



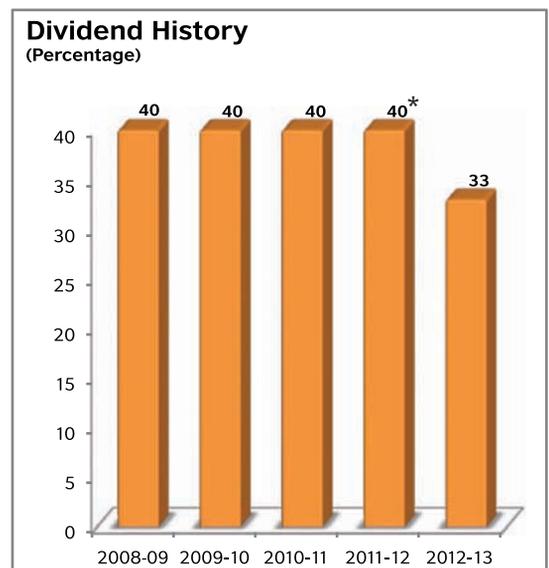
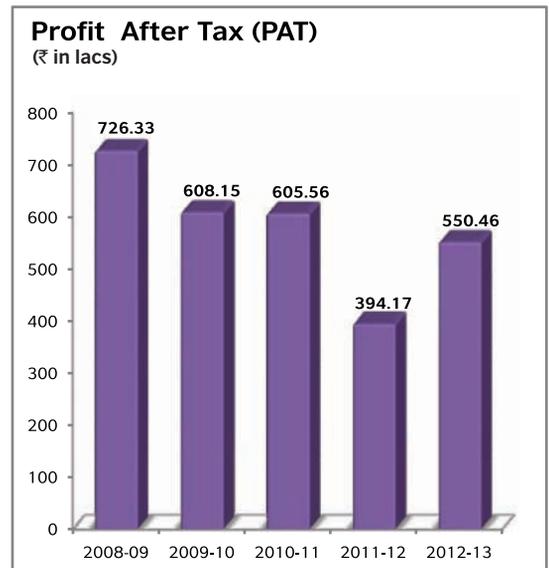
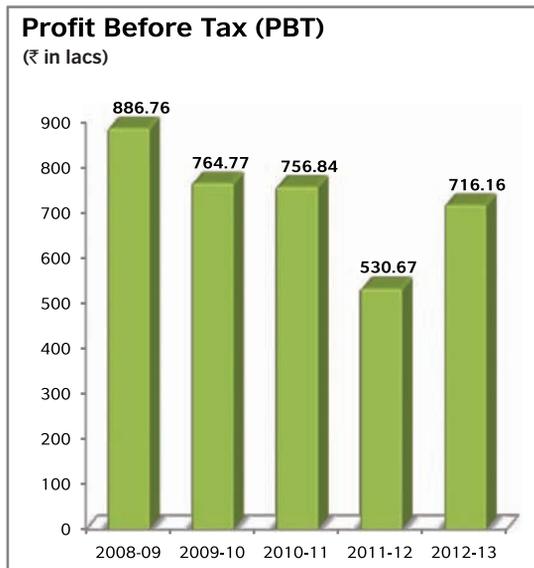
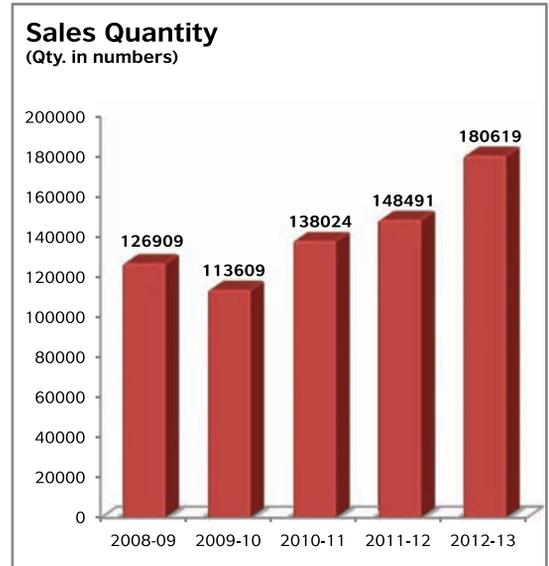
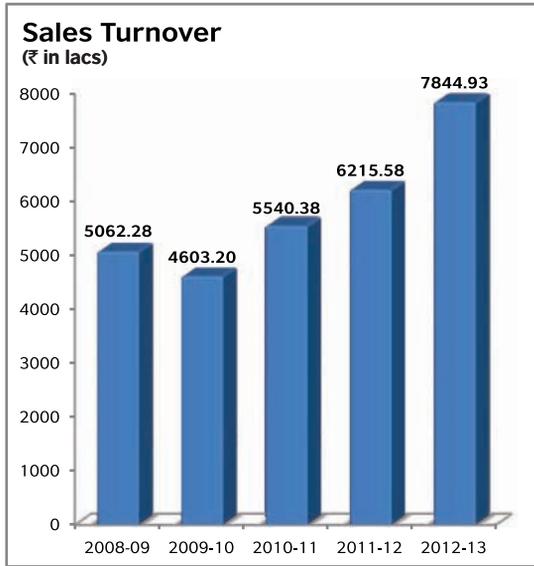
**BUILDING
A GLOBAL
BRAND**



26th Annual Report 2012-13



FINANCIAL HIGHLIGHTS



* Bonus Shares issued 1:2



Page Contents

2	Corporate Information
4	Chairman's Letter
6	Vice-Chairman & Managing Director's Message
12	Notice to Shareholders
21	Directors' Report
25	Annexure to Directors' Report
27	Corporate Governance Report
36	Management Discussion & Analysis

Standalone Financial Statements

39	Independent Auditors' Report
40	Annexure to Auditors' Report
42	Balance Sheet
43	Statement of Profit & Loss
44	Cash Flow Statement
45	Notes to Financial Statements

Consolidated Financial Statements

61	Independent Auditors' Report
62	Consolidated Balance Sheet
63	Statement of Consolidated Profit & Loss
64	Consolidated Cash Flow Statement
65	Notes to Consolidated Financial Statements
78	Annexure to Balance Sheet
79	Particulars of Subsidiaries & Information to Shareholders

Feedback Form

Attendance Slip & Proxy Form



CORPORATE INFORMATION

Board of Directors

Mr. Ashwin M. Parekh,
Executive Chairman

Mr. Chirag A. Parekh,
Vice-Chairman & Managing Director

Mr. M. Nageswara Rao

Mr. Jagdish R. Naik

Mr. Ajit R. Sanghvi

Dr. Minoo D. Daver

Mr. Rustam Mulla

Mr. Pradeep Gohil

Mr. Shyam Mariwala

Company Secretary

Mr. Damodar 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



The stamp of royalty

Acrysil's growing range of kitchen products belongs in a class of its own, going beyond 'deluxe' and 'premium', rising to a standard which could be well be called 'royal' or 'imperial'. Beginning with its flagship brand of elegant and durable kitchen sinks, Acrysil has been extending its line-up of offerings to discerning householders...on its way to its future reign, over kitchen appliances.



Chairman's Letter



Mr. Ashwin Parekh, Founder and Executive Chairman

“ Our name will be the hallmark of outstanding and innovative design and truly international quality, the benchmark to which others will aspire. ”

Dear Shareholders,

Once again, I am pleased to report that Acrysil has made some impressive strides in the year just past. This is all the more remarkable because the economy is yet to recover its full vigour, in India and overseas. Yet we continue to thrive, as our discerning and selective customers continue to show that they have the means to indulge their highly select taste for elegance and quality.

But, more than looking back on a good year, it is even more appropriate to look ahead at what Acrysil is poised to become. It's a step even more momentous than our move into composite quartz sinks. We are today on the verge of a rapid ascent to the very top of the market for lifestyle kitchen products of every description. We will be the No. 1, in fact the only one in our niche. Our name will be the hallmark of outstanding and innovative design and truly international quality, the benchmark to which others will aspire.

Our range of products is limited today, but already has that unique aura of distinction. Our quartz kitchen sinks are widely sought as the connoisseur's choice in niche markets both in India and abroad. That halo effect has rubbed off on our stainless steel sinks as well... and will shed its glow on all future products and variants that we are introducing.

We are targeting the rapidly growing incomes in the highest social strata, for which there is an equally flourishing market of premium products and shopping experiences of every kind – consumer electronics, automobiles, clothing, and, of course, lifestyle kitchen products. You can see the fast-expanding market for goods to which only a very very few once had access. Today there are more and more such affluent and influential buyers, and they are often people of refined taste and discernment as well as the means to indulge their fancies. Their homes are showcases of

their success and achievement... and those homes are our target, the arena in which our products belong without question.

We are well our way to that pinnacle of undisputed supremacy, with a strong growth thrust under way in the domestic market. We are expanding our reach, and opening up more and more galleries which will have the ambience of fine-art museums.

I have every confidence that we will be tremendously successful in this and other endeavours. Acrysil was born to rule this market, and set its highest standards. It is not just our destination, but our destiny.

I thank you for your support.

Ashwin Parekh

Founder and Executive Chairman

Vice-Chairman & Managing Director's Message



Mr. Chirag Parekh, Vice-Chairman & Managing Director

Dear Friends,

As always, I am delighted to share with you the good news that in our performance last year, we have done even better by every yardstick. Sales volume and Turnover, Profit before Tax and Profit after Tax are all up and continue to scale new heights.

Our CARYSIL granite kitchen sinks are keenly sought by discerning and style conscious builders, architects and households in India and abroad. Our overseas business continues to thrive in highly competitive and quality-conscious markets in over 30 countries in Europe, North America and Asia. We have in fact extended our penetration into new markets like Israel, Germany, Hungary and Denmark and acquired new high profile

“ We are committed to be No.1 in the Kitchen Segment in the next 5 years. ”

customers in several countries like USA. We are doing well in our strategic partnerships with major companies in USA, Europe and Russia, and our international subsidiary Acrysil GmbH in Germany is now a trusted and established name in that market. The CARYSIL brand is a very visible and eagerly-sought attraction in major retail establishments overseas in UK, France and US. It is also the choice of leading builders and Modular Kitchen Studios.

We are also making a strong growth thrust in the domestic market, based on a particular vision of who we are and where we deserve to be.

We are the only company in all of Asia - and one of just a few companies worldwide – manufacturing quartz kitchen sinks to global standards of quality, durability and visual appeal. We have no competition in its class in India. What's more, we have never ceased our efforts to enhance the value of our products through innovative

R&D, and have developed more than 20 models to cater to various segments and markets. We have increased our annual production capacity of quartz sinks to 275,000 units, and have also set up our own own manufacturing facilities for high quality stainless steel sinks.

However, its more than just a question of more sales in more territories with more product lines. It's rather an evolution of our very identity. In its exclusive line of quartz kitchen sinks, Acrysil is the very definition of 'deluxe' and 'premium'. Now is the time to consolidate that prestige into an undisputed 'No 1' position – the top-most one-stop brand for every requirement in kitchen products – every fitting, accessory, appliance and utility.

As I have often said before, our vision for Acrysil is much more than just measurable criteria like manufacturing capacity and sales volumes. It is about how we are perceived, and the aura surrounding our brand - one

that evokes pride of ownership as well as a halo of success and status in the the buyer. CARYSIL is a 'designer' brand in the best sense of the term: one that is instantly recognisable by its strikingly innovative looks and styling, the originality of its design and its ability to delight the eye.

We have a team of very talented and free-thinking designers, and are networked with many more. All of them are working on this challenge, and producing outstanding results which will make quite an impact on the market in the months and years ahead. I look forward to sharing that news with you in future.

On behalf of Acrysil, I thank you all – our stakeholders, investors, partners, principals, customers, suppliers, dealers, associates and friends – for your generous and continued support.

Thank you.

Chirag Parekh

Vice-Chairman & Managing Director

One of a kind

All the world-class excellence of any Acrysil product can be seen in its unique kitchen sinks, made of quartz bonded with resin and moulded with CNC-controlled precision – featuring international looks and styling, with a glossy granite finish, combined with scratch-resistant dent-proof stain-resistant and heat-proof durability. It's the product of a technology that no other Indian manufacturer can offer.



In other words, every Acrysil kitchen sink is a designer's dream and a home-owner's joy. Available in a range of attractive colours, it is highly user-friendly, easy to clean, and safe in contact with food. It's an excellent investment too, because it retains its gleam, sparkle and functionality even after years of use.



From peak to higher peak

2001-02 was the year when Acrysil Kitchen Sinks was first offered in India, to address a growing market for designer-class lifestyle products. It was aimed at consumers who demanded high utility combined with an 'elite' aura. It was a perfect fit between the brand and its buyers. In just a decade, domestic sales multiplied from ₹ 108.32 lakhs in 2001-02 to ₹ 868 lakhs in 2010-11, and stands at ₹ 1742 lakhs in 2012-13.

Over the years, the line has been extended to include

- Smoke Vent Hoods for kitchens
- Stainless Steel Sinks in various elegant and appealing designs
- Stainless Steel Faucets
- Motorized Disposal Units

The brand is available in more than 1500 outlets, and is a preferred choice of builders and Modular Kitchen Studios. What's more, Acrysil-brand products are the exclusive star attractions at four Acrysil showrooms across the nation.

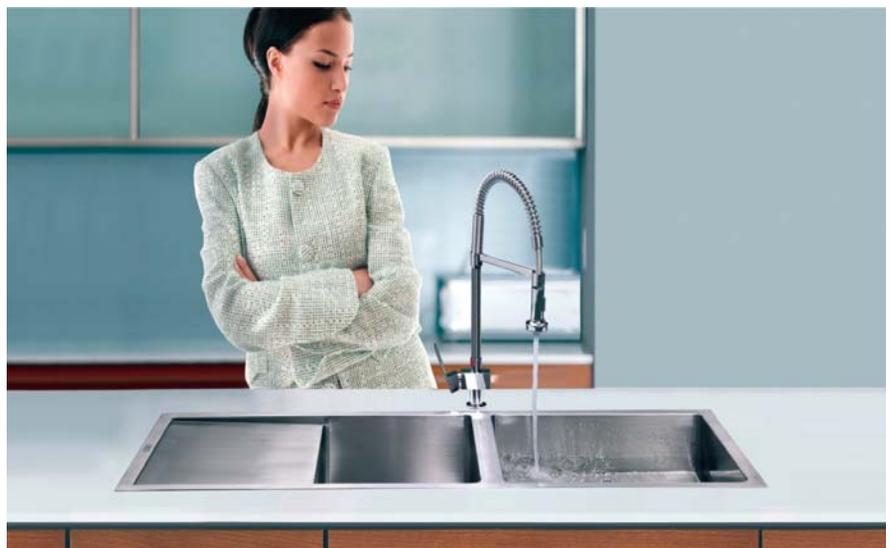


Global conquests

Acrysil's world-class quality is sought the world over in over 30 countries, including Germany, Singapore, Malaysia, China, Bahrain, Phillipines and others. At ₹ 61.02 crores, exports today account for 77.79% of the company's turnover. As a truly international product, Acrysil also carries ISO9000-14000 certification.



Acrysil has also formed alliances with large players in the US, UK, Russia and France, while forging lasting bonds with the world's largest retail chain companies, in U.K., France, U.S.A, Germany and Canada. The brand enjoys truly international appeal and recognition, as evidenced at the world's largest exhibitions and expos in Europe, USA and Far Eastern countries.



From succession springs success

From Acrysil's lineage, a new generation is taking shape...and mapping out a destiny as India's leading brand of total solutions for kitchens and bathrooms. It'll be a one-stop shop as well as The One at the very top – of the minds of discerning buyers, and of the market as well.

The unique Acrysil distinction will lie in design. Of course, every Acrysil product will be impeccably manufactured, but it's the unique and extraordinary styling that will set it apart. A team of outstanding designers is at work, coming up with ideas and innovations that will capture the eye while enhancing utility and functionality.

In other words, Acrysil is the name to watch – in more ways than one.



NOTICE

NOTICE is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the Members of **ACRYSIL LIMITED** will be held at Indian Merchant Chambers, IMC Road, Churchgate, Mumbai on Thursday, the 26th September, 2013 at 3.30 p.m. to transact the following business:

I. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and Reports of the Directors' and Auditors' thereon.
2. To declare a dividend on equity shares.

The Board of Directors at its meeting dated 25th May, 2013 recommended a dividend at ₹3.30 per equity share of face value of ₹10/- for the financial year 2012-13.

3. To appoint a Director in place of Mr. Jagdish R. Naik who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ajit R. Sanghvi who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s Sanghavi & Co., Chartered Accountants, Bhavnagar, as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

II. SPECIAL BUSINESS

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

Chairman Emeritus:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered as under:

By inserting the following Article as 146A after the present Article 146 of the Articles of Association of the Company

Article 146A:

- (1) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company.
 - (2) The Chairman Emeritus shall hold office until he resigns his office or a special resolution to that effect is passed by the shareholders in a general meeting.
 - (3) The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote and shall not be deemed to be a party to any decision of the Board or Committee thereof.
 - (4) The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.
 - (5) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.
 - (6) If at any time the Chairman Emeritus is appointed as a Director of the Company, he may, at his discretion, retain the title of the Chairman Emeritus."
7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

Appointment of Mr. Ashwin M. Parekh as Consultant

"RESOLVED THAT pursuant to the provisions of Sections 314(1) of the Companies Act, 1956 read with the Director's Relative (Office or Place of Profit) Rules, 2011 and necessary amendments thereto and other applicable provisions, if any, of the Companies Act, 1956, Mr. Ashwin M. Parekh, a relative of Mr. Chirag A. Parekh, Vice-Chairman and Managing Director of the Company, be and is hereby appointed in the Company to hold and continue to hold an Office or Place of Profit to provide and continue to provide professional services as Consultant to the Company w.e.f. 1st November, 2013 (or any other designation and roles which the 'Board' - the term which shall include any committee thereof, may decide from time to time) for the period of 5 years from 1st November, 2013 to 31st October, 2018 at an aggregate monthly consultancy fees of ₹2,40,000/- (Rupees Two Lacs Forty Thousand Only), plus service tax as may be applicable from time to time, subject to deduction of Income Tax as per applicable

provisions of Income Tax Act, 1961 and such other terms (including any increase or modification in remuneration during the period of appointment as may be approved by the Board from time to time) plus expenses on travelling, lodging and boarding and reimbursement of other incidental and out of pocket expenses, as applicable and permitted foreign exchange allowance and expenses in case of any assignments abroad.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to increase his consultancy fees up to the maximum limit prescribed, without the approval of the Central Government, under the provisions of section 314(1) of the Companies Act, 1956 and the rules made there under, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute and file all such applications, documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director to give effect to the aforesaid resolution.”

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

Re-appointment and re-designation of Mr. Chirag A. Parekh as Chairman and Managing Director

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as “the Act”) including any statutory modification(s) or any amendment or substitution or re-enactment thereof for the time being in force and subject to approval of Central Government, if applicable, and pursuant to a resolution passed by the Remuneration Committee of Directors of the Company and subject to such other approvals as may be necessary, the consent of the members of the Company be and is hereby accorded for re-appointment and re-designation and revision in the remuneration, perquisites and benefits payable to Mr. Chirag A. Parekh as Chairman and Managing Director of the Company for a period of three years w.e.f. 1st November, 2013 upon the terms and conditions including remunerations, perquisites and benefits as set out in Explanatory Statement.

RESOLVED FURTHER THAT approval be and is hereby accorded to the remuneration, perquisites and benefits payable to Mr. Chirag A. Parekh as per the terms and conditions of the Agreement entered into by Mr. Chirag A, Parekh with the Company for the aforesaid appointment and as set out in this notice; with authority to the Board of Directors of the Company to alter and/or vary the terms and conditions of the said appointment in accordance with, if any, the prescribed provisions of the Act and/or any schedule thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration, perquisites and benefits payable to Mr. Chirag A. Parekh in the light of further progress of the Company which revision should be made in conformity with any amendments to the relevant provisions of the Act and/or rules and regulations made there under and/or such guidelines as may be announced by the Central Government from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Chirag A. Parekh as Chairman and Managing Director, the remuneration and perquisites set out in the aforesaid draft Agreement be paid or granted to Mr. Chirag A. Parekh as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II Section II of Schedule XIII to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof or such amount as approved by Central Government.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”

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

Appointment of Mr. Pradeep H. Gohil as Director

“RESOLVED THAT Mr. Pradeep H. Gohil, who was appointed as Additional Director under Section 260 of the Companies Act, 1956, by the Board of Directors on 28th January, 2013 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. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

Appointment of Mr. Shyam Mariwala as Director

“**RESOLVED THAT** Mr. Shyam Mariwala, who was appointed as Additional Director under Section 260 of the Companies Act, 1956, by the Board of Directors on 27th July, 2013 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.”

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

Approval under Section 293(1)(d) of the Companies Act, 1956 for increase in borrowing limits

“**RESOLVED THAT** in supercession of resolution passed at the 25th Annual General Meeting of the Company held on 15th September, 2012 on the matter, and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’ which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporates, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may at any time exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of ₹100 Crores (Rupees One Hundred Crores only) and the Board be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required.”

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THE POLL ONLY INSTEAD OF HIMSELF / HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to be received at its registered office not later than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business i.e. Item No. 6,7,8,9,10 and 11 is annexed hereto.
4. Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 20th September, 2013 to Thursday, the 26th September, 2013(both days inclusive).
5. Members are requested to notify immediately any change of address/mandate/bank details, if any, quoting their number(s) to the Company’s Registrar & Transfer Agent.
6. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
 - (a) the change in the residential status on return to India for permanent Settlement.
 - (b) the particulars of NRE Account with Bank in India, if not furnished earlier.
7. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays between 1.00 p.m. to 3.00 p.m. upto the date of the Meeting.
8. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar & Share Transfer Agent/Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
9. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.

10. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. The ISIN No. for the Equity Shares of the Company is INE 482D01016. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent.
11. Pursuant to Section 109A of the Companies Act, 1956, individual shareholders holding shares in the Company singly or jointly may nominate an individual to whom all the rights in the shares in the Company shall vest in the event of death of the sole/all joint share holders. Members are requested to avail the above facility by submitting prescribed Form 2B to the Company/RTA in case of shareholders holding shares in physical form and to their respective DP in case of shareholders holding shares in demat Form.
12. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
13. The members are requested to bring duly filled attendance slip alongwith their copy of Annual Report at the meeting.
14. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
15. Trading in the shares of the Company is compulsorily in dematerialized form for all investors. Dematerialisation 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 dematerialized their shares to get their shares dematerialized at the earliest.
16. The Ministry of Corporate Affairs (MCA) has issued Circulars No. 17/2011 dated 21.04.2011 and No. 18/2011 dated 29.04.2011, propagating "Green Initiative", by allowing paperless compliances by serving documents through electronic mode (e-mail). With a view to lend a strong support to this environment friendly initiative of the Government of India, Annual Reports for Financial Year 2012-2013 of your Company has been sent via Electronic Mode (E-mail) to the Members whose E-mail ID was made available to us by the Depositories Participants. We are sure that the Members would also like to support this excellent initiative of the Government of India. We request the Members to register / update their e-mail address with their Depository Participant, in case they have not already registered / updated the same. Please note, as a member of the Company, you will be entitled to be furnished, free of cost, with a printed copy of the balance sheet of the Company and all other documents required by law to be attached thereto including the statement of profit and loss and auditors' report and all other communication that may be sent to you, upon receipt of a requisition from you to this effect.
17. 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 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF) and under the amended provisions of Section 205B of the Companies Act, 1956, no claim from IEPF by the members shall lie in respect of said dividends.

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

**Damodar Sejpal
COMPANY SECRETARY**

Mumbai
27th July, 2013

Registered Office:

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

EXPLANATORY STATEMENT

[Pursuant to section 173(2) of the Companies Act, 1956]

Item No. 6

It is proposed to alter the Articles of Association of the Company by inserting Article 146A after the existing Article 146 so as to include provision relating to appointment of any person who has rendered significant or distinguished services to the Company or to be industry to which the Company's business relates or in the public field, as Chairman Emeritus on the terms mentioned therein.

A copy of the Articles of Association of the Company along with the altered Article will be open for inspection by Members at the Company's Registered Office between 1.00 p.m. and 3:00 p.m. on any working day of the Company, (Monday to Friday) upto the date previous to the date of the Annual General Meeting.

Your Directors recommend the approval of the resolution as a Special Resolution.

None of the Directors is concerned or interested in the Resolution.

Item No. 7

Mr. Ashwin M. Parekh (aged 74 years) is the founder of the Company and during the last over 26 years has guided the Company's operations successfully. The Company has today established itself as a major manufacturer and exporter of its products. During these over 26 years many hurdles were faced but under his able leadership and with the co-operation of management personnel and workforce, the Company has successfully overcome all those hurdles.

He has expressed his wish to be relieved from day to day operations of the Company w.e.f. 1st November, 2013. He was reappointed as Executive Chairman of your Company w.e.f. 1st November 2008 for a period of five years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956.

However keeping in mind his age, it is expedient to relieve him from day to day operations of your Company and take benefit of his valuable guidance and vast domain experience and expertise as Consultant to the Company w.e.f. 1st November, 2013 for the period of 5 years from 1st November, 2013 to 31st October, 2018 at an aggregate monthly consultancy fees of ₹2,40,000/- (Rupees Two Lacs Forty Thousand Only) plus service tax as may be applicable from time to time, subject to deduction of Income Tax as per applicable provisions of Income Tax Act, 1961 and such other terms (including any increase or modification in remuneration during the period of appointment as may be approved by the Board from time to time) plus expenses on travelling, lodging and boarding and reimbursement of other incidental and out of pocket expenses, as applicable and permitted foreign exchange allowance and expenses in case of any assignments abroad.

In terms of section 314(1) of the Companies Act, 1956, the consent of the Company by a special resolution is required for holding or continuing to hold office or place of profit by any relative of a Director of the Company.

Your Directors recommend the approval of the resolution as a Special Resolution.

None of the Directors, except Mr. Ashwin M. Parekh for himself and Mr. Chirag A. Parekh, Vice-Chairman and Managing Director, being relative are concerned or interested in the said resolution.

Item No. 8

The members of the Company had at the 22nd Annual General Meeting held on 31st July, 2009 re-appointed Mr. Chirag A. Parekh as Managing Director of the Company for a period of five years with effect from 1st November, 2008, The Board of Directors of the Company had at its meeting held on 31st March, 2010, approved the proposal for increase in remuneration of Mr. Chirag A. Parekh, Managing Director of the Company for the remaining period of his tenure of office and approval of Central Government was accorded till 31st March, 2013. The Board of Directors of the Company had its meeting held on 13th February, 2012, approved re-designation of Mr. Chirag A. Parekh as Vice-Chairman and Managing Director of the Company.

As per provisions of Sections 198, 269, 309, 310, 311 and 317 read with Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being enforce) the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 27th July, 2013 have, subject to approval of the members at ensuing Annual General Meeting and other necessary approvals, approved re-appointment and re-designation and revision in the remuneration payable to Mr. Chirag A. Parekh, as Chairman and Managing Director of the Company, effective from 1st November, 2013, for a period of three years on the salary, allowances and perquisites as under.

I. SALARY

₹6,00,000/- per month (in the scale of ₹6,00,000 – ₹8,00,000)

The Board will grant annual increments and revise the Salary within the aforesaid range by granting one or more increments in the above scale, having regard to the merits and the Company's performance.

II. PERQUISITES

- (a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water furnishings and repairs; medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance etc.; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Chirag A. Parekh; such perquisites for each year not to exceed ₹8,00,000.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision of the Company's car and telephone at residence for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.

- (b) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income tax Act, gratuity payable as per the Rules of the Company and encashment of leave at the end of his tenure as per the Rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

III. COMMISSION

A sum calculated at the rate of 2% of the net profits of the Company in a particular financial year.

IV. MINIMUM REMUNERATION

If, in any financial year, the Company has no profits or inadequacy of profits, the remuneration and perquisites set out in above paragraphs I, II & III be paid or granted to Mr. Chirag A. Parekh as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II Section II of Schedule XIII to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof or such amount as approved by Central Government.

V. OTHER TERMS

- (a) Leave: On full pay and allowances, as per the Rules of the Company, but not exceeding one month's leave for every 11 months of service.
- (b) Reimbursement of entertainment and/or travelling, hotel and other expenses actually incurred by him in the performance of duties.
- (c) Mr. Chirag A. Parekh shall not be entitled for sitting fees for attending meetings of the Board of Directors of the Company or Board Committees so long as he functions as the Executive Director of the Company.
- (d) Subject to the provisions of the Companies Act, 1956, Mr. Chirag A. Parekh shall not, while he continues to hold office, be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire.
- (e) The re-appointment may be terminated by either party giving to the other party ninety days' notice in writing.
- (f) In the event of any dispute or difference arising at any time between Mr. Chirag A. Parekh and the Company in respect of the Agreement or the construction thereof, the same will be submitted to and be decided by Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

This may also be considered and treated as Abstract and Memorandum of Interest under Section 302 of the Act.

As per the Sub-clause B (iv) of Part II Section II (B) of Schedule XIII, the company is required to furnish the following information in the Explanatory Statement;

I. GENERAL INFORMATION

No	PARTICULARS	
1.	Nature of Industry	Manufacturing of Quartz Kitchen Sinks
2.	Date or expected date of commencement of Commercial Production.	The Company is manufacturing and selling Quartz Kitchen Sinks since 1987.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable

No	PARTICULARS		
4.	Financial performance based on given indications.		
		31.03.2013 (₹in lakhs)	31.03.2012 (₹in lakhs)
	Sales (Net of Excise)	7736.76	6085.22
	Net Profit before Tax	716.16	530.67
	Net Profit After Tax	550.446	394.17
5.	Export performance.	FOB Exports Sales ₹5781.25 Lakhs	
6.	Foreign investments or collaborators, if any.	Not Applicable	

II. INFORMATION ABOUT THE APPOINTEE

No	PARTICULARS	
1.	Background Details	Mr. Chirag A. Parekh is the son of the Company Promoter and is associated since inception; having a family background in manufacturing of Kitchen Sinks. Mr. Chirag A. Parekh had joined the Company as Promoter Director having experience of more than 20 years in manufacturing of Kitchen Sinks.
2.	Past Remuneration / Perquisites	<p>I. SALARY</p> <p>Mr. Chirag A. Parekh has been paid Basic Salary of ₹3,00,000/- per month (in the scale of ₹3,00,000 - ₹4,00,000). The Board has granted annual increments and revised the Salary within the aforesaid range, having regard to the merits and the Company's performance.</p> <p>II. PERQUISITES</p> <p>In addition to the salary Mr. Chirag A. Parekh has been also availed following perquisites.</p> <p>(a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water furnishings and repairs; medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance etc.; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Chirag A. Parekh; such perquisites for each year not to exceed ₹6,00,000.</p> <p>For the purpose of calculating the above ceiling, perquisites have been evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites have been evaluated at actual cost.</p> <p>Provision of the Company's car and telephone at residence for official duties have not been included in the computation of perquisites for the purpose of calculating the said ceilings.</p> <p>(b) Company's contribution to Provident Fund and Superannuation or Annuity Fund, as per the rules of the Company, gratuity payable as per the Rules of the Company and encashment of leave at the end of his tenure as per the Rules of the Company applicable to senior executives.</p> <p>III. COMMISSION</p> <p>A sum calculated at the rate of 2% of the net profits of the Company in a particular financial year.</p>
3.	Recognition or Awards	Mr. Chirag A. Parekh, Vice-Chairman & Managing Director of the Company received recognition for his contribution to manufacturing innovation and design at the Industry 2.0 Manufacturing Innovation Conclave '12.
4.	Job Profile and His Suitability	Experience of more than 2 decades in Administration and Finance. Experience of 13 years in Marketing & Personnel.

5.	<p>Remuneration/perquisites proposed</p> <p>I. SALARY Mr. Chirag A. Parekh will be paid Basic Salary of ₹6,00,000/- per month (in the scale of ₹6,00,000 – ₹8,00,000)</p> <p>The Board will grant annual increments and revise the Salary within the aforesaid range by granting one or more increments in the above scale, having regard to the merits and the Company's performance.</p> <p>II. PERQUISITES In addition to the salary, Mr. Chirag A. Parekh shall also be entitled to following perquisites.</p> <p>(a) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water furnishings and repairs; medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance etc.; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Chirag A. Parekh; such perquisites for each year not to exceed ₹8,00,000.</p> <p>For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.</p> <p>Provision of the Company's car and telephone at residence for official duties have not been included in the computation of perquisites for the purpose of calculating the said ceilings.</p> <p>(b) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income tax Act, gratuity payable as per the Rules of the Company and encashment of leave at the end of his tenure as per the Rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.</p> <p>III. COMMISSION A sum calculated at the rate of 2% of the net profits of the Company in a particular financial year.</p>
6.	<p>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</p> <p>The proposed remuneration is reasonable considering future growth of the Company.</p>
7.	<p>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any,</p> <p>Mr. Chirag A. Parekh is holding 18,35,946 equity shares of the Company which is 41.18 % of the equity share capital of the Company.</p>

III. OTHER INFORMATION

1.	<p>Reasons of loss or inadequate profits</p> <p>The Company has earned profits; however, as per sections 198 & 309 of the Companies Act 1956, the profits are not adequate to cover the remuneration/perquisite payable to Mr. Chirag A. Parekh. The increase in profitability on account of the expansion project will make the remuneration payable to him in line with the above mentioned sections.</p>
2.	<p>Steps taken or proposed to be taken for improvement.</p> <p>The Company is making every effort to reduce cost and increase the overall efficiency, which will result increase in overall profitability of the Company.</p>
3.	<p>Expected increase in productivity and profits in measurable terms</p> <p>The Company is expecting growth in the turnover and profit due to expansion of production capacities and expecting to do good Export turnover in future.</p>

The Board recommends resolutions under Item No.8 to be passed as a Special Resolution.

None of the Directors of the Company, except Mr. Chirag A. Parekh and Mr. Ashwin M. Parekh, who are related to each other, is either directly or indirectly concerned or interested in this resolution.

Item No. 9

Mr. Pradeep H. Gohil was appointed as an Additional Director by the Board of Director w.e.f. 28th January, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 107 of Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956 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 257 and all other applicable provisions of the Companies Act, 1956.

The Board recommends resolutions under Item No.9 to be passed as an Ordinary Resolution.

The Board feels that presence of Mr. Pradeep H. Gohil on the Board is desirable and would be beneficial to the company and hence recommend for adoption. None of the Directors, except Mr. Pradeep H. Gohil is concerned or interested in this resolution.

Item No. 10

Mr. Shyam Mariwala was appointed as an Additional Director by the Board of Director w.e.f. 27th July, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 107 of Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956 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 257 and all other applicable provisions of the Companies Act, 1956.

The Board recommends resolutions under Item No.10 to be passed as an Ordinary Resolution.

The Board feels that presence of Mr. Shyam Mariwala on the Board is desirable and would be beneficial to the company and hence recommend for adoption. None of the Directors, except Mr. Shyam Mariwala is concerned or interested in this resolution.

Item No. 11

In terms of the provisions of Sections 293(1) (d) of the Companies Act, 1956, the Board of Directors of the Company, cannot except with the consent of the Company in general meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves that is to say reserves not set apart for any specific purpose.

Keeping in view the Company's business requirements and its growth plans, it is considered desirable to increase the said borrowing limits.

Your Board recommends these resolutions for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

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

Damodar Sejpal
COMPANY SECRETARY

Mumbai
27th July, 2013

Registered Office:

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

DIRECTORS' REPORT

To,

THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the **Twenty Sixth** Annual Report and the audited accounts for the year ended 31st March, 2013.

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 31.03.2013	As on 31.03.2012	As on 31.03.2013	As on 31.03.2012
1. Net Sales/Income from Operations	7844.93	6215.58	7957.81	6262.26
2. Other Income	80.51	89.10	55.50	63.96
3. Total Income (1+2)	7925.44	6304.68	8013.31	6326.22
4. Total Expenditure	6564.16	5238.03	6639.91	5504.05
5. Operating Profit before Finance Cost, Depreciation, Tax and Minority Interest (3-4)	1361.28	1066.65	1373.40	822.17
6. Finance Cost	265.71	204.17	327.29	267.42
7. Depreciation	379.41	331.81	437.01	381.19
8. Profit before Tax and Minority Interest (5-6-7)	716.16	530.67	609.10	173.56
9. Provision for Taxation	165.70	136.50	134.78	23.73
10. Net Profit after Tax and before Minority Interest (8-9)	550.46	394.17	474.32	149.82
11. Minority Interest	-	-	9.03	13.59
12. Profit After Tax (10+11)	550.46	394.17	483.35	163.41

Note: The previous year figure has been regrouped, wherever necessary.

OPERATIONS OF THE COMPANY

PERFORMANCE

• Standalone

Once again, 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 ₹7844.93 Lacs against ₹6215.58 Lacs in the previous year. The net profit for the year was ₹550.46 Lacs compared to ₹394.17 Lacs in the previous year.

• Consolidated

On a consolidated basis, Sales turnover of your Company for the year was ₹7957.81 Lacs against ₹6262.26 Lacs in the previous year. The Consolidated Profit before Taxation and Minority Interest was ₹609.10 Lacs against ₹173.55 Lacs in the previous year. The Consolidated Profit after Tax and Minority Interest was ₹483.35 Lacs against ₹163.41 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 33% (₹3.30 per Equity Share of ₹10/- each) on Equity Shares of ₹10/- for the financial year ending 31st March, 2013 subject to approval of shareholders at the ensuing Annual General Meeting.

TRANSFER TO RESERVES

Your company proposed to transfer ₹342.60 Lacs to the General Reserves. An amount of ₹25.85 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 ₹5994.25 Lacs compared to previous year figure i.e. ₹4945.05 Lacs. The export revenue, as a percentage of net sales stood at 76.40% in fiscal 2012-2013.

DOMESTIC MARKET

Sales jumped from ₹1335.47 Lacs to ₹1899.17 Lacs, recording 42.21% 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 ₹7844.93 Lacs compared to previous year of ₹6215.58 Lacs, recording 26.21% higher. The Operating Profit before Interest, Depreciation and Tax is ₹1361.28 Lacs against ₹1066.65 Lacs in the previous year. The profit before tax is ₹716.16 Lacs against ₹530.67 Lacs in the previous year. The Net Profit After Tax for the year is ₹550.46 Lacs compared to ₹394.17 Lacs in previous year.

• Consolidated

The Company has achieved Turnover of ₹7957.81 Lacs against ₹6262.26 Lacs in the previous year. The Operating Profit before Interest, Depreciation, Tax and Minority Interest is ₹1373.40 Lacs against ₹822.17 Lacs in the previous year. The Profit before Tax and Minority Interest is ₹609.10 Lacs compared to ₹173.56 Lacs in previous year. The Net Profit After Tax and minority interest for the year is ₹483.35 Lacs compared to ₹163.41 Lacs in previous year.

NEW PRODUCTS

Your Company has launched series of kitchen appliances products during the year and received tremendous response from the market. The products launched are Chimneys, Cooktops, Hoods, Hobs, Ovens, Dish Washers and Wine Chillers.

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. Acrysil Quartz Private Limited
3. Acrysil GmbH, Germany
4. Acrysil Appliances Limited (Incorporated on 4th April, 2013 and received Certificate of Commencement of Business on 19th April, 2013)

ACCOUNTS OF SUBSIDIARIES

In pursuant to conditions specified in General Circular No. 2/2011 dt. 8th 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 31st March, 2013 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

Your Company has got ISO 14001:2004 OHSAS & BIS-18001:2007 for Environment, Health and Safety Policy Certification. 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 with standards including CE Marking and CSA.

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. Apurva Shah, Director of the Company has resigned w.e.f 31st August, 2012. The Board notes with appreciation the contribution of Shri Apurva Shah to the Company in its formative years.

Mr. Pradeep H. Gohil was appointed as Additional Director of the Company w.e.f 28th January, 2013. It is proposed to appoint him as Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting. The Board recommends his appointment.

Mr. Shyam Mariwala was appointed as Additional Director of the Company w.e.f 27th July, 2013. It is proposed to appoint him as Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting. The Board recommends his appointment.

Mr. Jagdish R. Naik and Mr. Ajit R. Sanghvi retire by rotation and being eligible, offer themselves for re-appointment.

PARTICULARS REGARDING CONVERSATION 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. Statutory Auditors will retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 224(1B) of the Companies Act, 1956. The directors recommend the re-appointment of M/s. Sanghavi & Co. as Statutory Auditors for the financial year 2013-14.

Comments of the Auditors in their report and the notes forming part of the Accounts are self explanatory and need no clarification.

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 Companies (Acceptance of Deposits) Rules, 1975, your Directors report that all the fixed deposits due for repayment/renewal on or before 31st March, 2013 were either paid or renewed.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of accounts, the applicable accounting standards have been followed.
2. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2013 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.

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.

PERSONNEL

The Company continued to have cordial relations with its employees. Since no employee of the Company is drawing remuneration in excess of the ceilings prescribed under the Companies (Particulars of Employees) Rules, 1957 as amended, read with Section 217(2A) of the Companies Act, 1956 information for the same is not furnished.

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
27th July, 2013

Ashwin M. Parekh
Executive Chairman

Registered Office:

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

ANNEXURE TO DIRECTORS' REPORT

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

A. Conservation of energy

The 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:

The Company is exploring the possibilities of using different raw material for improving productivity and reducing cost.

The Company has installed new equipment called VMC (Vertical Milling Centre) in the month of March, 2013.

There were certain key advances made in the development of new products and colours during the year 2012-13. 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) Improvement in quality, productivity and cost effectiveness.
- (b) Precise machining and better quality of products.
- (b) Launching of New Products.
- (c) Certification in EN ISO 9001:2008, ISO 14001:2004 OHSAS & BIS-18001:2007 for Environment, Health and Safety Policy:

3. Future Plan of Action :

Expanding current infrastructure for R&D, New Products for emerging opportunity.

4. Expenditure on R & D for the year 2012-2013

(a) Capital	NIL
(b) Recurring	719,566
(c) Total	719,566
(d) Total R&D expenditure as a Percentage of Total Turnover	0.09%

Technology absorption and research & development

1) Research and Development

2) Technology absorption, adoption and innovation

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

- Constant efforts are made to improve and upgrade the new type of 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 advanced countries and to offer similar products through in-house R & D as well as through progressive manufacturing activities. The Company is in the process of further improving its quality control methods and testing facilities.
- Regular interaction with equipment designers and manufacturers and major raw material suppliers for improvements to processing and operating parameters.

(b) Benefits derived as a result of above efforts:

- Improved product quality
- Cost saving and increased output

(c) Technology imported during the last 5 years.

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Year ended 31 st March, 2013 (₹)
1. Foreign Exchange Earnings (FOB value of exports)	578,125,406
2. Foreign Exchange Outgo:	
(a) For Import of Raw Material	186,473,082
(b) For Import of Accessories And Traded Goods	80,235,952
For Import of Capital Goods	57,496,355
(c) For Expenses	14,187,176
	338,392,565
3. Net saving in Foreign Exchange	239,732,841

For and on behalf of the Board of Directors

Mumbai
27th July, 2013

Ashwin M. Parekh
Executive Chairman

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. It goes beyond mere financial measurement of the performance of the company, taking into consideration a basket of parameters such as employee satisfaction, shareholders satisfaction, commitment to quality etc. The management of the company believes that the corporate governance is the reflection of our culture, policies, our commitment to values and our relationship with Stakeholders. The Company is committed to Corporate Governance and endeavors to adhere to the highest standards of corporate value and ethics.

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. Board of Directors

The Board comprises of eight directors of which six are Independent Non-Executive Directors (75% 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 2012-13	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>Executive Chairman</i>	Promoter-Executive	3	YES	2	NIL	NIL
Mr. Chirag A. Parekh <i>Vice-Chairman & Managing Director</i>	Promoter-Executive	6	YES	2	NIL	NIL
Mr. M. Nageswara Rao	Independent-Non-Executive	6	YES	1	NIL	NIL
Mr. Jagdish R. Naik	Independent-Non-Executive	6	YES	10	4	NIL
Mr. Ajit R. Sanghvi	Independent-Non-Executive	5	YES	1	NIL	NIL
Dr. Minoo D. Daver	Independent-Non-Executive	2	NO	0	NIL	NIL
Mr. Apurva R. Shah*	Independent-Non-Executive	0	NO	6	6	2
Mr. Rustam Mulla	Independent-Non-Executive	4	YES	1	NIL	NIL
Mr. Pradeep H. Gohil**	Independent-Non-Executive	2	NO	0	NIL	NIL
Mr. V. C. Mehta***	Independent-Non-Executive	0	NO	N.A.	N.A.	N.A.
Mr. Shyam Mariwala@	Independent-Non-Executive	0	NO	N.A.	NIL	NIL

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 and alternate directorship. Further, it includes only the chairmanship/membership of the Audit Committee, Shareholders' Grievance Committee and 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 post of Director w.e.f. 31.08.2012

** appointed as an additional Director w.e.f. 28.01.2013

*** ceased to be Director during the year 2011-12

@ appointed as an additional Director w.e.f. 27.07.2013

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.

21 st May, 2012	14 th August, 2012	15 th September, 2012
7 th November, 2012	28 th January, 2013	16 th March, 2013

All Independent Non-Executive Directors of the Company have furnished declarations that they qualify the conditions of being independent as per Clause 49 of the Listing Agreement, which were placed before the Board.

3. Particulars of the Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting

Name of the Director	Mr. Shyam Hansraj Mariwala	Mr. Pradeep H. Gohil	Mr. Jagdish R. Naik	Mr. Ajit Sanghvi
Date of Birth	11.11.1967	02.08.1949	23.09.1958	04.03.1957
Date of Appointment	27.07.2013 (seeking regularization from additional director to regular director)	28.01.2013 (seeking regularization from additional director to regular director)	22.05.1999 (seeking re-appointment on rotation basis)	31.01.2000 (seeking re-appointment on rotation basis)
Expertise in specific functional areas	Vast experience and expertise in the area of strategic business advisory	Vast experience and expertise in Chemical Manufacturing.	Accounting, Audit, Finance, Taxation, Corporate Laws	Accounting, Audit, Finance, Taxation, Corporate Laws
Qualifications	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.
Other Public Companies in which Directorship held	0	0	10	1
Other Public Companies in which membership of Committees of Directors held	0	0	4	0
No. of shares held in the Company as on 31st March, 2013	0	0	3204	0

4. Shareholding of Non-Executive Directors as on 31st March, 2013

Sr. No.	Name of Director	No. of Shares held
1.	Dr. Minoo D. Daver	3000
2.	Mr. Jagdish R. Naik	3204
3.	Mr. Rustam Mulla	3000
4.	Mr. Nageswara Rao	480
5.	Mr. Ajit R. Sanghvi	Nil
6.	Mr. Pradeep H. Gohil	Nil

5. Audit Committee

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 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.

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

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Ajit R. Sanghvi, Chairman	Independent-Non-Executive	2	1
Mr. Jagdish R. Naik	Independent-Non-Executive	2	2
Mr. Rustam Mulla	Independent-Non-Executive	2	1

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

During the year under review, two meetings of the Committee were held on 7th November, 2012 and 28th January, 2013

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.

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

6. Remuneration Committee

Terms of reference and composition

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

A Meeting of the Remuneration Committee was held on 7th November, 2012 and 28th January, 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	2	1
Mr. Jagdish R. Naik	2	2
Mr. Nageswara Rao	2	2

Remuneration of Directors

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

The Company pays remuneration to its Vice-Chairman & Managing Director and Executive Chairman by way of salary, commission, perquisites and allowances. Salary is paid to Executive Chairman within the limit as approved by the Shareholders. Salary is paid to Vice-Chairman & Managing Director within the limit as approved by the Central Government (till 31st March, 2013). The Board, on the recommendations of the Remuneration Committee, approves annual increments to the Vice-Chairman & Managing Director and the Executive Chairman. Commission payable to the Vice-Chairman & Managing Director and the Executive Chairman is 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. Non-Executive Directors are not paid any commission.

Given below are the details of remuneration of Directors for the financial year 2012-13.

Director	Sitting fees for Board/Committee Meetings (₹)	Salaries and other perquisites (₹)	Other Remuneration (₹)	Commission (₹)	Total (₹)
Mr. Ashwin M. Parekh <i>Executive Chairman</i>	Nil	39,26,177/-	Nil	Nil	39,26,177/-
Mr. Chirag A. Parekh <i>Vice-Chairman & Managing Director</i>	Nil	42,00,000/-	Nil	Nil	42,00,000/-
Mr. M. Nageswara Rao	95,000/-	Nil	Nil	Nil	95,000/-
Mr. Jagdish R. Naik	1,02,500/-	Nil	Nil	Nil	1,02,500/-
Mr. Ajit R. Sanghvi	80,000/-	Nil	Nil	Nil	80,000/-
Dr. Minoo D. Daver	30,000/-	Nil	Nil	Nil	30,000/-
Mr. Apurva R. Shah*	Nil	Nil	Nil	Nil	Nil
Mr. Rustam Mulla	65,000/-	Nil	Nil	Nil	65,000/-
Mr. Pradeep H. Gohil**	15,000/-	Nil	Nil	Nil	15,000/-
Mr. V. C. Mehta***	Nil	Nil	Nil	Nil	Nil

Notes:

- The terms of appointment of Vice-Chairman & Managing Director and the Executive Chairman are governed by the resolutions of the shareholders and applicable rules of the Company.
- Severance compensation is payable to the Vice-Chairman & Managing Director and the Executive Chairman if their employment is terminated before the contractual period, subject to the provisions and limitations specified in Section 318 of the Companies Act, 1956.
- Commission to Mr. Ashwin M. Parekh, Executive Chairman pertains to the year 2012-13.
- 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 ₹4.45 lacs as professional fees for legal services provided during the year. Apart from above, there were no other pecuniary relationship/transactions with the Non-Executive Directors vis-a-vis the Company.

7. Shareholders'/Investors' Grievance Committee

The Company has constituted Shareholders'/Investors' Grievance Committee to look into the investors' complaints and to redress the same expeditiously.

During the year, the Committee met once on 28th January, 2013.

Details of the composition of the 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. Chirag A. Parekh	1	1
Mr. Jagdish R. Naik	1	1
Mr. Ajit Sanghvi	1	1

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 31st March, 2013.

8. General Meetings

Location and time of the last three Annual General Meetings:

Year	Location	Day/Date	Time	No. of Special Resolutions
2009-10	Indian Merchant Chambers, IMC Road, Churchgate, Mumbai – 400 020	Tuesday, 10 th August, 2010	3.00 p.m.	1
2010-11	Indian Merchant Chambers, IMC Road, Churchgate, Mumbai – 400 020	Friday, 12 th August, 2011	3.30 p.m.	0
2011-12	Indian Merchant Chambers, IMC Road, Churchgate, Mumbai – 400 020	Saturday, 15 th September, 2012	3.30 p.m.	3

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

9. Disclosures

- **Related Party Transactions**

Transactions with Related Parties are disclosed in detail in Note 30 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 was 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 Vice-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 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 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 have been disclosed at the relevant places.

The Company does not have a Whistle Blower Policy. However no employee of the Company has been denied access to the Audit Committee of the Company.

10. 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 2012-13 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.

General Shareholder Information

- Annual General Meeting**

The Twenty Sixth Annual General Meeting of the Members will be held on Thursday, 26th September, 2013 at 3.30 p.m.

- Venue** : Indian Merchant Chambers, IMC Road, Churchgate, Mumbai – 400 020

- Tentative Financial Calendar for the Year 2013-14**

Financial Year	: 1st April to 31 st March
First Quarter Results	: Fourth week of July 2013
Half Yearly results	: Fourth week of October 2013
Third Quarter results	: Fourth week of January 2014
Results for year-end	: Third week of May 2014

- Dates of Book Closure** : Friday, the 20th September, 2013 to Thursday, the 26th September, 2013 (both days inclusive).
- Dividend payment date** : The proposed dividend, if approved at the ensuing Annual General Meeting will be distributed on or around 30th September, 2013.
- Listing on Stock Exchanges** : The Bombay Stock Exchange Limited (BSE). Listing fees for the year 2013-14 have been paid.

- Stock Codes (for shares)**

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

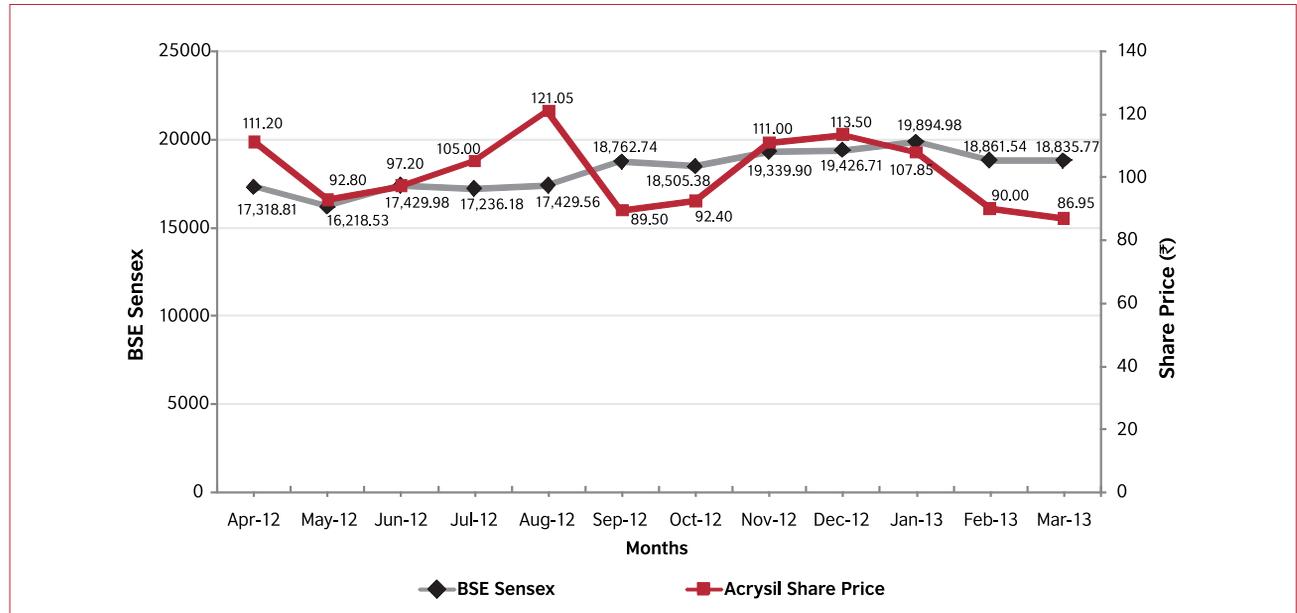
- Volume of shares traded on BSE:** 8,37,316

- Market Price Data**

	The Bombay Stock Exchange Limited (BSE)		No. of Shares Traded
	High	Low	
April, 2012	128.00	92.00	60636
May, 2012	129.90	90.15	125826
June, 2012	106.60	89.00	15974
July, 2012	107.00	95.60	22456
August, 2012	126.00	106.00	129395
September, 2012	135.00	85.50	85556
October, 2012	106.10	83.05	61132
November, 2012	127.00	91.05	162417
December, 2012	125.00	92.10	63428
January, 2013	120.90	105.00	62744
February, 2013	109.80	89.00	20207
March, 2013	100.00	81.60	27545

- Share Price Movements:**

Share Price Movement for the period April, 2012 to March, 2013 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)

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	2011-12	2012-13
Number of transfers	16	23
Numbers of shares processed	133204	2813

- Distribution of Shareholdings as on 31st March, 2013**

Range	No. of Shareholders	Percentage	Shares Amount (₹)	Percentage
1-5000	2885	82.5465	4,384,020	9.8341
5001-10000	338	9.6710	2,234,850	5.0131
10001-20000	144	4.1202	1,969,110	4.4170
20001-30000	48	1.3734	1,181,010	2.6492
30001-40000	20	0.5722	705,950	1.5836
40001-50000	10	0.2861	458,090	1.0276
50001-100000	21	0.6009	1,478,750	3.3171
Above 100000	29	0.8298	32,168,220	72.1584
TOTAL	3495	100.00	44,580,000	100.00

- **Categories of Shareholders as on 31st March, 2013**

Category	No. of Shareholders	Voting Strength%	No. of Shares
Promoters	7	46.5455	2074998
Financial Institutions/Banks	1	0.0034	150
Central/State Government(s)	1	0.0017	75
Bodies Corporate	80	2.3073	102861
Clearing Member	14	0.0470	2094
Directors/Relatives	4	0.2172	9684
Non Resident Indians (NRI)	76	7.4122	330438
Overseas Bodies Corporates	1	10.1480	452400
Resident Individuals	3311	33.3177	1485300
TOTAL	3495	100.00	4458000

- **Dematerialisation of Shares and Liquidity**

79.86% of the Company's share capital is held in dematerialised form as on 31st March, 2013. 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, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059
Tel.: 022-6671 1101 / 05, Fax: 022- 6671 1109

- **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

- **E-mail id of the Compliance Officer**

cs.al@acrysil.com

CHIRAG A. PAREKH

Mumbai, 27th July, 2013

Vice-Chairman & Managing Director

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 31st March, 2013.

CHIRAG A. PAREKH

Mumbai, 27th July, 2013

Vice-Chairman & Managing Director

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 31st March 2013, 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
27th July, 2013

MANOJ GANATRA
Partner
Membership No. 043485

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Developments

Economy Overview

The global economy continues to be sluggish and seems fragile with revival still not discernible.

The Indian economy has been affected by global factors, lower trade and capital flows as well as domestic challenges and GDP growth at 5.0% in FY13 was the lowest in the decade. Inflation remained high and eroded domestic consumer savings and curtailed consumption; and this manifested in slow market growth, especially in discretionary categories.

Industry Overview

Granite Sinks

The size of global granite sinks industry is estimated at around 10 million nos. per annum.

The lifestyle granite sinks industry is dominated globally by a few large players, with three well established multinational giants accounting for almost 70% of the market. As one of the few manufacturers of granite sinks in the world and the only one in Asia, Acrysil is the only Indian player competing in global markets.

In the domestic market, Acrysil is a dominant player but does have limited competition from a few multinationals.

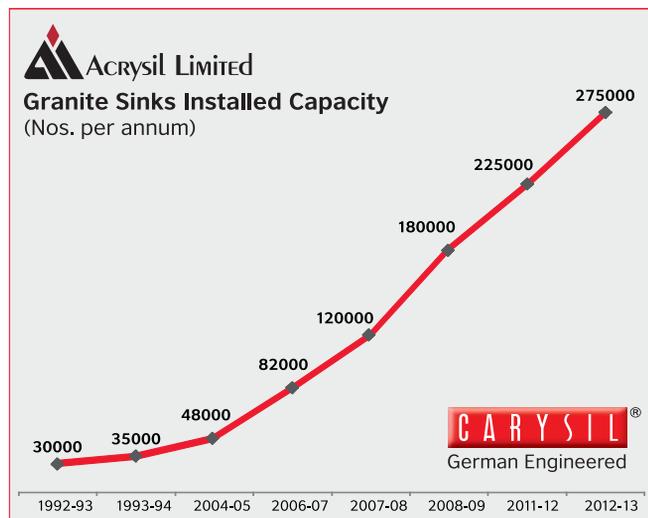
Stainless Steel Sinks

The stainless steel sinks business is highly fragmented both in India and abroad with a large number of players. While Acrysil has made some initial forays in the global market, it is focusing on the domestic market.

Operational Review

Granite Sinks

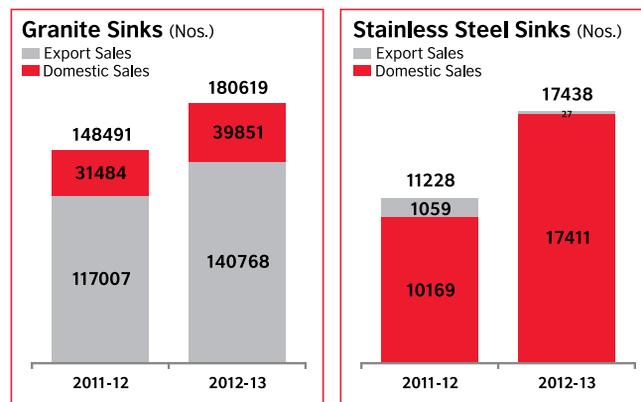
During the year, the company increased its installed capacity of granite kitchen sinks from 225000 nos. per annum to 275000



nos. per annum. Acrysil started the manufacture of granite sinks with an installed capacity of 30000 sinks per annum in 1992-93 and has steadily increased its installed capacity over the years to capture a larger market share and enjoy economies of scale.

During the year, Acrysil introduced 17 news designs including 4 in the Enigma range, 6 for new customers in US markets, 1 each in the Vivaldi and Swan ranges and the rest for specific markets like Russia, Denmark and other European markets.

Acrysil also launched its products in a range of new colours: mocha, dusk grey, maroon, deep black and oat milk.



Total sales of granite sinks increased by 21% to 180619 nos. in FY13, as against 148491 nos. in FY12.

Granite sinks exports increased by 20% to 140768 nos. in FY13 from 117007 nos. in FY12. In the domestic market too, Acrysil posted healthy growth, and total quantity sold increased by 21% to 39851 nos. in FY13 from 31484 nos. in FY12.

Stainless Steel Sinks

Acrysil made significant headway in the domestic stainless steel sinks market and its sales increased by 71% to 17411 nos. in FY13 from 10169 nos. in FY12. Exports were not a major focus area for this product category.

New Products

As Acrysil strives to become a one stop lifestyle kitchen product brand, it has diversified its product portfolio. During the year, the company launched a range of lifestyle kitchen appliances like faucets, hoods and chimneys, hobs and cook tops, ovens and microwave ovens, food waste disposers and wine chillers.

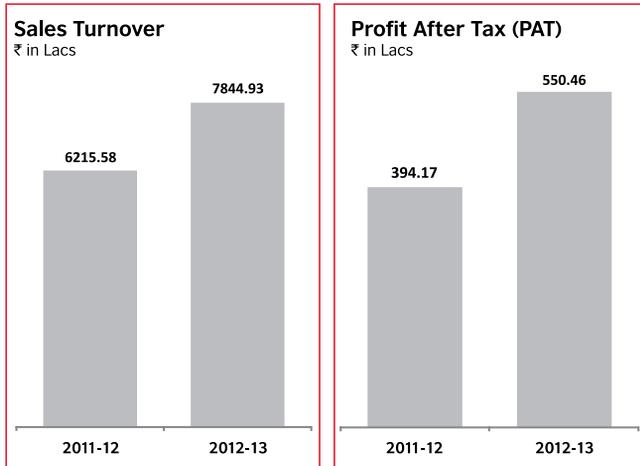
These products have received encouraging response, and Acrysil looks forward to strengthening its footprint for these products in the domestic market.

The company also introduced stainless steel sinks for the medium-end market under the brand name 'Canter', as its existing brand 'Carysil' is so strongly positioned and caters to the 'premium' and 'super premium' segments.



Financial Review

Inspite of challenging macro-economic conditions, Acrysil posted another year of robust growth.



Sales Turnover increased by 26.21% to ₹7844.93 lacs in FY13 as against ₹6215.58 lacs in FY12. Export sales registered a growth of 22.65% increasing to ₹6102.42 lacs in FY13 as compared to ₹4975.41 lacs in FY12.

With greater thrust and introduction of a range of several new products, sales in the domestic market grew at a faster pace, with Domestic Sales growing by 40.51% to ₹1742.51 lacs in FY13 from ₹1240.17 lacs in the previous year.

Export Sales at ₹6102.42 lacs accounted for 77.79% while domestic sales at ₹1742.51 lacs accounted for 22.21% of the total sales turnover during the year under review.

Profit before Tax increased by 34.95% to ₹716.16 lacs in FY13 from ₹530.67 lacs in FY12.

Profit after Tax increased by 39.65% to ₹550.46 lacs in FY13 from ₹394.17 lacs in FY12

The Earnings Per ₹10 Share stood at ₹12.35 on the expanded capital of ₹445.80 lacs consequent to the bonus issue in the ration 1:2 made last year. The Directors have recommended a dividend of 33% subject to the approval of members at the Annual General Meeting.

Recognitions

Acrysil enjoys ISO 9001, ISO 14001 and OHSAS 18001 certifications for its quality management, environmental management and occupational health and safety management systems.

During the year, Shri Chirag A. Parekh, Vice-Chairman & Managing Director of the Company received recognition for his contribution to manufacturing innovation and design at the Industry 2.0 Manufacturing Innovation Conclave '12.

Human Resource Development

Employees today are looking for development opportunities, empowerment and work-life balance in an organization. Acrysil continuously innovates and customizes its human resource (HR) strategy to meet changing employee needs.

Acrysil's human resource philosophy, strategy and processes are designed to attract and retain quality talent and nurture workplace challenges that keep employees highly engaged, motivated and committed to innovation and customer delight.

Your Company fosters a culture that rewards performance, continuous learning, collaboration and capability development across the organization, to meet head-on the challenges posed by ever-changing market realities. Your Company's commitment to investing in human resources ensures performance and achievement of the highest order.

Your Company believes that the people are the vital force of the organization. Acrysil's dedicated and talented workforce of more than 186 people assisted in driving our achievements and success.

R&D

The ability to innovate and create unique products based on deep consumer insight requires continuous nurturing of research and development. Acrysil invests substantially in R&D to improve productivity and quality. The substitution of imported raw material by indigenous ones, process improvement and stringent quality control are a few of the areas where R&D has made significant contribution.

The company also took an important step in backward integration which has resulted in imported raw material being replaced by indigenous one.

Design is another critical element for success in our business and we deploy state-of-the-art technology that aids are designers in meeting evolving customer expectations with creativity and style.

Outlook

As our brand "CARYSIL" gets greater recognition in international markets, we can look forward to higher exports. In India too, high purchasing power, growing population and increasing urbanisation will drive the demand for our entire product portfolio.

Our products are developed based on market insight and symbolise the concept of an evolved lifestyle. We believe the opportunity for our portfolio of lifestyle kitchen products is enormous and we are gearing ourselves to be ready to meet that demand.

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 payables 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 31st March, 2013 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 Accounting Standards referred to in sub-section (3C) of section 211 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. 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 31st March, 2013;
- 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;
 - e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, 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

Bhavnagar
25th May, 2013

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. As explained to us, fixed assets are physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. Discrepancies noticed on such verification, which were not material, have been properly dealt with in the accounts.
 - c. There was no substantial disposal of fixed assets during the year.
- 2 In respect of inventories:
 - a. The inventories were physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification carried out by the management of the company.
- 3 In respect of loans granted or taken to/from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956:
 - a. The Company has 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 three (subsidiary companies) and the amount involved in the transactions and the year-end balances is ₹92.00 lacs and ₹184.32 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 three and 'Nil' respectively and the year-end balance of loans taken from such parties was ₹4.20 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 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5 In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b. 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 According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions except for a corporate guarantee of ₹625.00 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.
- 19 The Company did not have any outstanding debentures during the year.
- 20 The Company has not raised any money through a public issue during the year.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For SANGHAVI & COMPANY
Chartered Accountants

Bhavnagar
25th May, 2013

MANOJ GANATRA
Partner

BALANCE SHEET AS AT 31st MARCH, 2013

(Amounts in Indian ₹)

Particulars	Note No.	31 st March, 2013		31 st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	44,580,000		29,720,000	
Reserves and Surplus	3	274,001,590	318,581,590	251,027,424	280,747,424
Non-Current Liabilities					
Long-term Borrowings	4	32,218,410		18,847,878	
Deferred Tax Liabilities (Net)		19,220,000		16,900,000	
Long-term Provisions	5	632,802	52,071,212	853,289	36,601,167
Current Liabilities					
Short-term Borrowings	6	217,182,949		145,218,472	
Trade Payables		100,543,700		51,907,006	
Other Current Liabilities	7	39,861,158		40,270,436	
Short-term Provisions	8	33,932,337	391,520,144	26,214,647	263,610,561
Total			762,172,946		580,959,152
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	9	247,153,132		204,800,866	
Intangible Assets		827,607		820,939	
Capital Work-in-Progress		608,833		3,998,000	
		248,589,572		209,619,805	
Non-current Investments	10	51,947,001		10,900,750	
Long-term Loans and Advances	11	30,399,358		62,722,980	
Other Non-current Assets		-	330,935,931	-	283,243,535
Current Assets					
Current Investments		-		-	
Inventories	12	162,727,338		104,484,050	
Trade Receivables	13	200,576,905		148,613,831	
Cash and Bank Balances	14	18,582,344		14,745,316	
Short-term Loans and Advances	15	49,350,428		29,872,420	
Other Current Assets		-	431,237,015	-	297,715,617
Total			762,172,946		580,959,152

The accompanying notes 1 to 34 are an integral part of these financial statements.

As per our Report of even date

For **SANGHAVI & COMPANY**
Chartered Accountants

A. M. PAREKH
Executive Chairman

C. A. PAREKH
Vice-Chairman & Managing Director

MANOJ GANATRA
Partner

DAMODAR SEJPAL
Company Secretary

J. R. NAIK
Director

Bhavnagar
25th May, 2013

Bhavnagar
25th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(Amounts in Indian ₹)

Particulars	Note No.	2012-2013	2011-2012
REVENUE			
Revenue from Operations	16	784,492,828	621,558,505
Other Income	17	8,050,674	8,909,913
Total Revenue		792,543,502	630,468,418
EXPENSES			
Cost of Materials Consumed	18	267,556,587	203,792,704
Purchases of Stock-in-Trade		81,828,252	59,037,240
Changes in Inventories	19	(26,105,631)	(11,152,134)
Employee Benefits Expenses	20	68,564,975	55,654,729
Finance Costs	21	26,570,745	20,417,121
Depreciation and Amortization		37,940,571	33,181,286
Other Expenses	22	264,571,913	216,470,287
Total Expenses		720,927,412	577,401,233
Profit before exceptional and extraordinary items and tax		71,616,090	53,067,185
Exceptional Items		-	-
Extraordinary Items		-	-
Profit Before Tax		71,616,090	53,067,185
Tax Expenses			
Current tax		22,200,000	13,900,000
MAT credit entitlement		(7,870,000)	(3,250,000)
Earlier Years' Tax		(79,678)	-
Deferred Tax		2,320,000	3,000,000
		16,570,322	13,650,000
Net Profit for the year		55,045,768	39,417,185
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic/Diluted		12.35	8.84
* adjusted for bonus issue in the ratio of 1:2			*

The accompanying notes 1 to 34 are an integral part of these financial statements.

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

A. M. PAREKH
Executive Chairman

C. A. PAREKH
Vice-Chairman & Managing Director

MANOJ GANATRA
Partner

DAMODAR SEJPAL
Company Secretary

J. R. NAIK
Director

Bhavnagar
25th May, 2013

Bhavnagar
25th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in lacs)

	2012-2013		2011-2012	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax And Extraordinary Items	716.16		530.67	
Adjustments for -				
Depreciation	379.41		331.81	
Interest	156.96		143.36	
Loss/(Profit) on sale of Assets	(12.19)	524.18	(0.05)	475.12
Operating Profit Before Working Capital Changes	1,240.34		1,005.79	
Adjustments for -				
Trade and Other Receivables	(720.68)		103.40	
Inventories	(582.44)		(64.41)	
Trade Payables	475.09	(828.03)	(248.74)	(209.75)
Cash Generated From Operations	412.31		796.04	
Direct Taxes Paid	(118.17)	(118.17)	(60.83)	(60.83)
NET CASH FROM OPERATING ACTIVITIES	294.14		735.21	
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(797.70)		(343.88)	
Purchase of Investments	(410.46)		(76.41)	
Sale of Fixed Assets	40.78		1.13	
Interest Received	33.05		47.05	
NET CASH USED IN INVESTING ACTIVITIES	(1,134.33)		(372.11)	
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of Share Capital	-		-	
Proceeds from Loans Borrowed (net)	853.34		158.05	
Loans lent to/repayment from a subsidiary company	288.85		(177.17)	
Interest Paid	(190.01)		(190.41)	
Dividend Paid	(114.28)		(115.45)	
NET CASH USED IN FINANCING ACTIVITIES	837.90		(324.98)	
Net Increase in Cash and Cash Equivalents	(2.29)		38.12	
Cash And Cash Equivalents as at beginning of the year	106.97		68.85	
Cash And Cash Equivalents as at end of the year	104.68		106.97	
Cash and Cash Equivalents				
Cash and Bank Balances	185.82		147.45	
Statutory restricted accounts	(81.14)		(40.48)	
	104.68		106.97	

As per our Report of even date

For **SANGHAVI & COMPANY**
Chartered Accountants**A. M. PAREKH**
Executive Chairman**C. A. PAREKH**
Vice-Chairman & Managing Director**MANOJ GANATRA**
Partner**DAMODAR SEJPAL**
Company Secretary**J. R. NAIK**
DirectorBhavnagar
25th May, 2013Bhavnagar
25th May, 2013

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in India, the Accounting Standards prescribed under the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 and are based on the historical cost convention on an accrual basis.

USE OF ESTIMATES

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

FIXED ASSETS

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

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

INVENTORIES

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

SALES

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

EXCISE AND CUSTOM DUTY

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

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

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

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.

EARNINGS PER SHARE

Basic Earnings 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 earnings 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 cannot be made.

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

Note No. 2

(Amounts in Indian ₹)

	31 st March, 2013	31 st March, 2012
2.1 Share Capital		
Authorised		
5,000,000 Equity Shares of ₹10 each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid up		
4,458,000 (2,972,000) Equity Shares of ₹10 each	44,580,000	29,720,000
	<u>44,580,000</u>	<u>29,720,000</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

(Amounts in Indian ₹)

Particulars	Equity Shares	
	No. of shares	₹
Shares outstanding at the beginning of the year	2,972,000	29,720,000
Shares issued during the year	1,486,000	14,860,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>4,458,000</u>	<u>44,580,000</u>

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

Name of Shareholder	31 st March, 2013		31 st March, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Chirag A Parekh	1,835,946	41.18%	1,223,964	41.18%
Schock & Co GmbH	452,400	10.15%	301,600	10.15%
Piyush Vrajjal Mehta	295,350	6.63%	196,900	6.63%

Note No. 3

Reserves and Surplus

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
a. Capital Reserve	2,519,500	2,519,500
b. Securities Premium Account		
Balance at the beginning of the year	10,600,000	10,600,000
Capitalisation for issue of bonus shares	(10,600,000)	-
Balance at the end of the year	<u>-</u>	<u>10,600,000</u>
c. General Reserve		
Balance at the beginning of the year	200,000,000	170,000,000
Capitalisation for issue of bonus shares	(4,260,000)	-
Transfer from surplus	34,260,000	30,000,000
Balance at the end of the year	<u>230,000,000</u>	<u>200,000,000</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
d. Surplus		
Balance at the beginning of the year	37,907,924	42,307,270
Net Profit for the year	55,045,768	39,417,185
Transfer to general reserve	(34,260,000)	(30,000,000)
Proposed dividend	(14,711,400)	(11,888,000)
Corporate dividend tax	(2,500,202)	(1,928,531)
Balance at the end of the year	41,482,090	37,907,924
	274,001,590	251,027,424

Note No. 4**Long Term Borrowings**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
a. Secured		
Term loans from banks (Indian Rupee accounts)	31,798,410	18,427,878
	<u>31,798,410</u>	<u>18,427,878</u>
<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. Term loans for vehicles are against hypothecation of vehicles.</i>		
Period of default	NA	
Amount	Nil	
b. Unsecured		
From shareholders	420,000	420,000
From others	-	-
	<u>420,000</u>	<u>420,000</u>
Period of default	NA	
Amount	Nil	
	<u>32,218,410</u>	<u>18,847,878</u>

Note No. 5**Long Term Provisions**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Provision for leave encashment	632,802	853,289
	632,802	853,289

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

Note No. 6

Short Term Borrowings

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
a. Secured		
Working capital finance from banks (Indian rupee accounts)	176,487,949	119,478,472
	<u>176,487,949</u>	<u>119,478,472</u>
<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 & spares, book debts and exclusive charge on immovable properties etc. and personal guarantees by some of the directors of the Company.</i>		
Period of default NA		
Amount Nil		
b. Unsecured		
From shareholders	-	-
From others	40,695,000	25,740,000
	<u>40,695,000</u>	<u>25,740,000</u>
	<u>217,182,949</u>	<u>145,218,472</u>

Note No. 7

Other Current Liabilities

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Current maturities of long-term debt	19,881,447	21,026,203
Interest accrued but not due on borrowings	623,964	584,274
Advances from customers	4,584,026	6,733,950
Statutory liabilities	2,357,933	1,708,037
Unclaimed dividends	2,243,489	1,782,615
Gratuity premium payable	594,224	1,067,041
Super annuation contribution payable	476,565	476,565
Other liabilities	9,099,510	6,891,751
	<u>39,861,158</u>	<u>40,270,436</u>

Note No. 8

Short Term Provisions

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Provision for bonus	964,291	980,110
Provision for leave encashment	74,260	98,131
Provision for income tax (net of payments)	15,682,184	11,319,875
Proposed dividend	14,711,400	11,888,000
Corporate dividend tax	2,500,202	1,928,531
	<u>33,932,337</u>	<u>26,214,647</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2013**Note No. 9****Fixed Assets**

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01.04.2012 (₹)	Additions (₹)	Deductions (₹)	As at 31.03.2013 (₹)	As at 01.04.2012 (₹)	Depreciation For the Year (₹)	On Deductions (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Tangible Assets									
Freehold Land	25,477,719	964,203	-	26,441,922	-	-	-	26,441,922	25,477,719
Buildings	55,890,707	10,161,891	-	66,052,598	10,704,675	1,963,458	-	53,384,465	45,186,032
Plant & Equipment	81,110,895	11,656,488	-	92,767,383	42,307,531	4,545,889	-	45,913,963	38,803,364
Moulds and Dies	189,981,440	44,306,202	2,676,185	231,611,457	113,322,453	25,743,545	939,922	93,485,381	76,658,987
Vehicles	15,768,821	6,423,452	3,206,439	18,985,834	7,320,699	2,529,396	2,084,242	11,219,981	8,448,122
Furniture & Fixtures	11,614,576	5,584,045	-	17,198,621	5,607,196	1,490,292	-	10,101,133	6,007,380
Office Equipment	11,251,187	3,690,325	-	14,941,512	7,031,925	1,303,300	-	6,606,287	4,219,262
	391,095,345	82,786,606	5,882,624	467,999,327	186,294,479	37,575,880	3,024,164	247,153,132	204,800,866
Intangible Assets									
Computer Software	2,484,464	371,359	-	2,855,823	1,663,525	364,691	-	827,607	820,939
	2,484,464	371,359	-	2,855,823	1,663,525	364,691	-	827,607	820,939
Total	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
Previous year	358,945,906	35,070,827	436,924	393,579,809	155,105,242	33,181,286	328,524	205,621,805	203,840,664

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

Note No. 10

Non-current Investments

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Trade Investments		
Unquoted; at cost:		
a. Investments in Subsidiary Companies:		
4,598,000 (849,000) equity shares of Acrysil Steel Limited of ₹10 each (extent of holding: 93.84%)	45,980,000	8,490,000
84,900 equity shares of Acrysil Quartz Pvt. Limited of ₹10 each (extent of holding: 84.90%)	849,000	849,000
3 (1) equity shares of Acrysil GmbH of Euro 25,000 each (A wholly owned subsidiary)	5,118,001	1,561,750
	51,947,001	10,900,750

Note No. 11

Long-term Loans and Advances

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Unsecured (considered good)		
Capital advances	10,209,969	13,962,262
Security deposits	1,757,218	1,443,364
Loans to subsidiary companies	18,432,171	47,317,354
Other loans and advances	-	-
	30,399,358	62,722,980

Note No. 12

Inventories

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
(as taken, certified and valued by the management)		
Raw materials (at cost)	44,025,896	24,242,070
Work-in-progress (at estimated cost)	17,626,193	13,563,587
Finished goods (at lower of cost or market value)	27,735,772	17,344,058
Stock-in-trade (at lower of cost or market value)	36,187,519	24,536,208
Bought out items	24,724,370	13,510,480
Stores & spares (at cost)	3,446,304	2,975,726
Packing materials (at cost)	8,981,284	8,311,921
	162,727,338	104,484,050

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 13****Trade Receivables**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Unsecured (considered good)		
Over six months	12,365,725	5,160,282
Others	188,211,180	143,453,549
	<u>200,576,905</u>	<u>148,613,831</u>
	<u>200,576,905</u>	<u>148,613,831</u>
includes -		
	More than Six Months	Others
due from subsidiaries	6,854,409	250,391

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

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
I. Cash and Cash Equivalents		
a. Balances with Banks:		
Current accounts	9,477,845	9,117,563
Short term deposits	282,100	643,036
	<u>9,759,945</u>	<u>9,760,599</u>
b. Cash on Hand	990,510	1,580,561
	<u>10,750,455</u>	<u>11,341,160</u>
II. Other Bank Balances		
Dividend accounts	2,243,489	1,782,615
Terms deposits with more than 12 months maturity	5,588,400	1,621,541
Other terms deposits	-	-
	<u>7,831,889</u>	<u>3,404,156</u>
	<u>18,582,344</u>	<u>14,745,316</u>
Term deposits of ₹5,870,500 (2,264,577) are under lien with banks against various credit facilities and excise authorities)		

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

Note No. 15

Short-term Loans and Advances

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Unsecured (considered good)		
Trade advances to suppliers	5,318,078	9,084,453
Loans and advances to staff (including officers of the company 1,200,006)	2,687,129	2,880,397
Input credits receivable	19,713,828	7,195,200
Prepaid expenses	2,133,033	1,991,790
Advances to subsidiary companies	6,708,915	4,704,534
Other loans and advances	12,789,445	4,016,046
	49,350,428	29,872,420
Trade advances to suppliers include:		
- to a subsidiary company	11,735	-
- to a company in which some of the directors are interested	359,958	359,958

Note No. 16

Revenue from Operations

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Sale of Products				
Export sales	599,425,495		484,505,377	
Domestic sales	189,917,407		133,547,732	
	789,342,902		618,053,109	
Less: Excise duty	15,666,580	773,676,322	9,530,687	608,522,422
Other Operating Revenue				
Export incentives and credits	-		2,614,352	
Foreign currency fluctuation gain/(loss)	10,816,506		10,421,731	
Other operational income	-	10,816,506	-	13,036,083
		784,492,828		621,558,505

Note No. 17

Other Income

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Interest receipts		3,305,241		4,705,272
Insurance claims receipts		1,957,400		3,197,951
Profit on sale of assets		1,218,725		4,650
Miscellaneous income		1,569,308		1,002,040
		8,050,674		8,909,913

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 18****Cost of Materials Consumed**

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Raw Materials Consumed				
Opening stock	24,242,070		34,200,003	
Purchase and direct expenses	229,077,908		154,905,206	
	253,319,978		189,105,209	
Closing stock	44,025,896	209,294,082	24,242,070	164,863,139
		209,294,082		164,863,139
Bought out items consumption		58,262,505		38,929,565
		267,556,587		203,792,704

Note No. 19**Changes in Inventories**

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Opening Stock				
Finished Goods	17,344,058		17,188,811	
Stock-in-trade	24,536,208		17,808,747	
Work-in-progress	13,563,587	55,443,853	9,294,161	44,291,719
Closing Stock				
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
		(26,105,631)		(11,152,134)

Note No. 20**Employee Benefit Expenses**

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Salaries, wages, allowances and bonus		62,819,073		49,902,415
Contribution to employee benefit funds		2,693,964		3,089,072
Staff welfare expenses		3,051,938		2,663,242
		68,564,975		55,654,729
* Includes directors remuneration		8,126,777		7,197,620

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

Note No. 21

Finance Costs

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Interest				
Working capital finance	14,932,092		9,948,703	
Term loans	5,156,809		6,194,339	
Others	5,795,594	25,884,495	3,481,779	19,624,821
Other borrowing costs		686,250		792,300
		<u>26,570,745</u>		<u>20,417,121</u>

Note No. 22

Other Expenses

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Manufacturing Expenses				
Power & Fuel	32,186,728		24,862,135	
Machinery repairs and maintenance	6,567,223		3,002,642	
Packing materials and expenses	72,762,428		57,626,400	
Stores & spares	14,291,904		11,195,409	
Other expenses	806,753	126,615,036	631,551	97,318,137
Selling and Distribution Expenses				
Sales commission	6,005,102		2,945,981	
Advertisement and sales promotion expenses	14,035,470		18,943,279	
Export freight, insurance and other expenses	54,846,947		50,025,545	
Other selling expenses	4,572,998	79,460,517	3,165,658	75,080,463
Administrative and Other Expenses				
Travelling expenses	17,006,576		13,287,095	
Rent	5,813,233		3,928,702	
Rates and taxes	58,833		18,293	
Insurance premiums	1,825,428		1,589,919	
Building and other repairs	3,809,843		2,505,233	
Directors' sitting fees	387,500		160,000	
Legal and professional fees	8,618,905		4,982,334	
Postage and telephone Expenses	2,247,717		2,229,606	
Printing and stationery Expenses	1,433,129		1,400,069	
Payments to auditors	315,000		199,000	
Bank discount, commission and other charges	5,989,867		3,723,826	
Vehicle Expenses	595,408		557,813	
Donations	796,000		142,000	
Prior period expenses	-		46,680	
General expenses	9,598,921		9,301,117	
		<u>58,496,360</u>		<u>44,071,687</u>
		<u>264,571,913</u>		<u>216,470,287</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

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 ₹2,320,000 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 ₹19,220,000 are as under:

Particulars	₹
Depreciation	19,916,892
Disallowances u/s. 43B of the Income Tax Act	(696,892)
Total	19,220,000

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 ₹6,244,201 (Nil)
- In respect of corporate guarantees given by the company on behalf of a subsidiary company ₹62,500,000 (₹84,000,000)

28. Auditors' Remuneration

	2012-2013	2011-2012
Audit Fees (Including Qtrly. Limited Review)	215,000	1,20,000
Tax Audit Fees	30,000	25,000
Other Matters	70,000	54,000

29. Disclosure as per AS-15 (Revised) on "Employee Benefit" for the year ended 31st March, 2013

(Amounts in Indian ₹)

	Gratuity Plan 2012-2013	Gratuity Plan 2011-2012
Change in the defined benefit obligations		
Defined benefit obligations as at 1st April	4,419,472	4,369,206
Service cost	440,862	403,886
Interest cost	353,558	349,536
Actuarial loss/(Gain)	(1,222,932)	(73,469)
Benefits paid	(439,408)	(629,687)
Defined benefit obligations as at 31st March (a)	3,551,552	4,419,472
Change in plan assets		
Fair Value of plan assets as at 1st April	2,672,349	2,786,161
Expected return on plan assets	273,783	260,453
Contributions by employer	433,234	255,422
Actuarial Gain/(loss)	—	—
Benefits paid	(439,408)	(629,687)
Fair Value of plan assets as at 31st March (b)	2,939,958	2,672,349
Present Value of unfunded obligations (a-b)	611,594	1,747,123

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

(Amounts in Indian ₹)

	Gratuity Plan 2012-2013	Gratuity Plan 2011-2012
The net amount recognized in the statement of profit and loss for the year ended 31 st March is as follows:		
Current service cost	440,862	403,886
Interest cost	353,558	349,536
Expected return on plan assets	(273,783)	(260,453)
Net actuarial loss/(gain) recognized	(1,222,932)	(73,469)
Net amount recognized	(702,295)	419,500
Actual Return on Plan Assets	273,783	260,453
The principal actuarial assumptions used as at 31 st March are as follows:		
Discount Rate	8 %	8 %
Expected rate of return on plan assets	8 %	8 %
Rate of increase in compensation levels	5 %	7 %

30. Related Party Disclosures

Associates

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

Key Managerial Personnel

Shri Ashwin M. Parekh
Shri Chirag A. Parekh

Subsidiary Companies

Acrysil Steel Limited
Acrysil Appliance Limited
Acrysil Quartz Private Limited
Acrysil GmbH, Germany

Transactions with Related Parties

	Associates	Key Managerial Personnel	Subsidiaries
(a) Remuneration	—	8,126,177	—
	(—)	(7,197,620)	(—)
(b) Professional Fees	445,000	—	—
	(860,000)	(—)	(—)
(c) Donations	500,000	—	—
	(—)	(—)	(—)
(c) Loan granted	—	—	7,700,000
	(—)	(—)	(7,000,000)
(d) Interest Received	—	—	2,868,361
	(—)	(—)	(4,365,117)
(e) Sales	—	—	—
	(—)	(—)	(15,626,746)
(f) Purchase	—	—	56,470,401
	(—)	(—)	(25,743,749)
(g) Job Work Charges	—	—	2,037,350
	(—)	(—)	(22,600)

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

Transactions with Related Parties: (contd.)

	Associates	Key Managerial Personnel	Subsidiaries
(h) Commission	—	—	2,868,361
	(—)	(—)	(1,618,235)
(i) Outstanding Balances			
Long term Loans & Advances	—	—	18,432,171
	(—)	(—)	(47,317,354)
Short-term Loan & Advances	359,958	—	—
	(359,958)	(—)	(—)
Trade receivable	—	—	7,116,535
	(—)	(—)	(8,469,032)
Trade Payable	901,326	—	8,360,266
	(—)	(—)	(—)

31. Additional information (as certified by the management)

Opening and Closing Stock of Finished and Traded Goods

Class of Goods	Opening Stock	Closing Stock
I Finished Goods		
Kitchen Sinks	17,344,058	27,735,772
	(17,188,811)	(17,344,058)
II Traded Goods and Accessories	24,536,208	36,187,519
	(17,808,747)	(24,536,208)
	41,880,266	63,923,291
	(34,997,558)	41,880,266

Sales

Class of Goods	2012-2013	2011-2012
Manufactured Goods		
Kitchen Sinks	703,596,247	556,844,105
Traded Goods & Accessories	70,080,075	51,678,317
	773,676,322	608,522,422

Raw Material Consumed

Raw Materials	2012-2013	2011-2012
Coated Silica/Granucol	75,947,134	56,533,744
Polymethyl Methacrylate	22,966,960	17,052,915
Methyl Methacrylate	80,261,114	69,853,988
Colour Pigments	9,386,888	4,704,760
Others	20,731,986	16,717,732
	209,294,082	164,863,139

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2013

Consumption of Raw Materials, Components and Spare Parts

	2012-2013	%	2011-2012	%
Raw Materials				
Imported	169,975,739	81.21	145,012,704	87.96
Indian	39,318,343	18.79	19,850,435	12.04
	209,294,082	100.00	164,863,139	100.00
Components and Spare Parts				
Accessories Imported	45,183,898	100.00	30,162,642	100.00

Value of Imports on C.I.F. basis

	2012-2013	2011-2012
Raw Materials	186,473,082	136,765,125
Components and Spare Parts* (Accessories)	55,655,064	34,800,585
Traded Goods		
Stainless Steel Sink	4,768,143	24,707,001
Foodwaste Disposer	3,371,141	3,106,630
Faucets	4,537,087	2,662,114
Engineering Stone	—	1,096,093
Hod Hob Chimney	11,883,594	—
Misc Traded Goods	20,923	—
Capital Goods	57,496,355	14,317,686
Expenditure in Foreign Currency (on accrual basis)		
Foreign Travelling Expenses	2,841,528	1,916,900
Advertisement & Sales Promotion	3,307,891	5,625,455
Sales Discount & Commission	4,896,554	2,030,045
Legal & Professional Fees	2,179,672	2,166,934
Others	961,531	844,492
Earnings in Foreign Exchange		
FOB value of Exports	578,125,406	465,434,185

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

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

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

Signatures to Notes 1 to 34

For SANGHAVI & COMPANY
Chartered Accountants

A. M. PAREKH
Executive Chairman

C. A. PAREKH
Vice-Chairman & Managing Director

MANOJ GANATRA
Partner

DAMODAR SEJPAL
Company Secretary

J. R. NAIK
Director

Bhavnagar
25th May, 2013

Bhavnagar
25th May, 2013

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 31st March, 2013, 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. 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 consideration of the unaudited the financial statements of an overseas subsidiary company, 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 31st March 2013;
- 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 ₹2,093,082 as at 31st March, 2013 and total revenues of ₹4,330,027 for the year ended on that date.

We have relied on the unaudited financial statements of the aforesaid overseas subsidiary for the year ended 31st March 2013 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

Bhavnagar
 25th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

(Amounts in Indian ₹)

Particulars	Note No.	31 st March, 2013		31 st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	44,580,000		29,720,000	
Reserves and Surplus	3	234,014,583	278,594,583	218,334,408	248,054,408
Minority Interest	4		2,267,396		151,000
Non-Current Liabilities					
Long-term Borrowings	5	47,792,975		44,793,521	
Deferred Tax Liabilities (Net)		4,872,000		5,631,000	
Long-term Provisions	6	736,586	53,401,561	967,393	51,391,914
Current Liabilities					
Short-term Borrowings	7	233,222,757		158,723,775	
Trade Payables		122,753,662		65,357,640	
Other Current Liabilities	8	61,185,651		63,429,107	
Short-term Provisions	9	33,967,634	451,129,704	26,287,034	313,797,556
Total			785,393,244		613,394,878
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	10	319,017,645		276,213,141	
Intangible Assets		1,069,741		1,224,495	
Capital Work-in-Progress		646,734		2,806,352	
		320,734,120		280,243,988	
Non-current Investments		-	-	-	-
Long-term Loans and Advances	11	13,262,629		19,442,528	
Other Non-current Assets		-	333,996,749	-	299,686,516
Current Assets					
Current Investments		-		-	
Inventories	12	167,601,025		109,204,593	
Trade Receivables	13	210,461,969		151,999,644	
Cash and Bank Balances	14	21,932,144		20,064,214	
Short-term Loans and Advances	15	51,401,357		32,439,911	
Other Current Assets		-	451,396,495	-	313,708,362
Total			785,393,244		613,394,878

The accompanying notes 1 to 34 are an integral part of these financial statements.

As per our report of even date

For **SANGHAVI & COMPANY**
Chartered Accountants

A. M. PAREKH
Executive Chairman

C. A. PAREKH
Vice-Chairman & Managing Director

MANOJ GANATRA
Partner

DAMODAR SEJPAL
Company Secretary

J. R. NAIK
Director

Bhavnagar
25th May, 2013

Bhavnagar
25th May, 2013

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(Amounts in Indian ₹)

Particulars	Note No.	2012-2013	2011-2012
REVENUE			
Revenue from Operations	16	795,781,125	626,225,520
Other Income	17	5,549,984	6,395,846
Total Revenue		801,331,109	632,621,366
EXPENSES			
Cost of Materials Consumed	18	298,173,648	220,184,388
Purchases of Stock-in-Trade		35,404,408	36,828,601
Changes in Inventories	19	(26,917,520)	(13,199,697)
Employee Benefits Expenses	20	79,925,954	75,649,914
Finance Costs	21	32,729,107	26,742,058
Depreciation and Amortization		43,700,671	38,119,453
Other Expenses	22	277,404,801	230,941,907
Total Expenses		740,421,069	615,266,624
Profit before exceptional and extraordinary items and tax		60,910,040	17,354,742
Exceptional Items			
Extraordinary Items		-	-
Profit Before Tax		60,910,040	17,354,742
Tax Expenses			
Current tax		22,200,000	13,900,000
MAT credit entitlement		(7,870,000)	(3,250,000)
Earlier Years' Tax		(92,951)	(8,500)
Deferred Tax		(759,000)	(8,269,000)
Net Profit for the year		47,431,991	14,982,242
Minority Interest		903,604	1,359,000
Net Profit for the year		48,335,595	16,341,242
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic / Diluted		10.84	5.50
* adjusted for bonus issue in the ratio of 1:2			*

The accompanying notes 1 to 34 are an integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

A. M. PAREKH
Executive Chairman

C. A. PAREKH
Vice-Chairman & Managing Director

MANOJ GANATRA
Partner

DAMODAR SEJPAL
Company Secretary

J. R. NAIK
Director

Bhavnagar
25th May, 2013

Bhavnagar
25th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in lacs)

Particulars	2012-2013	2011-2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax And Extraordinary Items	609.10	173.55
Adjustments for -		
Depreciation	437.01	381.19
Interest	117.76	140.16
Exchange Rate Adjustments (net)	(5.83)	(4.01)
Loss/(Profit) on sale of Assets	(10.42) 538.52	(0.05) 517.29
Operating Profit Before Working Capital Changes	1,147.62	690.84
Adjustments for -		
Trade and Other Receivables	(750.03)	79.54
Inventories	(583.96)	(71.51)
Trade Payables	544.52 (789.47)	(96.66) (88.63)
Cash Generated From Operations	358.15	602.21
Direct Taxes Paid	(118.49) (118.49)	(52.42) (52.42)
NET CASH FROM OPERATING ACTIVITIES	239.66	549.79
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(872.29)	(478.16)
Purchase of Investments	-	-
Sale of Fixed Assets	40.79	1.13
Interest Received	5.16	3.20
NET CASH USED IN INVESTING ACTIVITIES	(826.34)	(473.83)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital	30.20	13.59
Proceeds from Loans Borrowed (net)	775.08	242.44
Interest Paid	(122.92)	(143.36)
Dividend Paid	(114.28)	(115.45)
NET CASH USED IN FINANCING ACTIVITIES	568.08	(2.78)
Net Increase in Cash and Cash Equivalents	(18.60)	73.18
Cash And Cash Equivalents as at beginning of the year	159.96	86.78
Cash And Cash Equivalents as at end of the year	141.36	159.96
Cash and Cash Equivalents		
Cash and Bank Balances	219.32	200.64
Statutory restricted accounts	(77.96)	(40.68)
	141.36	159.96

As per our report of even date

For **SANGHAVI & COMPANY**
Chartered Accountants**A. M. PAREKH**
Executive Chairman**C. A. PAREKH**
Vice-Chairman & Managing Director**MANOJ GANATRA**
Partner**DAMODAR SEJPAL**
Company Secretary**J. R. NAIK**
DirectorBhavnagar
25th May, 2013Bhavnagar
25th May, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 1****SIGNIFICANT ACCOUNTING POLICIES****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.

Assets of Foreign Subsidiary Company are depreciated over the estimated useful life of the respective assets.

INVENTORIES

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

SALES

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

EXCISE AND CUSTOM DUTY

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

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 income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

EARNINGS PER SHARE

Basic Earnings 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 cannot be made.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 2****2.1 Share Capital**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Authorised		
5,000,000 Equity Shares of ₹10 each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid up		
4,458,000 (2,972,000) Equity Shares of ₹10 each	44,580,000	29,720,000
	<u>44,580,000</u>	<u>29,720,000</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

Particulars	Equity Shares	
	No. of shares	₹
Shares outstanding at the beginning of the year	2,972,000	29,720,000
Shares issued during the year	1,486,000	14,860,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	4,458,000	44,580,000

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

Name of Shareholder	31 st March, 2013		31 st March, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Chirag A Parekh	1,835,946	41.18%	1,223,964	41.18%
Schock & Co GmbH	452,400	10.15%	301,600	10.15%
Piyush Vrajlal Mehta	295,350	6.63%	196,900	6.63%

Note No. 3**Reserves and Surplus**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
a. Capital Reserve	2,519,500	2,519,500
b. Securities Premium Account		
Balance at the beginning of the year	10,600,000	10,600,000
Capitalisation for issue of bonus shares	(10,600,000)	-
Balance at the end of the year	-	<u>10,600,000</u>
c. Foreign Currency Translation Reserve	(1,089,447)	(505,629)
d. General Reserve		
Balance at the beginning of the year	200,000,000	170,000,000
Capitalisation for issue of bonus shares	(4,260,000)	-
Transfer from surplus	34,260,000	30,000,000
Balance at the end of the year	<u>230,000,000</u>	<u>200,000,000</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
e. Surplus		
Balance at the beginning of the year	5,720,537	33,195,826
Net Profit for the year	48,335,595	16,341,242
Transfer to general reserve	(34,260,000)	(30,000,000)
Proposed dividend	(14,711,400)	(11,888,000)
Corporate dividend tax	(2,500,202)	(1,928,531)
Balance at the end of the year	2,584,530	5,720,537
	234,014,583	218,334,408

Note No. 4**Minority Interest**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Attributed Share Capital	3,171,000	1,661,000
Share of loss (restricted to the extent of capital contribution)	(903,604)	(1,510,000)
	2,267,396	151,000

Note No. 5**Long Term Borrowings**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
a. Secured		
Term loans from banks (Indian rupee accounts)	47,372,975	44,373,521
	47,372,975	44,373,521
Notes: Term Loan from Bank is secured by hypothecation of all tangible movable assets purchased out of Bank finance.		
Term Loan for vehicles are against hypothecation of vehicles		
Period of default	NA	
Amount	Nil	
b. Unsecured		
From shareholders	420,000	420,000
From others	-	-
	420,000	420,000
Period of default	NA	
Amount	Nil	
	47,792,975	44,793,521

Note No. 6**Long Term Provision**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Provision for leave encashment	736,586	967,393
	736,586	967,393

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 7****Short Term Borrowings**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
a. Secured		
Working capital finance from banks (Indian rupee accounts)	192,527,757	132,983,775
	<u>192,527,757</u>	<u>132,983,775</u>
<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 & 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. Unsecured		
From shareholders	-	-
From others	40,695,000	25,740,000
	<u>40,695,000</u>	<u>25,740,000</u>
	<u>233,222,757</u>	<u>158,723,775</u>

Note No. 8**Other Current Liabilities**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Current maturities of long-term debt	29,759,005	31,000,387
Interest accrued but not due on borrowings	7,332,879	5,288,808
Advances from customers	5,717,452	9,923,597
Statutory liabilities	4,155,562	5,003,460
Unclaimed dividends	2,243,489	1,782,615
Gratuity premium payable	594,224	1,067,041
Super annuation contribution payable	476,565	476,565
Other liabilities	10,906,475	8,886,634
	<u>61,185,651</u>	<u>63,429,107</u>

Note No. 9**Short Term Provisions**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Provision for bonus	1,047,635	1,043,152
Provision for leave encashment	76,073	112,476
Provision for income tax (net of payments)	15,632,324	11,314,875
Proposed dividend	14,711,400	11,888,000
Corporate dividend tax	2,500,202	1,928,531
	<u>33,967,634</u>	<u>26,287,034</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2013**Note No. 10****Fixed Assets**

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01.04.2012 (₹)	Additions (₹)	Deductions (₹)	As at 31.03.2013 (₹)	As at 01.04.2012 (₹)	Depreciation For the Year (₹)	On Deductions (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
Tangible Assets									
Freehold Land	31,125,810	964,203	-	32,090,013	-	-	-	32,090,013	31,125,810
Buildings	80,565,126	10,906,441	-	91,471,567	11,484,158	2,791,728	-	77,195,681	69,080,968
Plant & Equipment	119,540,201	12,112,604	-	131,652,805	45,002,355	7,414,624	-	79,235,826	74,537,846
Moulds and Dies	194,762,606	48,970,690	2,676,185	241,057,111	113,954,888	27,028,746	939,922	101,013,399	80,807,718
Vehicles	16,453,339	6,423,452	3,206,439	19,670,352	7,574,534	2,640,899	2,084,242	11,539,161	8,878,805
Furniture & Fixtures	12,074,814	5,638,965	-	17,713,779	5,689,039	1,561,267	-	10,463,473	6,385,775
Office Equipment	12,985,439	4,000,268	211,519	16,774,188	7,589,220	1,737,294	32,418	7,480,092	5,396,219
	467,507,335	89,016,623	6,094,143	550,429,815	191,294,194	43,174,558	3,056,582	319,017,645	276,213,141
Intangible Assets									
Computer Software	3,120,805	371,359	-	3,492,164	1,896,310	526,113	-	1,069,741	1,224,495
	3,120,805	371,359	-	3,492,164	1,896,310	526,113	-	1,069,741	1,224,495
Total	470,628,140	89,387,982	6,094,143	553,921,979	193,190,504	43,700,671	3,056,582	320,087,386	277,437,636
Previous year	366,898,649	104,166,415	436,294	470,628,140	155,399,575	38,119,453	328,524	277,437,636	211,499,074

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 11****Long-term Loans and Advances**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Unsecured (considered good)		
Capital advances	11,267,175	17,403,083
Security deposits	1,995,454	2,039,445
Other loans and advances	-	-
	<u>13,262,629</u>	<u>19,442,528</u>

Note No. 12**Inventories**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
(as taken, certified and valued by the management)		
Raw materials (at cost)	44,530,934	25,134,262
Work-in-progress (at estimated cost)	20,128,357	15,708,267
Finished goods (at lower of cost or market value)	30,182,229	18,100,852
Stock-in-trade (at lower of cost or market value)	34,952,261	24,536,208
Bought out items	24,724,370	13,510,480
Stores & spares (at cost)	3,823,729	3,472,577
Packing materials (at cost)	9,259,145	8,741,947
	<u>167,601,025</u>	<u>109,204,593</u>

Note No. 13**Trade Receivables**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
Unsecured (considered good)		
Over six months	12,775,902	5,954,482
Others	197,686,067	146,045,162
	<u>210,461,969</u>	<u>151,999,644</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 14****Cash and Cash Equivalents**

(Amounts in Indian ₹)

Particulars	31 st March, 2013	31 st March, 2012
I. Cash and Cash Equivalents		
a. Balances with Banks:		
Current accounts	10,829,859	14,369,055
Short term deposits	1,111,000	643,036
	<u>11,940,859</u>	<u>15,012,091</u>
b. Cash on Hand	1,063,196	1,627,967
	<u>13,004,055</u>	<u>16,640,058</u>
II. Other Bank Balances		
Dividend accounts	2,243,489	1,782,615
Terms deposits with more than 12 months maturity	-	642,191
Other terms deposits	6,684,600	999,350
	<u>8,928,089</u>	<u>3,424,156</u>
	<u>21,932,144</u>	<u>20,064,214</u>

Term deposits of ₹10,039,089 (₹4,067,192) 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 st March, 2013	31 st March, 2012
Unsecured (considered good)		
Trade advances to suppliers	5,732,396	10,886,314
Loans and advances to staff (including officers of the company ₹1,200,006)	2,695,129	2,897,397
Input credits receivable	20,417,635	7,590,328
Prepaid expenses	2,607,332	2,382,869
Other loans and advances	19,948,865	8,683,003
	<u>51,401,357</u>	<u>32,439,911</u>
Trade advances to suppliers include:		
- to a company in which some of the director are interested	359,958	359,958

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 16****Revenue from Operations**

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Sale of Products				
Export sales	607,814,901		467,260,396	
Domestic sales	190,045,928		153,695,163	
	797,860,829		620,955,559	
Less: Excise duty	15,666,580	782,194,249	7,058,592	613,896,967
Other Operating Revenue				
Export incentives and credits	-		2,614,352	
Foreign currency fluctuation gain/(loss)	10,816,506		9,714,201	
Other operational income	2,770,370	13,586,876		12,328,553
		795,781,125		626,225,520

Note No. 17**Other Income**

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Interest receipts		516,127		320,227
Insurance claims receipts		1,957,400		3,197,951
Profit on sale of assets		1,218,725		4,650
Sundry balances written back		-		-
Miscellaneous income		1,857,732		2,873,018
		5,549,984		6,395,846

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

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Materials Consumed				
Opening stock	25,134,262		37,083,677	
Purchase and direct expenses	258,320,653		168,589,441	
	283,454,915		205,673,118	
Closing stock	44,530,934	238,923,981	25,134,262	180,538,856
		238,923,981		180,538,856
Bought items consumed		59,249,667		39,645,532
		298,173,648		220,184,388

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 19****Changes in Inventories**

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Opening Stock				
Finished Goods	18,100,852		16,081,086	
Stock-in-trade	24,536,208		19,770,383	
Work-in-progress	15,708,267	58,345,327	9,294,161	45,145,630
Closing 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
		(26,917,520)		(13,199,697)

Note No. 20**Employee Benefit Expenses**

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Salaries, wages, allowances and bonus		73,323,214		68,305,650
Contribution to employee benefit funds		2,882,587		4,243,965
Staff welfare expenses		3,720,153		3,100,299
		79,925,954		75,649,914
Includes director's remuneration		9,026,177		7,722,620

Note No. 21**Finance Costs**

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Interest				
Working capital finance	16,734,969		11,208,433	
Term loans	9,146,547		10,809,339	
Others	6,073,841	31,955,357	3,522,177	25,539,949
Loss/(gain) on foreign currency borrowings		-		-
Other borrowing costs		773,750		1,202,109
		32,729,107		26,742,058

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**Note No. 22****Other Expenses**

Particulars	2012-2013		2011-2012	
	(₹)		(₹)	
Manufacturing Expenses				
Power & Fuel	33,631,808		26,032,633	
Machinery repairs and maintenance	4,964,951		3,243,706	
Packing materials and expenses	75,762,635		58,267,881	
Stores & spares	17,848,297		13,161,752	
Other expenses	960,431	133,168,122	681,547	101,387,519
Selling and Distribution Expenses				
Sales commission	1,781,575		2,296,796	
Advertisement and sales promotion expenses	14,144,982		19,905,991	
Export freight, insurance and other expenses	55,935,551		52,352,096	
Other selling expenses	4,607,998	76,470,106	3,165,658	77,720,541
Administrative and Other Expenses				
Travelling expenses	17,811,963		15,209,890	
Rent	6,147,516		4,618,444	
Rates and taxes	61,233		26,809	
Insurance premiums	2,261,060		2,109,759	
Building and other repairs	4,085,476		2,805,999	
Directors' sitting fees	387,500		160,000	
Legal and professional fees	12,474,892		6,094,647	
Postage and Telephone Expenses	2,491,092		2,610,822	
Printing and Stationery Expenses	1,536,154		1,513,814	
Payments to auditors	1,087,316		818,112	
Bank discount, commission and other charges	6,241,996		3,782,734	
Vehicle Expenses	633,834		615,469	
Loss on sale of assets	177,066		-	
Donations	796,000		142,000	
Prior period expenses	-		46,680	
General expenses	11,573,475	67,766,573	11,278,668	51,833,847
		277,404,801		230,941,907

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**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 31st March, 2013.
- The consolidated financial statements present the consolidated accounts of Acrysil Limited with its following subsidiaries.

	Proportion of Ownership Interest as at 31 st March, 2013
1 Acrysil Steel Limited	93.84%
2 Acrysil Quartz Private Limited	84.90%
3 Acrysil GmbH, 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 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 therefrom 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 assets of ₹759,000 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 ₹4,872,000 are as under:

Particulars	₹
Depreciation	11,141,001
Disallowances u/s. 43B of the Income Tax Act	(695,133)
Business Loss	(5,573,868)
Total	4,872,000

- 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 ₹6,244,201 (Nil)
- In respect of corporate guarantees given by the company on behalf of a subsidiary company ₹62,500,000 (₹84,000,000)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31st MARCH, 2013**31. Auditors' Remuneration**

	2012-2013	2011-2012
Audit Fees	972,316	739,112
Tax Audit Fees	45,000	25,000
Other Matters	70,000	54,000

32. Related Party Disclosures**Associates**

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

Key Managerial Personnel

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

Transactions with Related Parties

	Associates	Key Managerial Personnel
(a) Remuneration	-	9,026,177
	(-)	(7,722,620)
(b) Professional fees	445,000	-
	(860,000)	(-)
(c) Donations	500,000	-
	(-)	(-)
(d) Outstanding Balances		
Other Liability	-	191,904
	(-)	(-)
Short - term Loan & Advances	359,958	-
	(359,958)	(-)

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

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

Signatures to Notes 1 to 34

For SANGHAVI & COMPANY
Chartered Accountants

MANOJ GANATRA
Partner

Bhavnagar
25th May, 2013

DAMODAR SEJPAL
Company Secretary

Bhavnagar
25th May, 2013

A. M. PAREKH
Executive Chairman

C. A. PAREKH
Vice-Chairman & Managing Director

J. R. NAIK
Director

**ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED 31st MARCH, 2013
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

Sr. No.	Particulars	Acrysil Steel Limited	Acrysil GmbH	Acrysil Quartz Private Limited
1	Financial Year of the Subsidiary Company	31 st March, 2013	31 st March, 2013	31 st March, 2013
2	Date from which it became Subsidiary	28 th April, 2010	17 th February, 2011	17 th January, 2011
3	Extent of the Holding Company's interest in the Subsidiary Company at the end of the financial year of the Subsidiary Company	93.84%	100%	84.90%
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	(₹28,45,978)	(₹32,67,527)	(₹39,598)
	ii) For the previous years since it become a Subsidiary	(₹1,16,09,270)	(₹2,07,55,967)	(₹47,563)
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
	ii) For the previous year since it became a Subsidiary	Nil	Nil	Nil

Notes:

1. Acrysil Appliances Limited was incorporated on 4th April, 2013. Its first financial year will start from 4th April, 2013 to 31st March, 2014.

Mumbai
27th July, 2013

FOR AND ON BEHALF OF THE BOARD

A. M. Parekh Executive Chairman

C. A. Parekh Vice-Chairman & Managing Director

J. R. Naik Director

Damodar Sejjal Company Secretary

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

(₹ in lacs)

Name of the Subsidiary Company	Acrysil Steel Limited	Acrysil GmbH		Acrysil Quartz Private Limited
Financial Year ended on	31 st March, 2013	31 st March, 2013		31 st March, 2013
Country	India	Germany		India
Reporting Currency	INR in lacs	EURO	INR in lacs	INR in lacs
Share Capital	49.00	75,000.00	52.12	10.00
Reserve	(144.55)	(362,644.83)	(252.07)	(0.87)
Total Assets	1,061.62	30,111.96	20.93	9.78
Total Liabilities	716.17	317,767.57	220.88	9.78
Details of Investment (other than investment in subsidiaries)	0.00	0.00	0.00	0.00
Turnover	597.49	60,761.43	42.24	0.00
Profit / (Loss) before Taxation	(59.38)	(47,008.01)	(32.68)	(0.40)
Provision for Taxation	30.92	0.00	0.00	0.00
Profit / (Loss) after Taxation	28.46	(47,008.01)	(32.68)	(0.40)
Proposed Dividend	0.00	0.00	0.00	0.00
Exchange Rate:	As on 31 st March, 2013: 1 Euro = ₹69.51			
	Average: 1 Euro = ₹69.37			

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 2005-06 to 2011-12, are requested to make their claims without any delay to the Company's Registrar and Transfer Agents, Bigshare Services Pvt. Ltd.

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
2005 - 06	27.09.2006	14.10.2006	14.10.2013
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

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Members Feedback Form 2012-2013

Name :

E-mail id :

Address :

.....

.....

DP ID. :

Client ID :

Folio No. :

(in case of physical holding)

No. of Equity

Shares held :

(the period for
which held) :

.....
Signature of Member

Members Feedback Form 2012-2013

Name :

E-mail id :

Address :

.....

.....

DP ID. :

Client ID :

Folio No. :

(in case of physical holding)

No. of Equity

Shares held :

(the period for
which held) :

.....
Signature of Member

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ACRYSIL LIMITED

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

ATTENDANCE SLIP

26th Annual General Meeting, 26th September, 2013 at 3.30 p.m.

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

Name of the Member: _____ No of Shares held: _____

Folio/Client ID No.: _____ DP ID No.: _____

I hereby record my presence at the 26th ANNUAL GENERAL MEETING of the Company at INDIAN MERCHANT CHAMBERS, IMC ROAD, CHURCHGATE, MUMBAI – 400 001.

Signature of the Member or the Proxy attending the Meeting	
If Member, please sign below	If Proxy, please sign below

TEAR OFF HERE

ACRYSIL LIMITED

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

PROXY FORM

Folio/Client ID No.: _____ DP ID No.: _____

I/We _____

of _____

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

_____ of _____

or failing him _____ of _____

or failing him _____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on 26th September, 2013 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2013.

No. of Shares: _____

**Please affix
Re. 1
Revenue
Stamp**

Signature: _____

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

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INTRODUCING

CARYSIL CHIMNEYS: GERMAN ENGINEERED.



- Chimneys
- Hobs
- Ovens



red dot design award
winner 2011



iF
product design award
2011



PLUS X AWARD

Featured Product : Blade

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15-B Laxmi Industrial Estate, Andheri(W)
Ph. 022-67582212

New Delhi
Mansarovar Garden, Nr. Destimoney Kirtinagar
Ph. 011-40524889

A.P. 09391040050 | ASSAM 09864809053 | CHENNAI 26285447 / 26263747 | M.P. 09893300699 C.G. 09370016370

DELHI & NCR 09990649393 | NOIDA & WESTERN UP 09910345741 | GUJARAT 09924504583 / 9328256222

KARNATAKA 09845196551 | KOLKATTA 08100151571 KERALA 09447185115 | MAHARASHTRA 09370016370

MUMBAI & GOA 09892990609 | ORISSA 08100151571 | PUNJAB & HARIYANA 09878374669 | RAJASTHAN 09251065155

PROJECTS CONTACT FOR DELHI 09971016482

Email : info@carysil.com | Visit us on : www.carysil.com



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Acrysil Limited

Regd. Office: 704, Centre Point, J.B. Nagar, Andheri - Kurla Road,
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