



ACRYSIL LTD (BSE Scrip Code – 524091)

Defining the transition of Middle class – Aspirers to Seekers

Alpha/Alpha Plus stock recommendation for the month of Sep'11

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Acrysil Ltd – Investment Snapshot (As on September 27, 2011)

Recommendation :- BUY

Accumulation Range :- 115-125

1st Profit Booking :- Sell 50% at Rs 250

2nd Profit Booking :- Hold remaining for further updates.

Current Market Price – Rs. 121.50

BSE Scrip Code – 524091

Bloomberg Code – ACRY IN

Market Cap (INR Crores) – Rs 36 crores

Total Equity Shares [Mn]– 2.97

Face Value – Rs. 10

52 Week High / Low – Rs. 159.85 / Rs. 91.00

Promoter's Holding – 46.55%

Acrysil Limited was founded in 1987 as a joint venture with Schock & Co. GmbH (Germany), the inventors and world leaders in composite quartz technology, as well as in thermoplastic extruded profiles. The company began in a small way with about 2800 sinks annually, along with thermoplastic co-extruded profiles for the domestic auto industry and is now sitting on a production capacity of 2,20,000 kitchen sinks annually.

Acrysil is the only company in all of Asia - and one of just four companies worldwide - manufacturing composite quartz sinks.

They are the India's largest sink manufacturer in the non-steel category and the company has set the goal to be the No. 1 manufacturer across all categories, in terms of branded volume.

The company has a strong global presence and benchmarks its products against the most select competitive brands.

After achieving success globally, in its own small way, the company is now on a journey to replicate it in the domestic arena. With its premium products, the company is targeting the nation's growing cadre of affluent and influential and informed customers, both individual and institutional.

Acrysil Ltd – An Introduction

Acrysil – A kitchen sinks manufacturer !!

Acrysil Ltd is a manufacturer of kitchen sinks.

What makes a Kitchen sinks manufacturing company so special ?

Acrysil Ltd is a leading manufacturer and exporter of **Composite Quartz & Granite Kitchen Sinks** from India with Technical Know-how from Schock & Co., Germany.

The company market's its sinks under the Brand **CARYSIL**. They are also an OEM (Original Equipment Manufacturer) for major brands worldwide. Besides Quartz and Granite sinks which constitute more than 90% sales of the company, the company also sells Food waste disposers, faucets and stainless steel sinks under its own brand (Acrysil recently set up its own manufacturing units for stainless steel sinks. Before this Stainless steel sinks and faucets were being manufactured by third-parties to their designs.)

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The company has a strong global presence and benchmarks its products against the most select competitive brands. In the global market, the company has formed strategic partnerships across the globe, with major companies in UK, USA, Russia, France and others. Carysil brand is featured prominently in major retail establishments overseas like BnQ (UK), Castorama (France), Bricodepot (France), Menards (USA), Obi (Germany) and Costco (Canada), while in India they sell their sinks through a network of 2000 dealers.

Acrysil – Some snapshots !!

What makes a Kitchen sinks manufacturing company so special ?



Composite Quartz and Granite sinks – Premium products !!

The no-stain sink

Quartz is a natural stone, but how about having your kitchen sinks in the material?



**Scratch proof: Quartz kitchen sinks on display at the Kitchen Show.
Photo: G.P.Sampath Kumar**

Have you seen a round modular kitchen? If you think that is unique, consider the other product of Acrysil Limited, 'Carysil Quartz Kitchen Sink' made of silica quartz, the second hardest stone after diamond. Kitchen sinks in various sizes, colours and shapes are available in the stone.

Costing between Rs. 5,000 and 15,000, the sinks are produced in 10 colours at the company's Gujarat plant.

"We are one amongst the four companies in the world manufacturing quartz sinks in technical collaboration with Shock & Co., of West Germany," says

There is something unique about the sinks manufactured by Acrysil and that is, that about 75-80% of the material used in making it is Quartz mineral, cast by a means of special computer controlled polymerization casting process.

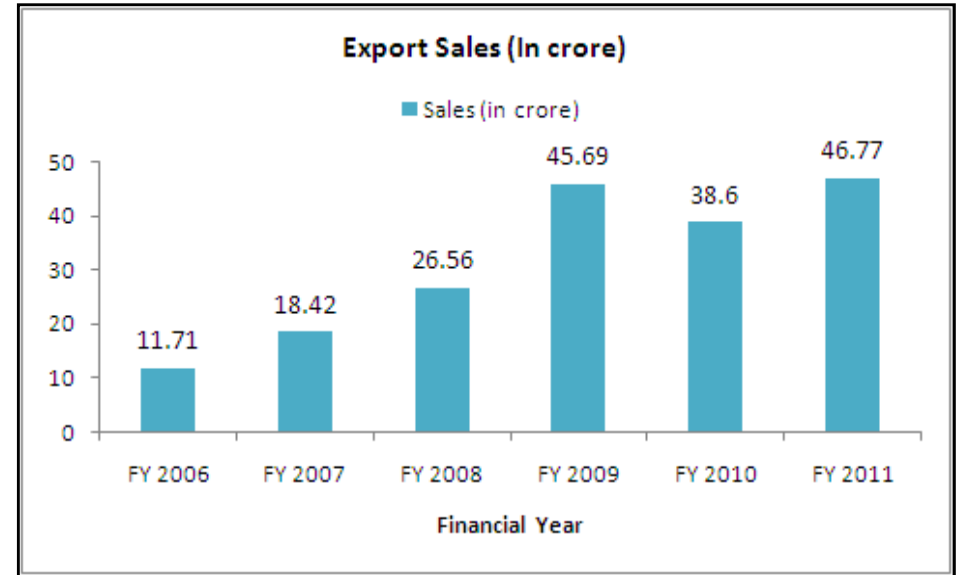
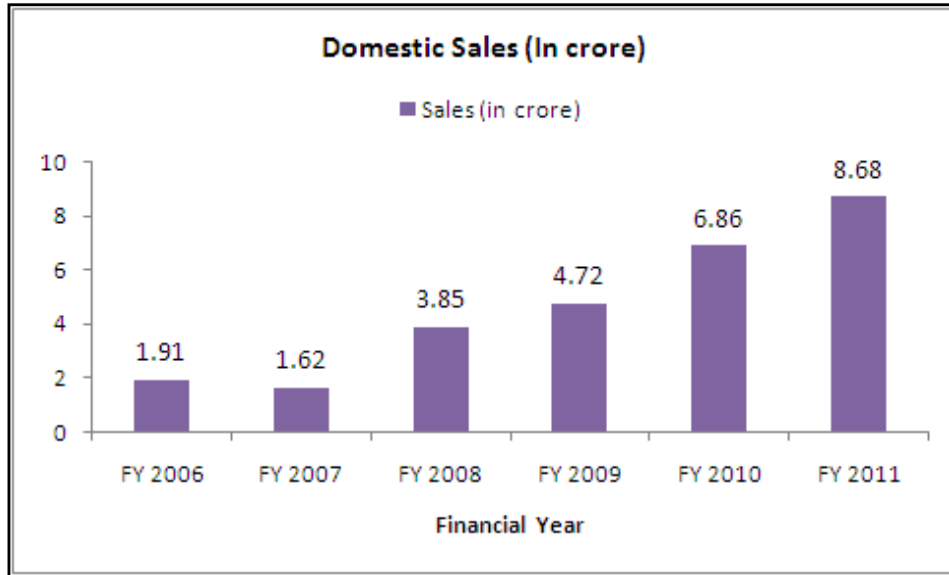
Their unique product in terms of quality and design makes them different from other sinks available in the market as they are completely scratch free (Quartz being one of the hardest material) and have aesthetic looks. Even it provides the flexibility of choosing from a wide range of colors, thus matching it with the color of the walls of the kitchen.

The product profile of the company is definitely unique in terms of Raw materials being used in the manufacturing and the premium they command over their peers.

However an important point to consider is whether the products are acceptable in the domestic market?

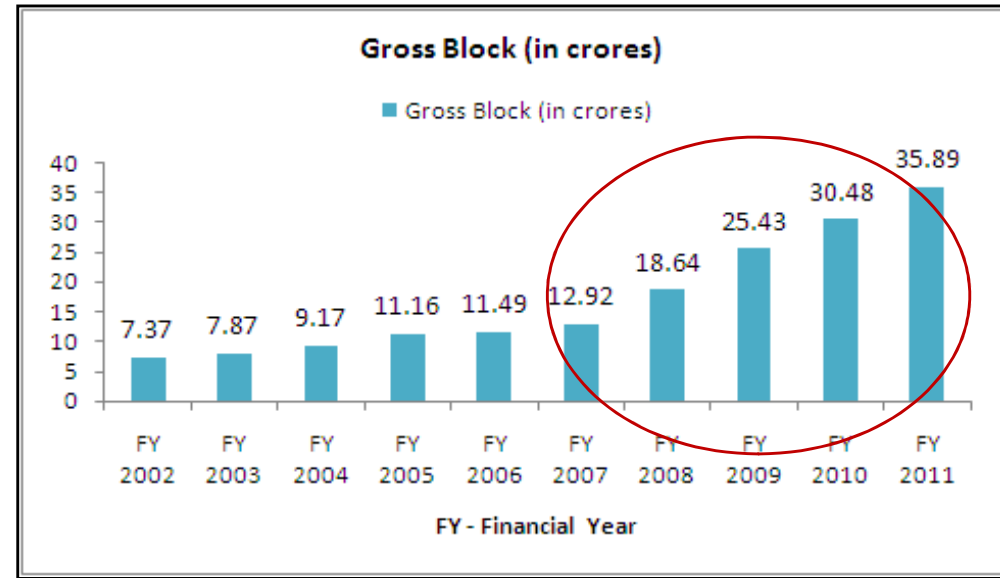
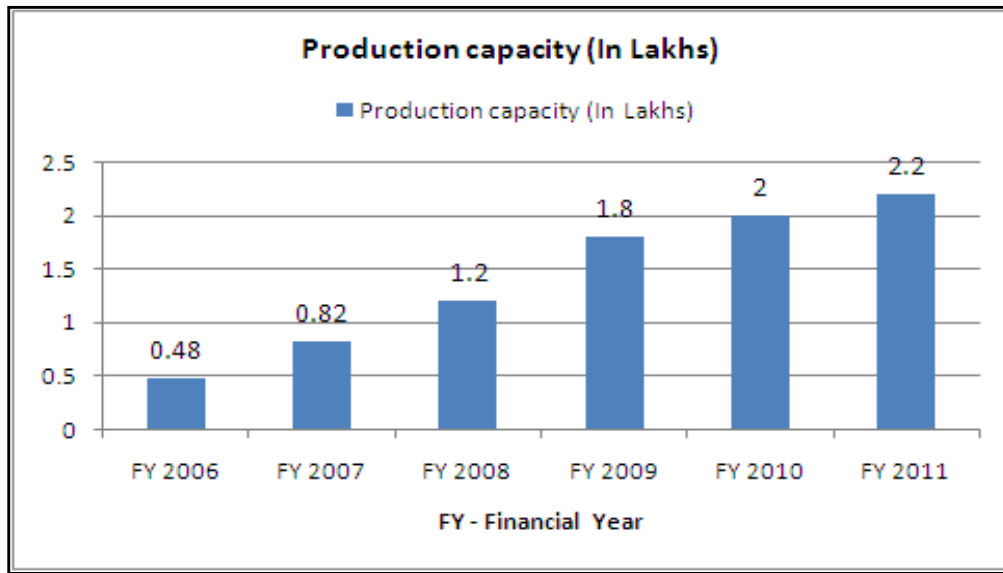
Acrysil Ltd – Business Overview

Acrysil – Domestic sales catching up with exports



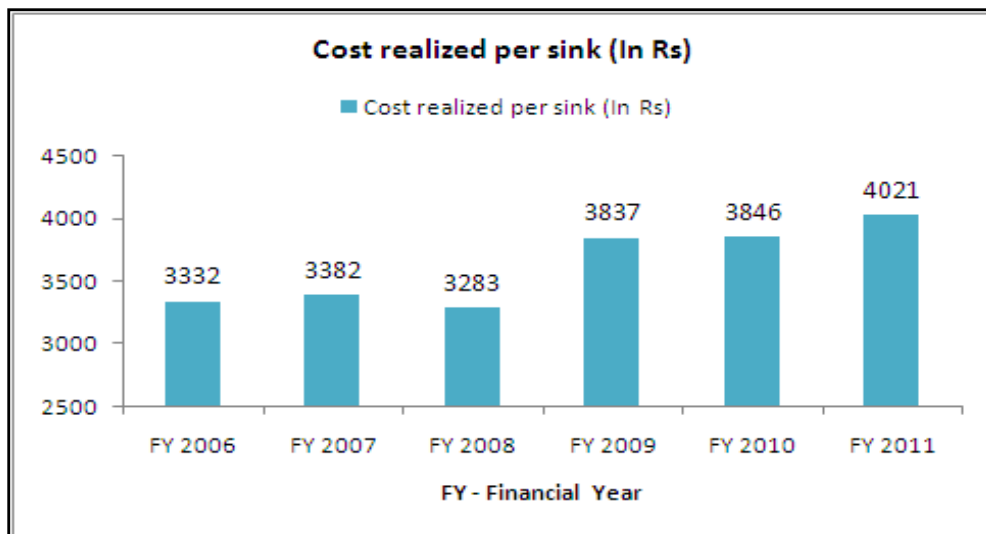
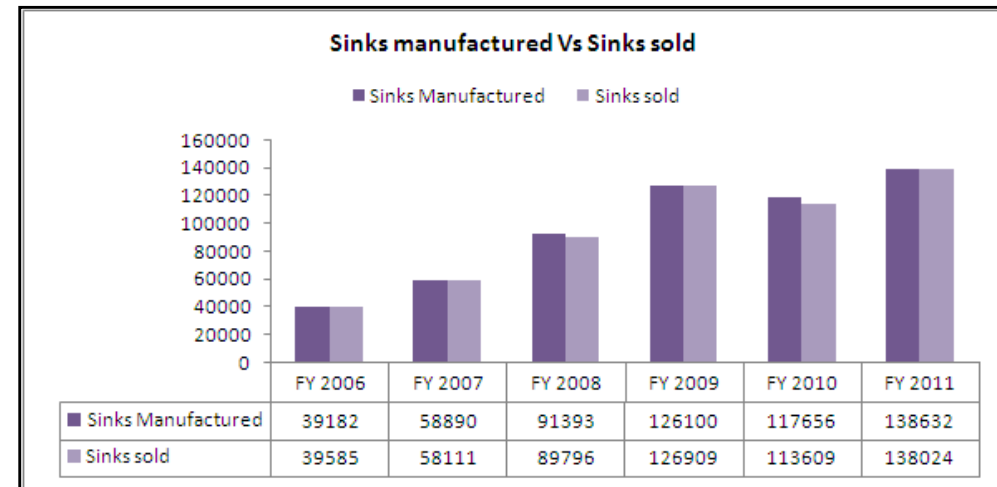
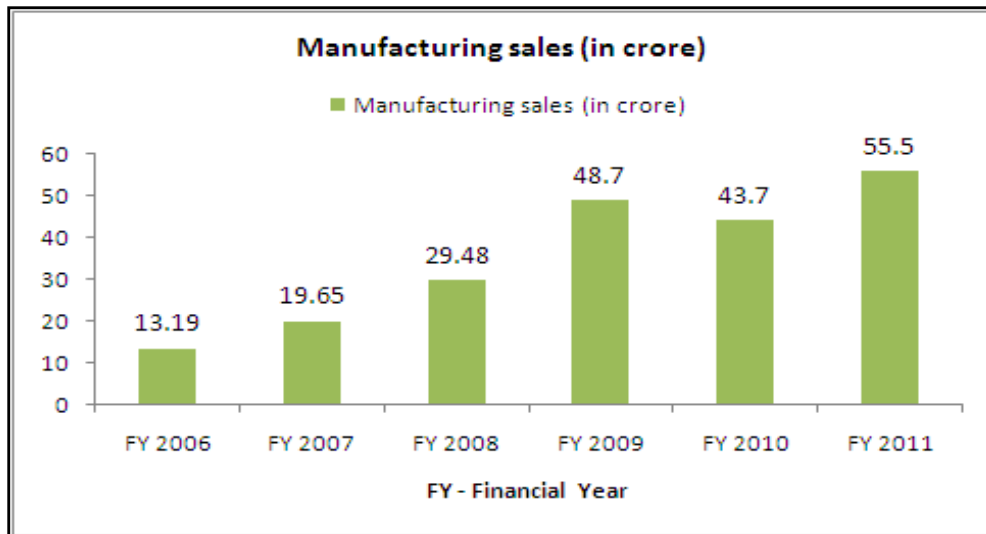
- For Acrysil nearly 85% of the total sales come from exports to about 30 different countries. At present the company is not witnessing any signs of slowdown for its products and is in fact in negotiations with some of the international giant retailers with whom it can have a tie up for future business.
- In the recently held AGM, the management indicated that it wants to increase the sales to India from about 15% to about 30% in next couple of years and as a result of which has ventured into manufacturing sinks made from Stainless Steel, which is predominately used in Indian kitchen market.
- In the light of maturing dealers network and the managements intent to focus more aggressively on Indian market, we believe FY 11 could well prove to be the inflexion point for the domestic sales growth of the company.

Acrysil – On an expansion spree



- As can be observed from the chart of Gross Block, Acrysil resorted to aggressive expansion over the last 5 years. While from 2002-2006, Acrysil spent just Rs 4 crores on the expansion of it's facilities. In the ensuing 5 years period of 2007-2011, Acrysil spent Rs 23 crores.
- At the end of FY 06 the company had an annual sinks production capacity of 0.48 lakhs, while the same now stands increased to 2.2 lakhs.
- In the wake of robust demand the management is contemplating increasing the annual sinks production capacity to 2.5 lakhs by the end of FY 12.

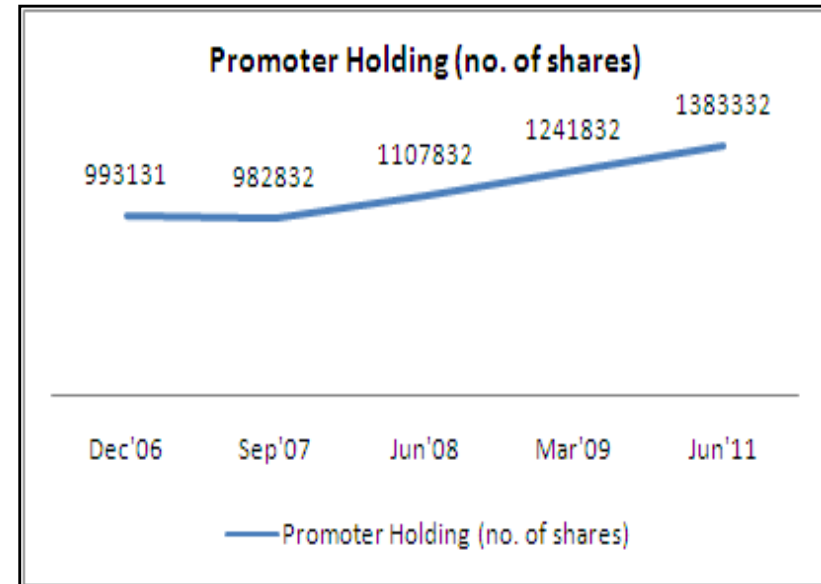
Acrysil – Value + Volume driven growth



- Over the last 5 years, the Manufacturing sales of the company have grown at a rate of 34% compounded annual growth rate.
- The contribution towards 34% growth has come from both volume increase and price increase:
 - Sales volume during the same period witnessed a growth of 28.5% CAGR.
 - During the same period the company could increase it's prices by 4% on an annualized basis, reflecting it's pricing power.

Management profile & Shareholding pattern

Acrysil Ltd. Shareholding Pattern - Condensed-All	Jun'11	Mar'11	Dec'10	Sep'10	Jun'10
Promoter and Promotor Group	46.55%	46.55%	46.55%	46.55%	46.55%
Indian Promoters	46.55%	46.55%	46.55%	46.55%	46.55%
Foreign Promoters	0	0	0	0	0
Public Shareholding	53.45%	53.45%	53.45%	53.45%	53.45%
Institutions	0				
FII	0				
DII	0				
Non-Institutions	50.67%	50.36%	50.48%	50.13%	50.33%
Bodies Corporate	2.78%	3.09%	2.97%	3.32%	3.12%
Custodians	0	0	0	0	0
Grand Total	100%	100%	100%	100%	100%



Increase in Promoter Shareholding

- **Acrysil Ltd is promoted by Mr. Ashwin Parekh and Mr. Chirag Parekh**, who have been the pioneers in the field of manufacturing watch components from Quartz and now Kitchen sinks.
- The management has always had the penchant for innovation and re-engineering especially in their use of non-traditional materials to achieve superior results and superior products for niche upscale markets.
- Acrysil is a professionally run organization with high focus on corporate governance.

Acrysil – Dividend history

Dividends Declared				
Announcement Date	Effective Date	Dividend Type	Dividend (%)	Remarks
23/5/2011	4/8/2011	Final	40%	Rs 4.00 per share
25/5/2010	2/8/2010	Final	40%	Rs 4.00 per share
4/6/2009	21/7/2009	Final	40%	Rs 4.00 per share
30/4/2008	12/6/2008	Final	30%	Rs 3.00 per share
13/6/2007	18/9/2007	Final	15%	Rs 1.50 per share
23/5/2006	18/9/2006	Final	10%	Rs 1.00 per share

- Acrysil has a very good track record of dividend payments and an uninterrupted one since 2006.
- Most importantly, the management does not shy away from increasing the payout in line with their growth.
- At current stock levels, one get's a dividend yield in excess of 3.2%. After a hiatus of 2 years, we expect the company to double it's payout over the next 3 years which would yield a handsome tax free return of 6.4% on annualized basis.

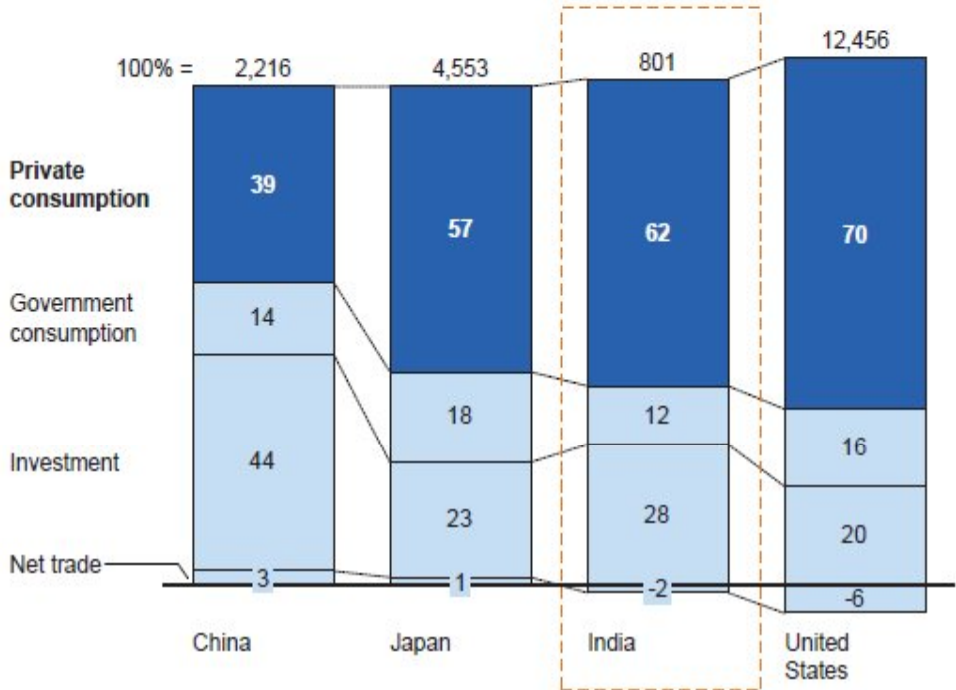
Trends that will drive the growth for Acrysil's premium products

- A virtuous cycle between consumption and income growth
- Household Income growth (Value)
- Indian consumers – Aspirers to Seekers & Strivers (Volume)
- The new Brand conscious India {Premium(Value + Volume)}
- New age Kitchens – Designing and showcasing lifestyle
- Modularization of Kitchens – A trend catching up fast !!

A virtuous cycle between consumption and income growth !

INDIA'S CONSUMPTION SHARE OF GDP IS CLOSER TO JAPAN AND THE UNITED STATES THAN IT IS TO CHINA

% , billion, nominal \$, 2005



India's lower level of investment relative to GDP has meant that consumption has played a bigger role in its growth story than in other developing countries in Asia, and at an earlier stage. **At 62 percent of GDP, consumption in India is closer, proportionally, to developed countries such as Japan and the United States than it is to China.**

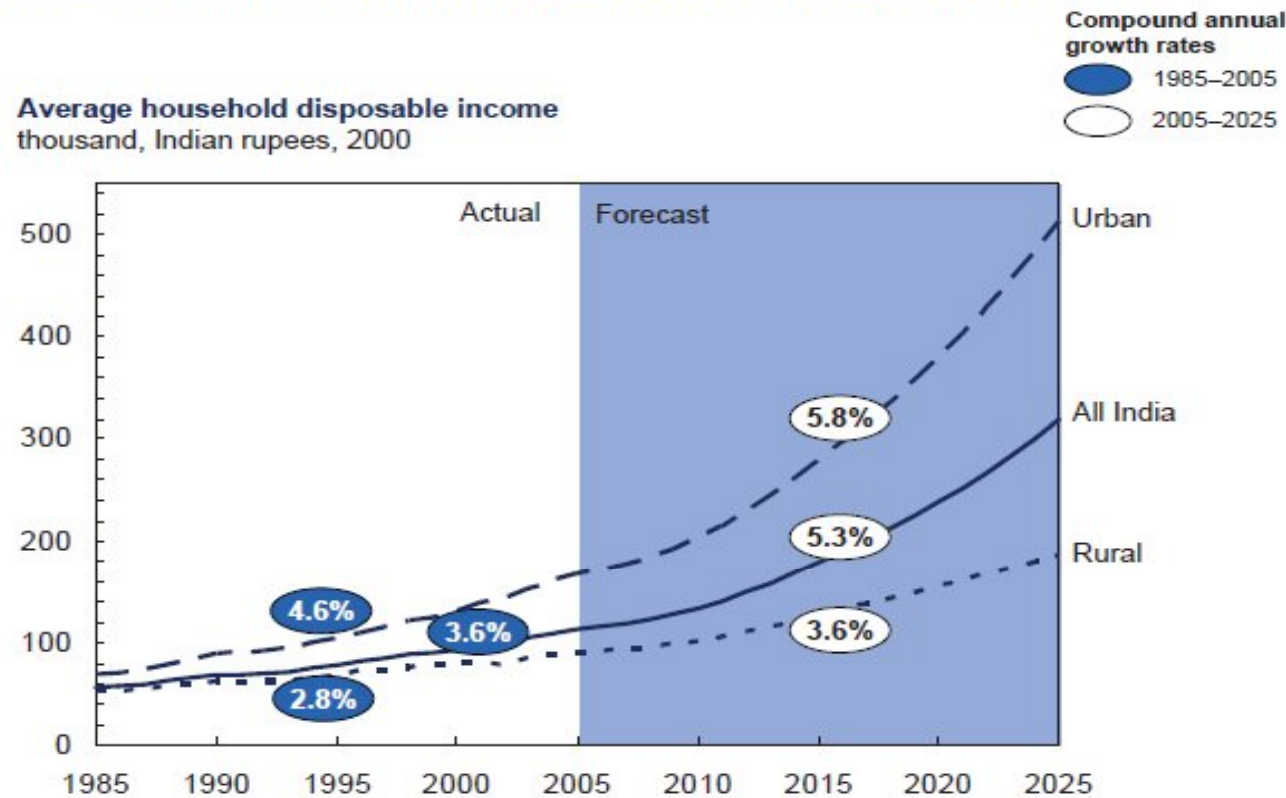
While consumption grew slowly in the decade before the 1991 reforms, it has been an important engine of Indian growth over the past decade, accounting for over half of India's GDP growth. Again, this is more similar to Japan where consumption contributed to 51 per cent of growth in the same period to China where it was just 30 per cent.

We believe that India has now entered a virtuous long-term cycle in which rising incomes lead to increasing consumption, which in turn creates more business opportunities and employment, further fuelling GDP and income growth.

This domestic consumption led growth had made India somewhat less dependant on exports as compared to other Asian Tigers.

What's driving Indian consumers for Premium products?

HOUSEHOLD INCOME GROWTH WILL ACCELERATE ACROSS INDIA



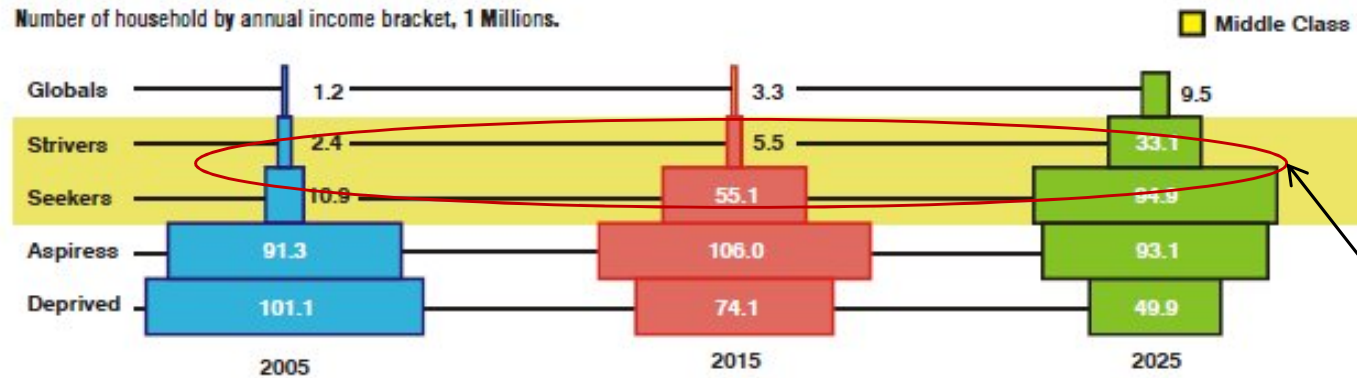
Household Income Growth

A recent study by the McKinsey Global Institute (MGI) suggests that if India continues to grow at the current pace, average household incomes will triple over the next two decades.

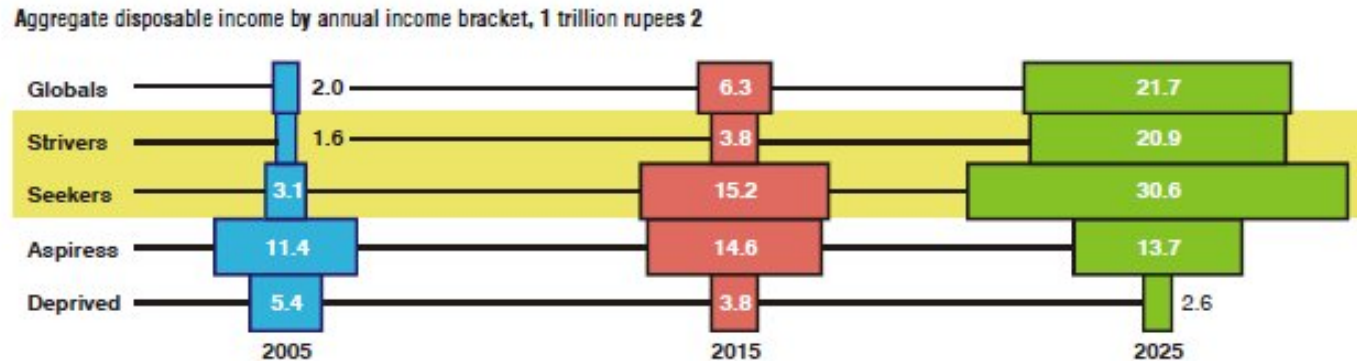
The study suggests that average real household income will grow from Rs 1,13,744 in 2005 to Rs 3,18,896 by 2025 at a compounded annual growth rate of 5.3%.

This will be significantly more rapid than the 3.6% annual growth of the past 20 years – and much quicker than income growth in other major markets.

Indian consumer market – Pyramid to sparkling diamond



The expanding base of seekers who are willing to spend money on lifestyle & Premium products.



India's consumer market till now was broadly defined as a pyramid; a very small affluent class with an appetite for luxury and high-end goods and services at the top, a middle-class at the center and a huge economically disadvantaged class at the bottom.

This pyramid structure of the Indian market is slowly collapsing and being replaced by a diamond – a relatively large affluent class at the top, a huge middle class at the center and a small economically disadvantaged class at the lower end. The diamond represents increasing volume and value across all classes of Indian consumer market.

New Brand conscious India – Demanding premium products

Rising Incomes fuelling Demand for Branded / Imported Lifestyle products: The Indian consumer market, which is primarily dominated by young generation, is becoming increasingly sophisticated and brand conscious. **A typical upper middle class young consumer is beginning to look beyond the utility aspect of a product to seek intangibles like brand and lifestyle statement associated with the product.**

According to a McKinsey study, there are 1.2 million affluent households, expected to reach 2.5 million households by 2015.

Accordingly, India is fast becoming a large market even for luxury goods and services, based on:

- Ten-fold rise in India's middle class: from 50 million to 580 million; with comfortable living standards
- The upper middle class expected to swell from 25 million people to over 130 million by 2025, and
- 24 million upper crest Indians (income > Rs 1mn per year, or \$ 117,000 PPP) with global lifestyles.

India is rapidly changing from a deprived and aspirers economy to seekers country and with that, people's preference for lifestyle products is growing. The young generation of consumers is driving the demand for lifestyle products.

The Indian affluent class has always had a penchant for premium branded goods and this fetish will continue. For instance, a recent luxury brands survey conducted by The Nielsen Company, a global information and media research company, **has ranked India third after Greece and Hong Kong in the list of most brand conscious countries in the world.** Over 35% of Indian respondents said they spend money on luxury brands.

New age Kitchens – Defining & showcasing lifestyle



The kitchen, at present, forms an integral component of the modern Indian home and is no longer considered as an old utilitarian space. Kitchens today are associated with defining and showcasing one's lifestyle.

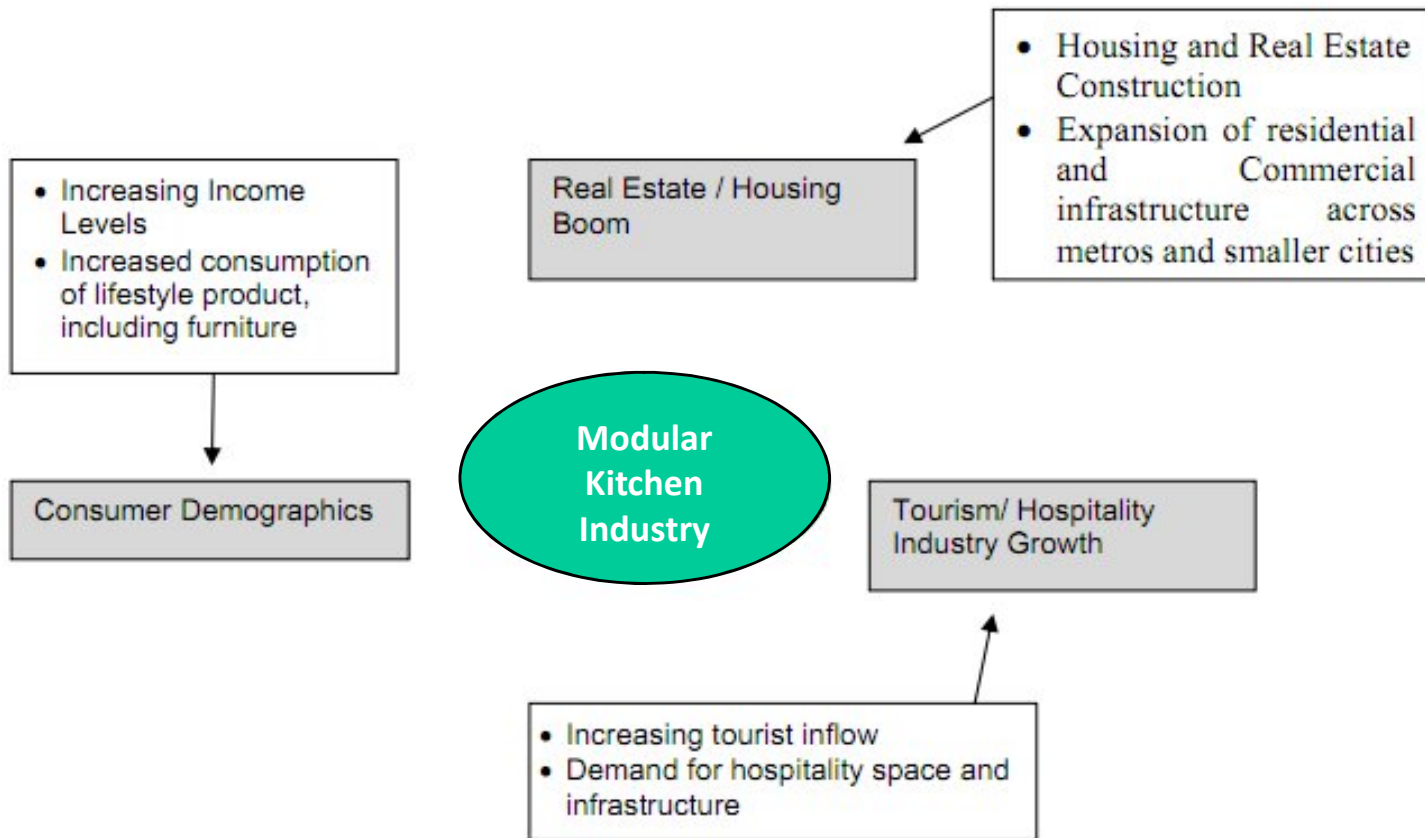
There is an evident trend where homeowners are willing to dedicate a greater share of thought, space and budget to design and customize their kitchens with smart technology that will ease their lifestyle necessities.

What epitomizes and defines the new-age Indian kitchen is clearly, smart design and technology combined with better utilization and allocation of space. The modular kitchen, for one, is ideal for working women who don't have a lot of time at hand and just can't bear rummaging for utensils and tins.

The consumer psyche is steadily evolving and, at present, driven by virtues of smart built-in kitchen technology. In relation, there is a demand for kitchen appliances that are not only aesthetically appealing but also provide an experience determined by comfort and innovation since most home makers and independent individuals spend a substantial amount of their time in the kitchen.

Today, consumers are developing an inclination towards smart kitchen set-ups that integrate the best in functionality, color, innovation, material and technology.

Modularization of Kitchens – A trend catching up fast !!



Modular Kitchen in India has created a revolution for all the homemakers

According to Industry experts, the modular kitchens segment stands at around 1500Cr.

In India the readymade kitchens are currently sold at the rate of 10,000 units per month.

Modular kitchen segment in India is expected to grow 10 times in the next three to four years.

The increasing number of nuclear families, rising disposable incomes, affordability, and easy budget, will drive awareness levels and demand for modular kitchen, which is already growing at the rate of 45-50% per annum.

Modular kitchen accounts for 40% of the furniture and fittings industry and the products in this market are largely focused towards establishments in urban India.

Acrysil Ltd – Financials

Acrysil – Annual Performance

DESCRIPTION	Mar-11	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
No Of Months	12.00	12.00	12.00	12.00	12.00	12.00
Net Sales	55.46	46.03	50.62	30.36	20.04	13.62
Other operating income	0.20	0.17	0.18	0.00	0.00	0.00
Net Sales & Other Operating Income	55.67	46.20	50.80	30.36	20.04	13.62
Total Expenditure	44.12	35.03	37.82	24.00	16.90	11.36
(Increase) / Decrease In Stocks	-0.14	-1.90	-0.54	-0.59	-0.48	0.06
Purchase of Finished Goods	4.78	4.17	4.59	2.82	2.47	0.92
Cost of Services & Raw Materials	13.45	11.96	13.12	8.34	5.65	3.81
Operating & Manufacturing Expenses	13.27	10.40	9.54	7.51	4.89	4.98
Electricity, Power & Fuel Cost	2.11	1.90	2.19	0.00	0.00	0.00
Employee Cost	5.14	4.31	3.93	2.71	2.10	1.58
Selling & Distribution Expenses	5.49	4.21	5.00	3.21	2.28	0.00
PBIDT (Excl OI)	11.55	11.17	12.98	6.36	3.14	2.26
Other Income	0.17	0.03	0.04	0.36	0.21	0.14
Operating Profit	11.72	11.20	13.02	6.72	3.35	2.40
Interest	1.25	0.90	2.05	0.90	0.81	0.71
PBDT	10.47	10.30	10.97	5.82	2.54	1.69
Depreciation	2.86	2.65	2.10	1.35	1.03	0.97
PBT	7.61	7.65	8.87	4.47	1.51	0.72
Tax	1.51	1.57	1.60	0.83	0.29	0.13
Profit After Tax	6.10	6.08	7.26	3.64	1.22	0.59
Equity Capital	2.97	2.97	2.83	2.70	2.57	2.57
Reserves	22.54	17.89	12.96	6.52	3.52	2.73
Diluted EPS after Extraordinary Items	20.38	20.05	26.05	13.47	4.80	2.47
PBIDTM%	21.05	24.25	25.63	22.13	16.73	17.62
PATM%	10.96	13.16	14.30	11.98	6.07	4.33

- The net sales of the company have grown at a rate of 34% annualized for the last 5 years.
- With the growth in operations of the company, the cash flows improved and therefore the company could manage expansions without taking on debt as is reflected by the minuscule increase in interest cost.
- There's been a very small dilution in equity and that's been largely on account of warrant conversions by the management.
- The stock is currently quoting at 5 times 1 year forward earnings.

Acrysil – Quarterly Performance

Acrysil Ltd. Quarterly Performance-Standalone [INR-Crore]						
Description	Quarterly			Sequential Quarterly		
	Jun-11	Jun-10	Var%	Jun-11	Mar-11	Var%
Net Revenues	18	14.62	23.12	18	17.1	5.26
Total Expenses	14.56	11.49	26.72	14.56	13.47	8.09
Purchase of Finished Goods	2.03	0.76	167.11	2.03	1.31	54.96
Raw Material Cost	4.81	3.15	52.7	4.81	4.44	8.33
Manufacturing Expenses	4.09	3.19	28.21	4.09	4.28	-4.44
Electricity, Power & Fuel Cost	0.69	0.59	16.95	0.69	0.55	25.45
Employee Cost	1.48	1.29	14.73	1.48	1.2	23.33
Selling & Distribution Expenses	1.76	1.58	11.39	1.76	1.68	4.76
EBIDTA	3.44	3.14	9.55	3.44	3.63	-5.23
EBIDTAM%	19.1	21.43	-10.87	19.1	21.21	-9.95
Other Income	0.11	0.01	1000	0.11	0.09	22.22
PBDIT	3.55	3.14	13.06	3.55	3.72	-4.57
Depreciation	0.79	0.65	21.54	0.79	0.78	1.28
Interest	0.44	0.25	76	0.44	0.37	18.92
PBT	2.32	2.24	3.57	2.32	2.57	-9.73
Tax	0.67	0.4	67.5	0.67	0.55	21.82
PAT	1.66	1.84	-9.78	1.66	2.02	-17.82
Adjusted NPM (%)	9.21	12.61	-26.96	9.21	11.81	-22.02
EPS	0.56	0.62	-9.68	0.56	0.68	-17.65

- The company reported about 22% growth in net sales to Rs 17.91 crore for Q1 FY'12 while the PAT was lower by 10% to Rs 1.66 crore, largely due to higher raw material costs and small forex loss.
- MMA (meta methyl acrylic), which is a derivative of crude and the key raw material, continued to remain high for the entire year of FY'11 and Q1 FY'12 as well. The prices went up from around Rs 21000 per ton to about Rs 33000 per ton. Finally in the month of Aug'11 settled around Rs 27000 per ton.
- As per the information received, the company could increase the prices of finished products with although a lag of few months. The same should reflect from Q2 FY'12 onwards.

Acrysil – Sustainable Cash Flows

DESCRIPTION	Mar-11	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
Profit Before Tax	7.61	7.65	8.87	4.46	1.51	0.72
Adjustment	3.93	3.39	4.30	2.22	1.85	1.64
Depreciation	2.86	2.65	2.10	1.35	1.03	0.97
Interest Expenses	1.10	0.89	1.35	0.89	0.83	0.70
Changes In working Capital	-5.58	-0.50	-4.45	-1.62	-1.55	-1.03
Trade & Other receivables	-6.21	-1.65	-0.09	-1.91	-2.30	-1.46
Inventories	-0.11	-1.17	-3.35	-0.90	-1.33	0.27
Trade & Other payables	0.74	2.33	-1.01	1.19	2.07	0.16
Cash Flow after changes in Working Capital	5.96	10.54	8.71	5.06	1.80	1.33
Interest Paid			-1.37	-0.89	-0.84	-0.71
Tax Paid	-2.85	-1.13	-1.08	-0.29	-0.12	-0.04
Cash From Operating Activities	3.11	9.41	6.27	3.88	0.84	0.59
Cash Flow from Investing Activities	-5.54	-5.27	-6.57	-6.45	-1.49	-0.37
Purchase of Fixed Assets	-5.97	-5.36	-6.59	-6.46	-1.53	-0.38
Sale of Fixed Assets	0.60	0.08		0.00	0.03	0.01
Cash from Financing Activities	2.49	-3.99	0.27	2.98	0.85	-0.27
Increase / (Decrease) in Loan Funds	7.85	-2.49	0.58	2.82	1.10	-0.27
Proceeds from Issue of Equity Share Capital		0.46	0.44	0.46		
Buy Back of Equity Shares Capital						
Equity Dividend Paid	-1.14	-1.07	-0.76	-0.39	-0.25	

- The company has had very good cash flow from operations
- For the last 4 years, the average cash flow from operations for the company is Rs 5.6 crore.
- Similarly the average spend on expansion's been Rs 5.95 crore. So, the company could finance almost 90% of it's CAPEX through internal accruals.
- Increasing tax outgo and mostly in line with profitability is an indicator of the clean accounting practices of the company.

Acrysil – Balance Sheet

DESCRIPTION	Mar-11	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
SOURCES OF FUNDS:						
Share Capital	2.97	2.97	2.83	2.70	2.57	2.57
Total Reserves	22.54	17.87	12.96	6.52	3.51	2.73
Shareholder's Funds	25.51	20.84	15.84	9.32	6.09	5.30
Secured Loans	16.24	9.00	10.22	9.51	7.60	7.01
Unsecured Loans	0.88	0.27	3.10	3.23	2.33	1.81
Total Debts	17.12	9.27	13.33	12.74	9.92	8.82
APPLICATION OF FUNDS :						
Gross Block	35.89	30.48	25.43	18.64	12.92	11.49
Freehold Land	2.55	1.50	0.59	0.06	0.06	0.06
Buildings / Premises	5.23	4.87	4.09	2.03	1.36	1.35
Roads, bridges and culverts						
Plant & Machinery	7.57	7.12	6.72	5.41	4.22	4.07
Furniture & Fixtures & Office Appliances	1.96	1.71	1.37	1.25	0.86	0.79
Electrical installations & plants						
Water System and Sanitation						
Vehicles	1.45	1.02	0.48	0.48	0.34	0.28
Factory Equipments	17.14	14.25	12.19	9.42	6.08	4.94
Less: Accumulated Depreciation	15.51	12.84	10.23	8.13	6.78	5.84
Net Block	20.38	17.63	15.21	10.51	6.14	5.65
Current Assets, Loans & Advances						
Inventories	9.80	9.70	8.53	5.18	4.27	2.94
Sundry Debtors	16.23	10.86	10.09	11.83	10.36	8.31
Cash and Bank	1.09	1.03	0.88	0.92	0.51	0.31
Other Current Assets	0.21	0.13	0.07	0.09	0.12	0.10
Loans and Advances	6.94	3.22	3.44	1.66	1.03	0.73
Total Current Assets	34.28	24.94	23.01	19.67	16.30	12.39
Less: Current Liabilities and Provisions						
Current Liabilities	9.15	8.70	4.78	5.75	4.59	2.62
Provisions	2.28	3.22	3.67	2.33	1.30	0.73
Total Current Liabilities	11.43	11.92	8.45	8.08	5.88	3.35
Net Current Assets	22.85	13.02	14.57	11.59	10.42	9.04
Book Value	85.85	70.12	55.78	34.18	23.65	20.59

- During the last 5 years, there's been a four fold increase in the book value of the company while the debt on the books has increased by just 100%.
- The management did exceedingly well w.r.t. working capital management. Though the sales grew many times, the debtors were always under control. Similarly there was never a huge built up in inventory.
- The stock is currently quoting at Price to Book value of 1.16 for FY 12 (E), while the general trend across the industry is P/BV = 2+.

Concerns

Concerns

- **The company derives 85% of its revenue from export sales** and is thus susceptible to global economy slowdown. The export sales of the company did decline in FY 10 and is thus one of the most important thing to watch out for in case of Acrysil.
- **For FY 11 there was a 60% jump in Sundry debtors over FY 10** against sales growth of 20%. Though it is normal for the companies to push credit sales, however one should keep an eye on the same for any further substantial increase.
- **In the current inflationary environment, the cost of raw materials and operating expenses** have increased while the company may not be able to pass on the price increase to its customers. The same may hurt the margins of the company.
- **Though there's still no major competition for Acrysil**, however the other way to look around is that probably the larger players do not see the scale of opportunity.

Conclusion

Price chart



- Over the last 1 year, the stock has done relatively well in comparison to benchmark indices and other small and mid cap companies. The stock stood its ground during the recent carnage.
- We believe there's no more than 5-10% downside risk from current levels of Rs 120 and one would do well with 4-5% portfolio allocation. Any further increase in allocation or change in strategy would be suggested in Alpha and Alpha Plus weekly.

Acrysil – At the right place at the right time?



In its initial days i.e. early 1990s, it was a challenging task for the company to penetrate into niche high income households and premium institutions in India. CARYSIL sinks being relatively costly in comparison to sinks from the unorganized segment, ACRYSIL couldn't find its place in the price sensitive India market.

With domestic response being somewhat slow to take off, Acrysil began its focus on exports of quartz sinks in 1993. 2001-02 was the year that Acrysil first looked at India as a potential growth market for quartz sinks, ready for the introduction of carefully chosen models. **This proved to be an accurate insight: in just a decade, domestic sales have multiplied from Rs 108.32 Lakhs in 2001-02 to Rs 868 Lakhs in 2010-11.**

We believe there could not be a better time for the company to focus more intensely on growth in domestic market, because along with the growth of disposable incomes in the middle-class, there is more than proportionate growth in its very highest strata. In all major cities in India, one can see the flourishing of premium shopping.

There's a boom in ultra-select housing developments and gated communities and one can see the growing market for goods that were once considered the ultimate in luxury, affordable only by a select few.

In other words, there is now a substantial domestic market for high-end premium products like Carysil Quartz and Stainless steel sinks - designed for the higher income strata. In India, people and establishments with the means are willing to pay considerably higher for genuine value. We are convinced that quartz and premium Stainless steel sinks are destined to be the material for upscale kitchens and no company better than Acrysil is at the cusp of capitalizing on the same.

Katalyst Wealth – Alpha Portfolio



Katalyst Wealth Alpha Portfolio service is focused on helping individual investors/institutions beat market returns by a wide margin without taking large risks through in-depth research, analysis and follow up on the stock.

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