

FORM A

1.	Name of the Company	ACRYSIL LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Not Applicable

Please take on your record and kindly acknowledge the same.

For **ACRYSIL LIMITED**



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

For **ACRYSIL LIMITED**



**Manish C. Thakkar**  
Dy. General Manager (Commercial)

For **ACRYSIL LIMITED**



**Ajit R. Sanghvi**  
Audit Committee Chairman

For **SANGHAVI & COMPANY**

Chartered Accountants



**Manoj Ganatra**  
Partner

## 27th Annual Report 2013-14



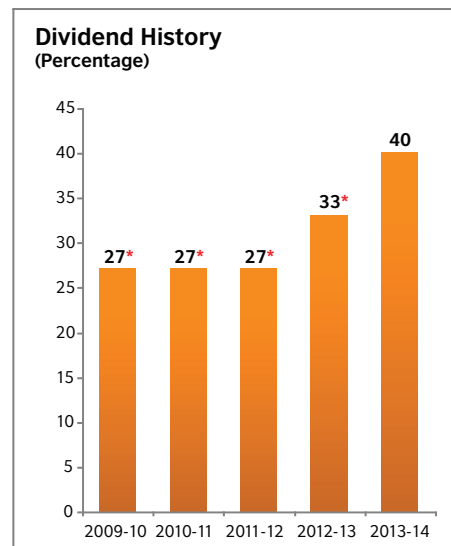
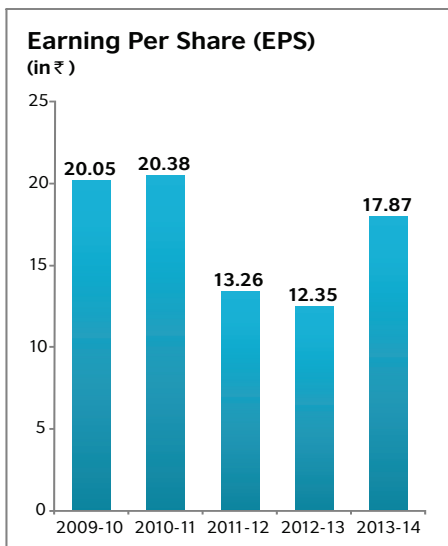
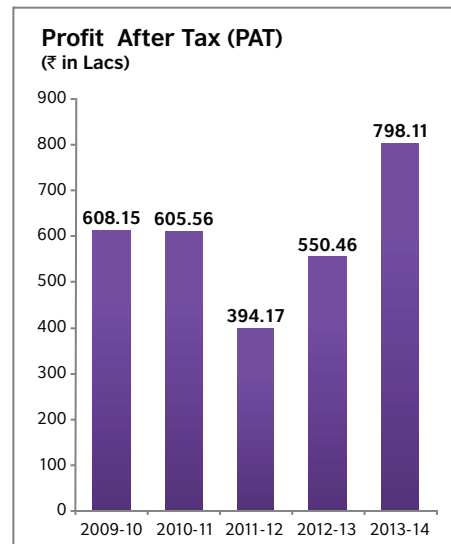
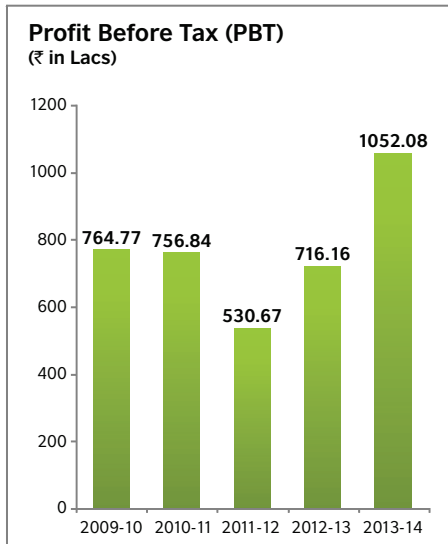
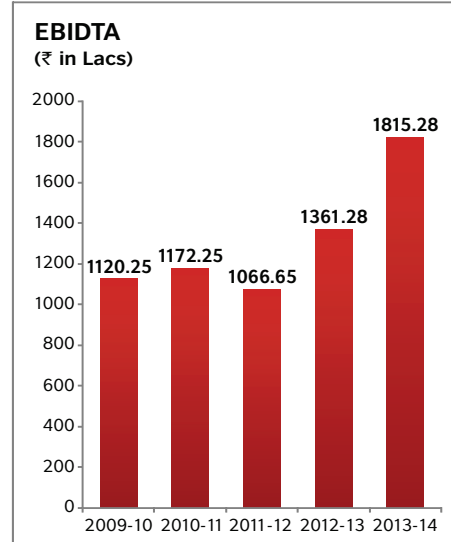
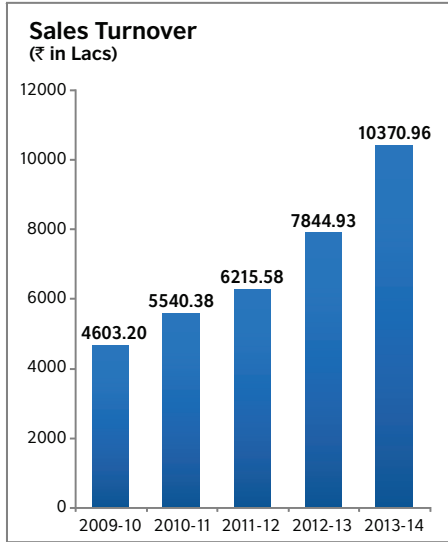
GROWTH THROUGH INNOVATION,  
DIVERSIFICATION AND GLOBALISATION



**Acrysil Limited**  
Leader in Lifestyle Kitchen Products



# FINANCIAL HIGHLIGHTS



\* Adjusted for Bonus Shares Issued in ratio of 1:2 in the year 2012-13.



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## CORPORATE INFORMATION

### Chairman Emeritus

Mr. Ashwin M. Parekh

### Board of Directors

Mr. Chirag A. Parekh, Chairman & Managing Director  
Mrs. Shetal C. Parekh, Director  
Mr. Shyam Mariwala, Independent Director  
Mr. Jagdish R. Naik, Independent Director  
Mr. Ajit R. Sanghvi, Independent Director  
Mr. Pradeep Gohil, Independent Director

### Company Secretary

Mr. Damodar H. Sejpal

### Auditors

Sanghavi & Company  
Chartered Accountants, Bhavnagar

### Registrar & Transfer Agent

M/s Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Mumbai-400 072  
Phone: (022) 40430200  
Fax: (022) 28475207  
E-mail: investor@bigshareonline.com

### Bankers

State Bank of India, Bhavnagar

### Works

Survey No.312,  
Bhavnagar-Rajkot Highway (13th Km.)  
Navagam, Post: Vartej,  
Bhavnagar 364 060, Gujarat (India)  
Phone: (0278) 2540218, 2540893, 2540392, 2540232  
Fax: (0278) 2540558

### Registered Office

704, Centre Point,  
J. B. Nagar,  
Andheri-Kurla Road,  
Andheri (East),  
Mumbai-400 059 (India)  
Phone: (022) 66711101, 66711105  
Fax: (022) 66711109  
CIN: L26914MH1987PLC042283

### Audit Committee

Mr. Ajit R. Sanghvi, Chairman  
Mr. Jagdish R. Naik, Member  
Mr. Chirag A. Parekh, Member

### Nomination and Remuneration Committee

Mr. Jagdish R. Naik, Chairman  
Mr. Shyam H. Mariwala, Member  
Mr. Pradeep H. Gohil, Member

### Stakeholder Relationship Committee

Mr. Ajit R. Sanghvi, Chairman  
Mr. Jagdish R. Naik, Member  
Mr. Chirag A. Parekh, Member

### Corporate Social Responsibility Committee

Mr. Chirag A. Parekh, Chairman  
Mr. Shyam H. Mariwala, Member  
Mr. Pradeep H. Gohil, Member



## Message from Chairman Emeritus



Mr. Ashwin Parekh, Chairman Emeritus

The successes of Acrysil and its identity as a truly global player are the result of a determined effort that has stretched back over many years. Our innovative products incorporate the highest standards of design, functionality and finish and appeal to the most discerning customers, throughout the world.

Our strategies and investments are generating results and our objective of profitable growth will remain a focus area in the future. In Chirag Parekh, we have a visionary leader and in our people, we have the knowledge, dedication and spirit to achieve our goals.

## Chairman & Managing Director's Message



Mr. Chirag Parekh  
Chairman & Managing Director

“We have continued to entrench ourselves in more and more challenging markets both at home and abroad. Most importantly, we have set off along new avenues that promise exciting opportunities for diversified growth in years to come.”

Dear Friends,

**I**t has been a significant and memorable year for us, marked by several exceptional achievements, major victories, new horizons and unfolding possibilities. By every yardstick, we have grown not just in the numbers that spell out our business performance, but in the strength and vibrancy that we have shown in many varied spheres.

In terms of our combined sales, we crossed the ₹100 crore mark... and are accelerating towards the ₹200 crore milestone in just a couple of years. It is a special source of pride for us that our international sales accounted for almost 73.60% of our turnover, with more than 170,600 product units sold abroad.

Our international presence too keeps growing, with Acrysil firmly established as a sought-after brand in 35 countries across 4 continents. It's a brand whose appeal goes beyond borders, and strikes a universal chord in anyone anywhere who seeks elegance and artistry in design combined with exceptional craftsmanship in manufacture and finish. To our roster of overseas markets, we have added Europe, Asia and Australia - as well as new customers in America. Our displays and exhibits have been major attractions at international expositions recently in UK and India.

Building on the reputation of our brand in composite quartz and stainless steel kitchen sinks, we have embarked on the path of diversification. We are now en route to becoming a one-stop provider of premium-quality Kitchen appliances.

All our offerings are splendidly showcased at 40 exclusive Carysil galleries located in key geographies across India, with 25 more scheduled to open in the current year. At these premium venues, the shopper can experience the superb functionality of our products first hand, while admiring their gorgeous styling and finish.

Our most important diversification has been into premium wash basins made of quartz, our very first foray into bath products. We expect to revolutionize the entire industry with products featuring the superbly-engineered excellence and elegance of design by our new bathroom brand "Sternhagen" of Germany by leading and well renowned German Designer. They are made of high-tech quartz known as Sani-Q, a quartz substance that lends itself to precise shaping and easy upkeep, while being strongly resistant to scratches and stains.

The Sternhagen brand is owned by our wholly-owned German subsidiary Acrysil GmbH, and has been launched with great success

in the US, at Las Vegas, and in Singapore, Vietnam, UK, China, Thailand, Germany and, of course, India.

We are setting a brand new manufacturing facility to manufacture these beautiful and artistic Sternhagen Quartz wash basins and also for kitchen appliances.

Summing up, it has been a year worth celebrating for all kinds of reasons. We have done exceptionally well in terms of various performance indices. We have sustained the momentum of our growth at a CAGR of 25% over the past three years. We have continued to entrench ourselves in more and more challenging markets both at home and abroad. And, perhaps most importantly, we have set off along new avenues that promise exciting opportunities for diversified growth in years to come.

Thank you.

**Chirag Parekh**  
Chairman & Managing Director



## Board of Directors



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



**Mr. Shyam H. Mariwala**  
Independent Director



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



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



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

At Acrysil, we believe that every great product has the potential to be even greater. That's why we never cease in our quest to outperform ourselves in kitchen sinks, both in composite quartz and stainless steel – in terms of product design, features and sheer lasting value.

New models with steel inlays that are moulded along with the Granite body in one seamless process. Strikingly creative new designs with irresistible appeal. Special composite materials to yield a smooth and velvety surface finish.

With several new models and colours, there's so much more exceptional value to choose from...as there will always be, from one year to the next.

We are proud to present the New Beethoven sink series with a completely new technology that combines Steel and Quartz composite

**GRANITE SURFACE AND DURABLE STEEL ELEMENTS:** Now you can place hot pots and pans on the steel bars of New Beethoven sink. In the design itself care is taken to ensure enough space between the sink surface and the bottom of the pot. So the granite surface will not be damaged. Prior method of embedding was after molding. It requires cutting, drilling etc. operations for this. The new patented technology developed by Acrysil is more simple and the element is embedded during molding process itself. Sinks prepared using conventional methods like cutting or drilling are susceptible to stains, scale depositions, leakages, microscopic depressions, and micro pores due to embedding of steel in post formation operations. This not only reduces the aesthetic finish of the articles but also makes them un-hygienic due to accumulation of dirt and bacteria.

## New Steel Inlay Sinks (Hybrid)



The true test of world-class quality is worldwide appeal...and by that yardstick Acrysil scores year after year. Its name remains top-of-mind as a brand trusted by domestic and international customers, as well as home designers and builders. In the two decades since it was first taken beyond India's shores, Acrysil has built an enduring reputation for the artistry of its design combined with the flawless quality of its manufacture and finish.

In its major export market, Acrysil quartz sinks continue to command an ever-greater share of the most discerning markets for premium kitchen accessories.



Export sales rose above ₹763 million, with significant contribution coming in from the premium markets of North America, Europe and Asia.

## Making a Mark in Overseas Markets





## Breaking New Global Ground



*Carysil Exclusive Gallery*

Today Acrysil is a known and sought-after brand in 35 countries around the world... with a clientele that keeps on growing.

New markets have opened up in UK, Hong Kong, China and Australia. New institutional customers have been added to our customer base in the USA

and Canada. Year after year, exports to China continue to grow, to meet the needs of that huge and hungry nation. And the sophisticated Singapore market continually lengthens its shopping list for quartz kitchen sinks. New prospects are under exploration in the UK.

Acrysil's elegant offerings also once again asserted themselves as a major draw at international exhibitions, such as Kitchen & Bath in Shanghai and KBB in the UK.

Strengthening its global presence, as well as its ability to meet demands in key markets, Acrysil is now forming new subsidiaries in Hong Kong and China.



*Carysil Exclusive Gallery*



With its strong and secure reputation in premium kitchen sinks, the time is now right to diversify the Acrysil range of offerings. Going beyond new designs and colours, Acrysil has now extended itself into an entirely new offering – namely, Sternhagen wash basins featuring international styling with sleek artistry.

Designed in Berlin by the inspired firm of leading German Designer, the Sternhagen collection has premiered with a choice of four themes inspired by nature: Dune (inspired by sand dunes), Seerose (evocative of water lily petals), Golden Cut (with angular geometric edgings) and Kristall (reminiscent of natural crystal). Underneath their superbly



creative contours lies engineering excellence, embodied in Sani-Q, the patented high-tech quartz from which every wash basin is shaped, offering a smooth velvety finish, unmatched elegance, durability and ease of upkeep.

For Acrysil, the Sternhagen line is yet another affirmation of its borderless and timeless value, and its enduring place at the highest levels of excellence and value.

**STERNHAGEN**  
GERMANY

## Diversifying by Design



Art meets engineering - the 'Kristall' quartz basin



Art meets engineering - the 'Düne' quartz basin





## NOTICE

NOTICE is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Members of **ACRYSIL LIMITED** will be held at “Rama Watumull Auditorium” C/O 124, Kishanchand Chellaram College Building, Dinshaw Wachha Road, Churchgate, Mumbai – 400020 on Wednesday, the 24<sup>th</sup> September, 2014 at 3.00 p.m. to transact the following business:

### I. ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements as at 31<sup>st</sup> March, 2014 together with the reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Chirag A. Parekh (DIN: 00298807) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, and pursuant to the recommendation of the Audit Committee of the Directors, M/s Sanghavi & Co., Chartered Accountants, Bhavnagar (Firm Registration No. 109099W), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirtieth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, and travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

### II. SPECIAL BUSINESS

#### 5. APPOINTMENT OF MR. SHYAM H. MARIWALA (DIN: 00350235) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Shyam H. Mariwala (DIN: 00350235), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019.”

#### 6. APPOINTMENT OF MR. PRADEEP H. GOHIL (DIN: 03022804) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pradeep H. Gohil (DIN: 03022804), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019.”

#### 7. APPOINTMENT OF MR. JAGDISH R. NAIK (DIN: 00030172) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jagdish R. Naik (DIN: 00030172), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019.”

**8. APPOINTMENT OF MR. AJIT R. SANGHVI (DIN: 00340809) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ajit R. Sanghvi (DIN: 00340809), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019.”

**9. APPOINTMENT OF MRS. SHETAL CHIRAG PAREKH (DIN: 03018222) AS A DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Mrs. Shetal Chirag Parekh (DIN: 03018222), who was appointed as an Additional Director in pursuant to applicable provisions under Sections 149, 150, 152,161 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, by the Board of Directors on 12<sup>th</sup> August, 2014 on recommendation of Nomination & Remuneration Committee, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed with effect from the commencement of this meeting as Director of the Company, liable to retire by rotation.”

**10. INCREASE BORROWING POWERS OF THE BOARD**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession of the ordinary resolution passed at the 26<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September, 2013 under section 293(1)(d) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act 2013 and the rules made there under , or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more of Company’s bankers and /or from financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, non-convertible debentures, bonds or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, provided that the total outstanding amount of such borrowings shall not exceed ₹100 Crores (Rupees One hundred Crores) over and above the aggregate of the paid up capital of the Company and its free reserves at any time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.”

**11. CREATION OF CHARGE ON THE ASSETS OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession of the Ordinary Resolution passed at the Annual General Meeting of the Company held on 15<sup>th</sup> September, 2012 and pursuant to the provisions of Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the members of the Company be and is hereby given to the Board of Directors of the Company (‘the Board’) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as ‘Lenders’), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys

payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹100 Crores (Rupees one hundred crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.”

## **12. RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2014-15**

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(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (“the Act”) and recommendation of the Audit Committee and approval by the Board of Directors at their meetings dated 26th May, 2014, the consent of the members of the Company be and is hereby accorded for ratification of the remuneration to S. K. Rajani & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2014-15 as per the terms given below:

a) ₹ 50,000/- plus out of pocket expenses & service tax as applicable for conducting the audit of the cost accounting records for the manufacturing of Quartz Kitchen Sinks activities of all manufacturing facilities of the Company.

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

### **NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE MEETING.**  
**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (“Act”) in respect of the business under Item Nos. 3 to 12 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 3 and 5 to 9 of the Notice, are also annexed.
- Corporate members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- A member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his / her proxy unless such other person is also a member of the Company.
- Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during business hours (09.30 a.m. to 06.30 p.m.) up to the date of the meeting.
- (a) The Company has notified closure of Register of Members and Share Transfer Books from, Thursday, 18<sup>th</sup> September, 2014 to Wednesday, 24<sup>th</sup> September, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
(b) The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched between Friday, 10<sup>th</sup> October, 2014 and Wednesday, 15<sup>th</sup> October, 2014 to those members whose names shall appear on the Company’s Register of Members on Tuesday, 17<sup>th</sup> September, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
- Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or Bigshare Services Private Limited, Registrars and Transfer Agents (RTA), cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.



10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants (DP) with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/RTA.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
12. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio. The share certificates will be returned to the members after making requisite changes thereon.
14. Non-Resident Indian Members are requested to inform the RTA, 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.
15. **TO SUPPORT THE 'GREEN INITIATIVE' MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESSES SO FAR ARE REQUESTED TO REGISTER THEIR E-MAIL ADDRESS WITH THE RTA /DEPOSITORIES FOR RECEIVING ALL COMMUNICATION INCLUDING ANNUAL REPORT, NOTICES, CIRCULARS, ETC. FROM THE COMPANY ELECTRONICALLY.**
16. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the AGM so that the information required may be made available at the AGM.
17. The Company has connectivity from the CDSL & NSDL and Equity Shares of the Company may also be held in the electronic form with any DP with whom the members/investors are having their depository account. The ISIN No. for the Equity Shares of the Company is INE482D01016. In case of any query/difficulty in any matter relating thereto may be addressed to the RTA.
18. Trading in the shares of the Company is compulsorily in dematerialized form for all investors. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialised their shares to get their shares dematerialized at the earliest.
19. The members who have not encashed their Dividend Warrants for previous financial years are requested to send the same for revalidation to the Company's RTA.

Members wishing to claim dividends for previous financial years, which remain unclaimed, are requested to correspond with the RTA.

Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF). No claim shall lie against the IEPF or the Company for the amounts so transferred prior to 31<sup>st</sup> March, 2014, nor shall any payment be made in respect of such claim.
20. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
21. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
22. In compliance with the provisions of section 108 of the Act and the Rules framed there under and Clause 35B of the Listing Agreement, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

**The instructions for members for voting electronically are as under:-**

In case of members receiving e-mail from CDSL (for members whose email IDs are registered with the Company/Depository Participants(s)):

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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 voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. OR
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b> .

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Company ‘ACRYSIL LIMITED’.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts 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.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Thursday, 18<sup>th</sup> September, 2014 (9.00 a.m. IST) and ends on Saturday, 20<sup>th</sup> September, 2014 (6.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18<sup>th</sup> September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).

**Other Instructions:**

- The e-voting period commences on Thursday, 18<sup>th</sup> September, 2014 (9.00 a.m. IST) and ends on Saturday, 20<sup>th</sup> September, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 18<sup>th</sup> September, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 18<sup>th</sup> September, 2014.
- Mr. Pradip Shah, Practicing Company Secretary (Membership No. FCS 1483) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- Members who do not have access to e-voting facility may send the duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Pradip Shah, Practicing Company Secretary (Membership No. FCS 1483), at the Registered Office of the Company not later than Saturday, 20<sup>th</sup> September, 2014.

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

Damodar H. Sejpal  
**COMPANY SECRETARY**

Mumbai  
12<sup>th</sup> August, 2014

**Registered Office:.**

704, Centre Point, J.B. Nagar, Andheri – Kurla Road,  
Andheri (East), Mumbai – 400 059  
Tel.: 022-6671 1101/05  
Fax: 022- 6671 1109  
CIN: L26914MH1987PLC042283  
Website: [www.carysil.com](http://www.carysil.com)

## EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 12 of the accompanying Notice:

### Item No. 3:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

In terms of Section 149 read with Section 152(6) of the Companies Act, 2013, which has been brought into force with effect from 1<sup>st</sup> April, 2014, the provisions of retirement of directors by rotation are not applicable to Independent Directors and the office of two-thirds of all Non-Independent Directors will be liable to determination by retirement of directors by rotation. Hence, the period of office of Mr. Chirag A. Parekh, Chairman & Managing Director has become liable to determination by retirement by rotation. Accordingly, Mr. Chirag A. Parekh will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The period of office of Mr. Chirag A. Parekh, if re-appointed, shall not be considered as a break in his service as managerial personnel of the Company. Mr. Chirag A. Parekh is interested in the resolutions set out at Item No. 3 of the Notice with regard to his appointment. The relatives of Mr. 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 other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the members.

### Item No. 4:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s Sanghavi & Co., Chartered Accountants, Bhavnagar (ICAI Firm Registration No. 109099W), were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 26<sup>th</sup> September, 2013.

M/s Sanghavi & Co., Chartered Accountants, Bhavnagar (ICAI Firm Registration No. 109099W), have been the Auditors of the Company since 1995-96. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s Sanghavi & Co., Chartered Accountants, Bhavnagar (ICAI Firm Registration No. 109099W), are eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 12<sup>th</sup> August, 2014 proposed the appointment of M/s Sanghavi & Co., Chartered Accountants, Bhavnagar (ICAI Firm Registration No. 109099W), as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirtieth Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting held after the 27<sup>th</sup> Annual General Meeting).

The Board recommends the Ordinary Resolution at Item No. 4 for approval of the members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 4 of the accompanying Notice.

### Item Nos. 5 to 8:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchange(s), appointed Mr. Shyam H. Mariwala (DIN: 00350235), Mr. Pradeep H. Gohil (DIN: 03022804), Mr. Jagdish R. Naik (DIN: 00030172), and Mr. Ajit R. Sanghvi (DIN: 00340809), as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from 1<sup>st</sup> April, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of these directors as Independent Directors to hold office for five consecutive years for a term upto 31<sup>st</sup> March, 2019.

Mr. Shyam H. Mariwala (DIN: 00350235), Mr. Pradeep H. Gohil (DIN: 03022804), Mr. Jagdish R. Naik (DIN: 00030172), and Mr. Ajit R. Sanghvi (DIN: 00340809), are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

Mr. Shyam H. Mariwala (DIN: 00350235), Mr. Pradeep H. Gohil (DIN: 03022804), Mr. Jagdish R. Naik (DIN: 00030172), and Mr. Ajit R. Sanghvi (DIN: 00340809), non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act and under Clause 49 of the Listing Agreement.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each Mr. Shyam H. Mariwala (DIN: 00350235), Mr. Pradeep H. Gohil (DIN: 03022804), Mr. Jagdish R. Naik (DIN: 00030172), and Mr. Ajit R. Sanghvi (DIN: 00340809), for the office of Directors of the Company.

In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Copy of the draft letters for respective appointments of above Directors as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

**A brief profile of the Independent Directors to be appointed is given below:**

**1. Mr. Shyam H. Mariwala**

He is founder of Marson Biocare Private Limited which is mainly in the manufacturing of Soil Substrates in 1994. He has been a trustee in Mariwala Foundation Trust, whose charitable activities support educational, cultural and health related activities since 1995. He founded Recos Soil Substrates in January 2006 which is the marketing and trading arm of Marson Biocare Private Limited and established the business of importing and indenting. He founded Marson Capital Advisors Private Limited in 2011 for financial investments and trading in different instruments.

**2. Mr. Pradeep H. Gohil**

He has been associated with various organisations like Excel Crop Care Limited, Excel Industries Limited, Armstrong Inarco Limited, Associated Rubber Industries Limited, Tec-Rap Inc. Houston, USA, Brown & Root, Houston, USA, Arco Chemicals, Glenolden, USA, Kendal Co.(Subsidiary of Colgate-Palmolive), USA. He is also associated with Rotary Club, Bhavnagar. Mr. Gohil is also holds the position of "Honorary Secretary" of Bhavnagar Stree Kelavani Mandal. He has more than 35 years experience in the field of Chemical Engineering.

**3. Mr. Jagdish R. Naik**

He was a partner in a reputed firm of Chartered Accountants of M/s S.V. Ghatalia & Associates for about nine years from 1983 to 1992. Presently, he advises many companies on corporate matters including Amalgamation, Demerger, Joint Ventures, Business Valuation, Income Tax and Company Law matters. He has been rendering services as a Corporate Advisor to Excel Crop Care Limited, Excel Industries Limited, Transpek Silox Industry Limited and Shah Granites Group of Companies. He is also a director in several companies including Excel Crop Care Limited, Anshul Specialty Molecules Limited, Agrocel Industries Limited, Excel Industries (Europe) N.V., Excel Industries (Australia) Pty. Limited, and Excel Genetics Limited.

**4. Mr. Ajit R. Sanghvi**

He is a qualified Chartered Accountant having extensive experience in the financial services industry and in stock brokering. He serves as a Director of Sterling Consultancy Pvt. Ltd., Hrisal Investment Advisors Pvt. Ltd., MSS Securities Pvt. Ltd. and Harileela Investrade Pvt. Ltd.

Other details of the Independent Directors, whose appointment is proposed at Item Nos. 5 to 8 of the accompanying Notice, have been given in the annexure attached.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Shyam H. Mariwala (DIN: 00350235), Mr. Pradeep H. Gohil (DIN: 03022804), Mr. Jagdish R. Naik (DIN: 00030172), and Mr. Ajit R. Sanghvi (DIN: 00340809) are interested in the resolutions set out respectively at Item Nos. 5 to 8 of the Notice with regard to their respective appointments. The relatives of Mr. Shyam H. Mariwala (DIN: 00350235), Mr. Pradeep H. Gohil (DIN: 03022804), Mr. Jagdish R. Naik (DIN: 00030172), and Mr. Ajit R. Sanghvi (DIN: 00340809) may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The Board commends the Ordinary Resolutions set out at Item Nos. 5 to 8 of the Notice for approval of the members.

**Item No.9:**

As per the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company should have at least one woman director.

Keeping in view the above legal requirements, Mrs. Shetal C. Parekh was appointed as an Additional Director by the Board of Director w.e.f 12<sup>th</sup> August, 2014 in accordance with the provisions of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Article 107 of Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Nomination and Remuneration Committee has recommended the appointment of Mrs. Shetal Chirag Parekh (DIN: 03018222) as an Additional Director to hold office up to the date of the ensuing Annual General Meeting and liable to retire by rotation.

Mrs. Shetal C. Parekh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She holds 1,00,000 equity shares in the Company.

The Board feels that presence of Mrs. Shetal C. Parekh on the Board is desirable and would be beneficial to the company and hence recommend for adoption.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval of the members.

Save and except the Mrs. Shetal C. Parekh & Mr. Chirag A. Parekh being relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.



**Item No.10:**

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the members obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. Under the provisions of Section 180(1)(c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the members obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the members by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company. The borrowing limit of ₹ 100 Crores under the earlier resolution passed by the members at the Annual General Meeting of the Company held on 26<sup>th</sup> September, 2013 remains unchanged.

The Board commends the Resolution at Item No.10 of the Notice for approval of the members by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No.10 of the Notice.

**Item No. 11:**

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the members obtained by an Ordinary Resolution, create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders/trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business) Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the members obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the members by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

The existing limit of ₹ 100 Crores under the earlier resolution passed by the members at the Annual General Meeting of the Company held on 15<sup>th</sup> September, 2012 remains unchanged.

The Board recommends the Resolution at Item No.11 of the Notice for approval of the members by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No.11 of the Notice.

**Item No. 12:**

The Board of Directors, at its meeting held on 26<sup>th</sup> May, 2014, on recommendation of the Audit Committee, approved the appointment of S. K. Rajani & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2014-15 at fees of ₹ 50,000/- plus out of pocket expenses & service tax as applicable for conducting the audit of the cost accounting records for the manufacturing of Quartz Kitchen Sinks and other activities of all manufacturing facilities of the Company.

Section 148(3) of the Companies Act, 2013 ("the Act") read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, requires the Board to appoint an individual, who is a cost accountant in practice or a firm of cost accountants in practice, as a cost auditor on the recommendations of the Audit committee, which shall also recommend remuneration for such cost auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The resolution contained in Item No. 12 of the accompanying Notice, accordingly, seeks the members approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2014-15.

The Board recommends the Resolution at Item No.12 of the Notice for approval of the members by an Ordinary Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No.12 of the Notice.

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

Damodar H Sejpal  
**COMPANY SECRETARY**

Mumbai  
12<sup>th</sup> August, 2014

**Registered Office:**

704, Centre Point, J.B. Nagar, Andheri - Kurla Road,  
Andheri (East), Mumbai-400 059  
Tel.: 022-6671 1101/05; Fax: 022- 6671 1109  
CIN: L26914MH1987PLC042283  
Website: www.carysil.com

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

Particulars	Mr. Chirag A. Parekh	Mrs. Shetal C. Parekh	Mr. Shyam H. Mariwala	Mr. Pradeep H. Gohil	Mr. Jagdish R. Naik	Mr. Ajit R. Sanghvi
<b>Date of Birth</b>	30.08.1969	04.05.1975	11.11.1967	02.08.1949	23.09.1958	04.03.1957
<b>DIN</b>	00298807	03018222	00350235	03022804	00030172	00340809
<b>Date of Appointment</b>	02.11.2002 (seeking re-appointment on rotation basis)	12.08.2014 (Appointed as an Additional Director, seeking regularization from additional director to regular director)	27.07.2013 (Appointed as an Independent Director, seeking re-appointment as an Independent Director for term of Five years till 31 <sup>st</sup> March, 2019)	28.01.2013 (Appointed as an Independent Director, seeking re-appointment as an Independent Director for term of Five years till 31 <sup>st</sup> March, 2019)	29.03.1989 (Appointed as an Independent Director, seeking re-appointment as an Independent Director for term of Five years till 31 <sup>st</sup> March, 2019)	31.01.2000 (Appointed as an Independent Director, seeking re-appointment as an Independent Director for term of Five years till 31 <sup>st</sup> March, 2019)
<b>Qualifications</b>	B.B.A. - European University - Switzerland	B.A. Pharma, B.A. in Psychology, M.A. Psychology	BSME - Mechanical Engineering, University of Denver, USA	LL.B. (Labour Law), Master of Management Science, M.S. in Chemical Engineering & M.S. in Plastics	F.C.A.	F.C.A.
<b>Expertise in specific functional areas</b>	Experience of more than 2 decades in Administration and Finance. Experience of 14 years in Marketing & Personnel.	Experience in Freelance Interior Projects as well as event management.	Vast experience and expertise in strategic business advisory.	Vast experience and expertise in Chemical Manufacturing.	Accounting, Audit, Finance, Taxation, Corporate Law	Accounting, Audit, Finance, Taxation, Corporate Law
<b>Directorships held in other companies (excluding foreign companies)</b>	04	04	03	0	09	04
<b>Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)</b>	0	0	0	0	0	0
<b>Number of shares held in the Company</b>	1735946	100000	0	0	3204	0

## DIRECTORS' REPORT

To,

### THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the **Twenty Seventh** Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS

The summary of consolidated (Company and its subsidiaries) and standalone (Company) Financial Results of the Company for the year under review along with the figures for previous year are as follows:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	As on 31.03.2014	As on 31.03.2013	As on 31.03.2014	As on 31.03.2013
1. Net Sales/Income from Operations	10370.96	7844.93	10646.07	7957.81
2. Other Income	76.62	80.51	64.76	55.50
3. Total Income (1+2)	10447.58	7925.44	10710.83	8013.31
4. Total Expenditure	8632.31	6564.16	8790.94	6632.69
5. Operating Profit before Finance Cost, Depreciation, Tax and Minority Interest (3-4)	1815.27	1361.28	1919.89	1380.62
6. Finance Cost	343.58	265.71	402.21	327.29
7. Depreciation	419.61	379.41	481.70	437.01
8. Profit before Tax and Minority Interest (5-6-7)	1052.08	716.16	1035.99	616.32
9. Provision for Taxation	253.98	165.70	262.01	134.78
10. Net Profit after Tax and before Minority Interest (8-9)	798.11	550.46	773.98	481.54
11. Minority Interest	-	-	(1.71)	1.81
12. Profit After Tax (10+11)	798.11	550.46	772.27	483.36

Notes: 1. The previous year figures has been regrouped, wherever necessary.

### OPERATIONS OF THE COMPANY

#### PERFORMANCE

##### • Standalone

First time in history, sales are the highest ever. During the current financial year, your Company took various growth initiatives to improve its volumes, which helped the Company in posting an impressive performance for the year. Sales turnover for the year was ₹10370.96 Lacs against ₹7844.93 Lacs in the previous year. The net profit for the year was ₹798.11 Lacs compared to ₹550.46 Lacs in the previous year.

##### • Consolidated

On a consolidated basis, Sales turnover of your Company for the year was ₹10646.07 Lacs against ₹7957.81 Lacs in the previous year. The Consolidated Profit before Taxation and Minority Interest was ₹1035.99 Lacs against ₹616.32 Lacs in the previous year. The Consolidated Profit after Tax and Minority Interest was ₹772.27 Lacs against ₹483.36 Lacs in the previous year.

#### DIVIDEND

Your company has a consistent dividend policy of balancing the dual objective of appropriately rewarding shareholders through dividends and retaining capital to maintain a healthy capital adequacy ratio to support future growth. It has a consistent track record of moderate but steady increases and expansions in dividend declarations over its history.

Considering the achievement of targets for the year and growth of the business, Directors are pleased to recommend dividend of 40% (₹4.00 per Equity Share of ₹10/- each) on Equity Shares of ₹10/- for the financial year ended 31<sup>st</sup> March, 2014 subject to approval of shareholders at the ensuing Annual General Meeting.

## TRANSFER TO RESERVES

Your company proposed to transfer ₹200.00 Lacs to the General Reserves. An amount of ₹387.14 Lacs is proposed to be retained in the Statement of Profit and Loss of standalone financials.

## EXPORT MARKET

The Company has continued to maintain focus on high potential markets and avail of export opportunities based on economic considerations. During the year, the Company has income from Export Sales at ₹7632.70 Lacs compared to previous year figure i.e. ₹6102.42 Lacs. The export revenue, as a percentage of net sales stood at 73.59% in fiscal 2013-2014.

## DOMESTIC MARKET

Sales jumped from ₹1742.51 Lacs to ₹2738.26 Lacs, recording 57.14% growth as compared to previous year. We plan to further increase domestic sales by launching new models, catering to new projects and aggressive promotion.

## REVIEW OF OPERATIONS

### • Standalone:

The Company has achieved Turnover of ₹10370.96 Lacs compared to previous year of ₹7844.93 Lacs, recording 32.20% higher. The Operating Profit before Interest, Depreciation and Tax is ₹1815.27 Lacs against ₹1361.28 Lacs in the previous year. The Profit before Tax is ₹1052.08 Lacs against ₹716.16 Lacs in the previous year. The Net Profit after Tax for the year is ₹798.11 Lacs compared to ₹550.46 Lacs in previous year.

### • Consolidated:

The Company has achieved Turnover of ₹10646.07 Lacs against ₹7957.81 Lacs in the previous year. The Operating Profit before Interest, Depreciation, Tax and Minority Interest is ₹1919.89 Lacs against ₹1380.62 Lacs in the previous year. The Profit before Tax and Minority Interest is ₹1035.99 Lacs compared to ₹616.32 Lacs in previous year. The Net Profit after Tax and minority interest for the year is ₹772.27 Lacs compared to 483.36 Lacs in previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

MDA, for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section, which forms part of the Annual Report.

## NEW PRODUCTS

Your Company has launched bathroom products (wash basins) and cooking range during the year and received tremendous response from the market.

## SUBSIDIARY COMPANIES

Your Company has interests in several businesses and is having global presence with operations in various countries across the globe either directly or through its following Subsidiary Companies:

1. Acrysil Steel Limited
2. Sternhagen Bath Private Limited (formally known as Acrysil Quartz Private Limited)
3. Acrysil GmbH, Germany
4. Acrysil Appliances Limited

## ACCOUNTS OF SUBSIDIARIES

In pursuant to conditions specified in General Circular No. 2/2011 dated 8<sup>th</sup> February, 2011 issued by Ministry of Corporate Affairs and other applicable provisions, if any, of the Companies Act, 1956, the Company has been exempted for attaching individual Annual Accounts of all the Indian and International subsidiaries for the year ended 31<sup>st</sup> March, 2014 have not been attached to the Annual Report. Copies of these annual accounts and related information will be made available on request. The annual accounts of the subsidiary companies will be available at the registered office of the Company and also at the venue during the Annual General Meeting.

## EXPANSION/DIVERSIFICATION

Company has successfully increased its installed capacity of manufacturing Quartz Kitchen Sinks to 2,75,000 Nos. per annum.

## **CERTIFICATION**

### **1) ISO 9001: 2008**

Your Company is having status of ISO 9001:2008 Certification, which is internationally recognized for the production, quality control and other qualities. The scope of certificate is design, manufacture, supply, installation and commissioning of fluid couplings and flexible fluid couplings. The ISO certification will give international reorganization and will help boost export turnover.

### **2) ISO 14001:2004 OHSAS & BIS-18001:2007 FOR ENVIRONMENT, HEALTH AND SAFETY POLICY, BSCI (BUSINESS SOCIAL COMPLIANCE INITIATIVES) – CODE OF CONDUCT:**

Your Company has got ISO 14001:2004 OHSAS & BIS-18001:2007 for Environment, Health and Safety Policy Certification and BSCI (Business Social Compliance Initiatives) – Code of Conduct. Your company considers the environment, health and safety performance criterion as an integral part of our business and essential for long term success.

## **COMPLYING STANDARDS**

Your Company is also complying standards including CE Marking, CSA, IAPMO, USA – International Association of Plumbing and Mechanical Officials and EN 13310.

## **DIRECTORS**

The Board consists of Executive and Non-executive Directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

Mr. Ashwin M. Parekh (DIN: 00295001), Executive Chairman of the Company has resigned w.e.f. 31<sup>st</sup> October, 2013. The Board of Director placed on record the invaluable contributions of Mr. Ashwin M. Parekh towards the progress of the Company. He was conferred designation of “Chairman Emeritus” of the Company so that his counsel and advise emanating from his vast experience would continue to be available to the Board and the Company.

Dr. Minoo D. Daver (DIN: 00024709), Director of the Company has expired on 20<sup>th</sup> January, 2014. The Board of Directors had expressed their condolence for sad demise of the Director Dr. Minoo D. Daver. The Board of Director placed on record the invaluable contributions of Dr. Minoo D. Daver towards the progress of the Company.

Mr. M. Nageswara Rao (DIN: 01009445), Director of the Company has resigned w.e.f. 29<sup>th</sup> January, 2014. The Board of Director placed on record the invaluable contributions of Mr. M. Nageswara Rao towards the progress of the Company.

Mr. Rustam N. Mulla (DIN: 00328070), Director of the Company has resigned w.e.f. 25<sup>th</sup> April, 2014. The Board of Director placed on record the invaluable contributions of Mr. Rustam N. Mulla towards the progress of the Company.

Mr. Chirag A. Parekh (DIN: 00298807), Chairman & Managing Director, retires by rotation and being eligible, offer himself for re-appointment.

The Board at its meeting held on 12<sup>th</sup> August, 2014, subject to approval of the shareholders, appointed Mr. Jagdish R. Naik (DIN 00030172), Mr. Ajit R. Sanghvi (DIN 00340809), Mr. Pradeep H. Gohil (DIN 03022804) and Mr. Shyam Mariwala (DIN 00350235), existing Independent Directors, as Independent Directors on the Board of Directors of the Company, for a period of five consecutive years from 1<sup>st</sup> April, 2014 upto 31<sup>st</sup> March, 2019, pursuant to the provisions of Sections 149, 150, 152, 178 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (“the Act”) read with Schedule IV of the Act.

Mrs. Shetal C. Parekh (DIN: 03018222) was appointed as an Additional Director of the Company w.e.f. 12<sup>th</sup> August, 2014. It is proposed to appoint her as Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting. The Board recommends her appointment.

Brief resume, area of expertise and other details of terms of appointment of these Directors forms integral part of the Notice of the Annual General Meeting.

All the Independent Non-Executive Directors of the Company have furnished declarations that they qualify the conditions of being Independent as per Section 149(6) & (7) of the Companies Act, 2013.

Pursuant to the provisions of Sections 203, 178 and other applicable provisions of the Companies Act, 2013 and Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board at its aforesaid meeting also appointed Mr. Chirag Parekh, Chairman & Managing Director, Mr. Damodar Sejpal, Company Secretary, as Whole-time Key Managerial Personnel of the Company.

## **PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC:**

In accordance with the requirements of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are annexed hereto and form part of this Report.



## AUDITOR'S AND THEIR REPORT

### STATUTORY AUDITORS

M/s. Sanghavi & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Sections 139 and 141 of the Companies Act, 2013, the Company has obtained a written consent and relevant certification from the Auditors proposed to be re-appointed.

The Company has received letters from M/s. Sanghavi & Co., Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed as Statutory Auditors of the Company.

### COST AUDITOR

Your Company had appointed M/s. S. K. Rajani & Co., Cost Accountants, Bhavnagar as the Cost Auditor of your Company for the financial year 2014-15 to conduct the audit of the cost records of your Company.

As per Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 the Board of Directors of your Company has appointed M/s. S. K. Rajani & Co., Cost Accountants, Bhavnagar as the Cost Auditor of your Company for the financial year 2014-15 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditors, subject to the ratification by the members at the ensuing Annual General Meeting, would be ₹50,000 (Rupees Fifty Thousands only) excluding out of pocket expenses, if any.

The Board of Directors has, on recommendation of the Audit Committee, at its meeting held on 26<sup>th</sup> May, 2014 appointed M/s. S. K. Rajani & Co., Cost Accountants, Bhavnagar as the Cost Auditor of the Company for audit of cost accounting records of its activities for manufacturing of Quartz Kitchen Sinks for the financial year 2014-15 and has also fixed the remuneration for audit of cost accounting records for the said financial year. In terms of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, it is proposed by the Board to recommend the remuneration approved in its meeting, for ratification by the shareholders in the ensuing Annual General Meeting of the Company.

### INSURANCE

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, loss of profits, etc. and other risks which 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.

### FIXED DEPOSITS

In compliance with the applicable provisions of Section 73 & 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, your Directors report that all the fixed deposits due for repayment/renewal on or before 31<sup>st</sup> March, 2014 were either paid or renewed and e-forms DPT-3 and DPT-4 filed with Registrar of Companies, Mumbai, Maharashtra.

### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:-

1. In the preparation of accounts, the applicable accounting standards have been followed.
2. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of 31<sup>st</sup> March, 2014 and the profit of the Company for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
4. The Annual Accounts of the company have been prepared on a going concern basis.

### CORPORATE GOVERNANCE

Your Company is committed to the principles of good Corporate Governance and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has complied with all the requirements of the Code of Corporate Governance as per Clause 49 of the Listing Agreements with the Stock Exchanges and pursuant thereto, Management Discussion and Analysis, Corporate Governance Report and the Auditors' Certificate regarding compliance of the same are annexed as a part of this Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY [CSR]**

In line with the provisions of the Companies Act, 2013 and rules made thereunder (“the Act”), a Corporate Social Responsibility (CSR) Committee has been formed by the Board of Directors in their meeting held on 13<sup>th</sup> March, 2014.

Mr. Chirag A. Parekh (DIN:00298807), Chairman and Managing Director, Mr. Pradeep H. Gohil (DIN:03022804), Director and Mr. Shyam H. Mariwala (DIN:00350235), Director, are the members of the CSR Committee. The Board of Directors at their meeting held on 13<sup>th</sup> March, 2014 approved a CSR policy as recommended by the CSR Committee which include, inter alia, the CSR activities falling under the purview of Schedule VII of the Act.

### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standards AS – 21 on Consolidated Financial Statements, your Directors provide the Audited Consolidated Financial Statements in this Annual Report.

### **TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND TO IEPF**

Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, the declared dividends which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

### **PERSONNEL**

The Company continued to have cordial relations with its employees. Since no employee of the Company is drawing remuneration in excess of the ceilings prescribed under the Companies (Particulars of Employees) Rules, 1975 as amended, read with Section 217(2A) of the Companies Act, 1956 information for the same is not furnished.

### **ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who, through their dedication, co-operation, support and smart work, have enabled the Company to achieve rapid growth.

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

Mumbai  
12<sup>th</sup> August, 2014

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

#### **Registered Office:**

704, Centre Point,  
J.B. Nagar, Anadheri – Kurla Road,  
Andheri (East), Mumbai – 400 059  
Tel.: 022-6671 1101/05  
Fax: 022- 6671 1109  
CIN: L26914MH1987PLC042283  
Website: www.carysil.com

## ANNEXURE TO DIRECTORS' REPORT

The information required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988

### A. Conservation of Energy

The operations of the Company are not energy intensive. However, conservation measures have already been taken up wherever applicable. Disclosure of particulars with respect to conservation of energy in Form 'A' is not applicable.

### B. Technological Absorption:

Form 'B' for disclosure of particulars with respect to Technology Absorption.

### RESEARCH & DEVELOPMENT (R&D)

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

- (a) Innovate and improve process capability, attain global benchmarks with carried out by the Company consistent focus on the operational excellence.
- (b) 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.
- (c) Fine tuning of design parameters based on in-depth discussions and evaluation of customers feedback on product quality for enhanced variety of applications.
- (d) Continue to adopt innovation and emerging technologies as future growth drivers and improvement of existing products.
- (e) Explore the possibilities to bring automation in process for improving the productivity and reducing the cost.
- (f) The Company has installed new equipment for packing automation for improved packaging and reduction in manual activities.
- (g) There were certain key advances made in the development of new product such as wash basin during the year 2013-14. These developments will benefit the Company not only in the short term but also in the long term due to the nature of investment made in such development.

#### 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
- (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 in EN ISO 9001:2000, ISO 14001:2004 OHSAS, BIS - 18001:2007 for Environment, Health and Safety Policy & BSCI (Business Social Compliance Initiatives) – Code of Conduct:

#### 3. Future Plan of Action :

Continuation of the ongoing efforts to be globally competitive and excel in the core business activities by focusing on customer orientation, technological capability, innovation and renovation of products, design capabilities and quality.

#### 4. Expenditure on R&D for the year 2013-2014

(a) Capital	NIL
(b) Recurring	335,328
(c) Total	335,328
(d) Total R&D expenditure as a Percentage of Total Turnover	0.03%

## Technology absorption and Research & Development

### 1) Research and Development

### 2) Technology absorption, adoption and innovation

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

- The Company absorbs and adapts the technologies on a continuous basis to meet its specific product needs from time to time.
- Analyzing feedback from end users to improve quality of products
- Constant efforts are made to improve and upgrade the new technology for higher productivity, better quality & cost reduction.
- Improve the quality of the product and upgrade the Manufacturing Process of all the products of the Company.
- 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. The Company is in the process of further improving its quality control methods and testing facilities.
- Regular interaction with equipment designers and manufacturers and major raw material suppliers for improvements to processing and operating parameters.

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

- Embraced innovation and R&D based excellence for productivity and new market development, upgraded technologies and production processes, the efficiency of supply chain, creation of new products and line extensions of some of the existing products
- Integration of human and technical resources to enhance workforce performance and satisfaction.
- Unmatched understanding of customer needs and a detailed knowledge of available solutions. As a result, the Company has been able to expand its business reach apart from becoming more competitive.
- Initiatives on lean practices by implementing Goal Setting and training to workmen.
- Improvement and reduction in changeover time.
- Improved product quality
- Cost saving and increased output

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

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

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Year ended 31 <sup>st</sup> March, 2014 (₹)
1. Foreign Exchange Earnings (FOB value of exports)	739,883,826
2. Foreign Exchange Outgo:	
(a) For Import of Raw Material	183,247,615
(b) For import of Accessories And Traded Goods	139,108,910
For Import of Capital Goods	44,789,261
(c) For Expenses	20,282,853
	387,428,639
3. Net saving in Foreign Exchange	352,455,187

For and on behalf of the Board of Directors

**Chirag A. Parekh**

Chairman & Managing Director

Mumbai  
12<sup>th</sup> August, 2014

#### Registered Office:

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CIN: L26914MH1987PLC042283  
Website: www.carysil.com

## CORPORATE GOVERNANCE REPORT

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

Acrysil Limited is committed to set the highest standards of Corporate Governance right from its inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organisational values, credo and actions of its employees. Transparency and accountability are the fundamental principles to sound Corporate Governance, which ensures that the organisation is managed and monitored in a responsible manner for 'creating and sharing value'.

Acrysil Limited believes that there is a need to view Corporate Governance as more than just regulatory requirements as there exists a fundamental link with the organisation of business, corporate responsibility and shareholder wealth maximisation. Therefore, your Company is articulating a multi-stakeholder model (including shareholder value) of accountability that will manage the symbolic relationship between the various stakeholders. This approach will be central to the day-to-day functioning of your Company and in implementation of its business strategy.

The Company has implemented the mandatory requirements of the Code of Corporate Governance as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

### 2. VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has adopted the Whistle Blower Policy 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 and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The details of complaints received and the action taken are reviewed periodically by the Audit Committee. None of the Company's personnel have been denied access to the Audit Committee.

### 3. BOARD OF DIRECTORS

The Board comprises of Six Directors of which four are Independent Non-Executive Directors (80% of the Board strength). The Company does not have any Nominee Director appointed by Financial Institutions.

The Company has obtained the requisite disclosures from the Directors in respect of their directorship in other companies and membership/chairmanship in committees of other companies. The particulars of composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the numbers of directorships/memberships of committees of other companies are as under:

Name	Category	No. of board meetings attended during 2013-14	Attendance at last AGM	No. of other directorships in other public companies incorporated in India##	No. of other Board Committee##	
					Membership	Chairmanship
Mr. Ashwin M. Parekh* <i>Chairman Emeritus</i>	Promoter- Executive	2	YES	3	NIL	NIL
Mr. Chirag A. Parekh** <i>Chairman &amp; Managing Director</i>	Promoter- Executive	5	YES	3	NIL	NIL
Mr. M. Nageswara Rao***	Independent-Non-Executive	0	NO	0	NIL	NIL
Mr. Jagdish R. Naik	Independent-Non-Executive	6	YES	9	2	NIL
Mr. Ajit R. Sanghvi	Independent-Non-Executive	6	YES	0	NIL	NIL
Dr. Minoo D. Daver@	Independent-Non-Executive	0	NO	0	NIL	NIL
Mr. Rustam Mulla@@	Independent-Non-Executive	3	YES	0	NIL	NIL
Mr. Pradeep H. Gohil	Independent-Non-Executive	5	YES	0	NIL	NIL
Mr. Shyam H. Mariwala	Independent-Non-Executive	5	YES	0	NIL	NIL
Mrs. Shetal C. Parekh \$	Promoter Non-Executive	0	NO	4	NIL	NIL

#### Notes:

## These numbers exclude the directorship/committee membership held in the Company and in private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 (corresponding Section 8 of the Companies Act, 2013) and alternate directorship. Further, it includes only the chairmanship/membership of the Audit Committee, Shareholders' Grievance Committee & Remuneration Committee. All Directors have informed the Company about the committee positions they occupy in other companies as per Clause 49 of the Listing agreement, which were placed before the Board.



\* resigned from Directorship w.e.f. 31<sup>st</sup> October, 2013 and designated as *Chairman Emeritus* w.e.f. 1<sup>st</sup> November, 2013

\*\* re-appointed and re-designated as *Chairman & Managing Director* w.e.f. 1<sup>st</sup> November, 2013

\*\*\* resigned from Directorship w.e.f. 29<sup>th</sup> January, 2014

@ ceased to be Director due to Death on 20<sup>th</sup> January, 2014

@@ resigned from Directorship w.e.f. 25<sup>th</sup> April, 2014

\$ appointed as an Additional Director w.e.f. 12<sup>th</sup> August, 2014.

The Company held 6 meetings of its Board of Directors during the year on the following dates. The maximum time gap between any two consecutive meetings did not exceed four months.

25 <sup>th</sup> May, 2013	27 <sup>th</sup> July, 2013	26 <sup>th</sup> October, 2013
29 <sup>th</sup> January, 2014	25 <sup>th</sup> February, 2014	13 <sup>th</sup> March, 2014

All Independent Non-Executive 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 Clause 49 of the Listing Agreement, which were placed before the Board.

#### 4. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31<sup>ST</sup> MARCH, 2014

Sr. No.	Name of Director	No. of Shares held
1.	Mr. Jagdish R. Naik	3204
2.	Mr. Ajit R. Sanghvi	Nil
3.	Mr. Pradeep H. Gohil	Nil
4.	Mr. Shyam H. Mariwala	Nil
5.	Mrs. Shetal C. Parekh	100000

#### 5. AUDIT COMMITTEE

In accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Board of Directors has constituted an Audit Committee. The constitution of the Committee is also in compliance with the provisions of Section 177 of the Companies Act, 2013.

The role of the Audit Committee is to supervise the Company's reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors, Internal Auditors and Cost Auditors and fixation of their remuneration, to approve the appointment of the Chief Financial Officer, to review and discuss with the Auditors about the adequacy of internal control systems, the scope of Audit including the observations of the Auditors, major accounting policies, practices and entries, compliances with Accounting Standards and Listing Agreement(s) with the Stock Exchange(s) and other legal requirements concerning financial statements and related party transactions, to review the Company's financial and risk management policies, Management Discussion and Analysis of financial condition and results of operations, the financial statements of the Company's Subsidiaries and discuss with Internal Auditors any significant findings for follow-up thereon and to review the Quarterly and Annual Financial Statements before they are submitted to the Board of Directors.

The Board has at their meeting held on 26<sup>th</sup> May, 2014 reviewed and revised the existing terms of reference of the Committee, in view of changes made in the provisions of the Companies Act, 2013 and Listing Agreement.

The Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken on record.

The Company has complied with the requirements of Clause 49(II) (A) of the Listing Agreements as regards the composition of the Audit Committee.

Audit Committee reconstituted as per Section 177 of the Companies Act, 2013 read with Clause 49 of listing Agreement at the Meeting of Board of Directors held on 26<sup>th</sup> May, 2014.

The broad terms of reference of the Committee are to review and recommend the financial statements and to review the adequacy of internal control systems and internal audit function. The Board of Directors has at their meeting held on 26<sup>th</sup> May, 2014 reviewed and revised the existing terms of reference of the Committee, in view of changes made in the provisions of the Companies Act, 2013 and Listing Agreement.

Details of the composition of the Audit Committee of the Company and the attendance of the Members at the same is summarized below:

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Ajit R. Sanghvi, Chairman	Independent Non-Executive	4	4
Mr. Jagdish R. Naik	Independent Non-Executive	4	4
Mr. Rustam Mulla@	Independent Non-Executive	4	2
Mr. Chirag A. Parekh @@	Promoter - Executive	4	N.A.

@ ceased to be Member due to resignation from Directorship of the Company w.e.f. 25<sup>th</sup> April, 2014

@@ appointed as Member w.e.f. 26<sup>th</sup> May, 2014 as reconstitution of Audit Committee

Mr. Damodar H. Sejjpal, Company Secretary of the Company, acted as the Secretary to the Committee.

The Company held 4 meetings of its Audit Committee during the year on the following dates.

25 <sup>th</sup> May, 2013	27 <sup>th</sup> July, 2013	26 <sup>th</sup> October, 2013	29 <sup>th</sup> January, 2014
----------------------------	-----------------------------	--------------------------------	--------------------------------

Audit Committee Meetings are also attended by senior finance and accounts executives, as and when required. Statutory Auditors, Internal Auditors and Cost Auditors of the Company are also invited to the meetings, as and when required.

The Chairman of the Committee attended the last Annual General Meeting of the Company.

## 6. NOMINATION AND REMUNERATION COMMITTEE (REMUNERATION COMMITTEE)

### Terms of reference and composition:

The broad terms of reference of the Company's Nomination and Remuneration Committee is to determine and recommend to the Board and the members, remuneration payable to the Chairman & Managing Director, to determine and advise the Board on the payment of annual increments and commission to the Chairman & Managing Director.

Nomination and Remuneration Committee reconstituted as per Section 178 of the Companies Act, 2013 at the Meeting of Board of Directors held on 26<sup>th</sup> May, 2014.

The Board of Directors has at their meeting held on 26<sup>th</sup> May, 2014 reviewed and revised the existing terms of reference of the Committee, in view of promulgation of the provisions of the Companies Act, 2013 and Listing Agreement.

A Meeting of the Nomination and Remuneration Committee (Remuneration Committee) was held on 27<sup>th</sup> July, 2013. Details of the composition and attendance at the Remuneration Committee Meeting during the last financial year are as follows:

Name of Director	No. of Meeting held	No. of Meeting attended
Mr. Rustam Mulla, Chairman@	1	1
Mr. Jagdish R. Naik	1	1
Mr. Nageswara Rao@@	1	0
Mr. Shyam H. Mariwala*	1	0
Mr. Pradeep H. Gohil**	1	0

@ ceased to be Chairman due to resignation from Directorship of the Company w.e.f. 25<sup>th</sup> April, 2014

@@ ceased to be Member due to resignation from Directorship of the Company w.e.f. 29<sup>th</sup> January, 2014

\* appointed as Member w.e.f. 26<sup>th</sup> May, 2014 as reconstitution of Nomination and Remuneration Committee

\*\* appointed as Member w.e.f. 26<sup>th</sup> May, 2014 as reconstitution of Nomination and Remuneration Committee

The 'Nomination and Remuneration Committee' of the Company recommends the nomination of Executive Directors (members of the Board) as well as Non-Executive Directors and remuneration of such Executive Directors and Non-Executive Directors (other than Independent Non-Executive Directors) and recommend and monitor the level and structure of remuneration of senior management of the Company as per the Remuneration Policy.

The Board has at their meeting held on 26<sup>th</sup> May, 2014 reviewed and revised the existing terms of reference of the Committee, in view of promulgation of the provisions of the Companies Act, 2013 and Listing Agreement.

## REMUNERATION OF DIRECTORS

Independent Non-Executive Directors are paid sitting fees for meetings of Directors and Committees of Directors.

The Company pays remuneration to its Chairman & Managing Director by way of salary, commission, perquisites and allowances. Salary is paid to Chairman & Managing Director within the limit as approved by the Central Government (till 31<sup>st</sup> March, 2013). The Board, on the recommendations of the Remuneration Committee, approves annual increments to the Chairman & Managing Director. Commission payable to the Chairman & Managing Director calculated having regard to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956. Independent Non-Executive Directors are not paid any commission.

Given below are the details of remuneration of Directors for the financial year 2013-14.

Director	Sitting fees for Board/Committee Meetings (₹)	Salaries and other perquisites (₹)	Other Remuneration (₹)	Commission (₹)	Total (₹)
Mr. Ashwin M. Parekh* <i>Chairman Emeritus</i>	Nil	21,21,147/-	Nil	6,71,467/-	<b>27,92,614/-</b>
Mr. Chirag A. Parekh** <i>Chairman &amp; Managing Director</i>	Nil	72,58,451/-	Nil	Nil	<b>72,58,451/-</b>
Mr. M. Nageswara Rao***	Nil	Nil	Nil	Nil	Nil
Mr. Jagdish R. Naik	1,12,500/-	Nil	Nil	Nil	<b>1,12,500/-</b>
Mr. Ajit R. Sanghvi	1,10,000/-	Nil	Nil	Nil	<b>1,10,000/-</b>
Dr. Minoo D. Daver@	Nil	Nil	Nil	Nil	Nil
Mr. Rustam Mulla@@	52,500/-	Nil	Nil	Nil	<b>52,500/-</b>
Mr. Pradeep H. Gohil	75,000/-	Nil	Nil	Nil	<b>75,000/-</b>
Mr. Shyam H. Mariwala	75,000/-	Nil	Nil	Nil	<b>75,000/-</b>

\* resigned from Directorship w.e.f. 31<sup>st</sup> October, 2013 and designated as *Chairman Emeritus* w.e.f. 1<sup>st</sup> November, 2013

\*\* re-appointed and re-designated as *Chairman & Managing Director* w.e.f. 1<sup>st</sup> November, 2013

\*\*\* resigned from Directorship w.e.f. 29<sup>th</sup> January, 2014

@ ceased to be Director due to Death on 20<sup>th</sup> January, 2014

@@ resigned from Directorship w.e.f. 25<sup>th</sup> April, 2014

- The terms of appointment of Chairman & Managing Director is governed by the resolutions of the shareholders and applicable rules of the Company.
- Severance compensation is payable to the Chairman & Managing Director if their employment is terminated before the contractual period, subject to the provisions and limitations specified in Section 318 of the Companies Act, 1956.
- M/s. Desai Desai Carrimjee and Mulla, a law firm in which Mr. Rustam Mulla, an Independent Non-Executive Director, is a Partner, were paid ₹98,000/- as professional fees for legal services provided during the year.

## 7. STAKEHOLDER RELATION COMMITTEE (SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE)

The Company has constituted Stakeholder Relation Committee to look into the investors' complaints and to redress the same expeditiously. Stakeholder Relation Committee (Shareholders'/Investors' Grievance Committee) reconstituted as per Section 178 of the Companies Act, 2013 by change of nomenclature of Shareholder Grievances Committee read with Clause 49 of listing Agreement at the Meeting of Board of Directors held on 26<sup>th</sup> May, 2014. The Board, at their above meeting, has also reviewed and revised the existing terms of reference of the Committee, in view of changes made in the provisions of the Companies Act, 2013 by extending the scope of its function relating to review, consideration & resolution of grievances, so as to include all security holders of the Company. Accordingly, the Stakeholders Relationship Committee, as a sub-committee of the Board will, inter alia, review and resolve grievances of shareholders/security holders/other investors ("stakeholders").

The Company held 4 meetings of its Stakeholder Relation Committee (Shareholders'/Investors' Grievance Committee) during the year on the following dates.

25 <sup>th</sup> May, 2013	27 <sup>th</sup> July, 2013	26 <sup>th</sup> October, 2013	29 <sup>th</sup> January, 2014
----------------------------	-----------------------------	--------------------------------	--------------------------------

Details of the composition of the Stakeholder Relation Committee (Shareholders'/Investors' Grievance Committee) of the Company and the attendance of the Members at the same are summarised below:

Name of Director	No. of Meeting held	No. of Meeting attended
Mr. Ajit R. Sanghvi, Chairman	4	4
Mr. Chirag A. Parekh	4	3
Mr. Jagdish R. Naik	4	4

Mr. Damodar Sejpal, Company Secretary of the Company, acts as the Secretary of the Committee and is also designated as the Compliance Officer.

During the year, 16 complaints were received from investors, all of which were replied/resolved. There are no pending complaints as on 31<sup>st</sup> March, 2014.

## 8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board at its meeting held on 13<sup>th</sup> March, 2014 has constituted a Corporate Social Responsibility (CSR) Committee consisting of majority of Independent Directors.

The composition of the CSR Committee as approved by the Board is as follows:

Name of the Member	Category
Mr. Chirag A. Parekh	Promoter – Executive
Mr. Pradeep H. Gohil	Independent Non-Executive Director
Mr. Shyam H. Mariwala	Independent Non-Executive Director

Mr. Chirag A. Parekh was selected as Chairman of the CSR Committee by the Members of the Committee at its meeting held on 13<sup>th</sup> March, 2014

The terms of reference of the Committee includes formulation and recommendation to the Board of Director, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy; monitor the CSR Policy of the Company from time to time; institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company; and perform any other function or duty as stipulated by the Companies Act, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

## 9. GENERAL MEETINGS

Location and time of the last three Annual General Meetings:

Year	Location	Day/Date	Time	No. of Special Resolutions
2010-11	Indian Merchant Chambers, IMC Road, Churchgate, Mumbai - 400 020	Friday, 12 <sup>th</sup> August, 2011	3.30 p.m.	0
2011-12		Saturday, 15 <sup>th</sup> September, 2012	3.30 p.m.	3
2012-13		Saturday, 26 <sup>th</sup> September, 2013	3.30 p.m.	3

Location and time of Extra-Ordinary General Meeting:

Year	Location	Day/Date	Time	No. of Special Resolution
2012-13	Peninsula Grand Hotel, Near Saki Naka Junction, Andheri - Ghatkopar Link Road, Andheri (East), Mumbai - 400 072	Monday, 24 <sup>th</sup> June, 2013	3.30 p.m.	1

During the year under review, no special resolution was passed through postal ballot and as of day, there is no proposal to pass any special resolution through postal ballot.

## 12. DISCLOSURES

- **Related Party Transactions:**

Transactions with Related Parties are disclosed in detail in Note 32 annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

- **Statutory Compliance, Penalties and Strictures:**

The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any.

There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

- **Code of Business Conduct**

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel of the Company have submitted their affirmation on compliance with the Code of Business Conduct for the effective period. The declaration by the Chairman & Managing Director to that effect forms part of this report as Annexure 1.

- **CEO/CFO Certification**

Dy. General Manager (Commercial) of the Company gives annual certification on financial reporting controls to the Board of Director in terms of Clause 49 of the Listing Agreement. The Dy. General Manager (Commercial) also gives quarterly certification on financial results while placing the financial results before the Board of Directors in terms of Clause 41 of the Listing Agreement.

- **Mandatory & Non-Mandatory Clauses**

The Company has complied with all the mandatory requirements laid down by the Clause 49 of the Listing Agreement. The non-mandatory requirements complied with has been disclosed at the relevant places.

The Company has formulated a Vigil Mechanism (Whistle Blower Policy) duly approved by the Board of Directors in terms of Section 177(9) of the Companies Act, 2013 read with Clause 49 of listing Agreement at the Meeting of Board of Directors held on 26<sup>th</sup> May, 2014 and the same provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the Company's employees have been denied access to the Audit Committee.

The Company has formulated a Risk Management Policy duly approved by the Board of Directors in terms of Section 177 of the Companies Act, 2013 read with Clause 49 of listing Agreement at the Meeting of Board of Directors held on 26<sup>th</sup> May, 2014.

## 13. MEANS OF COMMUNICATION

- The unaudited quarterly and summarised audited annual results of the Company are generally published in the dailies published from Mumbai viz. Economic Times (English) and Navshakti (Marathi).
- In line with last year, the Company plans to send the soft copies of Annual Report 2013-14 to those shareholders whose email ids are registered with the Depository Participants (DPs) and/or with the Company's Registrars and Transfer Agents, unless opted by them to get the physical copy, to support the "**Green Initiative in the Corporate Governance**", an initiative taken by the Ministry of Corporate Affairs (MCA).
- Management Discussion and Analysis forms part of the Annual Report.



## 12. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting**

The Twenty Seventh Annual General Meeting of the Members will be held on Wednesday, 24<sup>th</sup> September, 2014 at 3.00 p.m.

- Venue:** "Rama Watumull Auditorium", C/O 124, Kishanchand Chellaram College Building, Dinshaw Wachha Road, Churchgate, Mumbai – 400020

- Tentative Financial Calendar for the Year 2014-15**

Financial Year	: 1 <sup>st</sup> April to 31 <sup>st</sup> March
First Quarter Results	: Fourth week of July 2014
Half Yearly results	: Fourth week of October 2014
Third Quarter results	: Fourth week of January 2015
Results for year-end	: Third week of May 2015

- Dates of Book Closure** : Thursday, 18<sup>th</sup> September, 2014 to Wednesday, 24<sup>th</sup> September, 2014 (both days inclusive).
- Dividend payment date** : The proposed dividend, if approved at the ensuing Annual General Meeting will be distributed on or around 10<sup>th</sup> October, 2014.
- Listing on Stock Exchanges** : The Bombay Stock Exchange Limited (BSE). Listing fees for the year 2014-15 have been paid.
- Stock Codes (for shares)** :

The Bombay Stock Exchange Limited (BSE)	524091
Demat ISIN Number in NSDL and CDSL	INE482D01016

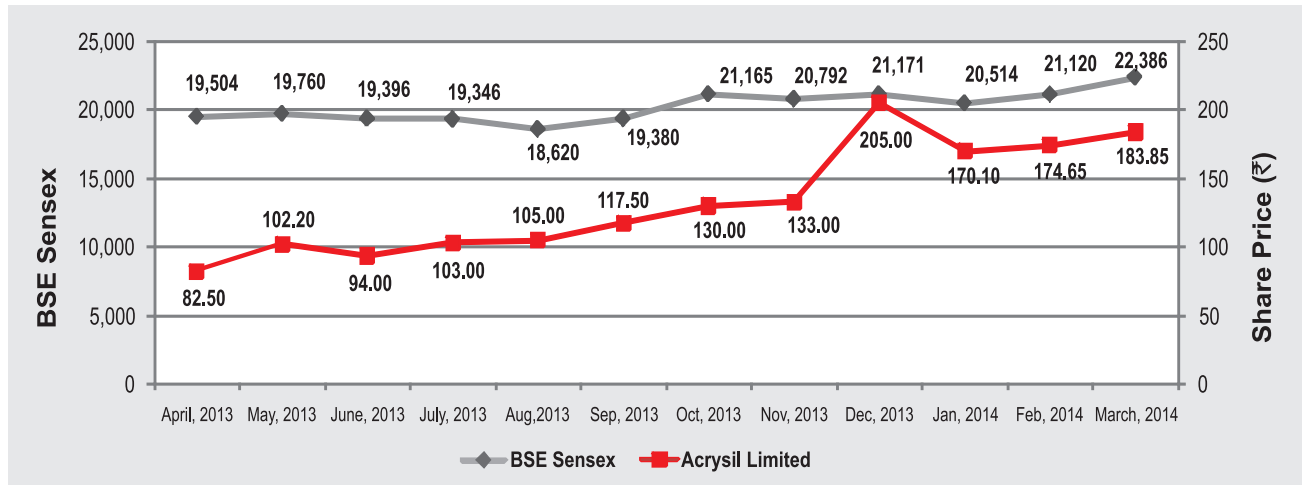
- Volume of shares traded on BSE** : 17,66,666

- Market Price Data:**

Month	The Bombay Stock Exchange Limited (BSE)		No. of Shares Traded
	High	Low	
April, 2013	91.75	81.30	161
May, 2013	105.00	81.30	193
June, 2013	105.00	93.25	138
July, 2013	114.00	86.45	280
August, 2013	113.90	90.00	546
September, 2013	125.00	103.55	1127
October, 2013	154.50	115.00	2170
November, 2013	139.90	119.00	1954
December, 2013	240.00	132.00	2258
January, 2014	207.50	166.25	3164
February, 2014	185.20	156.00	2613
March, 2014	192.00	163.05	4567

- Share Price Movements:**

Share Price Movement for the period April, 2013 to March, 2014 of Acrysil Limited (AL) Vs BSE Sensex.



- Share Transfer System:**

The share transfer function is carried out by the Registrars and Transfer Agents – Bigshare Services Private Limited. Share transfers in physical form can be lodged at their office at E-2/3, Ansa Industrial Estate, Sakivihar Road, Mumbai - 400 072. (Telephone: 022-40430200) E-mail: investor@bigshareonline.com

During the year, the Share Transfer Committee of the Company met at fortnightly intervals for approval of share transfers and other related matters.

Total number of shares transferred during the last two calendar years was as follows:

Particulars	2012-13	2013-14
Number of transfers	23	20
Numbers of shares processed	2813	5285

- Distribution of Shareholdings as on 31<sup>st</sup> March, 2014**

Range	No. of Shareholders	Percentage	Shares Amount (₹)	Percentage
1-5000	3111	83.3601	45,53,320	10.1005
5001-10000	341	9.1372	23,15,610	5.1367
10001-20000	144	3.8585	19,84,750	4.4027
20001-30000	42	1.1254	10,24,370	2.2723
30001-40000	28	0.3503	9,67,470	2.1461
40001-50000	9	0.2412	4,12,000	0.9139
50001-100000	29	0.7771	20,93,330	4.6436
Above 100000	28	0.7503	3,17,29,150	70.3841
<b>TOTAL</b>	<b>3732</b>	<b>100.0000</b>	<b>4,50,80,000</b>	<b>100.00</b>

• **Categories of Shareholders as on 31<sup>st</sup> March, 2014:**

Category	No. of Shareholders	Voting Strength%	No. of Shares
Promoters	9	47.1684	21,26,350
Financial Institutions/Banks	1	0.0033	150
Central/State Government(s)	1	0.0017	75
Bodies Corporate	78	1.2786	57641
Clearing Member	16	0.1251	5641
Directors/Relatives	2	0.1376	6204
Non Resident Indians (NRI)	111	8.1961	369480
Overseas Bodies Corporates	1	10.0355	452400
Resident Individual	3513	33.0537	14,90,059
<b>TOTAL</b>	<b>3732</b>	<b>100.00</b>	<b>45,08,000</b>

• **Dematerialisation of Shares and Liquidity**

80.31% of the Company's share capital is held in dematerialized form as on 31<sup>st</sup> March, 2014. The Company's shares are regularly traded on The Bombay Stock Exchange Limited.

• **Factory**

Survey No. 312, Bhavnagar - Rajkot Highway, Navagam, Post: Vartej-364 060, Bhavnagar (India)

• **Address for Correspondence**

**Registered Office:**

704, Centre Point, J.B. Nagar, Anadheri-Kurla Road, Andheri (East), Mumbai-400 059

Tel.: 022-6671 1101/05 Fax: 022- 6671 1109

CIN: L26914MH1987PLC042283

Website: www.carysil.com

• **Registrar and Transfer Agents (RTA)**

Bigshare Services Private Limited.

E-2/3, Ansa Industrial Estate,

Sakivihar Road, Mumbai-400 072.

Tel: 022-40430200

E-mail: investor@bigshareonline.com

• **Email-id of the Company Secretary and Compliance Officer:**

cs.al@acrysil.com

**CHIRAG A. PAREKH**

**Chairman & Managing Director**

Mumbai  
4<sup>th</sup> August, 2014

## Annexure 1 to Corporate Governance Report

To

The Shareholders,

**Affirmation of Compliance with Code of Business Conduct**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members and the senior management personnel have affirmed compliance with the Code of Business Conduct of the Company for the year ended 31<sup>st</sup> March, 2014.

**CHIRAG A. PAREKH**

**Chairman & Managing Director**

Mumbai  
12<sup>th</sup> August, 2014

## COMPLIANCE CERTIFICATE FROM AUDITORS

To

**The Members of Acrysil Limited**

We have examined the compliance of conditions of corporate governance by Acrysil India Limited, for the year ended on 31<sup>st</sup> March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For SANGHAVI & COMPANY**  
Chartered Accountants  
**FRN: 109099W**

Mumbai  
12<sup>th</sup> August, 2014

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Economy Overview

The year under review was marked by a marginal improvement in global economic climate, led by the strengthening of the US economy. However, the Euro area and Japan saw uneven and subdued growth while the slowdown continued in the developing and emerging markets. Overall global GDP growth remained largely unchanged at 3% in 2013 as compared to 3.1% in 2012.

In the domestic market, growth continued to be subdued with the second successive year of sub 5% GDP growth. The year also witnessed steep currency depreciation and an environment where industrial activity remained in contraction mode and consumption demand stayed weak.

High consumer inflation and weak sentiment further added to the sluggish market and the discretionary categories and the premium segments were particularly under pressure.

### Industry Overview

#### Granite Sinks

The granite sinks industry largely falls under the lifestyle category globally and the market is dominated by three long established multinational giants who account for nearly 70% of the market. Acrysil is among the select few manufacturers of granite sinks in the world and has the distinction of being the only one from Asia.

Acrysil continues to be the dominant player in this segment in India though it does have limited competition from a few major multinationals entering growing domestic market.

#### Stainless Steel Sinks

The domestic stainless steel sink industry is characterized by a proliferation of players including large, small, multinational, local as well as the unorganized sector. Acrysil continues to focus aggressively on domestic market and has made significant inroads here. It has made some initial forays and currently evaluating opportunities in the export market.

#### Kitchen Appliances

A large number of multinational brands cater to the premium segment of the domestic market for these products. The market is still evolving and is expected to register high growth in the years ahead.

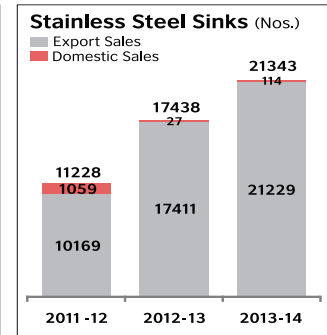
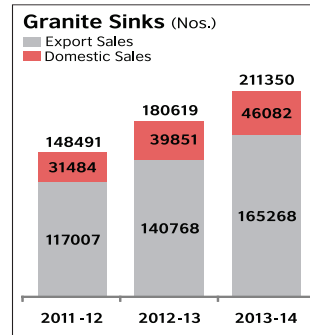
### Operational Review

#### Granite Sinks

Acrysil has steadily increased its installed capacity for the manufacture of granite sinks from 30,000 sinks per annum in 1992-93 to 2,75,000 sinks per annum in 2013-14, to benefit from economies of scale.

During the year, the Company further intensified its thrust on innovation and design and introduced several new models incorporating not just new designs but new material compositions as well. As a result, the company has been successful in rapidly increasing its granite sinks market share globally.

The total sales of granite sinks increased by a healthy 17% from 180619 nos. in FY13 to 211350 nos. in FY14, propelled by granite



sinks exports, which increased sharply by 17% from 140768 nos. in FY13 to 165268 nos. in FY14. Acrysil continued its penetration in the domestic market as well and granite sinks sales posted a healthy jump from 3985 nos. in FY13 to 46082 nos. in FY13.

During the year, the company extended its global footprint to three new markets - Jordan, Palestine and Australia. It also added two new customers in USA and Canada. Acrysil now exports its granite sinks to 35 countries and with exports to China increasing and several new countries like the UK on its radar, the future prospects look extremely promising.

#### Stainless Steel Sinks

Acrysil continued to strengthen its presence in the domestic market, and stainless steel sinks sales increased by 22% from 17411 nos. in FY13 to 21,229 nos. in FY14. Exports of stainless steel sinks is currently not a major focus area for the company

#### Kitchen Appliances

Acrysil forayed into kitchen appliances with the objective of becoming a one stop kitchen lifestyle brand. The Company has a diversified line of kitchen appliances which includes faucets, hoods and chimneys, hobs and cook tops, ovens and microwave ovens, food waste disposers and wine chillers. It made steady progress in this category during FY14 and registered sales of 3650 nos. appliances 862 nos. faucets and 803 nos. food waste disposers. It also added a few more products like cooking ranges to its portfolio. Equipped with a strong basket of products of premium design and quality, the company expects to capture a larger market share in this segment.

#### Quartz Wash Basins

The year marked Acrysil's entry into the fast growing market of premium wash basins, as the Company launched its range of Sternhagen wash basins for domestic as well as international markets.

'Sternhagen', the new premium brand from Germany is owned by Acrysil GmbH, the Company's wholly owned German subsidiary and the wash basin range was launched in Las Vegas, USA and introduced in India. The product roll out will continue in countries like Singapore, Vietnam, the UK, China, Thailand and Germany.

These wash basins have been designed in Berlin, Germany by leading German Designer, a global leader in design and No.1 in the worldwide Red Dot ranking. They are manufactured at the company's state-of-the-art facility in India using Sanitary Quartz (Sani-Q), a high tech quartz perfected after years of intensive R&D by the company.



## Brand Building & Marketing

Acrysil's thrust in brand building and marketing gathered new momentum during the year.

The Company showcased its products at leading exhibitions in India (like Acetech) and abroad (KBB in the UK and Kitchen & Bath in Shanghai), and intensified its brand building initiatives with aggressive advertising and promotion activities. A product preview held for dealers from Northern India in Delhi was a resounding success and attended by all the leading dealers from North India.

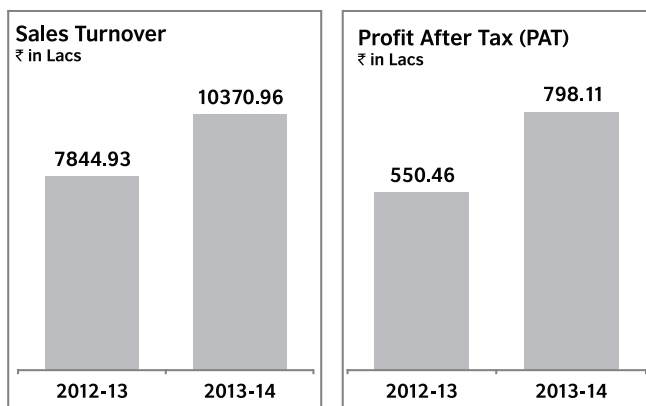
During the year, 25 exclusive CARYSIL galleries were opened in India. These high end galleries have a stunning display of the entire range of Acrysil products and serve as a one stop shop for discerning customers. The company plans to open another 25 galleries in FY15. These include 3 new galleries in UP followed by a gallery in Jammu & Kashmir, which is largely an untapped market.

## Financial Review

In a highly competitive scenario, where new brands and offerings are entering the market regularly, Acrysil delivered robust growth, driven by innovation, product quality and expanding market penetration.

During the year, the company posted its highest ever turnover crossing the ₹100 crore mark for the first time in its history.

Sales Turnover increased by over 32.20% to ₹10370.96 Lacs in FY14 as against ₹7844.93 Lacs in FY13. Exports Sales registered a growth of over 23.59% and increased to ₹7408.00 Lacs in FY14 as compared to ₹5944.25 Lacs in FY13. As a result of the increasing thrust in domestic market, domestic sales grew by over 44.18% to ₹2738.60 Lacs in FY14 as against ₹1899.17 Lacs in the preceding year, buoyed by a sharp spurt in sales of stainless steel sinks and kitchen appliances.



Overall Export Sales at ₹7408.00 Lacs accounted for 73.59% of Total Sales while Domestic Sales at ₹2738.60 Lacs contributed 26.41% of the Total Sales Turnover during the year.

Profit before Tax increased by 46.91% to ₹1052.08 Lacs in FY14 from ₹716.16 Lacs in the previous year.

Profit after Tax registered a sharp increase of 45% to ₹798.11 Lacs in FY14 from ₹550.46 Lacs in FY13.

The Earnings per ₹10 share stood at ₹17.65 in FY14 as against ₹12.35 in the previous year.

The Directors have recommended a dividend of 40% subject to the approval of members at the Annual General Meeting of the Company.

## Human Resource Development

Acrysil has been working towards institutionalizing a performance-oriented culture and the entire HR system, including recruitment, performance management, reward and recognition, is driven by business objectives.

Acrysil's HR policy is designed to attract and retain the finest talent and the Company ensures that the employees are given opportunities for personal and professional growth.

Acrysil recognizes that the process of internationalization involves embracing a multi-cultural work ethos and is committed to managing HR challenges in an appropriate manner to meet the business growth in a competitive environment.

Acrysil's dedicated and talented workforce of 187 people are all involved in managing and accelerating the company's growth

## R&D

Acrysil believes that in an age of rapid technology transformation and global competition, innovation would be a key driver to sustain growth. And is continuously engaged in sharpening its innovative capabilities across its operations.

The Company has strong R&D capabilities and expertise in quartz technology and product design. The substitution of imported raw material with indigenous ones, continuous process improvement and stringent quality control measures are all areas where the Company's R&D has made invaluable contribution.

During the year, Acrysil perfected Sanitary Quartz (Sani-Q) after years of intensive R&D. This patented high-tech quartz has an ultra smooth silky finish and a built-in hygienic armor at its surface as well as the core. It is highly durable and lends itself to the most creative artistic sculpture and is perfect for easy upkeep being extremely resistant to scratches and stains. Sani-Q is the raw material for the entire range of premium Sternhagen wash basins.

R&D also focuses on process automation and a new machine was introduced for precision cutting that also enhances diamond tool life on account of the dust free environment.

Yet another notable achievement was the development of new granite sinks with steel inlays that are moulded in process, a first of its kind in the industry.

Innovation in design is a key element in Acrysil's success. Acrysil designers deploy state-of-the-art tools and technology to create products of designs and finish. During the year, 16 new models and 2 new colours were perfected for kitchen quartz sinks. Similarly, the Sternhagen wash basins have been launched with four nature inspired designs and each design connects people with emotions and memories associated with nature.

## Outlook

Acrysil has prospered because it has shown a clear sense of purpose and is committed to core values.

From a single product company, Acrysil has evolved and today, its portfolio has a wide range of products for kitchens and bathrooms. Its products enjoy global acceptance and reflect the company's philosophy of offering only a truly inspirational product which is a lifestyle accessory, a designer's dream and a homemakers' pride.

Acrysil is now firmly entrenched on the path of rapid growth. It has surged ahead with a CAGR of 25% over the last three years and has drawn up business plans to accelerate its growth. The multipronged growth strategy includes increasing its market share in countries where it has gained a foothold, and aggressively seeking out new markets for export. In the domestic market, plans include setting up of another 25 exclusive 'Acrysil' galleries in FY15. Simultaneously, the Company will introduce new models and designs to stay ahead of the competition.

Increasing purchasing power, higher aspirations, growing population and rapid urbanization, will accelerate the demand of Acrysil's products and drive growth in the years ahead.

## Risks And Concerns

### Technological Obsolescence

Acrysil operates in an ever evolving and dynamic technology environment and the Company continuously reviews and upgrades its technology, resources and processes lest it faces technology obsolescence.

### Competition

Acrysil faces competition not only from India based companies but increasingly from the multinational companies. Acrysil's differentiation strategy incorporating its unique business approach has led to its emerging as a leader in the rapidly growing lifestyle kitchen products industry. To remain competitive, Acrysil has developed competencies in various technologies and offers a wide range of cutting edge technology products to customers based on their needs.

### Exchange Rate Risks

The global financial position continues to remain volatile with wide swings in currencies impacting the industry. This trend is expected to continue during the year too. The company is exposed to risks from market fluctuations of foreign exchange and price fluctuation on its finished goods. Acrysil has taken proper precautions to protect its payable and forecast revenues against foreign currency fluctuations.

## Rising Costs

The undulating prices of vital raw materials result in a pressure on margins. Rising prices of resources make it a challenge for the Company to reduce material costs. Due to its niche position in many of its products, it is able to use its economies of scale and purchasing power to limit the pressures of increasing input costs.

## Adequacy of Internal Control Systems

Acrysil's internal control systems and procedures adhere to industry standards in terms of effective resource utilisation, operational efficiency and financial reporting. They also comply with various relevant laws and regulations.

The Company has established proper and adequate systems of internal control to ensure that all resources are put to optimum use and are well protected against loss, and that all transactions are authorized, recorded and reported correctly and there is proper adherence to policies, guidelines and processes in terms of efficiencies and effectiveness.

The Company has an internal audit system which ensures that adequate processes, systems and internal controls are implemented, and these controls are commensurate with the size and operations of the company and transactions are executed in accordance with policies and authorization.

The company has a business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

## Disclaimer

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to economic conditions affecting demand and supply, government regulations and taxation, input prices, exchange rate fluctuation, etc., over which the Company does not have any direct control, could make a significant difference to the Company operations. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward looking statements. The MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this MD&A pertain to Acrysil Limited unless otherwise stated.

## INDEPENDENT AUDITORS' REPORT

To  
**The Members of  
ACRYSIL LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Acrysil Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014 and the statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs] as per Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b) In the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs];
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess to be paid, no cess is due and payable by the Company.

**For SANGHAVI & COMPANY**  
Chartered Accountants  
FRN: 109099W

**MANOJ GANATRA**  
Partner  
Membership No. 043485

Mumbai  
26<sup>th</sup> May, 2014

## ANNEXURE TO 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. Fixed assets are physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. Discrepancies noticed on such verification, which were not material, have been properly dealt with in the accounts.
  - c. There was no substantial disposal of fixed assets during the year.
- 2 In respect of inventories:
  - a. The inventories were physically verified by the management at reasonable intervals during the year.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification carried out by the management of the company.
- 3 In respect of loans granted or taken to/from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956:
  - a. The company has granted unsecured loans to the companies covered in the register maintained under section 301 of the Companies Act, 1956. The number of companies to which loans are granted, is four (subsidiary companies) and the amount involved in the transactions and the year-end balances is ₹266.16 Lacs and ₹450.49 Lacs respectively.
  - b. The rate of interest and other terms and conditions of loans given by the company, wherever stipulated, are *prima facie* not prejudicial to the interest of the company.
  - c. Since no stipulations as to the recovery of principal amount as well as payment of interest are made for the loans granted as stated in (a) above, we cannot offer any comments for regularity of payments or overdue amounts, if any.
  - d. The company has taken unsecured loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties and the amount involved in the transactions during the year were four and ₹100.00 Lacs respectively and the year-end balance of loans taken from such parties was ₹104.20 Lacs.
  - e. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the company.
  - f. The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
- 4 There are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5 In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
  - a. Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
  - b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at the prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, wherever such comparison is possible.
- 6 The company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Board Tribunal or Reserve Bank of India.

- 7 In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- 8 We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 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.
- 9 In respect of statutory and other dues:
  - a. The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
  - b. As explained to us, there are no amounts outstanding, which have not been deposited on account of dispute.
- 10 The company does not have any accumulated losses as at the end of the financial year. The company has not incurred cash losses during the current or in the immediately preceding financial year.
- 11 Based on our audit procedures and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. The company has not obtained any borrowings by way of debentures.
- 12 The company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund or a *nidhi*/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.
- 14 The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- 15 The company has not given any guarantees for loans taken by others from banks and financial institutions except for a corporate guarantee of ₹840.00 Lacs given to the bankers for credit facilities availed by a subsidiary company.
- 16 Terms loans obtained during the year have been applied for the purpose for which they were obtained.
- 17 According to the information and explanations given to us and on an overall examination of the balance sheet of the company, funds raised on short-term basis, *prima facie*, have not been used during the year for long-term investment.
- 18 The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act 1956 except for allotment of 50,000 equity shares upon conversion of equity warrants to a company in which some of the directors are interested in accordance with the guidelines issued by the Securities and Exchange Board of India in this regard.
- 19 The company did not have any outstanding debentures during the year.
- 20 The company has not raised any money through a public issue during the year.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**For SANGHAVI & COMPANY**  
Chartered Accountants  
**FRN: 109099W**

Mumbai  
26<sup>th</sup> May, 2014

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



BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014

(Amounts in Indian ₹)

Particulars	Note No.	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	45,080,000		44,580,000	
Reserves and Surplus	3	337,215,796		274,001,590	
Money received against Share Warrants		3,750,000		-	
			386,045,796		318,581,590
<b>Non-Current Liabilities</b>					
Long-term Borrowings	4	106,111,027		32,218,410	
Deferred Tax Liabilities (Net)		22,135,000		19,220,000	
Long-term Provisions	5	649,439	128,895,466	632,802	52,071,212
<b>Current Liabilities</b>					
Short-term Borrowings	6	225,244,827		217,182,949	
Trade Payables		122,671,836		100,543,700	
Other Current Liabilities	7	70,784,565		39,861,158	
Short-term Provisions	8	33,644,886	452,346,114	33,932,337	391,520,144
<b>Total</b>			<b>967,287,376</b>		<b>762,172,946</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
9					
Tangible Assets		275,379,605		247,153,132	
Intangible Assets		2,939,271		827,607	
Capital Work-in-Progress		8,192,275		608,833	
		286,511,151		248,589,572	
Non-current Investments	10	73,976,814		51,947,001	
Long-term Loans and Advances	11	69,546,740		30,399,358	
Other Non-current Assets		-	430,034,705	-	330,935,931
<b>Current Assets</b>					
Current Investments		-		-	
Inventories	12	212,859,831		162,727,338	
Trade Receivables	13	243,885,395		200,576,905	
Cash and Bank Balances	14	20,364,867		18,582,344	
Short-term Loans and Advances	15	60,142,578		49,350,428	
Other Current Assets		-	537,252,671	-	431,237,015
<b>Total</b>			<b>967,287,376</b>		<b>762,172,946</b>

The accompanying notes 1 to 35 are an integral part of these financial statements.

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner

Mumbai  
26<sup>th</sup> May, 2014

**DAMODAR SEJPAL**  
Company Secretary

Mumbai  
26<sup>th</sup> May, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**C. A. PAREKH**  
Chairman & Managing Director

**J. R. NAIK**  
Director

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

(Amounts in Indian ₹)

Particulars	Note No.	2013-2014	2012-2013
<b>REVENUE</b>			
Revenue from Operations (Gross)	16	1,058,842,393	800,159,408
Less: Excise Duty		<u>21,746,801</u>	<u>15,666,580</u>
Revenue from Operations (Net)		1,037,095,592	784,492,828
Other Income	17	<u>7,662,035</u>	<u>8,050,674</u>
Total Revenue		<u>1,044,757,627</u>	<u>792,543,502</u>
<b>EXPENSES</b>			
Cost of Materials Consumed	18	325,531,899	267,556,587
Purchases of Stock-in-Trade		162,967,153	81,828,252
Changes in Inventories	19	(53,235,061)	(26,105,631)
Employee Benefits Expenses	20	69,831,677	48,121,907
Finance Costs	21	34,357,884	26,570,745
Depreciation and Amortization		41,961,363	37,940,571
Other Expenses	22	<u>358,134,335</u>	<u>285,014,981</u>
Total Expenses		<u>939,549,250</u>	<u>720,927,412</u>
<b>Profit Before Exceptional and Extraordinary Items And Tax</b>		105,208,377	71,616,090
Exceptional Items		-	-
Extraordinary Items		-	-
<b>Profit Before Tax</b>		105,208,377	71,616,090
Tax Expenses			
Current Tax		34,216,272	22,200,000
MAT Credit Entitlement		(11,916,272)	(7,870,000)
Earlier Years' Tax		182,632	(79,678)
Deferred Tax		<u>2,915,000</u>	<u>2,320,000</u>
<b>Net Profit for the Year</b>		<u>79,810,745</u>	<u>55,045,768</u>
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic		17.87	12.35
Diluted		17.65	12.35

The accompanying notes 1 to 35 are an integral part of these financial statements.

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner

Mumbai  
26<sup>th</sup> May, 2014

**DAMODAR SEJPAL**  
Company Secretary

Mumbai  
26<sup>th</sup> May, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**C. A. PAREKH**  
Chairman & Managing Director

**J. R. NAIK**  
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

(₹ in Lacs)

	2013-2014	2012-2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax And Extraordinary Items	1,052.08	716.16
Adjustments for -		
Depreciation	419.61	379.41
Interest	163.23	156.96
Provision for Doubtful Debts	7.29	-
Loss/(Profit) on sale of Assets	(8.32) 581.81	(12.19) 524.18
Operating Profit Before Working Capital Changes	1,633.89	1,240.34
Adjustments for -		
Trade and Other Receivables	(684.96)	(720.68)
Inventories	(501.33)	(582.44)
Trade Payables	525.77 (660.52)	475.09 (828.03)
Cash Generated From Operations	973.37	412.31
Direct Taxes Paid	(290.55) (290.55)	(118.17) (118.17)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>682.82</b>	<b>294.14</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(859.55)	(797.70)
Purchase of Investments	(220.29)	(410.46)
Sale of Fixed Assets	69.05	40.78
Interest Received	26.38	33.05
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(984.41)</b>	<b>(1,134.33)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of Share Capital	50.00	-
Proceeds from issuance of Share Warrants	37.50	-
Proceeds from Loans Borrowed (Net)	819.56	853.34
Loans lent to/repayment from a Subsidiary Company	(266.17)	288.85
Interest Paid	(189.61)	(190.01)
Dividend Paid	(143.21)	(114.28)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>308.07</b>	<b>837.90</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>6.48</b>	<b>(2.29)</b>
Cash and Cash Equivalents as at beginning of the year	104.68	106.97
Cash and Cash Equivalents as at end of the year	111.16	104.68
<b>Cash and Cash Equivalents:</b>		
Cash and Bank Balances	203.65	185.82
Statutory Restricted Accounts	(92.49)	(81.14)
	111.16	104.68

As per our report of even date

For **SANGHAVI & COMPANY**  
Chartered Accountants**MANOJ GANATRA**  
PartnerMumbai  
26<sup>th</sup> May, 2014**DAMODAR SEJPAL**  
Company SecretaryMumbai  
26<sup>th</sup> May, 2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**C. A. PAREKH**  
Chairman & Managing Director**J. R. NAIK**  
Director

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### Note No. 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs) as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.

##### USE OF ESTIMATES

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

##### FIXED ASSETS

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

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

##### INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods and stores and spares - on a first-in first-out (FIFO) basis;

Finished and semi-finished goods - at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty.

##### REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably be measured.

Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.

##### EXCISE AND CUSTOM DUTY

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

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

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### EMPLOYEE BENEFITS

#### Post-employment benefit plans

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

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

#### Short-term employee benefits

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

### FOREIGN CURRENCY TRANSACTIONS

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

### BORROWING COSTS

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

### TAXATION

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

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

### EARNING PER SHARE

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

### PROVISION AND CONTINGENCIES

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



## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### Note No. 2

(Amounts in Indian ₹)

	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>2.1 Share Capital</b>		
<b>Authorised</b>		
5,000,000 Equity Shares of ₹10 each	50,000,000	50,000,000
	50,000,000	50,000,000
<b>Issued, Subscribed and Paid up</b>		
4,508,000 (4,458,000) Equity Shares of ₹10 each	45,080,000	44,580,000
	45,080,000	44,580,000

- a. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years: 1,486,000

### 2.2 Share Capital Reconciliation

#### Equity Shares

Particulars	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	No. of shares	₹	No. of shares	₹
Shares outstanding at the beginning of the year	4,458,000	44,580,000	2,972,000	29,720,000
Shares issued during the year	50,000	500,000	1,486,000	14,860,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,508,000	45,080,000	4,458,000	44,580,000

### 2.3 Shares held by each shareholder holding more than five percent shares

Name of Shareholder	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	No. of shares	% of holding	No. of shares	% of holding
Chirag A. Parekh	1,735,946	38.51%	1,835,946	41.18%
Schock & Co. GmbH	452,400	10.03%	452,400	10.15%
Piyush Vrajlal Mehta	295,350	6.55%	295,350	6.63%

### 2.4 Rights, Preferences and Restrictions attached to Shares:

#### Equity Shares

The Company has one class of equity shares having a face value of ₹10 each ranking *Pari Passu* in all respects including voting rights and entitlement to dividend.

### Note No. 3

#### Reserves and Surplus

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>a. Capital Reserve</b>	2,519,500	2,519,500
<b>b. Securities Premium Account</b>		
Balance at the beginning of the year	-	10,600,000
Additions during the year	4,500,000	-
Capitalisation for issue of bonus shares	-	(10,600,000)
Balance at the end of the year	4,500,000	-

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>c. General Reserve</b>		
Balance at the beginning of the year	230,000,000	200,000,000
Capitalisation for issue of bonus shares	-	(4,260,000)
Transfer from surplus	20,000,000	34,260,000
Balance at the end of the year	250,000,000	230,000,000
<b>d. Surplus</b>		
Balance at the beginning of the year	41,482,090	37,907,924
Net Profit for the year	79,810,745	55,045,768
Transfer to general reserve	(20,000,000)	(34,260,000)
Proposed dividend	(18,032,000)	(14,711,400)
Corporate dividend tax	(3,064,539)	(2,500,202)
Balance at the end of the year	80,196,296	41,482,090
	<b>337,215,796</b>	<b>274,001,590</b>

**Note No. 4****Long Term Borrowings**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>a. Secured</b>		
Term loans from banks (Indian rupee accounts)	64,291,027	31,798,410
	<b>64,291,027</b>	<b>31,798,410</b>
<i>Notes: Term Loan from Bank is secured by exclusive charge on immovable properties and hypothecation of all tangible movable assets purchased out of bank finance and further guaranteed by some of the directors of the company</i>		
<i>Term loans for vehicles are against hypothecation of vehicles</i>		
Period of Default	NA	
Amount	Nil	
<b>b. Unsecured</b>		
From Shareholders	420,000	420,000
From Others	41,400,000	-
	<b>41,820,000</b>	<b>420,000</b>
Period of Default	NA	
Amount	Nil	
	<b>106,111,027</b>	<b>32,218,410</b>

**Note No. 5****Long Term Provisions**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Provision for leave encashment	649,439	632,802
	<b>649,439</b>	<b>632,802</b>

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### Note No. 6

#### Short Term Borrowings

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>a. Secured</b>		
Working capital finance from banks (Indian rupee accounts)	215,244,827	176,487,949
	<u>215,244,827</u>	<u>176,487,949</u>
<i>Working Capital Finance from bank is secured by hypothecation of all tangible movable assets including stock of raw materials, finished goods, work in progress, stores and spares, book debts and exclusive charge on immovable properties and personal guarantees by some of the directors of the Company.</i>		
Period of Default	NA	
Amount	Nil	
<b>b. Unsecured</b>		
From Shareholders	-	-
From Others	-	40,695,000
From a Subsidiary Company	10,000,000	-
	<u>10,000,000</u>	<u>40,695,000</u>
	<u>225,244,827</u>	<u>217,182,949</u>

### Note No. 7

#### Other Current Liabilities

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Current Maturities of Long-term Debt	36,927,330	19,881,447
Interest accrued but not due on Borrowings	663,654	623,964
Advances from Customers	13,611,375	4,584,026
Statutory Liabilities	3,101,793	2,357,933
Unclaimed Dividends	2,632,624	2,243,489
Other Liabilities	13,847,789	10,170,299
	<u>70,784,565</u>	<u>39,861,158</u>

### Note No. 8

#### Short Term Provisions

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Provision for Bonus	855,436	964,291
Provision for Leave Encashment	82,661	74,260
Provision for Income Tax (Net of Payments)	11,610,250	15,682,184
Proposed Dividend	18,032,000	14,711,400
Corporate Dividend Tax	3,064,539	2,500,202
	<u>33,644,886</u>	<u>33,932,337</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014**Note No. 9****Fixed Assets**

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 1 <sup>st</sup> April, 2013 (₹)	Additions (₹)	Deductions (₹)	As at 31 <sup>st</sup> March, 2014 (₹)	As at 1 <sup>st</sup> April, 2013 (₹)	For the Year (₹)	On Deductions (₹)	As at 31 <sup>st</sup> March, 2014 (₹)	As at 31 <sup>st</sup> March, 2013 (₹)
<b>Tangible Assets</b>									
Freehold Land	26,441,922	-	5,001,865	21,440,057	-	-	-	21,440,057	26,441,922
Buildings	66,052,598	18,320,452	1,164,848	83,208,202	12,668,133	2,429,154	116,717	68,227,632	53,384,465
Plant & Equipment	92,767,383	9,279,566	-	102,046,949	46,853,420	5,456,002	-	49,737,527	45,913,963
Moulds and Dies	231,611,457	37,806,277	-	269,417,734	138,126,076	26,859,883	-	104,431,775	93,485,381
Vehicles	18,985,834	81,979	-	19,067,813	7,765,853	2,907,810	-	8,394,150	11,219,981
Furniture & Fixtures	17,198,621	7,831,639	-	25,030,260	7,097,488	2,128,546	-	15,804,226	10,101,133
Office Equipment	14,941,512	2,359,329	38,300	17,262,541	8,335,225	1,598,398	15,320	7,344,238	6,606,287
	467,999,327	75,679,242	6,205,013	537,473,556	220,846,195	41,379,793	132,037	275,379,605	247,153,132
<b>Intangible Assets</b>									
Computer Software	2,855,823	2,693,234	-	5,549,057	2,028,216	581,570	-	2,939,271	827,607
	2,855,823	2,693,234	-	5,549,057	2,028,216	581,570	-	2,939,271	827,607
<b>Total</b>	470,855,150	78,372,476	6,205,013	543,022,613	222,874,411	41,961,363	132,037	278,318,876	247,980,739
<b>Previous Year</b>	393,579,809	83,157,965	5,882,624	470,855,150	187,958,004	37,940,571	3,024,164	247,980,739	205,621,805

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### Note No. 10

#### Non-current Investments

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>Trade Investments</b>		
Unquoted; at cost:		
a. Investments in Subsidiary Companies:		
4,598,000 Equity Shares of Acrysil Steel Limited of ₹ 10 each (Extent of holding: 93.84%)	45,980,000	45,980,000
84,900 Equity Shares of Sternhagen Bath Pvt. Ltd. Limited of ₹ 10 each (Extent of holding: 84.90%)	849,000	849,000
9 (3) Equity Shares of Acrysil GmbH of Euro 25,000 each (Extent of holding: 100%)	17,147,814	5,118,001
1,000,000 Equity Shares of Acrysil Appliances Ltd. of ₹ 10 each (Extent of holding: 100%)	10,000,000	-
	<b>73,976,814</b>	<b>51,947,001</b>

### Note No. 11

#### Long-term Loans and Advances

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>Unsecured (Considered Good)</b>		
Capital Advances	22,581,816	10,209,969
Security Deposits	1,916,230	1,757,218
Loans to Subsidiary Companies	45,048,694	18,432,171
Other Loans and Advances	-	-
	<b>69,546,740</b>	<b>30,399,358</b>

### Note No. 12

#### Inventories

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
(Valued at lower of cost or net realisable value)		
Raw Materials	35,889,608	44,025,896
Work-in-Progress	16,627,270	17,626,193
Finished Goods	35,655,714	27,735,772
Stock-in-Trade	82,501,561	36,187,519
Bought out Items	26,543,760	24,724,370
Stores & Spares	3,043,508	3,446,304
Packing Materials	12,598,410	8,981,284
	<b>212,859,831</b>	<b>162,727,338</b>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014**Note No. 13****Trade Receivables**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Unsecured (Considered good, unless otherwise stated)		
Over Six Months	15,296,322	12,365,725
Others	229,318,497	188,211,180
	244,614,819	200,576,905
Less: Provision for Doubtful Debts	729,424	-
	243,885,395	200,576,905
Includes -		
	More than Six Months	Others
Due from Subsidiaries	-	-

**Note No. 14****Cash and Bank Balances**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>I. Cash and Cash Equivalents</b>		
a. Balances with Banks:		
Current Accounts	9,319,990	9,477,845
Short term Deposits	2,790,100	282,100
	12,110,090	9,759,945
b. Cash on Hand	1,795,653	990,510
	13,905,743	10,750,455
<b>II. Other Bank Balances</b>		
Dividend Accounts	2,632,624	2,243,489
Terms Deposits with more than 12 months Maturity	3,826,500	5,588,400
Other terms Deposits	-	-
	6,459,124	7,831,889
	20,364,867	18,582,344
Term deposits of ₹6,616,600 (5,870,500) are under lien with banks against various credit facilities and excise authorities)		



## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### Note No. 15

#### Short-term Loans and Advances

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>Unsecured (Considered Good)</b>		
Trade Advances to Suppliers	6,973,174	5,318,078
Loans and Advances to Staff (Including Officers of the Company 197,788 (1,200,006))	2,142,800	2,687,129
Input Credits Receivable	36,194,169	19,713,828
Prepaid Expenses	3,253,177	2,133,033
Advances to Subsidiary Companies	1,181,428	6,708,915
Other Loans and Advances	10,397,830	12,789,445
	<b>60,142,578</b>	<b>49,350,428</b>
Trade Advances to Suppliers include:		
- to a Subsidiary Company	11,735	11,735
- to a Company in which some of the Directors are interested	359,958	359,958

### Note No. 16

#### Revenue from Operations

Particulars	2013-2014	2012-2013
	( ₹ )	( ₹ )
<b>Sale of Products</b>		
Export Sales	740,800,390	599,425,495
Domestic Sales	295,572,811	189,917,407
	1,036,373,201	789,342,902
<b>Other Operating Revenue</b>		
Foreign Currency fluctuation Gain/(Loss)	22,469,192	10,816,506
Other Operational Income	- 22,469,192	- 10,816,506
	<b>1,058,842,393</b>	<b>800,159,408</b>

### Note No. 17

#### Other Income

Particulars	2013-2014	2012-2013
	( ₹ )	( ₹ )
Interest Receipts	2,638,338	3,305,241
Insurance Claims Receipts	2,075,700	1,957,400
Profit on Sale of Assets	832,004	1,218,725
Miscellaneous Income	2,115,993	1,569,308
	<b>7,662,035</b>	<b>8,050,674</b>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014**Note No. 18****Cost of Materials Consumed**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
Raw Materials Consumed				
Opening Stock	44,025,896		24,242,070	
Purchase and Direct Expenses	249,393,448		229,077,908	
	293,419,344		253,319,978	
Closing Stock	35,889,608	257,529,736	44,025,896	209,294,082
		257,529,736		209,294,082
Bought out Items Consumption		68,002,163		58,262,505
		325,531,899		267,556,587

**Note No. 19****Changes in Inventories**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
<b>Opening Stock</b>				
Finished Goods	27,735,772		17,344,058	
Stock-in-Trade	36,187,519		24,536,208	
Work-in-Progress	17,626,193	81,549,484	13,563,587	55,443,853
<b>Closing Stock</b>				
Finished Goods	35,655,714		27,735,772	
Stock-in-Trade	82,501,561		36,187,519	
Work-in-Progress	16,627,270	134,784,545	17,626,193	81,549,484
		(53,235,061)		(26,105,631)

**Note No. 20****Employee Benefit Expenses**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
Salaries, Wages, Allowances and Bonus	59,325,183		42,376,005	
Contribution to Employee Benefit Funds	5,462,263		2,693,964	
Staff Welfare Expenses	5,044,231		3,051,938	
	<b>69,831,677</b>		<b>48,121,907</b>	
* Includes Directors Remuneration	10,051,065		8,126,777	

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### Note No. 21

#### Finance Costs

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
<b>Interest</b>				
Working Capital Finance	16,581,931		14,932,092	
Term Loans	10,570,852		5,156,809	
Others	6,282,108	33,434,891	5,795,594	25,884,495
Other Borrowing Costs		922,993		686,250
		<u>34,357,884</u>		<u>26,570,745</u>

### Note No. 22

#### Other Expenses

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
<b>Manufacturing Expenses</b>				
Power & Fuel	35,882,383		32,186,728	
Machinery Repairs and Maintenance	10,409,293		6,567,223	
Packing Materials and Expenses	83,549,128		72,762,428	
Stores & Spares	17,518,647		14,291,904	
Other Expenses	25,785,149	173,144,600	21,249,821	1,47,058,104
<b>Selling and Distribution Expenses</b>				
Sales Commission	10,612,036		6,005,102	
Advertisement and Sales Promotion Expenses	34,324,988		14,035,470	
Export Freight, Insurance and Other Expenses	53,059,974		54,846,947	
Other Selling Expenses	6,433,504	104,430,502	4,572,998	79,460,517
<b>Administrative and Other Expenses</b>				
Travelling Expenses	26,753,463		17,006,576	
Rent	6,259,023		5,813,233	
Rates and Taxes	73,793		58,833	
Insurance Premiums	2,027,649		1,825,428	
Building and Other Repairs	5,728,881		3,809,843	
Directors' Sitting Fees	425,000		387,500	
Legal and Professional Fees	10,331,896		8,618,905	
Postage and Telephone Expenses	4,024,966		2,247,717	
Printing and Stationery Expenses	1,901,662		1,433,129	
Payments to Auditors	336,500		315,000	
Bank Discount, Commission and Other Charges	7,448,725		5,989,867	
Vehicle Expenses	495,392		595,408	
Provision for Bad Debts	729,424		-	
Donations	388,585		796,000	
Corporate Social Responsibility Expenses	20,000		-	
Prior Period Expenses	518,800		-	
General Expenses	13,095,474		9,598,921	
		<u>80,559,233</u>		<u>58,496,360</u>
		<u>358,134,335</u>		<u>285,014,981</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

23. Balances with sundry debtors, sundry creditors and for loans and advances are subject to confirmations from the respective parties.
24. In the opinion of the directors, current assets, loans and advances are of the value stated in the Balance Sheet, if realised in the normal course of the business and also provisions for all known liabilities have been made.
25. Deferred tax liability of ₹2,915,000 arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under Income Tax Act, is charged to the Profit & Loss Account. Details of the balance of ₹22,135,000 are as under:

Particulars	₹
Depreciation	23,281,600
Disallowances u/s. 43B of the Income Tax Act	(1,146,600)
<b>Total</b>	<b>22,135,000</b>

26. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to the amounts unpaid as at the year-end together with interest paid/payable under this Act have not been given.

**27. Contingent Liabilities**

- In respect of Excise Duty claim disputed by Excise Authorities: ₹109,659 (₹109,659)
- In respect of disputed Custom Duty ₹6,231,735 (6,244,201)
- In respect of corporate guarantees given by the company on behalf of a subsidiary company ₹84,000,000 (₹62,500,000)

**28. Auditors' Remuneration**

	2013-2014	2012-2013
Audit Fees (Including Quarterly Review)	220,000	2,15,000
Tax Audit Fees	30,000	30,000
Other Matters	86,500	70,000

29. During the year, the Company issued 50,000 convertible equity warrants of ₹ 10 each to Acrycol Minerals Limited, a Body Corporate under the Promoters' Group on preferential basis at a premium of ₹ 90 per warrant. Against the said warrants, 50,000 shares were allotted during the year. Accordingly, share capital of the Company has been increased to that extent.

**30. Disclosure as per AS-15 (Revised) on "Employee Benefit" for the year ended 31<sup>st</sup> March, 2014**

(Amounts in Indian ₹)

	Gratuity Plan 2013-2014	Gratuity Plan 2012-2013
<b>Change in the defined benefit obligations</b>		
<b>Defined benefit obligations as at 1<sup>st</sup> April</b>	<b>3,551,552</b>	<b>4,419,472</b>
Service cost	519,188	440,862
Interest cost	284,124	353,558
Actuarial loss / (Gain)	1,716,343	(1,222,932)
Benefits paid	(66,364)	(439,408)
<b>Defined benefit obligations as at 31<sup>st</sup> March (a)</b>	<b>6,004,843</b>	<b>3,551,552</b>
Change in plan assets		
<b>Fair Value of plan assets as at 1<sup>st</sup> April</b>	<b>2,939,958</b>	<b>2,672,349</b>
Expected return on plan assets	280,031	273,783
Contributions by employer	310,152	433,234
Actuarial Gain / (loss)	—	—
Benefits paid	(66,364)	(439,408)
<b>Fair Value of plan assets as at 31<sup>st</sup> March (b)</b>	<b>3,463,777</b>	<b>2,939,958</b>
Present Value of unfunded obligations (a-b)	2,541,066	611,594

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

(Amounts in Indian ₹)

	Gratuity Plan 2013-2014	Gratuity Plan 2012-2013
The net amount recognized in the statement of profit and loss for the year ended 31 <sup>st</sup> March is as follows:		
Current service cost	519,188	440,862
Interest cost	284,124	353,558
Expected return on plan assets	(280,031)	(273,783)
Net actuarial loss / (gain) recognized	1,716,343	(1,222,932)
<b>Net amount recognized</b>	<b>2,239,624</b>	<b>(702,295)</b>
<b>Actual Return on Plan Assets</b>	<b>280,031</b>	<b>273,783</b>
The principal actuarial assumptions used as at 31 <sup>st</sup> March are as follows:		
Discount Rate	8 %	8 %
Expected rate of return on plan assets	8 %	8 %
Rate of increase in compensation levels	7 %	5 %

### 31. Related Party Disclosures

#### Associates

Meccanica Plast Private Limited
Desai Desai Carrimjee & Mulla
Acrycol Minerals Limited
Anilaben Labhuma Parekh Charitable Trust

#### Key Managerial Personnel & Relatives

Shri Ashwin M Parekh
Shri Chirag A Parekh

#### Subsidiary Companies

Acrysil Steel Limited
Sternhagen Bath Pvt. Ltd. (Formerly known as Acrysil Quartz Private Limited)
Acrysil GmbH, Germany
Acrysil Appliances Limited

### Transactions with Related Parties

	Associates	Key Managerial Personnel	Subsidiaries
(a) Remuneration	— (—)	10,051,065 (8,126,177)	— (—)
(b) Professional Fees	98,000 (445,000)	1,200,000 (—)	— (—)
(c) Donations	— (500,000)	— (—)	— (—)
(d) Loan granted	— (—)	— (—)	26,616,523 (10,708,223)
(e) Interest Received	— (—)	— (—)	2,008,258 (2,868,361)
(f) Sales	— (—)	— (—)	80,693 (—)
(g) Purchases	42,222,915 (16,663,954)	— (—)	75,414,726 (56,470,401)
(h) Job Work Charges	— (—)	— (—)	3,333,075 (2,037,350)
(i) Commission	— (—)	— (—)	7,324,219 (4,375,752)
(j) Loan Taken	— (—)	— (—)	10,000,000 (—)

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

## Transactions with Related Parties: (contd.)

	Associates	Key Managerial Personnel	Subsidiaries
(k) Outstanding Balances			
Long term Loans & Advances	— (—)	— (—)	45,048,694 (18,432,171)
Short-term Loan & Advances	359,958 (359,958)	— (—)	1,181,428 (6,708,915)
Trade receivables	— (—)	— (—)	— (7,104,800)
Trade Payables	4,604,612 (901,326)	— (—)	5,499,905 (8,360,266)
Short-terms Borrowings	(—) (—)	(—) (—)	10,000,000 (—)
Advance from customers	(—) (—)	(—) (—)	121,605 (—)
Trade advance to suppliers	(—) (—)	(—) (—)	11,735 (11,735)
Other current liabilities		1,430,689 (318,897)	(—) (—)

32. Additional information (as certified by the management)  
Opening and Closing Stock of Finished and Traded Goods

Class of Goods	Opening Stock	Closing Stock
<b>I Finished Goods</b>		
Kitchen Sinks	27,735,772 (17,344,058)	35,655,714 (27,735,772)
<b>II Traded Goods and Accessories</b>	36,187,519 (24,536,208)	82,501,561 (36,187,519)
	<b>63,923,291</b>	<b>118,157,275</b>
	<b>(41,880,266)</b>	<b>(63,923,291)</b>

## Sales

Class of Goods	2013-2014	2012-2013
<b>Manufactured Goods</b>		
Kitchen Sinks	907,322,192	719,262,827
Traded Goods & Accessories	129,051,009	70,080,075
	<b>1,036,373,201</b>	<b>789,342,902</b>

## Raw Material Consumed

Raw Materials	2013-2014	2012-2013
Coated Silica/Granucol	92,365,413	75,947,134
Polymethyl Methacrylate	29,487,275	22,966,960
Methyl Methacrylate	99,827,731	80,261,114
Colour Pigments	7,864,146	9,386,888
Others	27,985,171	20,731,986
	<b>257,529,736</b>	<b>209,294,082</b>



## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### Consumption of Raw Materials, Components and Spare Parts

	2013-2014	%	2012-2013	%
<b>Raw Materials</b>				
Imported	193,034,390	74.96	169,975,739	81.21
Indigenous	64,495,346	25.04	39,318,343	18.79
	<b>257,529,736</b>	<b>100.00</b>	<b>209,294,082</b>	<b>100.00</b>
<b>Components and Spare Parts</b>				
Accessories Imported	50,606,685	74.42	45,183,898	77.55
Accessories Indigenous	17,395,478	25.58	13,078,607	22.45
	<b>68,002,163</b>	<b>100.00</b>	<b>58,262,505</b>	<b>100.00</b>

### Value of Imports on C.I.F. basis

	2013-2014	2012-2013
Raw Materials	<b>182,392,600</b>	186,473,082
Packing Material	<b>855,015</b>	305,213
Components and Spare Parts * (Accessories)	<b>50,643,863</b>	55,655,064
Traded Goods		
Stainless Steel Sink	<b>2,478,905</b>	4,768,143
Foodwaste Disposer	<b>5,923,318</b>	3,371,141
Faucets	<b>3,472,856</b>	4,537,087
Hod Hob Chimney	<b>76,589,968</b>	11,883,594
Misc Traded Goods	—	20,923
Capital Goods	<b>44,789,261</b>	57,496,355
<b>Expenditure in Foreign Currency (On accrual basis)</b>		
Foreign Travelling Expenses	<b>5,970,434</b>	(2,841,528)
Advertisement & Sales Promotion	<b>3,295,541</b>	(3,307,891)
Sales Discount & Commission	<b>8,817,453</b>	(4,896,554)
Legal & Professional Fees	<b>1,185,361</b>	(2,179,762)
Others	<b>1,014,064</b>	(961,531)
<b>Earnings in Foreign Exchange</b>		
FOB value of Exports	<b>739,883,826</b>	(578,125,406)

33. Figures in the brackets are the figures for the previous year, unless otherwise stated.

34. All the amounts are stated in Indian Rupees, unless otherwise stated.

35. Previous year's figures are regrouped and rearranged, wherever necessary.

### Signatures to Notes 1 to 35

**For SANGHAVI & COMPANY**

Chartered Accountants

**MANOJ GANATRA**

Partner

Mumbai

26<sup>th</sup> May, 2014

**DAMODAR SEJPAL**

Company Secretary

Mumbai

26<sup>th</sup> May, 2014

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

**C. A. PAREKH**

Chairman & Managing Director

**J. R. NAIK**

Director

CONSOLIDATED  
FINANCIAL  
STATEMENTS

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
**The Board of Directors of  
 ACRYSIL LIMITED**

We have audited the accompanying consolidated financial statements of **Acrysil Limited** ("the Company") and its subsidiaries (collectively referred to as "the Acrysil Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2014, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Acrysil Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Acrysil Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

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 audited financial statements of the subsidiaries (except for an overseas subsidiary Company where the accounts are audited as referred below in the other matters paragraph), the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Acrysil Group as at 31<sup>st</sup> March, 2014;
- b) In the case of the Consolidated Profit and Loss Statement, of the profit of the Acrysil Group for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Acrysil Group for the year ended on that date.

#### Other Matters

We did not audit the financial statements of an overseas subsidiary company, whose financial statements reflect total assets of ₹1,276,272 (2,093,082) as at the balance sheet date and total revenues of ₹6,968,012 (4,330,027) for the year.

We have relied on the unaudited financial statements of the aforesaid overseas subsidiary for the year ended 31<sup>st</sup> March, 2014 as certified by the management and furnished to us and our report in so far as it relates to the amounts included in respect of the same is based solely on such unaudited financial statements.

**For SANGHAVI & COMPANY**  
 Chartered Accountants  
 FRN: 109099W

**MANOJ GANATRA**  
 Partner  
 Membership No. 043485

Mumbai  
 26<sup>th</sup> May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

(Amounts in Indian ₹)

Particulars	Note No.	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	45,080,000		44,580,000	
Reserves and Surplus	3	290,954,157		234,015,056	
Money Received against Share Warrants		3,750,000		-	
			339,784,157		278,595,056
<b>Minority Interest</b>	4		2,438,374		2,266,923
<b>Non-Current Liabilities</b>					
Long-term Borrowings	5	109,719,145		47,792,975	
Deferred Tax Liabilities (Net)		8,590,000		4,872,000	
Long-term Provisions	6	769,307	119,078,452	736,586	53,401,561
<b>Current Liabilities</b>					
Short-term Borrowings	7	232,542,729		233,222,757	
Trade Payables		149,899,955		122,753,662	
Other Current Liabilities	8	88,638,765		61,185,651	
Short-term Provisions	9	33,583,104	504,664,553	33,967,634	451,129,704
<b>Total</b>			<b>965,965,536</b>		<b>785,393,244</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
10					
Tangible Assets		345,544,811		319,017,645	
Intangible Assets		3,315,397		1,069,741	
Capital Work-in-Progress		19,566,305		646,734	
		368,426,513		320,734,120	
Non-current Investments		-		-	
Long-term Loans and Advances	11	26,192,944		13,262,629	
Other Non-current Assets		-	394,619,457	-	333,996,749
<b>Current Assets</b>					
Current Investments		-		-	
Inventories	12	235,535,068		167,601,025	
Trade Receivables	13	249,687,521		210,461,969	
Cash and Bank Balances	14	24,125,742		21,932,144	
Short-term Loans and Advances	15	61,997,748		51,401,357	
Other Current Assets		-	571,346,079	-	451,396,495
<b>Total</b>			<b>965,965,536</b>		<b>785,393,244</b>

The accompanying notes 1 to 35 are an integral part of these financial statements.

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner

Mumbai  
26<sup>th</sup> May, 2014

**DAMODAR SEJPAL**  
Company Secretary

Mumbai  
26<sup>th</sup> May, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**C. A. PAREKH**  
Chairman & Managing Director

**J. R. NAIK**  
Director

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

(Amounts in Indian ₹)

Particulars	Note No.	2013-2014	2012-2013
<b>REVENUE</b>			
Revenue from Operations (Gross)	16	1,086,353,498	811,447,705
Less: Excise Duty		21,746,801	15,666,580
Revenue from Operations (Net)		1,064,606,697	795,781,125
Other Income	17	6,476,447	5,549,984
<b>Total Revenue</b>		<b>1,071,083,144</b>	<b>801,331,109</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	18	374,564,149	298,173,648
Purchases of Stock-in-Trade		101,612,977	35,404,408
Changes in Inventories	19	(58,893,567)	(26,917,520)
Employee Benefits Expenses	20	82,035,866	57,239,705
Finance Costs	21	40,220,886	32,729,107
Depreciation and Amortization		48,169,782	43,700,671
Other Expenses	22	379,774,127	299,368,830
<b>Total Expenses</b>		<b>967,484,220</b>	<b>739,698,849</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>103,598,924</b>	<b>61,632,260</b>
Exceptional Items		-	-
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>103,598,924</b>	<b>61,632,260</b>
Tax Expenses			
Current Tax		34,216,272	22,200,000
MAT Credit Entitlement		(11,916,272)	(7,870,000)
Earlier Years' Tax		182,632	(92,951)
Deferred Tax		3,718,000	(759,000)
<b>Profit for the Year before Minority Interest</b>		<b>77,398,292</b>	<b>48,154,211</b>
Minority Interest		(171,450)	181,384
<b>Net Profit for the Year</b>		<b>77,226,842</b>	<b>48,335,595</b>
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic		17.29	10.84
Diluted		17.08	10.84

The accompanying notes 1 to 35 are an integral part of these financial statements.

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner

Mumbai  
26<sup>th</sup> May, 2014

**DAMODAR SEJPAL**  
Company Secretary

Mumbai  
26<sup>th</sup> May, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**C. A. PAREKH**  
Chairman & Managing Director

**J. R. NAIK**  
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

(₹ in lacs)

Particulars	2013-2014	2012-2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	1,035.99	616.32
Adjustments for -		
Depreciation	481.70	437.01
Interest	169.21	117.76
Provision for Doubtful Debts	7.29	-
Exchange Rate Adjustments (Net)	(36.81)	(5.83)
Loss/(Profit) on sale of Assets	(8.32)	(10.42)
Operating Profit Before Working Capital Changes	1,649.06	1,154.84
Adjustments for -		
Trade and Other Receivables	(647.36)	(779.68)
Inventories	(679.34)	(583.96)
Trade Payables	541.32	544.52
Cash Generated From Operations	863.68	335.72
Direct Taxes Paid	(291.42)	(118.49)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>572.26</b>	<b>217.23</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,019.35)	(872.29)
Purchase of Investments	-	-
Sale of Fixed Assets	69.05	40.79
Interest Received	8.59	5.16
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(941.71)</b>	<b>(826.34)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of Share Capital	50.00	30.20
Proceeds from issuance of Share Warrants	37.50	-
Proceeds from Loans Borrowed (Net)	612.46	775.08
Interest Paid	(177.80)	(122.92)
Dividend Paid	(143.21)	(114.28)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>378.95</b>	<b>568.08</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>9.50</b>	<b>(41.03)</b>
Cash and Cash Equivalents as at beginning of the year	118.93	159.96
Cash and Cash Equivalents as at end of the year	128.43	118.93
<b>Cash and Cash Equivalents</b>		
Cash and Bank Balances	241.25	219.32
Statutory Restricted Accounts	(112.82)	(100.39)
	128.43	118.93

As per our report of even date

For **SANGHAVI & COMPANY**  
Chartered Accountants**MANOJ GANATRA**  
PartnerMumbai  
26<sup>th</sup> May, 2014**DAMODAR SEJPAL**  
Company SecretaryMumbai  
26<sup>th</sup> May, 2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**C. A. PAREKH**  
Chairman & Managing Director**J. R. NAIK**  
Director



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2014****Note No. 1****SIGNIFICANT ACCOUNTING POLICIES****USE OF ESTIMATES**

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

**FIXED ASSETS**

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

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

Assets of foreign subsidiary company are depreciated over the estimated useful life of the respective assets.

**INVENTORIES**

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods and stores and spares - on a first-in first-out (FIFO) basis;

Finished and semi-finished goods - at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty.

**REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably be measured.

Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.

Revenue from services are recognized as and when the services are rendered in terms of the agreements with the customers. Service tax, wherever applicable, is collected on behalf of the Government and therefore, excluded from the revenue.

**EXCISE AND CUSTOM DUTY**

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### EMPLOYEE BENEFITS

#### Post-employment benefit plans

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

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

#### Short-term employee benefits

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

### FOREIGN CURRENCY TRANSACTIONS

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

### BORROWING COSTS

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

### TAXATION

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

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

### EARNING PER SHARE

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

### PROVISION AND CONTINGENCIES

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2014**Note No. 2****2.1 Share Capital**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	No. of shares	₹	No. of shares	₹
<b>Authorised</b>				
5,000,000 Equity Shares of ₹10 each	50,000,000	500,000,000	50,000,000	500,000,000
	<u>50,000,000</u>	<u>500,000,000</u>	<u>50,000,000</u>	<u>500,000,000</u>
<b>Issued, Subscribed and Paid up</b>				
4,508,000 (4,458,000) Equity Shares of ₹10 each	45,080,000	450,800,000	44,580,000	445,800,000
	<u>45,080,000</u>	<u>450,800,000</u>	<u>44,580,000</u>	<u>445,800,000</u>

a. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years: 1,486,000

**2.2 Share Capital Reconciliation****Equity Shares**

Particulars	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	No. of shares	₹	No. of shares	₹
Shares outstanding at the beginning of the year	4,458,000	44,580,000	2,972,000	29,720,000
Shares issued during the year	50,000	500,000	1,486,000	14,860,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>4,508,000</u>	<u>45,080,000</u>	<u>4,458,000</u>	<u>44,580,000</u>

**2.3 Shares held by each Shareholder holding more than five per cent shares**

Name of Shareholder	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	No. of shares	% of holding	No. of shares	% of holding
Chirag A. Parekh	1,735,946	38.51%	1,835,946	41.18%
Schock & Co. GmbH	452,400	10.03%	452,400	10.15%
Piyush Vrajlal Mehta	295,350	6.55%	295,350	6.63%

**2.4 Rights, Preferences and Restrictions attached to Shares:****Equity Shares**

The Company has one class of equity shares having a face value of ₹10 each ranking *Pari Passu* in all respects including voting rights and entitlement to dividend.

**Note No. 3****Reserves and Surplus**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	No. of shares	₹	No. of shares	₹
<b>a. Capital Reserve</b>		2,519,500		2,519,500
<b>b. Securities Premium Account</b>				
Balance at the beginning of the year		-		10,600,000
Additions during the year		4,500,000		-
Capitalisation for issue of bonus shares		-		(10,600,000)
Balance at the end of the year		<u>4,500,000</u>		<u>-</u>
<b>c. Foreign Currency Translation Reserve</b>		(4,780,176)		(1,088,974)
<b>d. General Reserve</b>				
Balance at the beginning of the year		230,000,000		200,000,000
Capitalisation for issue of bonus shares		-		(4,260,000)
Transfer from surplus		20,000,000		34,260,000
Balance at the end of the year		<u>250,000,000</u>		<u>230,000,000</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>e. Surplus</b>		
Balance at the beginning of the year	2,584,530	5,720,537
Net Profit for the year	77,226,842	48,335,595
Transfer to General Reserve	(20,000,000)	(34,260,000)
Proposed Dividend	(18,032,000)	(14,711,400)
Corporate Dividend Tax	(3,064,539)	(2,500,202)
Balance at the end of the year	38,714,833	2,584,530
	<b>290,954,157</b>	<b>234,015,056</b>

**Note No. 4****Minority Interest**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Attributed Share Capital	3,171,000	3,171,000
Share of Loss (Restricted to the extent of capital contribution)	(732,626)	(904,077)
	<b>2,438,374</b>	<b>2,266,923</b>

**Note No. 5****Long Term Borrowings**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>a. Secured</b>		
Term Loans from Banks (Indian rupee accounts)	67,899,145	47,372,975
	<u>67,899,145</u>	<u>47,372,975</u>
<i>Notes: Term Loan from Bank is secured by hypothecation of all tangible movable assets purchased out of Bank finance.</i>		
Term Loan for vehicles are against hypothecation of vehicles		
Period of Default	NA	
Amount	Nil	
<b>b. Unsecured</b>		
From Shareholders	420,000	420,000
From Others	41,400,000	-
	<u>41,820,000</u>	<u>420,000</u>
Period of Default	NA	
Amount	Nil	
	<b>109,719,145</b>	<b>47,792,975</b>

**Note No. 6****Long Term Provision**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Provision for Leave Encashment	769,307	736,586
	<b>769,307</b>	<b>736,586</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2014**Note No. 7****Short Term Borrowings**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>a. Secured</b>		
Working capital finance from banks (Indian rupee accounts)	232,542,729	192,527,757
	<b>232,542,729</b>	<b>192,527,757</b>
<i>Working Capital Finance from bank is secured by hypothecation of all tangible movable assets including stock of raw materials, finished goods, goods in process, store &amp; spares, book debts and exclusive charge on immovable properties etc. and personally guaranteed by some of the directors of the Company.</i>		
Period of Default	NA	
Amount	Nil	
<b>b. Unsecured</b>		
From Shareholders	-	-
From Others	-	40,695,000
	-	-
	<b>232,542,729</b>	<b>233,222,757</b>

**Note No. 8****Other Current Liabilities**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Current Maturities of Long-term Debt	49,502,854	29,759,005
Interest accrued but not due on Borrowings	1,845,082	7,332,879
Advances from Customers	13,611,375	5,717,452
Statutory Liabilities	4,572,670	4,155,562
Unclaimed Dividends	2,632,624	2,243,489
Other Liabilities	16,474,160	11,977,264
	<b>88,638,765</b>	<b>61,185,651</b>

**Note No. 9****Short Term Provisions**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Provision for Bonus	929,527	1,047,635
Provision for Leave Encashment	85,187	76,073
Provision for Income Tax (Net of Payments)	11,471,851	15,632,324
Proposed Dividend	18,032,000	14,711,400
Corporate Dividend Tax	3,064,539	2,500,202
	<b>33,583,104</b>	<b>33,967,634</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2014**Note No. 10****Fixed Assets**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1 <sup>st</sup> April, 2013 (₹)	Additions (₹)	As at 31 <sup>st</sup> March, 2014 (₹)	As at 1 <sup>st</sup> April, 2013 (₹)	For the Year (₹)	On Deductions (₹)	As at 31 <sup>st</sup> March, 2014 (₹)	As at 31 <sup>st</sup> March, 2013 (₹)
<b>Tangible Assets</b>								
Freehold Land	32,090,013	-	27,088,148	-	-	-	27,088,148	32,090,013
Buildings	91,471,567	19,084,663	109,391,382	14,275,886	3,292,584	116,717	91,939,629	77,195,681
Plant & Equipment	131,652,805	11,336,604	142,989,409	52,416,979	8,438,506	-	82,133,924	79,235,826
Moulds and Dies	241,057,111	37,806,277	278,863,388	140,043,712	28,391,024	-	110,428,652	101,013,399
Vehicles	19,670,352	1,411,947	21,082,299	8,131,191	3,306,080	-	9,645,028	11,539,161
Furniture & Fixtures	17,713,779	7,871,080	25,584,859	7,250,306	2,204,188	-	16,130,365	10,463,473
Office Equipment	16,774,188	2,564,440	19,300,328	9,294,096	1,842,487	15,320	8,179,065	7,480,092
	550,429,815	80,075,011	624,299,813	231,412,170	47,474,869	132,037	345,544,811	319,017,645
<b>Intangible Assets</b>								
Computer Software	3,492,164	2,940,569	6,432,733	2,422,423	694,913	-	3,315,397	1,069,741
	3,492,164	2,940,569	6,432,733	2,422,423	694,913	-	3,315,397	1,069,741
<b>Total</b>	553,921,979	83,015,580	630,732,546	233,834,593	48,169,782	132,037	348,860,208	320,087,386
Previous year	470,628,140	89,387,982	553,921,979	193,190,504	43,700,671	3,056,582	320,087,386	277,437,636



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2014**Note No. 11****Long-term Loans and Advances**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Unsecured (Considered Good)		
Capital Advances	23,887,757	11,267,175
Security Deposits	2,305,187	1,995,454
Other Loans and Advances	-	-
	<b>26,192,944</b>	<b>13,262,629</b>

**Note No. 12****Inventories**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
(Valued at lower of cost or net realisable value)		
Raw Materials	46,971,253	44,530,934
Work-in-Progress	19,639,707	20,128,357
Finished Goods	44,095,502	30,182,229
Stock-in-Trade	80,421,205	34,952,261
Bought out Items	27,267,125	24,724,370
Stores & Spares	3,898,591	3,823,729
Packing Materials	13,241,685	9,259,145
	<b>235,535,068</b>	<b>167,601,025</b>

**Note No. 13****Trade Receivables**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Unsecured (Considered good, unless otherwise stated)		
Over Six Months	15,347,041	12,775,902
Others	235,069,904	197,686,067
	250,416,945	210,461,969
less: Provision for Doubtful Debts	729,424	-
	<b>249,687,521</b>	<b>210,461,969</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014**Note No. 14****Cash and Cash Equivalents**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>I. Cash and Bank Balances</b>		
a. Balances with Banks		
Current Accounts	10,970,765	10,829,859
Short term Deposits	4,630,062	1,111,000
	15,600,827	11,940,859
b. Cash on Hand	1,872,541	1,063,196
	17,473,368	13,004,055
<b>II. Other Bank Balances</b>		
Dividend Accounts	2,632,624	2,243,489
Terms Deposits with more than 12 months Maturity	-	-
Other terms Deposits	4,019,750	6,684,600
	6,652,374	8,928,089
	24,125,742	21,932,144

Term deposits of ₹11,282,436 (₹10,039,089) are under lien with banks against various credit facilities and excise authorities

**Note No. 15****Short-term Loans and Advances**

(Amounts in Indian ₹)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Unsecured (Considered Good)		
Trade Advances to Suppliers	7,249,740	5,732,396
Loans and Advances to Staff	1,914,364	2,695,129
[Including officers of the Company ₹2,37,789 (₹1,200,006)]		
Input Credits Receivable	37,185,495	20,417,635
Prepaid Expenses	3,835,279	2,607,332
Other Loans and Advances	11,812,870	19,948,865
	61,997,748	51,401,357
<b>Trade Advances to Suppliers include:</b>		
- to a Company in which some of the Directors are interested	359,958	359,958

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2014**Note No. 16****Revenue from Operations**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
<b>Sale of Products</b>				
Export Sales	762,720,851		607,814,901	
Domestic Sales	298,375,382		190,045,928	
		1,061,096,233		797,860,829
<b>Other Operating Revenue</b>				
Export Incentives and Credits	-		-	
Foreign Currency Fluctuation Gain/(Loss)	22,620,274		10,816,506	
Other Operational Income	2,636,991	25,257,265	2,770,370	13,586,876
		1,086,353,498		811,447,705

**Note No. 17****Other Income**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
Interest Receipts		859,158		516,127
Insurance Claims Receipts		2,103,700		1,957,400
Profit on Sale of Assets		832,004		1,218,725
Miscellaneous Income		2,681,585		1,857,732
		6,476,447		5,549,984

**Note No. 18****Cost of Materials Consumed**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
<b>Materials Consumed</b>				
Opening Stock	44,530,934		25,134,262	
Purchase and Direct Expenses	305,210,717		258,320,653	
		349,741,651		283,454,915
Closing Stock	46,971,253	302,770,398	44,530,934	238,923,981
		302,770,398		238,923,981
Bought Items Consumed		71,793,751		59,249,667
		374,564,149		298,173,648

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014**Note No. 19****Changes in Inventories**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
Opening Stock				
Finished Goods	30,182,229		18,100,852	
Stock-in-Trade	34,952,261		24,536,208	
Work-in-Progress	20,128,357	85,262,847	15,708,267	58,345,327
Closing Stock				
Finished Goods	44,095,502		30,182,229	
Stock-in-Trade	80,421,205		34,952,261	
Work-in-Progress	19,639,707	144,156,414	20,128,357	85,262,847
		(58,893,567)		(26,917,520)

**Note No. 20****Employee Benefit Expenses**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
Salaries, Wages, Allowances and Bonus		70,049,802		50,636,965
Contribution to Employee Benefit Funds		5,736,520		2,882,587
Staff Welfare Expenses		6,249,544		3,720,153
		82,035,866		57,239,705
Includes Director's Remuneration		10,951,065		9,026,177

**Note No. 21****Finance Costs**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
Interest				
Working Capital Finance	19,449,296		16,734,969	
Term Loans	13,193,610		9,146,547	
Others	6,431,104	39,074,010	6,073,841	31,955,357
Other Borrowing Costs		1,146,876		773,750
		40,220,886		32,729,107

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2014**Note No. 22****Other Expenses**

Particulars	2013-2014		2012-2013	
	( ₹ )		( ₹ )	
<b>Manufacturing Expenses</b>				
Power & Fuel	37,323,687		33,631,808	
Machinery Repairs and Maintenance	7,354,843		4,964,951	
Packing Materials and Expenses	87,753,633		75,762,635	
Stores & Spares	23,121,982		17,848,297	
Other Expenses	29,277,961	184,832,106	23,646,680	155,854,371
<b>Selling and Distribution Expenses</b>				
Sales Commission	4,821,358		1,781,575	
Advertisement and Sales Promotion Expenses	36,313,710		14,144,982	
Export Freight, Insurance and Other Expenses	55,444,315		55,935,551	
Other Selling Expenses	6,485,827	103,065,210	4,607,998	76,470,106
<b>Administrative and Other Expenses</b>				
Travelling Expenses	28,147,819		17,811,963	
Rent	6,861,928		6,147,516	
Rates and Taxes	82,308		61,233	
Insurance Premiums	2,624,712		2,261,060	
Building and Other Repairs	6,244,889		4,085,476	
Directors' Sitting Fees	425,000		387,500	
Legal and Professional Fees	13,988,682		12,474,892	
Postage and Telephone Expenses	4,615,811		2,491,092	
Printing and Stationery Expenses	1,994,012		1,536,154	
Payments to Auditors	1,425,210		1,087,316	
Bank Discount, Commission and other Charges	8,142,938		6,241,996	
Vehicle Expenses	578,470		633,834	
Provision for Bad Debts	729,424		-	
Loss on Sale of Assets	-		177,066	
Donations	388,585		796,000	
Corporate Social Responsibility Expenses	20,000		-	
Prior Period Expenses	969,714		-	
General Expenses	14,637,309	91,876,811	10,851,255	67,044,353
		379,774,127		299,368,830

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2014

### 23. Basis of Presentation of Financial Statements

The consolidated financial statements relate to Acrysil Limited (“the Company”), its subsidiary companies. The consolidated accounts have been prepared on the following basis:

- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the parent company, i.e. year ended 31<sup>st</sup> March, 2014.
- The consolidated financial statements present the consolidated accounts of Acrysil Limited with its following subsidiaries.

	Proportion of Ownership Interest as at 31 <sup>st</sup> March, 2014
1 Acrysil Steel Limited	93.84%
2 Sternhagen Bath Pvt. Ltd. (Formerly known as Acrysil Quartz Private Limited)	84.90%
3 Acrysil Appliances Limited	100.00%
4 Acrysil GmbH, Köln – Germany	100.00%

- The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in India, the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956, to the extent applicable, and are based on the historical cost convention on an accrual basis.

### 24. Principles of Consolidation

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after fully eliminating there from intra-group balances and intra-group transactions as per Accounting Standard (AS) – 21 “Consolidated Financial Statements” prescribed under the Companies (Accounting Standards) Rules, 2006.
  - The financial statements of the parent company and its subsidiary companies have been consolidated using uniform account policies for like transactions and other events in similar circumstances.
- The Company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements.
  - Balances with sundry debtors, sundry creditors and for loans and advances are subject to confirmations from the respective parties.
  - In the opinion of the directors, current assets, loans and advances are of the value stated in the balance sheet, if realised in the normal course of the business and also provisions for all known liabilities have been made.
  - Deferred tax liabilities of ₹3,718,000 arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under Income Tax Act, is charged to the Profit & Loss Account. Details of the balance of ₹8,590,000 are as under:

Particulars	₹
Depreciation	23,281,600
Disallowances u/s. 43B of the Income Tax Act	(1,146,600)
Business Loss	(13,545,000)
Total	8,590,000

- The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to the amounts unpaid as at the year-end together with interest paid/payable under this Act have not been given.

### 30. Contingent Liabilities

- In respect of Excise Duty claim disputed by Excise Authorities: ₹109,659 (₹109,659)
- In respect of disputed Custom Duty ₹6,231,735 (₹6,244,201)
- In respect of corporate guarantees given by the company on behalf of a subsidiary company ₹84,000,000 (₹62,500,000)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2014**31. Auditors' Remuneration**

	2013-2014	2012-2013
Audit Fees	1,293,710	972,316
Tax Audit Fees	45,000	45,000
Other Matters	86,500	70,000

32. During the year, the Company issued 50,000 convertible equity warrants of ₹10 each to Acrycol Minerals Limited, a Body Corporate under the Promoters' Group on Preferential basis at a Premium of ₹90 Per warrant. Against the said warrants, 50,000 shares were allotted during the year. Accordingly, share capital of the Company has been increased to that extent.

**33. Related Party Disclosures****Associates**

Industrial Jewels Private Limited
Meccanica Plast Private Limited
Desai Desai Carrimjee & Mulla
Anilaben Labhuma Parekh Charitable Trust
Acrycol Minerals Limited

**Key Managerial Personnel and Relatives**

Shri Ashwin M. Parekh
Shri Chirag A. Parekh
Smt Shetal C. Parekh

**Transactions with Related Parties**

	Associates	Key Managerial Personnel
(a) Remuneration	—	10,951,065
	(—)	(9,026,177)
(b) Professional Fees	1,298,000	—
	(445,000)	(—)
(c) Donations	(—)	—
	(500,000)	(—)
(d) Purchases	42,222,915	(—)
	(16,663,954)	(—)
(e) Outstanding Balances		
Other Current Liabilities	1,430,689	671,467
	(318,897)	(191,904)
Short - term Loan & Advances	359,958	—
	(359,958)	(—)
Trade Payables	4,604,612	(—)
	(901,326)	(—)

34. Figures pertaining to subsidiary companies have been reclassified wherever necessary to bring them in line with the parent company's financial statement.

35. All the amounts are stated in Indian Rupees, unless otherwise stated.

**Signatures to Notes 1 to 35**

As per our report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner

Mumbai  
26<sup>th</sup> May, 2014

**DAMODAR SEJPAL**  
Company Secretary

Mumbai  
26<sup>th</sup> May, 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**C. A. PAREKH**  
Chairman & Managing Director

**J. R. NAIK**  
Director

**ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014  
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

Sr No.	Particulars	Acrysil Steel Limited	Acrysil GmbH (Germany)	Sternhagen Bath Private Limited (Formerly known as Acrysil Quartz Pvt. Ltd.)	Acrysil Appliances Limited
1	Financial Year of the Subsidiary Company	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014
2	Date from which it became Subsidiary	28 <sup>th</sup> April, 2010	17 <sup>th</sup> February, 2011	17 <sup>th</sup> January, 2011	4 <sup>th</sup> April, 2013
3	Extent of the Holding Company's interest in the Subsidiary Company at the end of the financial year of the Subsidiary Company	<b>93.84%</b>	<b>100%</b>	<b>84.90%</b>	<b>100%</b>
4	Net aggregate amount of the profit/(loss) of the Subsidiary Company not dealt with in the Holding Company's Account (concerning the members of the Holding Company)				
	i) For the Current Year	₹30,79,185	(₹40,83,687)	(₹1,21,374)	(₹3,70,787)
	ii) For the previous years since it become a Subsidiary	(₹1,44,55,248)	(₹3,03,07,523)	(₹87,161)	Nil *
5	Net aggregate amount of the profit of the Subsidiary Company dealt with in the Holding Company's Accounts.				
	i) For the Current Year	Nil	Nil	Nil	Nil
	ii) For the previous year since it became a Subsidiary	Nil	Nil	Nil	Nil

**Notes:**

\* First year of the Company, the figures of previous year not available.

**FOR AND ON BEHALF OF THE BOARD**

Mumbai  
12<sup>th</sup> August, 2014

Chirag A. Parekh      Chairman & Managing Director

Jagdish R. Naik      Director

Damodar H. Sejpal      Company Secretary

Summarised details regarding subsidiary companies as required under general circular No. 2/2011 dated 8<sup>th</sup> February, 2011 issued by the Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956 are as under:

Name of the Subsidiary Company	Acrysil Steel Limited	Acrysil GmbH		Sternhagen Bath Private Limited (Formerly known as Acrysil Quartz Pvt. Ltd.)	Acrysil Appliances Limited
Financial Year of the Subsidiary Company	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014
Country	India	Germany		India	India
Reporting Currency	INR (₹ in lacs)	EURO (€)	INR (₹ in lacs)	INR (₹ in lacs)	INR (₹ in lacs)
Share Capital	490.00	225000	185.81	10.00	100.00
Reserve	(113.76)	(416073.07)	(343.91)	(2.09)	(3.71)
Total Assets	1315.60	15841.21	12.76	8.39	100.69
Total Liabilities	939.36	206914.28	170.87	0.46	4.40
Details of Investment (other than investment in subsidiaries)	0.00	0.00	0.00	0.00	0.00
Turnover	922.45	91636.14	69.68	0.00	0.00
Profit/(Loss) before Taxation	38.82	(53704.46)	(40.84)	(1.21)	(3.71)
Provision for Taxation	8.03	0.00	0.00	0.00	0.00
Profit/(Loss) after Taxation	30.79	(53704.46)	(40.84)	(1.21)	(3.71)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00
Exchange Rate:	As on 31 <sup>st</sup> March, 2014: 1 Euro (€) = ₹82.58				
	Average: 1 Euro (€) = ₹76.04				

## INFORMATION TO SHAREHOLDERS OF ACRYSil LIMITED

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment be made in respect of such claim. Members who have not yet encashed their dividend warrant(s) for the financial years 2006-07 to 2012-13, are requested to make their claims without any delay to the Company's Registrar and Transfer Agents, Bigshare Services Pvt. Ltd.

The Company had issued Bonus shares in October, 2012 and fractional shares were sold in the open market and sale proceeds of the same has been distributed to eligible shareholders twice during the year 2013-14.

The unclaimed amount of such sale proceeds will be transferred to IEPF Account on 20.06.2020

The following table gives information relating to outstanding dividend accounts and the dates by which they need to be transferred:

Financial Year	Date of Declaration	Date of Payment	Date on Which Dividend will Become Part of IEPF
2006 - 07	28.09.2007	15.10.2007	15.10.2014
2007 - 08	24.06.2008	15.07.2008	15.07.2015
2008 - 09	31.07.2009	18.08.2009	18.08.2016
2009 - 10	10.08.2010	30.08.2010	30.08.2017
2010 - 11	12.08.2011	30.08.2011	30.08.2018
2011 - 12	15.09.2012	25.09.2012	25.09.2019
2012 - 13	26.09.2013	10.10.2013	10.10.2020

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# ACRYSIL LIMITED

(CIN: L26914MH1987PLC042283)

**Registered office:** 704, Centre Point, J.B. Nagar, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059

**Tel.:** 022-66711101/05, **Fax:** 022-66711109,

**Website:** www.carysil.com, **E-mail ID:** cs.al@acrysil.com

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## ATTENDANCE SLIP

27<sup>th</sup> Annual General Meeting, 24<sup>th</sup> September, 2014 at 3.00 p.m.

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

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

Name of the Member : \_\_\_\_\_

I certify that I am a registered shareholder/proxy of registered shareholder of the Company. I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of The Company at "Rama Watumull Auditorium" C/O 124, Kishanchand Chellaram College Building, Dinshaw Wachha Road, Churchgate, Mumbai – 400020 held on Wednesday, 24<sup>th</sup> September, 2014 at 3.00 P.M.

\_\_\_\_\_

Proxy's Name in Block Letters

\_\_\_\_\_

Member's/Proxy's Signature

### NOTE:

1. Shareholder/Proxy holders are requested to bring this Attendance Slip to the Meeting and hand over the same at the entrance duly signed.
2. If signed by Proxy, his name Member's/Proxy's Signature should be written here in BLOCK letters

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# ACRYSIL LIMITED

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## PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)

Name of member(s): _____
Registered address: _____
Email id: _____
Folio No./Client id: _____ DP ID: _____

I/We being a member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1	Name : _____
	Address : _____
	Email id : _____ Signature: _____

Or failing him:

2	Name : _____
	Address : _____
	Email id : _____ Signature: _____

Or failing him:

3	Name : _____
	Address : _____
	Email id : _____ Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on the Wednesday, 24<sup>th</sup> September, 2014 at 3.00 p.m. at "RAMA WATUMULL AUDITORIUM", C/o 124, KISHANCHAND CHELLARAM COLLEGE BUILDING, DINSHAW WACHHA ROAD, CHURCHGATE, MUMBAI – 400020 and at any adjournment thereof in respect of the such resolutions as are indicated below:

No.	RESOLUTION	OPTIONAL	
	ORDINARY BUSINESS	For	Against
1.	Adoption of Financial Statements for the year ended on 31 <sup>st</sup> March, 2014		
2.	Approval of final dividend for the year ended 31 <sup>st</sup> March, 2014		
3.	Re-appointment of Mr. Chirag A. Parekh (DIN: 00298807) who retires by rotation.		
4.	Appointment of M/s Sanghavi & Co., Chartered Accountants, Bhavnagar (Firm Registration No. 109099W) as Auditors and fixing their remuneration.		
	<b>SPECIAL BUSINESS</b>		
5.	Appointment of Mr. Shyam H. Mariwala (DIN: 00350235) as an Independent Director of the Company		
6.	Appointment of Mr. Pradeep H. Gohil (DIN: 03022804) as an Independent Director of the Company.		
7.	Appointment of Mr. Jagdish R. Naik (DIN: 00030172) as an Independent Director of the Company		
8.	Appointment of Mr. Ajit R. Sanghvi (DIN: 00340809) as an Independent Director of the Company		
9.	Appointment of Mrs. Shetal C. Parekh (DIN: 03018222) as an Additional Director of the Company		
10.	Special Resolution under Section 180 (1)(c) of the Companies Act, 2013 for Increase Borrowing Powers of the Board		
11.	Special Resolution under Section 180 (1)(a) of the Companies Act, 2013 for Creation of Charge on the Assets of the Company		
12.	Ratification of the remuneration to S. K. Rajani & Co., Cost Accountants as the Cost Auditors of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of member (s) \_\_\_\_\_

Signature of proxy holder(s) \_\_\_\_\_

Please affix  
Re. 1/-  
Revenue  
Stamp

**Note:**

1. The Proxy form, in order to be effective, should be completed, duly signed and stamped and must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the aforesaid meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
4. This is only optional. Please indicate your option by putting an 'X' in the appropriate column against the resolutions indicated. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



NEW

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CARYSIL



German Engineered



## Acrysil Limited

**Registered Office:**

704, Centre Point, J. B. Nagar,  
Andheri-Kurla Road, Andheri (East),  
Mumbai-400 059 (India)

Phone: (022) 66711101, 66711105

Fax: (022) 66711109

Email: [acrysil@acrysil.com](mailto:acrysil@acrysil.com)

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CIN: L26914MH1987PLC042283

