

20 MICRONS[®]

L I M I T E D

CIN # L99999GJ1987PLC009768

Registered Office : 9/10, GIDC Industrial Estate, Waghodia - 391760, Dist.: Vadodara, Gujarat, India

Phone : 02668 - 292297 • **Fax** : 02668 - 264003

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CIRCULAR FOR ACCEPTANCE OF UNSECURED FIXED DEPOSITS FROM SHAREHOLDERS ONLY

1. GENERAL INFORMATION

A.	Name of Company	20 Microns Ltd. 9/10, GIDC Industrial Estate, Waghodia, Dist. Vadodara (Gujarat) Phone No. - 02668 - 264006 • Fax No. 02668 - 264003 Email ID - fd@20microns.com • Website - www.20microns.com
B.	Date of Incorporation	29th June, 1987
C.	Business carried on by the Company	The Company is engaged in Manufacturing, Selling and Export of Micronised Minerals and Specialty Chemicals
D.	Name of Subsidiaries	1. 20 Microns Nano Minerals Ltd 2. 20 Microns FZE 3. 20 Microns SDN. BHD.
E.	Branches	Vadodara, Waghodia, Vadadla, Chhota Udepur, Bhuj, Mumbai, Kolkotta, Delhi, Chennai, Hosur, Udaipur, Swaroopgunj, Alwar.
F.	Brief particulars of Management of the Company	The Company is managed by the Board of Directors.

G. Name, Address, Occupation and DIN of the Directors:

Name of KMP	Address	Occupation	DIN
Mr. Chandresh S. Parikh Executive Chairman	604-B, Bhadrlok, Near Tube Company, J. P. Road, Vadodara - 390 0015	Industrialist	00041584
Mr. Rajesh C. Parikh CEO & Managing Director	B-604, Bhadrlok Apartment, Near Tube Company, Old Padra Road, Vadodara - 390 0015	Business	00041610
Mr. Atil C. Parikh Managing Director	66, Atmajyotinagar, Ellora Park, Vadodara - 390 007.	Business	00041712
Mr. Sudhir R. Parikh Director	55, Shivashray Society, Saiyed Vasana Road, Vadodara - 390015	Chartered Accountant	00041649
Mr. Pravinchandra M. Shah Independent Director	M-42, Saptgiri Duplex, Opp. Taj Hotel, Nr. Reliance Fresh, Akota, Vadodara	Consultancy	00017558
Mr. Ram A. Devidayal Independent Director	33, Alkapuri Society, Nr. HDFC Bank, Alkapuri, Vadodara - 390 007.	Business	00238853
Mr. Atul H. Patel Independent Director	1 - 2, Akashvan Bungalows, Gotri - Sevasi Road, Vadodara - 391 101.	Business	00009587
Mrs. Darsha R. Kikani Independent Director	10, Sanjay Park, Bh. Sundarvan, Satellite, Ahmedabad - 380 015	Service	00155791
Dr. Ajay Ranka Independent Director	9/10, Akshwan Complex, Sevasi Vadodara - 391 101	Businessman	01676073

H. Management Perception of risk factors:-

The deposits accepted by the company are unsecured and rank pari passu with other unsecured liabilities of the company.

The Company will take insurance of deposit and interest thereon of the full amount of deposit and interest if an amount is not exceeding twenty thousand rupees, and in the case of any deposit and interest thereon in excess of twenty thousand rupees, the deposit insurance contract for payment of an amount not less than twenty thousand rupees for each depositor. Since the Fixed Deposit Insurance Products are yet not available in the market, the company will comply with the aforesaid provisions once the insurance policies will be available.

The Company has not made any default in

- repayment of Deposits or interest thereon
- payment of statutory dues
- repayment of debentures or interest thereon
- Loan from Bank or Financial Institution and interest thereon

2. PARTICULARS OF DEPOSIT SCHEME

A.	Date of Passing Board Resolution	10 th April, 2014
B.	Date of Passing Resolution at General Meeting	24 th May, 2014
C.	Type of Deposits	Unsecured
D.	Amount of Deposit the Company can raise by way of deposit as per the provisions of Companies Act, 2013 and Rules made thereunder	Deposits shall be accepted from the Members only upto 25% of aggregate of Paid Up share Capital and Free Reserves of the Company

- E.** The aggregate of deposits actually held on the last date of immediately preceding Financial Year i.e. 31st March, 2016 & as on date of issue of this Circular as per Companies Act, 2013 & Rules made thereunder.

(₹ in Lacs)

		Deposits held as on 31.03.2016	Deposits held as on 23.05.2016
a.	From Shareholders	1352.14	1338.01
	TOTAL	1352.14	1338.01

The deposits accepted upto the 31st March, 2014 and interest thereon will be repaid to the depositors on the date of maturity. In this regard, the Company had filed petition with Company Law Board (CLB) praying to allow the repayment as per maturity of respective deposit only and CLB accepted plea of the Company and vide its order no. C.A. NO.34/74(2)/CLB/MC/MAH/2015 dated 20th January, 2016 directed the company to repay total outstanding principal amount, as on date of order, amounting to ₹ 398.27 Lacs, on or before 31.03.2017 along with the interest due thereon.

The amount which the company can raise under the Companies Act, 2013 and Companies (Acceptance of Deposit) Rules, 2014	From Shareholders ONLY - ₹ 2074.50 Lacs
Amount of Deposit repayable during FY 2016-17	₹ 1206.38 Lacs (01.04.2016 TO 31.03.2017)

F. Terms of Raising of Deposits:-

* INTEREST RATES ARE EFFECTIVE ON AND AFTER 24/05/2014

SCHEME 'A'

Monthly Income Plan-Interest Payable Monthly

PERIOD		MINIMUM DEPOSIT RS.	RATE OF INTEREST (p.a.)	RATE OF INTEREST (p.a.)
				Senior Citizen
12	MONTHS	50,000	10.00%	10.25%
24	MONTHS	50,000	10.50%	10.75%
36	MONTHS	50,000	11.00%	11.25%

SCHEME 'B'

Half Yearly Income Plan-Interest Payable Half Yearly

PERIOD		MINIMUM DEPOSIT RS.	RATE OF INTEREST (p.a.)	RATE OF INTEREST (p.a.)
				Senior Citizen
12	MONTHS	25,000	10.50%	10.75%
24	MONTHS	25,000	11.00%	11.25%
36	MONTHS	25,000	11.50%	11.75%

SCHEME 'C'

Cumulative Deposit Plan-Interest Compounded Half Yearly

PERIOD		MINIMUM DEPOSIT RS.	EFFECTIVE YIELD (p.a.)	EFFECTIVE YIELD (p.a.) Senior Citizen
12	MONTHS	25,000	10.78%	11.04%
24	MONTHS	25,000	11.94%	12.24%
36	MONTHS	25,000	13.29%	13.62%

* **THE COMPANY WILL ACCEPT UNSECURED FIXED DEPOSITS FROM ITS SHAREHOLDERS ONLY.**

- * In case of cumulative deposits, interest will be compounded half yearly basis.
- * No tax will be deducted at source on interest payment up to ₹ 5000/-in aggregate per annum.
- * Outstation depositors may send demand drafts/cheques payable at Baroda only after deduction of Bank charges paid, if any.
- * Post dated interest warrants will be provided for each financial year for monthly interest unsecured deposits scheme.
- * Interest will be paid at par at selected centers across the country.
- * Senior citizens are required to submit any documents like (i) PAN card (ii) Driving License (iii) Passport copy (iv) Voter Card along with their application for unsecured deposits.
- * Unsecured Deposit of Minimum amount stipulated in each Scheme held continuously for a period of 3 years can be renewed on maturity for the same amount in all the scheme except monthly income plan.
- * The First named Depositor will be regarded as the beneficial owner of the unsecured deposit and will be treated as the payee for the purpose of deduction of tax under Section 194A of the Income Tax Act, 1961.
- * Deposits will not be accepted in cash and Unsecured Fixed Deposit Account cannot be opened out of/ utilizing any kind of borrowed funds & Depositors will have to give a declaration that the deposits is not made out of the borrowed funds from any source.
- * Application Forms containing terms and conditions subject to which application will be accepted are available at the Fixed Deposit Dept. of the company or approved brokers of the Company.

* **PRINCIPLE TERMS AND CONDITIONS GOVERNED BY UNSECURED FIXED DEPOSIT SCHEME OF THE COMPANY**

* **APPLICATION**

1. **APPLICATION FOR UNSECURED DEPOSITS FROM SHAREHOLDERS ONLY.** It will be accepted in the prescribed form, duly completed, at the Fixed Deposit Department of the Company or at the offices of the brokers of the Fixed Deposit Schemes.
2. Deposit should be made by an "A/c Payee" cheque/bank draft payable at Vadodara and drawn in favor of "**20 Microns FD Principal and Int. Repa.**".
3. Signature should be in English or in any of the Indian languages. Thumb impression must be attested by a Magistrate/Notary Public under his/her Official seal.
4. Unsecured Deposits will be accepted from resident, non-resident individuals, overseas corporate bodies (subject to RBI approval), either in single name or in joint names, registered association of persons, trusts, societies and institutions, domestic companies, minor through their guardians and HUF, who are shareholders of the Company.

Unsecured Deposits will not be accepted from partnership firm. Application for unsecured deposit from registered association of persons, trusts societies and institutions and domestic companies should be supported by additional documentary evidence showing authority to make such deposits.

* **PERIOD OF DEPOSITS AND INTEREST**

5. Unsecured Fixed Deposits are accepted for a period of 12, 24 and 36 months.
6. Unsecured Deposits will be accepted in multiple of ₹ 1,000/- subject to minimum amount as per the respective schemes.

7. Interest :
- * Half-yearly interest will be paid on 30th September and 31st March.
 - * On maturity, in Scheme C, compounded half yearly.
8. The period of unsecured deposit and calculation of interest will commence from the date of realization of cheque / draft by the Company and will cease to accrue from the maturity of deposit unless the deposits are renewed.
 9. Payment of interest will be made by ECS or "A/c Payee" cheques drawn on the Company's bankers. Interest warrants will be dispatched by ordinary post. Where the due date falls on a Sunday / Bank holiday, the payment will be made on the next working day.
 10. Under Monthly Income deposits, interest cheques will be sent along with Unsecured Fixed Deposit Receipt and/or will be issued in advance for every financial year, payable on the last day of every month or through ECS.
 11. In case the application form is not specifically marked for any particulars scheme, the Company will consider the application to have been made under Scheme B, Half-Yearly Income. An option once exercised will be binding and irrevocable. Deposit once accepted under any scheme cannot be interchanged under any circumstances before the expiry of the said Deposit.
 12. Notification to the Company regarding change in address etc. must be lodged at least 45 days before the date on which interest payment falls due.
 13. Excess interest paid, if any, under any circumstances, will be recovered from the subsequent payment of interest or from the principal amount.
- * **INCOME TAX**
14. Income Tax, wherever applicable, will be deducted at source in accordance with the provisions of section 194A of Income Tax Act, 1961 as amended from time to time. At present, Income tax is not deductible if the aggregate amount of interest paid or payable to resident individual during financial year does not exceed ₹ 5,000/- In other cases, tax will not be deducted if the necessary statement / declaration in the prescribed form (15H/15G) is lodged with the Company, in duplicate at the beginning of each Financial Year. Tax deducted due to non-compliance with this condition will not be refunded under any circumstances.
- * **JOINT DEPOSITS**
15. Unsecured Deposits will be accepted in joint name not exceeding THREE. The First named depositors will be regarded as the beneficial owner of the deposits and will be treated as the payee for the purpose of deducting tax U/S. 194A of the Income Tax Act, 1961.
 16. All correspondence in such deposits will be addressed to the person whose name appears first on the unsecured deposit receipt. All cheques / warrants for payment of principal amount will be drawn in favour of the person(s) opted in the application form. Any discharge given by such persons for payment of interest and the principal amount shall be valid and binding on all the joint depositors. No subsequent change in the order of names of depositor/s or replacement of the joint depositor/s will be accepted.
 17. In the event of the death of the first named depositor, the repayment of the deposit and payment of interest will be made to the person first in order of the survivor(s) on production of a Death Certificate without reference to either the other survivor or to the heirs and / legal representatives of the deceased.
 18. In case of instructions on any matters (except re-payment as opted in the application for overleaf), relating to this fixed deposit are to be given, application in that behalf should be signed by all the joint holders and not by any one of them. The Company shall not act upon instruction of any one of them and they shall not be binding to the Company.
- * **UNSECURED FIXED DEPOSIT RECEIPTS**
19. Unsecured Fixed Deposit Receipts will be forwarded by post at the address given in the application form, within 21 days of realization of cheques / demand draft.
 20. In the event of loss or destruction or mutilation of a Deposit Receipt, the Company may in its sole discretion, issue a duplicate receipt upon receiving the undertaking or indemnity and surety from the depositor(s).
 21. Deposit Receipts are neither transferable nor negotiable. Request for the addition of the name of deposit holder will not be entertained.

* **RENEWAL / REPAYMENT OF DEPOSITS :**

22. Fixed Deposit will be repaid only on maturity, however, the Company at the request of depositor may refund Deposit before maturity subject to the provisions of the Companies (Acceptance of Deposit) Rules, 2014, and other Rules and Regulations as may be applicable.
23. The Unsecured Fixed Deposit Receipt, duly discharged on revenue stamp, should be sent to the office of the Company, 30 days before the date of maturity, to enable the Company to refund deposit on due date. In case of renewal of Deposit, application form for renewal duly filled in should be sent to the Company to its administrative address as stated above or through the brokers.
24. Where the date of repayment falls on a Sunday, a public or a Bank holiday or any other day on which the office of the Company is closed, repayment will be made to the depositor on the next working day.

* **GENERAL**

25. In the event of death of the sole depositor fixed deposit amount together with the interest thereon, will be paid to the nominee of the depositor upon production of death certificate, and in absence of nomination to the legal heirs of the deceased on submission of death certificate of the depositor and such other documents viz., probate of the will succession certificate and letter of administration granted by a court of competent jurisdiction, as the case may be.
26. Nomination Facility
 - (a) Individual Depositors, singly or jointly, can nominate under this facility. Non - individuals including societies, trusts, bodies corporate, partnership firms, Kartas of Hindu Undivided Families and holders of power of attorney cannot nominate. The nominee shall have the right to receive the amount due in respect of deposits on death of all the depositors.
 - (b) The nomination stands automatically rescinded upon repayment/renewal of deposits made.
27. The company will not recognize any lien on or assignment of unsecured fixed Deposits and/or interest thereon.
28. The Company reserves the right, subject to the provisions of the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time.
 - (a) To accept deposit only for such period as it may decide from time to time
 - (b) To reject any application for a fresh deposit or for renewal without assigning any reason.
 - (c) To repay deposits prematurely before the due date.
29. Deposits will be subject to the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time and any other regulation prescribed by the Central Government, the Reserve Bank of India, or any other statutory authority.
30. In case of Deposit is made under Power of Attorney; the relevant Power of Attorney must be lodged with the Company at the time of Application.
31. All the correspondence for change of name, address, loss of Fixed Deposit Receipt/Interest Warrant etc., should be addressed to:

307-308, Arundee Complex, Race Course Circle,
VADODARA - 390 007. (GUJARAT STATE)
Monday to Friday 9.30 to 13.00hrs. and 14.00 to 17.30 hrs.,
(Except on Bank/Public Holidays)

* **Unsecured Fixed Deposits accepted are subject to Waghodia Jurisdiction.**

"A Stakeholders Relationship & Share Transfer Committee of Directors comprising of Shri Pravinchandra M. Shah, Shri Ram Devidayal, Shri Rajesh C. Parikh and Shri Sudhir R. Parikh has been constituted in terms of the resolution passed by the Board of Directors of the Company in their meeting held on 22.10.2011 for redressal of Share Transfers & Stakeholders' Grievances. All complaints / grievances may be sent to any of the above committee members at the address of the company."

G. Proposed Schedule

This Scheme is applicable on the date on which the shareholders of the Company will approve the same. The Circular issued under this scheme is valid until expiry of the six months from the date of closure of Financial Year in which it is issued or until the date on which the financial statement is laid before the company in annual

general meeting or, where the annual general meeting for any year has not been held, the latest day on which that meeting should have been held in accordance with the provisions of the Act, whichever is earlier.

H. Object of raising the deposits:

To meet fund requirement for running the business of the Company.

I. Extent of Deposit Insurance:

The Company will obtain insurance of the unsecured deposit and interest due thereon. The deposit insurance contract shall provide that in case the company defaults in repayment of principal amount and interest thereon, the depositor shall be entitled to the repayment of principal amount of deposits and the interest thereon.

In the case of any deposit and interest not exceeding twenty thousand rupees, the deposit insurance contract provides for payment of the full amount of deposit and interest and in the case of any deposit and interest thereon in excess of twenty thousand rupees, the deposit insurance contract for payment of an amount not less than twenty thousand rupees for each depositor. Since the Fixed Deposit Insurance Products are yet not available in the market, the company will comply with the aforesaid provisions once the insurance policies will be available.

J. Credit Rating:- the Company is falling under the category of other than eligible company. Therefore the Company has not obtained any Credit Rating for accepting deposits from the Shareholders.

K. The terms and conditions including rate of interest decided by the company for the acceptance of deposits, applicable to all other depositors are also applicable to Directors, Promoters or Key Managerial Personnel. No special financial or other material benefits are provided to them.

3. DETAILS OF OUTSTANDING DEPOSITS

The details of aggregate amount of unsecured deposits accepted by the Company upto 31st March, 2016 and interest thereon, as per the then scheme of the Company, pursuant to Companies Act, 2013 is as under -

		Number of Depositors	₹ in lacs Deposit	₹ in lacs Interest
(a)	From Share Holders	1301	1352.14	164.08
	TOTAL	1301	1352.14	164.08

The details of outstanding amount of unsecured deposits accepted by the Company upto 31st March, 2014 and interest thereon, as per the then scheme of the Company, pursuant to Companies Act, 1956 is as under -

		Number of Depositors	₹ in lacs Deposit	₹ in lacs Interest
(a)	From Share Holders	163	117.29	24.96
(b)	From Public	475	236.97	29.94
	TOTAL	638	354.26	54.90

The Company has not made any default in repayment of deposits and payment of Interest thereon. No depositor has waived any interest accrued on the deposits.

4. FINANCIAL POSITION OF THE COMPANY

A Profit of the Company before and after making provision for tax

(₹ in Lacs)

FINANCIAL HIGHLIGHTS	2015-16	2014-15	2013-14
Total Income	3335.48	31321.70	29041.84
Profit Before Tax	1215.24	-461.27	9.12
Profit After Tax	934.31	-407.41	13.06
Fixed Assets (Net)	14250.16	14989.92	15763.21
Shareholder's Fund	8401.75	6967.44	7440.81

B. Dividend declared by the Company in the last three Financial Year

(₹ in Lacs)

F & G Profit & Dividends				
Year Ended	Profit Before Tax	Profit After Tax	Dividend On Equity Shares	Interest Coverage Ratio
31.03.2014	9.12	13.06	-	1.00
31.03.2015	-461.27	-407.41	-	1.00
31.03.2016	1215.24	934.31	-	1.00

C. Summarised Financial Position of the Company as appearing in the three latest audited Balance Sheet

(₹ in Lacs)

LIABILITIES	2015-16	2014-15	2013-2014
Share Capital	1764.33	1690.80	1690.80
Advance Money agi. Share warrants	-	-	-
Stock Option Outstanding	-	-	-
Reserve & Surplus	6637.42	5276.64	5750.01
Non Current Liability	7114.84	8101.97	5828.98
Deferred Tax Liability	1331.54	1239.75	1327.18
Current Liabilities & Provisions	14652.54	14929.06	16112.31
TOTAL	31500.67	31238.22	30709.28
ASSESTS			
Fixed Assets (Net)	14250.16	14989.92	15763.21
Non Current Assests	16452.06	2179.96	2457.03
Current Assets, Loans & Advances	15048.61	14068.34	12489.04
Profit & Loss Account	-	-	-
TOTAL	31500.67	31238.22	30709.28

D. Audited Cash Flow Statement for the last Three Financial Year

(₹ in Lacs)

Cash Flow Statement (Summarised)			
	<i>for the year ended March 31</i>		
	2015-16	2014-15	2013-14
Profit/ (Loss) Before Tax	1215.24	(461.27)	9.12
Operating profit before Working Capital Change	4581.50	2564.16	2598.16
Cash flow due to change in Working Capital	(2575.76)	(47.13)	(177.74)
Less : Direct Taxes Paid	(138.59)	(71.62)	(108.91)
[A] Cash Flow from operating Activities	1867.15	2445.40	2311.52
[B] Cash Flow From Investing Activities	118.64	(392.89)	(1911.54)
[C] Cash Flow From Financing Activities	(2528.75)	(1352.58)	(301.73)
Net Increase In Cash and Cash Equivalents	(542.96)	699.93	98.25
Cash and Cash Equivalents - Opening Balance	907.12	207.19	108.94
Cash and Cash Equivalents - Closing Balance	364.16	907.12	207.19

E. The Company has not changed its accounting policies during the last three years.

5. DECLARATIONS

The Directors hereby declares that:

- the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on;
- the Board of Directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- the company has complied with the provisions of the Act and the rules made thereunder;
- the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;

- e. the deposits accepted by the company before the commencement of the Act will be repaid along with interest as on the date of maturity and until they are repaid, they shall be treated as unsecured and ranking pari passu with other unsecured liabilities.
- f. the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;
- g. the deposits accepted by the company are unsecured and rank pari passu with other unsecured liabilities of the company.

**For and on behalf of the Board
For 20 Microns Ltd.**

Sd/-
(Chandresh Parikh)
Executive Chairman

Place : Waghodia-Vadodara
Date : 23.05.2016