

September 04, 2020

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

**Scrip Code: 524091**

**Subject: Notice of the Thirty Third Annual General Meeting and Annual Report for the F.Y. 2019-20**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice convening Thirty Third Annual General Meeting ("AGM") along with Annual Report of the company for F.Y. 2019-20, being sent to the members through electronic mode.

The AGM of the Company will be held on Monday, September 28, 2020 at 03:30 P.M. (IST) through Video Conferencing/Other Audio Visual Means to transact the businesses as set forth in the Notice of AGM.

The said Annual Report and Notice of AGM are also available on the website of the Company at <http://www.acrysilcorporateinfo.com>.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,  
For Acrysil Limited

  
**Neha Poddar**

**Company Secretary & Compliance Officer**



Encl.: a/a



**Acrysil Limited** (ISO 9001 : 2015 ;14001 : 2015 and 45001 : 2018)

**Factory & Head Quarter :**

Survey No. 312,  
Bhavnagar - Rajkot Highway, Navagam,  
Vartej - 364060, Bhavnagar (INDIA).  
Ph. : +91- 278 - 2540218, 2540893  
Fax : +91- 278 - 2540558

**Regd. Office :**

B-307, 3rd Floor, Citi Point,  
J.B. Nagar, Andheri Kurla Road,  
Andheri ( East), Mumbai - 400 059.  
Ph. : +91-22- 4015 7817 /7818 /7819  
Fax : +91-22- 2825 8052  
**CIN :L26914MH1987PLC042283**

Visit us on : [www.carysil.com](http://www.carysil.com)

**Delhi office :**

B-30,  
Okhla Industrial Area, Phase - 1,  
New Delhi - 110020. INDIA.  
Ph. : +91 - 11 - 40524889

**CARYSIL**

Kitchen Sinks &  
Built-in Kitchen Appliances

**STERNHAGEN**  
LUXURY BATH SUITES

 **ACRYSIL LIMITED**

**33<sup>rd</sup>** Annual Report 2019-20

# Driving Growth Developing Value

Brand Development

Talent Acquisition

Globalisation

Expansion

Innovation

Diversification

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#### 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 2019-20.

# *Late Chairman Emeritus*



Late Shri Ashwin M. Parekh, the Chairman Emeritus, was the Founder of Acrysil and laid the groundwork for the organization's rich legacy of success, trust and consistency. His far-sightedness has been crucial for Acrysil, as we progressed over the years and transformed from a domestic player to a global brand.

Starting as a manufacturer of kitchen sinks, Acrysil grew under his leadership and forayed into the bathroom segment. Over the years, the Company developed strong partnerships with popular companies for distribution and marketing purposes. In a span of three decades, Shri Ashwin Parekh increased the domain of the organization and made Acrysil a bankable name.

Shri Ashwin Parekh was a visionary entrepreneur, establishing his expertise by guiding several companies across various industries towards excellence and numerous achievements. Acrysil's dedication to 'Serve and Grow' was initiated by Shri Ashwin Parekh, as he believed customer satisfaction and innovation to be crucial for concrete success. He led by example and his ethics became motivation for the workforce. At Acrysil, we follow the footsteps of our visionary founder and work hard to traverse towards his vision of the organization.



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







# Driving Growth Developing Value

The success story of every organisation is factored by the value they create and the growth they achieve. Every product curated and manufactured is a stepping stone towards a better lifestyle and consumer experience, thereby elevating the standards of the industry. Over the years, this is how a legacy is created, which defines excellence and dedication.

Acrysil, with the objective of driving growth and developing value, has been opening new avenues by market expansion and product innovation. We have been paying special focus on asserting brand dominance, which is highlighted by our global partnerships with reputed retailers for home improvement products. The testing times of the pandemic were transformed into opportunities, as your Company is experiencing record online sales of its products. This proves that Acrysil has been manufacturing products which retain the trust of the customers and are the obvious choice for

an elevated lifestyle. In line with our vision of a technologically-powered product range, we have introduced numerous products which execute tasks with much ease.

The growth of any organisation is complemented by its prudent marketing initiatives. Acrysil has been organising exhibitions and opening showrooms across the globe. In our showrooms, customers can observe the products first-hand and perceive the experience we offer. This strategy will continue in the coming years, as we grow in market presence and popularity.

As a renowned player for three decades now, Acrysil prides itself for constantly identifying trends and capitalising on the opportunities. We grew from a domestic player to an international name by redefining the bathroom experience and adding a dash of luxury to it. Our portfolio consists of products which combine modern technology to add a

new dimension to bathing. The harnessing of technology to create a myriad of such products has singled out Acrysil as a standard-setting innovator. Our motivation, since inception has been the value added to the customers. Acrysil's range of products has been a constant for many people around the globe, owing to their cutting-edge design and dependability for a long duration.

Having established ourselves as a long-term player in the industry, we are headed towards a future of consistent success and increased value addition. Acrysil has always embraced challenges and came out on top on the back of its grit and determination. This will forever be a part of our culture as we adapt to the incoming trends and analyse the direction of the market. As one of the most recognised companies, Acrysil is motivated by the trust and satisfaction of its customers. This has always been the norm and will continue to be the driving factor.

## Driving Growth



### **Vision, energy and determination:**

Acrysil is driven by its vision of an elegant, efficient and elevated lifestyle for the future. Our grit over three decades has been untethered and we continue to move ahead with motivation, zeal and courage.



### **Sustainable business growth model:**

Our acumen in ensuring sustenance and value addition for our shareholders is second to none. All our efforts towards making breakthrough products have multiple benefits, as we earn customer satisfaction and trust of our business benefactors. An important pillar of our sustainable growth is our business expansion initiative, due to which we strengthen our domestic foothold while growing internationally.



### **Cash-in of profits:**

Acrysil caters to markets both domestically and globally which has helped us in enhancing stakeholder's value and ensuring diversified growth. Our initiatives have resulted in maintaining the financial stability of the organisation, which proves that we are on the right path towards achieving our goals.



### **People and operations:**

A major factor behind our success is our efficient workforce and the way we operate. The foundations of growth in an organisation are laid by ensuring operational excellence. Their expertise gives rise to products which help us progress as a brand.



### **Being self-reliant:**

Acrysil is recognised for its technology indigenisation. This self-reliance has been accentuated by the Hon'ble Prime Minister Narendra Modi's initiative of 'Atmanirbhar Bharat'. The willingness to be dependent on ourselves will be a crucial factor for growth in the coming years.

## Developing value



### **Expanding the customer base**

Acrysil has forever valued its customers, as our vision is framed around improving their life. This has been our motivation to keep exploring new markets, introducing new products and touching more lives. We are enhancing our distribution networks and striking partnerships to propel ourselves as industry leaders.



### **Innovation**

Redevelopment is the key to consistent success in a world where it is important to stay ahead of the curve. Our range of products are powered by cutting-edge technology and we invest in R & D for creating even better products.



### **Branding**

We emphasise the efficient marketing of our products, as it makes them more visible for the customers. Over the years, we have developed numerous showrooms and offered the first-hand experience of Acrysil products. The warm reception of people has motivated us to continue this move as we grow in number both domestically and internationally.



### **Product/service offering**

Acrysil products cater to the demands of various consumers and their lifestyles. From home improvement products to one-stop bathroom solutions, we pay attention to every minute detail so as to ensure a wide range of offerings which appeals to the audience.



### **Human Capital**

The talent and cohesiveness of the workforce are crucial factors for any organisation's success. At Acrysil, we hire an enthusiastic, confident and skilled pool of professionals to ensure a smoothly functioning working environment.

# Corporate Information

## BOARD OF DIRECTORS

### CHAIRMAN & MANAGING DIRECTOR

Mr. Chirag A. Parekh

### INDEPENDENT DIRECTORS

Dr. Sonal V. Ambani

Mr. Jagdish R. Naik

Mr. Ajit R. Sanghvi

Mr. Rustam N. Mulla (w.e.f. 17.03.2020)

Mr. Pradeep H. Gohil

### COMPANY SECRETARY

Mrs. Neha A. Poddar (w.e.f. 01.02.2020)

Mr. Damodar H. Sejpal (till 31.01.2020)

### 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

Mr. Rustam N. Mulla (w.e.f. 12.06.2020)

### NOMINATION AND REMUNERATION COMMITTEE

Mr. Pradeep H. Gohil, Chairman

Dr. Sonal V. Ambani, Member

Mr. Jagdish R. Naik, Member

Mr. Ajit R. Sanghvi, Member

Mr. Rustam N. Mulla (w.e.f. 12.06.2020)

## 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: +91-22-4015 7817/18/19

Fax: +91-22-2825 8052

CIN: L26914MH1987PLC042283

Website:

[www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com),

[www.acrysil.com](http://www.acrysil.com)

## 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](mailto:investor@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

## INVESTOR CONTACT

Mrs. Neha A. Poddar  
Company Secretary and  
Compliance Officer  
C/o. Acrysil Limited,  
B-307, Citi Point, J.B. Nagar,  
Andheri-Kurla Road, Andheri (East)  
Mumbai-400 059 (India)  
Phone: +91-22-4015 7817/18/19  
E-mail: [cs.al@acrysil.com](mailto:cs.al@acrysil.com)

## BANKERS

HDFC Bank Limited  
Kotak Mahindra Bank Limited  
Citibank N.A.

## WORKS

Survey No.312, Bhavnagar-Rajkot  
Highway (13th Km.)

Navagam, Post: Vartej,  
Bhavnagar - 364 060, Gujarat  
(India)

Phone: +91-278-2540 218/893/392

Fax: +91-278-2540 558

# Our Identity

Acrysil incorporated in 1987 is promoted by the Parekh Family. Acrysil Limited, part of Acrysil Group, is one of the world leaders in manufacturing and marketing of Composite Quartz Kitchen Sinks engineered with German technology. Creating a benchmark with Quartz kitchen sinks, Acrysil has diversified into stainless steel

kitchen sinks, faucets, food waste disposers and built-in kitchen appliances such as chimneys, cook-tops, wine chillers etc. With the help of our strong network of distributors, we are presently able to cater over 55 countries.

Acrysil is rapidly moving ahead towards becoming a complete

solutions provider for luxury bathrooms and kitchens catering to the most discerning and style conscious consumers, while establishing the brand 'Carysil' & 'Sternhagen' as the world's most sought after designer brand in the segment.

## Mission



To go beyond customer satisfaction by manufacturing high-quality products and providing excellent service



To keep up with the latest trends in technology



To enhance brand awareness by increasing market influence

## Vision



To be the leading player in Kitchen and Bath segment.

## Core Values

**Creativity**

**Passion**

**Precision**

**Diversity**





# Chairman & Managing Director's Message

## “Driving Growth Developing Value

Dear shareholders,

“When the going gets tough, the tough get going.” These are the times which illuminate the difference between the complacent and the credible. The implications of the coronavirus pandemic have been incredible on various fronts. Around the world healthcare professionals and civil servants are toiling day and night to ensure a safe society for us. We, at Acrysil, applaud their efforts and thank them for such selflessness. As we look forward to the new fiscal year, I am optimistic about better living conditions, economic stability and a brighter future. In our commitment to being a socially responsible business, the Company donated ₹ 20 lakhs to the PM CARES fund and ₹ 5 lakhs to CM Fund as a small gesture in the fight against COVID-19.

### Our Strong Foundation:

Acrysil has worked hard over the years to earn the dominant stride in the industry. With emphasis on innovation and desire to make better products, the Company has only increased in terms of stature and impact. Our business is supported by strong fundamentals, values and ethics. We believe, with strategic product ranges and strong balance sheet & cash position, we are confident to emerge stronger from this crisis. We continue to stay positive and are confident that our actions taken during the year will help Acrysil to position on a solid strategic and financial footing for the long term. Continuing on a positive note from FY20, we are confident that our steps taken over the years will bear fruits towards the long-term interests

of the Company. With that note, I am pleased to present the annual report of Acrysil for FY 2019-20.

The year has been promising as your company had an impressive performance with good top-line growth in the midst of a challenging economic scenario. Your Company had its highest consolidated turnover of **₹ 276.23 crores** in FY20, which was **₹ 251.60 crores** in FY19 registering a growth of **9.79%**. EBITDA increased to **₹ 51.13 crores** in FY20 from **₹ 42.57 crores** in FY19, an increase of **20.11%**. The performances in the recently concluded year have set us on the path to realise our short-term goal of **₹ 300 crores** and has motivated us to continue towards achieving our medium-term goal and long-term goals, **₹ 500 crores** and **₹ 1000 crores** respectively. We are confident that our human capital,

market dominance, distribution network and product development will drive us towards our set goals.

#### **Building on Strengths:**

The COVID-19 outbreak has severely impacted nearly every economy and industries across the globe, leading to disruptions like labour issues, health concerns, safety management and supply chain troubles. These times lead to innovative ways of conducting operations, gaining new perspectives and developing new areas of growth. The times now call for to circumspect and analyse the adaptability of the business to bring renewed optimism and confidence.

We have sufficient production capacity to meet the existing demands and any additional demands in near future. With hopes of situations normalizing as the days go by, we expect to revert back to growth and promise. The population is now increasingly concerned about their health and safety, due to which they are not purchasing any discretionary items. However, our presence in the home improvement sector ensures that we will not be much impacted by this transition in consumer behaviour. As people continue to stay at home, they will be looking for home improvement products, leading to growth opportunities for us.

#### **Modernization:**

We believe that visualizing the future helps in making the right products for tomorrow. Innovation leads to improvement in the values of the product and helps in adding new dimensions. Our Quartz Apron Front sinks have marked a huge success in the North American market. Acrysil's constant rethinking

and development of its products have led to increased market presence and capturing the needs of the end-users. During the year, we introduced Quartz Anti-bacterial Sinks and Stainless Steel integrated worktops. We have also set up Special Purpose Machines (SPM) to ensure seamless installation of countertops which will boost the market overseas. Our newly commissioned Physical Vapour Deposition (PVD) plant provides a metallic finish for our Stainless Steel Kitchen Sinks.

#### **Entering New Categories:**

During FY20, we added new products to our portfolio and took initiatives to assert our dominance as Carysil & Sternhagen. Our products have a global appeal and have impressed both influencers and consumers all over the world. The brand Sternhagen offers the most premium experience our consumers deserve, and the new SH series have been launched to be more economical and futuristic. Furthermore, showers with new ceramics were introduced, which will improve our product range. The launch of our new Rose Gold collection of premium sanitaryware and bathroom fittings at Mumbai and Bengaluru showrooms, in the presence of celebrity interior designer Sussanne Khan, was a huge success. Under Carysil, we introduced a new chimney model named Miracle, which is equipped with a motion sensor, oil collector and auto-cleaning attributes. These products underline our dedication to keeping adding value to the products by harnessing technology.

#### **Expanding Presence:**

To increase our penetration, develop a strong network and capitalize on opportunities in North

America, we have incorporated a wholly-owned subsidiary "Acrysil USA INC" to deal in kitchen, bathroom and tile products. In the UK market, we enhanced our equity stake to 100% stake in Acrysil Products Limited, formerly known as Homestyle Products Limited. These steps underline our willingness to expand in the American and European markets and grow across the globe as a valuable and trustworthy brand.

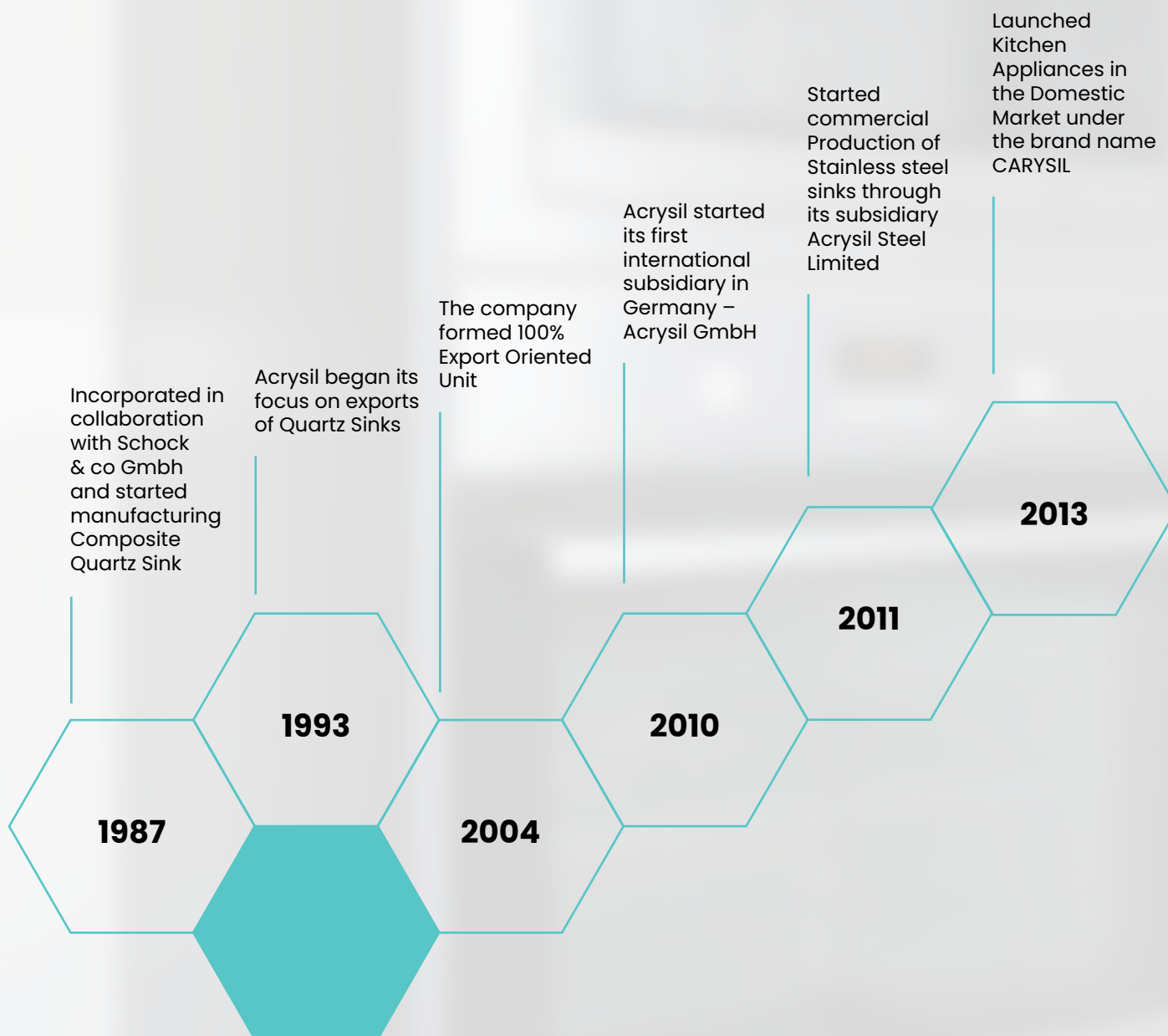
#### **Looking ahead:**

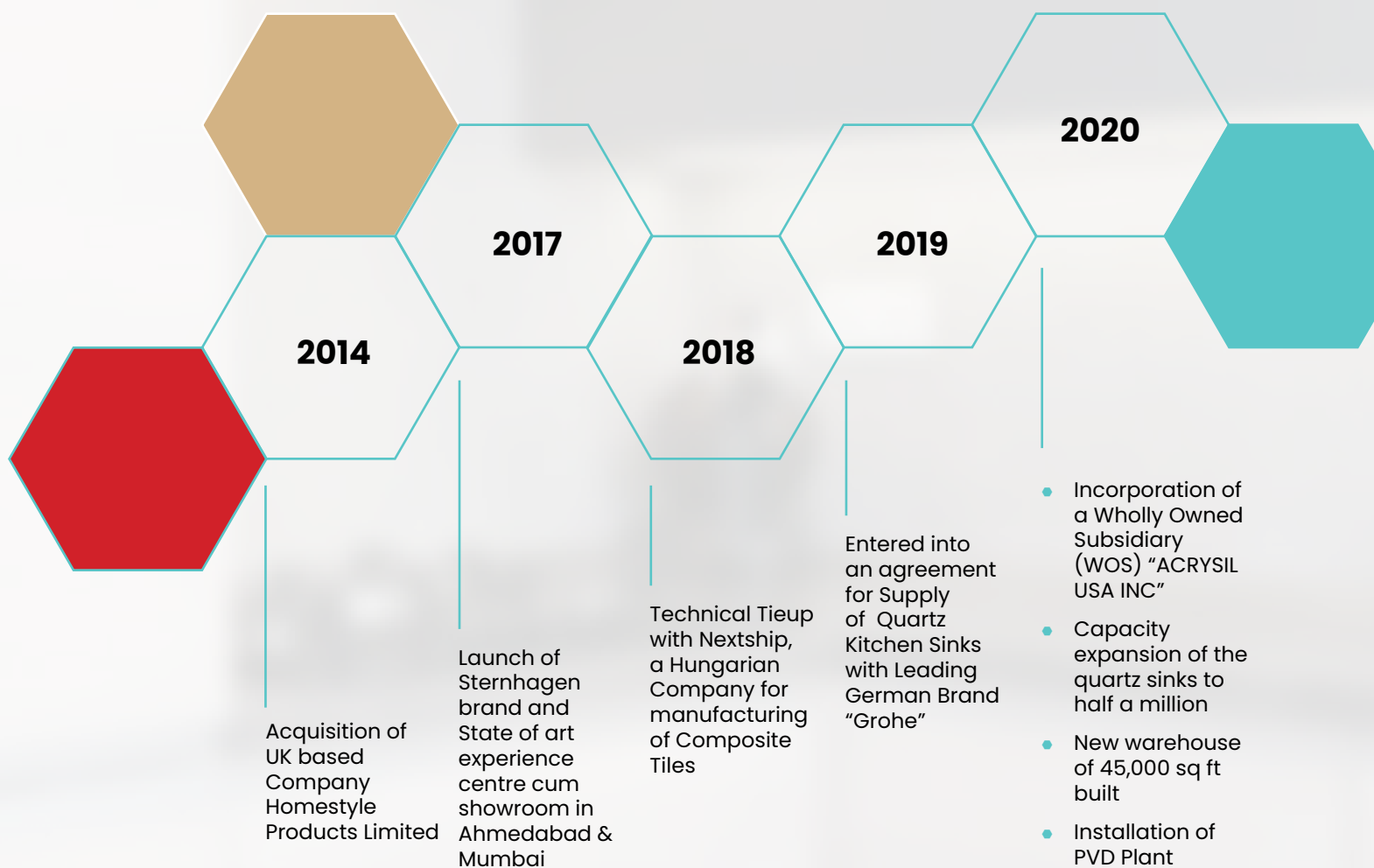
As we enter FY21, we stay focused on creating growth opportunities while the world is emerging from the pandemic. It is our belief that there is enough space for the Company to grow and develop as an even stronger player. All our efforts are centered around the consumers we serve and we will continue to add value to their lives through our products and services. We are determined to improvise in technology and designs to continue dominating the market and appealing to mass consumers through both premium and economical products. We thank and applaud our employees for their continued dedication towards the goals of the Company and trusting its vision. Furthermore, we look forward to a long-lasting relationship with our business partners and shareholders as we embark on a journey of consistent growth and value addition.

Yours Truly,

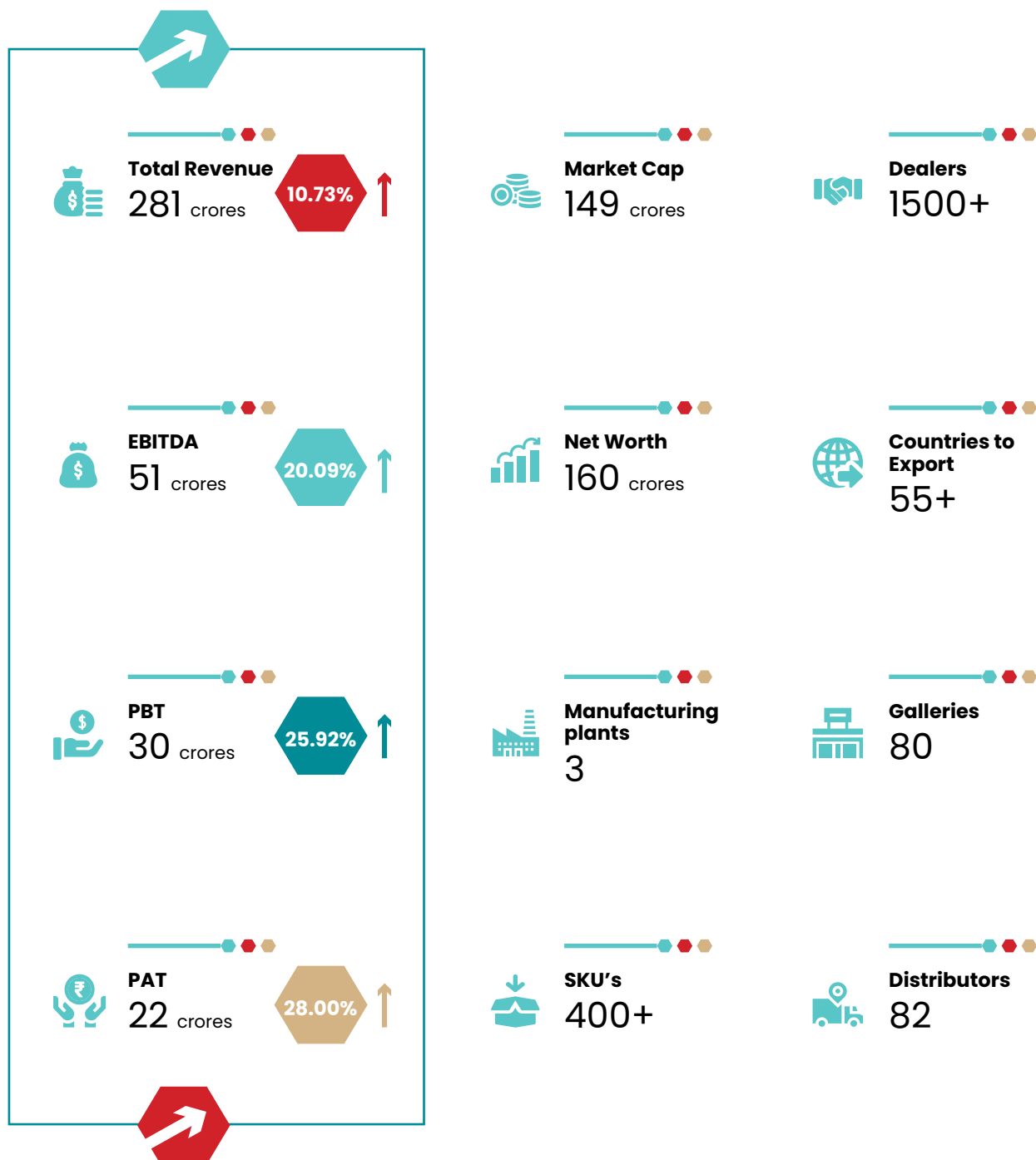
**Chirag A. Parekh**  
Chairman & Managing Director

# History Timeline





# Acrysil at a Glance







**Franchise**  
65



**Quartz Sink Capacity**  
500,000 pa



**Stainless Steel Capacity**  
90,000 pa



**Appliances Capacity**  
7,000 pa



# Board of Directors



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

- He holds 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 crores in 1993 to ₹ 276 crores in 2020.
- He heads the company as the managing director since 2008.



**Dr. Sonal Ambani**  
**Independent Director**

- A Ph.D in business management and an MBA in marketing and finance.
- She 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'.



**Mr. Jagdish R. Naik**  
**Independent Director**

- A Chartered Accountant, was a partner of a reputed Chartered Accountants firm - M/s. S. V. Ghatalia & Associates during the period from 1983 - 1992. Presently, he advises many companies on corporate matters.
- He is a Corporate Adviser to Excel Industries Limited, Transpek Industry Limited and Agrocel Industries Private Limited.



**Mr. Ajit Sanghvi**  
**Independent Director**

- A Chartered Accountant, has extensive experience in the financial service industry and stock broking.
- He serves as a director of Sterling Consultancy Services Pvt. Ltd., Hrisal Investment Advisors Pvt. Ltd., MSS Securities Pvt. Ltd. And Harileela Investrade Pvt. Ltd.



**Mr. Rustam Mulla**  
**Independent Director**

- An LLB graduate, he has been involved in a wide spectrum of legal practice over the last 20 years.
- He is a Founding Partner at M/s Desai Desai Carrimjee & Mulla (DDCM)– Advocates & Solicitors, Mumbai.
- His core areas of practice: Corporate Law, Property & Realty Laws, Dispute Resolution, arbitration and commercial Litigation.

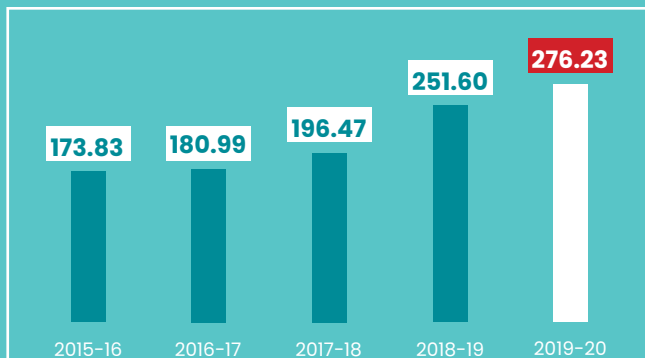


**Mr. Pradeep Gohil**  
**Independent Director**

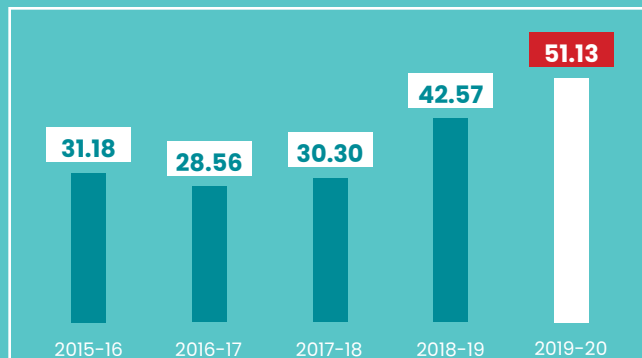
- A highly qualified professional, has been associated with various organisations.
- He is also associated with the Rotary Club, Bhavnagar.
- He has experience in the field of chemical engineering for more than 35 years.

# Consolidated Financial Highlights

## Revenue from Operations (₹ In Crs)



## EBITDA (₹ In Crs)



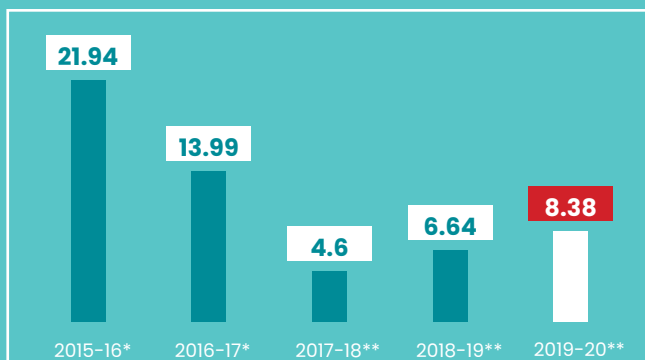
## PBT (₹ In Crs)



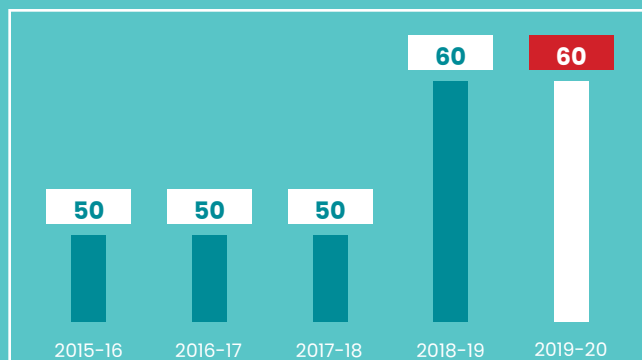
## PAT (₹ In Crs)



## Earning Per Share (EPS) (In ₹)



## Dividend History (in %)



\* Face Value of ₹ 10/- per share

\*\* Face Value of ₹ 2/- per share

# Consolidated Financial Highlights

## Operating Results

(₹ In crores)

Particulars	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13
Total Revenue	280.96	253.73	201.08	183.53	175.62	127.79	107.11	80.13
Revenue from Operations	276.23	251.60	196.47	180.99	173.83	127.10	106.46	79.58
EBITDA	51.13	42.57	30.30	28.56	31.18	24.23	19.20	13.80
EBIT	39.20	33.94	23.15	22.89	25.75	19.96	14.38	9.44
PBT	30.48	24.21	16.88	12.69	17.75	13.16	10.36	6.16
Tax Expenses	7.62	6.72	4.65	4.71	5.61	4.15	2.62	1.35
Profit after Tax	22.86	17.48	12.23	7.97	12.14	9.01	7.74	4.81
Minority Interest	0.79	0.23	0.28	0.71	1.23	0.28	0.02	-0.02
Profit after Tax (Inc Subsidiary & JV)	22.07	17.25	11.95	7.26	10.91	8.73	7.72	4.83
Dividend	3.11	3.11	2.59	2.59	2.59	1.86	1.80	1.47
Total Dividend per share	1.20**	1.20**	5.00*	5.00*	5.00*	4.00*	4.00*	3.30*

## Financial Position

(₹ In crores)

Particulars	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13
Equity Share Capital	5.34	5.19	5.19	5.19	5.19	4.66	4.51	4.46
Other Equity	152.47	127.65	113.11	106.53	74.41	37.00	29.10	23.40
Long Term Borrowing	21.21	16.57	18.62	20.02	21.77	26.64	10.97	4.78
Capital Employed	184.40	155.95	140.95	135.25	106.31	72.98	46.14	33.43
Market Capitalisation	149.36	287.73	269.31	282.02	251.15	254.09	82.88	38.76
Gross Block	171.91	155.04	138.23	118.62	89.13	72.84	63.07	55.39
Net Block	100.92	95.97	87.84	75.17	45.36	40.47	34.89	32.01
Investments	-	-	-	-	-	-	-	-
Net Current Assets	45.63	29.26	23.47	30.99	35.27	8.72	6.68	0.03

## Returns

Particulars	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13
On Sales (EBITDA)%	18.51	16.92	15.42	15.78	17.94	19.06	18.03	17.34
On Capital Employed (EBIT)%	21.25	21.76	16.42	16.92	24.22	27.35	31.17	28.24
On Shareholders fund (PAT)%	14.49	13.16	10.34	7.13	15.25	21.63	23.03	17.26
Earnings Per Share - Basic & Diluted (In ₹)	8.38**	6.64**	4.60**	13.99*	21.94*	18.88*	17.19*	10.84*
Book Value per Share (In ₹)	59.12**	51.20**	227.98*	178.01*	153.40*	89.44*	74.56*	62.49*

\* Face Value of ₹ 10/- per share

\*\* Face Value of ₹ 2/- per share





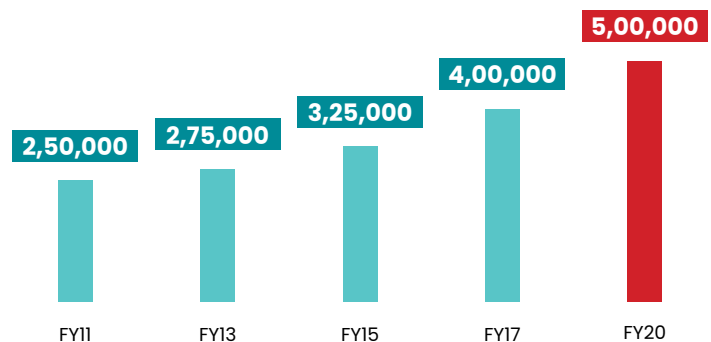
## Enhancing Manufacturing Capabilities

“ Acrysil is the Pioneer in Composite Quartz Technology in India and is one of the Largest Producers of Quartz Kitchen Sinks in the World

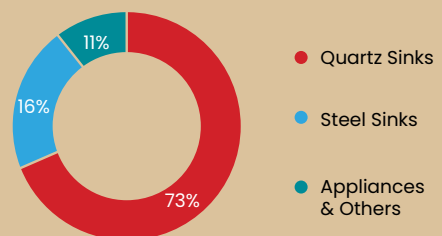
At Acrysil, we strive to offer a lifestyle which appeals to everyone. On the back of our determination to succeed and the will to impress the audience, we are steadily on the way to become the brand synonymous with creating an elegant and sustainable living space. Our designs reflect our vision and purpose to continuously serve the customers and become an integral part of their lifestyle. Our product portfolios in both kitchen and bathroom segments are primed to receive appraisals from the audience, as they tend to the evolving needs and aspirations of the consumers. Acrysil believes in growing bigger in terms of presence so as to serve a larger population.

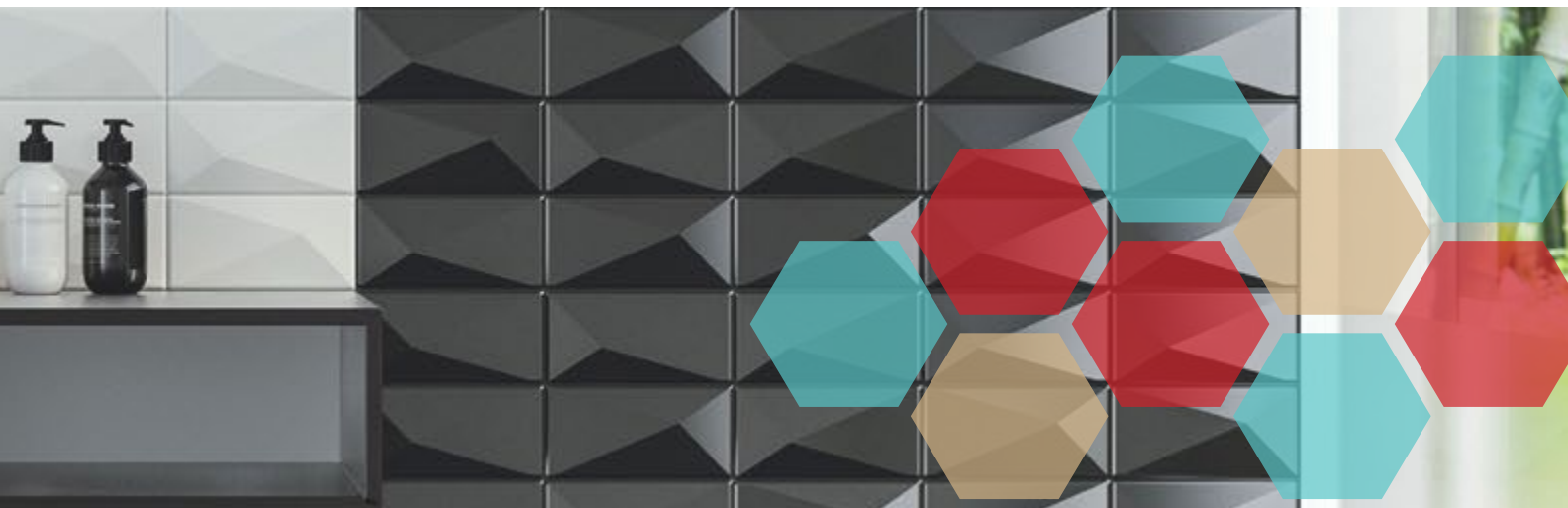
In FY20, Acrysil introduced new products in its range and increased its manufacturing capacity. This involved major investment in the sector to gain a competitive advantage in the industry and enhance the operating efficiencies. We shine as a brand due to our reliance on our high-quality products, use of modern technology and attention to the rising trends.

### Capacity of Quartz Sinks (per annum)



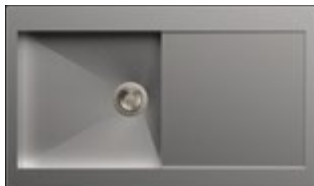
### Product wise Revenue





### **Quartz Sinks** ●●●

The Company has always had a customer-first stance and prioritised its need for eye-catching and trending products. We are making efforts to enhance our global presence and continue creating sustainable value. The quartz sinks are now being preferred for their durability, which is why we have grown our manufacturing capacity by 1,00,000 units. This will prove crucial in exploring new markets and using different strategies. As the only organisation which manufactures quartz sinks in Asia with Schock Technology, Germany, Acrysil prides itself to be the most popular and trusted choice among the builders.



### **Stainless Steel Sinks** ●●●

The stainless steel sinks category is gaining momentum in the international market. In our product range, we have Micro Radius Sinks and Square Sink, which entice the customers. These products use modern technology and are of global standards. In FY20, this segment had a 16% share in our consolidated revenues. Furthermore, the installation of the PVD plant aids in providing the Kitchen steel sinks with a metallic finish coating to give customers a stylish experience.



### **Kitchen Appliances** ●●●

Acrysil products have a modern sheen which makes them perfect for today's homes. The stylish designs and integration of technology in products like hoods, chimneys, cook tops and much more have generated an increased demand. As a habit, the Company looks to constantly add new products to its range to improve the kitchen lifestyle of the consumers. We look to gain more international customers and achieve a larger market share with our new subsidiary Acrysil USA INC.



### **Bathroom Suites** ●●●

Acrysil is continually striving to achieve the perfect mix of market knowledge, technology and aesthetics to create bathroom products that will leave you truly enthralled. We also introduced new strategies for this segment within the branding and distribution group. The Company has signed an agreement for Sternhagen with Farah Ali Khan, a popular jewellery designer and gemologist. This partnership will lead to the creation of distinct styles and products, propelling Sternhagen as the favourite name in premium bathroom suites. We launched a brand-new SH series in FY20, to serve the mass consumer market. Furthermore, we unveiled showers with a new ceramic set and the latest Rose Gold line of premium sanitary and bathroom fittings at showrooms in Mumbai and Bengaluru.



# Navigating Newer Opportunities

We see economic challenges as necessary drivers for a growing company to navigate the next phase of growth with confidence and resilience. The past year had its own share of problems, but it has also seen us build a strong platform for sustained development. New prospects are emerging on the horizon, too, going hand-in-hand with the challenges. Our positivity regarding the future keeps on growing across geographies through our vibrant product range.

Acrysil is making efforts every year to become a globally recognized organization and aims to spellbind its consumers on the back of performance and innovation. The home improvement retailer and the Kitchen Worktop fabricators segments have received a rousing reception from our target audience. This has been driving the growth of Acrysil in the last year. The Company has established tie-ups with reputed retailers in the home improvement sector. As a result, our identity will improve and our stature as a brand will amplify.

Our main emphasis will be on the US, UK and EU markets. There's already been a good flow of orders from the USA and Germany. We are improving our role in the geographies in which we are present and gaining grounds in new markets. Our online sales increased significantly during the pandemic, as the lockdowns prevented any chances of a showroom experience to our customers. The North American market, in particular, has seen

staggering success in this regard. With the new lockdown norms and other guidelines to be initiated, our online sales are expected to keep rising.

We are using our vast distribution network and tie-ups with home retailers to explore new ways of interaction with our customers and provide a better overall experience. This strategy will be crucial for our growth and expansion in the UK market.

We are becoming a brand of choice by attracting and offering the consumers a contemporary and sophisticated range of kitchen fittings, accessories and appliances, which is both innovative and well-executed. We are strengthening the wide range of our products and services to meet the evolving demands of our customers in a better way. With creative thinking at our core, we are working to increase the value of our goods in a way that was never before considered. To enhance our market appeal, we are banking on our range of innovative and modern products. Motion-sensor chimneys, dishwashers, wine chillers have impressed both domestic and international customers and Acrysil will capitalize on this momentum.

During the pandemic, the home improvement products, mainly dishwashers and air purifiers, saw a steep rise in their demand. As people began maintaining social distancing and learnt how to become self-dependent,

they opted for products which will help them in accomplishing household tasks and have a long lifespan. The sanitization levels also increased during this time as consumers began using products with advanced technology which executed tasks with few touches. The Company introduced anti-bacterial sinks with a ten-year guarantee to ensure the safety of the users. Additionally, chimneys equipped with motion sensors and wine chillers were in high demand. The online sales pan-India nearly doubled due to the pandemic, as the customers trusted Acrysil to deliver safe, durable and modern products which would cater to their multiple needs.

Customer expectations are evolving, so is their capacity to spend, aspirations and aesthetic choices. The drive to look for luxury lifestyle items is expected to rise rapidly. This development represents an enormous opportunity for Acrysil as we have the mind, the muscle and the means to capitalize the consciousness among the potential customers. In the future, the increasing customer expenditure on luxury items, more women in the workforce, increasing construction of premium homes



and a high number of distributors will lead to better consumer adoption in a medium to long-term duration. Having been active in the markets for more than three decades, we foresee the changing taste and consumer trends well in advance and continuously innovate to surpass customer expectations. It not only helps us stay ahead of the demand curve but also in identifying new patterns in the industry. We aim for a market presence in 70 nations around the globe in the coming years.

The blend of resourcefulness and elaborate design will generate better products that

will enhance the image of the Company as a go-to brand. Our brands' success and the trust they have earned among our wide range of customers give us the strength to expand our portfolio. With the domestic markets experiencing a slow post-pandemic revival, Our committed go-to-market approach has reaped a comprehensive service network and numerous consumer touchpoints, and we continually aim to deliver enhanced ownership experience. An efficient service network and multiple customer touchpoints allow us to stay closer to our customers which, in turn, converts into pleasant customer experience and loyalty.



# Exploring New Frontiers

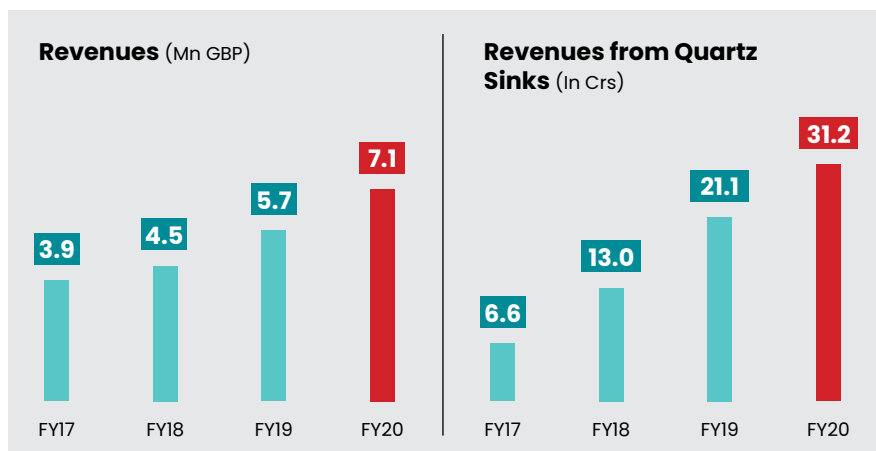
**Acrysil Products Ltd (Formerly known as Homestyle Products Ltd)**

## Global Presence



**Marcus Smyth**  
MD-Acrysil  
Products Ltd.,UK  
A Subsidiary of  
Acrysil UK Ltd.

In Acrysil Products Ltd, Acrysil owns 100% through WOS Acrysil UK Limited. Homestyle Products Limited has recently changed its name to Acrysil Products Limited. Offering deals in quartz sinks, steel sinks, taps and accessories, and other traded products, the company provides solutions to its clients. During FY20, Acrysil Products achieved a turnover of 7.1 million GBP, a 25% increase from FY19. On the other hand, Quartz sink revenues increased to ₹ 31.2 crores, a rise of 48 per cent from the previous year

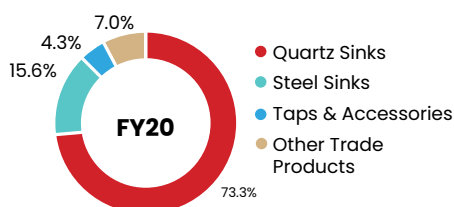
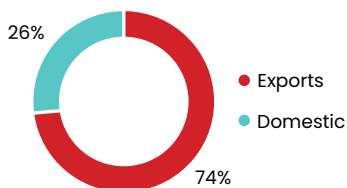
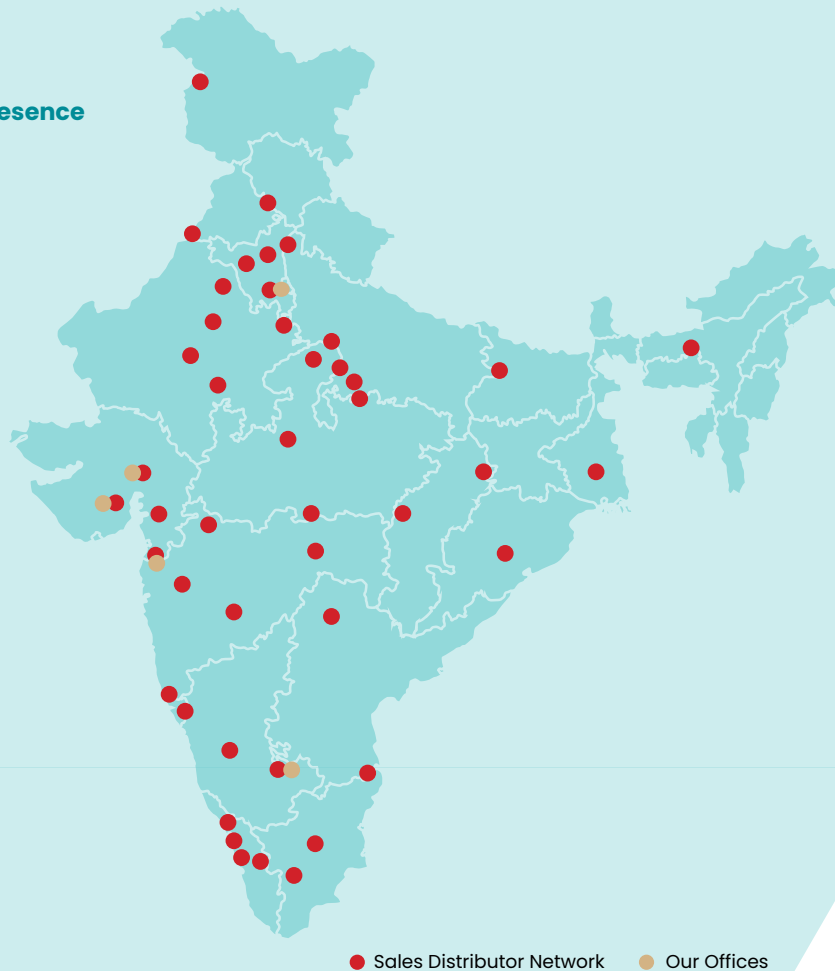


On the domestic scene, the Company will concentrate on strengthening brand presence and channels of distribution across India. Acrysil's plan for the next three years is to reach most parts of India. Through brand awareness

and customer engagement, we are optimistic and inspired for penetrating more markets. Our modular kitchen is in high demand, as consumers prefer enhanced aesthetic value when looking for appliances



## Domestic Presence

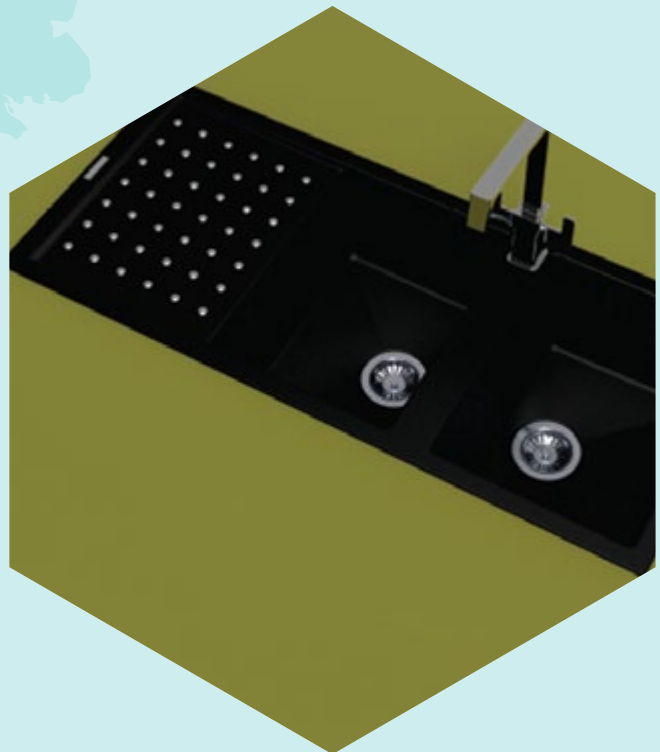


Abiding by the international standards All products of Acrysil follow the standards set by IAPMO, a US-based reputed Plumbing Certification. For the Canadian market, we have the certification of Canadian Standard Association (CSA). Every product, be it wash basin or kitchen sink, manufactured and sold in these markets meet the required standards

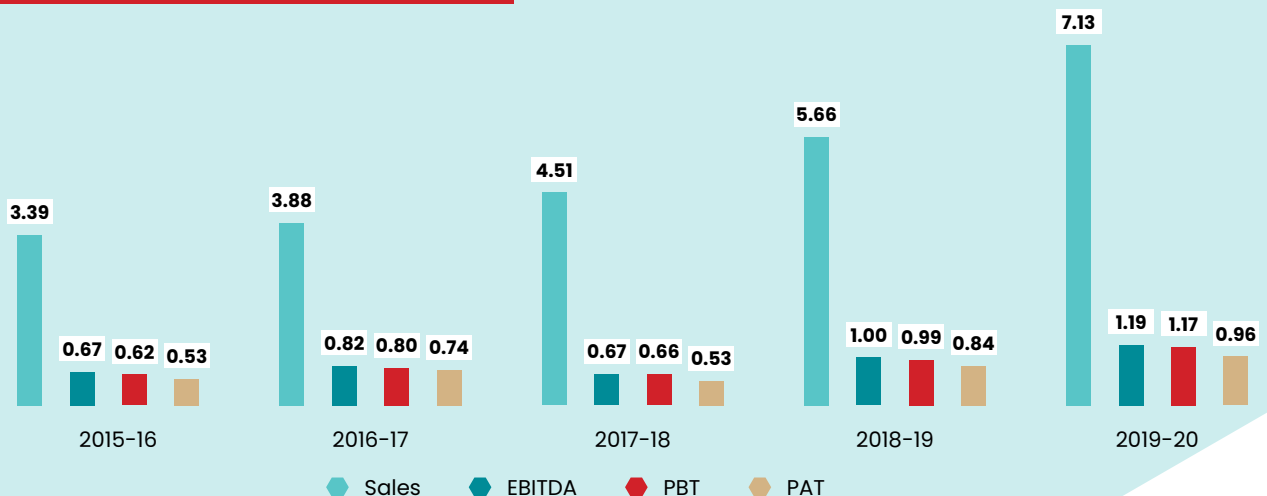
We have gained recognition in various markets, and by becoming

a global player, Acrysil looks to continue along that path. Our main focus is to increase our visibility and market presence in our existing markets. And we have formed key alliances with partners in the USA, UK, France , Israel, Denmark and Germany to achieve our goal. We export to more than 50 countries worldwide. Over the next five years , we expect to gain traction between 75 to 80 nations. We are exploring new markets to become more popular globally.

# Acrysil Products Ltd, UK



## Financial Performance – YoY (GBP in Mn)



# Expanding Our Reach



Customers are the focal point of every business. With the help of a disciplined process, an organisation is effective in assessing the potential of growth opportunities. Factors which prove crucial in this matter are demographics, place and shared preferences or desires of the potential customers, before entering a new market. Exploring new geographies involves a lot of analysis as well as targeting the right set of customers.

Our go-to-market approach has reaped a comprehensive service network and numerous consumer touchpoints, and we continually aim to deliver enhanced ownership experience. An efficient service network and multiple customer touchpoints allow us to stay closer to our customers which, in turn, converts into a pleasant experience and loyalty. Our dealer network has increased by 15% in FY20, to ~1500 over the last three years. We are focussing on strengthening our distributor network relationships and penetrate more markets.

We are dedicated towards the worldwide expansion of the Company, to touch more lives and increase our value proposition.

In FY20, your Company forayed into many new markets, including Chile, Cyprus, Tanzania, Oman and Qatar. Acrysil will aim towards industry dominance by decoding the consumer values and demands of the relevant markets.

On the domestic front, your Company will continue to open new showrooms and galleries for its showcasing its products. We have enhanced our identity by penetrating markets such as J&K, Leh-Ladakh, Meghalaya, Puducherry, Jamshedpur, Arunachal Pradesh and Kerala.

In FY21, new Carysil franchisees will also be roped in for increased market penetration, pan-India. Improved distribution networks and promotional campaigns will enhance our presence in metro cities, like Delhi, and Tier 2 and 3 cities. For sustainable progress, we form strategies centred around consumer satisfaction and product development. The following activities are a core part of our marketing efforts:

- Interaction with shareholders, designers, architects, etc.
- Participation in domestic and international conferences

To advertise its capabilities, Acrysil has ensured that its products are regularly showcased at various events. By participating in multiple tournaments, conferences, meetings and much more, Acrysil ensures that the overall atmosphere and brand space in the industry remain positive. We look forward to sustaining and extending our development with the goal of becoming the brand that resonates trust and excellence.

Acrysil has developed an in-depth understanding of growth trends, demand estimates, competitors and possible entry barriers. We evaluate our markets and form strategies so as to represent ourselves effectively. While designing our products, we partner with acclaimed professionals who combine balance, tradition and modernity in the right ratio for creating a stand-out brand identity.

As an organisation, we strive to create a better tomorrow and believe in constant growth, as we look for new plans for gaining market control. We are treading carefully in matters of branding as we wish to be a long-term player and gain customers consistently.

# Driving Growth Through Innovation



Change fuels innovation and serves as the foundation for a revolution. Acrysil has been able to adapt its business with economic situations and has found success. This also includes modifying market strategies, redefining organisational procedures and responding to emerging patterns so as to improve the Company's overall performance. Reinvention proves an organisation's ability to achieve its goals even during the most challenging times. One of Acrysil's most defining traits is the ability to think new, maximise opportunities, rely on small ways that add to the big picture and execute the unimaginable.

In the wake of the pandemic, the online sales of the Company have

improved significantly, becoming an important growth driver for us. Our products, like air purifiers and motion-sensing chimneys, were popular amongst families who paid attention to ensuring clean and safe living conditions. The latter, in particular, contributes towards a safer kitchen as they are operated without touches, which makes them free of contagious pathogens. The idea to integrate the latest technology with our products has reaped benefits for us and we will continue to follow this path.

With our technical proficiency, within our current product line, we constantly launch new variants that are in accordance with our fast-paced market strategy. To

continuously build an enriching and elevating the customer experience, our division is actively focused on creativity and supporting its scope with in-depth research every step of the way. We understand the diverse tastes of our customers and offer goods to please them.

Our design department works tirelessly to rejuvenate the portfolio with innovative and compelling products to meet our customers' changing expectations. Unwavering attention is paid to new product creation, improved manufacturing processes, reduced waste and a better input-output ratio.



Developing new Anti-Bacteria sinks which will give success to Acrysil in COVID times.



Acrysil is the first Company in the world to carry out the composite quartz moulding of a 90-degree Apron Sink. Our Sternhagen Brand secured 'Sani-Q,' a patented high-tech quartz material that will take the architecture of the bathroom to a new level. Its distinctive features make Sani-Q a material par excellence for applications requiring exceptional resistance, ease of maintenance and long service life. The Company has partnered with a leading Hungarian firm to produce 3D Composite Wall Tiles, becoming Asia's First Firm and the world's second-largest company to do so.

By introducing state-of-the-art machines and specialised diamond tools harmonised

with a wet cutting system, we have automated the machining process. This has helped us lift the bar to the global manufacturing scale and dramatically improve the quality of Sinks. The advanced cutting allows the fulfilment of the customer's demands. The breakthrough in mould making technology has improved the mould manifold's lifecycle. As a result, we manufacture sinks at a faster pace to keep up with customers' demand schedule and cut costs, as mould breakdown times are now almost negligible. We have more than 130 moulds and 400+ SKUs in our range.

Packaging plays a vital role in providing consumers with enhanced product experience

and creating a positive picture of the brand. Acrysil serves a broad audience across geographies and preferences for the product. We are able to adapt rapidly to changing customer preferences, offering consistently tailored products. Therefore, our packaging specifications adhere to the guidelines of the International Safe Transit Association (ISTA), USA and represent our customers in packaging compatible with ISTA 1, ISTA 2A, ISTA 3A and ISTA 6, in accordance with the product's design.





# Moving Forward

The recent year has been a daunting one for the global economy, as the rising geopolitical tensions and poor trade ties between two major economies over the year have stifled any hope of recovery. All over the world the economic situation is at the cusp of a big transition. The coronavirus pandemic has provided us with an opportunity to review our methods and to invent new ones to cope with the situation, while maintaining efficiency and excellence. We remain hopeful on the basis of our strengths and a long-term track record of success. The Company has ample sourcing and liquidity for extending its operations and handling all its debts.

The global economy is at a standstill as we reach a new fiscal year. The impact of the pandemic has been intense and will be crucial for all individuals and organizations in the coming months. We are in contact with our loyal customers and find ways to

continue adding value for them through the launch of new offers. We are increasingly focused on growth drivers and anticipating changes in the macroeconomic conditions that will require, improving market momentum.

Continuous efforts are ongoing at the Company, more emphasis is laid on cost optimization and increasing our production efficiency. Acrysil has been one of the leading players in the kitchen market with the launch of new technology, designs and colors. Our brands Tek Carysil, Carysil and Sternhagen have been able to attract an audience due to their value addition. Acrysil's partnership with Farah Ali Khan will instil a distinctive sense of beauty and style in making Sternhagen the most favored brand in the luxury bathroom suites segment. Our range of products have a strong foothold and are increasing their market share both globally and domestically. Our demand and influence in various geographies,

through our distributor networks and cost-effective approaches, continues to be dominant.

The lockdown had stopped our operations temporarily, but we were able to start productions in less than 30 days. The demand for our products was satisfactory and encouraging in the overseas markets. With UK and EU countries emerging from the pandemic, we expect orders to be smooth from those places. Depending on the perspective of the customers, the market for our home improvements goods are likely to see an uptrend.

The foundations of the Company are based on strong values and a willingness to make products which shape the future. Our products define class and innovation, which makes us unique in the industry. More importantly, we are committed to our quality and design ethics and are assured that we can prevail through any ups and downs in the times ahead by adhering to our fundamentals.

## Financial Performance for 2019-20

Standalone Total Revenue increased 8.87% to ₹ 219.36 crores in FY20, against ₹ 201.49 crores in FY19.

On a Consolidated basis the Total Revenue of the Company increased by 10.73% to ₹ 280.96 crores in FY20 from ₹ 253.73 crores in FY19.

International Sales, including Exports Sales registered a growth of 14.69% and increased to ₹ 203 crores in FY20, compared to ₹ 177 crores in FY19.

Domestic sales fell 2.67% to ₹ 73 crores in FY20, against ₹ 75 crores in FY19.

On a Standalone basis, PAT increased by 8.57% to ₹ 12.79 crores in FY20 as compared to ₹ 11.78 crores in FY19 and on a Consolidated basis, PAT increased by 30.78% to ₹ 22.86 crores in FY20 as compared to ₹ 17.48 crores in FY19.

Company Directors have recommended a dividend of 60%.

Our debt-equity ratio stands at 0.63x and Return on Capital Employed stood at 21.25% as of 31<sup>st</sup> March, 2020.



# Human Capital

Success is achieved by the combined effort of a group of people dedicated towards a singular goal. The greatest of mankind's achievements have been a result of a team with determination and proper guidance. At Acrysil, it is our commitment towards a better future to hire talented individuals,

and nurture them for having a bright future. As a result, the employees will be efficient, skilled, and gratified. The work ethics at Acrysil are meant to improve efficiency, promote partnerships, and foster innovation. We believe in effective communication, professional ambiance, and implementation of the best

human resource practices. Acrysil is appreciated for ensuring the proper care of employees by making all company processes transparent. We have received a host of awards and accolades by numerous reputed juries Plant visit of shareholder.

## Key people activities in FY19-20

- Up-gradation in Reception with IVR & Bluetooth Device.
- Atomization in Housekeeping
- Health Checkup of All employees
- Training on Eliminating Rework – to pack casted sinks.
- Training Casting MSDS & Workshop on Casting Defects to bring Casting Rejections.
- Rotary Sports League 2020
- Security Training
- Training on Exporters – Importers know about HSN Code Classification under GST & FTP Avoid Problem
- Six Sigma Training
- Supply Chain Security Training
- MSDS
- Training





## Our Core team



**Anand Sharma**

Chief Financial Officer



**Neha Poddar**

Company Secretary



**Manish Thakkar**

Sr. GM Operations



**Mitesh Chauhan**

GM Exports



**Amithaabh Upadhyay**

VP (Sales & Marketing), India



**Pradeep Trivedi**

Head HR & Admin



**Ambareen Shaikh**

Corporate HR Manager

## International Team



**Marcus Smyth**

MD - UK Operations



**Charlie Chu**

Sales Operations China



**Merle Wigger**

Business Development Sales Head - Germany



**Louise Carpenter**

National Account Manager

# Coporate Social Responsibility



## Medical Area

### ICU Ambulance

The objective was to provide medical facility to poor class people. So we purchased the ICU ambulance and handed it over to Red Cross Society, Bhavnagar. Red Cross Society in Bhavnagar has 5 Dispensaries, 2 Hospitals in Alang ship breaking yard and its own medical check up bus. Present Guests were Shri. Jay-pal Singh Rathod - SP, Shri. Ashok Yadav - DIG and Shri Chandrakant Valvi- GST Commissioner.

## Social Area

### Tree Guarding

The objective was to encourage people for tree protection and plantation at Kardej village, Bhavnagar. In total we funded 100 nos of tree guards.







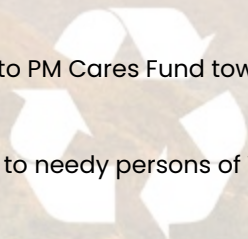
### Educational Area

#### Project Funding for Sustainable Energy

The objective was to encourage students to come out with cheaper projects which help poor class people. This was for the Engineering students from colleges of Gujarat. So in total we funded 13 projects of non-renewable energy sources

### COVID 19

- Donated ₹ 20 Lakh to PM Cares Fund towards COVID 19.
- Distributed food kit to needy persons of Village Navagam







# Management Discussion And Analysis

## Global Economy

In 2019, global economic activity slowed dramatically following strong growth in 2018 due to factors that emanated from both developed and developing economies. Global growth stayed rather optimistic at 3.6 % in 2018 after rising by 4 % in 2017, only to decrease dramatically to 2.9 % in 2019. Global trade conflicts have also become more prevalent over the year, spreading beyond China and the United States to include more countries; causes of these conflicts include economic instability linked to Brexit, reciprocal accusations of protectionism between the European Union and the United States, and an economic dispute between the two countries. The trade tensions have, in particular, intensified cyclic headwinds in the telecommunications and

automotive industries, both of which have large networks of cross-country production. High confusion about future trade decisions has resulted in decline in business morale, denting investment growth in many countries. Such developments, in effect, have depressed global capital and intermediate-goods demand, leading to the downturn in international trade.

Growth across emerging markets at the start of 2020 was slower than anticipated largely due to country-specific shocks weighing on domestic demand. Because of tough financial conditions and systemic problems, economic expansion in China went into a tailspin with 6.1 % growth in 2019. Regardless of the pandemic, the closure of factories and regional lockdowns adversely impacted consumer demand and reduced investment flow at the end of the year. The pandemic constitutes the greatest economic impact experienced by the world economy in a century, causing global investment to crash. The spillovers across borders have affected financial and commodity markets, global commerce, supply chains, transport, and tourism. Equity markets around the world plummeted, spreads to riskier debt groups widened considerably, and EMDEs witnessed massive outflows of capital in most of March and April that only recently bottomed out. As a result of falling global demand, commodity prices have declined sharply, with oil especially impacted.

Financial markets experienced extreme volatility in developed countries, as uncertainties continued and early efforts to contain the pandemic fell well short of market expectations. Central banks in developed countries responded to inject liquidity with interest rate cuts and asset purchases, sustaining credit flows and stabilizing equity and bond prices. Increased investor risk aversion has triggered large outflows of capital from many large developing economies, leading to large currency devaluations and tighter credit conditions.

Given that uncertainty around the outlook remains

extraordinarily high, alternative scenarios help to highlight the near-term spectrum of possible global growth outcomes. Recent indicators suggest that global trade is on track to decline more than it did during the global financial crisis in 2008, partly due to the disruptions caused by the COVID-19 pandemic by international travel and global value chains. Investment is considered more cyclical and trade-centred in comparison to other sections of expenditure, and has fallen significantly as businesses are facing funding challenges which are ultimately delaying growth. Export companies are more involved in the credit markets and are severely affected with the increase in credit costs.

The 2020-21 financial year has started on a cautious note, with COVID-19 having seriously impacted various industries. The global economy is projected to grow by 5.8 % in 2021, according to the International Monetary Fund. Governments are struggling with measures to mitigate the pandemic's economic effects. Fiscal stimulus initiatives are unlikely to revive aggregate demand, although they are important to preserve income and wealth and to avoid bankruptcies, as incentives to purchase many goods and services remain small.

### Indian Economy

In 2019, the Indian economy experienced a significant slowdown. The economy expanded at a six-year low rate of 4.7% in the third quarter of the previous year. Underlying this decrease in GDP growth over 2019-20 is a downturn in private consumption, a slowdown in total capex, and a contraction in volumes of trade as a result of global growth and demand declining. The demand for investment and consumption had languished, and a number of stimulus measures were taken to get the economy back on a path to growth.

The government continues to operate proactively, and the proof lies in the reported measure showing that the government is recognizing economic conditions and is prepared to act. Important policy announcements have been made in the last few months to balance both sides of the equation and

boost both demand and supply. These include liberalization of FDI requirements for select sectors; rollback of a much-debated tax surcharge on foreign portfolio investors; opportunities to help multiple industries; consolidation of PSU banks; and significant corporate tax rate reductions. It is expected that these steps will enhance credit growth, increase capital inflows, reinvigorate private spending and hiring, and thus boost economic growth. Given extreme headwinds, these critical steps would likely minimize the negative effect of a combination of global and local economic factors on the Indian economy.

During the last quarter of current fiscal year, there was a good possibility of recovery. Nevertheless, in the near to medium term, the latest coronavirus outbreak has made recuperation extremely difficult. The outbreak has now presented Indian economy with fresh challenges, causing severe disruptive effects on both demand and supply side elements that have the potential to derail India's growth story. In the first half of FY20-21 it is expected that the nationwide lockdown and the consequent suspension of economic activity due to the pandemic will seriously jeopardize economic growth. In the lockdown period, apart from the continued resilience of agriculture and related activities, around 70 % of the economic sectors will have little to zero added value. Depending on the severity, distribution and length of COVID-19 these sectors of the economy will be adversely affected. The global slowdown could worsen in a prolonged spread that leaves supply chains disrupted, generating uncertainty for India.

India will use this time of revival in terms of planning for the future to gradually, but steadily, strengthen its core strengths. India has emerged as the world's fastest growing major economy, and is expected to become one of the world's leading economic powers over the next 10-15 years, backed by robust democracy and strategic relationships. Easing the liquidity crisis, reducing lending rates, easing monetary policy and introducing new fiscal stimulus packages and focus on Atmanirbhar Bharat will help to reduce the downturn blow.

## Industry Overview

### Kitchen Sinks Industry



The kitchen is one of the best aspects of any household and it must be equipped with the latest technology and amenities. Sinks are an essential part of kitchens, as they add both aesthetic and practical value. Modern homes have beautiful sinks which accentuate the kitchen's décor. The global kitchen sink market is divided between numerous small and mid-sized in various markets. Local players are trying hard to gain foot in their markets by manufacturing products at reasonable prices and thereby rising the demand. Europe is the biggest market for kitchen sinks with North America occupying the second place. These are the regions marked by lavish lifestyles and the population invests in elegant-looking products for their homes. The consumers in these continents are now emphasising modern kitchen equipment over those products which are solely based on design.

Further, the home improvement segment is growing with the pace of the surging consumer demands. Today's consumers yearn for a unique experience and are getting vocal about their choice of brands and designs. The pandemic has kept people confined to their homes, spurring the obvious requirement for home improvement products. With consumers spending more time at home, there has been an increased wear on household appliances and a desire to remodel, or at least to replace the older appliances.

Another contributing factor in the home improvement industry is online sales growth, which allowed customers to continue with their purchases smoothly without facing the need to venture out. At Acrysil, we oversaw an increase in 30-40% of the total orders catalysed by online sales. This has been possible due

to our fruitful partnerships with recognised retailers and the marketing initiatives carried during the year. The growth from online sales is expected to last for an extended period, stretching to a major part of the next fiscal year.

The Internet of Things is growing to define modern technology, as it seamlessly connects numerous devices to keep them in sync. Products connected with each other via IoT are capable of executing tasks while the consumers only have to give the commands. The technology is now integrated in modern kitchen sinks and consumers now control them by using apps in their smartphones. The result is a better ease-of-use and an enhanced lifestyle.

With more construction projects, increased access to clean water and improved sanitation facilities in developing economies, the demand for kitchen sinks is set to rise. Additional factors like increased per capita expenditure on these products, transition to a Western lifestyle and better standard of living will contribute heavily towards the purchase of modern kitchen sinks globally. It is anticipated that the worldwide kitchen sinks market will be valued at USD 3,105 million by 2026 with a CAGR of 3.3%.

The growing commercial sector, which include hotels and restaurants, will lead the demand for luxurious kitchen sinks on a global scale. Over the last couple of years, the demand for water sinks has also been driven by the renovation of traditional kitchens and fitting more furnished and durable products.

### Kitchen Appliances Industry



In the 21st century, consumers desire a kitchen space which is more up-to-date with the latest trends and user-friendly. Modern kitchens use this as an advantage, as they enable the consumers to use technology for operating the devices. Modular kitchens are quickly capturing more customers, as they are a smart and sustainable option. The global



kitchen appliances industry has been progressing over the years on the back of its innovative products and adoption of technology. The built-in kitchen appliances have a more sophisticated appeal and grab the attention of the audience while offering an advanced kitchen experience. The change in lifestyle and increased disposable income has prompted consumers to bank on modern kitchen appliances for their needs.

The rise in the number of nuclear families, rapid urbanization, more women in the workforce, the concept of open kitchens and increased penetration of online distribution channels in Tier 2+ cities have been driving the growth of the kitchen appliances industry in India. This segment now relies heavily on innovation as new trends continue to capture the market. Large kitchen appliances are attracting traction with products like hobs, chimneys, microwaves and much more. On the back of such demand, this segment is expected to grow at a CAGR of 8.6% between 2019-2025.

In the near future, the growth prospects for the Indian economy remains positive thanks to its young population, impressive savings and investment rates, more integration with the global economy and low dependency ratio. The Tier 1 and 2 cities are primed to be the high disposable-income cities with better purchasing power, increased Internet penetration and a brand-conscious audience. The government's emphasis on the infrastructure and economic development of the country in the last five years has inspired numerous people to shift to urban regions.

## Operational review

### Quartz Sinks



Acrysil has over the years amped up its production capacity of quartz sinks as per the growing demands

of the consumers and to benefit from the economies of scale. As a result, the manufacturing capacity now stands at 5 lakh sinks p.a in FY20. The company is dedicated to meet the demands of the customers by continuing to produce high-quality quartz sinks which meet global standards, remain durable for a long time and are visually appealing.

The quartz sinks remain a major contributor to the Company's revenue with a share of 73% in FY20. We have manufactured more than 120 models for improving our product portfolio. In light of recent developments, it was noticed that the quartz sinks are now more preferred over their stainless-steel counterparts. This trend has been observed in America, Germany, UK and France. In the near future this trend will reach other parts of the world. As the lockdown is being lifted in a systematic manner, the demand for these sinks is expected to rise.

Acrysil's quartz sinks are available in more than 1,500 outlets in India and are trusted by builders and various modular kitchen studios for their premium segment. In FY20, 3,86,751 quartz sinks of Acrysil were sold, in comparison to 3,45,510 in FY19. On the other hand, ₹ 146.57 crores worth of these sinks were exported and the domestic sales reached ₹ 34.89 crores.

### Stainless Steel Sinks



This segment is for those consumers who are inclined towards steel sink and also spend more for high quality and attractive designs. As of now the manufacturing capacity of steel sink stands at 90,000 Sinks p.a, Press Sink Capacity stands at 60,000 sinks p.a and Quadro sink capacity at 30,000 sinks p.a. Quadro (Designer) sinks production capacity is almost 100% utilized while Press steel sinks are approximately at 70% utilization. The stainless steel sinks have accumulated a revenue of ₹ 21.39 crores, which was ₹ 21.40 crores in FY19. The Company looks

forward to innovating its products to enrich the lives of numerous households and offer an unmatched lifestyle with its premium kitchen sinks. During FY20 we introduced a new range of innovative products like Square Sinks and Micro Radius. In lieu of the current pandemic, the Company has come up with strategic steps of developing more products in the stainless steel segment to minimise the impact and meet the demands from various markets.

### Kitchen Appliances



Acrysil is well-placed to become a major player in the overall kitchen industry. Our commitment towards the satisfaction of our consumers is represented by our variety of products available, including dishwashers, ovens, hoods, etc. Fuelled with consistent innovation, emphasis on research and development and intricate designs we will continue to serve our customers and stand out in the market. It is our plan to explore more markets and increase our global footprint. The revenues from kitchen appliances amounted to ₹ 15.82 crores in FY20, in comparison to ₹ 15.26 crores in FY19.

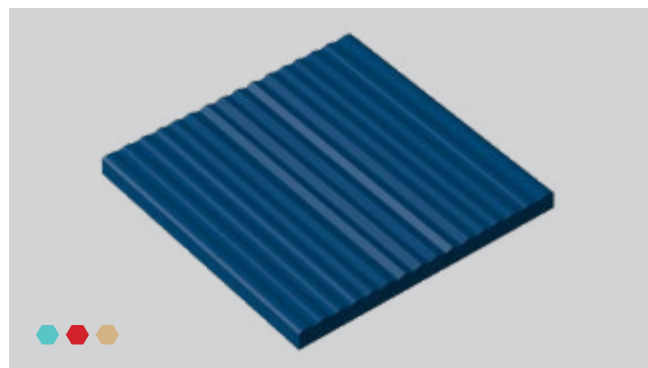
### Quartz Wash Basins and 3D Tiles



Acrysil's range of quartz wash basins and 3D tiles have received a welcoming response from the

consumers ever since their entry in the market. They have been successful in becoming a trend-setter and attracted huge demands. The Company sold 804 washbasins in FY20, as compared to 841 in FY19. The aggregate value of this segment is ₹ 0.96 crores for FY20, which was ₹ 1.21 crores in FY19. Furthermore, the Company sold 30,619 3D tiles in FY20, as compared to 22,163 in the previous fiscal year. The aggregate value of 3D tiles in FY20 stands at ₹ 0.78 crores, as compared to ₹ 0.57 crores in FY19.

### Sternhagen Bathroom Suites



Sternhagen is a popular German luxury brand, wholly owned via its subsidiary 'Acrysil GmbH'. The range of products in this portfolio include premium bathware fittings, sanitaryware, and highlighter tiles. The washbasins of Sternhagen are made from Sani-Q and designed by EMAMIDESIGN. The R&D in quartz sink technology assisted in preparing the patented superior quality quartz material which took bathroom décor to a new level. Sternhagen is credited with the idea for the first complete bathroom suite. The concepts are ready and the Company will soon launch the full range of products, which include fittings, WCs and much more. In FY20, we introduced the SH series for a mass market appeal. Furthermore, we launched the new rose gold collection in the premium sanitary ware range and bath fittings. The Company currently has more than 60 showrooms and SIS for displaying its high-quality products.

The Sternhagen bathroom suites are designed to elevate the bathroom experience by combining style with technology. They contain the best of engineering marvels in the segment and stand apart as a statement. The brand includes numerous elemental shaped, latest designs, modern technology and premium solutions to give the consumer the best bathroom experience.

## Brand Building and Marketing



Acrysil has always emphasised the importance of brand building and marketing for the success of its products in various markets. The Company has invested in this segment for retaining its assertiveness in the industry and standing out as one of the top companies. The marketing team has continuously worked hard for connecting consumers with us and advertised our Company on various mediums. As a result, we have had sponsoring events, meetings with distributors and dealers, franchisees, consultants, etc. and conducting many conferences across the globe. Marketing will be crucial in providing a more personal experience to our consumers and giving the Company an edge in the market. The Carysil brand of products fulfil their assurance of great products with reasonable pricing. The Sternhagen range, on the other hand, has provided the most innovative and elite bathroom experience to the audience and reflects our will of prioritising quality above everything.

## Financial Overview

In FY20, we continued to push towards reaching our business objectives and attained the highest annual turnover in the history of the Company. This has been possible due to increased operational efficiencies and consistent value addition. In the coming years, we aim to increase our return on the capital employed and concentrate on reducing the debt levels.

**Standalone:** At the end of FY20, our standalone revenue improved by 7.85% to touch ₹ 214.37 crores, which was ₹ 198.76 crores in FY19. The export sales increased by 12.16% to ₹ 157.01 crores in FY20, in comparison to ₹ 139.98 crores in FY19. The pandemic of COVID-19 slightly affected our domestic sales, which fell by 2.42% to ₹ 57.36 crores, as opposed to ₹ 58.78 crores in FY19. We continue to back our

marketing and distribution channels for enhancing our domestic results. The Profit After Tax improved to ₹ 12.79 crores in FY20, which is an 8.57% improvement from ₹ 11.78 crores in FY19.



**Consolidated:** The consolidated revenue of the Company increased by 9.79% to ₹ 276.23 crores in FY20, which was ₹ 251.6 crores in FY19. The consolidated PAT after minority interest rose by 28% to ₹ 22.08 crores in FY20 from ₹ 17.25 crores in FY19.

The earnings per share stand at ₹ 8.38 at the end of FY20, compared to ₹ 6.64 in the previous fiscal on a consolidated basis. The Company has always had a consistent dividend policy and the Directors have suggested a dividend of 60% subject to the approval of members at the Annual General Meeting of the Company.

## Human Resources and Development



The Company's Human Resource division is its biggest asset. The organization aims to maintain a safe and respectful working atmosphere and makes efforts to have good relationships among its workers. Thanks to the hard work of HR over the years, a skilled workforce is being built to fulfil the vision of the organization. Development of the employees' skill is one of our endeavours as a visionary organization. By



providing them with job training, seminars related to functional / technical, general / behavioural, in-house and external training programs, we prioritize enhancing the skills of our employees. Our emphasis has been to cultivate proper work ethics, reward hard-working employees and give everybody equal opportunities to develop. Diversity in the organization is a sign of progressive leadership, as it leads to a wholesome workforce formed by professionals with bankable skills. The Company understands the importance of a clean and productive work environment and implements steps to ensure a sustainable space. In line with our wish to make Acrysil a desirable working organization, we motivate others to reach for excellence and appreciate their efforts likewise. As of 31<sup>st</sup> March 2020, the workforce of Acrysil stands at 316 employees.

### Research and Development



Constant innovation is one of the core competences of Acrysil, as we always strive to improve on our performances. We have transitioned towards a customer-centric approach and look to continuously add value to our client base. Our success as an industry leader depends heavily on the timely and continual launch of innovative products which define a new trend. Combining technology to our services adds a new dimension and Acrysil believes in capitalising such opportunities. The smile of our customers is an achievement for us, which we aim to earn every time we introduce a product. Our revolution in mould-making technology will improve the life cycle of our mould, ultimately enhancing our sinks. Furthermore, the manufacturing of sinks will be on time and we will be able to deliver on the promised dates without breakdowns.

Pristine packaging also dictates the success of any product. Since we operate in wide geographies, it is our duty to ensure that the products reach our

customers safely without any dents or morphs. By ensuring an economical packaging plan, we aim to become the most popular sink manufacturer. In this regard, the R&D experts have been dedicating their efforts to improve packaging.

In the kitchen appliances segment, the Company has introduced modern products like motion sensor chimneys, built to offer better experience and improve lifestyle of the consumer. This is aligned with our endeavours of meeting the needs of the consumers and providing complete product satisfaction. The Company is motivated to build on the success of its products and appreciation from all corners by innovating new products.

### Outlook



The industry is in the midst of uncertain times, which call for adapting to the new normal by changing its operations likewise. Once the pandemic ends, the world will seem like a new place where the old methods will not be fruitful. Continuous hard work and standing by its ethics are what differentiate Acrysil and make it one of the most revered brands in the industry.

The Company has a range of attractive products in the kitchen and bathroom segments. We are recognised globally as an organization which delivers on its promises and provides the best experience by efficiently combining technology with its products. Hard work, innovation and customer satisfaction form the core of our values and we strive to achieve them every year. In this regard, we continue to bolster our workforce and focus on manufacturing products which catch the eye and add value.

The COVID-19 has not impacted our motivation to continue serving the population. We look at this situation as an opportunity to rethink our operational methods and come up with creative ways to connect

and advertise ourselves, ensuring efficiency even during challenging times. The Company believes in taking practical steps which are productive and prove profitable in the long-term and that is how we will be adapting our methods to the current times for creating the most value.

Our progressive strides and success on all fronts are complemented by a growth rate of 17% in the last six years. Our plans moving forward include forming a good grip in international markets and re-inventing a new lifestyle on the back of our innovative products. These will further help us in entering markets we have not explored yet. The rise in urbanization, more nuclear families and higher purchasing power will be the driving factors for the growth of the Company.

## **Risks and Concerns**

### **Uncertainties in the industry because of COVID-19**

The Company's operations might be impacted by the pandemic and the subsequent lockdown which may be initiated to curb the spread of the virus. As a consequence, the demand for the Company's products may take a dip due to the slowdown in economic activities in various sectors.

Mitigation:

The organization is actively updating its infrastructure and ensuring that the diverse working atmosphere is up to the latest standards. We are following all the safety norms and we are continuously advancing our tools and processes to prevent any safety concern and technical obsolescence.

### **Competition**

The existing players in Quartz Sink market and new entrants in Steel Sink and Kitchen built-in appliances in the industry may provide competition, which might affect our business growth plan.

Mitigation:

Since we are a global brand, we face competition from both domestic and international companies. The kitchen and bathware segments are growing rapidly and we have formed a plan which focuses on strategic marketing and a distinct approach in particular markets. We have managed to retain our status as a big player by focussing on a vibrant product portfolio and the best customer experience. We are expanding globally to mitigate market

concentration risk.

### **Fluctuations in the foreign exchange values might impact profitability**

Mitigation:

The oscillations of the currency values increase the volatility in the global economy. This will continue in the future too, which is why the Company has already taken steps to prevent any major impact on its operations and finance. It is important to ensure customer satisfaction by protecting all the finished goods from the fluctuations of the international markets. We are employing hedging tools to mitigate currency risk.

### **Rising input cost of raw materials**

Mitigation:

The costs of raw materials, packaging materials and plumbing kits directly affect the profit margin of the Company. It is an ordeal to deal with their rising prices and keep them under check. However, Acrysil has kept the prices under control by using the economies of scale, value engineering and its purchasing power.

### **Adequacy of Internal Control Systems**

As a major player in the industry Acrysil depends on efficient internal control systems which ensure the effective utilization of resources, financial reporting and productivity. The systems also look after the Company's adherence to the various laws and regulations. We maintain our internal control systems to maximise output, increase control over transactions and optimally use our resources.

The internal audit system is responsible for the implementation of the internal controls, adequate processing, transactions as per the Company's policies and commensuration of controls. The Company has a business planning system which identifies targets and parameters for particular operations. The performances are monitored on a regular basis and real-time corrective steps are executed, whenever required. Company has adequate internal control systems commensurate with the size and nature of business.

### **Disclaimer**

All the statements in the Management Discussion and Analysis Report, which label the Company's objectives, estimates, expectations, and projections may be considered "forward-looking statements", the meaning of which falls within applicable securities



laws and regulations. The real-world results might alter on a materialistic basis from those stated or expressed. Numerous factors which include, but are not limited to variables which affect demand and supply, input prices fluctuation of exchange rate, etc. over which the company does not have direct influence, can make substantial difference to the operations of the company. The company is not obligated to update or revise any statement which is forward looking, on a public basis, whether due to future events, new information, or otherwise. The MD&A must be read in unification with the financial statements of the company included herein. The facts and figures provided in this MD&A relate to Acrysil Limited, unless stated otherwise.

## NOTICE

Notice is hereby given that the **Thirty-Third Annual General Meeting of Acrysil Limited ("the Company")** will be held on Monday, September 28, 2020 at 03:30 p.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.
2. To declare Dividend of ₹ 1.20 (60%) per share on fully paid equity shares of the face value of ₹ 2/- each of the Company for the financial year ended March 31, 2020.
3. To appoint a Director in place of Shri Chirag A. Parekh (DIN: 00298807), who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. To appoint Shri Rustam N. Mulla as an Independent Director (DIN: 00328070) and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Rustam N. Mulla (DIN: 00328070), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term up to March 16, 2025;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To re-appoint Dr. Sonal V. Ambani (DIN: 02404841) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the recommendation of the Nomination and Remuneration Committee of the Board, Dr. Sonal V. Ambani (DIN: 02404841), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2021 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e., up to March 31, 2026;

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**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

6. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 148 and all other provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of

₹ 75,000/- (Rupees Seventy Five thousand only) plus GST as applicable and out of pocket expenses, that may be incurred during the course of Audit to M/s. S.K. Rajani and Co., Cost Accountants (Firm Registration No: 101113) as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to the Cost Auditors appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year 2020-21, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take such steps as may be necessary, proper and expedient to give effect to this resolution.”

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**By order of the Board of Directors  
For Acrysil Limited**

**Neha Poddar**  
Company Secretary and Compliance Officer

Mumbai, August 12, 2020

**Registered Office:**

B-307, Citi Point, J. B. Nagar, Andheri - Kurla Road,  
Andheri (East), Mumbai - 400 059.

Tel.: 022-4015 7817/18, Fax: 022-2825 8052

CIN: L26914MH1987PLC042283

Email: cs.al@acrysil.com

Website: www.acrysilcorporateinfo.com



## IMPORTANT NOTES:

- 1) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- 2) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
- 3) Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed.
- 4) An Explanatory Statement pursuant to Section 102 of the Act, relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 4, 5 and 6 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
- 5) In terms of the provisions of Section 152 of the Act, Shri Chirag A. Parekh, Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting. Nomination and Remuneration

Committee and the Board of Directors of the Company commend his re-appointment.

Shri Chirag A. Parekh is interested in the Ordinary Resolution set out at Item Nos. 3, of the Notice with regard to his re-appointment. The relatives of Shri Chirag A. Parekh may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 3 of the Notice.

- 6) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- 7) Institutional/Corporate Shareholders (i.e. other than Individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF / JPEG format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Company by email through its registered email address to [cs.al@acrysil.com](mailto:cs.al@acrysil.com).
- 8) The Company has notified closure of Register of Members and Share Transfer Books from September 4, 2020 to September 8, 2020 (both days inclusive) for the purpose of determining entitlement of members for dividend on Equity Shares, if declared at the ensuing Annual General Meeting of the Company.

## DIVIDEND RELATED INFORMATION

- 9) Subject to approval of the Members at the AGM, the dividend will be paid within 30 days from the conclusion of the AGM, to the Members whose names appear on the Company's Register of Members as on the Book Closure Date, and in



respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details.

Shareholders are requested to register / update their complete bank details:

- (a) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialized mode by submitting the requisite documents, and
- (b) with the Company / Bigshare by clicking on <https://www.bigshareonline.com/InvestorRegistration.aspx> or by emailing at [cs.al@acrysil.com](mailto:cs.al@acrysil.com), if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf. In case shares are held in dematerialised mode, details in a form prescribed by your Depository Participant may also be required to be furnished.

Pursuant to the amendments introduced by the Finance Act, 2020, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April 2020. **No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹ 5,000/-.**

The withholding tax rate / exemption would vary depending on the residential status of the shareholder and documents registered with the Company.

- 10) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities.

In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Bigshare Services Private Limited ("BSPL") for assistance in this regard.

- 11) To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with BSPL in case the shares are held by them in physical form.
- 12) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to BSPL in case the shares are held by them in physical form.
- 13) Non-Resident Indian members are requested to inform BSPL/ respective DPs, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 14) As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held

by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to BSPL in case the shares are held in physical form.

- 15) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or BSPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- 16) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- 17) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 25, 2020 through email on [cs.al@acrysil.com](mailto:cs.al@acrysil.com). The same will be replied by the Company suitably.
- 18) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report.
- 19) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is

being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and notice of the AGM will also be available on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).

- 20) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 21) At the thirtieth AGM held on September 20, 2017 the Members approved appointment of M/s. P A R K & Company, Chartered Accountants (Firm Registration No.116825W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the thirty-fifth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the thirty-third AGM.
- 22) **Instructions for e-voting and joining the AGM are as follows:**
  1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
  2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended)

and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

#### **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Friday, September 25, 2020 (9.00 AM IST) and ends on Sunday, September 27, 2020 (5.00 PM IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Sept. 21, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

(vi) Next enter the Image Verification as displayed and Click on Login.

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app **"m-Voting"**. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance between 9.00 a.m. on Thursday, Sept 24, 2020 to 5.00 p.m. on Friday, Sept 25, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [cs.al@acrysil.com](mailto:cs.al@acrysil.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance till 5.00 p.m. on Sept 25, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [cs.al@acrysil.com](mailto:cs.al@acrysil.com). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs.al@acrysil.com](mailto:cs.al@acrysil.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th

Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**PROCEDURE FOR INSPECTION OF DOCUMENTS:**

1. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [cs.al@acrysil.com](mailto:cs.al@acrysil.com).

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

**Item No.4:**

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (“the Act”), and the Articles of Association of the Company, had appointed Mr. Rustam Navel Mulla (DIN No.: 00328070), as an Additional Director of the Company with effect from March 17, 2020, to hold office as an Additional Director of the Company up to the date of this Annual General Meeting.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the Members.

Mr. Rustam Navel Mulla is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director.

The Company has also received declaration from Mr. Rustam Navel Mulla that he meets the criteria of independence as prescribed both under section 149(6) of the Act and under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“Listing Regulations”).



## EXPLANATORY STATEMENT

### PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

In the opinion of the Board, Mr. Rustam Navel Mulla fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Rustam Navel Mulla is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Rustam Navel Mulla are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS- 2"), issued by the Institute of Company Secretaries of India. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

Mr. Rustam Navel Mulla is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment. Relatives of Mr. Rustam Navel Mulla may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

#### Item No.5:

At the Annual General Meeting held on September 24, 2016, the members of the Company had appointed Dr. Sonal Vimal Ambani (DIN: 02404841) as an Independent Director of the Company, to hold office up to March 31, 2021 ("first term").

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Dr. Sonal Vimal Ambani as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Dr. Sonal Vimal Ambani would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint Dr. Sonal Vimal Ambani as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Dr. Sonal Vimal Ambani is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given her consent to act as a director.

The Company has also received declaration from Dr. Sonal Vimal Ambani, that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Dr. Sonal Vimal Ambani fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Dr. Sonal Vimal Ambani is independent of the management.

Details of Dr. Sonal Vimal Ambani are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings within the limits stipulated under Section 197 of the Act.

Dr. Sonal Vimal Ambani is interested in the resolution set out at Item No. 5 of the Notice with regard to her re-appointment. Relatives of Dr. Sonal Vimal Ambani may be deemed to be interested in the resolution to the extent of her shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

#### **Item No.6:**

The Board of Directors of the Company, on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. S. K. Rajani & Co., Cost Accountants as Cost Auditor to conduct the audit of the cost records of the Company's manufacturing units at Bhavnagar for the Financial Year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit

and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor requires to be ratified by the Members of the Company. Accordingly, ratification of the Members is sought as referred to in the Resolution at Item No.6 of the Notice of the payment of the remuneration amounting to ₹ 75,000/- (Seventy Five thousand only) for Cost Audit plus applicable tax rate and out of pocket expenses payable to the Cost Auditor for the Financial Year ending March 31, 2021.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for ratification by the Members.

**By order of the Board of Directors  
For ACRYSil LIMITED**

**Neha Poddar**  
Company Secretary

Mumbai, August 12, 2020

#### **Registered Office:**

B-307, Citi Point, J. B. Nagar,  
Andheri - Kurla Road,  
Andheri (East), Mumbai - 400 059.  
Tel.: 022-4015 7817/18  
Fax: 022-2825 8052  
CIN: L26914MH1987PLC042283  
Website: [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com)  
E-mail: [cs.al@acrysil.com](mailto:cs.al@acrysil.com)

## ANNEXURE TO THE NOTICE DATED AUGUST 12, 2020

Particulars /Name	Chirag A. Parekh	Rustam N. Mulla	Sonal V. Ambani
DIN	00298807	00328070	02404841
Date of Birth and Age	30-08-1969 50 years	20-11-1971 48 years	19-04-1959 61 years
Date of first Appointment on the Board	02-11-2002	17-03-2020	23-05-2016
Qualifications	B.B.A. European University, Switzerland	B. Com., LLB, Solicitor	Ph.D in business management and an MBA in marketing and finance
Experience (including expertise in specific functional areas)	Experience of more than 2 decades in Administration, Finance, Marketing and Personnel Management.	Have been involved in a wide spectrum of legal practice over the last 20 years. His core areas of practice: Corporate Law, Property & Realty Laws, Dispute Resolution, arbitration and commercial Litigation, Holistic complex family dispute settlements.	Dr. Sonal V. Ambani began her career in investment banking and was a Vice President with Morgan Stanley Dean Witter in New York. She holds a PhD in Business Management, and is the founder Chairperson of FICCI Ladies Organization (FLO) Ahmedabad. She is the Vice Chairman of the CII Indian Women Network (IWN) whose objective is women empowerment in India. She holds two patents granted in the US, "Systems and Method for Providing Financial Services to Children and Teenagers" and "Purchase Management System and Electronic Receipts." Dr. Ambani is also a member of the United Nations Development Fund for Women (UNIFEM), the founder of the Cancer Screening and Research Trust (CSRT), and founder of World Peace 2040, a movement that has received significant support, with Mohammed Yunus on the Advisory Board and received a Pfeffer Peace Prize in New York for the same. In addition to this, she is the curator and founder of Samara Art Gallery promoting young artists and is a sculptor herself having created works in a variety of materials.
Terms & Conditions of Re-appointment/ Appointment	As per the resolution at Item No. 3 of the Notice convening the Annual General Meeting read with explanatory statement thereto, held on September 13, 2019.	As per the resolution at Item No.4 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Rustam N. Mulla is proposed to be appointed as an Independent Director	As per the resolution at Item No.5 of the Notice convening this Meeting read with explanatory statement thereto, Dr. Sonal V. Ambani is proposed to be re-appointed as an Independent Director
Remuneration last drawn (FY 2019-20)	₹ 181.33 Lakhs	₹ 0.20 Lakhs	₹ 2.25 Lakhs

Particulars /Name	Chirag A. Parekh	Rustam N. Mulla	Sonal V. Ambani
Remuneration proposed to be paid	As per existing approved terms and conditions	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto.	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto.
Shareholding in the Company as on March 31, 2020	86,29,730 equity shares of ₹ 2/- each	NIL	NIL
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the financial year (2019-20)	6	1 (appointed w.e.f. March 17, 2020)	6
Directorships of other Boards as on March 31, 2020	Acrysil Steel Limited; Acrycol Minerals Limited; Sternhagen Bath Private Limited; Acrysil Appliances Limited; CP Sports Ventures Private Limited; Huuves Design Private Limited	Nagarwalla Estates Pvt. Ltd.; Noshill Estates Pvt. Ltd.	Elecon Engineering Company Limited; Anjali Fiscal Private Ltd; Acrysil Steel Limited; Sternhagen Bath Private Limited; Acrysil Appliances Limited
Memberships / Chairmanships of Committees of other Boards as on March 31, 2020	NIL	NIL	<b>Elecon Engineering Company Limited</b>
			Member: Audit Committee; Nomination & Remuneration Committee
			Chairman: CSR Committee

**By order of the Board of Directors  
For ACRYSIL LIMITED**

**Neha Poddar**  
Company Secretary

Mumbai, August 12, 2020

**Registered Office:**

B-307, Citi Point, J. B. Nagar,  
Andheri - Kurla Road,  
Andheri (East), Mumbai - 400 059.  
Tel.: 022-4015 7817/18  
Fax: 022-2825 8052  
CIN: L26914MH1987PLC042283  
Website: www.acrysilcorporateinfo.com  
E-mail: cs.al@acrysil.com

# DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present the **Thirty Third Annual Report** on business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2020. This report states compliance as per the requirements of the Companies' Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company.

## 1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The summary of Standalone (Company) and Consolidated (Company and its Subsidiaries) financial performance for the year under review as compared to the previous financial year are given below:  
(₹ in Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
1	Net Sales / Income from Operations	21,437.31	19,875.60	27,623.19	25,159.87
2	Other Income	498.66	273.45	472.80	213.36
<b>3</b>	<b>Total Income (1+2)</b>	<b>21,935.97</b>	<b>20,149.05</b>	<b>28,095.99</b>	<b>25,373.23</b>
4	Total Expenditure	18,245.62	16,956.76	22,983.08	21,115.78
5	Operating profit before Finance Cost, Depreciation, Tax and Minority Interest (3-4)	3,690.35	3,192.29	5,112.91	4,257.45
6	Finance Cost	777.13	756.37	872.23	972.85
7	Depreciation	1,092.22	767.98	1,192.50	863.91
<b>8</b>	<b>Profit before Tax and Minority Interest (5-6-7)</b>	<b>1,821.00</b>	<b>1,667.94</b>	<b>3,048.18</b>	<b>2,420.69</b>
9	Provision for Taxation	541.87	489.54	761.98	672.48
10	Net Profit after Tax and before Non-Controlling Interest (8-9)	1,279.13	1,178.40	2,286.20	1,748.21
11	Non-Controlling Interest	-	-	78.59	23.54
<b>12</b>	<b>Net Profit after Tax and Non-Controlling Interest (10-11)</b>	<b>1,279.13</b>	<b>1,178.40</b>	<b>2,207.61</b>	<b>1,724.67</b>
13	Total other Comprehensive Income (Net of Tax)	(22.95)	6.63	(110.38)	42.38
<b>14</b>	<b>Total Comprehensive Income</b>	<b>1,256.18</b>	<b>1,185.03</b>	<b>2,097.23</b>	<b>1,767.05</b>

### Notes:

1. The previous year figures has been regrouped wherever necessary.
2. The above figures are extracted from the Audited Standalone and Consolidated Financial Statements as per Indian Accounting Standards (Ind AS).
3. Figures has been rounded off to nearest decimal.



## 2. PERFORMANCE REVIEW

### THE FINANCIAL HIGHLIGHTS OF THE COMPANY'S PERFORMANCE (STANDALONE) FOR THE YEAR ENDED MARCH 31, 2020 ARE AS UNDER:

- The Revenue from operations stood at ₹ 21,437.31 Lakhs in 2019-20 as against ₹ 19,875.60 Lakhs in the previous year, an increase of 7.85% on year on year basis.
- Profit before tax stood at ₹ 1,821.00 Lakhs in 2019-20 as compared to ₹ 1,667.94 Lakhs in the previous year, an increase of 9.17% on year on year basis.
- Net profit after tax stood at ₹ 1,279.13 Lakhs in 2019-20 as compared to ₹ 1,178.40 Lakhs in the previous year, an increase of 8.54% on year on year basis.
- Earnings per share for the year 2019-20 stood at ₹ 4.86/- per share as compared to ₹ 4.54/- per share in the previous year.

### THE FINANCIAL HIGHLIGHTS OF THE COMPANY'S PERFORMANCE (CONSOLIDATED) FOR THE YEAR ENDED MARCH 31, 2020 ARE AS UNDER:

- Consolidated Revenue from operations stood at ₹ 27,623.19 Lakhs in 2019-20 as against ₹ 25,159.87 Lakhs in the previous year, an increase of 9.79% on year on year basis.
- Profit before tax stood at ₹ 3,048.18 Lakhs in 2019-20 as compared to ₹ 2,420.69 Lakhs in the previous year, an increase of 25.92% on year on year basis.
- Net profit after tax stood at ₹ 2,207.61 Lakhs in 2019-20 as compared to ₹ 1,724.67 Lakhs in the previous year, an increase of 28% on year on year basis.
- Earnings per share for the year 2019-20 stood at ₹ 8.38/- per share as compared to ₹ 6.64/- per share in the previous year.

## 3. DIVIDEND

Considering the consistent financial performance of your Company and promising future prospects while retaining capital to maintain a healthy Capital

Adequacy Ratio and to support future growth, your Board of Directors pleased to recommend a final dividend of 60% (₹ 1.20/- per Equity Share) on Equity Shares of ₹ 2/- each for the financial year ended March 31, 2020. The total Dividend amount aggregates to ₹ 320.34 Lakhs. The declaration and payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company and shall be subject to deduction of income tax at source.

## 4. MATERIAL CHANGES, TRANSACTION AND COMMITMENT, CHANGE IN THE NATURE OF BUSINESS, IF ANY FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT

Material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report are given below.

### GLOBAL PANDEMIC – COVID-19

In March 2020, the World Health Organisation (WHO) declared COVID-19 a global pandemic. Consequent to this, Government of India declared nation-wide lockdown for 21 days on March 24, 2020, which further got extended till May 3, 2020 with a conditional relaxations after April 20, 2020 for the regions where the spread had been contained or was minimal, the lockdown was further extended till May 17, 2020, then till May 31, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

On 30 May, it was announced that lockdown restrictions were to be lifted from then onwards, while the ongoing lockdown would be further extended till 30 June for only the containment zones. Services would be resumed in a phased manner starting from 8 June. It was termed as "Unlock 1.0". The second phase of unlock, Unlock 2.0, was announced for the period of 1 to 31 July, with more ease in restrictions. Thereafter Unlock 3.0 was announced for August.

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social

distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The Company's Plant was closed w.e.f. March 23, 2020 to April 13, 2020 (22 days) due to lockdown. However, the Company got permission on April 14, 2020 from concerned authorities, subject to fulfillment of certain conditions, to partially start manufacturing operations to meet export orders backlog.

The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is closely monitoring the situation as it evolves in the future.

#### 5. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

#### 6. MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

Management's Discussion and Analysis Report for the year, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

#### 7. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 stands at ₹ 5,33,89,760 divided into 2,66,94,880 equity shares of ₹ 2/- each. During the year under review, the Company had issued 7,50,000 Equity shares having face value of ₹ 2/- each pursuant to conversion of fully convertible warrants to Promoter and Promoter Group Company.

The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares to the employees or Directors of the Company, under any Scheme (including sweat equity shares) during the year and all the shares rank pari passu in all respect. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

#### 8. TRANSFER TO RESERVES

The Company proposes to transfer sum of Rs.300 Lakhs to the General Reserves. An amount of Rs.4,314.68 Lakhs is proposed to be retained in the Statement of Profit and Loss of standalone financials.

#### 9. CREDIT RATING

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by ICRA Limited as given below:

Instrument	Rating
Long Term Debt	ICRA BBB+ (Outlook Positive)
Short Term Debt	ICRA A2

#### 10. SUBSIDIARY COMPANIES

As on March 31, 2020, the Company has six subsidiaries, including two overseas subsidiaries and one step down overseas subsidiary. There has been no material change in the nature of the business of the subsidiaries. The name of the Step down subsidiary was changed from "Homestyle Products Limited" to "Acrysil Products Limited". There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Act. Financials of subsidiaries are disclosed in the consolidated financial statements, which forms part of this Annual Report. Pursuant to section 129(3) of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of a Company's subsidiaries is given in Form AOC-1 which forms an integral part of the Annual Report. The statement also provide details of performance and financial position of each of the subsidiaries.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited Accounts in respect of subsidiaries, are available on the website of the Company.

During the year under review, Acrysil International FZCO, Dubai, UAE ceased to be Company's Subsidiary.

The Board has approved a Policy Statement for determining Material Subsidiaries of the Company and the same is available on the website of the Company i.e. [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com) under 'Company Policies' in the 'Investor Relations' section.

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the unlisted subsidiary company. The minutes of the Board Meetings of the unlisted subsidiary companies were also placed at the Board Meeting of the Company.

#### PERFORMANCE HIGHLIGHTS

The Company has three operating subsidiary companies: Acrysil UK Limited, Acrysil GmbH, Germany and Acrysil Steel Limited. Further, two subsidiary companies are yet to commence business: Acrysil Appliances Limited and Sternhagen Bath Private Limited.

The performance highlights of subsidiaries and their contribution to the overall performance of the company during the financial year ended March 31, 2020 are as under:

Subsidiary	Performance during FY 2019-20 (₹ in Lakhs)		Contribution to overall performance of the Company (%)	
	Revenue	Profit After Tax	Revenue	Profit After Tax
Acrysil UK Limited	6,568.37	831.01	23.78	36.35
Acrysil GmbH, Germany	645.07	102.24	2.34	4.47
Acrysil Steel Limited	2139.71	118.87	7.75	5.20

Further, pursuant to Accounting Standard AS21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### DIRECTORS:

The Board of Directors of the Company is led by the Executive Chairman and Managing Director Mr. Chirag Ashwin Parekh and comprises of five other Independent Directors as on March 31, 2020.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Company's Articles of Association, Mr. Chirag Ashwin Parekh, Chairman and Managing Director of the Company, retires by rotation at the ensuing

Annual General Meeting and the Board of Directors on the recommendation of Nomination and Remuneration Committee has recommended his re-appointment and being eligible has offered himself for re-appointment.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Rustam Navel Mulla as an Additional Director with effect from March 17, 2020. In terms of Section 161 of the Act, Mr. Rustam Navel Mulla holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a

member proposing Mr. Rustam Navel Mulla's name for the office of Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rustam Navel Mulla as a Non-Executive Independent Director, for the approval by the members of the Company. Brief profile of Mr. Rustam Navel Mulla has been given in the Notice convening the Annual General Meeting.

The term of office of Dr. Sonal Vimal Ambani as an Independent Director, will expire on March 31, 2021. The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Dr. Sonal Vimal Ambani, as an Independent Director of the Company for a second term of 5 (five) consecutive years on the expiry of her current term of office. The Board considers that, given her background, experience and contributions made by her during her tenure, the continued association of Dr. Sonal Vimal Ambani would be beneficial to the Company.

In compliance with sub-regulation (3) of Regulation 36 of SEBI Listing Regulations, brief resume, expertise and other details of the Director(s) proposed to be appointed/ re-appointed are given in the Notice convening the ensuing Annual General Meeting. The Board recommends the appointment/ re-appointment of Directors as stated above in the ensuing Annual General Meeting.

All Independent Directors of the Company have given declarations to the Company under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

In the proficiency of Company, the Company has adopted requisite step towards the inclusion of the name of all Independent Directors in the Data Bank maintained with the Indian Institute of Corporate Affairs, Manesar ("IICA"). Accordingly,

the Independent Directors of the Company have registered themselves with the IICA for the said purpose. Pursuant to the Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake Online Proficiency Self-assessment Test conducted by the IICA within the period of one (1) years from the date of inclusion of their names in the Data Bank.

#### **KEY MANAGERIAL PERSONNEL (KMP):**

Mr. Chirag Ashwin Parekh, Chairman and Managing Director, Mr. Anand Sharma, Chief Financial Officer and Mrs. Neha Anup Poddar Company Secretary are the Key Managerial Personnel in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, Mr. Damodar Sejjal has resigned as the Company Secretary and Compliance Officer of the company with effect from January 31, 2020 and Mrs. Neha Poddar is duly appointed as the Company Secretary and Compliance Officer of the company with effect from February 01, 2020.

## **12. BOARD MEETINGS**

During the year, 7 (Seven) Board Meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013. Details of Board and Board committee meetings held during the year are given in the Corporate Governance Report which forms part of the Annual Report. Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. A detailed presentation is also made to apprise the Board of important developments in industry, segments, business operations, marketing, products etc. In accordance



with the provisions of Schedule IV of Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), a separate meeting of the Independent Directors of the Company was held on Tuesday, March 17, 2020 to review the performance of Non-Independent Directors (including the Chairperson) and the entire Board.

The Independent Directors also reviewed the quality, quantity and time lines of the flow of information between the Management and the Board.

### 13. COMMITTEES OF THE BOARD

The Board of Directors have the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

### 14. BOARD EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process.

### 15. INDEPENDENT DIRECTOR'S FAMILIARIZATION PROGRAMME

The Company familiarises its Independent Directors pursuant to the requirements of Regulation 25 of LODR with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model management structure, product portfolio, Industry overview, manufacturing operations, internal control system and processes, FOREX management, risk management framework, functioning of various divisions, HR Management, CSR activities etc. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com).

### 16. REMUNERATION POLICY OF THE COMPANY

The Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company along with other related matters have been provided in the Corporate Governance Report and is also posted on the website of the Company and can be accessed at [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com).

As and when need arises to appoint Director, the Nomination and Remuneration Committee (NRC) of the Company determines the criteria based on the specific requirements. NRC while recommending candidature to the Board takes into consideration the qualification, attributes, experience and Independence of the Candidate. Director(s) appointment and remuneration are made as per Nomination and Remuneration Policy of the Company.

### 17. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments are as per Section 186 of the Act by the Company and have been disclosed in the notes to the financial statements.

## 18. AUDITORS

### a. STATUTORY AUDITORS

M/s. P A R K & Company, Chartered Accountants (Firm Registration Number: 116825W) were appointed as Statutory Auditors of the Company for a period of 5 (Five) years from FY 2017 – 18 to 2021 – 22 at the 30th Annual General Meeting held on September 20, 2017. In view of the amendment to Section 139 of the Companies Act, 2013, the Company is not required to ratify the appointment of the Statutory Auditor at every Annual General Meeting. Hence, the item of ratification of appointment of Statutory Auditor is not considered in this Annual General Meeting. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

In view of the same M/s. P A R K & Company, Chartered Accountants will continue to act as Statutory Auditors of your Company for Financial Year 2020-21.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

### b. COST AUDITORS

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained for the year 2019-20.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. S. K. Rajani & Co., Cost Accountants (FRN: 101113) as the Cost Auditors of the Company, for the financial year ending 31st March, 2021, on a remuneration as mentioned in the Notice convening the 33rd Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A resolution seeking ratification by the members for the remuneration payable to Cost Auditor forms part of the Notice of the 33rd Annual General Meeting of the Company and same is recommended for your consideration and approval.

### c. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. P. P. Shah & Co., a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report for the financial year 2019-20 forms part of the Annual Report as **"Annexure IV"** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has appointed M/s. P. P. Shah & Co., Practicing Company Secretaries, as Secretarial Auditors of the Company for financial year 2020-21.

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate on corporate governance forms part of Annual Report. The auditors' certificate for financial year 2019-20 does not contain any qualification, reservation or adverse remark.

## 19. INTERNAL FINANCIAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK

In the opinion of the Board, the Company has an Internal Financial Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations.

The Companies Act, 2013 has mandated the Company to have a formal framework of Internal Financial Controls (IFC) and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC.

Accordingly, the Company has adopted financial control system and framework to ensure:

- The orderly and efficient conduct of its business,
- Safeguarding of its assets,
- The prevention and detection of frauds and errors,
- The accuracy and completeness of the accounting records, and
- The timely preparation of reliable financial information.

The Board reviews the effectiveness of controls documented as part of IFC framework, and take necessary corrective actions wherever weaknesses are identified as a result of such reviews. These have been designed to provide reasonable assurance about recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of Corporate Policies.

Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect, our IFC. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

The Statutory Auditors of the Company has audited the IFC with reference to Financial Reporting and their Audit Report is annexed as **"Annexure B"** to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements respectively.

Internal Controls are continuously evaluated by the Internal Auditors and Management. Findings from internal audits are reviewed by the Management and by the Audit Committee and corrective actions and controls have been put in place wherever necessary. Scope of work of Internal Auditors covers review of controls on accounting, statutory and other compliances and operational areas in addition to reviews relating to efficiency and economy in operations.

During the year, Internal Financial Controls (IFC) testing process was done in order to review adequacy and strength of IFC followed by the Company. As per the assessment, there are no major concerns and controls are strong.

The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and those systems are adequate and operating effectively.

## 20. AUDIT COMMITTEE

The Company has an Audit Committee pursuant to the requirements of the Section 177 of the Act read with the rules framed there under and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in the Report on Corporate Governance forming part of this Report.

During the Financial year 2019-20, the recommendations and ratifications of Audit Committee were duly approved, ratified and accepted by the Board of Directors.

## 21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules framed there under your Company has adopted a policy for CSR and the Board has constituted a Committee for implementing the CSR activities. Composition of the Committee and other details are provided in Corporate Governance Report. In the financial year 2019-20, the Company has under taken various CSR activities directly and/or

through implementing agency and the projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **"Annexure II"**, forming part of this report.

## **22. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for reporting and conducting inquiry into the complaints made by the victim on the harassment at the work place. During the year under review, there were no complaints pertaining to sexual harassment.

## **23. RISK MANAGEMENT AND POLICY ON RISK MANAGEMENT**

Your Company recognizes that the risk is an integral part of business and is committed to managing the risks in proactive and efficient manner. Your Company periodically assesses the risks in the internal and external environment along with treating the risks and incorporates risk management plans in its strategy, business and operational plans. Your Company, through its risk management process strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

Major risks identified for the Company by the management are Currency fluctuation, Manufacturing & Supply, Information Technology and new capital investments return. The

management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialise. The Board of Directors has also adopted a formal Risk Management policy for the Company, whereby, risks are broadly categorized with the parameters of identification, assessment, monitoring and mitigation of various risks.

Policy on Risk Management is posted on the website of the Company and can be accessed at [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com).

## **24. VIGIL MECHANISM**

The Board of Directors of the Company has approved and adopted a Whistle Blower Policy of the Company for establishing a vigil mechanism for directors and employees to report genuine concerns regarding fraud or unethical behaviour as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In appropriate cases any personnel of the Company can have direct access to the audit committee. We affirm that no personnel has been denied access to the Audit Committee. The Whistle Blower Policy is posted on the website of the Company at <http://www.acrysilcorporateinfo.com/public/upload/pdf/9512vigil-mechanism.pdf>.

## **25. RELATED PARTY TRANSACTIONS AND POLICY ON RELATED PARTY TRANSACTIONS**

All the Related Party Transactions entered during the financial year were at arm's length basis and in the ordinary course of the Company's business. All such contracts or arrangements were entered into only with prior approval of the Audit Committee. Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website at <http://www.acrysilcorporateinfo.com/public/upload/pdf/5203related-party-transaction-policy.pdf>.



There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company other than sitting fees payable to them.

## 26. PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided under **"Annexure III"**, which is annexed to this Report.

A statement comprising the names of top 10 employees in terms of remuneration drawn is not being sent along with this annual report to the Members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

In terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, the statement showing the name of the employees drawing remuneration in excess of the limit specified in the Rules are not applicable on the Company as during the period, no employee of the Company was drawing salary in excess of the that drawn by the Managing Director or Whole time Director.

## 27. INSURANCE

The Company takes a very pragmatic approach towards insurance. Adequate cover has been taken for all movable and immovable assets against unforeseeable perils like fire, riot, earthquake, floods, terrorism etc. and other risks which are considered necessary by the management. In addition to this coverage, a statutory Public Liability Insurance Policy has been taken to cover the Company for providing against the public liability arising out of industrial accidents for employees working in plants.

## 28. DEPOSITS

The Company has not accepted any deposits during the year from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. However, your Company has accepted exempted deposits as per the Act.

## 29. EXTRACT OF THE ANNUAL RETURN

As required under the provisions of Section 134(3) (a) and 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return in Form MGT-9 forms part of this Report as **"Annexure-I"** and is also available on the Company's website viz. [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com).

## 30. SECRETARIAL STANDARDS

During the year 2019-20, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## 31. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision of Section 134 of the Companies Act, 2013, in relation to financial statements of the Company for the year ended March 31, 2020 the directors to the best of their knowledge and belief hereby confirmed:

- a. that in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b. that the directors have selected accounting policies and applied them consistently and made estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2020 and of the profit of the Company for that period;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the annual accounts on a 'going concern' basis;
- e. that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to Conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be given under Section 134 of the Act, read with the Companies (Accounts) Rules, 2014 is furnished in **"Annexure V"** and forms part of this report.

### 33. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance, reinforcing the valuable relationship between the Company and its Stakeholders.

Pursuant to Regulation 34 of the SEBI LODR Regulations, a separate report on Corporate Governance has been included in this Annual Report along with a certificate from the Statutory Auditors of the Company regarding the compliance with the provisions of the Corporate Governance.

All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2019-20. A declaration to this effect signed by the Chairman & Managing Director of the Company is contained in this Annual Report.

The Chairman & Managing Director and CFO have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the SEBI LODR Regulations and the said certificate is contained in this Annual Report.

### 34. HUMAN RESOURCE

Your Company firmly believes that Human Resource function is closely integrated with the business and has been an important pillar supporting growth aspiration.

The function focuses on Leadership Development, Succession Planning and Skills & Competency Development. At Acrysil, the Human Resource function is a business partner that focuses on improving the way of life, work culture, employee engagement, productivity, effectiveness and efficiency. The Company believes in developing an engaged, efficient and committed employee base that is aware and empowered. Employee Engagement Programs are integral part of the function and are designed in a manner that keeps motivational levels high and they range from competitive sports to celebration festivals, cultural events to recognition through rewarding for exceptional achievement. Company also conducts

in-house training programs to develop leadership as well as technical /functional capabilities in order to meet future talent requirements. Industrial relations were cordial throughout the year.

### 35. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed thereunder.

### 36. ANNUAL SECRETARIAL COMPLIANCE REPORT

Mr. Pradip Shah of M/s. P. P. Shah & Co., Practicing Company Secretaries, has issued Annual Secretarial Compliance Report pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 which shall cover a broad check on compliance with applicable SEBI Regulations and circulars/ guidelines issued thereunder on annual basis. The said Report has been filed with the BSE Ltd. on June 17, 2020.

### 37. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme and ESOS.
3. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.

### 38. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government and regulatory authorities, stock exchange, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**By order of the Board of Directors  
For ACRYSil LIMITED**

**Chirag A. Parekh**  
(DIN: 00298807)

Chairman and Managing Director

Bhavnagar, August 12, 2020

#### **Registered Office:**

B-307, Citi Point, J. B. Nagar,  
Andheri - Kurla Road,  
Andheri (East), Mumbai - 400 059.  
Tel.: 022-4015 7817/18  
Fax: 022-2825 8052  
CIN: L26914MH1987PLC042283  
Website: [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com)  
E-mail: [cs.al@acrysil.com](mailto:cs.al@acrysil.com)

# ANNEXURE I TO THE DIRECTORS' REPORT

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L26914MH1987PLC042283
Registration Date	19/01/1987
Name of the Company	Acrysil Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	B-307, Citi Point, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400059. Tel: +91-22 4015 7817 /18 /19 Fax: +91-22 2825 8052
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059, Maharashtra Tel: +91-22 6263 8200 Fax: +91-22 6263 8299

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Quartz kitchen sinks	22209	88%



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
1	<b>ACRYSIL STEEL LIMITED</b> B-307, Citi Point, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400059	U28910MH2010PLC202493	Subsidiary	84.99	2(87)
2	<b>STERNHAGEN BATH PRIVATE LIMITED</b> B-307, Citi Point, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400059	U25200MH2011PTC212405	Subsidiary	84.90	2(87)
3	<b>ACRYSIL APPLIANCES LIMITED</b> B-307, Citi Point, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400059	U51101MH2013PLC241702	Subsidiary	100	2(87)
4	<b>ACRYSIL GmbH</b> Ludwig-Erhard-Str. 18, 20459 Hamburg, Germany	NA	Subsidiary	100	2(87)
5	<b>ACRYSIL UK LIMITED</b> Crossley Stud Farm, Buxton Road, Congleton, Cheshire, United Kingdom, CW12 2PN	NA	Subsidiary	100	2(87)
6	<b>ACRYSIL PRODUCTS LIMITED (Formerly known as Homestyle Products Limited)*</b> Crossley Stud Farm, Buxton Road, Congleton, Cheshire, United Kingdom, CW12 2PN	NA	Subsidiary	Step Down Subsidiary	2(87)

\* Name of the Company changed from Homestyle Products Limited to Acrysil Products Limited w.e.f. March 23, 2020.

#### IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity):

##### (i) Category-wise Shareholding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01/04/2019)				No. of Shares held at the end of the year (As on 31/03/2020)				% of Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individual / HUF	99,99,990	0	99,99,990	38.54	1,03,74,990	0	1,03,74,990	38.87	0.33
(b)	Central Government	0	0	0	0	0	0	0	0	0
(c)	State Government(s)	0	0	0	0	0	0	0	0	0
(d)	Bodies Corporate	10,06,760	0	10,06,760	3.88	13,81,760	0	13,81,760	5.18	1.30
(e)	Banks / FI	0	0	0	0	0	0	0	0	0
(f)	Any other...	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	<b>1,10,06,750</b>	<b>0</b>	<b>1,10,06,750</b>	<b>42.42</b>	<b>1,17,56,750</b>	<b>0</b>	<b>0</b>	<b>44.04</b>	<b>1.62</b>
<b>2</b>	<b>Foreign</b>		<b>0</b>				<b>0</b>			
(a)	NRIs – Individuals	0	0	0	0	0	0	0	0	0.00
(b)	Other – Individuals	0	0	0	0	0	0	0	0	0.00
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0.00
(d)	Banks / FI	0	0	0	0	0	0	0	0	0.00
(e)	Any other...	0	0	0	0	0	0	0	0	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>1,10,06,750</b>	<b>0</b>	<b>1,10,06,750</b>	<b>42.42</b>	<b>1,17,56,750</b>	<b>0</b>	<b>1,17,56,750</b>	<b>44.04</b>	<b>1.62</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	0	375	375	0	4,60,803	0	4,60,803	1.73	1.73
(b)	Banks / FI	0	500	500	0	0	500	500	0	0.00
(c)	Central Government	0	0	0	0	0	0	0	0	0.00
(d)	State Government(s)	0	0	0	0	0	0	0	0	0.00
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0.00
(g)	FIs	0	0	0	0	0	0	0	0	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(i)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0.00
(j)	Others (specify).	0	0	0	0	0	0	0	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>875</b>	<b>875</b>	<b>0.00</b>	<b>4,60,803</b>	<b>500</b>	<b>4,61,303</b>	<b>1.73</b>	<b>1.73</b>

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01/04/2019)				No. of Shares held at the end of the year (As on 31/03/2020)				% of Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>2</b>	<b>Non-Institutions</b>									
<b>(a)</b>	<b>Bodies Corporate</b>									
(i)	Indian	6,15,875	59,150	6,75,025	2.60	6,71,181	56,400	7,27,581	2.73	0.13
(ii)	Overseas	22,62,000	0	22,62,000	8.72	22,62,000	0	22,62,000	8.47	(0.25)
<b>(b)</b>	<b>Individuals</b>									
(i)	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	44,46,805	9,86,920	54,33,725	20.94	47,82,825	7,05,865	54,88,690	20.56	(0.38)
(ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	50,92,770	0	50,92,770	19.63	46,15,419	0	46,15,419	17.29	(2.34)
<b>(c)</b>	<b>Others (specify)</b>									
(i)	Trusts	0	0	0	0.00	0	0	0	0.00	0
(ii)	Clearing Member	69,697	0	69,697	0.27	48,602	0	48,602	0.18	(0.09)
(iii)	Non Resident Indians (NRI)	13,500	34,110	47,610	0.18	0	14,500	14,500	0.05	(0.13)
(iv)	Non Resident Indians (Repat)	7,28,813	0	7,28,813	2.81	5,21,842	0	5,21,842	1.96	(0.85)
(v)	Non Resident Indians (Non Repat)	1,50,870	0	1,50,870	0.58	1,55,883	0	1,55,883	0.58	0.00
(vi)	Directors Relative	1,62,450	32,250	1,94,700	0.75	1,62,450	32,250	1,94,700	0.73	(0.02)
(vii)	Unclaimed Suspense Account	96,775	0	96,775	0.37	94,680	0	94,680	0.35	(0.02)
(viii)	IEPF	1,85,270	0	1,85,270	0.71	3,52,930	0	3,52,930	1.32	0.61
(ix)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>1,38,24,825</b>	<b>11,12,430</b>	<b>1,49,37,255</b>	<b>57.57</b>	<b>1,36,67,812</b>	<b>8,09,015</b>	<b>1,44,76,827</b>	<b>54.23</b>	<b>(3.34)</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,38,25,700</b>	<b>11,12,430</b>	<b>1,49,38,130</b>	<b>57.58</b>	<b>1,41,28,615</b>	<b>8,09,515</b>	<b>1,49,38,130</b>	<b>55.96</b>	<b>(1.62)</b>
<b>C.</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
(a)	Shares held by Custodians	0	0	0	0.00	0	0	0	0.00	0
	<b>Grand Total (A+B+C)</b>	<b>2,48,31,575</b>	<b>11,13,305</b>	<b>2,59,44,880</b>	<b>100.00</b>	<b>2,58,85,365</b>	<b>8,09,515</b>	<b>2,66,94,880</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sr. No.	Name	Shareholding at the beginning of the year (As on 01/04/2019)			Shareholding at the end of the year (As on 31/03/2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Chirag A. Parekh	83,04,730	32.00	0.00	86,29,730	32.33	0.00	0.33
2	Ashwin M Parekh	3,750	0.01	0.00	3,750	0.01	0.00	0.00
3	Shetal C. Parekh	5,00,000	1.93	0.00	5,50,000	2.06	0.00	0.13
4	Acrycol Minerals Limited	10,06,760	3.88	0.00	13,81,760	5.18	0.00	1.30
5	Pushpa R. Parekh	7,34,760	2.83	0.00	7,34,760	2.75	0.00	(0.08)
6	Jatin R. Parekh	4,19,250	1.62	0.00	4,19,250	1.57	0.00	(0.05)
7	Mala M. Sanghrajka	37,500	0.15	0.00	37,500	0.14	0.00	(0.01)
	<b>Total</b>	<b>1,10,06,750</b>	<b>42.42</b>	<b>0.00</b>	<b>1,17,56,750</b>	<b>44.04</b>	<b>0.00</b>	<b>1.62</b>

## (iii) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the beginning of the year (As on 01/04/2019)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Chirag A. Parekh	83,04,730	32.00	1-Apr-2019				
				13-Oct-2019	3,25,000	Conversion of Warrants into Equity Shares	86,29,730	32.33
		86,29,730	32.33	31-Mar-2020			86,29,730	32.33
2	Shetal C. Parekh	5,00,000	1.93	1-Apr-2019				
				13-Oct-2019	50,000	Conversion of Warrants into Equity Shares	5,50,000	2.06
		5,50,000	2.06	31-Mar-2020			5,50,000	2.06
3	Acrycol Minerals Limited	10,06,760	3.88	1-Apr-2019				
				02-Aug-2019	1,87,500	Conversion of Warrants into Equity Shares	11,94,260	4.47
				13-Oct-2019	1,87,500	Conversion of Warrants into Equity Shares	13,81,760	5.18
		13,81,760	5.18	31-Mar-2020			13,81,760	5.18

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Name	Shareholding at the beginning of the year (As on 01/04/2019)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		Number of Shares	% of total Shares of the company				Number of Shares	% of total Shares of the company
1	Schock GmbH	22,62,000	8.72	1-Apr-2019				
		22,62,000	8.47	31-Mar-2020			22,62,000	8.47
2	Ashish Agarwal	11,05,930	4.26	1-Apr-2019				
				21-Feb-2020	(1,25,000)	Transfer	9,80,930	3.67
				06-Mar-2020	(1,20,000)	Transfer	8,60,930	3.23
		8,60,930	3.23	31-Mar-2020			8,60,930	3.23
3	Ashish Kacholia	11,05,930	4.26	1-Apr-2019				
		11,05,930	4.14	31-Mar-2020			11,05,930	4.14
4	Varun Daga	7,07,315	2.73	1-Apr-2019				
		7,07,315	2.65	31-Mar-2020			7,07,315	2.65
5	Vijaya S	2,90,000	1.12	1-Apr-2019				
				23-Aug-2019	3,03,550	Transfer	5,93,550	2.22
		5,93,550	2.22	31-Mar-2020			5,93,550	2.22
6	S. Shyam	5,43,140	2.09	1-Apr-2019				
				16-Aug-2019	(1,99,949)	Transfer	3,43,191	1.29
				23-Aug-2019	(1,64,406)	Transfer	1,78,785	0.67
				18-Oct-2019				
		0	0.00	31-Mar-2020			0	0.00
7	Mehta Piyush V	4,89,365	1.89	1-Apr-2019				
				31-May-2019	(1,188)	Transfer	4,88,177	1.83
				14-Feb-2020	(27,678)	Transfer	4,60,499	1.73
				21-Feb-2020	(1,18,999)	Transfer	3,41,500	1.28
				28-Feb-2020	(81,943)	Transfer	2,59,557	0.97
		2,59,557	0.97	31-Mar-20			2,59,557	0.97
8	ITI Small Cap Fund	0	0.00	1-Apr-2019				
				21-Feb-2020	37,078	Transfer	37,078	0.14
				28-Feb-2020	1,70,157	Transfer	2,07,235	0.78
				06-Mar-2020	1,20,000	Transfer	3,27,235	1.23
				20-Mar-2020	43,797	Transfer	3,71,032	1.39
				27-Mar-2020	89,771	Transfer	4,60,803	1.73
		4,60,803	1.73	31-Mar-2020			4,60,803	1.73
9	Vinithra Sekhar	3,79,615	1.46	1-Apr-2019				
		3,79,615	1.42	31-Mar-2020			3,79,615	1.42
10	Own Infracon Private Limited	2,90,765	1.12	1-Apr-2019				
		2,90,765	1.09	31-Mar-2020			2,90,765	1.09
11	Parshva Kumar Daga	2,73,850	1.06	1-Apr-2019				
		2,73,850	1.03	31-Mar-2020			2,73,850	1.03



**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding at the beginning of the year (As on 01/04/2019)		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		Number of Shares	% of total Shares of the company				Number of Shares	% of total Shares of the company
Directors								
1	Mr. Chirag A. Parekh, Chairman & Managing Director	83,04,730	32.00	1-Apr-2019				
				13-Oct-2019	3,25,000	Conversion of Warrants into Equity Shares	86,29,730	32.33
		86,29,730	32.33	31-Mar-2020			86,29,730	32.33
2	Dr. Sonal V. Ambani Independent Director	0	0.00	1-Apr-2019	NIL			
		0	0.00	31-Mar-2020			0	0.00
3	Mr. Jagdish R. Naik Independent Director	16,020	0.06	1-Apr-2019	NIL			
		16,020	0.06	31-Mar-2020			16,020	0.06
4	Mr. Ajit R. Sanghvi Independent Director	0	0.00	1-Apr-2019	NIL			
		0	0.00	31-Mar-2020			0	0.00
5	Mr. Rustam N. Mulla Independent Director	0	0.00	1-Apr-2019	NIL			
		0	0.00	31-Mar-2020			0	0.00
6	Mr. Pradeep H. Gohil Independent Director	0	0.00	1-Apr-2019	NIL			
		0	0.00	31-Mar-2020			0	0.00
Key Managerial Personnel (KMP's)								
1	Mr. Anand H. Sharma Chief Financial Officer	0	0.00	1-Apr-2019	NIL			
		0	0.00	31-Mar-2020			0	0.00
2	Mr. Damodar H. Sejjpal Company Secretary*	5	0.00	1-Apr-2019	NIL			
				30-Aug-2019	(5)	Transfer	0	0.00
		0	0.00	31-Mar-2020			0	0.00
3	Mrs. Neha Poddar Company Secretary**	0	0.00	1-Apr-2019	NIL			
		0	0.00	31-Mar-2020			0	0.00

\* Resigned as Company Secretary w.e.f. 31st January, 2020

\*\* Appointed as Company Secretary w.e.f. 1st February, 2020

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/ accrued but not due for payment  
(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (April 1, 2019)</b>				
i) Principal Amount	8174.89	10.00	0	8184.89
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>8174.89</b>	<b>10.00</b>	<b>0</b>	<b>8184.89</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	589.89	20.00	0	609.89
● Reduction	624.59	30.00	0	654.59
<b>Net Change</b>	<b>(34.70)</b>	<b>(10.00)</b>	<b>0</b>	<b>(44.70)</b>
<b>Indebtedness at the end of the financial year (March 31, 2020)</b>	<b>8140.19</b>	<b>0</b>	<b>0</b>	<b>8140.19</b>
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>8140.19</b>	<b>0</b>	<b>0</b>	<b>8140.19</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Mr. Chirag A. Parekh, Chairman & Managing Director

(₹ in Lakhs)

Sr. No.	Particulars	Mr. Chirag A. Parekh, Chairman & Managing Director	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	166.33	166.33
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission		
	- as % of profit	Nil	Nil
	- Others, specify	Nil	Nil
5	Others, please specify		
	Contribution to PF & FPF	15.00	15.00
	Contribution to Super Annuation Fund	Nil	Nil
	Contribution to EDLI	Nil	Nil
	<b>Total (A)</b>	<b>181.33</b>	<b>181.33</b>
	Ceiling as per the Act	It is within ceiling limit prescribed under Companies Act, 2013	

## B. Remuneration to other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					
		Dr. Sonal V. Ambani	Mr. Jagdish R. Naik	Mr. Ajit R. Sanghvi	Mr. Pradeep H. Gohil	Mr. Rustam N. Mulla*	Total
<b>1</b>	<b>Independent Directors</b>						
	Fee for attending Board/ Committee Meetings	2.25	2.50	2.10	2.20	0.20	9.25
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>2.25</b>	<b>2.50</b>	<b>2.10</b>	<b>2.20</b>	<b>0.20</b>	<b>9.25</b>
<b>2</b>	<b>Other Non Executive Director</b>						
	Fee for attending Board/ Committee Meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B) = (1+2)</b>	<b>2.25</b>	<b>2.50</b>	<b>2.10</b>	<b>2.20</b>	<b>0.20</b>	<b>9.25</b>
	<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.25</b>
	Overall Ceiling as per the Act	It is within ceiling limit prescribed under Companies Act, 2013					

\* Mr. Rustam N. Mulla was appointed as an Additional Director w.e.f. March 17, 2020.

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Anand Sharma, Chief Financial Officer	Mr. Damodar H. Sejpal, Company Secretary*	Mrs. Neha Poddar, Company Secretary**	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38.07	12.96	2.13	53.16
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option (No. of Options)	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>38.07</b>	<b>12.96</b>	<b>2.13</b>	<b>53.16</b>

\* Resigned as Company Secretary w.e.f. 31st Jan, 2020.

\*\* Appointed as Company Secretary w.e.f. 1st Feb, 2020.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					



## ANNEXURE – II

### **ANNUAL REPORT ON THE CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES [Pursuant to Section 135 of the Companies Act, 2013 and as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]**

**1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy:**

In adherence to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its Meeting held on 23rd April, 2014, approved a CSR Policy of the Company. The same has been amended w.e.f. 13th February, 2018.

In accordance with the primary CSR activities under Schedule VII to the Companies Act, 2013, the CSR activities of the Company cover certain thrust areas such as Health i.e. medical support by way of donation given for dialysis treatment to Lions (City) Charitable Trust, Bhavnagar for benefit of poor patients, proposed donation to Indian Red Cross Society for ICU Ambulance, donation to Disaster Relief Fund by way of contribution to PM CARES Fund towards CoVID-19 pandemic and to impart training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports including Cycle-Polo and such other sports as may be prescribed under this category.

The web link to the CSR Policy:

[http://www.acrysilcorporateinfo.com/public/upload/pdf/3806Revised\\_CSR%20Policy%20of%20Acrysil%20Limited%20w.e.f.%2013.02.2018.pdf](http://www.acrysilcorporateinfo.com/public/upload/pdf/3806Revised_CSR%20Policy%20of%20Acrysil%20Limited%20w.e.f.%2013.02.2018.pdf)

**2. Composition of CSR Committee:**

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The composition of CSR Committee as on the date of Director's Report is as follows:

Mr. Chirag A. Parekh (Chairman & Managing Director)	Chairman
Mr. Pradeep H. Gohil (Independent Director)	Member
Dr. Sonal V. Ambani (Independent Director)	Member

**3. Average net profit of the Company for last 3 Financial Years: ₹ 1,322.10 Lakhs.**

**4. Prescribed CSR Expenditure (2% of Average Net Profit): ₹ 26.45 Lakhs.**

## 5. Details of CSR spent during the financial year:

- (a) Total amount spent for the financial year: During the Financial Year 2019-20, the Company has spent ₹ 40.90 Lakhs towards CSR Expenditure. There was an unspent amount of ₹ 4.18 Lakhs for the Financial Year 2018-19, the said amount of ₹ 4.18 Lakhs has been considered as CSR Expenditure for the said financial year as follows:

Financial Year	Amount considered as CSR expenditure which had been spent in the Financial Year 2019-20 (₹ in Lakhs)
2018-19	4.18
2019-20	36.72
<b>Total</b>	<b>40.90</b>

- (b) Amount unspent, if any: Nil

- (c) Manner in which the amount spent during the financial year is detailed below:

(₹ In Lakhs)

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the project or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Sustainable Energy Project	Ensuring Environmental Sustainability	Bhavnagar, Gujarat	1.30	1.30	1.30	Direct
2	Donation of ICU Ambulance: Healthcare Project*	Health	Bhavnagar, Gujarat	30.00	10.00	10.00	Ashwanila Charitable Trust - Bhavnagar
3	Disaster Relief#	CI (viii) Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) CI (xii) Disaster management, including relief, rehabilitation and reconstruction activities	PAN INDIA	20.00	20.00	20.00	Direct
4	Healthcare Project – For Dialysis Treatment##	Health	Bhavnagar, Gujarat	6.00	6.00	6.00	Lions (City) Charitable Trust - Bhavnagar
5	Rotary's CSR Project – Ray of Hope	Contribution towards Education and other social activities	Bhavnagar, Gujarat	3.35	3.35	3.35	Rotary Club - Bhavnagar
6	Promoting Education	Education	Bhavnagar, Gujarat	0.25	0.25	0.25	Sardar Patel Seva Trust
<b>Total Spent</b>				<b>60.90</b>	<b>40.90</b>	<b>40.90</b>	

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**Notes:**

- \* Advance given for proposed Donation of ICU Ambulance to Indian Red Cross Society.
- # Donation to Disaster Relief is the contribution made to PM CARES Fund towards CoVID-19 pandemic.
- ## Medical support by way of donation given for dialysis treatment to Lions (City) Charitable Trust, Medical Centre – Bhavnagar for benefit of poor patients for dialysis treatment.

**6. Reasons for not spending the amount specified in item no. 5(b) above: Not Applicable**

**7. Responsibility Statement:**

The Corporate Social Responsibility Committee of the Company hereby confirms that the implementation & monitoring of CSR policy, is in compliance with CSR objectives & policy of the Company.

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**For Acrysil Limited**

**Chirag A. Parekh**

Chairman & Managing Director  
(DIN: 00298807)

Chairman of the Corporate Social Responsibility Committee

Bhavnagar, August 12, 2020

## ANNEXURE – III

### Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2019-20; and
- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2019-20.

Sr. No.	Name of the Director(s)/ KMP and their designation	Ratio of remuneration of each director to median remuneration of employees	Percentage increase in Remuneration
1	Mr. Chirag A. Parekh Chairman & Managing Director	75.21	7.93
2	Dr. Sonal V. Ambani Independent Director	0.93	18.42
3	Mr. Jagdish R. Naik Independent Director	1.04	8.70
4	Mr. Ajit R. Sanghvi Independent Director	0.87	NIL
5	Mr. Rustam N. Mulla# Independent Director	0.08	NOT APPLICABLE
6	Mr. Pradeep H. Gohil Independent Director	0.91	NIL
7	Mr. Anand Sharma Chief Financial Officer	15.79	11.48
8	Mr. Damodar H. Sejpal* Company Secretary	5.38	NOT APPLICABLE
9	Mrs. Neha A. Poddar** Company Secretary	1.11	NOT APPLICABLE

# Mr. Rustam N. Mulla was appointed as an Independent Director of the Company w.e.f. March 17, 2020.

\* Mr. Damodar H. Sejpal resigned as Company Secretary w.e.f. January 31, 2020.

\*\* Mrs. Neha A. Poddar was appointed as a Company Secretary w.e.f. February 1, 2020.

- The Median Remuneration of Employees of the Company is ₹ 2.41 Lakhs for the Financial Year 2019-20. There is an insignificant increase of 0.42% in the Median Remuneration of Employees during the previous financial year.
- The Company has 316 permanent employees on its rolls as on March 31, 2020.
- The Average percentage increase made in the salaries of employees other than the managerial personnel for the financial year i.e. 2019-20 was 14.83% whereas the increase in the managerial remuneration for the same financial year was 7.93%.
- It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

The Company has not employed any employee throughout the financial year or part thereof, who was in receipt of remuneration at the rate which in aggregate is in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

#### Notes:

- Independent Directors are paid only Sitting Fees.

## ANNEXURE – IV

### SECRETARIAL AUDIT REPORT FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Acrysil Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Acrysil Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. The Securities Contracts ('Regulation') Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to

the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period);**



- 
6. There are no other laws specifically applicable to the industry to which the Company belongs as identified by the management.

We have also examined compliance with the applicable clauses of the following:

- 1) Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards – 1 for Board Meetings and Secretarial Standards – 2 for General Meetings.
- 2) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non Executive Directors / Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

1. Public / Right / Debentures / Sweat equity etc.
2. Redemption / buy back of securities.
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013,
4. Merger / amalgamation / reconstruction etc.
5. Foreign technical collaborations.

Place: Mumbai  
Date: June 10, 2020

**Pradip Shah**  
**For P. P. Shah & Co.,**  
Practicing Company Secretaries  
FCS No. 1483, C P No.: 436  
UDIN: F001483B000330537

## Annexure-V

### Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

#### A. Conservation of Energy

The Company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimise consumption by adopting new technologies and optimising the existing process.

The Company always focuses on the area of potential energy saving. Close monitoring of power and fuel consumption is done to minimise the wastages.

#### B. Technology absorption and research & development

##### ❖ Research and Development

Innovation has been the key to successful businesses since eternity; the company always strives towards improvisation, to bring out the best in the Company with a view to provide optimum satisfaction to the Customer. The Company continued to pursue its R&D efforts in the areas of product quality improvement, higher productivity and incorporating smart formulations to attain global benchmarks.

##### 1. Specific areas in which R & D is carried out by the Company

The Company has been progressively working towards manufacturing of better products, innovative techniques, designs so as to serve the customers with the best of products, improved packaging, cost reduction through the use of new and cheaper raw materials, changes incorporated in their quality specifications, with a view to successfully sustain the Market Competition.

Some innovative R&D activities carried out and fully/ partly commenced commercial production during the year under report are:

- a) Introduction of new model for domestic market as well as export market.
- b) Developed cost effective packaging for some particular model of sinks for global market.

- c) Continuous innovation in product design and quality.
- d) Innovate and improve process capability, attain global benchmarks carried out by the Company, consistent focus on the operational excellence.
- e) Developing of a new type of sinks called Apron Sinks.
- f) Development of a new and innovative and an unconventional raw material initiated at R & D sometimes back has been completed successfully with promising result.
- g) Design and development of special products as per evolving technical standards in the industry as well as specific to the requirement of certain export market.
- h) Fine tuning of design parameters based on in-depth discussions and evaluation of customers feedback on product quality for enhanced variety of applications.
- i) Continue to adopt innovation and emerging technologies as future growth drivers and improvement of existing products.
- j) Explore the possibilities to bring automation in process for improving the productivity and reducing the cost.

##### 2. Benefits derived as a result of the above efforts:

- a) Enhanced flexibility and agile manufacturing keeping abreast of the changing of the above R&D needs of customers, launching of new products including line extensions of existing products which were developed by using in-house R&D capabilities, marked improvement in productivity and overall operating efficiencies besides consistency/stability in products.
- b) Successful launch of New Products such as wash basin, tiles, WC etc.
- c) Leveraging the core technological expertise that the Company has acquired over the years in order to stimulate demand by developing and offering innovative quality new products.

- d) Alignment of products meeting enhanced applications by modifying technical specifications and manufacturing processes.
- e) Improvement in quality, productivity, cost effectiveness & packaging.
- f) Precise machining and better quality of products.
- g) Certification is ISO 9001: 2015, ISO 14001:2015, BS OHSAS - 18001:2007 for Quality, Environment, Health and Safety standards & BSCI (Business Social Compliance Initiatives) - Code of Conduct Certification by TUV.
  - Awarded with One Star Export House
  - Awarded by F G I for best exports performance and promotion
- h) National Industrial Excellence Award 2017 awarded by National Chamber of Commerce and Industries of India

### 3. Future Plan of Action

- a) To update technology, innovation and renovation of products and design capabilities and quality as per advancement and competitiveness observed from the Global market.
- b) To introduce new designs of kitchen sinks, wash basins, 3D Tiles and varieties, Commercial Kitchens etc. of products with latest technology.
- c) With Robust focus on R&D and continuation of the on going efforts to be globally competitive and excel in the core business activities, Acrysil is all set to witness some Robust growth in near future.

### 4. Expenditure on R & D for the year 2019-2020 (Rs. in Lakhs)

a.	Capital	NIL
b.	Recurring	24.05
c.	<b>Total R &amp; D Expenditure (a+b)</b>	24.05
d.	R & D and innovation expenditure as a percentage of total turnover	0.11%

### ❖ Technology absorption, adoption and innovation

#### a) Efforts in brief made towards technology absorption, adoption and innovation:

- i) Upgradation of existing product and processes to save cycle time, energy consumption and overall operational efficiency.
- ii) Improve the quality of the product and upgrade the Manufacturing Process of all the products of the Company.
- iii) Collaboration with technological institutes and technical experts to incorporating innovative ideas in to product and process.
- iv) Constant monitoring of process and technology upgradation taking place in advance countries and to offer similar products through in-house R & D as well as through progressive manufacturing activities.
- v) The Company absorbs and adapts the technologies on a continuous basis to meet its specific product needs from time to time.
- vi) Development of process of improving its quality control methods & testing facilities.
- vii) Analyzing feedback from end users to improve quality of products.
- viii) Constant efforts are made to improve and upgrade the new technology for higher productivity, to achieve better quality & reduce cost.
- ix) Regular interaction with equipment designers and manufacturers and major raw material suppliers for improvements to processing and operating parameters.

- x) Technology support to all overseas subsidiaries to improve efficiency and enable business growth.

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

- i) Central to maintaining competitiveness is the ability of producers to respond quickly and effectively to the changing demands of the international market.
- ii) Development of value-added products, improvement quality and cost optimization efforts surely translate into a competitive edge in the market place overall impacting brand of the company.
- iii) Integration of human & technical resources to enhance workforce performance and satisfaction.
- iv) Enhancing quality focus and customer orientation.
- v) Initiatives on lean practices by implementing Goal Setting and training to workmen.

- vi) Re-engineering core processes to dramatically improve efficiency and drive business value.

- vii) Upgrading manufacturing technology levels.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- Information on activities relating to exports, initiatives taken to increase exports, etc. are covered in the Management Discussion and Analysis in this annual report.
- Foreign Exchange Earnings and Outgo:

**(Rs. in crores)**

Foreign Exchange Earnings & Outgo			FY 2019-20	FY 2018-19
a.	Foreign Earned	Exchange	134.26	119.51
b.	Foreign used	Exchange	54.85	54.28

**For and on behalf of the Board of Directors**

**Chirag A. Parekh**

DIN: 00298807

Chairman & Managing Director

Bhavnagar, August 12, 2020

# CORPORATE GOVERNANCE REPORT

**The Board of Directors present the Company's Report on Corporate Governance pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended for the year ended March 31, 2020.**

## 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate Governance is the creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. Acrysil strives to adopt the highest standards of excellence in Corporate Governance and is compliant with the Corporate Governance provisions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in both letter and spirit.

The philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the government and other parties. Acrysil understands and respects its fiduciary role and responsibility to shareholders. Setting the tone at the top, your Directors cumulatively at the Board level, advocate good governance standards at Acrysil. Parameters of statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Auditors confirming compliance with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

### BEST CORPORATE GOVERNANCE POLICIES

ACRYSIL LIMITED maintains the highest standards of corporate governance. It is the Company's constant endeavour to adopt the best corporate governance practices. Some of the best implemented global governance norms include the following:

- i) All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Board of Directors.
- ii) The Company's Internal Audit is conducted by Independent Auditors.
- iii) The Company also undergoes Secretarial Audit conducted by an Independent Company Secretary who is in whole-time practice. The annual secretarial audit report placed before the Board is included in the Annual Report.

## 2. BOARD OF DIRECTORS

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

An active, well informed and independent Board is necessary to ensure high level of corporate governance.

### (i) COMPOSITION OF THE BOARD

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors with one woman Independent director and more than fifty per cent of the Board of Directors comprised of Non-Executive Directors. The Board comprises of six Directors as on March 31, 2020 of which one is Managing Director and five are Independent Non-Executive Directors (83.33% of the Board strength), with diverse experience in different areas. The Company does not have any Nominee Director appointed by Financial Institutions. None of the Directors are related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 2013. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.



All Independent Directors of the Company have furnished declarations that they qualify the conditions of being independent as per Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. These were placed before the Board.

All the Directors have made necessary disclosures in respect of their directorship in other companies and membership/chairmanship in committees of other companies has been obtained by the Company.

The following table provides the attendance record at the Board Meeting and Annual General

Meeting of the Company during the financial year 2019-20 and directorships, memberships and chairmanships in other public limited companies at the end of the financial year 2019-20 as per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Composition of Board and category of Directors are as follows: -

Name of the Director	Category	Expertise in specific Functional Area	No. of Board Meetings attended during the year 2019-20	Attendance at the last AGM	No. of directorships in other public companies #	No. of Committees & positions held in other public companies *		List of Directorship held in other listed companies and category of directorship
						Membership	Chairmanship	
Mr. Chirag A. Parekh (DIN No: 00298807)	Promoter-Executive Chairman & Managing Director	Administration, Finance & Marketing	6	Yes	3	NIL	NIL	Nil
Dr. Sonal V. Ambani (DIN No: 02404841)	Independent Non-Executive Director	Business Management & Marketing & Finance	6	Yes	3	3	1	1 Independent Non-Executive Director
Mr. Jagdish R. Naik (DIN No: 00030172)	Independent Non-Executive Director	Finance	7	Yes	1	NIL	NIL	Nil
Mr. Ajit R. Sanghvi (DIN No: 000340809)	Independent Non-Executive Director	Finance	6	Yes	NIL	NIL	NIL	Nil
Mr. Pradeep H. Gohil (DIN No: 03022804)	Independent Non-Executive Director	Chemical Engineering	6	Yes	3	1	NIL	1 Independent Non-Executive Director
Mr. Rustam N. Mulla* (DIN No: 00328070)	Independent Non-Executive Director	Legal	1	NA	NIL	NIL	NIL	Nil

# excludes directorship in private companies, foreign companies and Section 8 companies

\* Mr. Rustam N. Mulla was appointed as an Additional Director w.e.f. March 17, 2020.

There is no inter-se relationship amongst any of the Directors of the Company during the year under review.

**Skills/ Expertise/ Competencies of the Board of Directors**

Pursuant to the Listing Regulations, the Company has set out below the table setting out the skills/

expertise/ competence of the Board of Directors of the Company.

Sr. No.	Name of Directors	Skill Set
1	Mr. Chirag A. Parekh	Administration, Finance, Marketing, knowledge about peer companies, Entrepreneurship, Environment /Sustainability/ Corporate Responsibility, Strategy & Business Development, Quality Assurance, Stakeholder Communication, Investor Relations.
2	Dr. Sonal V. Ambani	Business Management & Marketing & Finance, Environment / Sustainability/ Corporate Responsibility.
3	Mr. Jagdish R. Naik	Finance Accounting & Taxation, knowledge about peer companies, Statutory / Regulatory Compliance, Risk Management & Mitigation.
4	Mr. Ajit R. Sanghvi	Finance Accounting & Taxation, knowledge about peer companies, Statutory / Regulatory Compliance, Risk Management & Mitigation .
5	Mr. Pradeep H. Gohil	knowledge about peer companies, Environment /Sustainability/ Corporate Responsibility, Human Resources/ Industrial Relations, Risk Management & Mitigation.
6	Mr. Rustam N. Mulla	Statutory / Regulatory Compliance, Human Resources/ Industrial Relations, Risk Management & Mitigation.

**(ii) MEETINGS OF THE BOARD OF DIRECTORS**

During the financial year 2019-20, 7 (Seven) meetings of its Board of Directors were held during the year on the following dates. The maximum

time gap between any two consecutive meetings was less than 120 days.

<b>May 22, 2019</b>	<b>August 02, 2019</b>	<b>September 13, 2019</b>	<b>March 17, 2020</b>
<b>October 13, 2019</b>	<b>November 12, 2019</b>	<b>January 28, 2020</b>	

The necessary quorum was present for all the meetings.

enable Directors to study deliberate, suggest and guide the Company in its decisions.

During the year 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The Board at its meetings reviews various management aspects such as performance of the Company, business plans, annual budgets, capex plans, appointment / remuneration of senior management, general economic conditions, functioning of foreign subsidiaries, foreign exchange exposures, details of investor grievances and major legal issues.

Proper notices and detailed agenda papers for the Board / Committee meetings along with all material information are sent well in advance to

Further, the Board also periodically reviews the compliance reports of applicable laws to the Company as well as steps taken to rectify instances of non-compliances, if any.

### iii) FAMILIARIZATION PROGRAMME

The Company familiarizes its Independent Directors pursuant to the requirements of Regulation 25 of Listing Regulations with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, product portfolio, Industry overview, manufacturing operations, internal control system and processes, FOREX management, risk management framework, functioning of various divisions, HR Management, CSR activities etc. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.acrysilcorporateinfo.com/public/upload/f/9390FamiliarisationProgrammeForIndependentDirectors.pdf>.

### iv) NO. OF SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON MARCH 31, 2020

Statement showing number of equity shares of the company held by the Non-Executive Directors as on March 31, 2020.

Sr. No.	Name of Director	No. of Shares held
1	Mr. Jagdish R. Naik	16,020
2	Mr. Ajit R. Sanghvi	NIL
3	Dr. Sonal V. Ambani	NIL
4	Mr. Pradeep H. Gohil	NIL
5	Mr. Rustam Mulla	NIL

## 3. COMMITTEES OF THE BOARD

The Board of Directors of the Company had Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility

(CSR) Committee. The composition of committees is in accordance with the Companies Act, 2013 and Listing Regulations. The terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman or any member of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The Board Committees are setup under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by the members of the respective Board Committees.

The details of the Committees are set out below.

### i) AUDIT COMMITTEE

The Company has constituted a well-qualified and Independent Audit Committee as required under Section 177 of the Companies Act, 2013 as also in fulfillment of the requirements of Regulations 18 of the Listing Regulations. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

### a) TERMS OF REFERENCE OF THE AUDIT COMMITTEE ARE AS UNDER:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;

- 
- ii. reviewing and examining with management the quarterly financial results before submission to the Board;
  - iii. reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon before submission to the board for approval with particular reference to:
    - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - (b) changes, if any, in accounting policies and practices and reasons for the same;
    - (c) major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) significant adjustments made in the financial statements arising out of audit findings;
    - (e) compliance with listing and other legal requirements relating to financial statements;
    - (f) disclosure of any related party transactions;
    - (g) modified opinion(s) in the draft audit report;
  - iv. scrutiny of inter-corporate loans and investments made by the Company;
  - v. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter;
  - vi. reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
  - vii. approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - viii. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
  - ix. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - x. reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - xi. reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xii. discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
  - xiii. reviewing with management, Statutory Auditors and Internal Auditors, the adequacy of internal control systems;
  - xiv. recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;

- xv. reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- xvi. evaluating internal financial controls and risk management systems;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. valuating 'undertaking or assets' of the Company, wherever it is necessary;
- xix. reviewing the functioning of the Whistle Blower mechanism;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- xxi. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary;

- xxii. Review of Management discussion and analysis of financial condition and results of operations; and

xxiii. Statement of deviations:

- a. Quarterly statement of deviations(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in the terms of Regulation 32(7).

## b) COMPOSITION

The Audit Committee comprises of experts specializing in accounting/financial management. The details of the composition of the Audit Committee of the Company as well as the attendance of the Members at the same are summarized below:

Name of the Directors	Category	Position	No. of Meetings	
			Held	Attended
Mr. Jagdish R. Naik	Independent – Non- Executive	Chairman	7	7
Mr. Chirag A. Parekh	Promoter- Executive	Member	7	6
Dr. Sonal V. Ambani	Independent- Non- Executive	Member	7	6
Mr. Ajit R. Sanghvi	Independent- Non- Executive	Member	7	6
Mr. Pradeep H. Gohil	Independent- Non- Executive	Member	7	6

## c) MEETINGS HELD

The Committee met 7 (seven) times during the financial year 2019-20 on the following dates:

May 22, 2019	August 02, 2019	September 13, 2019
October 13, 2019	November 12, 2019	January 28, 2020
March 17, 2020		

The Chairman of the Audit Committee attended the Annual General Meeting of the Company held during the year under review.



The Statutory Auditors, Internal Auditors, and Chief Financial Officer are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

## ii) **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee's constitution and terms of references are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the Listing Regulations.

The scope of activities of the Nomination and Remuneration Committee include:

### a) **TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Identifying persons who are qualified to become Director and who may be appointed in Senior Management in accordance with

the criteria laid down and recommend to the Board of Directors their appointment and removal;

- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- To devise a policy on Board diversity;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance valuation of independent directors; and
- To perform such other functions or duties as may be delegated by the Board.

### b) **COMPOSITION**

The Nomination and Remuneration Committee comprises of 4 (Four) Non-Executive Directors, the Chairman being Non-Executive and Independent. The Chairman of the Committee is an Independent Director. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of the Nomination and Remuneration Committee as well as the particulars of attendance at the Nomination and Remuneration Committee Meetings is as under:

Name of the Directors	Category	Position	No. of meetings	
			Held	Attended
Mr. Pradeep H. Gohil	Independent – Non- Executive	Chairman	4	4
Dr. Sonal V. Ambani	Independent – Non- Executive	Member	4	3
Mr. Jagdish R. Naik	Independent – Non- Executive	Member	4	4
Mr. Ajit R. Sanghvi	Independent – Non- Executive	Member	4	3

### c) **MEETINGS HELD**

The Committee met 4 (four) times during the financial year 2019-20 on the following dates:

May 22, 2019	August 02, 2019	January 28, 2020	March 17, 2020
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#### **d) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

Performance Evaluation of Independent Directors is done by the entire Board of Directors except the Director whose evaluation is being done. The Board also evaluates if the Independent Directors fulfil the criteria of independence as laid down in the Companies Act, 2013, Rules framed thereunder and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination & Remuneration Committee.

The broad criteria followed for evaluation of performance of Directors includes aspects such as attendance at the meetings, participation and independence during the meetings, interaction with management, role and accountability, knowledge and proficiency etc. The performance evaluation of the Managing Director was based on business achievements of the company.

#### **e) Nomination and Remuneration Policy:**

##### **i) Remuneration to Non-Executive Directors:**

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. The Appointment Letter issued to the Independent Director is available on the website of the Company [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com).

##### **ii) Remuneration to Executive Directors:**

The appointment and remuneration of Chairman and Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, resolution passed by the Board of Directors and shareholders of the Company. The break-up of the pay scale, performance bonus / commission and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc.

shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders wherever required. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof. The Nomination and Remuneration Policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

The Board has, on recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors, Key Managerial Personnel and Senior Management Employees.

#### **Details of Remuneration paid during the Financial Year 2019-20:**

The remuneration paid by Company to Mr. Chirag A. Parekh, Chairman & Managing Director during the financial year 2019-20 is ₹ 181.33 Lakhs p.a.

#### **REMUNERATION TO NON-EXECUTIVE DIRECTORS**

The details of remuneration paid to Non-Executive Directors during the Financial Year 2019-20 are as given below:

(₹ in Lakhs)

<b>Name of Directors</b>	<b>Sitting Fees (in ₹)</b>
Dr. Sonal V. Ambani	2.25
Mr. Jagdish R. Naik	2.50
Mr. Ajit R. Sanghavi	2.10
Mr. Rustam N. Mulla*	0.20
Mr. Pardeep H. Gohil	2.20

\*Mr. Rustam N. Mulla was appointed as an Independent Non-Executive Director w.e.f. March 17, 2020.

#### **iii) STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per the governing provisions of Section 178 of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of member correspondences, queries, grievances etc. are endeavoured to be

addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders' Relationship Committee Meeting which meets at quarterly intervals.

**a) TERMS OF REFERENCE OF STAKEHOLDERS RELATIONSHIP COMMITTEE**

- i. To resolve the grievances of the security shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new duplicate certificates, general meetings, etc;
- ii. To review measures taken for effective exercise of voting rights by shareholders;
- iii. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. To review the various measures and initiatives taken by the Company for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

- v. To review and note Transfer/ Transmission / Dematerialisation of Equity Shares of the Company;
- vi. To issue duplicate share certificates as and when the requests are received by the Company;
- vii. To review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard;
- viii. To look into the various aspects of interest of shareholders; and
- ix. To do all acts, deeds and things as may be required to be undertaken in terms of the provisions of Companies Act, 2013 and rules made there under.

**b) COMPOSITION**

Stakeholders Relationship Committee comprises of 4 Directors, of which One is Executive Director and three are Independent Directors. The detailed constitution and attendance at the committee meetings is as under:

Name of the Director	Category	Position	No. of meetings	
			Held	Attended
Mr. Ajit R. Sanghvi	Independent-Non-Executive Director	Chairman	4	3
Mr. Chirag A. Parekh	Promoter- Executive	Member	4	4
Dr. Sonal V. Ambani	Independent-Non-Executive Director	Member	4	3
Mr. Jagdish R. Naik	Independent-Non-Executive Director	Member	4	4

Mr. Damodar Sejpal resigned as the Company Secretary and Compliance Officer of the Company w.e.f. January 31, 2020.

Mrs. Neha Poddar was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. February 01, 2020 and acts as the Secretary of the Committee.

## c) MEETINGS HELD

The Committee met 4 (four) times during the financial year 2019-20 on the following dates:

May 22, 2019	August 02, 2019	November 12, 2019	January 28, 2020
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## d) DETAILS OF SHAREHOLDERS COMPLAINTS DURING 2019-20:

The status of investor grievances received during the financial year 2019-20 is as follows:

No. of Complaints pending as on April 1, 2019:	Nil
No. of Complaints / queries received during the year:	04
No. of Complaints resolved during the year:	04
No. of Complaints pending as on March 31, 2020	Nil

## iv) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility committee was formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company under 'Company Policies' in the 'Investor Relation' section.

## a) TERMS OF REFERENCE OF CSR COMMITTEE

- Formulating and recommending to the Board, the CSR policy and indicating activities to be undertaken;
- Decide the CSR Projects or Programs to be taken up by the Company either directly or through registered trust or registered society or a Company established by the Company or its holding or subsidiary or associate Company under Section 8 of the Act or otherwise;
- Place before the Board the CSR projects or programs proposed to be taken up by the Company for approval, each year;
- Define and monitor the Budgets for the carrying out the Projects or Programs;
- Recommending the amount of expenditure for the CSR activities;
- Oversee the progress of the CSR Projects or Programs rolled out under this Policy as may be required;
- Submit a Report to the Board on all CSR Activities undertaken during the Financial Year; and
- Monitor and Review the implementation of the CSR Policy.

## b) COMPOSITION

The composition and attendance of the CSR Committee, during the year is as follows:

Name of the Directors	Category	Position	No. of meetings	
			Held	Attended
Mr. Chirag A. Parekh	Promoter-Executive	Chairman	4	4
Dr. Sonal V. Ambani	Independent - Non-Executive Director	Member	4	3
Mr. Pradeep H. Gohil	Independent - Non-Executive Director	Member	4	4

### c) MEETINGS HELD

The Company held 4 (four) meetings of its Corporate Social Responsibility Committee during the year on the following dates:

May 22, 2019	August 02, 2019	November 12, 2019	January 28, 2020
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### v) INDEPENDENT DIRECTORS' MEETING

The Company's Independent Directors shall meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

During the year under review, the Independent Directors met on March 17, 2020, inter alia, to:

- Evaluate the performance of the Non Independent Directors and Board of Directors as a Whole;

- Evaluate the performance of the Chairman of the Company, taking into account the views of the Executive and Non - Executive Directors; and
- Evaluate the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### vi) GENERAL MEETINGS

#### a. Annual General Meetings:

The details of last three Annual General Meetings held are provided as under:

Year	Location	Day/date	Time	Details of Special Resolution
2016-17	20, Down Town, M Karve Road, Churchgate, Mumbai, Maharashtra -400020	Wednesday, September 20, 2017	03:30 P.M.	No Special Resolution was passed.
2017-18	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai, Maharashtra - 400 001	Thursday, September 27, 2018	03:30 P.M.	No Special Resolution was passed.
2018-19	Indian Merchant Chambers, IMC Road, Churchgate, Mumbai, Maharashtra - 400020	Friday, September 13, 2019	03:30 P.M.	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Chirag A. Parekh (DIN No.: 00298807) as a Chairman and Managing Director of the Company.</li> <li>2. Re-appointment of Mr. Jagdish R. Naik (DIN No.: 00030172) as an Independent Director of the Company.</li> <li>3. Re-appointment of Mr. Pradeep H. Gohil (DIN No.: 03022804) as an Independent Director of the Company.</li> <li>4. Re-appointment of Mr. Ajit R. Sanghvi (DIN No: 00340809) as an Independent Director of the Company.</li> </ol>



## b. Extra Ordinary General Meeting:

The details of last three Extra Ordinary General Meetings held are provided as under:

Year	Location	Day/date	Time	Details of Special Resolution
2016-17	No extra ordinary general meeting held during the year			
2017-18	No extra ordinary general meeting held during the year			
2018-19	The Mirador, Link Road, Chakala, Andheri East, Mumbai, Maharashtra 400 099	Wednesday, May 9, 2018	03.00 PM	1. Issue of Convertible Warrants on preferential basis.
2018-19	Indian Merchant Chambers, IMC Road, Churchgate, Mumbai - 400020	Friday, December 21, 2018	01.00 PM	1. Sub-division of Face Value of Equity Shares of the Company; 2. Alteration of the Capital Clause in the Memorandum of Association.

## c. Resolution passed through Postal Ballot:

During the year none of the business was transacted through Postal Ballot.

## 4. DISCLOSURES:

### (i) Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

### (ii) Related Party Transactions

Pursuant to the Listing Regulations and applicable provisions of the Companies Act, 2013, the Company has formulated policy for dealing with Related Party transactions. All the transactions entered into Company during the year with related parties were in ordinary course of business. Transactions with every Related Party were entered as per the provisions of the law and the Related Party Policy. The Policy for dealing with Related Party transactions is available on the website of the Company i.e. [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com). In line with the SEBI Listing Regulations, the policy has been amended suitably.

The Company has also formulated Policy on determining Material Subsidiaries as required under the provisions of the Listing Regulations which has been approved by the Board and the same is available on the website of the Company i.e. [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com).

All Related Party transactions are entered in compliance to the provisions of law, the Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions were entered with the prior approval of Audit Committee, Board and Shareholders, if and as applicable.

The Company did not enter into any materially significant transactions with Promoters, Directors or the Management, their subsidiaries or relatives etc., which were in conflict with the interest of the Company. Details of Related Party Transactions are provided in Note No. 37 of notes forming part of financial statements. Necessary approvals have been obtained wherever required. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the company at large.

### **(iii) Prevention of Sexual Harassment at workplace Policy**

Company has in place prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

All women employees (permanent, contract, temporary, trainees) are covered under the policy. Internal Complaints Committee has been set up to receive complaints, investigate the matter and report to the management for Redressal of complaints of sexual harassment. During the year under review, no complaints were received by the committee.

### **(iv) Details of non-compliance by the Company, penalties, and Strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years**

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

### **(v) Vigil Mechanism / Whistle Blower Policy**

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all the stakeholders to raise concerns about any misconduct or unacceptable practice.

The Company has institutionalized a Vigil Mechanism for the Stakeholders to disclose their concerns and grievances on unethical behaviour and improper / illegal practices and wrongful conduct taking place in the Company

for appropriate action through the adoption of a Whistle Blower Policy as per Section 177(9) and (10) and Regulation 22 of Listing Regulations. Pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company. Further the mechanism adopted by the Company encourages the employees and Directors of the Company to report genuine concerns or grievances and provides for adequate safeguards against victimisation of employees and directors who avail of such mechanism in Good Faith and any Stakeholder assisting the investigation and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases.

None of the personnel of the Company have been denied access to the Audit Committee. The Policy has been uploaded on website of the Company and can be accessed at <http://www.acrysilcorporateinfo.com/public/upload/pdf/9512vigil-mechanism.pdf>.

### **(vi) Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

### **(vii) Commodity price risk and Commodity hedging activities**

The Company does not have any exposure of any commodity and accordingly, no hedging activities for the same are carried out.

### **(viii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company has made preferential issue (Issue of Convertible Warrants) to Mr. Chirag A. Parekh, Mrs. Shetal Chirag Parekh and M/s. Acrycol

Minerals Limited, Promoter and Promoter Group, on a preferential basis, for cash consideration ('Preferential Allotment') on such terms and conditions as determined by the Board in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable laws.

The proceeds of the said preferential allotment are fully utilized for the purpose for which it was raised.

**(ix) A Certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority**

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

**(x) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year**

Not Applicable

**(xi) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

Details relating to fees paid to the Statutory Auditors are given in Note No.29 to the Standalone Financial Statements and Note No.27 to the Consolidated Financial Statements.

**(xii) Non-mandatory requirements**

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time.

**(xiii) Details of Adoption of Non-Mandatory (Discretionary Requirements)**

Non-mandatory (discretionary) requirements under Regulation 27 of the Listing Regulations.

The status of compliance with non-mandatory requirements of the Listing Regulations is as under:

**a. The Board**

The requirements relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

**b. Shareholders Right**

The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchange and updated on the website of the Company.

**c. Modified opinion(s) in Audit Report**

There are no modified opinions in audit report.

**d. Reporting of an Internal Auditor**

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

**(xiv) Code of Conduct**

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for Directors & Senior Management

('the Code'). The Code is applicable to the members of the Board and senior executive officers of the Company. The Code is available on the website of the Company and at the link <http://www.acrysilcorporateinfo.com/public/upload/pdf/94151.%20Code%20of%20Conduct%20for%20Directors%20&%20Senior%20Management.pdf>.

The Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2019-20. A declaration to this effect in terms of Regulation 26 of the SEBI Listing Regulations forms part of the Annual Report.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code for Prevention of Insider Trading as required under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company.

#### **(xv) CMD /CFO Certification**

As required under Regulation 17(8) of the SEBI Listing Regulations, the Chairman & Managing Director and the Chief Financial Officer of the Company have certified regarding the Financial Statements for the year ended March 31, 2020, which is annexed to this Report.

#### **(xvi) Reconciliation of Share Capital Audit**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

#### **(xvii) Compliance with Secretarial Standards**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

#### **(xviii) MEANS OF COMMUNICATION**

##### **Financial Results:**

- The Company publishes limited reviewed unaudited financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.
- The unaudited quarterly and summarised audited annual results of the Company are generally published in the dailies published from Mumbai viz. Economic Times (English), Business Standard (English) and Navshakti (Marathi).
- The financial results and the official news releases are also placed on the company's website [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com) in the 'Investor Relations' section.
- Presentations made to institutional investors or to the analysts.
- Management Discussion and Analysis forms part of the Annual Report.

#### **(xix) GENERAL SHAREHOLDER INFORMATION**

##### **a. 33rd Annual General Meeting**

- |       |   |   |
|-------|---|---|
| AGM   | - | 33rd Annual General Meeting                   |
| Date  | - | Monday, September 28, 2020                    |
| Time  | - | 03:30 p.m.                                    |
| Venue | - | Video Conferencing / Other Audio Visual Means |

**b. Financial Year** – April 01, 2020 to March 31, 2021

Financial Year	April 1, 2020 to March 31, 2021
First Quarter Results	August 12, 2020
Half Yearly results	By second week of November, 2020
Third quarter results	By second week of February, 2021
Results of year end	By end of May, 2021

**c. Dates of Book Closure:** Sept. 4, 2020 to Sept. 8, 2020

**d. Dividend payment date:** The proposed dividend, if approved at the ensuing Annual General Meeting will be distributed before October 25, 2020.

**e. Listing on Stock Exchange: BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  
 Stock Code: 524091  
 Company has paid Listing Fees for the year 2020-21 to the Stock Exchange.  
 ISIN: INE482D01024

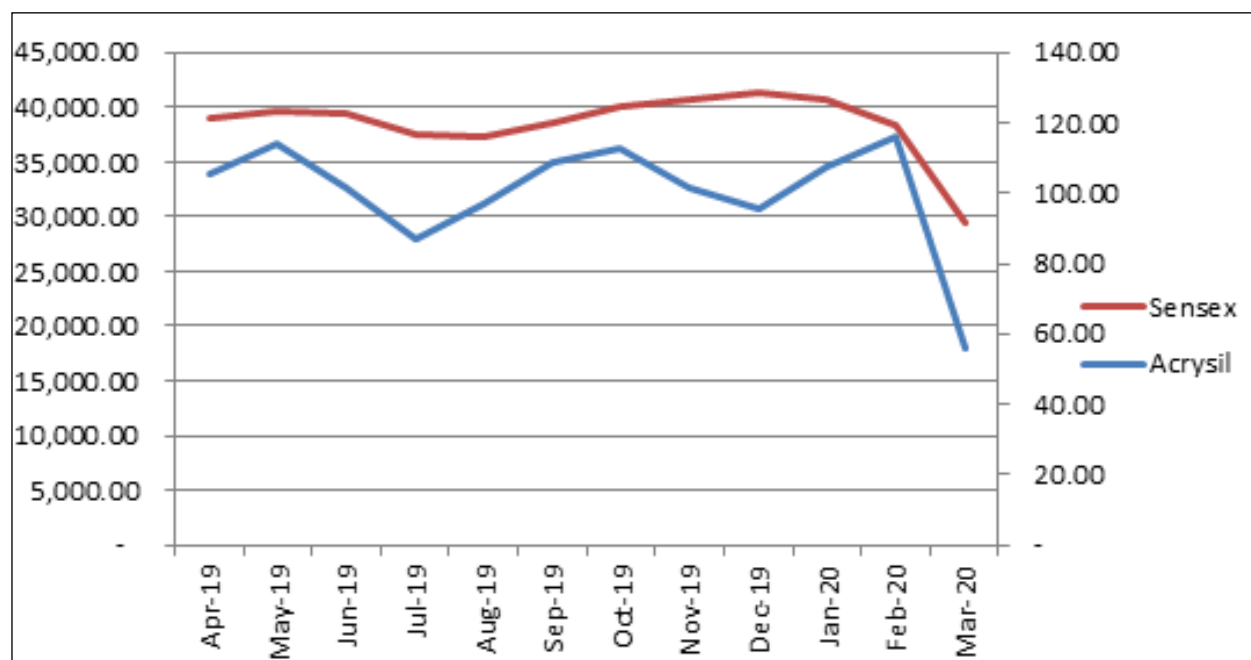
**f. Market Price Data:**

The monthly high and low price and volume of shares traded during the year 2019-20 on the BSE Limited:

Month	BSE Limited		
	High (₹)	Low (₹)	Volume of Shares traded during the month (Nos.)
April, 2019	116.75	100.20	99,229
May, 2019	122.50	99.00	2,32,503
June, 2019	118.00	90.00	1,15,404
July, 2019	103.65	85.10	97,819
August, 2019	105.00	86.00	5,44,285
September, 2019	117.45	95.60	1,72,020
October, 2019	117.60	97.30	4,94,674
November, 2019	114.00	93.10	2,15,764
December, 2019	101.90	92.65	1,31,302
January, 2020	111.00	94.00	4,28,422
February, 2020	135.95	100.60	11,84,468
March, 2020	122.00	53.95	4,14,289

**g. Performance of share price in comparison with the BSE Sensex:**

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the financial year ended March 31, 2020 (based on month end closing):



**h. Disclosure of securities that are suspended from trading: Not Applicable**

**i. Registrar and Transfer Agents**

Bigshare Services Private Limited  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East) Mumbai 400059,  
Maharashtra - Tel: 022 62638200  
E-mail: investor@bigshareonline.com

**j. Share Transfer System**

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 01, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares

in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

**k. Nomination facility for shareholding**

Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA. Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard. Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL.



**I. Distribution of Shareholdings as on March 31, 2020**

Range	No. of Shareholders	Percentage(%)	Shares Amount(₹)	Percentage(%)
1-5000	5650	91.01	5070110	9.50
5001-10000	310	4.99	2174024	4.07
10001-20000	133	2.14	1885204	3.53
20001-30000	36	0.58	896980	1.68
30001-40000	16	0.26	559012	1.05
40001-50000	13	0.21	595732	1.12
50001-100000	18	0.29	1242028	2.33
Above 100000	32	0.52	40966670	76.73
<b>TOTAL</b>	<b>6208</b>	<b>100.00</b>	<b>53389760</b>	<b>100.00</b>

**m. Shareholding Pattern of Equity Shares as on March 31, 2020**

Category	No. of Shareholders	No. of Shares held	% of total paid up
Promoters	9	11756750	44.04
Mutual Funds	1	460803	1.73
Financial Institutions /Banks	1	500	0.00
Bodies Corporate	59	822261	3.08
Clearing Members	43	48602	0.18
Director or Director's Relatives	8	194700	0.73
Non-Resident Indians (NRI)	184	692225	2.59
Overseas Bodies Corporate	1	2262000	8.47
Public	5901	10104109	37.86
IEPF	1	352930	1.32
<b>TOTAL</b>	<b>6208</b>	<b>26694880</b>	<b>100.00</b>

**n. Dematerialization of Shares and Liquidity**

96.97% of the Company's share capital is held in dematerialized form as on March 31, 2020. The Company's shares are regularly traded on BSE Limited. The break-up of equity shares held in Physical and dematerialised form as on March 31, 2020, is given below:

Category	No. of Shares	Percentage
NSDL	2,33,95,920	87.64
CDSL	24,89,445	9.33
Physical	8,09,515	3.03
<b>Total</b>	<b>2,66,94,880</b>	<b>100.00</b>

**o. Address of Registrar for Dematerialisation of Shares.**

Bigshare Services Private Limited  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East) Mumbai 400059  
Maharashtra - Tel: 022 62638200  
E-mail: investor@bigshareonline.com

**p. Outstanding ADRs/GDRs/Convertible Warrants or any convertible Instruments: N.A.**

**q. Factory:**

Survey No. 312,  
Bhavnagar – Rajkot Highway,  
Navagam, Post: Vartej – 364 060,  
Bhavnagar, Gujarat, India

**r. Address for correspondence with the Company:**

Registered Office:  
Acrysil Limited  
B-307, Citi Point, 3rd Floor,  
J.B. Nagar, Andheri Kurla Road,  
Andheri East, Mumbai – 400059  
Contact No: 022 – 40157817/18/19  
Email id: cs.al@acrysil.com

**s. Registrar and Transfer Agents (RTA):**

Bigshare Services Private Limited  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East) Mumbai 400059,  
Maharashtra. Tel: 022 62638200  
E-mail: investor@bigshareonline.com

**t. Credit Ratings**

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by ICRA Limited during the Financial Year 2019-20 as given below:

Instrument	Rating
Long Term Debt	ICRA BBB+ (Outlook Positive)
Short Term Debt	ICRA A2

**u. Unpaid and Unclaimed Dividends:**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unpaid or unclaimed dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Act. The details of unclaimed/unpaid dividend are available on the website of the Company viz. [www.acrysilcorporateinfo.com](http://www.acrysilcorporateinfo.com).

The Nodal Officer of the Company per IEPS refund process is Mr. Chirag A. Parikh whose E-mail Id is [cs.al@acrysil.com](mailto:cs.al@acrysil.com)

**v. Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years.**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended

from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by

the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules. The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPFA, to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

**w. Details of Unclaimed/ unpaid Dividend as on March 31, 2020 and due dates for transfers are as follows:**

Sr. No.	Financial Year	Date of Declaration of Dividend	Unclaimed Amount	Due Date for transfer to IEPF
1.	2012-13	Sept 26, 2013	5,01,920.10	Nov 28, 2020
2.	2013-14	Sept 24, 2014	6,77,660.00	Nov 26, 2021
3.	2014-15	Sept 25, 2015	6,44,184.00	Nov 27, 2022
4.	2015-16	Sept 24, 2016	8,67,500.00	Nov 26, 2023
5.	2016-17	Sept 20, 2017	8,44,685.00	Nov 22, 2024
6.	2017-18	Sept 27, 2018	7,48,660.00	Nov 29, 2025
7.	2018-19	Sept 13, 2019	7,15,407.60	Nov 15, 2026

During the year under review, the Company has transferred Unclaimed Dividend of ₹ 3,99,272/- to Investor Education and Protection Fund which was declared in Financial Year 2011-2012.

As per Regulation 34(3) read with Schedule V of the listing Regulations, 96,680 shares of the Company is lying in the Suspense Account.

**DECLARATIONS**

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Acrysil Limited Code of Business Conduct and Ethics for the year ended March 31, 2020.

**For Acrysil Limited**

**CHIRAG A. PAREKH**

(DIN: 00298807)

Chairman & Managing Director

Date: August 12, 2020  
Place: Bhavnagar

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
Acrysil Limited  
B-307, Citipoint, Andheri Kurla Road,  
J. B. Nagar, Andheri (E), Mumbai – 400 059

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Acrysil Limited having CIN L26914MH1987PLC042283 and having registered office at B-307, Citipoint, Andheri Kurla Road, J. B. Nagar, Andheri (E), Mumbai – 400 059 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Jagdish Ramanlal Naik	00030172	29/03/1989
2.	Chirag Ashwin Parekh	00298807	02/11/2002
3.	Rustam Navel Mulla	00328070	17/03/2020
4.	Ajit Rasiklal Sanghvi	00340809	31/01/2000
5.	Sonal Vimal Ambani	02404841	23/05/2016
6.	Pradeep Hardevsinhji Gohil	03022804	28/01/2013

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 27th May, 2020

**Pradip Shah**  
For P. P. Shah & Co.,  
Practicing Company Secretaries  
FCS No. 1483, C P No.: 436  
UDIN: F001483B000290191

# Chairman and Managing Director [CMD] and Chief Financial Officer [CFO] Certification

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**To**  
**The Board of Directors,**  
**Acrysil Limited**

As required under the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations] read with Schedule II part B of the Listing Regulations;

We hereby certify for the financial year ended March 31, 2020 that: -

- a. We have reviewed financial statements of Acrysil Limited for the year that to the best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

**For Acrysil Limited**

**CHIRAG A. PAREKH**  
Chairman & Managing Director  
(DIN: 00298807)

Bhavnagar  
August 12, 2020

**ANAND H. SHARMA**  
Chief Financial Officer

Mumbai  
August 12, 2020

# INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To**  
**The Members of**  
**ACRYSIL LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **Acrysil Limited** ("the Company") for the year ended 31st March, 2020 as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations").

## **Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

## **Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI") and Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## **Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2020.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P A R K & COMPANY**  
Chartered Accountants  
FRN: 116825W

Bhavnagar  
August 12, 2020

**ASHISH DAVE**  
Partner  
Membership No. 170275  
UDIN: 20170275AAAACL7572



# INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**ACRYSIL LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Acrysil Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020 and of the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial

statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Emphasis of matter

We draw your attention to Note 39 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in our forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

### Key Audit Matter:

Revenue from the sale of goods ("Revenue") is recognized when the Company performs its obligation to its customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company.

### **Auditor's Response:**

Our audit approach was a combination of test of internal controls and substantive procedures including assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof; evaluating the integrity of the general information and control environment and testing the operating effectiveness of key controls.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance Report, Shareholder's Information, but does not include the financial statements and auditor's report thereon. The Board's Report and other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the aforesaid reports and information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial

statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concerns and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosure, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in clause 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- 
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31st March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020, from being appointed as a director in terms section 164(2) of the Act;
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure – B may be referred;
  - g) In our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 

**For P A R K & COMPANY**

Chartered Accountants

FRN: 116825W

Bhavnagar  
June 12, 2020

**ASHISH DAVE**

Partner

Membership No. 170275

UDIN: 20170275AAAAABL9394

## ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the Company.
- 2 The inventories were physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification carried out by the Company.
- 3 The Company has granted loans to companies covered in the register maintained under section 189 of the Act. Since no terms and conditions of these loans, except for charging of interest, are stipulated, we cannot offer any comments as to the payment of interest, repayment of principal amount or overdue amounts, if any.
- 4 The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.
- 5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 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 Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6 We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7 In respect of statutory and other dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Cess, Goods & Service Tax and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
  - b. There are no amounts outstanding, which have not been deposited on account of dispute.
- 8 The Company has not defaulted in repayment of loans or borrowing to banks. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.
- 9 Terms loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).
- 10 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 or on the Company by its officers or employees was noticed or reported during the year.
- 11 Managerial remuneration paid or provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- 
- |   |   |
|---|---|
| <p>12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.</p> <p>13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.</p> <p>14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.</p> | <p>15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.</p> <p>16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.</p> |
|---|---|
- 

**For P A R K & COMPANY**

Chartered Accountants  
FRN: 116825W

Bhavnagar  
June 12, 2020

**ASHISH DAVE**

Partner  
Membership No. 170275  
UDIN: 20170275AAAABL9394



## ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Acrysil Limited** ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and

their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that –

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For P A R K & COMPANY**

Chartered Accountants

FRN: 116825W

Bhavnagar  
June 12, 2020

**ASHISH DAVE**

Partner

Membership No. 170275

UDIN: 20170275AAAABL9394

# BALANCE SHEET

## AS AT 31ST MARCH, 2020

(₹ in lakhs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>ASSETS:</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	8,381.77	7,978.26
Right of use assets	3	142.12	-
Capital work in progress	2	645.77	336.56
Other intangible assets	4	169.03	179.95
Financial assets			
Investments	5	1,407.51	1,407.51
Loans	6	216.61	462.62
Other financial assets	7	140.37	160.69
Other non-current assets	8	332.21	194.78
		<b>11,435.39</b>	<b>10,720.37</b>
<b>Current Assets</b>			
Inventories	9	4,207.05	3,951.41
Financial assets			
Investments		-	-
Trade receivables	10	5,094.33	4,392.68
Cash and cash equivalents	11	133.23	254.75
Other bank balances	12	1,347.56	871.69
Loans	6	7.23	5.45
Other financial assets	7	1,043.16	934.85
Current tax assets (net)	13	2,019.89	1,500.90
Other current assets	8	1,213.95	1,681.31
		<b>15,066.40</b>	<b>13,593.04</b>
<b>Total Assets</b>		<b>26,501.79</b>	<b>24,313.41</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
Equity share capital	14	533.90	518.90
Other equity	15	12,499.71	10,858.68
Money received against share warrants		-	206.25
		<b>13,033.61</b>	<b>11,583.83</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	16	1,181.13	1,163.06
Other financial liabilities	17	48.43	-
Provisions	18	43.30	35.92
Deferred tax liabilities (net)	19	279.21	327.27
Other non-current liabilities	20	-	-
		<b>1,552.07</b>	<b>1,526.25</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	16	6,505.96	6,516.80
Trade payables	21		
Total outstanding dues of Micro and Small Enterprises		423.35	413.48
Total outstanding dues of creditors other than Micro and Small Enterprises		1,585.02	1,654.14
Other financial liabilities	17	892.64	803.75
Other current liabilities	20	302.21	222.67
Provisions	18	72.78	30.70
Current tax liabilities (net)	13	2,134.15	1,561.79
		<b>11,916.11</b>	<b>11,203.33</b>
<b>Total Liabilities</b>		<b>26,501.79</b>	<b>24,313.41</b>

The accompanying notes are integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**  
Chartered Accountants  
Firm Registration No. 116825W

**CHIRAG A. PAREKH**  
Chairman & Managing Director

**JAGDISH R. NAIK**  
Director

**ASHISH DAVE**  
Partner  
Membership No. 170275

**ANAND SHARMA**  
Chief Financial Officer

**NEHA PODDAR**  
Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020

## STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

Particulars	Note No.	2019-2020	2018-2019
<b>REVENUE:</b>			
Revenue from operations ( net )	22	21,437.31	19,875.60
Other income	23	498.66	273.45
<b>Total revenue</b>		<b>21,935.97</b>	<b>20,149.05</b>
<b>EXPENSES:</b>			
Cost of materials consumed	24	8,417.04	8,842.56
Purchases of stock-in-trade		1,796.47	1,639.64
Changes in inventories	25	158.58	(570.31)
Employee benefits expenses	26	1,674.48	1,374.98
Finance costs	27	777.13	756.37
Depreciation and amortisation expenses	28	1,092.22	767.98
Other expenses	29	6,199.05	5,669.89
<b>Total expenses</b>		<b>20,114.97</b>	<b>18,481.11</b>
<b>Profit before exceptional items and tax</b>		<b>1,821.00</b>	<b>1,667.94</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>1,821.00</b>	<b>1,667.94</b>
Tax expenses			
Current tax	13	560.00	465.00
Earlier years' tax		5.47	26.06
Deferred tax		(23.60)	(1.52)
<b>Profit for the year</b>		<b>1,279.13</b>	<b>1,178.40</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
a. Remeasurements of defined benefit liabilities/(asset)		(30.67)	9.35
b. Tax impacts on above		7.72	(2.72)
Items that may be reclassified to profit or loss			
<b>Other comprehensive income for the year</b>		<b>(22.95)</b>	<b>6.63</b>
<b>Total comprehensive income for the year</b>		<b>1,256.18</b>	<b>1,185.03</b>
Basic and diluted earning per share	30	4.86	4.54
Face value per share		2.00	2.00

The accompanying notes are integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**  
Chartered Accountants  
Firm Registration No. 116825W

**CHIRAG A. PAREKH**  
Chairman & Managing Director

**JAGDISH R. NAIK**  
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Chief Financial Officer

**NEHA PODDAR**  
Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

Particulars	2019-2020			2018-2019		
<b>A Cash flow from operating activities:</b>						
Net profit for the year		1,279.13			1,178.40	
<b>Adjustments for -</b>						
Depreciation	1,092.22			767.98		
Income tax expenses	541.87			489.54		
Impairment loss recognised on trade receivables	199.03			88.30		
Loss on disposal of property, plant & equipments	-			(0.89)		
Interest income	(80.62)			(169.16)		
Finance cost	777.13	2,529.64		756.37	1,932.15	
<b>Operating Profit Before Working Capital Changes</b>		<b>3,808.76</b>			<b>3,110.55</b>	
<b>Movements in working capital:</b>						
Trade and other receivables	(1,220.29)			512.67		
Other current and non-current assets	329.93			265.62		
Inventories	(255.64)			(634.65)		
Provisions	18.79			(4.68)		
Other current and non-current liabilities	79.54			38.91		
Trade and other payables	(133.99)	(1,181.66)		(678.14)	(500.27)	
<b>Cash generated from operations</b>		<b>2,627.10</b>			<b>2610.28</b>	
Income tax paid	(576.10)	(576.10)		(627.92)	(627.92)	
<b>Net cash generated by operating activities</b>			<b>2,051.00</b>			<b>1982.36</b>
<b>B Cash flow from investing activities:</b>						
Payment for property, plant and equipments		(1,641.57)			(1,764.49)	
Sale of property, plant and equipments		-			7.42	
Interest received		80.62			169.16	
<b>Net cash (used in)/generated from investing activities</b>			<b>(1,560.95)</b>			<b>(1,587.91)</b>
<b>C Cash flow from financing activities:</b>						
Proceeds from borrowings		18.07			526.91	
Repayments of borrowings		(10.84)			-	
Proceeds from issue of equity shares		618.75			-	
Money received against share warrants		-			206.25	
Interest paid		(777.13)			(756.37)	
Repayment of lease liabilities		(151.95)			-	
Dividend paid		(308.46)			(252.44)	
<b>Net cash used in financing activities</b>			<b>(611.57)</b>			<b>(275.65)</b>
Net increase in cash and cash equivalents			(121.52)			118.80
Cash and cash equivalents as at beginning of the year			254.75			135.95
<b>Cash and cash equivalents as at end of the year</b>			<b>133.23</b>			<b>254.75</b>

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flow.

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**  
Chartered Accountants  
Firm Registration No. 116825W

**CHIRAG A. PAREKH**  
Chairman & Managing Director

**JAGDISH R. NAIK**  
Director

**ASHISH DAVE**  
Partner  
Membership No. 170275

**ANAND SHARMA**  
Chief Financial Officer

**NEHA PODDAR**  
Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31ST MARCH, 2020

#### A. SHARE CAPITAL

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
At the beginning of the year	518.90	518.90
Changes in equity share capital during the year	15.00	-
At the end of the year	<b>533.90</b>	<b>518.90</b>

#### B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserve and surplus				Other Comprehensive Income Net gain/ (loss) on fair value of defined benefit plan	Total
	General reserve	Retained earnings	Capital reserve	Securities Premium		
<b>As at 1st April, 2018</b>	<b>3,600.00</b>	<b>3,195.08</b>	<b>25.20</b>	<b>3,164.09</b>	<b>2.06</b>	<b>9,986.43</b>
Profit for the year	-	1,178.40	-	-	-	1,178.40
Other comprehensive income for the year (net of tax)	-	-	-	-	6.63	6.63
Transfer from retained earnings to general reserve	300.00	(300.00)	-	-	-	-
Dividend paid on equity shares	-	(259.45)	-	-	-	(259.45)
Dividend distribution tax	-	(53.33)	-	-	-	(53.33)
<b>As at 31st March, 2019</b>	<b>3,900.00</b>	<b>3,760.70</b>	<b>25.20</b>	<b>3,164.09</b>	<b>8.69</b>	<b>10,858.68</b>
Profit for the year	-	1,279.13	-	-	-	1,279.13
Addition during the year	-	-	-	810.00	-	810.00
Transitional adjustments on account of Ind AS 116	-	(49.80)	-	-	-	(49.80)
Other comprehensive income for the year (net of tax)	-	-	-	-	(22.95)	(22.95)
Transfer from retained earnings to general reserve	300.00	(300.00)	-	-	-	-
Dividend paid on equity shares	-	(311.34)	-	-	-	(311.34)
Dividend distribution tax	-	(64.01)	-	-	-	(64.01)
<b>As at 31st March, 2020</b>	<b>4,200.00</b>	<b>4,314.68</b>	<b>25.20</b>	<b>3,974.09</b>	<b>(14.26)</b>	<b>12,499.71</b>

The accompanying notes are integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**  
Chartered Accountants  
Firm Registration No. 116825W

**CHIRAG A. PAREKH**  
Chairman & Managing Director

**JAGDISH R. NAIK**  
Director

**ASHISH DAVE**  
Partner  
Membership No. 170275

**ANAND SHARMA**  
Chief Financial Officer

**NEHA PODDAR**  
Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020



# [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

## COMPANY INFORMATION

**Acrysil Limited** ("the Company") is a public limited company domiciled in India and incorporated on 19th January, 1987 under the provisions of the Companies Act applicable in India. The Company is engaged in manufacturing and trading of Quartz Kitchen Sinks, Stainless Steel Kitchen Sinks, Bath Products, Tiles, Kitchen Appliances and Accessories. The registered office of the Company is located at B-307, Citi Point, J B Nagar, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE).

The standalone Ind AS financial statements ("the financial statements") were authorized for issue in accordance with the resolution of the Board of Directors on 12th June, 2020.

## 1 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as applicable.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company adopts operating cycle based on the project period and accordingly, all project related assets and liabilities are classified into current and non-current. The Company considers 12 months as normal operating cycle.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lacs except otherwise indicated.

## A. Significant accounting policies:

### a. System of accounting

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of Companies Act, 2013 ("Act"), except in case of significant uncertainties.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. It is held primarily for the purpose of being traded:

It is expected to be realized within 12 months after the reporting date;

It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

## **[NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]**

### **b. Key accounting estimates**

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Estimates and judgements are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Company.

### **c. Standards issued but not effective:**

The amendments are proposed to be effective for reporting periods beginning on or after 1st April, 2020.

#### **1. Ind AS 117 – Insurance Contracts:**

Ind AS 117 supersedes Ind AS 104 Insurance Contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated

as the present value of future insurance cash flow with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

#### **2. Amendments to existing standards:**

Ministry of corporate affairs has carried out amendments of the following accounting standards:

- Ind AS 103 – Business Combination
- Ind AS 1 – Presentation of financial statements
- Ind AS 8 – Accounting policies, changes in accounting estimates and errors
- Ind AS 40 – Investment property

The company is in the process of evaluating the impact of the new amendments issued but not yet effective.

#### **d. Property, plant and equipment**

- (i) Property, plant and equipment are stated at historical cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/installation of the assets less accumulated depreciation and accumulated impairment losses, if any.
- (ii) Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss as incurred.
- (iii) The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the statement of profit and loss.

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

(iv) Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

(v) On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April 2017 of its property, plant and equipment and use that carrying value as the deemed cost of the property, plant and equipment on the date of transition i.e. 1st April 2017 except for certain class of assets which are measured at fair value as deemed cost.

(vi) The Company depreciates property, plant and equipment on written down value method except for buildings, plant & equipment and dies & moulds where depreciation is provided on straight line method over the estimated useful life prescribed in Schedule II of the Companies Act, 2013 from the date the assets are ready for intended use after considering the residual value.

(vii) Intangible assets mainly represent implementation cost for software and other application software acquired/developed for in-house use and design and property rights of the Company. These assets are stated at cost. Cost includes related acquisition expenses, related borrowing costs, if any, and other direct expenditure.

(viii) Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

### e. **Investments and financial assets**

#### (i) **Investments in subsidiary companies**

Investments in subsidiary companies is recognised at cost and not adjusted to fair

value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

The Company assesses at the end of each reporting period, if there is any indication that the said investments may be impaired. If so, the Company estimates the recoverable value of the investments and provides for impairment, if any, i.e. the deficit in the recoverable value over cost.

Upon first-time adoption of Ind AS, the Company has elected to measure these investments at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2017.

#### (ii) **Other investments and financial assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit or loss. In other cases, the transaction costs are attributed to the acquisition value of financial asset.

Financial assets are subsequently classified measured at –

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing financial assets.

Financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset.

## **[NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]**

Where the entity has transferred the asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, financial asset is derecognised.

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

### **f. Inventories**

- (i) Raw materials and stores and spares are valued at weighted average cost including all charges in bringing the materials to the present location.
- (ii) Finished and work-in-progress are valued at the cost plus direct expenses and appropriate value of overheads or net realizable value, whichever is lower.
- (iii) Obsolete, slow moving and defective inventories are written off/valued at net realisable value during the year as per policy consistently followed by the Company.

### **g. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprises of balance with banks and cash on hand and short term deposits with an original maturity of three month or less, which are subject to insignificant risks of changes in value.

### **h. Trade receivables**

A receivable is classified as a trade receivable if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured net of any expected credit losses.

### **i. Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs.

### **j. Financial liabilities**

- (i) Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.
- (ii) Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.
- (iii) Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **k. Trade payables**

A payable is classified as a trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

and are usually settled as per the payment terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### **I. Revenue recognition**

- (i) Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.
- (ii) Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, return and goods & service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts.
- (iii) Accumulated experience is used to estimate and provide for the discounts/rights of return, using the expected value method.
- (iv) A return liability is recognised to expected return in relation to sales made corresponding assets are recognised for the products expected to be returned.
- (v) The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customers.

### **m. Custom Duty and GST:**

Purchased of goods and fixed assets are accounted for net of GST input credits. Custom duty paid on import of materials is dealt with in respective material accounts.

### **n. Foreign currency transactions**

- (i) Items included in the financial statements are measured using the currency of primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.
- (ii) Foreign currency transactions are initially recorded in the reporting currency at foreign exchange rate on the date of the transaction.
- (iii) Monetary items of current assets and current liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (iv) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates are recognised in the statement of profit or loss.

### **o. Employee benefit expenses**

- (i) Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. These benefits are classified as defined contribution schemes as the Company has no further obligations beyond the monthly contributions.
- (ii) The Company provides for gratuity which is a defined benefit plan, the liabilities of which are determined based on valuations, as at the reporting date, made by an independent actuary using the projected unit credit method. Re-measurement comprising of actuarial gains and losses,

## **[NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]**

in respect of gratuity are recognised in the other comprehensive income in the period in which they occur. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

- (iii) The employees are entitled to accumulate leave subject to certain limits, for future encashment and availment, as per the policy of the Company. The liability towards such unutilised leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognised in the statement of profit and loss.

### **p. Leases**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

### **q. Contingent Liabilities**

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of

one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

### **r. Borrowing costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the effective interest rate amortisation is included in finance costs. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the statement of profit and loss in the period in which they occur.

### **s. Impairment of non financial assets**

As at each reporting date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

### **t. Taxation**

Income tax expense comprises current tax expense and the deferred tax during the year. Current and deferred taxes are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in



## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

The carrying amount of deferred tax is reviewed at each reporting date and measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

### **u. Provisions and contingent liabilities**

The Company creates a provision when there is present obligation, legal or constructive, as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events. Contingent assets are neither recognised nor disclosed in the financial statements.

### **v. Earnings Per Share**

- (i) Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.
- (ii) For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### **w. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the operating decision makers. The decision makers regularly monitor and review the operating result of the whole Company. The activities of the Company primarily fall under a single segment of "manufacturing and trading of kitchen sinks and other appliances" in accordance with the Ind AS 108 "Operating Segments".

### **x. Offsetting instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### y. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

### Note 2 Property, plant and equipment

( ₹ in lakhs )

Particulars	Land	Buildings	Plant & Equipment	Mould & Dies	Office Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value</b>								
<b>As at 1st April, 2018</b>	<b>2,344.93</b>	<b>1,493.51</b>	<b>1,674.38</b>	<b>4,872.16</b>	<b>331.28</b>	<b>714.60</b>	<b>317.35</b>	<b>11,748.20</b>
Additions	-	287.56	359.85	696.30	26.06	7.89	115.56	1,493.22
Disposals	-	-	(4.35)	-	-	-	(13.17)	(17.52)
<b>As at 31st March, 2019</b>	<b>2,344.93</b>	<b>1,781.07</b>	<b>2,029.88</b>	<b>5,568.46</b>	<b>357.34</b>	<b>722.49</b>	<b>419.74</b>	<b>13,223.90</b>
Additions	326.52	60.13	424.46	349.66	25.25	81.25	58.90	1,326.17
Disposals	-	-	-	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>2,671.45</b>	<b>1,841.20</b>	<b>2,454.34</b>	<b>5,918.12</b>	<b>382.59</b>	<b>803.74</b>	<b>478.64</b>	<b>14,550.07</b>
<b>Depreciation and impairment</b>								
<b>As on 1st April, 2018</b>	<b>-</b>	<b>277.68</b>	<b>874.79</b>	<b>2,487.41</b>	<b>291.28</b>	<b>319.55</b>	<b>252.00</b>	<b>4,502.72</b>
Depreciation charged	-	49.31	136.47	370.36	40.70	100.71	56.35	753.90
Disposals	-	-	-	-	-	-	(10.98)	(10.98)
<b>As at 31st March, 2019</b>	<b>-</b>	<b>326.98</b>	<b>1,011.26</b>	<b>2,857.78</b>	<b>331.98</b>	<b>420.27</b>	<b>297.37</b>	<b>5,245.64</b>
Depreciation charged	-	51.43	225.10	479.69	33.33	85.23	47.88	922.66
Disposals	-	-	-	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>-</b>	<b>378.41</b>	<b>1,236.36</b>	<b>3,337.47</b>	<b>365.31</b>	<b>505.50</b>	<b>345.25</b>	<b>6,168.30</b>
<b>Net carrying value</b>								
<b>As at 31st March, 2019</b>	<b>2,344.93</b>	<b>1,454.09</b>	<b>1,018.62</b>	<b>2,710.68</b>	<b>25.36</b>	<b>302.22</b>	<b>122.36</b>	<b>7,978.26</b>
<b>As at 31st March, 2020</b>	<b>2,671.45</b>	<b>1,462.79</b>	<b>1,217.98</b>	<b>2,580.65</b>	<b>17.28</b>	<b>298.24</b>	<b>133.38</b>	<b>8,381.77</b>
<b>Capital Work in Progress</b>								
<b>As at 31st March, 2019</b>	<b>-</b>	<b>48.94</b>	<b>79.67</b>	<b>207.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>336.56</b>
<b>As at 31st March, 2020</b>	<b>-</b>	<b>337.96</b>	<b>-</b>	<b>292.38</b>	<b>-</b>	<b>15.43</b>	<b>-</b>	<b>645.77</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 3 Right of use assets

(₹ in lakhs)

Particulars	Building	Total
<b>Gross carrying value</b>		
<b>As at 31st March, 2019</b>	-	-
Additions	294.57	294.57
Disposals	-	-
<b>As at 31st March, 2020</b>	<b>294.57</b>	<b>294.57</b>
<b>Accumulated depreciation</b>		
<b>As at 31st March, 2019</b>	-	-
Depreciation charged	152.45	152.45
Disposals	-	-
<b>As at 31st March, 2020</b>	<b>152.45</b>	<b>152.45</b>
<b>Net carrying value</b>		
<b>As at 31st March, 2020</b>	<b>142.12</b>	<b>142.12</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 4 Intangible assets

(₹ in lakhs)

Particulars	Design & Property Rights	Computer Software	Total
<b>Gross carrying value</b>			
<b>As at 1st April, 2018</b>	<b>18.22</b>	<b>85.23</b>	<b>103.45</b>
Additions	146.87	-	146.87
<b>As at 31st March, 2019</b>	<b>165.09</b>	<b>85.23</b>	<b>250.32</b>
Additions	-	6.19	6.19
<b>As at 31st March, 2020</b>	<b>165.09</b>	<b>91.42</b>	<b>256.51</b>
<b>Accumulated depreciation</b>			
<b>As on 1st April, 2018</b>	<b>7.29</b>	<b>49.00</b>	<b>56.29</b>
Depreciation charged	14.08	-	14.08
<b>As at 31st March, 2019</b>	<b>21.37</b>	<b>49.00</b>	<b>70.37</b>
Depreciation charged	16.51	0.60	17.11
<b>As at 31st March, 2020</b>	<b>37.88</b>	<b>49.60</b>	<b>87.48</b>
<b>Net carrying value</b>			
<b>As at 31st March, 2019</b>	<b>143.72</b>	<b>36.23</b>	<b>179.95</b>
<b>As at 31st March, 2020</b>	<b>127.21</b>	<b>41.82</b>	<b>169.03</b>

# [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

## Note 5 Non-current investment

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>a. Investments valued at cost, fully paid up</b>		
<b>Investments in subsidiaries in India</b>		
Acrysil Steel Limited	459.80	459.80
45,98,000 equity shares of ₹ 10 each fully paid-up (extent of holding: 84.99%)		
Acrysil Appliances Limited	100.00	100.00
10,00,000 equity shares of ₹ 10 each fully paid-up (extent of holding: 100.00%)		
Sternhagen Bath Private Limited	8.49	8.49
84,900 equity shares of ₹ 10 each fully paid-up (extent of holding: 84.90%)		
	568.29	568.29
<b>Investments in subsidiaries outside India</b>		
Acrysil Gmbh	171.48	171.48
9 equity shares of Euro 25,000 each (extent of holding: 100.00%)		
Acrysil UK Limited	667.74	667.74
6,90,001 equity shares of GBP 1 each (extent of holding: 100.00%)		
	839.22	839.22
<b>Total non-current investments</b>	<b>1,407.51</b>	<b>1,407.51</b>
<b>Aggregate amount of quoted investments</b>	-	-
<b>Market value of quoted investments</b>	-	-
<b>Aggregate amount of unquoted investments</b>	<b>1,407.51</b>	<b>1,407.51</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 6 Loans (unsecured)

(₹ in lakhs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Loans:</b>				
to subsidiaries	216.61	462.62	-	-
to employees	-	-	7.23	5.45
<b>Total loans</b>	<b>216.61</b>	<b>462.62</b>	<b>7.23</b>	<b>5.45</b>

Particulars of loans and advances in the nature of loans as required by regulation 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(₹ in lakhs)

Name of the entity	Outstanding balances		Maximum balance outstanding during the year	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Subsidiaries:</b>				
Acrysil Steel Limited	-	29.60	29.60	29.60
Acrysil GmbH	216.61	187.78	216.61	187.78
Acrysil UK Limited	-	245.24	245.25	245.25
	<b>216.61</b>	<b>462.62</b>		

### Note 7 Other financial assets

(₹ in lakhs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Security deposits	140.37	160.69	-	-
Claims receivables	-	-	1,034.98	934.67
Interest receivables	-	-	8.18	0.18
<b>Total other financial assets</b>	<b>140.37</b>	<b>160.69</b>	<b>1,043.16</b>	<b>934.85</b>



## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 8 Other assets

( ₹ in lakhs )

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Trade advances to suppliers	-	-	465.51	576.20
Capital advances	332.21	194.78	-	-
Advances to staff	-	-	25.73	44.39
Prepaid expenses	-	-	0.34	28.77
Input credit receivables	-	-	694.01	1,003.97
Gratuity surplus fund (net)	-	-	-	27.10
Other advances	-	-	28.36	0.88
<b>Total other assets</b>	<b>332.21</b>	<b>194.78</b>	<b>1,213.95</b>	<b>1,681.31</b>
<b>Trade advances:</b>				
- To subsidiary companies	-	-	-	0.12
- To companies or firms in which some of the directors are interested	-	-	171.41	32.52

### Note 9 Inventories

( ₹ in lakhs )

Particulars	31st March 2020	31st March 2019
Stores & spares	34.45	51.17
Stock-in-trade	1,064.24	942.46
Raw materials	500.84	299.27
Finished goods	1,037.79	1,204.68
Semi finished goods	882.31	995.79
Bought out items	568.34	333.43
Packing materials	119.08	124.61
<b>Total inventories</b>	<b>4,207.05</b>	<b>3,951.41</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 10

#### Trade receivables

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Trade receivables	5,453.48	5,065.93
Less: Provision for doubtful debts	(359.15)	(673.25)
<b>Total trade receivables</b>	<b>5,094.33</b>	<b>4,392.68</b>
Above includes due from related parties		
- Subsidiaries	981.29	736.02

### Note 11

#### Cash and cash equivalents

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Balances with banks	94.05	215.25
Cash on hand	39.18	39.50
<b>Total cash and cash equivalents</b>	<b>133.23</b>	<b>254.75</b>

### Note 12

#### Other bank balances

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Dividend accounts	50.00	47.12
Other term deposits*	1,297.56	824.57
<b>Total other bank balances</b>	<b>1,347.56</b>	<b>871.69</b>

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2020.

\* includes ₹ 122.74 lacs (PY ₹ 217.54 lacs) under lien with banks against various credit facilities

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 13 Income tax assets

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>The following table provides the details of income tax assets and liabilities :</b>		
Current income tax liabilities	2,134.15	1,561.79
Income tax assets	2,019.89	1,500.90
<b>Net balance</b>	<b>(114.26)</b>	<b>60.90</b>
<b>The gross movement in the current tax asset / (liability)</b>		
Net current income tax asset at the beginning	60.90	144.44
Income tax paid (net of refunds)	(512.11)	(574.59)
Current income tax expense	565.47	491.06
Income tax on other comprehensive income	-	-
<b>Net current income tax asset at the end</b>	<b>114.26</b>	<b>60.90</b>
A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income tax is as below:		
Profit before tax	1,821.00	1,667.94
Applicable income tax rate	25.12%	29.12%
	<b>457.43</b>	<b>485.70</b>
Effect of expenses/depreciation for tax purpose (net)	102.57	(20.44)
Effect of income not considered for tax purpose	-	(0.26)
	<b>102.57</b>	<b>(20.70)</b>
Income tax expense charged to the Statement of Profit and Loss	<b>560.00</b>	<b>465.00</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 14 Equity share capital

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Authorised</b>		
4,00,00,000 equity shares of ₹ 2 each	800.00	800.00
	<b>800.00</b>	<b>800.00</b>
<b>Issued, Subscribed and Paid up</b>		
2,66,94,880 (2,59,44,880) equity shares of ₹ 2 each	533.90	518.90
<b>Total equity share capital</b>	<b>533.90</b>	<b>518.90</b>

#### a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

(₹ in lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares:</b>				
Balance at the beginning of the year	2,59,44,880	518.90	2,59,44,880	518.90
Issue of Equity Shares pursuant to conversion of warrants into equity shares *	7,50,000	15.00	-	-
<b>Balance at the end of the year</b>	<b>2,66,94,880</b>	<b>533.90</b>	<b>2,59,44,880</b>	<b>518.90</b>

\* During the FY 2019-20, 7,50,000 equity shares were issued to Promoter & Promoter Company pursuant to conversion of warrants issued earlier.

#### b) Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a face value of ₹ 2 each ranking pari passu in all respect including voting rights and entitlement to dividend. Each holder of equity shares is entitled to one vote per share. Dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid to the shareholders.

#### c) Shares held by each shareholder holding more than five percent shares

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	Nos.	% of holding	Nos.	% of holding
Chirag Parekh	86,29,730	32.33	83,04,730	32.01
Schock GmbH	22,62,000	8.47	22,62,000	8.72
Acrycol Minerals Limited	13,81,760	5.18	10,06,760	3.88

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 15 Other equity

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Capital reserve</b>	25.20	25.20
<b>General reserve</b>		
Balance at the beginning of the year	3,900.00	3,600.00
Transferred from retained earnings	300.00	300.00
<b>Balance at the end of the year</b>	<b>4,200.00</b>	<b>3,900.00</b>
<b>Securities premium account</b>	<b>3,164.09</b>	<b>3,164.09</b>
Addition during the year	810.00	-
	<b>3,974.09</b>	<b>3,164.09</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	3,760.70	3,195.08
Profit for the year	1,279.13	1,178.40
Transitional Adjustments on account of Ind AS 116	(49.80)	-
Appropriations		
Transfer to general reserve	(300.00)	(300.00)
Dividend	(311.34)	(259.45)
Dividend distribution tax	(64.01)	(53.33)
<b>Balance at the end of the year</b>	<b>4,314.68</b>	<b>3,760.70</b>
<b>Other components of equity</b>		
Remeasurement of defined benefit plans (net of tax)	(14.26)	8.69
	(14.26)	8.69
<b>Total other equity</b>	<b>12,499.71</b>	<b>10,858.68</b>

**Capital reserve:** This represents capital grants received in the past years.

**General reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under Companies Act, 2013 and the Company can optionally transfer any amount from the surplus of profit or loss to the General Reserve.

**Securities premium account:** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

**Retained earnings:** Retained earnings are the profits that the Company has earned till date, less transfers to general reserve, dividends or other distributions paid to shareholders.

**Net gain/(loss) on fair value of defined benefit plans:** The Company has recognised remeasurement gains/(loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amount from this reserve to retained earning when the relevant obligations are derecognized.

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 16 Borrowings

(₹ in lakhs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Secured</b>				
Term loans from banks	1,181.13	1,163.06	-	-
Working capital finance from banks	-	-	6,401.90	6,405.19
	<b>1,181.13</b>	<b>1,163.06</b>	<b>6,401.90</b>	<b>6,405.19</b>
<b>Unsecured</b>				
Term loans from related parties	-	-	104.06	111.61
	<b>-</b>	<b>-</b>	<b>104.06</b>	<b>111.61</b>
<b>Total borrowings</b>	<b>1,181.13</b>	<b>1,163.06</b>	<b>6,505.96</b>	<b>6,516.80</b>

Note: Term loans from banks are secured by first hypothecation charge on entire movable fixed assets of the Company, both present & future, on pari-passu basis, further secured by the first pari-passu charge on immovable properties of the Company and personal guarantee of one of the directors of the Company. Term loans for vehicles are against hypothecation of vehicles.

Working capital finance from banks are secured by first hypothecation charge on entire current assets of the Company, both present and future, ranking pari-passu, second charge on entire movable fixed assets of the Company (excluding vehicles) both present and future and personal guarantee of one of the directors of the Company.



## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 17 Other financial liabilities

( ₹ in lakhs )

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Current maturities of long-term debt	-	-	557.16	606.63
Lease liabilities	48.43	-	-	-
Current maturities of finance lease obligation	-	-	160.74	-
Payable towards services received	-	-	69.15	116.11
Unclaimed dividend	-	-	50.00	47.12
Forward contract premium payable	-	-	23.20	-
Deposits from distributors and others	-	-	32.39	33.89
<b>Total other financial liabilities</b>	<b>48.43</b>	<b>-</b>	<b>892.64</b>	<b>803.75</b>

### Note 18 Provisions

( ₹ in lakhs )

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Provision for leave encashment	43.30	35.92	8.52	8.58
Provision for bonus	-	-	37.40	22.12
Provision for Gratuity	-	-	26.87	-
<b>Total provisions</b>	<b>43.30</b>	<b>35.92</b>	<b>72.78</b>	<b>30.70</b>

### Note 19 Deferred tax liabilities

( ₹ in lakhs )

Particulars	31st March 2020	31st March 2019
<b>Deferred tax liabilities / (assets)</b>		
On account of timing differences in		
Depreciation on property, plant & equipment	441.82	534.09
Provision for doubtful debts	(107.49)	(196.05)
Disallowances u/s 40(a) and 43B of the Income Tax Act	(55.12)	(10.77)
	<b>279.21</b>	<b>327.27</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 20 Other liabilities

(₹ in lakhs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Advances from customers	-	-	258.67	179.37
Statutory due payable	-	-	43.54	43.30
<b>Total other liabilities</b>	<b>-</b>	<b>-</b>	<b>302.21</b>	<b>222.67</b>

### Note 21 Trade payables

(₹ in lakhs)

Particulars	Current	
	31st March 2020	31st March 2019
<b>Trade payables</b>		
Total outstanding dues of Micro and Small Enterprises (refer note no. 36)	423.35	413.48
Total outstanding dues of creditors other than Micro and Small Enterprises	1,585.02	1,654.14
<b>Total trade payables</b>	<b>2,008.37</b>	<b>2,067.62</b>

### Note 22 Revenue from operations

(₹ in lakhs)

Particulars	2019-2020	2018-2019
<b>Sale of products</b>		
Export sales	14,785.00	13,103.74
Domestic sales	5,731.53	5,873.54
	<b>20,516.53</b>	<b>18,977.28</b>
<b>Other operating revenue</b>		
Export incentives & credits	915.94	894.26
Other Operating Income	4.84	4.06
<b>Total revenue from operations</b>	<b>21,437.31</b>	<b>19,875.60</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 23 Other income

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
Interest income		
- Bank	37.18	98.54
- Others	43.44	70.62
Gain on foreign currency fluctuation	409.16	72.98
Insurance claim receipts	-	18.97
Gain on disposal of property, plant & equipments	-	0.89
Miscellaneous income	8.88	11.45
<b>Total other income</b>	<b>498.66</b>	<b>273.45</b>

### Note 24 Cost of materials consumed

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
<b>Raw material consumed</b>		
Opening stock	299.27	253.77
Add: Purchases	5,230.20	5,713.76
	<b>5,529.47</b>	<b>5,967.53</b>
Less: Closing stock	500.84	299.27
Total raw material consumed	5,028.63	5,668.26
<b>Packing material consumed</b>		
Opening stock	124.61	140.28
Add: Purchases	1,908.25	1,844.82
	<b>2,032.86</b>	<b>1,985.10</b>
Less: Closing stock	119.08	124.61
Total packing material consumed	1,913.78	1,860.49
Bought out items	1,474.63	1,313.81
<b>Total cost of materials consumed</b>	<b>8,417.04</b>	<b>8,842.56</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 25 Changes in inventories

(₹ in lakhs)

Particulars	2019-2020	2018-2019
<b>Closing Stock</b>		
Finished goods	1,037.79	1,204.68
Stock-in-trade	1,064.24	942.46
Semi finished goods	882.31	995.79
	<b>2,984.35</b>	<b>3,142.93</b>
<b>Opening Stock</b>		
Finished goods	1,204.68	681.46
Stock-in-trade	942.46	756.71
Semi finished goods	995.79	1,134.45
	<b>3,142.93</b>	<b>2,572.62</b>
<b>Changes in inventories</b>	<b>158.58</b>	<b>(570.31)</b>

### Note 26 Employee benefit expenses

(₹ in lakhs)

Particulars	2019-2020	2018-2019
Salaries, wages and bonus	1,309.60	1,057.58
Directors' remuneration	166.33	168.00
Leave compensation	40.55	25.01
Contribution to provident fund and other funds	97.12	71.51
Staff welfare expenses	60.88	52.88
<b>Total employee benefit expenses</b>	<b>1,674.48</b>	<b>1,374.98</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 27 Finance costs

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
<b>Interest</b>		
Banks	646.45	578.90
Income Tax	7.11	6.00
Others	49.58	28.03
	703.14	612.93
Exchange difference on foreign currency borrowings	1.35	105.87
Other Borrowing Cost	72.64	37.57
<b>Total finance costs</b>	<b>777.13</b>	<b>756.37</b>

### Note 28 Depreciation and amortisation expenses

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
Depreciation on tangible assets	922.66	753.90
Depreciation on intangible assets	169.56	14.08
<b>Total depreciation and amortisation</b>	<b>1,092.22</b>	<b>767.98</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 29 Other expenses

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
<b>Manufacturing expenses</b>		
Power & fuel	611.89	559.54
Machinery repairs and maintenance	76.35	58.79
Stores and spares	307.38	254.58
Other expenses	734.72	674.56
	<b>1,730.34</b>	<b>1,547.47</b>
<b>Selling and distribution expenses</b>		
Sales commission	250.48	173.23
Advertisement and business promotion	542.03	649.26
Export freight and insurance	1,359.06	1,152.58
Other selling expenses	428.94	378.52
	<b>2,580.51</b>	<b>2,353.59</b>
<b>Administrative and other expenses</b>		
Rent	95.04	262.43
Rates & taxes	4.95	3.84
Travelling expenses	542.91	473.02
Postage and telephone expenses	85.43	97.83
Printing and stationery expenses	26.72	29.75
Insurance premiums	43.61	44.73
Building and other repairs	149.38	107.17
Bank discount, commission and other charges	69.29	151.05
Legal and professional fees	331.70	198.00
Payment to auditors	17.10	15.57
Directors sitting fees	9.25	9.00
Corporate social responsibility expenses	40.90	18.45
Donations	7.53	8.62
Bad debts and provision for doubtful advances	199.03	88.30
General expenses	265.37	261.06
	<b>1,888.20</b>	<b>1,768.83</b>
<b>Total other expenses</b>	<b>6,199.05</b>	<b>5,669.89</b>



## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

(₹ in lakhs)

Particulars	2019-2020	2018-2019
<b>Expenditure towards Corporate Social Responsibility (CSR) activities</b>		
Gross amount required to be spent by the Company during the year	30.63	22.63
Amount spent in cash during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	40.90	18.45
	<b>40.90</b>	<b>18.45</b>
<b>Payments to auditors</b>		
Audit fees (including quarterly review)	13.20	12.45
Tax audit fees	1.75	1.50
Other services	2.15	1.62
	<b>17.10</b>	<b>15.57</b>

### Note 30 Earning per share

Particulars	2019-2020	2018-2019
Profit for the year (₹ in lakhs)	1,279.13	1,178.40
Weighted average number of shares (Nos)	2,63,32,175	2,59,44,880
Earnings per share (Basic and diluted) ₹	4.86	4.54
Face value per share ₹	2.00	2.00

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 31

#### Fair value measurement

#### Financial instruments by category :

( ₹ in lakhs )

Particulars	31st March 2020				31st March 2019		
	FVPL	FVOCI	Amortised cost	Fair value	FVOCI	Amortised cost	Fair value
<b>Financial assets</b>							
Investments	-	-	1,407.51	1,407.51	-	1,407.51	1,407.51
Trade receivables	-	-	5,094.33	5,094.33	-	4,392.68	4,392.68
Loans - non-current	-	-	216.61	216.61	-	462.62	462.62
Loans - current	-	-	7.23	7.23	-	5.45	5.45
Other financial assets - non-current	-	-	140.37	140.37	-	160.69	160.69
Other financial assets - current	-	-	1,043.16	1,043.16	-	934.85	934.85
Cash and cash equivalents	-	-	133.23	133.23	-	254.75	254.75
Other bank balances	-	-	1,347.56	1,347.56	-	871.69	871.69
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>9,390.00</b>	<b>9,390.00</b>	<b>-</b>	<b>8,490.25</b>	<b>8,490.25</b>
<b>Financial liabilities</b>							
Borrowings							
Long term borrowings*	-	-	1,738.29	1,738.29	-	1,769.69	1,769.69
Short term borrowings	-	-	6,505.96	6,505.96	-	6,516.80	6,516.80
Trade payables	-	-	2,008.37	2,008.37	-	2,067.62	2,067.62
Other financial liabilities - non-current	-	-	48.43	48.43	-	-	-
Other financial liabilities - current	-	-	892.64	892.64	-	803.75	803.75
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>11,193.68</b>	<b>11,193.68</b>	<b>-</b>	<b>11,157.86</b>	<b>11,157.86</b>

\* including current maturities of long term debt

# [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

## Note 32 Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Credit ratings aging analysis, credit evaluation	Diversification of counter parties, investment limits, check on counter parties basis credit rating and number of overdue days
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/ cash equivalents and marketable securities
Market Risk	Financial assets and liabilities not denominated in INR	Sensitivity analysis	Constant evaluation and proper risk management policies

The Board provides guiding principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, credit risk and investment of surplus liquidity.

### A. Credit Risk

Credit risk refers to the risk of a counter party default on its contractual obligation resulting into a financial loss to the Company. The maximum exposure of the financial assets represents trade receivables and receivables from group companies and others.

In respect of trade receivables, the Company uses a provision matrix to compute the expected credit loss allowances for trade receivables in accordance with the expected credit loss (ECL) policy of the Company. The Company regularly reviews trade receivables and necessary provisions, whenever required, are made in the financial statements.

### B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial assets quickly at close to its fair value.

The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

Contractual maturities of significant financial liabilities are as follows:

(₹ in lakhs)

Particulars	Less than or equal to one year	more than one year	Total
<b>As on 31st March 2020</b>			
<b>Financial Assets</b>			
Non-current investments	-	1,407.51	1,407.51
Loans	7.23	216.61	223.84
Trade receivables	5,094.33	-	5,094.33
Cash and cash equivalents	133.23	-	133.23
Other bank balances	1,347.56	-	1,347.56
Other financial assets	1,043.16	140.37	1,183.53
<b>Total financial assets</b>	<b>7,625.51</b>	<b>1,764.49</b>	<b>9,390.00</b>
<b>Financial Liabilities</b>			
Long term borrowings	557.16	1,181.13	1,738.29
Short term borrowings	6,505.96	-	6,505.96
Trade payables	2,008.37	-	2,008.37
Other financial liabilities	892.64	48.43	941.06
<b>Total financial liabilities</b>	<b>9,964.12</b>	<b>1,229.56</b>	<b>11,193.68</b>
*Including current maturities of long term debt			
<b>As on 31st March 2019</b>			
<b>Financial Assets</b>			
Non-current investments	-	1,407.51	1,407.51
Loans	5.45	462.62	468.07
Trade receivables	4,392.68	-	4,392.68
Cash and cash equivalents	254.75	-	254.75
Other bank balances	871.69	-	871.69
Other financial assets	934.85	160.69	1,095.54
<b>Total financial assets</b>	<b>6,459.42</b>	<b>2,030.82</b>	<b>8,490.25</b>
<b>Financial Liabilities</b>			
Long term borrowings	606.63	1,163.06	1,769.69
Short term borrowings	6,516.80	-	6,516.80
Trade payables	2,067.62	-	2,067.62
Other financial liabilities	803.75	-	803.75
<b>Total financial liabilities</b>	<b>9,994.80</b>	<b>1,163.06</b>	<b>11,157.86</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

The Company has several balances in foreign currency and consequently, the Company is exposed to foreign exchange risk. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

#### b) Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in lakhs)

Particulars	Increase/ decrease in basis points	Effect of profit before tax
March 31, 2020	+100	82.44
	-100	(82.44)
March 31, 2019	+100	82.86
	-100	(82.86)

Company's exposure to foreign currency risk at the end of each reporting period is as under:

#### b) Exposure in foreign currency -Hedged

Category	31st March 2020	31st March 2019
<b>Option Contract - Buy</b>		
USD/EURO/GBP	68.12	4.98
<b>Option Contract - Sell</b>		
USD/EURO	-	6.40

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### c) Exposure in foreign currency - Unhedged

Currency	31st March 2020	31st March 2019
<b>Receivables</b>		
USD	26.62	20.91
EURO	15.94	14.66
GBP	8.67	9.54
<b>Payables</b>		
USD	3.08	3.27
EURO	0.65	2.38

### d) Foreign currency sensitivity

The Company is mainly exposed to changes in USD, GBP and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD, GBP and EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

( ₹ in lakhs )

Particulars	Currency	Change in rate	Effect of profit before tax
March 31, 2020	USD	+5%	88.98
	USD	-5%	(88.98)
March 31, 2019	USD	+5%	61.03
	USD	-5%	(61.03)
March 31, 2020	GBP	+5%	40.69
	GBP	-5%	(40.69)
March 31, 2019	GBP	+5%	43.16
	GBP	-5%	(43.16)
March 31, 2020	EURO	+5%	63.30
	EURO	-5%	(63.30)
March 31, 2019	EURO	+5%	47.71
	EURO	-5%	(47.71)



## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 33 Capital management

The Company's capital management objective is to maximise the total shareholder returns by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the company.

The following table summarises the capital of the Company:

(₹ in lakhs)

Particulars	As at	
	31st March 2020	31st March 2019
Total debt	8,244.24	8,286.49
Total equity	13,033.61	11,583.83
Total debt to equity ratio	0.63	0.72

### Dividends

(₹ in lakhs)

Dividends recognised in the financial statements	31st March 2020	31st March 2019
Final dividend for the year ended 31st March 2018 of ₹ 1 per equity share	-	259.45
Final dividend for the year ended 31st March 2019 of ₹ 1.20 per equity share	311.34	-
<b>Dividends not recognised in the financial statements</b>		
Directors have recommended the payment of final dividend of ₹ 1.2 per share. The proposed dividend is subject to the approval of the shareholders in the ensuing general meeting	311.34	-

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 34 Contingent Liabilities

(₹ in lakhs)

No.	Particulars	31st March 2020	31st March 2019
1	Guarantees to banks against credit facilities extended to Subsidiary Companies	1,555.58	1,855.69
2	In respect of disputed custom duty	41.54	41.54

### Note 35 Employee benefits

#### Funded Scheme – Gratuity

Liability for employee gratuity has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 the details of which are as hereunder. The Company makes contributions to approved gratuity fund.

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Amount recognised in balance sheet</b>		
Present value of funded defined benefit obligation	160.54	105.70
Fair value of plan assets	133.67	132.80
<b>Net unfunded obligation/assets</b>	<b>26.87</b>	<b>(27.10)</b>
<b>Expense recognised in the statement of profit and loss</b>		
Current service cost	14.94	13.94
Interest on net defined benefit asset	(0.73)	0.32
<b>Total expense charged to profit and loss Account</b>	<b>14.21</b>	<b>14.26</b>
<b>Amount recorded as other comprehensive income</b>		
Opening amount recognised in OCI outside profit & loss Account	(12.75)	(3.40)
Remeasurements during the period due to:	-	-
Return on plan assets	28.66	(9.56)
Actual (gain)/loss on obligation for the period	2.01	0.21
<b>Closing amount recognised in OCI outside profit &amp; loss account</b>	<b>17.92</b>	<b>(12.75)</b>

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Reconciliation of net liability/(asset)</b>		
<b>Opening net defined benefit liability/(asset)</b>	<b>(27.10)</b>	<b>4.13</b>
Expense charged to profit and loss account	14.21	14.26
Amount recognised outside profit and loss account	30.67	(9.35)
Benefits paid	(18.03)	(17.62)
Employer contributions	(8.93)	(18.52)
<b>Closing net defined benefit liability/(asset)</b>	<b>(9.18)</b>	<b>(27.10)</b>
<b>Movement in benefit obligation</b>		
<b>Opening of defined benefit obligation</b>	<b>105.70</b>	<b>118.81</b>
Current service cost	14.94	13.94
Interest on defined benefit obligation	9.61	9.30
Actuarial loss/(gain) arising from change in financial assumptions	13.65	0.45
Benefits directly paid by the employer	19.25	(9.17)
Benefits paid	(18.03)	(17.62)
Actuarial loss/(gain) on obligation	15.42	(10.01)
<b>Closing of defined benefit obligation</b>	<b>160.54</b>	<b>105.70</b>
<b>Movement in plan assets</b>		
<b>Opening fair value of plan assets</b>	<b>132.80</b>	<b>114.68</b>
Actual return on plan assets excluding interest on plan assets	(2.01)	(0.21)
Interest income	10.34	8.98
Contributions by employer	8.93	18.52
Benefits paid	(16.39)	(9.17)
<b>Closing of defined benefit obligation</b>	<b>133.67</b>	<b>132.80</b>
<b>Principal actuarial assumptions</b>		
Discount Rate	6.84	7.79
Salary escalation rate p.a.	6.84	7.79
Future salary increase	7.00	7.00
Rate of employee turnover	2.00	2.00

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

Sensitivity analysis for significant assumption is as shown below:

(₹ in lakhs)

No.	Particulars	Sensitivity level	31st March 2020	31st March 2019
1	Discount Rate	1% Increase	(13.88)	(10.48)
		1% Decrease	16.22	12.14
2	Salary	1% Increase	16.03	12.12
		1% Decrease	(13.99)	(10.64)
3	Employee Turnover	1% Increase	(0.67)	0.34
		1% Decrease	0.71	(0.43)

The following are the expected future benefit payments for the defined benefit plan:

(₹ in lakhs)

No.	Particulars	31st March 2020	31st March 2019
1	Within the next 12 months (next annual reporting period)	9.35	6.48
2	Between 2 and 5 years	43.78	33.37
3	Beyond 5 years	304.82	262.87

### Note 36

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lakhs)

No.	Particulars	31st March 2020	31st March 2019
	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per MSMED Act)		
1	Principal amount due to micro and small enterprise	423.35	413.48
2	Interest due on above	-	-

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 37

As per Ind AS 24, Disclosure of transactions with related parties (as identified by the management) as defined in Ind AS are given below:

Sr No.	Particulars
	<b>(i) Subsidiaries Companies</b>
1	Acrysil Appliances Limited
2	Acrysil Steel Limited
3	Acrysil Gmbh, Germany
4	Acrysil UK Limited
5	Acrysil Products Limited (formerly known as Homestyle Products Limited), UK
6	Sternhagen Bath Private Limited
	<b>(ii) Enterprises owned or significantly influenced by Key Managerial Personal or their relatives</b>
7	Acrycol Minerals Limited
8	Meccanica Plast Private Limited
9	Ashwanila Charitable Trust Bhavnagar
10	CP Sports Venture Private Limited
	<b>(iii) Key Managerial Personnel</b>
11	Mr. Ashwin M Parekh (Deceased on 22nd July, 2019)
12	Mr. Chirag A Parekh
13	Dr. Sonal V Ambani
14	Mr. Jagdish R Naik
15	Mr. Ajit R Sanghavi
16	Mr. Pradeep H Gohil
17	Mr Rustam Mulla (w.e.f. 17th March, 2020)
18	Mr. Anand H Sharma
19	Mr. Damodar H Sejpal (upto 31st January, 2020)
20	Mrs. Neha Poddar (w.e.f. 1st February, 2020)

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

(₹ In Lakhs)

Nature of transaction	Relationship	Year ended 31st March 2020	Year ended 31st March 2019
<b>Subsidiary Companies and Enterprises owned or significantly influenced by Key Managerial Personal or their relatives</b>			
<b>1. Sales of materials</b>			
Acrysil Products Limited	Subsidiary	2,191.07	1,478.69
Acrysil Steel Limited	Subsidiary	-	0.32
Acrysil Gmbh	Subsidiary	386.13	288.09
<b>Total...</b>		<b>2,577.20</b>	<b>1,767.10</b>
<b>2. Commission</b>			
Acrysil Gmbh	Subsidiary	181.22	112.49
<b>3. Purchase of materials</b>			
Acrysil Steel Limited	Subsidiary	405.43	447.67
Acrycol Minerals Limited	Enterprises owned or significantly influenced by Key Managerial Personal or their relatives	1,418.35	1,307.51
<b>Total...</b>		<b>1,823.78</b>	<b>1,755.18</b>
<b>4. Interest received</b>			
Acrysil Gmbh	Subsidiary	16.51	14.31
Acrysil UK Limited	Subsidiary	20.07	20.90
Acrysil Steel Limited	Subsidiary	-	29.60
<b>Total...</b>		<b>36.58</b>	<b>64.81</b>
<b>5. Rent received</b>			
Acrycol Minerals Limited	Enterprises owned or significantly influenced by Key Managerial Personal or their relatives	0.15	0.60
Acrysil Steel Limited	Subsidiary	0.60	0.60
<b>Total...</b>		<b>0.75</b>	<b>1.20</b>
<b>6. Corporate social responsibility</b>			
Ashwanila Charitable Trust Bhavnagar	Enterprises owned or significantly influenced by Key Managerial Personal or their relatives	10.00	2.50
<b>7. Royalty income</b>			
Acrysil Steel Limited	Subsidiary	4.84	4.06

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

(₹ In Lakhs)

Nature of transaction	Relationship	Year ended 31st March 2020	Year ended 31st March 2019
<b>8. Sales promotion expenses</b>			
CP Sports Venture Private Limited	Enterprises owned or significantly influenced by Key Managerial Personal or their relatives	7.23	2.31
<b>9. Business Establishment and Sales Support Services</b>			
Acrysil Steel Limited	Subsidiary	-	0.80
<b>10. Donations</b>			
Ashwanila Charitable Trust Bhavnagar	Enterprises owned or significantly influenced by Key Managerial Personal or their relatives	3.51	5.01
<b>11. Repayment of loan given</b>			
Acrysil Steel Limited	Subsidiary	29.60	451.94
<b>Outstanding balances:</b>			
<b>1. Non current loans</b>			
Acrysil Gmbh	Subsidiary	216.61	187.78
Acrysil UK Limited	Subsidiary	-	245.25
Acrysil Steel Limited	Subsidiary	-	29.60
<b>Total...</b>		<b>216.61</b>	<b>462.62</b>
<b>2. Other current assets</b>			
Acrycol Minerals Limited	Enterprises owned or significantly influenced by Key Managerial Personal or their relatives	-	0.20
Meccanica Plast Private Limited		3.60	3.60
Ashwanila Charitable Trust Bhavnagar		3.98	7.49
Acrysil Steel Limited	Subsidiary	13.37	18.97
Sternhagen Bath Private Limited	Subsidiary	0.30	0.30
Acrysil Appliances Limited	Subsidiary	4.68	4.68
<b>Total...</b>		<b>25.93</b>	<b>35.24</b>
<b>3. Trade Payables</b>			
Acrysil Steel Limited	Subsidiary	90.03	92.92
<b>Total...</b>		<b>90.03</b>	<b>92.92</b>
<b>4. Trade receivables</b>			
Acrysil Steel Limited	Subsidiary	28.06	-
Acrysil Gmbh	Subsidiary	167.40	117.38
Acrysil Products Limited	Subsidiary	813.89	618.64
<b>Total...</b>		<b>1,009.35</b>	<b>736.02</b>



## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

(₹ In Lakhs)

Nature of transaction	Relationship	Year ended 31st March 2020	Year ended 31st March 2019
<b>5. Intercompany loans taken</b>			
Acrysil Appliances Limited	Subsidiary	104.06	101.61
<b>6. Advances to suppliers</b>			
CP Sports Venture Private Limited	Enterprises owned or significantly influenced by Key Managerial Personal or their relatives	-	7.23
Acrycol Minerals Limited		171.41	25.29
Acrysil Steel Limited	Subsidiary	-	0.12
<b>Total...</b>		<b>171.41</b>	<b>32.64</b>
<b>Key management personnel and relatives</b>			
<b>1. Remuneration</b>			
Mr. Chirag Parekh	Chairman & Managing Director	181.33	168.00
Mr. Anand Sharma	Chief Financial Officer	38.07	34.82
Mr. Damodar Sejal	Company Secretary	12.96	13.65
Mrs. Neha Poddar	Company Secretary	2.13	-
<b>Total...</b>		<b>234.49</b>	<b>216.48</b>
<b>2. Professional Fees</b>			
Mr. Ashwin M Parekh	Chairman Emeritus	7.20	28.80
<b>3. Loan repaid</b>			
Mr. Chirag Parekh	Chairman & Managing Director	30.00	225.00
<b>4. Loan taken</b>			
Mr. Chirag Parekh	Chairman & Managing Director	20.00	235.00
<b>5. Interest paid</b>			
Mr. Chirag Parekh	Chairman & Managing Director	0.99	3.03
<b>6. Sitting Fees</b>			
Mr. Jagdish R Naik	Independent Director	2.50	2.30
Mr. Ajit R Sanghavi	Independent Director	2.10	2.30
Mr. Pradeep H Gohil	Independent Director	2.20	2.50
Dr. Sonal Ambani	Independent Director	2.25	1.90
Mr. Rustam Mulla	Independent Director	0.20	-
<b>Total...</b>		<b>9.25</b>	<b>9.00</b>
<b>Outstanding Balances:</b>			
<b>1. Non current borrowings</b>			
Mr. Chirag Parekh	Chairman & Managing Director	-	10.00
<b>2. Other current liabilities</b>			
Mr. Anand Sharma	Chief Financial Officer	-	3.55

## [NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

38. During the financial year 2019-2020, the company has converted 7,50,000 share warrants into equity shares of ₹ 2 each to promoter investors on preferential basis at a premium of ₹ 108 per equity share on 13th October, 2019. Accordingly, share capital of the Company has been increased to that extent.
39. In the last week of March 2020, an outbreak situation arose in India on account of COVID 19. The Company has considered such outbreak situation as subsequent event to the Balance Sheet date i.e., March 31, 2020 in terms of Ind AS 10 "Reporting on Event After Balance Sheet Date" and has assessed the operational and financial risk on going forward basis.

In assessing the impact on the recoverability of financial and non-financial assets, the extent to which the COVID 19 pandemic will impact the Company's operations and financial results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID 19 outbreak and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.

The impact on the operations and earnings/ cash flows of the Company due to COVID 19 outbreak may be assessed only after clarity on reopening of domestic and export customers manufacturing facility which may affect projection of estimated revenue from operations and earnings for the next year. Though, the management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

40. Balances for trade receivables, trade payables and loans and advances are subject to confirmations from the respective parties.
41. All the amounts are stated in Indian ₹ in Lakhs, unless otherwise stated.
42. Previous year's figures are regrouped and rearranged, wherever necessary.

### Signatures to Notes 1 to 42

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**  
Chartered Accountants  
Firm Registration No. 116825W

**CHIRAG A. PAREKH**  
Chairman & Managing Director

**JAGDISH R. NAIK**  
Director

**ASHISH DAVE**  
Partner  
Membership No. 170275

**ANAND SHARMA**  
Chief Financial Officer

**NEHA PODDAR**  
Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020

# INDEPENDENT AUDITORS' REPORT

**To**  
**The Members of**  
**ACRYSIL LIMITED**

## Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Acrysil Limited** ("the Holding Company") and its wholly-owned subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended a summary of the significant accounting policies and notes to the consolidated financial statements, (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2020 and of the consolidated profit, consolidated total comprehensive loss, consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for

the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of matters

We draw your attention to Note 39 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in our forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

### Key Audit Matter:

Revenue from the sale of goods ("Revenue") is recognized when the Holding Company performs its obligation to its customers, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the

control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Holding Company.

#### **Auditor's Response:**

Our audit approach was a combination of test of internal controls and substantive procedures including assessing the appropriateness of the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof; evaluating the integrity of the general information and control environment and testing the operating effectiveness of key controls.

#### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance Report, Shareholder's Information, but does not include the financial statements and auditor's report thereon. The Board's Report and other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the aforesaid reports and information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concerns and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing financial reporting process of the Group.

## **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosure, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 8,881.41 lacs as at 31st March, 2020, total revenues of ₹ 9,374.84 lacs and net profit after tax (including other comprehensive income) of ₹ 1,048.25 lacs for the year as considered in the Consolidated Financial Statements. These financial statements are audited by other auditors whose reports have been furnished to us by the management and our opinion on consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to aforesaid subsidiaries is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements above and our report on other Legal and Regulatory Requirements below is not modified in respect of the these matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

- 1 As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of a subsidiaries incorporated in India as noted in the "Other Matters" paragraph above, we report, to extent possible, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, including other comprehensive income, Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on 31st March 2020 and taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors of its subsidiaries in India, none of the directors of the Group is disqualified as on 31st March 2020, from being appointed as a director in terms section 164(2) of the Act.

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- |   |   |
|---|---|
| <p>f) With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and subsidiaries incorporated in India and operating effectiveness of such controls, our separate report in annexure – A may be referred.</p>   | <p>h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:</p>  |
| <p>g) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and according to the reports of the statutory auditors of the subsidiaries incorporated in India, remuneration paid by the Holding Company and its subsidiaries incorporated in India, to its directors during the year is in accordance with the provisions of section 197 of the Act.</p> | <p>i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;</p> <p>ii. The Group did not have any material foreseeable losses on long-term contracts including derivatives contracts;</p> <p>iii. There has been no delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Holding company or its subsidiaries incorporated in India.</p> |
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**For P A R K & COMPANY**  
**Chartered Accountants**  
**FRN: 116825W**

Bhavnagar  
 June 12, 2020

**ASHISH DAVE**  
**Partner**  
**Membership No. 170275**  
**UDIN: 20170275AAAABN7391**



## ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of **Acrysil Limited** ("the Holding Company") and its wholly-owned subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which are companies incorporated in India.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to best of our information and according to the Explanations given to us and based on the consideration of the reports of the Auditors referred to in other matters below, the Holding Company and its subsidiaries which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal controls over financial reporting in so far as it relates to subsidiaries incorporated in India, is based solely on the corresponding reports of the statutory auditors of such companies. Our opinion is

not modified in respect of this matter.

**For P A R K & COMPANY**  
**Chartered Accountants**  
**FRN: 116825W**

Bhavnagar  
June 12, 2020

**ASHISH DAVE**  
**Partner**  
**Membership No. 170275**  
**UDIN: 20170275AAAABN7391**

# CONSOLIDATED BALANCE SHEET

## AS AT 31ST MARCH, 2020

(₹ in lakhs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>ASSETS:</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	9,778.90	9,415.70
Right of use assets	3	142.12	-
Capital work in progress	2	908.87	350.41
Intangible assets	4	171.29	181.79
Goodwill		2,391.77	2,350.31
Financial assets			
Investments		-	-
Loans	5	-	-
Other financial assets	6	148.81	167.75
Other non-current assets	7	338.77	202.91
		<b>13,880.53</b>	<b>12,668.87</b>
<b>Current Assets</b>			
Inventories	8	5,974.40	5,369.76
Financial assets			
Investments		-	-
Trade receivables	9	6,226.85	5,432.13
Cash and cash equivalents	10	592.06	514.46
Other bank balances	11	1,360.94	884.28
Loans	5	10.01	7.30
Other financial assets	6	1,055.09	941.17
Current tax assets (net)	12	2,070.05	1,520.73
Other current assets	7	1,283.16	1,724.29
		<b>18,572.56</b>	<b>16,394.12</b>
<b>Total Assets</b>		<b>32,453.09</b>	<b>29,062.99</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
Equity share capital	13	533.90	518.90
Other equity	14	15,247.25	12,765.18
Non controlling interests		236.46	157.87
Money received against share warrants		-	206.25
		<b>16,017.61</b>	<b>13,648.20</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	2,121.38	1,656.50
Other financial liabilities	16	48.43	-
Provisions	17	57.12	41.70
Deferred tax liabilities (net)	18	198.81	248.79
Other non-current liabilities	19	-	-
		<b>2,425.74</b>	<b>1,946.99</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	6,836.18	6,819.71
Trade payables	20	-	-
Total outstanding dues of Micro and Small Enterprises		707.59	789.07
Total outstanding dues of creditors other than Micro and Small Enterprises		2,193.36	2,334.41
Other financial liabilities	16	1,406.72	1,394.34
Other current liabilities	19	446.13	409.89
Provisions	17	75.86	34.44
Current tax liabilities (net)	12	2,343.90	1,685.94
		<b>14,009.74</b>	<b>13,467.80</b>
<b>Total Liabilities</b>		<b>32,453.09</b>	<b>29,062.99</b>

The accompanying notes are integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**  
Chartered Accountants  
Firm Registration No. 116825W

**CHIRAG A. PAREKH**  
Chairman & Managing Director

**JAGDISH R. NAIK**  
Director

**ASHISH DAVE**  
Partner  
Membership No. 170275

**ANAND SHARMA**  
Chief Financial Officer

**NEHA PODDAR**  
Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

Particulars	Note No.	2019-2020	2018-2019
<b>REVENUE:</b>			
Revenue from operations ( net )	21	27,623.19	25,159.87
Other income	22	472.80	213.36
<b>Total Revenue</b>		<b>28,095.99</b>	<b>25,373.23</b>
<b>EXPENSES:</b>			
Cost of materials consumed	23	9,714.84	9,964.32
Purchases of stock-in-trade		4,228.60	3,415.45
Changes in inventories	24	(206.19)	(452.18)
Employee benefits expenses	25	2,219.63	1,851.65
Finance costs	26	872.23	972.85
Depreciation and amortisation expenses	27	1,192.50	863.91
Other expenses	28	7,026.20	6,336.54
<b>Total Expenses</b>		<b>25,047.81</b>	<b>22,952.54</b>
<b>Profit before exceptional items and tax</b>		<b>3,048.18</b>	<b>2,420.69</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>3,048.18</b>	<b>2,420.68</b>
Tax expenses			
Current tax	12	781.06	626.65
Earlier years' tax		6.25	27.57
Deferred tax		(25.33)	18.26
<b>Profit for the year</b>		<b>2,286.20</b>	<b>1,748.21</b>
<b>Other Comprehensive income</b>			
Items that will not be reclassified to profit or loss			
a. Remeasurements of defined benefit plans		(31.38)	10.52
b. Tax impacts on above		7.90	(3.03)
Items that may be reclassified to profit or loss			
c. Exchange differences on foreign currency translation		(86.90)	34.89
<b>Other comprehensive income for the year</b>		<b>(110.38)</b>	<b>42.38</b>
<b>Total Comprehensive Income for the year</b>		<b>2,175.82</b>	<b>1,790.59</b>
<b>Profit for the year attributable to:</b>			
Owners of the Parent		2,207.53	1,724.80
Non-controlling interests		78.67	23.41
		<b>2,286.20</b>	<b>1,748.21</b>
<b>Other Comprehensive income for the year attributable to:</b>			
Owners of the Parent		(110.30)	42.25
Non-controlling interests		(0.08)	0.13
		<b>(110.38)</b>	<b>42.38</b>
<b>Total Comprehensive Income for the year attributable to:</b>			
Owners of the Parent		2,097.23	1,767.05
Non-controlling interests		78.59	23.54
		<b>2,175.82</b>	<b>1,790.59</b>
Basic and diluted earning per share	29	8.38	6.64
Face value per share		2.00	2.00

The accompanying notes are integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**  
Chartered Accountants  
Firm Registration No. 116825W

**CHIRAG A. PAREKH**  
Chairman & Managing Director

**JAGDISH R. NAIK**  
Director

**ASHISH DAVE**  
Partner  
Membership No. 170275

**ANAND SHARMA**  
Chief Financial Officer

**NEHA PODDAR**  
Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

Particulars	2019-2020	2018-2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit for the year	2,286.20	1,748.21
Adjustments for -		
Depreciation and amortization	1,192.50	863.92
Income tax expenses	761.98	672.48
Loss / (profit) on sale of property, plant & equipment	-	0.89
Impairment loss recognised on trade receivables	211.39	89.03
Exchange rate adjustments (net)	(86.90)	34.89
Interest income	(45.84)	(106.78)
Finance cost	872.23	745.84
Operating profit before working capital changes	2,905.36	2,300.27
Adjustments for -		
Trade and other receivables	(1,580.46)	(152.45)
Other current and non-current assets	305.27	246.43
Inventories	(604.64)	(552.53)
Provision	25.46	(4.57)
Other current and non-current liabilities	36.22	112.08
Trade and other payables	381.11	(507.30)
Cash generated from operations	(1,437.05)	(858.35)
Income tax paid	(742.68)	(822.06)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,011.83</b>	<b>2,368.07</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant & equipment	(1,951.21)	(1,836.43)
Purchase of equity shares in subsidiary	-	-
Sale of property, plant & equipment	-	7.42
Purchase of equity shares in subsidiary	(41.46)	-
Interest received	45.84	106.78
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,946.83)</b>	<b>(1,722.23)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayments of borrowings	(289.99)	-
Proceeds from borrowings	16.47	372.26
Payment of lease liabilities	(151.95)	-
Proceeds from issue of equity instruments of the Company	618.75	-
Money received against share warrants	-	206.25
Dividend paid to owner of the Company	(308.46)	(259.45)
Interest paid	(872.23)	(745.84)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(987.41)</b>	<b>(426.78)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>77.59</b>	<b>219.05</b>
Cash and cash equivalents as at beginning of the year	514.46	295.41
Cash and cash equivalents as at end of the year	592.05	514.46

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flow.

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**

Chartered Accountants  
Firm Registration No. 116825W

**ASHISH DAVE**

Partner  
Membership No. 170275

**CHIRAG A. PAREKH**

Chairman & Managing Director

**ANAND SHARMA**

Chief Financial Officer

**JAGDISH R. NAIK**

Director

**NEHA PODDAR**

Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31ST MARCH, 2020

#### A. SHARE CAPITAL

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
At the beginning of the year	518.90	518.90
Changes in equity share capital during the year	15.00	-
At the end of the year	<b>533.90</b>	<b>518.90</b>

#### B. OTHER EQUITY

(₹ in lakhs)

Particulars	Other Comprehensive Income							
	General reserve	Retained earnings	Capital reserve	Security premium	Foreign currency translation reserve	Net gain/(loss) on fair value of defined benefit plan	Other Equity Attributable to owners of Parent	Non-controlling interest
As at 1st April, 2018	3,599.60	4,395.96	25.20	3,225.29	62.63	2.22	11,310.90	134.33
Profit for the year	-	1,724.80	-	-	-	-	1,724.80	23.41
Other comprehensive income for the year (net of tax)	-	-	-	-	34.89	7.36	42.25	0.13
Transfer from retained earnings to general reserve	300.00	(300.00)	-	-	-	-	-	-
Final dividend, declared and paid during the year	-	(259.45)	-	-	-	-	(259.45)	-
Dividend distribution tax	-	(53.33)	-	-	-	-	(53.33)	-
<b>As at 31st March, 2019</b>	<b>3,899.60</b>	<b>5,507.98</b>	<b>25.20</b>	<b>3,225.29</b>	<b>97.52</b>	<b>9.58</b>	<b>12,765.17</b>	<b>157.87</b>
Profit for the year	-	2,207.53	-	-	-	-	2,207.53	78.67
Addition during the year	-	(49.80)	-	810.00	-	-	760.20	-
Other comprehensive income for the year (net of tax)	-	-	-	-	(86.90)	(23.40)	(110.30)	(0.08)
Transfer from retained earnings to general reserve	300.00	(300.00)	-	-	-	-	-	-
Final dividend, declared and paid during the year	-	(311.34)	-	-	-	-	(311.34)	-
Dividend distribution tax	-	(64.01)	-	-	-	-	(64.01)	-
<b>As at 31st March, 2020</b>	<b>4,199.60</b>	<b>6,990.36</b>	<b>25.20</b>	<b>4,035.29</b>	<b>10.62</b>	<b>(13.82)</b>	<b>15,247.25</b>	<b>236.46</b>

The accompanying notes are integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**  
Chartered Accountants  
Firm Registration No. 116825W

**CHIRAG A. PAREKH**  
Chairman & Managing Director

**JAGDISH R. NAIK**  
Director

**ASHISH DAVE**  
Partner  
Membership No. 170275

**ANAND SHARMA**  
Chief Financial Officer

**NEHA PODDAR**  
Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020

# [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

## COMPANY INFORMATION

**Acrysil Limited** ("the Company") is a public limited company domiciled in India and incorporated on 19th January, 1987 under the provisions of the Companies Act applicable in India. The registered office of the Company is located at B-307, Citi Point, J B Nagar, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE).

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively, the Group) for the year ended 31st March, 2020.

The Group is engaged in manufacturing and trading of various types of kitchen sinks, bath products, tiles, kitchen appliances and accessories.

The consolidated financial statements ("the financial statements") were authorized for issue in accordance with the resolution of the Board of Directors of the Company on 12th June, 2020.

## 1 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation and measurement:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015, as applicable.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Group adopts operating cycle based on the project period and accordingly, all project related assets and liabilities are classified into

current and non-current. The Group considers 12 months as normal operating cycle.

The Group's financial statements are reported in Indian Rupees, which is also the Group's functional currency, and all values are rounded to the nearest lacs except otherwise indicated.

### 1.2 Significant accounting policies:

#### a. System of accounting

The financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of Companies Act, 2013 ("Act"), except in case of significant uncertainties.

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. It is held primarily for the purpose of being traded:

It is expected to be realized within 12 months after the reporting date;

It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.



## **[NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]**

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

### **b. Key accounting estimates**

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Estimates and judgements are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Group.

### **c. Standards issued but not effective:**

The amendments are proposed to be effective for reporting periods beginning on or after 1st April, 2020.

### **1. Ind AS 117 – Insurance Contracts:**

Ind AS 117 supersedes Ind AS 104 Insurance Contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flow with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

### **2. Amendments to existing standards:**

Ministry of corporate affairs has carried out amendments of the following accounting standards:

- Ind AS 103 – Business Combination
- Ind AS 1 – Presentation of financial statements
- Ind AS 8 – Accounting policies, changes in accounting estimates and errors
- Ind AS 40 – Investment property

The group is in the process of evaluating the impact of the new amendments issued but not yet effective.

### **1.2 Basis for consolidation:**

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of the subsidiary companies used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

The consolidated financial statements present the consolidated accounts of the Company along with its following subsidiaries:

	Entity	Proportion of Ownership Interest as at 31st March 2020
1	Acrysil Steel Limited	84.99%
2	Sternhagen Bath Private Limited	84.90%
3	Acrysil Appliances Limited	100.00%
4	Acrysil GmbH, Köln – Germany	100.00%
5	Acrysil UK Limited – United Kingdom	100.00%
6	Acrysil Products Limited (formerly known as Home Style Products Limited) – UK (a step-down subsidiary)	100.00%

The consolidated financial statements have been prepared on the following basis:

### Subsidiaries

- a) A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.
- b) The Company combines the financial statements of the parent and its subsidiary companies on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealized gains on transactions among the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.
- c) A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it derecognizes the assets, liabilities, carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity.
- d. **Property, plant and equipment**
  - (i) Property, plant and equipment are stated at historical cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/installation of the assets less accumulated depreciation and accumulated impairment losses, if any.
  - (ii) Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss as incurred.
  - (iii) The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the statement of profit and loss.
  - (iv) Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.
  - (v) On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1st April 2016 of its property, plant and equipment and use that carrying value as the deemed cost of the property, plant and equipment on the date of transition i.e. 1st April 2016 except for certain class of assets which are measured at fair value as deemed cost.

## **[NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]**

(vi) The Group depreciates property, plant and equipment on written down value method except for buildings, plant & equipment and dies & moulds where depreciation is provided on straight line method over the estimated useful life prescribed in Schedule II of the Companies Act, 2013 from the date the assets are ready for intended use after considering the residual value.

(vii) Intangible assets mainly represent implementation cost for software and other application software acquired/developed for in-house use and design and property rights of the Company. These assets are stated at cost. Cost includes related acquisition expenses, related borrowing costs, if any, and other direct expenditure.

(viii) Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

### **e. Goodwill**

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS -103 Business Combination.

Goodwill is considered to have indefinite useful life and hence is not subject to amortisation but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

### **f. Investments and financial assets**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit or loss. In other cases, the transaction costs are attributed to the acquisition value of financial asset.

Financial assets are subsequently classified measured at –

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition except if and in the period the Group changes its business model for managing financial assets.

Financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred the asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, financial asset is derecognised.

In accordance with Ind AS 109, the Group applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition.

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### g. Inventories

- (i) Raw materials and stores and spares are valued at weighted average cost including all charges in bringing the materials to the present location.
- (ii) Finished and semi-finished goods are valued at the cost plus direct expenses and appropriate value of overheads or net realizable value, whichever is lower.
- (iii) Obsolete, slow moving and defective inventories are written off/valued at net realisable value during the year as per policy consistently followed by the Group.

### h. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of balance with banks and cash on hand and short term deposits with an original maturity of three month or less, which are subject to insignificant risks of changes in value.

### i. Trade receivables

A receivable is classified as a trade receivable if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured net of any expected credit losses.

### j. Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs.

### k. Financial liabilities

- (i) Financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.
- (ii) Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.
- (iii) Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### l. Trade payables

A payable is classified as a trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### m. Revenue recognition

- (i) Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.
- (ii) Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, return and goods & service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts.
- (iii) Accumulated experience is used to estimate and provide for the discounts/rights of return, using the expected value method.

## **[NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]**

(iv) A return liability is recognised to expected return in relation to sales made corresponding assets are recognised for the products expected to be returned.

(v) The Group recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Group expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customers.

### **n. Custom Duty and GST:**

Purchase of goods and fixed assets are accounted for net of GST input credits. Custom duty paid on import of materials is dealt with in respective material accounts.

### **o. Foreign currency transactions**

(i) Items included in the financial statements are measured using the currency of primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.

(ii) Foreign currency transactions are initially recorded in the reporting currency at foreign exchange rate on the date of the transaction.

(iii) Monetary items of current assets and current liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iv) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates are recognised in the statement of profit or loss.

### **p. Employee benefit expenses**

(i) Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. These benefits are classified as defined contribution schemes as the Company has no further obligations beyond the monthly contributions.

(ii) The Group provides for gratuity which is a defined benefit plan, the liabilities of which are determined based on valuations, as at the reporting date, made by an independent actuary using the projected unit credit method. Re-measurement comprising of actuarial gains and losses, in respect of gratuity are recognised in the other comprehensive income in the period in which they occur. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

(iii) The employees are entitled to accumulate leave subject to certain limits, for future encashment and availment, as per the policy of the Group. The liability towards such unutilised leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognised in the statement of profit and loss.

### **q. Leases**

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

### **r. Borrowing costs**

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Also, the effective interest rate amortisation is included in finance costs. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the statement of profit and loss in the period in which they occur.

### **s. Impairment of non financial assets**

As at each reporting date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

### **t. Taxation**

Income tax expense comprises current tax expense and the deferred tax during the year. Current and deferred taxes are recognised in the statement of profit and loss, except when they relate to items that are recognised in other

comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the tax laws of the respective countries. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

The carrying amount of deferred tax is reviewed at each reporting date and measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

### **u. Provisions and contingent liabilities**

The Group creates a provision when there is present obligation, legal or constructive, as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

## **[NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]**

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events. Contingent assets are neither recognised nor disclosed in the financial statements.

### **v. Earnings Per Share**

- (i) Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.
- (ii) For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### **w. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the operating decision makers. The decision

makers regularly monitor and review the operating result of the whole Group. The activities of the Group primarily fall under a single segment of “manufacturing and trading of kitchen sinks, bath products and other appliances” in accordance with the Ind AS 108 “Operating Segments”.

### **x. Offsetting instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### **y. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.



## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 2 Property, plant and equipment

(₹ in lakhs)

Particulars	Land	Buildings	Plant & Equipment	Mould and Dies	Office Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value</b>								
<b>As at 1st April, 2018</b>	<b>3,087.03</b>	<b>1,946.24</b>	<b>2,220.46</b>	<b>4,978.25</b>	<b>393.74</b>	<b>729.43</b>	<b>355.52</b>	<b>13,710.67</b>
Additions	-	309.59	390.19	696.29	29.38	10.31	115.56	1,551.31
Disposals	-	-	(4.35)	-	-	-	(13.17)	(17.52)
<b>As at 31st March, 2019</b>	<b>3,087.03</b>	<b>2,255.83</b>	<b>2,606.30</b>	<b>5,674.55</b>	<b>423.12</b>	<b>739.74</b>	<b>457.91</b>	<b>15,244.46</b>
Additions	326.52	60.13	475.55	349.66	33.05	82.25	58.90	1,386.06
Disposals	-	-	-	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>3,413.55</b>	<b>2,315.96</b>	<b>3,081.85</b>	<b>6,024.21</b>	<b>456.17</b>	<b>821.99</b>	<b>516.81</b>	<b>16,630.52</b>
<b>Accumulated depreciation</b>								
<b>As on 1st April, 2018</b>	<b>-</b>	<b>347.65</b>	<b>1,151.45</b>	<b>2,554.08</b>	<b>335.33</b>	<b>328.39</b>	<b>273.03</b>	<b>4,989.92</b>
Depreciation charged	-	63.90	197.21	378.54	46.03	102.65	61.49	849.83
Disposals	-	-	-	-	-	-	(10.99)	(10.99)
<b>As at 31st March, 2019</b>	<b>-</b>	<b>411.55</b>	<b>1,348.66</b>	<b>2,932.62</b>	<b>381.37</b>	<b>431.04</b>	<b>323.53</b>	<b>5,828.76</b>
Depreciation charged	-	66.43	290.42	487.87	39.30	87.22	51.62	1,022.86
Disposals	-	-	-	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>-</b>	<b>477.98</b>	<b>1,639.08</b>	<b>3,420.49</b>	<b>420.67</b>	<b>518.26</b>	<b>375.15</b>	<b>6,851.62</b>
Net carrying value								
<b>As at 31st March, 2019</b>	<b>3,087.03</b>	<b>1,844.28</b>	<b>1,257.65</b>	<b>2,741.92</b>	<b>41.75</b>	<b>308.70</b>	<b>134.37</b>	<b>9,415.70</b>
<b>As at 31st March, 2020</b>	<b>3,413.55</b>	<b>1,837.98</b>	<b>1,442.78</b>	<b>2,603.71</b>	<b>35.50</b>	<b>303.73</b>	<b>141.65</b>	<b>9,778.90</b>
<b>Capital Work in Progress</b>								
<b>As at 31st March, 2019</b>	<b>-</b>	<b>48.94</b>	<b>79.67</b>	<b>221.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350.41</b>
<b>As at 31st March, 2020</b>	<b>-</b>	<b>422.01</b>	<b>179.06</b>	<b>292.38</b>	<b>-</b>	<b>15.42</b>	<b>-</b>	<b>908.87</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 3 Right of use assets

(₹ in lakhs)

Particulars	Building	Total
<b>Gross carrying value</b>		
<b>As at 31st March, 2019</b>	-	-
Additions	294.57	294.57
Disposals	-	-
<b>As at 31st March, 2020</b>	<b>294.57</b>	<b>294.57</b>
<b>Accumulated depreciation</b>		
<b>As at 31st March, 2019</b>	-	-
Depreciation charged	152.45	152.45
Disposals	-	-
<b>As at 31st March, 2020</b>	<b>152.45</b>	<b>152.45</b>
<b>Net carrying value</b>		
<b>As at 31st March, 2020</b>	<b>142.12</b>	<b>142.12</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 4 Intangible assets

(₹ in lakhs)

Particulars	Design & Property Rights	Computer Software	Total
<b>Gross carrying value (at deemed cost)</b>			
<b>As at 1st April, 2018</b>	<b>18.22</b>	<b>94.28</b>	<b>112.50</b>
Additions	146.87	–	146.87
<b>As at 31st March, 2019</b>	<b>165.09</b>	<b>94.28</b>	<b>259.37</b>
Additions	–	6.69	6.69
<b>As at 31st March, 2020</b>	<b>165.09</b>	<b>100.97</b>	<b>266.06</b>
<b>Accumulated depreciation</b>			
<b>As on 1st April, 2018</b>	<b>7.29</b>	<b>56.21</b>	<b>63.50</b>
Depreciation charged	14.08	–	14.08
<b>As at 31st March, 2019</b>	<b>21.37</b>	<b>56.21</b>	<b>77.58</b>
Depreciation charged	16.51	0.68	17.19
<b>As at 31st March, 2020</b>	<b>37.88</b>	<b>56.89</b>	<b>94.77</b>
<b>Net carrying value</b>			
<b>As at 31st March, 2019</b>	<b>143.72</b>	<b>38.07</b>	<b>181.79</b>
<b>As at 31st March, 2020</b>	<b>127.21</b>	<b>44.08</b>	<b>171.29</b>

### Note 5 Loans

(₹ in lakhs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Unsecured, considered good</b>				
Employee loans	–	–	10.01	7.30
Other loans	–	–	–	–
<b>Total loans</b>	<b>–</b>	<b>–</b>	<b>10.01</b>	<b>7.30</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 6 Other financial assets

(₹ in lakhs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Security deposits	148.81	167.75	-	-
Claims receivables	-	-	1,045.47	940.99
Interest receivables	-	-	9.62	0.18
<b>Total other financial assets</b>	<b>148.81</b>	<b>167.75</b>	<b>1,055.09</b>	<b>941.17</b>

### Note 7 Other assets

(₹ in lakhs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Trade advances to suppliers	-	-	468.92	608.68
Less: Provision for doubtful advances	-	-	-	-
			<b>468.92</b>	<b>608.68</b>
Capital advances	338.77	202.91	-	-
Advances to staff	-	-	25.91	44.68
Prepaid expenses	-	-	3.34	29.36
Input credit receivables	-	-	774.15	1,019.96
Gratuity fund	-	-	-	18.81
Other advances	-	-	10.84	2.80
<b>Total other assets</b>	<b>338.77</b>	<b>202.91</b>	<b>1,283.16</b>	<b>1,724.29</b>
Trade advances include:				
- To companies or firms in which some of the directors are interested	-	-	171.41	32.52

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 8 Inventories

( ₹ in lakhs )

Particulars	31st March 2020	31st March 2019
Stores & spares	59.70	67.82
Stock-in-trade	2,150.22	1,774.84
Raw materials	586.15	411.07
Finished goods	1,292.91	1,363.53
Semi finished goods	1,194.75	1,293.32
Bought out items	571.04	333.99
Packing materials	119.63	125.19
<b>Total inventories</b>	<b>5,974.40</b>	<b>5,369.76</b>

### Note 9 Trade Receivables

(Unsecured, considered good unless otherwise stated)

( ₹ in lakhs )

Particulars	31st March 2020	31st March 2019
Trade receivables	6,590.31	6,105.38
Less: Provision for doubtful debts	(363.46)	(673.25)
<b>Total trade receivables</b>	<b>6,226.85</b>	<b>5,432.13</b>

### Note 10 Cash and cash equivalents

( ₹ in lakhs )

Particulars	31st March 2020	31st March 2019
Balances with banks	546.59	468.57
Cash on hand	45.47	45.89
<b>Total cash and cash equivalents</b>	<b>592.06</b>	<b>514.46</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 11 Other bank balances

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Dividend accounts	50.00	47.12
Other term deposits*	1,310.94	837.16
<b>Total other bank balances</b>	<b>1,360.94</b>	<b>884.28</b>

\* includes ₹ 136.12 lakhs (₹ 230.14 lakhs) balances with banks under lien with banks against various credit facilities

### Note 12 Income tax assets (net)

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Income tax assets (net)</b>		
The following table provides the details of income tax assets and liabilities :		
Income tax assets	2,070.05	1,520.73
Current income tax liabilities	2,343.90	1,685.94
<b>Net liabilities</b>	<b>273.85</b>	<b>165.21</b>
<b>The gross movement in the current tax asset / (liability)</b>		
Net current income tax liabilities at the beginning	165.21	279.72
Income tax paid (net of refunds)	(678.67)	(768.73)
Current income tax expense	787.31	654.22
Income tax on other comprehensive income	-	-
Net current income tax asset at the end	<b>273.85</b>	<b>165.21</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 13 Equity share capital

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Authorised</b>		
4,00,00,000 equity shares of ₹ 2 each	800.00	800.00
	<b>800.00</b>	<b>800.00</b>
<b>Issued, Subscribed and Paid up</b>		
2,66,94,880 (2,59,44,880) equity shares of ₹ 2 each	533.90	518.90
<b>Total equity share capital</b>	<b>533.90</b>	<b>518.90</b>

#### a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

(₹ in lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares:</b>				
Balance at the beginning of the year	2,59,44,880	518.90	2,59,44,880	518.90
Issue of Equity Shares pursuant to conversion of warrants into equity shares *	7,50,000	15.00	-	-
<b>Balance at the end of the year</b>	<b>2,66,94,880</b>	<b>533.90</b>	<b>2,59,44,880</b>	<b>518.90</b>

\* During the FY 2019-20, 7,50,000 equity shares were issued to Promoter & Promoter Company pursuant to conversion of warrants issued earlier.

#### b) Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a face value of ₹ 2 each ranking pari pasu in all respect including voting rights and entitlement to dividend. Each holder of equity shares is entitled to one vote per share. Dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid to the shareholders.

#### c) Shares held by each shareholder holding more than five percent shares

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	Nos.	% of holding	Nos.	% of holding
Chirag Parekh	86,29,730	32.33	83,04,730	32.01
Schock GmbH	22,62,000	8.47	22,62,000	8.72
Acrycol Minerals Limited	13,81,760	5.18	10,06,760	3.88



## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 14 Other equity

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Capital reserve</b>	25.20	25.20
<b>General Reserve</b>		
Balance at the beginning of the year	3,899.60	3,599.60
Transferred from retained earnings	300.00	300.00
Balance at the end of the year	4,199.60	3,899.60
<b>Securities Premium Account</b>	<b>3,225.29</b>	<b>3,225.29</b>
Addition during the year	810.00	
	4,035.29	3,225.29
<b>Retained earnings</b>		
Balance at the beginning of the year	5,507.98	4,395.96
Profit for the year	2,207.53	1,724.80
Transitional adjustments on account of Ind AS 116	(49.80)	-
Appropriations		
Transfer to general reserve	(300.00)	(300.00)
Dividend	(311.34)	(259.45)
Dividend distribution tax	(64.01)	(53.33)
Balance at the end of the year	6,990.36	5,507.98
<b>Other components of equity</b>		
Remeasurement of defined benefit plans (net of tax)	(13.82)	9.59
Exchange differences on foreign currency translation of foreign operations	10.62	97.52
	<b>(3.20)</b>	<b>107.11</b>
<b>Total other equity</b>	<b>15,247.25</b>	<b>12,765.18</b>

**Capital reserve:** This represents capital grants received in the past years.

**General reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under Companies Act, 2013.

**Securities premium account:** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

**Retained earnings:** Retained earnings are the profits that the Company has earned till date, less transfers to general reserve, dividends or other distributions paid to shareholders.

**Net gain/(loss) on fair value of defined benefit plans:** The Company has recognised remeasurement gains/(loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amount from this reserve to retained earnings when the relevant obligations are derecognized.

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 15 Borrowings

( ₹ in lakhs )

Particulars	Non-current		Current	
	31st March2020	31st March2019	31st March2020	31st March2019
<b>Secured</b>				
Term loans from banks	2,121.38	1,656.50	-	-
Working capital finance from banks	-	-	6,836.18	6,809.71
	<b>2,121.38</b>	<b>1,656.50</b>	<b>6,836.18</b>	<b>6,809.71</b>
<b>Unsecured</b>				
Term loans from related parties	-	-	-	10.00
	-	-	-	<b>10.00</b>
<b>Total borrowings</b>	<b>2,121.38</b>	<b>1,656.50</b>	<b>6,836.18</b>	<b>6,819.71</b>

### Note 16 Other financial liabilities

( ₹ in lakhs )

Particulars	Non-current		Current	
	31st March2020	31st March2019	31st March2020	31st March2019
Current maturities of long-term debt	-	-	1,062.12	1,210.71
Lease liabilities	48.43	-	-	-
Current maturities of finance lease obligation			160.74	
Payable towards services received			68.95	94.81
Unclaimed dividend	-	-	50.00	47.12
Forward contract premium payable	-	-	23.20	-
Deposits from Distributors and others	-	-	41.71	41.70
<b>Total other financial liabilities</b>	<b>48.43</b>	<b>-</b>	<b>1,406.72</b>	<b>1,394.34</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 17 Provisions

(₹ in lakhs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Provision for leave encashment	48.63	41.70	9.26	9.81
Provision for bonus	-	-	39.08	24.63
Provision for Gratuity	8.49	-	27.52	-
<b>Total provisions</b>	<b>57.12</b>	<b>41.70</b>	<b>75.86</b>	<b>34.44</b>

### Note 18 Deferred tax liabilities

(₹ in lakhs)

Particulars	31st March 2,020	31st March 2019
<b>Deferred tax liabilities / (assets)</b>		
On account of timing differences in		
Depreciation on property, plant & equipment	438.36	460.47
Provision for doubtful debts	(108.69)	(196.50)
Other disallowances under tax laws	(130.86)	(15.18)
	<b>198.81</b>	<b>248.79</b>

### Note 19 Other liabilities

(₹ in lakhs)

Particulars	Non-current		Current	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Advances from customers	-	-	260.60	190.56
Statutory liabilities	-	-	56.33	48.95
Other liabilities	-	-	129.20	170.38
<b>Total other liabilities</b>	<b>-</b>	<b>-</b>	<b>446.13</b>	<b>409.89</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 20 Trade payables

( ₹ in lakhs )

Particulars	Current	
	31st March 2020	31st March 2019
Trade payables		
Total outstanding dues of Micro and Small Enterprises (refer note no. 35)	707.59	789.07
Total outstanding dues of creditors other than Micro and Small Enterprises	2,193.36	2,334.41
<b>Total trade payables</b>	<b>2,900.95</b>	<b>3,123.48</b>

### Note 21 Revenue from operations

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
<b>Sale of Products</b>		
Export sales	19,341.79	16,786.73
Domestic sales	7,267.33	7,377.95
	<b>26,609.12</b>	<b>24,164.68</b>
<b>Other Operating Revenue</b>		
Export incentives & credits	915.94	894.26
Other operational income	98.13	100.93
<b>Total revenue from operations</b>	<b>27,623.19</b>	<b>25,159.87</b>

### Note 22 Other income

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
<b>Interest Income</b>		
- Banks	38.79	98.73
- Others	7.05	8.05
Gain on foreign currency fluctuation	410.30	74.01
Insurance claim receipts	-	18.97
Profit on sale of property, plant & equipments (net)	-	0.89
Miscellaneous income	16.66	12.71
<b>Total other income</b>	<b>472.80</b>	<b>213.36</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 23 Cost of materials Consumed

(₹ in lakhs)

Particulars	2019-2020	2018-2019
<b>Raw materials consumed</b>		
Opening stock	411.07	330.41
Add: Purchases	6,228.88	6,660.75
	<b>6,639.95</b>	<b>6,991.16</b>
Less: Closing stock	(586.15)	(411.07)
	<b>6,053.80</b>	<b>6,580.09</b>
<b>Packing material consumed</b>		
Opening stock	125.19	141.33
Add: Purchases	2,031.83	1,957.38
	<b>2,157.02</b>	<b>2,098.71</b>
Less: Closing stock	(119.63)	(125.19)
	<b>2,037.39</b>	<b>1,973.52</b>
Bought out items	1,623.65	1,410.71
<b>Total cost of material consumed</b>	<b>9,714.84</b>	<b>9,964.32</b>

### Note 24 Changes in inventories

(₹ in lakhs)

Particulars	2019-2020	2018-2019
<b>Closing Stock</b>		
Finished goods	1,292.91	1,363.53
Stock-in-trade	2,150.22	1,774.84
Semi finished goods	1,194.75	1,293.32
	<b>4,637.88</b>	<b>4,431.69</b>
<b>Opening Stock</b>		
Finished goods	1,363.53	881.92
Stock-in-trade	1,774.84	1,600.93
Semi finished goods	1,293.32	1,496.66
	<b>4,431.69</b>	<b>3,979.51</b>
<b>Changes in inventories</b>	<b>(206.19)</b>	<b>(452.18)</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 25 Employee benefit expenses

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
Salaries, wages, bonus and allowances	1,716.09	1,506.99
Directors' remuneration	279.31	153.60
Leave compensation	44.22	27.58
Contribution to provident fund and other welfare funds	102.07	95.65
Staff welfare expenses	77.94	67.83
<b>Total employee benefit expenses</b>	<b>2,219.63</b>	<b>1,851.65</b>

### Note 26 Finance costs

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
<b>Interest</b>		
Banks	753.39	710.68
Income tax	9.53	10.00
Others	42.94	25.16
	<b>805.86</b>	<b>745.84</b>
Other borrowing cost	73.23	37.57
Exchange difference regarded as adjustment to borrowing costs	(6.86)	189.44
<b>Total finance costs</b>	<b>872.23</b>	<b>972.85</b>

### Note 27 Depreciation and amortisation expenses

( ₹ in lakhs )

Particulars	2019-2020	2018-2019
Depreciation on tangible assets	1,175.31	849.83
Depreciation on intangible assets	17.19	14.08
<b>Total depreciation and amortisation</b>	<b>1,192.50</b>	<b>863.91</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 28 Other expenses

(₹ in lakhs)

Particulars	2019-2020	2018-2019
<b>Manufacturing Expenses</b>		
Power & fuel	649.78	583.00
Machinery repairs and maintenance	90.80	63.48
Stores and spares	442.96	355.20
Other expenses	874.57	776.29
	<b>2,058.11</b>	<b>1,777.97</b>
<b>Selling and Distribution Expenses</b>		
Sales commission	101.63	90.78
Advertisement and business promotion	584.27	679.51
Export freight and insurance	1,364.45	1,161.25
Other selling expenses	535.85	486.14
	<b>2,586.20</b>	<b>2,417.68</b>
<b>Administrative and Other Expenses</b>		
Rent	191.19	337.93
Rates & taxes	4.96	3.94
Traveling expenses	597.43	521.67
Postage and telephone expenses	94.71	104.76
Printing & stationery expenses	51.62	47.97
Insurance premiums	64.91	61.99
Building and other repairs	164.49	118.98
Bank discount, commission and other charges	120.72	194.46
Legal and professional fees	403.63	240.15
Payment to auditors	76.03	62.77
Directors sitting fees	10.30	9.90
Corporate social responsibility expenses	40.90	18.45
Donations	7.53	8.62
Bad debts and provision for doubtful advances	211.39	89.03
General expenses	342.08	320.27
	<b>2,381.89</b>	<b>2,140.89</b>
<b>Total other expenses</b>	<b>7,026.20</b>	<b>6,336.54</b>
<b>Expenditure towards Corporate Social Responsibility (CSR) activities</b>		
Gross amount required to be spent during the year	30.63	22.63
Amount spent in cash during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	40.90	18.45
	<b>40.90</b>	<b>18.45</b>
<b>Payments to auditors</b>		
Audit fees	71.28	56.86
Tax audit fees	2.05	2.95
Other services	2.70	2.96
	<b>76.03</b>	<b>62.77</b>



## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 29 Earning per share

Particulars	2019-2020	2018-2019
Profit for the year (₹ in lakhs)	2,207.53	1,724.80
Weighted average number of shares (Nos)	2,63,32,175	2,59,65,497
Earnings per share (Basic and Diluted) ₹	8.38	6.64
Face value per share ₹	2.00	2.00

### Note 30 Fair value measurement

#### Financial instruments by category :

(₹ in lakhs)

Particulars	31st March 2020				31st March 2019			
	FVPL	FVOCI	Amortised cost	Fair value	FVPL	FVOCI	Amortised cost	Fair value
<b>Financial assets</b>								
Investments	-	-	-	-	-	-	-	-
Trade receivables	-	-	6,226.85	6,226.85	-	-	5,432.13	5,432.13
Loans - non-current	-	-	-	-	-	-	-	-
Loans - current	-	-	10.01	10.01	-	-	7.30	7.30
Other financial assets - non-current	-	-	148.81	148.81	-	-	167.75	167.75
Other financial assets - current	-	-	1,055.09	1,055.09	-	-	941.17	941.17
Cash and cash equivalents	-	-	592.06	592.06	-	-	514.46	514.46
Other bank balances	-	-	1,360.94	1,360.94	-	-	884.28	884.28
<b>Total financial assets</b>	-	-	<b>9,393.76</b>	<b>9,393.76</b>	-	-	<b>7,947.09</b>	<b>7,947.09</b>
<b>Financial liabilities</b>								
Borrowings								
Long term borrowings*	-	-	3,183.50	3,183.50	-	-	2,867.20	2,867.20
Short term borrowings	-	-	6,836.18	6,836.18	-	-	6,819.71	6,819.71
Trade payables	-	-	2,900.95	2,900.95	-	-	3,123.48	3,123.48
Other financial liabilities - non-current	-	-	48.43	48.43	-	-	-	-
Other financial liabilities - current	-	-	344.60	344.60	-	-	183.63	183.63
<b>Total financial liabilities</b>	-	-	<b>13,313.66</b>	<b>13,313.66</b>	-	-	<b>12,994.02</b>	<b>12,994.02</b>

\* including current maturities of long term debt

## **[NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]**

### **Note 31 Financial risk management**

The Group's activities expose it to credit risk, liquidity risk and market risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Credit ratings, aging analysis, credit evaluation	Diversification of counter parties, investment limits, check on counter parties basis credit rating and number of overdue days
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/ cash equivalents and marketable securities
Market Risk	Financial assets and liabilities not denominated in INR	Sensitivity analysis	Constant evaluation and proper risk management policies

The Board provides guiding principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, credit risk and investment of surplus liquidity.

#### **A. Credit Risk**

Credit risk refers to the risk of a counter party default on its contractual obligation resulting into a financial loss to the Company. The maximum exposure of the financial assets represents trade receivables, work in progress and receivables from group companies and others.

In respect of trade receivables, the Group uses a provision matrix to compute the expected credit loss allowances for trade receivables in accordance with the expected credit loss (ECL) policy of the Group. The Group regularly reviews trade receivables and necessary provisions, whenever required, are made in the financial statements.

#### **B. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

Contractual maturities of significant financial liabilities are as follows:

( ₹ in lakhs )

Particulars	Less than or equal to one year	more than one year	Total
<b>As on 31st March 2020</b>			
<b>Financial Assets</b>			
Non-current investments	-	-	-
Loans	10.01	-	10.01
Trade receivables	6,226.85	-	6,226.85
Cash and cash equivalents	592.06	-	592.06
Other bank balances	1,360.94	-	1,360.94
Other financial assets	1,055.09	148.81	1,203.90
<b>Total financial assets</b>	<b>9,244.95</b>	<b>148.81</b>	<b>9,393.76</b>
<b>Financial Liabilities</b>			
Long term borrowings	1,062.12	2,121.38	3,183.50
Short term borrowings	6,836.18	-	6,836.18
Trade payables	2,900.95	-	2,900.95
Other financial liabilities	344.60	48.43	393.03
<b>Total financial liabilities</b>	<b>11,143.85</b>	<b>2,169.81</b>	<b>13,313.66</b>
<b>As on 31st March 2019</b>			
<b>Financial Assets</b>			
Non-current investments	-	-	-
Loans	-	7.30	7.30
Trade receivables	5,432.13	-	5,432.13
Cash and cash equivalents	514.46	-	514.46
Other bank balances	884.28	-	884.28
Other financial assets	941.17	167.75	1,108.92
<b>Total financial assets</b>	<b>7,772.03</b>	<b>175.06</b>	<b>7,947.09</b>
<b>Financial Liabilities</b>			
Long term borrowings	1,210.71	1,656.50	2,867.20
Short term borrowings	6,819.71	-	6,819.71
Trade payables	3,123.48	-	3,123.48
Other financial liabilities	183.63	-	183.63
<b>Total financial liabilities</b>	<b>11,337.53</b>	<b>1,656.50</b>	<b>12,994.02</b>

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

The Group has several balances in foreign currency and consequently, the Group is exposed to foreign exchange risk. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

#### b) Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in lakhs)

Particulars	Increase/ decrease in basis points	Effect of profit before tax
<b>March 31, 2020</b>	+100	100.20
	-100	(100.20)
<b>March 31, 2019</b>	+100	96.87
	-100	(96.87)

Group's exposure to foreign currency risk at the end of each reporting period is as under:

#### c) Exposure in foreign currency - Hedged

(₹ in lakhs)

Category	31st March 2020	31st March 2019
<b>Option Contract - Buy</b>		
USD/EURO/GBP	68.12	4.98
<b>Option Contract - Sell</b>		
USD/EURO	-	6.40

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### d) Exposure in foreign currency - Unhedged

(₹ in lakhs)

Currency	31st March 2020	31st March 2019
<b>Receivables</b>		
USD	26.66	21.22
EURO	13.34	14.97
GBP	8.67	9.74
<b>Payables</b>		
USD	3.08	3.28
EURO	0.65	2.38
GBP	4.86	-

### e) Foreign currency sensitivity

The Group is mainly exposed to changes in USD, GBP and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD, GBP and EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in lakhs)

Particulars	Currency	Change in rate	Effect of profit before tax
<b>March 31, 2020</b>	USD	+5%	89.13
	USD	-5%	(89.13)
<b>March 31, 2019</b>	USD	+5%	62.07
	USD	-5%	(62.07)
<b>March 31, 2020</b>	GBP	+5%	17.88
	GBP	-5%	(17.88)
<b>March 31, 2019</b>	GBP	+5%	44.06
	GBP	-5%	(44.06)
<b>March 31, 2020</b>	EURO	+5%	52.54
	EURO	-5%	(52.54)
<b>March 31, 2019</b>	EURO	+5%	48.91
	EURO	-5%	(48.91)

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 32 Capital management

The Group's capital management objective is to maximise the total shareholder returns by optimising cost of capital through flexible capital structure that supports growth. Further, the Group ensures optimal credit risk profile to maintain/enhance credit rating.

The Group determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The following table summarises the capital of the Group:

(₹ in lakhs)

Particulars	As at	
	31st March 2020	31st March 2019
Total debts	10,019.68	9,686.91
Total equity	15,781.15	13,284.08
Total debts to equity ratio	0.63	0.73

### Dividends

(₹ in lakhs)

Dividends recognised in the financial statements	31st March 2020	31st March 2019
Final dividend for the year ended 31st March 2018 of ₹ 1 per equity share	-	259.45
Final dividend for the year ended 31st March 2019 of ₹ 1.2 per equity share	311.34	-
<b>Dividends not recognised in the financial statements</b>		
Directors have recommended the payment of final dividend of ₹ 1.2 per share. The proposed dividend is subject to the approval of the shareholders in the ensuing general meeting	311.34	-

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

### Note 33 Contingent Liabilities

(₹ in lakhs)

No.	Particulars	31st March 2020	31st March 2019
1	In respect of custom duty	41.54	41.54

### Note 34 Employee benefits

Liability for employee gratuity has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 the details of which are as hereunder. Wherever the Group creates plan assets, it makes contributions to approved gratuity fund.

#### Funded Scheme – Gratuity

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Amount recognised in balance sheet</b>		
Present value of funded defined benefit obligation	160.54	105.70
Fair value of plan assets	133.67	132.80
<b>Net unfunded obligation</b>	<b>26.87</b>	<b>(27.10)</b>
<b>Expense recognised in the statement of profit and loss</b>		
Current service cost	14.94	13.94
Interest on net defined benefit asset	(0.73)	0.32
<b>Total expense charged to profit and loss Account</b>	<b>14.21</b>	<b>14.26</b>
<b>Amount recorded as other comprehensive income</b>		
Opening amount recognised in OCI outside profit & loss Account	(12.75)	(3.40)
Remeasurements during the period due to:		
Return on plan assets	28.66	(9.56)
Actual (gain)/loss on obligation for the period	2.01	0.21
<b>Closing amount recognised in OCI outside profit &amp; loss account</b>	<b>17.92</b>	<b>(12.75)</b>
<b>Reconciliation of net liability/(asset)</b>		
<b>Opening net defined benefit liability/(asset)</b>	<b>(27.10)</b>	<b>4.13</b>
Expense charged to profit and loss account	14.21	14.26



## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
Amount recognised outside profit and loss account	30.67	(9.35)
Benefits paid	(18.03)	(17.62)
Employer contributions	(8.93)	(18.52)
<b>Closing net defined benefit liability/(asset)</b>	<b>(9.18)</b>	<b>(27.10)</b>
<b>Movement in benefit obligation</b>		
<b>Opening of defined benefit obligation</b>	<b>105.70</b>	<b>118.81</b>
Current service cost	14.94	13.94
Interest on defined benefit obligation	9.61	9.30
Actuarial loss/(gain) arising from change in financial assumptions	13.65	0.45
Benefits directly paid by the employer	19.25	(9.17)
Benefits paid	(18.03)	(17.62)
Actuarial loss/(gain) on obligation -Due to Experience	15.42	(10.01)
<b>Closing of defined benefit obligation</b>	<b>160.54</b>	<b>105.70</b>
<b>Movement in plan assets</b>		
<b>Opening fair value of plan assets</b>	<b>132.80</b>	<b>114.67</b>
Actual return on plan assets excluding interest on plan assets	(2.01)	(0.21)
Interest income	10.34	8.98
Contributions by employer	8.93	18.52
Benefits paid	(16.39)	(9.17)
<b>Closing of defined benefit obligation</b>	<b>133.67</b>	<b>132.80</b>
<b>Principal actuarial assumptions</b>		
Discount Rate	6.84	7.79
Salary escalation rate p.a.	6.84	7.79
Future salary increase	7.00	7.00
Rate of employee turnover	2.00	2.00

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

Sensitivity analysis for significant assumption is as shown below:

(₹ in lakhs)

No.	Particulars	Sensitivity level	31st March 2020	31st March 2019
1	Discount Rate	1% Increase	(13.88)	(10.48)
		1% Decrease	16.22	12.14
2	Salary	1% Increase	16.03	12.12
		1% Decrease	(13.99)	(10.64)
3	Employee Turnover	1% Increase	(0.67)	0.34
		1% Decrease	0.71	(0.43)

The following are the expected future benefit payments for the defined benefit plan:

(₹ in lakhs)

No.	Particulars	31st March 2020	31st March 2019
1	Within the next 12 months (next annual reporting period)	9.35	6.48
2	Between 2 and 5 years	43.78	33.37
3	Beyond 5 years	304.82	262.87

### Unfunded Scheme - Gratuity

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Amount recognised in balance sheet</b>		
Present value of funded defined benefit obligation	9.13	8.29
Fair value of plan assets	-	-
<b>Net unfunded obligation</b>	<b>9.13</b>	<b>8.29</b>
<b>Expense recognised in the statement of profit and loss</b>		
Current service cost	1.46	1.51
Interest on net defined benefit asset	0.63	0.59
<b>Total expense charged to profit and loss Account</b>	<b>2.09</b>	<b>2.10</b>
<b>Amount recorded as other comprehensive income</b>		
Opening amount recognised in OCI outside profit & loss Account	(1.02)	0.15
Remeasurements during the period due to:		
Return on plan assets	-	-
Actual (gain)/loss on obligation for the period	0.71	(1.17)

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

(₹ in lakhs)

Particulars	31st March 2020	31st March 2019
<b>Closing amount recognised in OCI outside profit &amp; loss account</b>	<b>(0.31)</b>	<b>(1.02)</b>
<b>Reconciliation of net liability/(asset)</b>		
<b>Opening net defined benefit liability/(asset)</b>	<b>8.29</b>	<b>7.51</b>
Expense charged to profit and loss account	2.09	2.10
Amount recognised outside profit and loss account	0.71	(1.17)
Employer contributions	(1.96)	(0.15)
<b>Closing net defined benefit liability/(asset)</b>	<b>9.13</b>	<b>8.29</b>
<b>Movement in benefit obligation</b>		
<b>Opening of defined benefit obligation</b>	<b>8.29</b>	<b>7.51</b>
Current service cost	1.46	1.51
Interest on defined benefit obligation	0.63	0.59
Actuarial loss/(gain) arising from change in financial assumptions	1.04	0.08
Benefits paid	(1.96)	(0.15)
Actuarial loss/(gain) on obligation -Due to Experience	(0.33)	(1.25)
<b>Closing of defined benefit obligation</b>	<b>9.13</b>	<b>8.29</b>
<b>Principal actuarial assumptions</b>		
Discount Rate	6.84	7.79
Salary escalation rate p.a.	7.00	7.00
Future salary increase	7.00	7.00
Rate of employee turnover	2.00	2.00

**Sensitivity analysis for significant assumption is as shown below:**

(₹ in lakhs)

No.	Particulars	Sensitivity level	31st March 2020	31st March 2019
1	Discount Rate	1% Increase	(1.10)	(1.01)
		1% Decrease	1.32	1.23
2	Salary	1% Increase	1.31	1.23
		1% Decrease	(1.11)	(1.03)
3	Employee Turnover	1% Increase	(0.04)	0.06
		1% Decrease	0.05	(0.07)

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

The following are the expected future benefit payments for the defined benefit plan:

(₹ in lakhs)

No.	Particulars	31st March 2020	31st March 2019
1	Within the next 12 months (next annual reporting period)	0.65	0.58
2	Between 2 and 5 years	0.85	0.83
3	Beyond 5 years	25.52	29.75

### Note 35

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-2020, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in lakhs)

No.	Particulars	As at 31.03.2020	As at 31.03.2019
	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per MSMED Act)		
1	Principal amount due to micro and small enterprise	707.59	789.07
2	Interest due on above	-	-

### Note 36

As per Ind AS 24, Disclosure of transactions with related parties (as identified by the management) as defined in Ind AS are given below:

Sr No.	Particulars
	<b>(i) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives</b>
1	Acrycol Minerals Limited
2	Meccanica Plast Private Limited
3	C P Sports Venture Private Limited
4	Ashwanila Charitable Trust Bhavnagar
	<b>(ii) Key Managerial Personnel</b>
5	Mr. Ashwin M Parekh (Deceased on 22nd July, 2019)
6	Mr. Chirag A Parekh
7	Dr. Sonal V Ambani
8	Mr. Jagdish R Naik

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

Sr No.	Particulars
9	Mr. Ajit R Sanghavi
10	Mr. Pradeep H Gohil
11	Mr Rustam Mulla (w.e.f. 17th March, 2020)
12	Mr. M J Smyth
13	Mr. Anand H Sharma
14	Mr. Damodar H Sejjpal (upto 31st January, 2020)
15	Mrs. Neha Poddar (w.e.f. 1st February, 2020)
16	Mr. Dhaval Patel (upto 7th March, 2020) (Acrysil steel limited)

( ₹ in lakhs )

Nature of transaction	Relationship	Year ended 31st March 2020	Year ended 31st March 2019
<b>Associates</b>	Enterprises owned or significantly influenced by Key Managerial Personal or their relatives		
<b>1. Purchase of materials</b>			
Acrycol Minerals Limited		1,418.35	1,307.51
<b>2. Rent received</b>			
Acrycol Minerals Limited		0.15	0.60
<b>3. Corporate Social Responsibility</b>			
Ashwanila Charitable Trust Bhavnagar		10.00	2.50
<b>4. Donation</b>			
Ashwanila Charitable Trust Bhavnagar		3.51	5.01
<b>5. Sales promotion expenses</b>			
CP Sports Venture Private Limited		7.23	2.31
<b>Outstanding Balances:</b>			
<b>1. Other current assets</b>			
Acrycol Minerals Limited		-	0.20
Ashwanila Charitable Trust Bhavnagar		3.98	7.49

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

( ₹ in lakhs )

Nature of transaction	Relationship	Year ended 31st March 2020	Year ended 31st March 2019
Meccanica Plast Private Limited	Enterprises owned or significantly influenced by Key Managerial Personal or their relatives	3.60	3.60
<b>Total...</b>		<b>7.58</b>	<b>11.29</b>
<b>2. Advances to suppliers</b>			
CP Sports Venture Private Limited		-	7.23
Acrycol Minerals Limited		171.41	25.29
<b>Total...</b>		<b>171.41</b>	<b>32.52</b>
<b>Key management personnel and relatives</b>			
<b>1. Remuneration</b>			
Mr. Chirag Parekh	Chairman & Managing Director	181.33	168.00
Mr. M J Smyth	Director	112.99	95.14
Mr. Anand Sharma	Chief Financial Officer	38.07	34.82
Mr. Damodar Sejjpal	Company Secretary	12.96	13.65
Mrs Neha Poddar	Company Secretary	2.13	-
Mr. Dhaval Patel	Company Secretary (Acrysil steel limited)	2.42	-
Mr. Kalpesh D Vekariya	Company Secretary (Acrysil steel limited)	-	3.23
<b>Total...</b>		<b>349.90</b>	<b>314.84</b>
<b>2. Professional Fees</b>			
Mr. Ashwin M Parekh	Chairman Emeritus	7.20	28.80
<b>3. Loan repaid</b>			
Mr. Chirag Parekh	Chairman & Managing Director	30.00	225.00

## [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

(₹ in lakhs)

Nature of transaction	Relationship	Year ended 31st March 2020	Year ended 31st March 2019
<b>4. Loan taken</b>			
Mr. Chirag Parekh	Chairman & Managing Director	20.00	235.00
<b>5. Interest paid</b>			
Mr. Chirag Parekh	Chairman & Managing Director	0.99	3.03
<b>6. Sitting Fees</b>			
Dr. Sonal Ambani	Independent Director	2.70	2.20
Mr. Jagdish R Naik	Independent Director	2.50	2.30
Mr. Ajit R Sanghavi	Independent Director	2.10	2.30
Mr. Pradeep H Gohil	Independent Director	2.80	3.10
Mr Rustam Mulla	Independent Director	0.20	0.00
<b>Total...</b>		<b>10.30</b>	<b>9.90</b>
<b>Outstanding Balances:</b>			
<b>1. Non current borrowings</b>			
Mr. Chirag Parekh	Chairman & Managing Director	-	10.00
<b>2. Other current liabilities</b>			
Mr. Anand Sharma	Chief Financial Officer	-	3.55
Mr. Kalpesh D Vekariya	Company Secretary (Acrysil steel limited)	-	0.05
<b>Total...</b>		<b>-</b>	<b>3.60</b>



# [NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]

## Note 37

### Disclosure in terms of Schedule III of the Companies Act, 2013

Particulars	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	₹	As a % of consolidated profit or loss	₹	As a % of consolidated other comprehensive income	₹	As a % of consolidated total comprehensive income	₹
<b>1. Parent</b>								
Acrysil Limited	82.59	13,033.61	57.94	1,279.13	20.81	(22.95)	59.90	1,256.18
<b>2. Subsidiaries</b>								
Acrysil Steel Limited	9.97	1,572.64	5.38	118.87	(0.48)	(0.53)	5.64	118.34
Acrysil Appliances Limited	0.63	99.28	0.16	3.52	-	-	0.17	3.52
Sternhagen Bath Private Limited	0.02	2.68	(0.05)	(1.03)	-	-	(0.05)	(1.03)
Acrysil UK Limited	(0.40)	(63.76)	5.90	130.25	-	-	6.21	130.25
Acrysil GmbH	(0.87)	(136.76)	4.63	102.24	-	-	4.88	102.24
Acrysil Products Limited	26.18	4,130.91	40.24	888.39	-	-	42.36	888.39
Add/(Less): Inter-company adjustments	(18.11)	(2,857.34)	(1.99)	(313.83)	78.71	(86.82)	(19.10)	(400.65)
<b>Total...</b>	<b>100.00</b>	<b>15,781.15</b>	<b>100.00</b>	<b>2,207.53</b>	<b>100.00</b>	<b>(110.30)</b>	<b>100.00</b>	<b>2,097.23</b>

**38** During the financial year 2019-2020, the company has converted 7,50,000 share warrants into equity shares of ₹ 2 each to promoter investors on preferential basis at a premium of ₹ 108 per equity share on 13th October, 2019. Accordingly, share capital of the Company has been increased to that extent.

**39** In the last week of March 2020, an outbreak situation arose in India on account of COVID 19. The Group has considered such outbreak situation as subsequent event to the Balance Sheet date i.e., March 31, 2020 in terms of Ind AS 10 "Reporting on Event After Balance Sheet Date" and has assessed the operational and financial risk on going forward basis.

In assessing the impact on the recoverability of financial and non-financial assets, the extent to which the COVID 19 pandemic will impact the Group's operations and financial results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID 19 outbreak and any action to contain its spread or mitigate its impact whether government mandated or elected by the Group.

## **[NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020]**

The impact on the operations and earnings/ cash flows of the Company due to COVID 19 outbreak may be assessed only after clarity on reopening of domestic and export customers manufacturing facility which may affect projection of estimated revenue from operations and earnings for the next year. Though, the management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

- 40** Balances for trade receivables, trade payables and loans and advances are subject to confirmations from the respective parties.
- 41** All the amounts are stated in ₹ in lakhs, unless otherwise stated.
- 42** Previous year's figures are regrouped and rearranged, wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

**For P A R K & COMPANY**

Chartered Accountants

Firm Registration No. 116825W

**CHIRAG A. PAREKH**

Chairman & Managing Director

**JAGDISH R. NAIK**

Director

**ASHISH DAVE**

Partner

Membership No. 170275

**ANAND SHARMA**

Chief Financial Officer

**NEHA PODDAR**

Company Secretary

Bhavnagar  
June 12, 2020

Bhavnagar / Mumbai  
June 12, 2020

# Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

## Part "A": Subsidiaries

(₹ in lakhs)

Sr. No.	Particulars	Details				
1	Name of the subsidiary	Acrysil Steel Ltd.	Sternhagen Bath Pvt. Ltd.	Acrysil GmbH, Germany	Acrysil Appliances Ltd.	Acrysil UK Limited (Group)
2	Reporting period for subsidiary concerned, if different from the holding company's reporting period	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
3	Reporting currency and Exchange rate as on last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	EURO	INR	GBP
4	Share capital	541.00	10.00	171.48	100.00	667.74
5	Reserves & Surplus	1031.65	(7.32)	(308.24)	(0.72)	2295.76
6	Total Assets	2989.56	4.71	293.40	108.47	5485.27
7	Total Liabilities	1416.92	2.04	430.16	9.19	2521.78
8	Investments	-	-	-	-	-
9	Turnover	2139.71	-	645.07	-	6568.37
10	Profit before taxation	154.41	(1.03)	102.24	6.51	1025.00
11	Provision for taxation	35.54	-	-	2.99	193.99
12	Profit after taxation	118.87	(1.03)	102.24	3.52	831.01
13	Proposed Dividend	-	-	-	-	-
14	% of shareholding	84.99%	84.90%	100%	100%	100%
15	Rupee Equivalent of 1 Unit of Foreign Currency as at March 31, 2020	N.A.	N.A.	82.80	N.A.	93.87

## Part "B": Associates and Joint Venture

Statement Pursuant to section 129(3) of companies act, 2013 related to Associates and Joint Venture

Name of the Associates / Joint Venture	NOT APPLICABLE
1. Latest audited Balance Sheet Date	
2. Shares of Associates / Joint Ventures held by the Company on the year end	
No.	
Amount of Investment in Associates / Joint Venture	
Extend of Holding %	
3. Description of how there is significant influence	
4. Reason why the Associates / joint venture is not consolidated	
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

For and on behalf of the Board of Directors

**Chirag A. Parekh**  
(DIN: 00298807)  
Chairman & Managing Director

**J. R. Naik**  
(DIN: 00030172)  
Director

**Neha Poddar**  
Company Secretary

**Anand Sharma**  
Chief Financial Officer

Date: June 12, 2020  
Place: Bhavnagar





Content: Concept & Design at  SANCIAL (info@s-ancial.com)

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