	<b>21,001,158</b>	13,502,862
Net Profit as per Section 349	<b>94,195,052</b>	48,187,971

- Commission @ 1 % or 2% (Pro-rata) of the above, each, to the Executive Chairman and Managing Director, as per the terms of the appointment aggregating to Rs. 2,276,381.

**13. DISCLOSURE AS PER AS-15 (REVISED) ON "EMPLOYEE BENEFIT"  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009:**

	Gratuity Plan Rs.
<b>Change in the defined benefit obligations</b>	
<b>Defined benefit obligations as at 1st April 2008</b>	2,184,740
Service cost	237,909
Interest cost	174,779
Actuarial loss / (Gain)	101,598
Benefits paid	(79,523)
<b>Defined benefit obligations as at 31st March 2009 (a)</b>	2,619,863
<b>Change in plan assets</b>	
<b>Fair Value of plan assets as at 1st April 2008</b>	1,407,744
Expected return on plan assets	112,620
Contributions by employer	508,851
Actuarial Gain / (loss)	22,392
Benefits paid	(79,523)
<b>Fair Value of plan assets as at 31st March 2009 (b)</b>	1,972,084
<b>Present Value of unfunded obligations (a-b)</b>	647,779
The net amount recognized in the statement of profit and loss for the year ended 31st March 2009 is as follows:	
Current service cost	237,909
Interest cost	174,779
Expected return on plan assets	(112,620)
Net actuarial loss / (gain) recognized	79,566
<b>Net amount recognized</b>	379,634
<b>Actual Return on Plan Assets</b>	135,012
<b>The principal actuarial assumptions used as at 31st March 2009 are as follows:</b>	
<b>Discount Rate</b>	8%
<b>Expected rate of return on plan assets</b>	8%
<b>Rate of increase in compensation levels</b>	5.50%

**14. RELATED PARTY DISCLOSURES:**

<b>Associates</b>
Industrial Jewels Private Limited
Meccanica Plast Private Limited
Anilaben Labhuma Parekh Charitable Trust
Desai Desai & Carrimjee

<b>Key Managerial Personnel</b>
Shri Ashwin M Parekh
Shri Chirag A Parekh

**Transactions with Related Parties**

	<b>Associates Companies</b>	<b>Key Managerial Personnel</b>
(a) Reimbursement of Expenses and Services Receivable.	37,153 (61,362)	-- (--)
(b) Remuneration	-- ( -- )	5,705,219 (3,482,207)
(c) Donation	300,000 ( -- )	-- (--)
(d) Interest on Loan	137,389 ( -- )	-- (10,427)
(e) Professional Fees	105,000 ( -- )	-- (--)

**15. QUANTITATIVE INFORMATION (as certified by the Directors )****Installed Capacity and Production:**

<b>Class of Goods</b>	<b>Installed Capacity Nos.</b>	<b>Production Nos.</b>
Kitchen Sinks	<b>180,000</b> (120,000)	<b>126,100</b> (91,393)

**Note:** Installed Capacity, being a technical matter, is as certified by the Management on which the Auditors have relied upon.

**Opening and Closing Stock of Finished and Traded Goods:**

<b>Class of Goods</b>	<b>Opening Stock</b>		<b>Closing Stock</b>	
	<b>Quantity</b>	<b>Amount Rs.</b>	<b>Quantity</b>	<b>Amount Rs.</b>
I. Finished Goods :				
Kitchen Sinks and Solid Surface Sheet (Nos)	4,236 (2,639)	7,621,555 (5,399,546)	3,427 (4,236)	6,961,374 (7,621,555)
II. Traded Goods :				
Accessories		12,355,300 (6,164,647)		22,104,054 (12,355,300)
		<b>19,976,855</b> (11,564,193)		<b>29,065,428</b> (19,976,855)

**SALES :**

Class of Goods	Quantity	Amount Rs.
Manufactured Goods : Kitchen Sinks and Solid Surface Sheet (Nos)	126,909 * (89,796) *	487,020,785 ** (294,836,590) **
Traded Goods & Accessories	-	11,124,479 ( 2,724,766)
		<b>498,145,264</b> (297,561,356)

\* includes Samples

\*\* includes sale proceeds of accessories in respect of export sales for which composite invoices are raised.

**RAW MATERIALS CONSUMED :**

Item	Quantity [Kgs]	Amount (Rs.)
Coated Silica/Granucols	1,451,046 (1,091,280)	48,906,620 (31,671,968)
Polymethyl Methacrylate	128,276 (95,879)	15,317,401 (10,072,563)
Methyl Methacrylate	460,895 (327,825)	49,298,721 (29,615,788)
Colour Pigments	3,668 (1,661)	2,604,719 (1,239,673)
Others	-	15,058,495 (10,770,693)
		<b>131,185,956</b> (83,370,685)

**Consumption of Raw Materials, Components and Spare Parts:**

	Amount Rs.	Percentage
<b>Raw Materials:</b>		
Imported	117,095,870 (76,947,072)	89.26 (92.30)
Indigenous	14,090,086 (6,423,613)	10.74 (7.70)
	<b>131,185,956</b> (83,370,685)	<b>100.00</b> (100.00)

**Value of Imports on C.I.F. basis:**

	2008-2009	2007-2008
Raw Materials	<b>140,643,142</b>	75,458,598
Components and Spare Parts * (Accessories and Traded Goods)	<b>37,692,764</b>	22,014,983
Capital Goods	<b>19,344,370</b>	30,108,400

\* In giving the above information, the Company has taken the view that Components and Spare Parts as referred to in Clause 4D(a) or (c) of Part II of Schedule VI cover only such items as go directly into production and not those used as spares for repairs and maintenance of Plant and Machinery.

**Expenditure in Foreign Currency (on accrual basis):**

Foreign Travelling Expenses	<b>1,471,178</b>	(1,045,268)
Others	<b>112,504</b>	(807,460)

**Earnings in Foreign Exchange:**

FOB value of Exports	<b>425,673,264</b>	(243,294,280)
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## Balance Sheet Abstract and Company's General Business Profile As per Schedule VI, Part (IV) of the Companies Act, 1956

**I. Registration Details**

Registration No.	: 4 2 2 8 3	State Code	: 1 1
Balance Sheet Date	: 31.03.2009		

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public issue	: N I L	Right issue/Preferential issue	: 1,340
Bonus issue	: N I L	Private Placement	: N I L

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	: 303,155	Total Assets	: 303,155
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**Sources of Funds**

Paid-up Capital	: 28,310	Reserves & Surplus	: 129,601
Share Warrant Application Money	: 515		
Secured Loans	: 102,230	Unsecured Loans	: 31,026
Deferred Liabilities for Income Tax	: 11,474		

**Application of Funds**

Net Fixed Assets	: 157,488	Investments	: N I L
Net Current Assets	: 145,667	Misc. Expenditure	: N I L
Accumulated Losses	: N I L		

**IV. Performance of the Company (Amount in Rs. Thousands)**

Total Income	: 508,425	Total Expenditure	: 419,749
Profit Before Tax	: 88,676	Profit After Tax	: 73,833
Earning Per Share-Basic (Rs)	: 26.60	Dividend Rate (%)	: 40%

**V. Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)**

1. Item Code No. (ITC Code)	: 392490.00
Product Description	: K I T C H E N S I N K S / C E N T R E S

**Signatures to Schedules A to N**

As per our Report of even date  
For **SANGHAVI & COMPANY**  
Chartered Accountants

**A. M. Parekh**  
Executive Chairman

**C. A. Parekh**  
Managing Director

**MANOJ GANATRA**  
Partner

**Pradyotsen Shukla**  
Company Secretary

**J. R. Naik**  
Director

Bhavnagar  
Dated: 4th June, 2009

Bhavnagar  
Dated: 4th June, 2009



## ACRYSIL LIMITED

Registered Office : Old Kamani Chambers, 2<sup>nd</sup> Floor, 32, Ramjibhai Kamani Marg,  
Ballard Estate, Mumbai 400 001.

### ATTENDANCE SLIP

**22<sup>nd</sup> Annual General Meeting, 31<sup>st</sup> July, 2009, at 4.00 p.m**

Please complete this attendance slip and hand it over at the entrance of Meeting Hall.

Name of the Member: \_\_\_\_\_ No of Shares held: \_\_\_\_\_

Folio/Client ID No.: \_\_\_\_\_ DP ID No.: \_\_\_\_\_

I hereby record my presence at the 22<sup>nd</sup> ANNUAL GENERAL MEETING of the Company at INDIAN MERCHANT CHAMBERS, IMC ROAD, CHURCHGATE, – 400 020.

#### Signature of the Member or the Proxy attending the Meeting

If Member, please sign below

If Proxy, please sign below

TEAR OFF HERE

## ACRYSIL LIMITED

Registered Office : Old Kamani Chambers, 2<sup>nd</sup> Floor, 32, Ramjibhai Kamani Marg,  
Ballard Estate, Mumbai 400 001.

### PROXY FORM

Folio/Client ID No.: \_\_\_\_\_ DP ID No.: \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Acrysil Limited, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on 31<sup>st</sup> July, 2009 and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

No. of Shares : \_\_\_\_\_

**Please Affix  
1.00 paise  
Revenue  
Stamp**

Signature : \_\_\_\_\_

NOTE: The Proxy Form must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting.

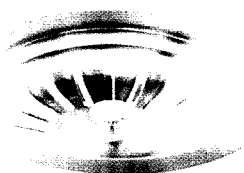
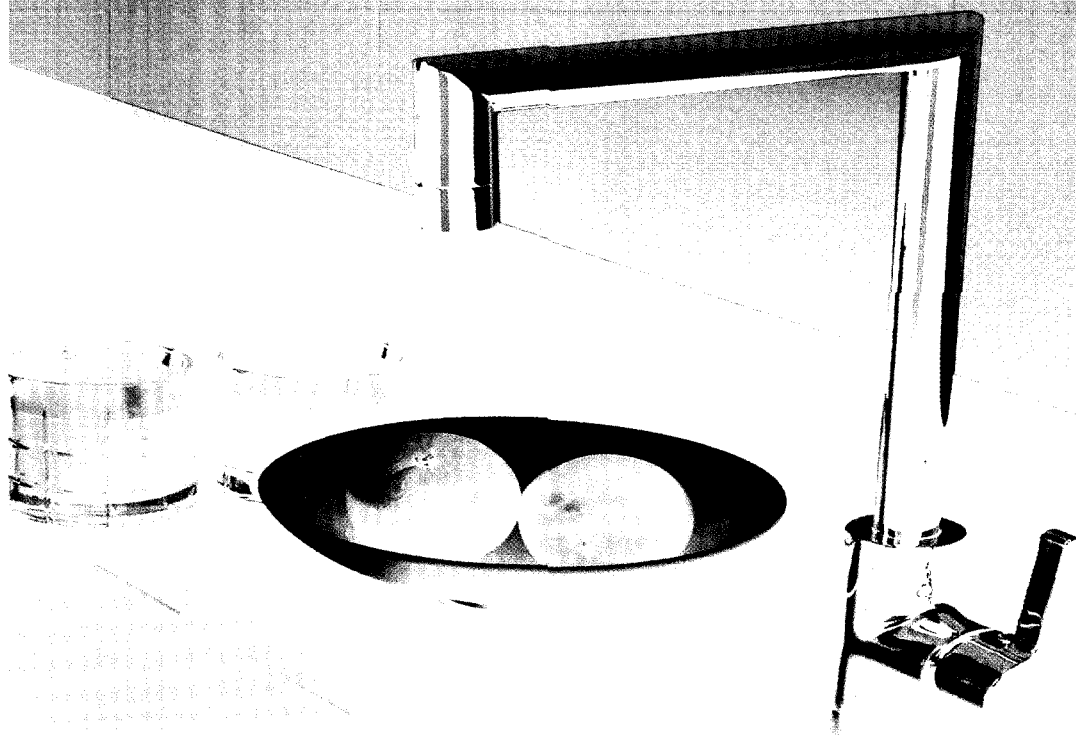
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