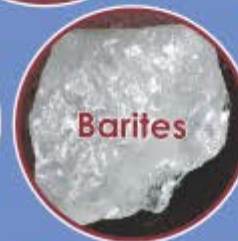
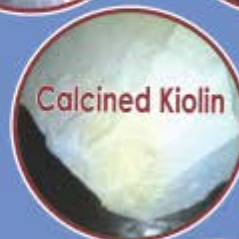


# 2014-15

## Annual Report

### 28<sup>th</sup>

Global Leader in Ultrafine & Nano  
Industrial Mineral & Speciality Chemicals



# 20 MICRONS<sup>®</sup>

L I M I T E D



## Board of Directors

[As on 7<sup>th</sup> August, 2015]

**Mr. Chandresh S. Parikh**  
Executive Chairman

**Mr. Rajesh C. Parikh**  
CEO & Managing Director

**Mr. Atil C. Parikh**  
Managing Director

**Mr. Sudhir R. Parikh**  
Director

**Mr. Naresh Makhija**  
IDBI – Nominee Director  
(upto 5th February, 2015)

**Mr. Pravinchandra M. Shah**  
Independent Director

**Mr. Ram Devidayal**  
Independent Director

**Mr. Atul H. Patel**  
Independent Director

**Mrs. Darsha R. Kikani**  
Independent Director  
(w.e.f. 6<sup>th</sup> August, 2014)

**Dr. Ajay Ranka**  
Independent Director  
(w.e.f. 27th September, 2014)

**Chief Financial Officer**  
Mr. Bharat Kanani

**Company Secretary**  
Mrs. Anuja Muley

**Audit Committee**  
Mr. Ram A. Devidayal - Chairman  
Mr. Pravinchandra M. Shah  
Mr. Atul Patel

**Nomination & Remuneration Committee**  
Mr. Pravinchandra M. Shah - Chairman  
Mr. Naresh Makhija  
(upto 5th February, 2015)  
Mr. Ram Devidayal  
Mr. Atul Patel  
Mr. Chandresh Parikh  
(w.e.f. 11th February, 2015)

**Stakeholders Relationship and  
Share Transfer Committee**  
Mr. Pravinchandra M. Shah - Chairman  
Mr. Rajesh C. Parikh  
Mr. Sudhir R. Parikh  
Mr. Ram Devidayal

**Statutory Auditors**  
M/s. Manubhai & Shah, Ahmedabad

**Bankers**  
State Bank of India  
IDBI Bank Limited

**Registered Office**  
9/10, GIDC Industrial Estate,  
Waghodia – Dist. Vadodara – 391760  
Gujarat, India  
Tel : +91 2668 292297  
Fax : +91 2668 264003

**Corporate Office**  
134-135, Hindustan Kohinoor Industrial Estate,  
L. B. S. Marg, Vikhroli (W),  
Mumbai, India  
Tele : +91 22 32401006  
Fax : +91 22 25771333  
E-Mail : corporate@20microns.com

**Registrars and Share Transfer Agents**  
CAMEO CORPORATE SERVICES LIMITED  
“Subramanian Building”,  
No. 1, Club House Road,  
Chennai-600 002  
Tel : 044-28460390-95  
Email ID : narasimhan@cameoindia.com

**Website**  
<http://www.20microns.com>

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# 20 MICRONS®

## CHAIRMAN'S LETTER

***Dear Shareholders,***

India's economy is in the midst of recovery with lower fiscal and current account deficit, lower inflation and weak commodity prices. Our country's growth seems poised to return to a high-growth path. The slowing growth in some of the leading global economies impacted currencies. But there was positive news in terms of faster-than-anticipated economic growth recovery in the United States, which provided momentum for the global economic recovery.

In this context, for 20 Microns the capacity utilization of newly expanded capacity was very low due to sluggish demand, the expected cash generation was not taking place and it was expected to have impact on the repayment schedule of various term loans availed by the Company. The Company had approached its Bankers with a request to restructure repayment schedule of various terms loans, consortium bank approved the same in the Month of March 2015.

We can assure you that we are extremely mindful of the aspirations and expectations that you have as members and as regional stakeholders. There is still much to do, and there are still many areas, where we need to refine our focus and lift our performance. But we believe we are well placed to respond to these challenges in a very positive and strategic fashion.

I would like to thank each and every one of our Bankers, customers, employees, shareholders, partners and supporters for their continued faith in building 20 Microns for this exciting future. As we enter in another Financial Year, we look forward to receiving your continued Trust and Support.

Very Sincerely,

**Chandresh Parikh**  
Executive Chairman

## NOTICE OF ANNUAL GENERAL MEETING

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Shareholders of **20 Microns Limited** will be held on Friday, the 25th day of September, 2015 at 03.00 p.m. at the Conference Room at 347, GIDC Industrial Estate, WAGHODIA - 391 760. Dist.: Vadodara, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Audited Profit and Loss Account of the Company for the year ended 31st March, 2015 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Rajesh C. Parikh (DIN 00041612), who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors.

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

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad (Membership No. 106041W), the retiring Statutory Auditors of the Company, who hold office up to the date of this Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

#### SPECIAL BUSINESS

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

##### **Ratification of remuneration of Cost Auditors**

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the Financial

Year ending 31st March, 2016 to M/s. Y.S. Thaker & Co., Cost Accountants having Firm Registration No. 000318 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2015-16, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

##### **Appointment of Dr. Ajay I. Ranka as an Independent Director**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Ajay I. Ranka (DIN 01676073), who was appointed as an Additional Director of the Company w.e.f. 27th September, 2014 and who vacates his office at 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 Independent Director, be and is hereby appointed as an Independent Director of the Company to hold the office upto the conclusion of the annual general meeting of the Company to be held in the calendar year 2019."

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

##### **Re-appointment of Mr. Chandresh S. Parikh as Executive Chairman**

"**RESOLVED THAT** subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment of Mr. Chandresh S. Parikh, (DIN 00041584) as a Whole-time Director, designated as Executive Chairman of the Company under the Companies Act, 2013 to be designated as Executive Chairman for a period of three years, w.e.f. 01st April, 2016, whose office shall not be liable to retirement by rotation, on the terms and conditions including remuneration as set out in the



## NOTICE OF ANNUAL GENERAL MEETING [Contd.]

Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions more particularly set out in the Agreement entered into with him, detailing interalia the pattern of remuneration and Commission payable to him, in accordance with the requirements of the Schedule V of the Companies Act, 2013;

**"RESOLVED FURTHER THAT** the approval of the company be and is hereby accorded for re-appointment of Mr. Chandresh S. Parikh, who will attain the age of seventy years on 6th March, 2016, as Whole-time Director, designated as Executive Chairman of the Company for a period of three years, w.e.f. 01st April, 2016."

**"RESOLVED FURTHER THAT** pursuant to Section 197(3) of the Act read with Schedule V and other applicable provisions of the Companies Act, 2013, as amended, and subject to such approvals as may be necessary, in absence or inadequacy of the Net Profit, Mr. Chandresh S. Parikh will be paid the said remuneration as minimum remuneration, within the ceiling limit prescribed under Section II of Part II of the Schedule V of the Act, or any statutory modification(s) or re-enactment thereof."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

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

**Re-appointment of Mr. Rajesh Parikh as Chief Executive Officer and Managing Director**

**"RESOLVED THAT** subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment of Mr. Rajesh C. Parikh, (DIN 00041610) as the Chief Executive Officer & Managing Director of the Company under the Companies Act, 2013 to be

designated as Chief Executive Officer & Managing Director for a period of three years, w.e.f. 01st April, 2016, whose office shall be liable to retirement by rotation, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions more particularly set out in the Agreement entered into with him, detailing interalia the pattern of remuneration and Commission payable to him, in accordance with the requirements of the Schedule V of the Companies Act, 2013;

**"RESOLVED FURTHER THAT** pursuant to Section 197(3) of the Act read with Schedule V and other applicable provisions of the Companies Act, 2013, as amended, and subject to such approvals as may be necessary, in absence or inadequacy of the Net Profit, Mr. Rajesh C. Parikh will be paid the said remuneration as minimum remuneration, within the ceiling limit prescribed under Section II of Part II of the Schedule V of the Act, or any statutory modification(s) or re-enactment thereof."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

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

**Re-appointment of Mr. Atil Parikh as Managing Director**

**"RESOLVED THAT** subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment of Mr. Atil C. Parikh, (DIN 00041712) as the Managing Director of the Company under the Companies Act, 2013 to be designated as Managing Director for a period of three years, w.e.f. 01st April, 2016, whose office shall be liable to retirement by rotation, on the terms and

## NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions more particularly set out in the Agreement entered into with him, detailing interalia the pattern of remuneration and Commission payable to him, in accordance with the requirements of the Schedule V of the Companies Act, 2013;

**"RESOLVED FURTHER THAT** pursuant to Section 197(3) of the Act read with Schedule V and other applicable provisions of the Companies Act, 2013, as amended, and subject to such approvals as may be necessary, in absence or inadequacy of the Net Profit, Mr. Atil C. Parikh will be paid the said remuneration as minimum remuneration, within the ceiling limit prescribed under Section II of Part II of the Schedule V of the Act, or any statutory modification(s) or re-enactment thereof."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

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

**To Approve Related Party Transactions**

**"RESOLVED THAT** in terms of the provisions of Section 188 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force), the proposed Related Party Transactions by the Company with related parties [the details of which have also been given in the Explanatory Statement annexed hereto] from 01st October, 2015 to 30th September, 2016, be and the same are hereby approved and that the Audit Committee and/or Board of Directors be and is hereby authorized, to do all such acts, deeds, matters and things as may be necessary, expedient and required to implement this resolution."

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

**To Approve appointment of Mr. Sudhir Parikh as Consultant of the Company - Related Party Transactions**

**"RESOLVED THAT** in terms of the provisions of Section 188 of the Companies Act, 2013, Companies (Meetings

of Board and its Powers) Rules, 2014, read with the circular(s)/notification(s) issued and amended from time to time by the Ministry of Corporate Affairs in this behalf and Listing Agreement, the Company hereby approves the appointment of Mr. Sudhir R. Parikh, for holding and continuing to hold an office or place of profit as Finance Consultant of the Company on the Consultancy Fees upto maximum of ₹ 30 Lacs p.a. (Rupees Thirty Lacs Only), with liberty to the Board and/or Committee of Directors to to finalize his terms of appointment, period and sanction increase in consultancy charges not exceeding the permissible limit as mentioned in Companies Act, 2013 or Rules made thereunder or such other amended limit from time to time or withdraw the same as the Board and/or Committee of Directors in their absolute discretion deem fit."

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

**Ratification about Ultimate Beneficial Owner of Pratik Minerals Pvt. Ltd. one of the allottees of Compulsorily Convertible Warrants (CCW)**

**"RESOLVED THAT** the names of the ultimate beneficial owners who are natural persons of M/s. Pratik Minerals Private Limited as stated in the Explanatory Statement annexed hereto be and are hereby approved and ratified AND THAT the copy of the same was intimated/submitted to the stock exchanges at the time of in-principal prior approval granted for allotment of Compulsory Convertible Warrants in terms of the notice dated 12.11.2014 and explanatory statement annexed thereto in respect of the Extraordinary General Meeting of the shareholders of the company held on 12.12.2014."

**By Order of the Board of Directors**

Anuja K. Muley  
Company Secretary

Place : Waghodia, Dist. Vadodara

Date : 07th August, 2015

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. The Proxy form duly completed must reach the Registered

## NOTICE OF ANNUAL GENERAL MEETING [Contd.]

Office of the Company not later than forty-eight hours before the time of holding the meeting.

4. Members/Proxies should bring duly filled in and signed Attendance Slip sent herewith for attending the Meeting. The Members holding shares in de-materialised form are requested to bring their Client ID and DP ID for easy identification of attendance at the Meeting.
  5. The Registers of Members and Share Transfer Books shall remain closed from Friday, the 18th day of September, 2015 to Friday, the 25th day of September, 2015 [both days inclusive].
  6. All the work related to share registry in terms of both - physical and electronic - are being conducted by Company's R & T Agents - M/s. Cameo Corporate Services Ltd., "Subramanian Building", No. 1, Club House Road, Chennai - 600 002. Tel: 044-28460390 - 95. Email ID - [narasimhan@cameoindia.com](mailto:narasimhan@cameoindia.com). The Shareholders are requested to send their communication to the aforesaid address in future.
  7. The Company has appointed M/s J. J. Gandhi & Co., the Practicing Company Secretaries, as a Scrutinizer for conducting the e-voting process in a transparent manner.
  8. In compliance with provisions of the New Companies Act, 2013 the Company is pleased to offer e-voting facility, for all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically.
  9. The Company also provides the facility for voting either through electronic voting system or ballot or polling paper at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
  10. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [co\\_secretary@20microns.com](mailto:co_secretary@20microns.com) mentioning your Folio/DP ID & Client ID.
  11. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing required form.
  12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 5.00 p.m) on all working days except 2nd and 4th Saturdays and Sundays, upto and including the date of the Annual General Meeting of the Company.
  13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to M/s. Cameo Corporate Services Ltd.
  14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Cameo Corporate Services Ltd, for consolidation into a single folio.
  15. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/reappointment, as required in terms of Clause 49 of the Listing Agreement entered with the Stock Exchange is annexed.
  16. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
  17. The result of voting will be announced at the Registered Office of the Company situated at 9-10, GIDC Industrial Estate, WAGHODIA - 391 760. Dist.: Vadodara, by the Chairman of the Meeting within three days from the date of Annual General meeting. The result of the voting will be communicated to the stock exchanges and will be placed on the website of the Company [www.20microns.com](http://www.20microns.com).
  18. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the company.
- 1. e-voting:**
- In compliance with Section 108 of the Companies Act, 2013 and the relevant Rules made there under, the Company is also required to conduct the voting process electronically. The business to be transacted at the AGM is transacted through electronic voting system and the Company is providing the facility for voting by electronic means.

## NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

### ELECTRONIC VOTING PARTICULARS

#### EVSN [E-Voting Sequence Number] 150721015

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

- (i) The voting period begins on 22nd September, 2015 at 10.00 a.m. and ends on 24th September, 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 18th September, 2015 (the cut-off date) date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The sequence number is serial number which is printed on address sticker.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>	
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>	

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code



## NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4

**M/s. Y. S. Thaker & Co., Cost Accountants** have been appointed as the Cost Auditors of the Company for the Financial Year 2015-16 by the Board of Directors of the Company at its meeting held on 27th May, 2015. The Board has fixed remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) exclusive of applicable service tax and out-of-pocket expenses. In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as fixed by the Board of Directors shall be ratified by the members.

None of the Directors/Key Managerial Personnel of the Company/ their relatives, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 4 of the Notice.

The Board commends the Ordinary Resolution for approval of the members.

#### Item No. 5

**Dr. Ajay I. Ranka (DIN 01676073)** was appointed as an Additional Director of the Company on 27th September, 2014.

As per the provisions of section 161 of the Companies Act, 2013, he holds directorship upto the ensuing Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 together with a deposit of ₹ 100,000/- from a member proposing his candidature as a Non-Executive Independent Director of the Company. As per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation. Therefore it is proposed to appoint Mr. Ranka as a Non-Executive Independent Director to hold office upto the conclusion of the annual general meeting of the Company to be held in the calendar year 2019.

A brief profile of Mr. Ranka together with other details as required under clause 49 of the Listing Agreement is provided in the Corporate Governance Report.

In the opinion of the Board, Mr. Ranka fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Mr. Ranka as an Independent Director would be available for inspection without any fee for the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ranka as an Independent Director. Accordingly, the Board recommends the resolution set out at item 5 in relation to appointment of Mr. Ranka as an Independent Director, for the approval by the shareholders of the Company.

#### Brief resume of Dr. Ajay Ranka

Dr. Ajay Ranka, the Independent Director, is Ph.D. (Polymer Science and Engg), USA besides, a Chemical Engineer. He has worked with PPG Industries, USA, as R & D Specialist. He is recognized as a top notch scientist for outstanding pioneering work in Polymer Chemistry & Nanotechnology. He has to his credit many American, European & Indian patents. He is associated with many social, business & trade organizations and a staunch supporter of education through philanthropy. He is presently working as CEO of Zydex Industries Pvt. Ltd. He does not hold any shares of the Company in his name.

As required under Schedule IV, appointment of Dr. Ajay Ranka is set out in the item 5 of the Notice for approval of shareholders.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, except Dr. Ajay I. Ranka, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 5 of the Notice.

Your Directors commend the resolution at Item No. 5 for your approval and acceptance.

#### Item No. 6 TO 8

It may be re-called that Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh were re-appointed for a period

## NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

of 3 years effective from 1st April, 2013 as the Chairman and Managing Director, Managing Director & Joint Managing Director of the Company by the shareholders of the Company by way of passing respective special resolutions on 25.05.2013. The term of their respective offices, therefore, would expire on 31st March, 2016. The designation of the aforesaid Managerial Personnel was changed to Executive Chairman, Chief Executive Officer & Managing Directors and Managing Director respectively vide Board Resolution dated 12th February, 2014.

Looking to the responsibilities undertaken and contributions made by the Managerial Personnel viz. Mr. Chandresh Parikh, Executive Chairman, Mr. Rajesh Parikh, CEO & Managing Director and Mr. Atil Parikh, Managing Director of the Company in development of the Company and on account of trends of improved qualities of Management viz. business acumen, sagacity, practical wisdom and such other qualities which they developed during the tenure of their respective offices, the Board of Directors of the Company at their meeting held on 07.08.2015, re-appointed the said Managerial Personnel viz.:-

- Mr. Chandresh S. Parikh as the Executive Chairman;
- Mr. Rajesh C. Parikh as the CEO & Managing Director and
- Mr. Atil C. Parikh as the Managing Director

for a further period of 3 [three] years commencing from 01st April, 2016 on the following terms & conditions including remuneration as recommended by the Nomination & Remuneration Committee of Directors of the Company:

1. **Mr. Chandresh S. Parikh**, the Executive Chairman, shall be in overall charge of the business and operations of the Company. He shall act subject to direction, superintendence, and control of the Board of Directors of the Company.

**Mr. Rajesh C. Parikh**, the Chief Executive Officer & Managing Director, shall report to Mr. Chandresh S. Parikh, the Executive Chairman of the Company and shall look after Marketing, Technical matters and Administration and such other matters as may be assigned by the Executive Chairman from time to time.

**Mr. Atil C. Parikh**, the Managing Director, shall report to Mr. Chandresh S. Parikh, the Executive Chairman of the Company and shall look after Marketing, Technical matters and Administration and such other matters as may be assigned by the Executive Chairman from time to time.

2. The Managerial Personnel shall devote their entire time and attention for the business & operations of the Company.
3. The Managerial Personnel will not be paid any sitting fees for attending the meetings of Board of Directors or Committees thereof.
4. As stipulated in Section 198(3) of the Companies Act, 2013 read with Schedule V, they would receive minimum remuneration in absence or inadequacy of profits.

5. If the tenure of office is determined for any reason whatsoever before the expiration of their respective terms of offices, they shall be entitled to compensation for loss of office in accordance with Section 191 and Section 202 of the Companies Act, 2013.
6. Managerial Personnel shall maintain secrecy during the continuance of his employment.
7. The respective appointments of the Managerial Personnel may be terminated by giving 90 days notice on either side or equivalent payment of salary in lieu thereof.

Necessary Agreements for re-appointments of the above Managerial Personnel will be executed after approval of shareholders.

The re-appointments of above Managerial Personnel are completely in accordance with the norms laid down in Schedule V to the Companies Act, 2013 and therefore approval of the Central Government would not be necessary. However, as per Part II - Section II of the Schedule V, approval of the shareholders would be necessary for such re-appointments.

The accompanying notice together with Explanatory Statement is to be treated as an abstract of the terms and memorandum of interest as required under the Companies Act, 2013.

A combined statement containing therein information as required under Schedule V of the Companies Act, 2013 including abstract of the terms of remuneration is reproduced hereunder.

Your Directors commend the resolutions at Item Nos. 6 to 8 for your approval and acceptance.

Except Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh, and Mr. Atil C. Parikh, none of the other Directors and Key Managerial Personnel and their relatives may be deemed to be concerned or interested in passing the resolutions at item 6 to 8 above.

### COMBINED STATEMENT CONTAINING INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013

#### I. GENERAL INFORMATION:

1. Nature of industry: Manufacturing of Micronised Minerals
2. Date or expected date of commencement of commercial production: 29th June, 1987
3. Financial performance:

(₹ In Lacs)

Financial Parameters	31.03.2015	31.03.2014	31.03.2013
Turnover (Gross)	31321.70	29041.84	27710.07
Profit before Depreciation, Interest and Tax	2975.98	3185.59	2627.47
Net Profit/(Loss) for the year	(407.41)	13.06	324.37

## NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

### 4. Export performance:

For the year ended 31st March, 2015, the Company has earned Foreign Exchange of ₹ 2792.39 Lacs and utilization of the same has been at ₹ 3543.11 Lacs.

### 5. Foreign investments or collaboration:

The Company has two Subsidiaries outside India viz. 20 MICRONS SDN. BHD. and 20 MICRONS FZE.

## II. INFORMATION ABOUT THE APPOINTEES:

### 1. Background details and Past Remuneration:

Mr. Chandresh S. Parikh, the Executive Chairman, is overall in charge of the Management of the affairs of the Company and acts subject to the directions, superintendence and control of the Board of Directors of the Company. Prior to this re-appointment, he was serving as Executive Chairman drawing remuneration within the overall ceiling of ₹ 3,67,146/- per month.

Mr. Rajesh C. Parikh, whole time director designated as the CEO & Managing Director of the Company, reports to the Executive Chairman and looks after Marketing, Administration and Technical matters and such other matters as may be assigned by the Executive Chairman from time to time. Prior to this re-appointment, he was serving as the CEO & Managing Director drawing remuneration within the overall ceiling of ₹ 3,20,337/- per month.

Mr. Atil C. Parikh, whole time director designated as the Managing Director of the Company, reports to the Executive Chairman and looks after Marketing, Technical matters and Administration and such other matters as may be assigned by the Executive Chairman from time to time. Prior to this re-appointment, he was serving as the Managing Director drawing remuneration within the overall ceiling of ₹ 2,62,211/- per month.

### 2. Job profile and his suitability:

Mr. Chandresh S. Parikh, the Executive Chairman holds a Degree in Master of Science (Chemistry). He has played a very important role in the turnaround of the Company and has over 36 years of experience, in India and abroad, in various fields such as product development & commercialization of products developed through R & D etc. He started his career as R&D Chemist in the year 1968 with Suhrid Geigy Limited; Vadodara till 1972. Thereafter he joined in as a Chief Chemist with General Foam Products, Mombassa, Kenya in 1972 and continued with them till 1975. Thereafter he held Senior Executive positions as Technical Director and Executive Director in Banco Products (T) Ltd., Dar Es Salaam from 1975-82. As Technical Director he was in charge of Production and technical matters and as an Executive Director he was in overall charge and management of the affairs of that Company. He was a Managing Director in Aerofoam (Nigeria) Ltd., Lagoa, Nigeria during 1982-88. He came to India for the formation of 20 Microns Private Limited

in 1987 and started commercial production from 1988.

Mr. Rajesh C. Parikh holds First Class Degree in Mechanical Engineering besides, Master in Business Administration. He started his career as a Trainee Engineer in Jyoti Limited for about 8 months and thereafter, associated with the Company and held, on a part time basis, few assignments for a new project to establish for China Clay. At the young age of 27, he joined the Board and was in charge of Technical Operations and Marketing of the products of the Company. His exposure to consumer industry brought in him insight for business and industry. He started taking keen interest in Administration too.

Mr. Atil C. Parikh, aged 37 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, The Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he rejoined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He was later on given full charge of the CNC division overlooking all the major activities within that division.

All the above Managerial Personnel have vision and farsightedness, acquired business acumen and developed other qualities of Management which could not only lead them to greater heights, but have the potential to put the Company on a sound footing front, year on year.

### 3. Remuneration proposed:

Abstracts of terms of Managerial Remuneration payable to the Managerial Personnel are given in the subsequent paras.

### 4. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Taking in to consideration, the size of the Company, the profiles of Managerial Personnel, the responsibilities shouldered by them, the proposed remuneration is commensurate with the remuneration packages being paid to managerial personnel working in the similar position in the industry.

### 5. Pecuniary relationship directly or indirectly with the company, or relationship with the Managerial Personnel, if any

All the above Managerial Personnel viz. Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh does not have any pecuniary interest in the Company



## NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

other than holding their respective offices as such and as a shareholder of the Company. Mr. Rajesh C. Parikh and Mr. Atil C. Parikh are the sons of Mr. Chandresh S. Parikh, the Executive Chairman and are brothers.

### III. OTHER INFORMATION:

1. Reasons of loss or inadequate profits, steps taken for improvement and expected increase in productivity:  
Reasons for loss or inadequate profits is mainly due to high finance cost and fluctuations in international price of crude oil which incidentally affects the prices of various cost centers such as manufacturing costs such as Power and fuel costs. In order to improve the performance, the Company has taken various steps such as drastically reducing manufacturing costs, finance cost etc. The turnover of the Company has also astonishingly enhanced in the last few years and crossed the figure of ₹ 313 Crores during the last fiscal year.

### IV. DISCLOSURE

As required, the information is provided under Corporate Governance Report and Board's Report forming part of this Annual Report.

### ABSTRACTS OF THE TERMS OF MANAGERIAL REMUNERATION PAYABLE TO THE MANAGERIAL PERSONNEL

#### 1. MR. CHANDRESH S. PARIKH

Period: From 01st April, 2016 to 31st March, 2019.

##### Remuneration:

- I. Basic Salary: ₹ 3,79,000/- per month with annual increment up to 25% in the Basic Salary as may be decided by the Nomination & Remuneration Committee and the Board of Directors of the Company from time to time.
- II. Perquisites: 4.6% of the Basic Salary. The detailed components of the perquisites shall be worked out by the Company in consultation with Mr. Chandresh S. Parikh.
- III. Commission: Not exceeding 1% of the Net Profit as worked out as per Section 198 of the Companies Act, 2013, for every financial year, subject to the limits stipulated in Schedule V to the Companies Act, 2013.
- IV. Company's contribution to Provident Fund, Gratuity and such other benefits as are available to other employees of the Company as per the Company's rules.

#### 2. MR. RAJESH C. PARIKH

Period: From 01st April, 2016 to 31st March, 2019.

##### Remuneration:

- I. Basic Salary: ₹ 2,89,500/- per month with annual increment up to 25% in the Basic Salary as may be decided by the Nomination & Remuneration Committee and the Board of Directors of the Company from time to time.

- II. Perquisites: 19.6% of the Basic Salary. The detailed components of the perquisites shall be worked out by the Company in consultation with Mr. Rajesh C. Parikh.

- III. Commission: Not exceeding 0.75% of the Net Profit as worked out as per Section 198 of the Companies Act, 2013, for every financial year, subject to the limits stipulated in Schedule V to the Companies Act, 2013.

- IV. Company's contribution to Provident Fund, Gratuity and such other benefits as are available to other employees of the Company as per the Company's rules.

#### 3. MR. ATIL C. PARIKH

Period: From 01st April, 2016 to 31st March, 2019.

##### Remuneration:

- I. Basic Salary: ₹ 2,36,800/- per month with annual increment up to 25% in the Basic Salary as may be decided by the Nomination & Remuneration Committee and the Board of Directors of the Company from time to time.
- II. Perquisites: 19.6% of the Basic Salary. The detailed components of the perquisites shall be worked out by the Company in consultation with Mr. Atil C. Parikh.
- III. Commission: Not exceeding 0.70% of the Net Profit as worked out as per Section 198 of the Companies Act, 2013, for every financial year, subject to the limits stipulated in Schedule V to the Companies Act, 2013.
- IV. Company's contribution to Provident Fund, Gratuity and such other benefits as are available to other employees of the Company as per the Company's rules.

Re-Appointments of each of the above Managerial Personnel is for a period of 3 [three years] effective 01st April, 2016. If the tenure of their respective offices is determined by any reason whatsoever before the expiration of his term of office, they shall be entitled to compensation for loss of office in accordance with the applicable provisions of the Companies Act, 2013. The said appointments may be terminated by giving 90 days of notice on either side or equivalent payment of salary in lieu thereof.

Subject to the overall ceiling laid down in Section 197 read with Schedule V of the Companies Act, 2013, they would be entitled to receive commission on net profits or performance linked bonus for such an amount as may be determined by the Board of Directors of the Company year after year, however, in aggregate, the Commission, salary and perquisites in any event shall not exceed the limit laid down in said Section of the Act.

Pursuant to Section 198(3) of the Act, read with Schedule V, as amended, and subject to such approvals as may be

## NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

necessary, the salary, perquisites and other emoluments may be paid as the minimum remuneration to above Managerial Personnel in absence of or inadequacy of profit in any financial year.

### Details of Directors seeking re-appointment (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Chandresh S. Parikh	Mr. Rajesh C. Parikh	Mr. Atil C. Parikh
Date of Birth	March 06, 1946	December 28, 1971	September 04, 1977
Date of Appointment	March 29, 1988	July 02, 1998	January 29, 2001
Qualifications	M. Sc. (Chemistry)	B.E. (Mechanical) MBA (Finance)	B.E. (Chemical) MBA (Finance)
Expertise	Eminent industrialist with wide business experience	Eminent industrialist with rich business expertise	Eminent industrialist with rich business expertise
Directorship in other Public Limited Companies	20 Microns Nano Minerals Ltd.	20 Microns Nano Minerals Ltd.	20 Microns Nano Minerals Ltd.
Membership of the Committees in other Companies	20 Microns Nano Minerals Ltd. - Audit Committee Member	Nil	Nil
No. of shares held in the Company	36,30,400	16,59,956	16,59,956

### Item No. 9

The Members are hereby informed that in terms of the New Companies Act, 2013, the companies are required to obtain

prior approval of its shareholders for the Related Party Transactions with the Associates and budgeted related party transactions to be made till Annual General Meeting to be held in 2016 -

### The Related Party Transactions to be carried out From 01.10.2015 to 30.09.2016

#### VALUE OF PURCHASES/SALES OF GOODS & SERVICES

(₹ IN LACS)

Sr No.	Name of Related Party	Nature of Relationship	Directors Related	Sale / purchase of goods & services*	Lease rent paid/ receivable	Assets sale & purchase **
(1)	20 Microns Nano Minerals Ltd.	Subsidiary	MR. Chandresh S Parikh, Mr. Rajesh C Parikh, Mr. Atil C Parikh, Mr. Sudhir R Parikh, Mr. Ram Devidayal	1312.00	203.48	100.00

\* Sale/purchase of goods includes minerals (raw materials and finished goods) and packing materials, additives etc. and repayment and recovery of trade advances.

\*\* Selling/disposal of/buying of Plant & Machinery and Land & Building

#### A. Terms and Conditions for sale/purchase of Goods and Services

- All Sales or purchases of Goods and Services with each others will be made in order to ensure growth of either of the parties to meet market requirement and to ensure optimize use of production facilities installed,
- Price to be paid shall be based on the most competitive market rates prevailing at the time of purchase/sale of raw materials and finished goods and services.
- Payment Terms: Normally within 60-90 days from the date of supply.
- Abnormal delay in payment shall carry interest not exceeding the rates applicable to the bank borrowings.

- Regular purchase orders, confirmations containing the quantities and prices and delivery schedules shall be issued for purchase/sale of Goods and services from time to time.

#### B. Terms and Conditions for Selling/leasing out property:

- All lease rentals shall be fixed in advance for a period of Lease and shall be valid for the leased period.
- Payment of Lease rentals shall be effected normally on monthly/quarterly basis.
- Abnormal delay in settlement shall be subject to interest not exceeding the bank borrowing rates.

- In case of Purchase/Sale of Land/Buldings and other Fixed Assets, the Value will be determined based on

## NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

the prevailing Market Value of the Asset proposed to be sold/purchased at the time of sale/purchase.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 9 of the Notice.

Your Directors commend the resolution at Item No. 9 for your approval and acceptance.

### Item No. 10

Mr. Sudhir Rameshkant Parikh, Director of the Company possesses exceptional organizational capacity and ability in the field of Finance and related matters. It is, therefore, proposed to appoint him as Finance Consultant of the Company.

The Board of Directors of the Company at their Meeting held on 07.08.2015 have decided to appoint Mr. Sudhir R. Parikh as Finance Consultant, on the Consultancy Fees of ₹ 30 lacs PA (Rupees Thirty Lacs Only), subject to approval of shareholders, with a liberty to the Board of Directors and/ or Finance Committee of Directors to revise this charges within the overall permissible limit as prescribed in Companies Act, 2013 and rules made thereunder and to finalize terms of appointment, period, etc.

Under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, it is necessary to obtain the consent of the Company by a special resolution for holding or continuing to hold office or place of profit under the Company in any such office or place of profit carrying the Consultancy Fees of ₹ 30 lacs p.a. (Rupees Thirty Lacs Only).

Except Mr. Sudhir R. Parikh, None of the Directors, Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in the resolution.

Your Directors recommend the special resolution at Item No. 10 for your approval and acceptance.

### Item No. 11

The Shareholders of the Company at their Extra-Ordinary General Meeting held on 12th December, 2014 approved issue and allotment of 14,70,600 Compulsory Convertible Warrants to the persons other than Promoter Group on preferential basis.

The Stock Exchanges i.e. BSE & NSE, at the time of granting in-principal approval for allotment of aforesaid warrants required undertaking from the company about intimating the same about the ultimate beneficial owner who are the natural persons of Pratik Minerals Pvt. Ltd., one of the allottees of the aforesaid issue, pursuant to the Regulation 73 (1)(e) of Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation, 2009.

The exhaustive list of ultimate beneficial owners who are natural persons of Pratik Minerals Pvt. Ltd. is being approved and ratified herein. Since the same being very lengthy, it is difficult to include the same here and hence the same shall be available for inspection at the Registered office of the Company during the 10:00 am to 5:00 pm (except Saturdays: Sundays).

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 11 of the Notice.

The Members are requested to approve the resolution at item 11.

### By Order of the Board of Directors

For 20 Microns Ltd.,  
Anuja K. Muley  
Company Secretary

Place : Waghodia, Dist. Vadodara

Date: 07th August, 2015



## NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

### ANNEXURE TO ITEMS 2, 5, 6, 7 & 8 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

(As on 31st March, 2015)

<b>Name of the Director</b>	<b>Mr. Chandresh Parikh</b>	<b>Mr. Rajesh Parikh</b>	<b>Mr. Atil Parikh</b>	<b>Dr. Ajay Ranka</b>
Date of Birth	06/03/1946	28/12/1971	04/09/1977	24/10/1956
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	29/03/1988	02/07/1998	29/01/2009	27/09/2014
Qualification	Master's degree in Chemistry	Bachelor of Mechanical Engineering & MBA (Finance)	Bachelor in Chemical Engineering & MBA (Finance)	Ph.D. (Polymer Science and Engg), USA besides, a Chemical Engineer
Expertise in specific functional area	Production, Technical, and is in-charge of overall functions of the Company	Technical and Marketing	Finance, Marketing & Operations	Polymer Chemistry & Nanotechnology
No of shares held in the company	3630400 equity shares of ₹ 5/- each	1659956 equity shares of ₹ 5/- each	1659956 equity shares of ₹ 5/- each	NIL
List of directorships held in other companies	20 Microns Nano Minerals Ltd	20 Microns Nano Minerals Ltd	20 Microns Nano Minerals Ltd	Zydex Industries Pvt. Ltd.
Chairman/ Member in the Committees of the Boards of companies in which he is Director	1. Nomination & Remuneration Committee Member (20 Microns Ltd.) 2. Audit Committee-Chairman (20 Microns Nano Minerals Ltd.)	1. Stakeholders relationship & Share Transfer Committee-Member (20 Microns Ltd.)	NIL	NIL

## REPORT OF BOARD DIRECTORS

### Dear Members,

The Directors have pleasure to present their 28th Annual Report and the Audited Annual Accounts for the year ended 31st March, 2015.

### Financial Results

The Company's financial performance for the year ended 31st March, 2015 is summarized below:

	(₹ in Lacs)	
Particulars	2014-15	2013-14
Total Revenue	31966.42	29915.28
Profit before Depreciation, Interest and Tax (PBDITA)	2975.98	3185.69
Interest for the year	2492.05	2168.96
Depreciation for the year	945.20	1007.51
Profit/(Loss) before tax and Exceptional item	<u>(461.27)</u>	<u>9.12</u>
Exceptional items	-	-
Profit/(loss) for the year	<u>(461.27)</u>	<u>9.12</u>
Tax liability :-		
Current Year's Tax	-	9.00
MAT Credit	-	(9.00)
Deferred Tax Liability/(Asset)	(55.57)	(4.99)
Wealth Tax	1.71	1.05
<b>Net Profit/(Loss) for the year</b>	<b>(407.41)</b>	<b>13.06</b>

### State of Company's Affairs

During the year under consideration, following important developments have taken place,

- Debt Restructuring by Consortium Bank :- As the capacity utilization of newly expanded capacity was very low due to sluggish demand the expected cash generation was not taking place and it was expected to have impact on the repayment schedule of various term loans availed by the Company. Company had approached its Bankers with a request to restructure repayment schedule of various terms loans, consortium bank approved the same in the Month of March 2015 giving effective date as 1st April 2014 and as a result the installment which were due during the year were restructured along with interest payable there on.
- The restructuring of various term loans will help improvement in liquidity position of the Company over a period of time.
- During the year various cost factors such as Raw Material, Energy Cost, Freight Cost and Finance cost have given negative impact on the overall margin of the business which has impacted overall profitability of the business.
- Company had devised a strategy to ensure higher capacity utilization of various plants during the coming year which will increase overall performance of the Company in future.
- Net Worth of the Company is reduced to ₹ 6967.44 Lacs as on 31st March, 2015 compared to ₹ 7440.81 Lacs as on 31st March, 2014.

### Dividend

Due to loss, your directors have not recommended dividend during the year under consideration.

### Material Changes and commitments affecting financial position between the end of the financial year and the date of report

The Company has issued and allotted 14,70,600 Equity shares of the face value of ₹ 5/- each at a premium of ₹ 29/- per share upon conversion of equivalent Compulsorily Convertible Warrants of the face value of ₹ 34/- each.

### Management Discussion and Analysis

Analysis of sector-wise performance of the Company for the fiscal year 2014-15 and future outlook are given hereunder. The outlook is based on the assessment of the current business scenario and Government Policies. Any deviation to the developments - future and other - may affect the variances in the outlook.

### Industry Progress

Not much has being changed in the Industrial Minerals industry that the Company operates in. This industry still predominantly functions in an unorganized way though the gradual shift towards an organized structure is happening and should see its benefits in the years to come. India has always been a self sufficient nation with well endowed natural mineral resources in the league of larger nations of USA, Russia, and China.

The Industrial Minerals sector provides the basic raw materials to the manufacturing sector and has always been considered

## REPORT OF BOARD DIRECTORS [Contd.]

as an important segment for the Indian economy. The mining sector has been reeling for more than two years now, under a lethal mix of high borrowing costs on one hand and environmental and regulatory policy paralysis on the part of the government on the other hand. But with the new government in place, who has had a brief history of bringing reforms in the mining industry, the hope has revived in the industry to bring in some major growth oriented mining and mineral development policy reforms in the next few years which should boost this industry to the next level.

A wide spread understanding for the strategic value of different minerals pertaining to different classifications is the need for the day which currently is simply being generalized. Within two decades of liberalized economy, much in contrast with the constitutional objectives, mining as a sector has come to be associated with scams, conflicts, violence and ecological degradation. The future should therefore usher in an era of mineral development with socio-economic development as the focus. A significant amount of mineral potential still lying untapped could contribute enormously to the country's GDP if the challenges are overshadowed by a high flow of FDI in this sector.

Severe, rapid disruptions to local life generate fear and mistrust. The public trust deficit needs to be addressed by both industry and government alike. The mining industry in India has however has started to shape the future direction of this engagement towards an inclusive agenda for improving livelihoods of the local populace, bringing in much needed investment, job, wealth creation and government revenues.

In addition to the internationally recognized proven and probable 'reserves', India has significant quantity of mineral resources which are still under various stages of exploration which need to be capitalized sooner to rely lesser on the import for many of the end user requirements whose demand is getting better in the years to follow.

### Product wise performance

CnC - Consumers and Commodities

#### • Paint Industry

The product range for paint industry encompasses a varied application base with the majority share lying with Paint Industry and a minor share with the Allied base of industries catering to Agrochemicals, Adhesives & Sealants, Construction, Cosmetics, Printing Inks, Oil Well Drilling, Foundry, Ceramics, and others. The user industries this financial year have shown positive sign of recovery and as a result CnC division have achieved the targeted Budget.

Studies and Analysis carried out by various Institutions before and after the Annual Budget for 2015-16 shows that corporates are hopeful of better Economy and improvement in Investment Climate in the light of expected reforms in Government's Economic policies. Company had geared up the expansion on the basis of plans shared by our major customers e.g. Asian Paints, Berger Paints etc. Decorative paints account for over 75% of the overall paint market in India and include wall finishes for interior and exterior use, enamels, wood finishes and ancillary products such as primers,

putties, etc. The retail demand for decorative paints has shown recovery coupled with boost in infrastructure investment and the demand for industrial coatings has also shown progress. The top 5 Major companies domestically saw a double digit growth in range of 10 to 13 %. On the back of such advocacy, we anticipate that the sector will post a CAGR of around 15%. Presently, the growth as being witnessed from new demand pockets, especially in Tier-II and Tier-III cities, thus signaling the growing acceptance of quality products among the masses.

Similarly, in case of Small and Medium scale companies, the scenario remains worrisome due to extended payment cycles by the end customers and tougher market conditions. Mainly competition from Major customers, however Medium Scale companies Like Jotun and Nippon Paints have made their presence felt mainly in the Decorative and Industrial sector. Other Medium and Small scale companies also have shown growth in the West, North and South Regions where some customers have promised of Capacity Expansions and Market Aggression.

However, as with other fields, some challenges also exists in this promising sector that can affect the growth trajectory of the paint industry, if not handled accordingly. For instance, the industry is highly raw material-intensive and any fluctuation in the availability of raw material leads to substantial price fluctuation in paint production costs. The Pressure is on the Raw material suppliers who are undergoing tremendous pressure to maintain the cost coupled with new entrants in the market, which has resulted in the erosion of Bottom line and the challenge is going to be similar in the coming financial year.

Overall CnC looks to be on the recovery path.

### VAD - Value Added Division

This was year full of challenges which were both bitter and fruitful, some were exhausting while some were rewarding. However our VALUE ADDED DIVISION managed Year 2014-15 was a year of overall marginal growth, since the division had grown +2 % in terms of volume and + 5 % in value terms over previous year and touches INR 100 Cr. Top- line sales marks with growth in Plastics segment viz. PVC Pipe, PP/MB etc.

#### Plastic Industry

Plastics Industries the globe's most lucrative business is growing bigger by the day. Plastics-as the key material for man's progress today-will be a key beneficiary of this tremendous growth surge. India relatively low per capita consumption of plastics - currently at 9.7 kg per annum - is expected to triple over next decade. In -spite of drastic drop of Polymer price due to crude oil price slump forces second half of FY 14-15 were not ideal productive atmosphere for polymer processing industries. However the company registered positive growth of approx. +17% in value and volume terms respectively over the previous year.

The second half of the year were too much bitter and exhausting as steep drop in the crude oil prices coupled a catastrophic spiraling about drastic Polymer price drop and



## REPORT OF BOARD DIRECTORS [Contd.]

uncertainties about polymer prices, which forces Polymer Processing Industries to shut down / Cut down their manufacturing activities in sizable quantities. Apart from this also India's custom tariff compliance to allow zero percent import duty from ASEAN countries hampered and impacted a lot to our market share, this factors somewhat made us lag behind the Malaysian and Vietnam countries products. The customers shifted to zero duty goods and preferred more Vietnam products. This phase was though temporary as the Vietnamese products did not perform in terms of quality and after a temporary gap, we again received business enquiries from the customers that moved away from our products. In spite the above change in business environment, our PP/MB segment registered positive growth of +9 % and + 7 % in qty and value terms respectively, compared to previous year.

Other segments of our plastics division is Vinyl, PU, Epoxy and Thermo-sets plastics Processing Industries: This particular segment consists of PVC processing Industries like PVC pipe, PVC compound for wire and cable, other PVC processing Industries who making Sheet, film, profile, PU Flexible Foam, SMC/ DMC, Epoxy and Electrical Insulator and others allied Industries managed positive growth of segments in 2014-15, with + 22 % in quantity and + 26 % in value growth over previous year. Unfortunately due to again polymer price uncertainties and the Zero duty imports from ASEAN countries, attributed to overall Indian PVC sector underperforming, as a whole many companies either operated their plants at 60% capacity or closed down their manufacturing activates. To counter this, since from 2013-14, we had formed a special marketing team with technical support system to focus only on PVC pipe segment which resulted into remarkable sales growth and contributed maximum positive growth of division in 2014-15, with + 39 % in quantity and + 43% in value growth over previous year with strategic long term contractual business deals with the customers. This has opened new segment with excellent prospective for the business and made us potential for projecting profitable good growth year ahead.

Our company focused to counter this period of uncertainties and we have formed a vigorous marketing plan and increased our strength of technical marketing executives to revive the sector with better products by serving them with our "Specialty Product Range" which is more on concept selling of Value Added Product which can be accumulated more bottom - line profit for this Division or company, so products like Desiccants, Antiblocking Agents, Synthetics Barium Sulfate for colored Master- batch brilliancy and spacers application and valued added product like partial replacement of TiO<sub>2</sub> in white master batch application or TiO<sub>2</sub> filled application. Apart from this range, severe marketing efforts were also done in processing aids such as Wax, Multifunctional Processing aid which is necessities ingredient for extrusion base Polymer processing Industries. These efforts are kept ongoing and a separate team has been formed to promote and market above products on a consistent basis.

### Paper Industry

In Paper division, slurry business penetration with long terms contractual business with the customer had thrown, open

new segments with excellent potential for the business. The paper industry in India consume Talc / Soap stone as major filler for their paper products mainly for writing and printing paper. From 2010 onwards, our special marketing team's efforts have made inroads by working with the technical teams of major paper companies and highlighting the advantages of using Calcium carbonates instead of Talc. Due to effort of educating uses of Calcium Carbonate instead of Talc as major fillers for writing and printing paper, slowly few paper mills getting converted to use Calcium Carbonate as fillers for paper product but conversion ratio is not as fast because Calcium Carbonate price is little -bit costlier than Talc fillers. However to offset the cut in margins, the company's teams are working with the technical teams of several paper mills for using good calcium carbonate and try to reach at formulations which match their technical requirements. Unfortunately, Year 2014-15 was not growth year for Indian Paper Industries due to increase of imported raw materials - like coal, pulp etc. or competition from dump of imported Chinese paper and duplex board in Indian paper market. Most of the paper mills have shown negative growth in net profit because of competitive market scenario because of paper and Duplex board import from China, high input cost and high interest cost. Ultimately this market cycle phenomena has affected to us with negative growth of nearly -36 % in terms of value and volume.

### Rubber Application

Rubber application is one of the important business vertical for the Company in recent years. Indian Rubber industry is about 6000 unit comprising 30 large scale, 400 medium scale and around 5600 small and tiny scale industries. Indian rubber industry has been growing in along with the strength and importance, as a part of India's burgeoning role in the global economy. India is the world's largest producer and the third largest consumer of natural rubber

During 2014-15, Rubber Industries growth were marginally declined compared to previous year due to unfavorable market condition, main contain was volatile rate of rubber and carbon black. Even though in this condition company Rubber division has registered positive growth of nearly +14 % in terms of quantity and + 25% in value terms over last year sales. Several new products are also being developed for the partial replacement of synthetic silica and carbon black which is widely used filler in segment. Also company is emphasizing to focus more on value added products like Vaporlink (product which partially replaces carbon black), Wax, Zinkomer - 100% replacement of Zinc Oxide, Rubber processing aid like Fast Flow - S for lubrication and Vapor Oxol series use as desiccant which are high value product can boost the sales turn over in future. This year we have developed new product AL FR (ATH) Flame Retardant and Low Melting Point PE Wax, which having good market potential.

Today's paradigm shifts are posing exciting challenges and favorable opportunities, which we are addressing effectively

## REPORT OF BOARD DIRECTORS [Contd.]

to optimally position ourselves to secure concentrated business areas where we have clear sights of more market penetration and value addition. Successfully working and streamlined SAP platform helping us to develop a tighter discipline around costing operational control and market realization, which integrating our business operations and running them efficiently with sustainable growth where next top-line growth will be better supported by the bottom-line growth. We are confident of our Value Added Division envisages higher profitable growth compared to previous year growth with all segments of the division Paper, PVC and PP/MB and Rubber looking for the good year ahead.

### Exports

Mineral export from India is growing sharply over few decades, Technology up gradation has given a great advantage to Indian resources to compete with global manufacturers. Year on year it has been observed that export opportunity has also increased due to US dollar appreciation against Indian Rupee which becomes inducement to exporter. In addition to that in Europe and USA strict rules regulation for environment has discouraged mining activity and as a result International buyers has started their focus to source from India and China. Since most of the International players has their own manufacturing facilities in India, It becomes easy for them to source and to extend approval for their global use.

The Company is currently selling their products in 53 countries across the globe and has been successful in attracting and creating a strong base for future strategic alliances with major distribution in, Latin America, Europe and Far East countries by exhibiting their product range in different exhibitions across the Globe.

In the year 2015-16 Company's export team has taken up special task to increase sales of Calcium Carbonate from Malaysia as well as from Egyptian resources. Which will help to induce additional profit on group of company and USD revenue will go up in case of Malaysia and Dubai operation.

Export Sales Comparison is hereunder :

(₹ In Lacs)

Element	2014-15	2013-14
CIF Value	3232.05	3515.93
FOB Value	2792.39	3086.33

Our Team is aggressive to capture double digit growth in year 2015-16 and started taking up frequent customer calls and technical presentations by way of arranging country wise seminar, Taking part in conference and exhibitions which will help to increase customer base across the globe.

### Mining

20 Microns Ltd is pioneer in white industrial minerals and possesses mining leases having sizable mineral reserves of 59.185 and 96.492 lakhs Mt and the life of the mine is more than 25 years at current capacity. The reserves shown in the table below are located in the potential mineral block.

### Reserves in Mining Leases

Status as on 31.03.2015

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves (₹ In Lacs)
1.	China Clay Mines, Bhuj, Dist. Kutch, Gujarat, Area - 11.89 Hector	26.617	3859.46
2.	Dolomite Mine, Taluka - Chhota Udepur, Dist. Vadodara, Gujarat, Area - 6.25 Hector.	13.890	4860.75
3.	Calcite Mine, Dist. Sirohi, Rajasthan, Area - 49.25 Hector	8.340	5002.52
4.	Limestone Mines, Dist. Tirunelveli, Tamilnadu, Area - 4.43 Hector	10.338	4652.10
	<b>TOTAL</b>	<b>59.185</b>	<b>18374.83</b>

### Reserves in Private Owned Land

Status as on 31.03.2015

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves (₹ In Lacs)
1.	China Clay-Mamuara Village, Bhuj, Dist. Kutch, Gujarat, Area - 25.1455 Hector	64.122	9297.69
2.	Bentonite Mines, Bhuj, Gujarat, Area 6.5 Hector	32.370	5664.20
	<b>TOTAL</b>	<b>96.492</b>	<b>14961.89</b>

### Research and Development

20 Microns is dedicated to the development of high quality products for customers worldwide. Our research activities have advanced by leaps and bounds in the last few years due to the introduction of several new research programs as well as the continuing success of the activities. The intellectual property that RandD generates is a vital management resource that 20 Microns utilizes and protects to maximize its corporate value. To ensure efficient progress in RandD, we coordinate and integrate all phases, from basic research to forward-looking technology and product development.

20 Microns success is based on our ability to create a new and compelling products, services and experiences for our product user, initiate and embrace disruptive technology trends to enter new geographic and product markets, and to drive broad adoption of our products and services.

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### 20 Microns RandD Guiding principles:

- Providing Value added products and enhancing the quality of the life of people everywhere through all our activities.
- Pursuing advanced technological development in a wide range of fields, we pledge to provide products and services that respond to the needs of customers worldwide.

The Group's Innovation approach starts with understanding customers businesses and solving their technical problems, in addition to meeting their expectations and anticipating their needs. The minerals used by 20 Microns deliver essential features for its customers' products, such as Mechanical, Thermal, Optical and Chemical Qualities, as well as Absorption/Adsorption and Filtration functions. They also enable customers to improve their manufacturing processes and reduce their production costs. By generating new products and processes, the Group helps its customers to meet new challenges.

To obtain the required properties and so add value, Minerals are processed using various technologies, many of which are specific to 20 Microns, e.g. Grinding, Drying, Calcination, Sintering, Melting, Bleaching, Surface chemistry, Magnetic purification and flotation, but also shaping processes such as Pressing, Extrusion, and Granulation.

#### Innovative Products Developed During the Year 2014-15

- Metacarb 30T
- Vaporlite 90 CTD Premium
- Micron Carb 9711, 9722 and 9733
- Lithomer Tox
- Blowtox
- AL FR-3, AL FR-5, AL FR-9
- Micronsil 30C
- Colored Silica
- LC 470
- Hycrete

### 20 MICRONS QUALITY CONTROL

20 Microns Quality Control evaluates and modifies an organization's procedures to make sure they provide the desired results. Our plan includes an organizational structure, details on each employee's responsibilities, and the qualifications an employee needs to fulfill those responsibilities.

Our Quality control looks at production to verify that the suppliers, and the materials they ship, correspond to the requirements for the product. We specify adequate product testing's and feed back the test results and customer complaints to solve problems and encourage improvements throughout the organization.

A number of different elements are important for this kind of control, including skilled management, intimate knowledge of

the production process, and the motivation and enthusiasm of workers at all levels. Our dedicated teams analyze data and formulate solutions to production problems. They are also often skilled in more than one production area, and can facilitate communication between different sectors to ensure better quality.

### Human Resources

With 2014-15 winding down, 20 Microns HR alike are turning attention to the trials, opportunities and trends that the New Year will bring. There are five key HR developments that will be crucial to growth and continued success for coming financial year.

#### Talent intelligence

With organizations gaining ground on their understanding of big data, the importance of HR-themed analytics will become more crucial in 2015-16. The uses of these analytics will range from developing people strategies to exploring 'what if' scenarios.

#### Involvement of the C-suite

Not only is HR expected to enter the C-suite, but a further emphasis on the workforce's presence there is also expected. The complexities and challenges created by the global economic landscape require leadership teams to continually re-evaluate their organization's strategies.

#### How mobile has changed HR

Mobile applications are expected to play a more crucial role in 2015-16. Mobile career sites and applications will be leveraged by organizations to reduce time and cost-to-hire in an attempt to combat the widening gap between skills availability and business requirements.

#### Invest for success

New solutions to technology investments that offer deeper functionality will be delivered via a software-as-a-service (SAAS) model. These tools will be used for functions such as candidate relationship management and career path planning.

#### Social is here to stay

Social media has become an important utility for recruitment. The usage of LinkedIn, Facebook, Twitter and other social media platforms for recruitment set to intensify in 2015, with organizations seeking to keep track of both alumni and new talent pools. The use of social tools for LandD functions will also come to fruition in 2015-16.

#### Environment, Safety and Health

Health Care programs leave a significant impact in terms of providing better health care to the marginalized sections of our plant.

In this connection, the Company had organized a regular occupation medical examination at our all plants on December 2014 to January 2015 under the Corporate Social Responsibility programme.



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Health Check up was started with warm welcome to the medical team



General check up of staff done by doctor



Audiometry test examining by the medical staff



Health check up of contractors done by doctor



Ambulance facility provided for employee



Eye test examining by the medical staff

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### World Environment Day 5th June 2014

20 MICRONS LTD celebrated world environment day on subject of Climate change is a major challenge for SIDS (Small island developing states), as global warming is causing ocean levels to rise. Due to their small size and isolation, SIDS are more vulnerable to natural and environmental disasters, climate change and sea-level rise. However, these islands have also been successful in overcoming their environmental problems.

World Environment Day is an annual event that is aimed at being the biggest and most widely celebrated global day for positive environmental action. On the occasion we have more than 500 trees plantation and conducted awareness programme on our plant.



Tree plantation in plant



Induction on subject of Climate change



Importance of trees and save earth



Awareness of environment and save trees

### Corporate Social Responsibility

As part of the Corporate Social Responsibility, initiatives through the years, the Company established its arm - 20 Microns Foundation Trust in 2001 with an initial donation of ₹ 35 Lacs collected through various interested agencies and built up 135 houses at Mamura Village, Bhuj for the earthquake affected people.

The Diabetes Centre was inaugurated by 20 Microns Foundation Trust on 14th November, 2008 being World Diabetes Day. Your Company operates as an NGO whose primary aim is to promote awareness about Diabetes among the society and primarily creating an awareness campaign of the diabetes patients by expanding their knowledge about this disease.

In this fy-14-15 we organised a Mega DIABETES CHECK-UP CAMP CUM SEMINAR in co-operation with M.S. University followed by FREE SUGAR CHECKUP, HbA1C, DIABETIC FOOT CARE and RETINO PATHY. Seminar was very



## REPORT OF BOARD DIRECTORS [Contd.]

successfully organised and more than 500 patient were got benefit of this seminar. Leading Doctors of Vadodara present and given useful tips during seminar. Our Chairman SHRI CHANDRESH PARIKH Given Very useful Tips and useful information to the patient during camp and seminar.

To expand the service of diabetes awareness diabetes centre has started one new activity, by which our volunteers are going to patient's place for check-up, counselling and Awareness of diabetes and helping them for living normal life. During this year we added few more centre in Vadodara for diabetes check-up and awareness.

The Diabetes Centre has successfully completed Six years in contributing services towards society with approx 3500 registered members, and with an objective of creating an awareness of "Living A Normal Life With Diabetes" in the Diabetic community at large.

### OUTLOOK

An in-depth analysis of the key drivers and challenges of the current market scenario indicates the factors for growth of the market including growth in real estate construction, growth in automotive industry, growth in industrial sector, growth in disposable income, low penetration and increased Government expenditure on infrastructure. India has always been an emerging economy and with a rising GDP expected along with expected new governmental policies leading to subsequent growth in industrial activities and infrastructural developments, India hopes for "Achhe Din" to arrive soon.

Due to an increased Government funding for infrastructure, demand for paints both in industrial and decorative segment is set to rise, thereby rendering Indian paint industry to be poised for further growth. With enhanced level of communication in terms of media exposure, awareness about latest trends governing the sector has reached a whole host of consumers. Fulfilling needs to look unique becomes possible with more disposable income at the hands of people which is seen to be on an upward trend. Moreover, low per capita consumption of paints in India provides enough opportunity for further growth in this sector. However, the sector is also facing certain challenges. Factors like rising input prices and stringent environmental regulations pose as a barrier for growth. The paint industry has a promising future in India with major and medium scale players in the market implementing innovation and cutting edge technology to combat the negative factors which is evident from scaled up capacities and newer introduced products for the consumers.

The small and medium paint industry is constantly evolving across the country embarking on newer technology and investing in latest manufacturing processes. We strive continuously to engage ourselves in development for newer products and innovations leading to efficient customer service and understanding their niche requirements. A dedicated business development team has been embarked to penetrate this market with a high end range of products entailing reduction in overall formulation costs at customer's end.

The Plastics industry has been one of the fastest growing industries in India in past few years but has gone through

some tough challenges in past couple of years. Despite the industry's high growth spanning over a period of over 2 decades and crossing several milestones, Indian plastics industry is yet to realize its full potential as the manufacturing industry and economy shows signs of rebounding. The low level of per capita plastics consumption in India is indicative of the massive growth potential of the plastic industry. The industry was "poised for strong growth" and had been insulated somewhat from India's slowing of growth rates in the last two or three years. New applications/innovations in packaging development are driving growth in India and these are ably supported by the current and upcoming domestic capacities.

Export opportunity looks to improve due to the appreciation of foreign currency being a direct incentive to exporters. In addition, apart from China, many countries have shifted their outlook towards India's manufacturing base due to superior quality at similar rates. Our focus has also been on selective marketing with high value opportunity based products and deficient regions looking for alternatives to increase our growth.

### FIXED DEPOSITS

The Company has started accepting the deposits only from the shareholders of the company pursuant to the provisions of Companies Act, 2013 and Rules made thereunder. The said Scheme was approved by you at your Extra-ordinary General Meeting held on 24th May, 2014

As on 31.03.2015, Fixed Deposits from Shareholders stood at the total of ₹ 917.31 Lacs. No deposits are due for repayment on or before 31.03.2015.

The company has not made any default in repayment of deposits or interest due thereon.

The deposits accepted upto the 31st March, 2014 pursuant to Companies Act, 1956 and interest thereon will be repaid to the depositors on the date of maturity of respective deposits. In this regard, the Company has filed petition with Company Law Board praying to allow the repayment as per maturity of respective deposit only. Matter is pending before Company law Board. 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	Deposit ₹ in lacs	Interest ₹ in lacs
(a)	From Share Holders	269	273.09	22.03
(b)	From Public	1148	606.91	49.42
	TOTAL	1417	880.00	71.45

The Company is liable to comply with the provisions relating to acceptance of deposits under the Companies Act, 2013 and Rules made there-under and any amendments made from time to time.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS - 21) on Consolidated Financial

## REPORT OF BOARD DIRECTORS [Contd.]

Statements, the audited consolidated financial statement is provided in the Annual Report.

### Subsidiaries, Joint Ventures and Associates

As on 31st March, 2015, we have 03 subsidiaries. During the year, the Board of Directors (the Board) reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement in the prescribed format AOC-1 is appended as Annexure A to the Board's Report. The statement also provides the details of performance, financial positions of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on our website [www.20microns.com](http://www.20microns.com). These documents will also be available for inspection during business hours at our registered office in Waghodia, Vadodara, India.

### Directors' Responsibility Statement

The directors report that

- i) In the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed and there are no material departures from the same.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the profit of the Company for the year ended on that date.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### General Shareholders Information

General Shareholder Information is given in the Report on Corporate Governance forming part of the Annual Report.

### Particulars Regarding Employees

The table containing the names and other particulars of employees in accordance with the provisions of Section

197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure B to the Board's Report.

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, we have to state that since there are no employees falling within the purview of the said requirements, the same has not been annexed herewith.

### Corporate Governance

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report and the Auditor's Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report.

### Secretarial Audit

Secretarial Audit Report as per Section 204 of Companies Act 2013 is placed as annexure to this report. No adverse comments have been made in the said report by the Practicing Company Secretary.

### Cost Audit Compliance

Pursuant to Sec. 209 (1)(d) of the Companies Act, 1956, Cost Audit Report for the financial year ended 31/03/2014 was submitted to the Central Government on 29/09/2014.

### Related Party Transactions

Particulars of transactions with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is annexed in Annexure C to the Board's Report.

### Extract of Annual Return and other disclosures under Companies (appointment and Remuneration) Rules, 2014

The Extract of Annual Return in form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management and Administration) Rules, 2014 is annexed in Annexure D hereto and forms part of this report.

### Particulars of Loans, guarantees or investments

Loans, guarantee and investment covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

### Conservation of Energy, technology absorption, foreign exchange earnings and outgo

Information as per Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure E forming part of this report.

### Risk Management Policy implementation

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the



## REPORT OF BOARD DIRECTORS [Contd.]

business processes. The Board of Directors of the Company has identified the following risks:

Sr. No.	Department	Risk Factor
1.	Mining	<ul style="list-style-type: none"> <li>- Increase in Regulatory and legislative Compliance</li> <li>- High Fuel Cost</li> <li>- Local Community activist</li> </ul>
2.	Source/Purchase	<ul style="list-style-type: none"> <li>- Change in Rules/Regulations relating to Tariff</li> <li>- Quality Compliance</li> <li>- Fluctuation in Logistic Cost</li> <li>- High risk that our vendor may sell same products to our competitor and grab our newly developed market, for developing such product we have spent much time and money</li> </ul>
3.	Operation/Production	<ul style="list-style-type: none"> <li>- Quality Compliance of plant</li> <li>- Compliance to various laws relating to environment, health and safety, electricity etc</li> <li>- Obtaining and renewing various licenses</li> </ul>
4.	Logistics	<ul style="list-style-type: none"> <li>- increase in railway freight</li> <li>- Change in policies by Road and Transport Authority</li> </ul>
5.	Marketing / Sales	<ul style="list-style-type: none"> <li>- Competition</li> <li>- Quality Problem. Frequent Quality Issues leading to Customer Loss</li> <li>- Attrition Ratio and losing key employees to competition</li> <li>- Logistic Cost</li> <li>- Threat of Import Sales</li> </ul>
6.	Finance	<ul style="list-style-type: none"> <li>- Dependency on workbanker</li> <li>- Frequent change in bank interest rate, exchange rate and taxation rates</li> </ul>
7.	Research and Development	<ul style="list-style-type: none"> <li>- Maintenance of database of ongoing Research</li> <li>- Leakage of information</li> </ul>
8.	HR and Administration	<ul style="list-style-type: none"> <li>- Employee Turnover</li> <li>- Selection of wrong person</li> <li>- information leakage</li> <li>- Compliance of various labour laws and deduction of TDS</li> </ul>
9.	Legal, Secretarial, Trade Marks	<ul style="list-style-type: none"> <li>- changes in corporate laws and non-compliance penalty involved therein</li> </ul>
10.	Insurance	<ul style="list-style-type: none"> <li>- exclusions given in each policy</li> <li>- hidden terms and conditions of policies</li> </ul>
11.	Export	<ul style="list-style-type: none"> <li>- Change in Government Policy</li> <li>- change in exchange rate</li> <li>- issues relating to Quality of Material and Packaging of material (especially after reaching foreign warehouses)</li> </ul>
12.	Information Technology	<ul style="list-style-type: none"> <li>- Data backup and its security,</li> <li>- insufficient software licenses,</li> <li>- frequent change in Technology</li> <li>- Risk of Data Loss/hacking</li> </ul>

### Corporate Social Responsibility:

The Corporate Social Responsibility Committee (CSR Committee) has been formulated. The Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, has been approved by the Board.

The CSR Policy may be accessed on the Company's Website at the link: <http://www.20microns.com/admin/upload/csr/CSR%20Policy.pdf>

As part of the Corporate Social Responsibility, initiatives through the years, the Company established its arm - 20 Microns Foundation Trust in 2001 for the earthquake affected people. Post-earthquake rehabilitation, continuing the CSR activities

in mind company thought to focus its activities on a very commonly spread health disease i.e. Diabetes. As a step forward under the 20 Microns foundation a charitable trust and the company support, "The Diabetes Centre" was inaugurated by 20 Microns Foundation Trust on 14th November, 2008 being World Diabetes Day.

During the year, the company has not spent any amount on CSR activities. The Company faced the financial crisis and restructuring of advances was approved by the Consortium Banks i.e. State Bank of India and IDBI Bank. In such a gloomy situation, it was not possible for the Company to spend for CSR activities. However, as reported earlier in Management Discussion & Analysis, CSR activities being

## REPORT OF BOARD DIRECTORS [Contd.]

carried out by the management of the Company, the said activities were carried on with the donations collected by the Trust from other sources. The Company will try to contribute to Corporate Social Responsibility to serve the general public at large during current fiscal year. The annual report on our CSR activities is appended as Annexure F to the Board's Report.

### Internal Control System Adequacy

The Company has established proper and adequate system of internal control to ensure that all resources are put to optimum use and are well protected against loss and all transactions are authorized, recorded and reported correctly and there is proper adherence to policies and guidelines, processes in terms of efficiencies and effectiveness. The Company's internal control systems are supplemented by an extensive programme of internal audit by an independent firm.

All the transactions are conducted using the IT interface and the business processes are further audited by internal auditors.

The Company's internal control systems are also periodically tested and certified by the internal auditors. The Audit Committee constituted by the Board constantly reviews the internal control systems.

### Directors and Key Managerial Personnel

The Board has appointed Dr. Ajay I. Ranka as an Additional Director w.e.f. 27th September, 2014. He holds office of Additional Director up to the ensuing Annual General Meeting of the Company. The Company has received a notice u/s 160 of the Companies Act, 2013 from a shareholder of the Company proposing the candidature of Dr. Ajay I. Ranka for the office of an Independent Director to hold the office upto the conclusion of the annual general meeting of the Company to be held in the calendar year 2019.

In accordance with the Articles of association of the Company, Mr. Rajesh C. Parikh, Chief Executive Officer and Managing Director of the company, retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

During the year under review, the Members approved the appointments of Mr. Pravinchandra M. Shah, Mr. Ram Devidayal, Mr. Atul H. Patel and Mrs. Darsha R. Kinani as Independent Directors of the Company who are not liable to retire by rotation. Mr. Bharat Kanani appointed as Chief Financial Officer of the Company w.e.f. 06th August, 2014.

The Company has set criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors. The note on familiarization programme to Independent Directors are put on the website of the Company at the link <http://www.20microns.com/admin/upload/Miscellaneous/Familiarization%20Programme%20for%20Independent%20Directors.pdf>

The Company has also prepared a Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management Employees which is put on the website of the Company at the link -

[http://www.20microns.com/admin/upload/Remuneration\\_Policy/20ML\\_Remuneration%20Policy.pdf](http://www.20microns.com/admin/upload/Remuneration_Policy/20ML_Remuneration%20Policy.pdf)

None of the Directors of the Company is disqualified under Section 164(2) of the Companies act, 2013. As required by law, this position is also reflected in the Auditors' Report.

In accordance with provisions of Section 149 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, Mr. P. M. Shah, Mr. Ram Devidayal, Mr. Atul Patel Mrs. Darsha Kikani and Dr. Ajay Ranka have given a declaration to the Company that they meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013 read with Clause 49(I)(A)(iii) of the Listing Agreement.

### Auditors

#### A. Statutory Auditors

The Company Auditors, M/s Manubhai and Shah, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. In accordance with Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint Manubhai and Shah as Statutory Auditors of the Company for one year at this Annual General Meeting.

#### B. Internal Auditors

The Company has appointed M/s. N C Vaishnav and Co., M/s. P Mani and Co. and M/s. Deopura and Associates, Chartered Accountants as Internal Auditors of the Company for the F.Y. 2015-16, for the Western Region and Eastern Region, South Region and North Region, respectively.

#### C. Cost Auditors

The Company has appointed M/s Y.S. Thakar and Co., Cost Accountants, to audit its cost accounting records relating to Mining and Metallurgy of ferrous and non-ferrous metals for the Financial Year 2015-16 subject to ratification of his remuneration by shareholders of the Company.

The Company is seeking the ratification of the Shareholders for the remuneration payable to M/s Y.S. Thakar and Co., Cost Accountants as the Cost Auditors of the Company for the Financial Year 2015-16 vide resolution no. 4 of the Notice of AGM.

#### D. Secretarial Auditors

As per provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company is required to appoint Secretarial Auditor to carry out Secretarial Audit of the Company. The Company has appointed M/s. J.J. Gandhi and Co., Practicing Company Secretaries as Secretarial Auditors of the Company for the F.Y. 2015-16.

### Significant and material orders

There are no significant and material orders passed by the regulator or courts or tribunal impacting the going concern status and Company's operations in future.

## REPORT OF BOARD DIRECTORS [Contd.]

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### Disclosures:

#### CSR Committee

The CSR Committee comprises of Mr. P.M. Shah, Mr. Chandresh Parikh and Mr. Sudhir Parikh, as Members of the Committee.

#### Audit Committee

The Audit Committee comprises Independent Directors namely Mr. Ram Devidayal, Mr. P.M. Shah and Mr. Atul Patel as Members of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

#### Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement. Vigil Disclosures can be made by a whistle blower through an email to the Chairman of the audit Committee. The policy of vigil mechanism may be assessed on the Company's website at the link: <http://www.20microns.com/admin/upload/Miscellaneous/Vigilance%20policy.pdf>

### Meeting of the Board

Six meetings of Board of Directors were held during the year. For further details, please refer report on Corporate Governance annexed to this Annual Report.

### Acknowledgement

Your Directors wish to express their grateful appreciation for the co-operation and support received from customers, vendors, shareholders, Financial Institutions, Banks, Regulatory Authorities and the Society at large.

Deep appreciation is also recorded for the dedicated efforts and contribution of Executives, Staff and Workers of the Company.

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

Chandresh S. Parikh  
Executive Chairman

Place : Waghodia, Vadodara

Date : 07th August, 2015

## REPORT OF BOARD DIRECTORS [Contd.]

### Annexure A

**PART A - Statement containing the salient features of the financial statements of subsidiaries**  
[pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with  
Rule 5 of the Companies (Accounts) Rules, 2014 - AOC-1]

₹ in lacs

	Name of Subsidiary	Financial Period ended	Exchange Rate	Share capital	Reserves and Surplus	Total Assets	Total Liabilities (excluding Share capital and Reserves and Surplus)	Investments	Turnover	Profit/(Loss) before taxation	Provisions for taxation	Profit/(Loss) after taxation	% of shareholding
1	20 Microns Nano Minerals Ltd	31.03.2015	NA	605.00	259.48	2598.52	1734.04	-	2711.65	148.26	(4.09)	152.35	99.17%
2	20 Microns FZE	31.03.2015	16.97	25.46	138.46	358.04	194.12	-	2055.00	270.13	-	270.13	100%
3	20 Microns SDN BHD	31.03.2015	16.83	60.59	89.43	185.42	35.40	-	417.27	79.90	13.38	66.52	100%

**Note :**

1. Company is not having any associates or joint venture companies as on 31.03.2015
2. The Company has not liquidated or sold any of its subsidiary companies during FY 2014-15
3. 20 Microns FZE and 20 Microns SDN BHD declared dividend during FY 2014-15

**PART B - Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**  
The Company is not having any Associate Company or Joint Venture Company as on 31st March, 2015

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

(Chandresh Parikh)  
Executive Chairman

(Rajesh C. Parikh)  
Chief Executive Officer and  
Managing Director

Place : Waghodia, Vadodara  
Date : 07th August, 2015



## REPORT OF BOARD DIRECTORS [Contd.]

### Annexure - B : Particulars of Employees

[Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

#### a. Remuneration paid to Whole Time Directors

Sr. No.	Name	Designation	Remuneration in fiscal 2015 (in ₹ Lacs)	Remuneration in fiscal 2014 (in ₹ Lacs)	No. of Stock options granted in fiscal 2015	% increase in remuneration in 2015 as compared to 2014	Ratio of remuneration to MRE (Excl. WTD)	Ratio of remuneration to MRE (Incl. WTD)	Ratio of remuneration to revenues (fiscal 2015)	Ratio of remuneration to Net Profit (fiscal 2015)
1	Mr. Chandresh Parikh	Executive Chairman	45.47	45.47	-	-	4.90	4.88	0.15	-11.16
2	Mr. Rajesh C. Parikh	CEO and Managing Director	39.16	39.16	-	-	5.69	5.67	0.13	-9.61
3	Mr. Atil C. Parikh	Managing Director	32.05	32.05	-	-	6.96	6.93	0.10	-7.87
4	Mr. Sudhir R. Parikh	Director - Finance	35.90	39.16	-	-	6.21	6.18	0.11	-8.81

#### b. Remuneration paid to Independent Directors

No remuneration was paid to Non-Executive Independent Directors during FY 2014-15

#### c. Remuneration of other Key Managerial Personnel (KMP)

Sr. No.	Name	Designation	Remuneration in fiscal 2015 (in ₹ Lacs)	Remuneration in fiscal 2014 (in ₹ Lacs)	No. of Stock options granted in fiscal 2015	% increase in remuneration in 2015 as compared to 2014	Ratio of remuneration to MRE (Excl. WTD)	Ratio of remuneration to MRE (Incl. WTD)	Ratio of remuneration to revenues (fiscal 2015)	Ratio of remuneration to Net Profit (fiscal 2015)
1	Mr. Bharat Kanani (Appointed w.e.f. 06.08.2014)	Chief Financial Officer	20.82	NA	-	-	10.71	10.66	0.06	-5.11
2	Mrs. Anuja Muley	Company Secretary	7.25	5.07	-	37%	30.76	30.62	0.02	-1.78

The Median Remuneration of Employee (MRE) excluding Whole Time Directors (WTDs) was ₹ 222600/- and ₹ 193789/- in fiscal 2015 and fiscal 2014 respectively. The increase in MRE (excluding WTDs) in fiscal 2015, as compared to fiscal 2014 is 14.87%.

The Median Remuneration of Employee (MRE) including Whole Time Directors (WTDs) was ₹ 221904/- and ₹ 193464/- in fiscal 2015 and fiscal 2014 respectively. The increase in MRE (including WTDs) in fiscal 2015, as compared to fiscal 2014 is 14.70%.

The number of permanent employees on the rolls of the Company as of March 31, 2015 and March 31, 2014 was 417 and 434 respectively.

The revenue increase during fiscal 2015 over fiscal 2014 was 7.8% and net profit decrease was -3120%. The aggregate remuneration of employees excluding WTD grew by 8.00% over the previous fiscal. The aggregate increase in salary for WTDs and other KMPs was 8.00% in fiscal 2015 over fiscal 2014. The rise in remuneration is made as per Remuneration Policy of the Company.

Our Market Capitalization increased by 14.83% to ₹ 12173.72 Lacs as of March 31, 2015 from ₹ 10601.29 Lacs as of March

## REPORT OF BOARD DIRECTORS [Contd.]

31, 2014. The Price Earning Ratio was -29.64 as of March 31, 2015 which was decrease of -104% as compared to March 31, 2014. The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2015 was ₹ 35.60 and ₹ 36.00 respectively, representing 30.91% (BSE) increase over the IPO price, adjusted for stock splits to date.

The Company has not paid variable compensation to its managerial personnel during fiscal year 2015.

2014-15

Component of remuneration to directors and other KMPs	Fixed Salary	Bonus	Commission	Total
As a percentage of revenue for fiscal 2015	0.5894	0.001	-	0.5904
As a percentage of net profit for fiscal 2015	-45.3179	-0.079	-	-45.3969

During the fiscal 2015, no employee received remuneration in excess of the highest-paid director.

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

(Chandresh Parikh)  
Executive Chairman

(Rajesh C. Parikh)  
Chief Executive Officer and  
Managing Director

Place : Waghodia, Vadodara

Date : 07th August, 2015

## REPORT OF BOARD DIRECTORS [Contd.]

### Annexure C - Particulars of Transactions made with related parties

[pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 - AOC -2]

This form pertains to the disclosure of particulars of transactions entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the companies Act, 2013.

#### Details of transactions not at arm's length basis

There were no transactions entered into during the year ended March 31, 2015, which were not at arm's length basis.

#### Details of transactions at arm's length basis

The details of transactions at arm's length basis for the year ended March 31, 2015 are as follows-

Name of Related Party	Nature of relationship	Type of Transaction	Duration of Contract	Salient Terms*	Amount (In ₹ Lacs)
20M NANO Minerals Ltd.	Subsidiary	Sales of Material	Non Applicable	Non Applicable	336.67
20M NANO Minerals Ltd.	Subsidiary	Rent Received	Non Applicable	Non Applicable	4.06
20M NANO Minerals Ltd.	Subsidiary	Advance Paid	Non Applicable	Non Applicable	-
DMC Limited	Related Party	Advance Paid	Non Applicable	Non Applicable	75.72
Eriez Finance and Investment Limited	Related Party	Advance Paid	Non Applicable	Non Applicable	3.36
DMC Limited	Related Party	Advance Received Back	Non Applicable	Non Applicable	-
Eriez Finance and Investment Limited	Related Party	Advance Received Back	Non Applicable	Non Applicable	4.02
20 Microns ESOS Trust	Related Party	Advance Received Back	Non Applicable	Non Applicable	18.61
20M NANO Minerals Ltd.	Subsidiary	Sale of Fixed Asset	Non Applicable	Non Applicable	6.99
20M NANO Minerals Ltd.	Subsidiary	Purchase of Material	Non Applicable	Non Applicable	228.29
20M NANO Minerals Ltd.	Subsidiary	Rent Paid	Non Applicable	Non Applicable	52.40
20M NANO Minerals Ltd.	Subsidiary	Purchase of Fixed Asset	Non Applicable	Non Applicable	38.72
20M NANO Minerals Ltd.	Subsidiary	Product Development Purchase	Non Applicable	Non Applicable	41.95

\* Appropriate approvals have been taken for related party transactions.

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

(Chandresh Parikh)  
Executive Chairman

(Rajesh C. Parikh)  
Chief Executive Officer and  
Managing Director

Place : Waghodia, Vadodara  
Date : 07th August, 2015

## REPORT OF BOARD DIRECTORS [Contd.]

### Annexure D : Extract of Annual Return

#### Form No. MGT - 9

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

#### I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L99999GJ1987PLC009768
2.	Registration Date	29.06.1987
3.	Name of the Company	20 Microns Limited
4.	Category / Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	9/10, GIDC Industrial Estate, Waghodia, Dist. Vadodara (Gujarat) Phone No. – 02668 – 292297
6.	listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent	CAMEO CORPORATE SERVICES LTD. "Subarmanian Building", No. 1, Club House Rd., CHENNAI - 600 002. Tel : 044 - 28460390 / 395

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Calcium carbonate/Dolomite/Chalk/Marble Powder	25262000	54%
2	China Clay	25070002	22%
3	Talc	25090000	10%

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

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	20 Microns Nano Minerals Ltd. Plot No. 157, Village : Mamuara, BHUJ, Dist. Kutch, Gujarat	U15543GJ1993PLC020540	Subsidiary	99.17%	2(87)
2	20 Microns FZE SAIF Zone, Sharjah, UAE	NA	Subsidiary	100%	2(87)
3	20 Microns SDN BHD 6, Jalan Chew Sin on 31650 IPOH, Perak	NA	Subsidiary	99.99%	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category Code	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1. INDIAN									
a. INDIVIDUALS/ HINDU UNDIVIDED FAMILY	10449994	0	10449994	30.9026	10016694	0	10016694	29.6212	-1.2813
b. CENTRAL GOVERNMENT/									



## REPORT OF BOARD DIRECTORS [Contd.]

STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c. BODIES CORPORATE	8250235	0	8250235	24.3975	8250235	0	8250235	24.3975	0.0000
d. FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. ANY OTHER									
SUB - TOTAL (A)(1)	18700229	0	18700229	55.3001	18266929	0	18266929	54.0187	-1.2813
2. FOREIGN									
a. INDIVIDUALS (NON-RESIDENT INDIVIDUALS/FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b. BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c. INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. ANY OTHER									
SUB - TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1) + (A)(2)	18700229	0	18700229	55.3001	18266929	0	18266929	54.0187	-1.2813
B. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
a. MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b. FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.0000	10946	0	10946	0.0323	0.0323
c. CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f. FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g. FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i. ANY OTHER									
SUB - TOTAL (B)(1)	0	0	0	0.0000	10946	0	10946	0.0323	0.0323
2. NON-INSTITUTIONS									

## REPORT OF BOARD DIRECTORS [Contd.]

a. BODIES CORPORATE	4937116	2153846	7090962	20.9693	7071656	0	7071656	20.9122	-0.0570
b. INDIVIDUALS -									
I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL									
UPTO RS. 1 LAKH	2501350	22898	2524248	7.4646	2441308	22896	2464204	7.2871	-0.1775
II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	3296289	0	3296289	9.7477	3829226	0	3829226	11.3237	1.5759
c. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. ANY OTHER									
CLEARING MEMBERS	212313	0	212313	0.6278	11247	0	11247	0.0332	-0.5945
HINDU UNDIVIDED FAMILIES	196562	0	196562	0.5812	280750	1	280751	0.8302	0.2489
NON RESIDENT INDIANS	966695	827988	1794683	5.3072	1195917	684410	1880327	5.5604	0.2532
TRUSTS	616	0	616	0.0018	616	0	616	0.0018	0.0000
	1376186	827988	2204174	6.5181	1488530	684411	2172941	6.4257	-0.0923
SUB - TOTAL (B)(2)	12110941	3004732	15115673	44.6998	14830720	707307	15538027	45.9488	1.2489
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	12110941	3004732	15115673	44.6998	14841666	707307	15548973	45.9812	1.2813
TOTAL (A)+(B)	30811170	3004732	33815902	100.0000	33108595	707307	33815902	100.0000	0.0000
C. SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
GRAND TOTAL (A)+(B)+(C)	30811170	3004732	33815902	100.0000	33108595	707307	33815902	100.0000	0.0000

### ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	ERIEZ FINANCE AND INVESTMENT LTD	4267394	12.6194	9.5622	2767394	8.1837	0.0000	-4.4357
	HAVING SAME PAN							
1	ERIEZ FINANCE AND INVESTMENT LIMITED	3966430	11.7294	11.7294	2966430	8.7722	0.2957	-2.9571
	HAVING SAME PAN							

## REPORT OF BOARD DIRECTORS [Contd.]

1	ERIEZ FINANCE AND INVESTMENT LIMITED	16411	0.0485	0.0000	2516411	7.4415	7.3929	7.3929
2	CHANDRESH S PARIKH JT1 : ILABEN PARIKH	3085402	9.1241	0.0000	3085402	9.1241	0.0000	0.0000
3	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL JT2 : PATEL NEESHAD RAMESHBHAI	1441800	4.2636	0.0000	1441800	4.2636	0.0000	0.0000
4	RAJESH CHANDRESH PARIKH JT1 : SEJAL RAJESH PARIKH	1100000	3.2529	0.0000	1100000	3.2529	0.0000	0.0000
5	ATIL CHANDRESH PARIKH JT1 : PURVI ATIL PARIKH	1100000	3.2529	0.0000	1100000	3.2529	0.0000	0.0000
6	RAJESH C PARIKH JT1 : CHANDRESH S PARIKH	559956	1.6558	0.0000	559956	1.6558	0.0000	0.0000
7	CHANDRESH S PARIKH	544998	1.6116	0.0000	544998	1.6116	0.0000	0.0000
8	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL	511300	1.5120	0.0000	511300	1.5120	0.0000	0.0000
9	ATIL CHANDRESH PARIKH JT1 : CHANDRESH S PARIKH	484862	1.4338	0.0000	484862	1.4338	0.0000	0.0000
10	RANJAN BEN BHANUBHAI PATEL	335300	0.9915	0.0000	0	0.0000	0.0000	-0.9915
11	SUDHIR RAMESHKANT PARIKH JT1 : DHARMISTHA SUDHIR PARIKH	334946	0.9904	0.0000	334946	0.9904	0.0000	0.0000
12	SHILPA CHETAN MEHTA JT1 : ANANTRAI KESHAVJI KAMDAR	260000	0.7688	0.0000	200000	0.5914	0.0000	-0.1774
13	ALPACHETAN TURAKHIA JT1 : ANANTRAI KESHAVJI KAMDAR	200000	0.5914	0.0000	200000	0.5914	0.0000	0.0000
14	RUPALASHISH PATHAK JT1 : ANANTRAI KESHAVJI KAMDAR	166480	0.4923	0.0000	166480	0.4923	0.0000	0.0000
15	PARIKH ATIL CHANDRESH JT1 : ILABEN PARIKH	75094	0.2220	0.0000	75094	0.2220	0.0000	0.0000
16	SUDHIR RAMESHKANT PARIKH	61744	0.1825	0.0000	61744	0.1825	0.0000	0.0000
17	PATEL NEESHAD RAMESHBHAI							

## REPORT OF BOARD DIRECTORS [Contd.]

	JT1 : KAMINI RAMESHBHAI PATEL JT2 : RAMESHBHAI BALDEVBHAI PATEL	48076	0.1421	0.0000	48076	0.1421	0.0000	0.0000
18	YOGESH RAMESHKANT PARIKH JT1 : SHAILA YOGESH PARIKH	38000	0.1123	0.0000	0	0.0000	0.0000	-0.1123
19	PATELNEESHAD RAMESHBHAI JT1 : KAMINI RAMESHBHAI PATEL	34694	0.1025	0.0000	34694	0.1025	0.0000	0.0000
20	ILABEN PARIKH	34000	0.1005	0.0000	34000	0.1005	0.0000	0.0000
21	KAMINI RAMESHBHAI PATEL JT1 : PATELNEESHAD RAMESHBHAI JT2 : RAMESHBHAI BALDEVBHAI PATEL	33342	0.0985	0.0000	33342	0.0985	0.0000	0.0000

### iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ERIEZ FINANCE AND INVESTMENT LTD				
	At the beginning of the year 01-Apr-2014	4267394	12.6194	4267394	12.6194
	Sale 23-May-2014	-1500000	4.4357	2767394	8.1837
	At the end of the Year 31-Mar-2015	2767394	8.1837	2767394	8.1837
	HAVING SAME PAN				
1	ERIEZ FINANCE AND INVESTMENT LIMITED				
	At the beginning of the year 01-Apr-2014	3966430	11.7294	3966430	11.7294
	Sale 23-May-2014	-1000000	2.9571	2966430	8.7722
	At the end of the Year 31-Mar-2015	2966430	8.7722	2966430	8.7722
	HAVING SAME PAN				
1	ERIEZ FINANCE AND INVESTMENT LIMITED				
	At the beginning of the year 01-Apr-2014	16411	0.0485	16411	0.0485
	Purchase 23-May-2014	2500000	7.3929	2516411	7.4415
	At the end of the Year 31-Mar-2015	2516411	7.4415	2516411	7.4415
2	CHANDRESH S PARIKH JT1 : ILABEN PARIKH				
	At the beginning of the year 01-Apr-2014	3085402	9.1241	3085402	9.1241
	At the end of the Year 31-Mar-2015	3085402	9.1241	3085402	9.1241
3	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL JT2 : PATEL NEESHAD RAMESHBHAI				
	At the beginning of the year 01-Apr-2014	1441800	4.2636	1441800	4.2636
	At the end of the Year 31-Mar-2015	1441800	4.2636	1441800	4.2636
4	RAJESH CHANDRESH PARIKH JT1 : SEJAL RAJESH PARIKH				
	At the beginning of the year 01-Apr-2014	1100000	3.2529	1100000	3.2529
	At the end of the Year 31-Mar-2015	1100000	3.2529	1100000	3.2529
5	ATIL CHANDRESH PARIKH JT1 : PURVI ATIL PARIKH				
	At the beginning of the year 01-Apr-2014	1100000	3.2529	1100000	3.2529
	At the end of the Year 31-Mar-2015	1100000	3.2529	1100000	3.2529



## REPORT OF BOARD DIRECTORS [Contd.]

6	RAJESH C PARIKH JT1 : CHANDRESH S PARIKH				
	At the beginning of the year 01-Apr-2014	559956	1.6558	559956	1.6558
	At the end of the Year 31-Mar-2015	559956	1.6558	559956	1.6558
7	CHANDRESH S PARIKH				
	At the beginning of the year 01-Apr-2014	544998	1.6116	544998	1.6116
	At the end of the Year 31-Mar-2015	544998	1.6116	544998	1.6116
8	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL				
	At the beginning of the year 01-Apr-2014	511300	1.5120	511300	1.5120
	At the end of the Year 31-Mar-2015	511300	1.5120	511300	1.5120
9	ATIL CHANDRESH PARIKH JT1 : CHANDRESH S PARIKH				
	At the beginning of the year 01-Apr-2014	484862	1.4338	484862	1.4338
	At the end of the Year 31-Mar-2015	484862	1.4338	484862	1.4338
10	RANJANBEN BHANUBHAI PATEL				
	At the beginning of the year 01-Apr-2014	335300	0.9915	335300	0.9915
	Sale 11-Apr-2014	-75300	0.2226	260000	0.7688
	Sale 18-Apr-2014	-260000	0.7688	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000
11	SUDHIR RAMESHKANT PARIKH JT1 : DHARMISTHA SUDHIR PARIKH				
	At the beginning of the year 01-Apr-2014	334946	0.9904	334946	0.9904
	At the end of the Year 31-Mar-2015	334946	0.9904	334946	0.9904
12	SHILPA CHETAN MEHTA JT1 : ANANTRAI KESHAVJI KAMDAR				
	At the beginning of the year 01-Apr-2014	260000	0.7688	260000	0.7688
	Sale 02-Jan-2015	-60000	0.1774	200000	0.5914
	At the end of the Year 31-Mar-2015	200000	0.5914	200000	0.5914
13	ALPA CHETAN TURAKHIA JT1 : ANANTRAI KESHAVJI KAMDAR				
	At the beginning of the year 01-Apr-2014	200000	0.5914	200000	0.5914
	At the end of the Year 31-Mar-2015	200000	0.5914	200000	0.5914
14	RUPAL ASHISH PATHAK JT1 : ANANTRAI KESHAVJI KAMDAR				
	At the beginning of the year 01-Apr-2014	166480	0.4923	166480	0.4923
	At the end of the Year 31-Mar-2015	166480	0.4923	166480	0.4923
15	PARIKH ATIL CHANDRESH JT1 : ILABEN PARIKH				
	At the beginning of the year 01-Apr-2014	75094	0.2220	75094	0.2220
	At the end of the Year 31-Mar-2015	75094	0.2220	75094	0.2220
16	SUDHIR RAMESHKANT PARIKH				
	At the beginning of the year 01-Apr-2014	61744	0.1825	61744	0.1825
	At the end of the Year 31-Mar-2015	61744	0.1825	61744	0.1825
17	PATEL NEESHAD RAMESHBHAI JT1 : KAMINI RAMESHBHAI PATEL JT2 : RAMESHBHAI BALDEVBHAI PATEL				
	At the beginning of the year 01-Apr-2014	48076	0.1421	48076	0.1421
	At the end of the Year 31-Mar-2015	48076	0.1421	48076	0.1421
18	YOGESH RAMESHKANT PARIKH JT1 : SHAILA YOGESH PARIKH				
	At the beginning of the year 01-Apr-2014	38000	0.1123	38000	0.1123
	Sale 11-Apr-2014	-38000	0.1123	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000

## REPORT OF BOARD DIRECTORS [Contd.]

19	PATEL NEESHAD RAMESHBHAI JT1 : KAMINI RAMESHBHAI PATEL				
	At the beginning of the year 01-Apr-2014	34694	0.1025	34694	0.1025
	At the end of the Year 31-Mar-2015	34694	0.1025	34694	0.1025
20	ILABEN PARIKH				
	At the beginning of the year 01-Apr-2014	34000	0.1005	34000	0.1005
	At the end of the Year 31-Mar-2015	34000	0.1005	34000	0.1005
21	KAMINI RAMESHBHAI PATEL JT1 : PATEL NEESHAD RAMESHBHAI JT2 : RAMESHBHAI BALDEVBHAI PATEL				
	At the beginning of the year 01-Apr-2014	33342	0.0985	33342	0.0985
	At the end of the Year 31-Mar-2015	33342	0.0985	33342	0.0985

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

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ARCADIA SHARE and STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2014	1748965	5.1720	1748965	5.1720
	Sale 11-Apr-2014	-1500	0.0044	1747465	5.1675
	Purchase 18-Apr-2014	158500	0.4687	1905965	5.6362
	Sale 02-May-2014	-100	0.0002	1905865	5.6360
	Sale 09-May-2014	-7	0.0000	1905858	5.6359
	Sale 30-May-2014	-100	0.0002	1905758	5.6356
	Sale 11-Jul-2014	-500	0.0014	1905258	5.6342
	Purchase 12-Sep-2014	79495	0.2350	1984753	5.8692
	Sale 19-Sep-2014	-300	0.0008	1984453	5.8684
	Sale 30-Sep-2014	-1500	0.0044	1982953	5.8639
	Sale 07-Nov-2014	-1000	0.0029	1981953	5.8610
	Sale 14-Nov-2014	-100	0.0002	1981853	5.8607
	Sale 05-Dec-2014	-5000	0.0147	1976853	5.8459
	Purchase 19-Dec-2014	114580	0.3388	2091433	6.1847
	Sale 16-Jan-2015	-27	0.0000	2091406	6.1846
	Sale 23-Jan-2015	-860	0.0025	2090546	6.1821
	Sale 30-Jan-2015	-500	0.0014	2090046	6.1806
	Purchase 20-Mar-2015	19360	0.0572	2109406	6.2379
	Sale 31-Mar-2015	-16	0.0000	2109390	6.2378
	At the end of the Year 31-Mar-2015	2109390	6.2378	2109390	6.2378
	HAVING SAME PAN				
1	ARCADIA SHARE and STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2014	4940	0.0146	4940	0.0146
	At the end of the Year 31-Mar-2015	4940	0.0146	4940	0.0146
	HAVING SAME PAN				
1	ARCADIA SHARE and STOCK BROKERS PVT. LTD				
	At the beginning of the year 01-Apr-2014	5	0.0000	5	0.0000
	Purchase 18-Apr-2014	90	0.0002	95	0.0002
	Sale 12-Sep-2014	-95	0.0002	0	0.0000
	Purchase 23-Jan-2015	2122	0.0062	2122	0.0062
	Purchase 06-Feb-2015	2	0.0000	2124	0.0062
	Sale 13-Feb-2015	-2122	0.0062	2	0.0000
	At the end of the Year 31-Mar-2015	2	0.0000	2	0.0000
	HAVING SAME PAN				
1	ARCADIA SHARE AND STOCK BROKERS PVT. LTD. BSE ABC COLLATERAL A/C				

## REPORT OF BOARD DIRECTORS [Contd.]

	At the beginning of the year 01-Apr-2014	5	0.0000	5	0.0000
	Purchase 04-Apr-2014	700	0.0020	705	0.0020
	Sale 25-Apr-2014	-700	0.0020	5	0.0000
	Purchase 02-May-2014	100	0.0002	105	0.0003
	Purchase 09-May-2014	500	0.0014	605	0.0017
	Purchase 16-May-2014	30470	0.0901	31075	0.0918
	Purchase 23-May-2014	530	0.0015	31605	0.0934
	Purchase 30-May-2014	2000	0.0059	33605	0.0993
	Sale 06-Jun-2014	-30200	0.0893	3405	0.0100
	Sale 13-Jun-2014	-300	0.0008	3105	0.0091
	Sale 04-Jul-2014	-975	0.0028	2130	0.0062
	Sale 14-Aug-2014	-25	0.0000	2105	0.0062
	Purchase 05-Sep-2014	500	0.0014	2605	0.0077
	Purchase 31-Oct-2014	1250	0.0036	3855	0.0113
	Purchase 14-Nov-2014	250	0.0007	4105	0.0121
	Purchase 21-Nov-2014	44500	0.1315	48605	0.1437
	Sale 28-Nov-2014	-500	0.0014	48105	0.1422
	Purchase 12-Dec-2014	12000	0.0354	60105	0.1777
	Sale 19-Dec-2014	-53870	0.1593	6235	0.0184
	Purchase 31-Dec-2014	5000	0.0147	11235	0.0332
	Purchase 09-Jan-2015	10000	0.0295	21235	0.0627
	Purchase 16-Jan-2015	2205	0.0065	23440	0.0693
	Sale 23-Jan-2015	-1200	0.0035	22240	0.0657
	Sale 20-Feb-2015	-1005	0.0029	21235	0.0627
	Purchase 27-Feb-2015	500	0.0014	21735	0.0642
	Sale 20-Mar-2015	-19560	0.0578	2175	0.0064
	At the end of the Year 31-Mar-2015	2175	0.0064	2175	0.0064
	HAVING SAME PAN				
1	ARCADIA SHARE and STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0.0000
	Purchase 25-Apr-2014	100	0.0002	100	0.0002
	Purchase 09-May-2014	1800	0.0053	1900	0.0056
	Purchase 16-May-2014	61100	0.1806	63000	0.1863
	Sale 23-May-2014	-300	0.0008	62700	0.1854
	Sale 06-Jun-2014	-60000	0.1774	2700	0.0079
	Purchase 18-Jul-2014	1000	0.0029	3700	0.0109
	Sale 25-Jul-2014	-1000	0.0029	2700	0.0079
	Purchase 14-Nov-2014	450	0.0013	3150	0.0093
	Purchase 21-Nov-2014	36500	0.1079	39650	0.1172
	Purchase 12-Dec-2014	28500	0.0842	68150	0.2015
	Sale 19-Dec-2014	-61160	0.1808	6990	0.0206
	Purchase 09-Jan-2015	1000	0.0029	7990	0.0236
	Purchase 16-Jan-2015	3525	0.0104	11515	0.0340
	Purchase 23-Jan-2015	2000	0.0059	13515	0.0399
	Sale 20-Feb-2015	-904	0.0026	12611	0.0372
	Purchase 31-Mar-2015	16	0.0000	12627	0.0373
	At the end of the Year 31-Mar-2015	12627	0.0373	12627	0.0373
2	M/S.PRATIK MINERALS PVT.LTD.				
	At the beginning of the year 01-Apr-2014	1230769	3.6396	1230769	3.6396
	Demated 19-Dec-2014	-1230769	3.6396	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000
3	M/S.PRATIK MINERALS PVT.LTD.				
	At the beginning of the year 01-Apr-2014	923077	2.7297	923077	2.7297
	Demated 30-Jan-2015	-923077	2.7297	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000

## REPORT OF BOARD DIRECTORS [Contd.]

4	SUNFLOWER BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	584031	1.7270	584031	1.7270
	Sale 04-Apr-2014	-304279	0.8998	279752	0.8272
	Sale 11-Apr-2014	-41230	0.1219	238522	0.7053
	Sale 18-Apr-2014	-17528	0.0518	220994	0.6535
	Sale 25-Apr-2014	-153558	0.4540	67436	0.1994
	Sale 02-May-2014	-30980	0.0916	36456	0.1078
	Purchase 09-May-2014	110151	0.3257	146607	0.4335
	Purchase 16-May-2014	78640	0.2325	225247	0.6660
	Sale 23-May-2014	-36548	0.1080	188699	0.5580
	Sale 30-May-2014	-2759	0.0081	185940	0.5498
	Sale 06-Jun-2014	-17903	0.0529	168037	0.4969
	Purchase 13-Jun-2014	12255	0.0362	180292	0.5331
	Purchase 20-Jun-2014	6516	0.0192	186808	0.5524
	Sale 30-Jun-2014	-4328	0.0127	182480	0.5396
	Purchase 04-Jul-2014	235	0.0006	182715	0.5403
	Purchase 11-Jul-2014	56500	0.1670	239215	0.7074
	Purchase 18-Jul-2014	33112	0.0979	272327	0.8053
	Purchase 25-Jul-2014	18488	0.0546	290815	0.8599
	Purchase 01-Aug-2014	35186	0.1040	326001	0.9640
	Sale 08-Aug-2014	-16773	0.0496	309228	0.9144
	Purchase 14-Aug-2014	7761	0.0229	316989	0.9373
	Purchase 22-Aug-2014	17245	0.0509	334234	0.9883
	Purchase 29-Aug-2014	27115	0.0801	361349	1.0685
	Sale 05-Sep-2014	-33694	0.0996	327655	0.9689
	Sale 12-Sep-2014	-24850	0.0734	302805	0.8954
	Purchase 19-Sep-2014	12342	0.0364	315147	0.9319
	Purchase 30-Sep-2014	27770	0.0821	342917	1.0140
	Sale 03-Oct-2014	-3248	0.0096	339669	1.0044
	Purchase 10-Oct-2014	25195	0.0745	364864	1.0789
	Purchase 17-Oct-2014	6405	0.0189	371269	1.0979
	Purchase 24-Oct-2014	1093	0.0032	372362	1.1011
	Sale 31-Oct-2014	-1647	0.0048	370715	1.0962
	Purchase 07-Nov-2014	475	0.0014	371190	1.0976
	Purchase 14-Nov-2014	4730	0.0139	375920	1.1116
	Sale 21-Nov-2014	-95264	0.2817	280656	0.8299
	Sale 28-Nov-2014	-7429	0.0219	273227	0.8079
	Sale 05-Dec-2014	-42550	0.1258	230677	0.6821
	Purchase 12-Dec-2014	12102	0.0357	242779	0.7179
	Sale 19-Dec-2014	-32262	0.0954	210517	0.6225
	Sale 31-Dec-2014	-13804	0.0408	196713	0.5817
	Sale 02-Jan-2015	-40760	0.1205	155953	0.4611
	Purchase 09-Jan-2015	6447	0.0190	162400	0.4802
	Sale 16-Jan-2015	-53223	0.1573	109177	0.3228
	Sale 23-Jan-2015	-13724	0.0405	95453	0.2822
	Sale 30-Jan-2015	-26765	0.0791	68688	0.2031
	Purchase 06-Feb-2015	46127	0.1364	114815	0.3395
	Sale 13-Feb-2015	-13064	0.0386	101751	0.3008
	Sale 20-Feb-2015	-24428	0.0722	77323	0.2286
	Purchase 27-Feb-2015	20870	0.0617	98193	0.2903
	Purchase 06-Mar-2015	18371	0.0543	116564	0.3447
	Purchase 13-Mar-2015	9666	0.0285	126230	0.3732
	Sale 20-Mar-2015	-21280	0.0629	104950	0.3103
	Sale 27-Mar-2015	-61717	0.1825	43233	0.1278
	Purchase 31-Mar-2015	94826	0.2804	138059	0.4082



## REPORT OF BOARD DIRECTORS [Contd.]

	At the end of the Year 31-Mar-2015	138059	0.4082	138059	0.4082
	HAVING SAME PAN				
4	SUNFLOWER BROKING PVT LTD				
	At the beginning of the year 01-Apr-2014	16446	0.0486	16446	0.0486
	Purchase 04-Apr-2014	25325	0.0748	41771	0.1235
	Sale 11-Apr-2014	-36938	0.1092	4833	0.0142
	Purchase 18-Apr-2014	74323	0.2197	79156	0.2340
	Purchase 25-Apr-2014	116570	0.3447	195726	0.5787
	Sale 02-May-2014	-195726	0.5787	0	0.0000
	Purchase 23-May-2014	30708	0.0908	30708	0.0908
	Sale 30-May-2014	-16583	0.0490	14125	0.0417
	Sale 06-Jun-2014	-5642	0.0166	8483	0.0250
	Sale 13-Jun-2014	-8483	0.0250	0	0.0000
	Purchase 20-Jun-2014	184	0.0005	184	0.0005
	Purchase 30-Jun-2014	3867	0.0114	4051	0.0119
	Sale 04-Jul-2014	-3974	0.0117	77	0.0002
	Sale 11-Jul-2014	-77	0.0002	0	0.0000
	Purchase 01-Aug-2014	112	0.0003	112	0.0003
	Purchase 08-Aug-2014	212	0.0006	324	0.0009
	Purchase 14-Aug-2014	6176	0.0182	6500	0.0192
	Sale 22-Aug-2014	-6500	0.0192	0	0.0000
	Purchase 29-Aug-2014	15943	0.0471	15943	0.0471
	Sale 05-Sep-2014	-3774	0.0111	12169	0.0359
	Sale 12-Sep-2014	-10244	0.0302	1925	0.0056
	Sale 19-Sep-2014	-1925	0.0056	0	0.0000
	Purchase 03-Oct-2014	2995	0.0088	2995	0.0088
	Sale 10-Oct-2014	-2995	0.0088	0	0.0000
	Purchase 17-Oct-2014	231	0.0006	231	0.0006
	Purchase 24-Oct-2014	3707	0.0109	3938	0.0116
	Sale 31-Oct-2014	-1697	0.0050	2241	0.0066
	Sale 07-Nov-2014	-2001	0.0059	240	0.0007
	Sale 14-Nov-2014	-240	0.0007	0	0.0000
	Purchase 21-Nov-2014	30736	0.0908	30736	0.0908
	Sale 28-Nov-2014	-16605	0.0491	14131	0.0417
	Sale 05-Dec-2014	-14131	0.0417	0	0.0000
	Purchase 12-Dec-2014	408	0.0012	408	0.0012
	Purchase 19-Dec-2014	54303	0.1605	54711	0.1617
	Sale 31-Dec-2014	-40642	0.1201	14069	0.0416
	Purchase 02-Jan-2015	11840	0.0350	25909	0.0766
	Sale 09-Jan-2015	-25758	0.0761	151	0.0004
	Purchase 16-Jan-2015	22999	0.0680	23150	0.0684
	Sale 23-Jan-2015	-23150	0.0684	0	0.0000
	Purchase 30-Jan-2015	22783	0.0673	22783	0.0673
	Sale 06-Feb-2015	-22783	0.0673	0	0.0000
	Purchase 20-Feb-2015	31153	0.0921	31153	0.0921
	Sale 27-Feb-2015	-23371	0.0691	7782	0.0230
	Sale 06-Mar-2015	-7782	0.0230	0	0.0000
	Purchase 20-Mar-2015	10692	0.0316	10692	0.0316
	Purchase 27-Mar-2015	39558	0.1169	50250	0.1485
	Sale 31-Mar-2015	-49460	0.1462	790	0.0023
	At the end of the Year 31-Mar-2015	790	0.0023	790	0.0023
	HAVING SAME PAN				
4	SUNFLOWER BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	11270	0.0333	11270	0.0333
	Purchase 04-Apr-2014	124012	0.3667	135282	0.4000
	Sale 11-Apr-2014	-134282	0.3970	1000	0.0029

## REPORT OF BOARD DIRECTORS [Contd.]

	Purchase 18-Apr-2014	2305	0.0068	3305	0.0097
	Purchase 25-Apr-2014	68356	0.2021	71661	0.2119
	Sale 02-May-2014	-71661	0.2119	0	0.0000
	Purchase 23-May-2014	8542	0.0252	8542	0.0252
	Sale 30-May-2014	-7710	0.0227	832	0.0024
	Purchase 06-Jun-2014	5815	0.0171	6647	0.0196
	Sale 13-Jun-2014	-6647	0.0196	0	0.0000
	Purchase 04-Jul-2014	340	0.0010	340	0.0010
	Sale 11-Jul-2014	-340	0.0010	0	0.0000
	Purchase 01-Aug-2014	611	0.0018	611	0.0018
	Purchase 08-Aug-2014	6571	0.0194	7182	0.0212
	Sale 14-Aug-2014	-7182	0.0212	0	0.0000
	Purchase 29-Aug-2014	4057	0.0119	4057	0.0119
	Purchase 05-Sep-2014	15288	0.0452	19345	0.0572
	Sale 12-Sep-2014	-16769	0.0495	2576	0.0076
	Sale 19-Sep-2014	-975	0.0028	1601	0.0047
	Sale 30-Sep-2014	-1601	0.0047	0	0.0000
	Purchase 03-Oct-2014	2600	0.0076	2600	0.0076
	Sale 10-Oct-2014	-2600	0.0076	0	0.0000
	Purchase 31-Oct-2014	800	0.0023	800	0.0023
	Purchase 07-Nov-2014	250	0.0007	1050	0.0031
	Sale 14-Nov-2014	-1050	0.0031	0	0.0000
	Purchase 21-Nov-2014	18125	0.0535	18125	0.0535
	Sale 28-Nov-2014	-6225	0.0184	11900	0.0351
	Sale 05-Dec-2014	-11900	0.0351	0	0.0000
	Purchase 19-Dec-2014	11289	0.0333	11289	0.0333
	Purchase 31-Dec-2014	19844	0.0586	31133	0.0920
	Sale 02-Jan-2015	-14152	0.0418	16981	0.0502
	Sale 09-Jan-2015	-16981	0.0502	0	0.0000
	Purchase 16-Jan-2015	29824	0.0881	29824	0.0881
	Sale 23-Jan-2015	-23176	0.0685	6648	0.0196
	Purchase 30-Jan-2015	5402	0.0159	12050	0.0356
	Sale 06-Feb-2015	-9201	0.0272	2849	0.0084
	Sale 13-Feb-2015	-2849	0.0084	0	0.0000
	Purchase 27-Feb-2015	10668	0.0315	10668	0.0315
	Sale 06-Mar-2015	-10436	0.0308	232	0.0006
	Purchase 13-Mar-2015	2026	0.0059	2258	0.0066
	Sale 20-Mar-2015	-2258	0.0066	0	0.0000
	Purchase 27-Mar-2015	6336	0.0187	6336	0.0187
	Sale 31-Mar-2015	-6336	0.0187	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000
	HAVING SAME PAN				
4	SUNFLOER BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0.0000
	Purchase 20-Mar-2015	14500	0.0428	14500	0.0428
	At the end of the Year 31-Mar-2015	14500	0.0428	14500	0.0428
	HAVING SAME PAN				
4	SUNFLOWER BROKING PVT LTD				
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0.0000
	Purchase 20-Mar-2015	14500	0.0428	14500	0.0428
	At the end of the Year 31-Mar-2015	14500	0.0428	14500	0.0428
	HAVING SAME PAN				
4	SUNFLOWER BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0.0000
	Purchase 21-Nov-2014	22000	0.0650	22000	0.0650
	Sale 28-Nov-2014	-22000	0.0650	0	0.0000

## REPORT OF BOARD DIRECTORS [Contd.]

	Purchase 27-Mar-2015	3305	0.0097	3305	0.0097
	Purchase 31-Mar-2015	4076	0.0120	7381	0.0218
	At the end of the Year 31-Mar-2015	7381	0.0218	7381	0.0218
5	NARENDRA MANIBHAI PATEL				
	JT1 : PANNABEN NARENDRAKUMAR PATEL				
	At the beginning of the year 01-Apr-2014	474274	1.4025	474274	1.4025
	At the end of the Year 31-Mar-2015	474274	1.4025	474274	1.4025
6	REKHA KAMDAR				
	JT1 : ANANTRAI KAMDAR				
	At the beginning of the year 01-Apr-2014	472400	1.3969	472400	1.3969
	At the end of the Year 31-Mar-2015	472400	1.3969	472400	1.3969
7	IL AND FS SECURITIES SERVICES LIMITED				
	At the beginning of the year 01-Apr-2014	468554	1.3856	468554	1.3856
	Sale 11-Apr-2014	-5888	0.0174	462666	1.3681
	Purchase 13-Jun-2014	500	0.0014	463166	1.3696
	Sale 05-Sep-2014	-500	0.0014	462666	1.3681
	Sale 19-Sep-2014	-219979	0.6505	242687	0.7176
	Purchase 31-Oct-2014	72950	0.2157	315637	0.9333
	Sale 07-Nov-2014	-12000	0.0354	303637	0.8979
	Sale 14-Nov-2014	-24200	0.0715	279437	0.8263
	Sale 21-Nov-2014	-21200	0.0626	258237	0.7636
	Purchase 28-Nov-2014	5400	0.0159	263637	0.7796
	Sale 05-Dec-2014	-2100	0.0062	261537	0.7734
	Sale 12-Dec-2014	-600	0.0017	260937	0.7716
	Purchase 19-Dec-2014	2200	0.0065	263137	0.7781
	Purchase 31-Dec-2014	2000	0.0059	265137	0.7840
	Sale 09-Jan-2015	-5550	0.0164	259587	0.7676
	Sale 16-Jan-2015	-3000	0.0088	256587	0.7587
	Sale 23-Jan-2015	-10900	0.0322	245687	0.7265
	Purchase 06-Feb-2015	118900	0.3516	364587	1.0781
	Sale 13-Feb-2015	-363500	1.0749	1087	0.0032
	Purchase 27-Feb-2015	1000	0.0029	2087	0.0061
	Purchase 27-Mar-2015	15000	0.0443	17087	0.0505
	Sale 31-Mar-2015	-15409	0.0455	1678	0.0049
	At the end of the Year 31-Mar-2015	1678	0.0049	1678	0.0049
	HAVING SAME PAN				
7	IL AND FS SECURITIES SERVICES LIMITED				
	At the beginning of the year 01-Apr-2014	310000	0.9167	310000	0.9167
	Sale 31-Dec-2014	-2000	0.0059	308000	0.9108
	Purchase 13-Feb-2015	363500	1.0749	671500	1.9857
	Sale 27-Mar-2015	-88000	0.2602	583500	1.7255
	Sale 31-Mar-2015	-20000	0.0591	563500	1.6663
	At the end of the Year 31-Mar-2015	563500	1.6663	563500	1.6663
	HAVING SAME PAN				
7	IL AND FS SECURITIES SERVICES LIMITED				
	At the beginning of the year 01-Apr-2014	27800	0.0822	27800	0.0822
	Sale 11-Apr-2014	-27800	0.0822	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000
	HAVING SAME PAN				
7	IL AND FS SECURITIES SERVICES LIMITED				
	At the beginning of the year 01-Apr-2014	21000	0.0621	21000	0.0621
	Sale 21-Nov-2014	-21000	0.0621	0	0.0000
	Purchase 20-Mar-2015	100000	0.2957	100000	0.2957
	At the end of the Year 31-Mar-2015	100000	0.2957	100000	0.2957
8	CHINTAN MAGANLAL KAKKAD				
	At the beginning of the year 01-Apr-2014	435092	1.2866	435092	1.2866

## REPORT OF BOARD DIRECTORS [Contd.]

	Sale 06-Jun-2014	-10000	0.0295	425092	1.2570
	At the end of the Year 31-Mar-2015	425092	1.2570	425092	1.2570
9	ANS PVT LIMITED				
	At the beginning of the year 01-Apr-2014	363913	1.0761	363913	1.0761
	Sale 04-Apr-2014	-65000	0.1922	298913	0.8839
	Sale 11-Apr-2014	-100000	0.2957	198913	0.5882
	Purchase 25-Apr-2014	1000	0.0029	199913	0.5911
	Purchase 02-May-2014	3000	0.0088	202913	0.6000
	Sale 30-May-2014	-800	0.0023	202113	0.5976
	Sale 06-Jun-2014	-100	0.0002	202013	0.5973
	Sale 13-Jun-2014	-1000	0.0029	201013	0.5944
	Sale 04-Jul-2014	-3000	0.0088	198013	0.5855
	Purchase 01-Aug-2014	40000	0.1182	238013	0.7038
	Purchase 08-Aug-2014	50000	0.1478	288013	0.8517
	Purchase 14-Nov-2014	150	0.0004	288163	0.8521
	Purchase 05-Dec-2014	2000	0.0059	290163	0.8580
	Purchase 31-Dec-2014	34700	0.1026	324863	0.9606
	Sale 16-Jan-2015	-2000	0.0059	322863	0.9547
	Sale 30-Jan-2015	-18	0.0000	322845	0.9547
	Purchase 06-Feb-2015	1228	0.0036	324073	0.9583
	Sale 13-Feb-2015	-13600	0.0402	310473	0.9181
	Sale 20-Feb-2015	-815	0.0024	309658	0.9157
	Purchase 06-Mar-2015	400	0.0011	310058	0.9168
	Sale 13-Mar-2015	-485	0.0014	309573	0.9154
	Sale 20-Mar-2015	-99900	0.2954	209673	0.6200
	Purchase 27-Mar-2015	100000	0.2957	309673	0.9157
	Sale 31-Mar-2015	-600	0.0017	309073	0.9139
	At the end of the Year 31-Mar-2015	309073	0.9139	309073	0.9139
	HAVING SAME PAN				
9	ANS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0.0000
	Purchase 13-Feb-2015	15000	0.0443	15000	0.0443
	At the end of the Year 31-Mar-2015	15000	0.0443	15000	0.0443
10	ANANTRAI KAMDAR				
	JT1 : REKHA KAMDAR				
	At the beginning of the year 01-Apr-2014	243922	0.7213	243922	0.7213
	Sale 11-Jul-2014	-50000	0.1478	193922	0.5734
	Sale 12-Dec-2014	-15000	0.0443	178922	0.5291
	Sale 19-Dec-2014	-2000	0.0059	176922	0.5231
	Sale 31-Dec-2014	-10000	0.0295	166922	0.4936
	Sale 02-Jan-2015	-23000	0.0680	143922	0.4256
	At the end of the Year 31-Mar-2015	143922	0.4256	143922	0.4256
	NEW TOP 10 AS ON (31-Mar-2015)				
11	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	130074	0.3846	130074	0.3846
	Purchase 11-Apr-2014	132500	0.3918	262574	0.7764
	Purchase 18-Apr-2014	500	0.0014	263074	0.7779
	Sale 25-Apr-2014	-500	0.0014	262574	0.7764
	Purchase 19-Sep-2014	253779	0.7504	516353	1.5269
	Sale 10-Oct-2014	-5000	0.0147	511353	1.5121
	Purchase 06-Feb-2015	75000	0.2217	586353	1.7339
	Sale 20-Feb-2015	-6500	0.0192	579853	1.7147
	Purchase 27-Feb-2015	6500	0.0192	586353	1.7339
	Sale 27-Mar-2015	-15000	0.0443	571353	1.6895
	Sale 31-Mar-2015	-97774	0.2891	473579	1.4004



## REPORT OF BOARD DIRECTORS [Contd.]

	At the end of the Year 31-Mar-2015	473579	1.4004	473579	1.4004
	HAVING SAME PAN				
11	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	145981	0.4316	145981	0.4316
	Purchase 04-Apr-2014	17850	0.0527	163831	0.4844
	Sale 11-Apr-2014	-349	0.0010	163482	0.4834
	Sale 18-Apr-2014	-18196	0.0538	145286	0.4296
	Sale 25-Apr-2014	-46318	0.1369	98968	0.2926
	Sale 02-May-2014	-13100	0.0387	85868	0.2539
	Sale 16-May-2014	-5950	0.0175	79918	0.2363
	Sale 23-May-2014	-750	0.0022	79168	0.2341
	Sale 30-May-2014	-1150	0.0034	78018	0.2307
	Purchase 06-Jun-2014	33800	0.0999	111818	0.3306
	Sale 13-Jun-2014	-23420	0.0692	88398	0.2614
	Purchase 20-Jun-2014	17863	0.0528	106261	0.3142
	Purchase 30-Jun-2014	14087	0.0416	120348	0.3558
	Purchase 04-Jul-2014	18100	0.0535	138448	0.4094
	Sale 11-Jul-2014	-20900	0.0618	117548	0.3476
	Sale 18-Jul-2014	-58450	0.1728	59098	0.1747
	Sale 25-Jul-2014	-6000	0.0177	53098	0.1570
	Purchase 01-Aug-2014	50600	0.1496	103698	0.3066
	Purchase 08-Aug-2014	37600	0.1111	141298	0.4178
	Purchase 14-Aug-2014	3650	0.0107	144948	0.4286
	Sale 22-Aug-2014	-12100	0.0357	132848	0.3928
	Purchase 29-Aug-2014	22300	0.0659	155148	0.4588
	Sale 05-Sep-2014	-10750	0.0317	144398	0.4270
	Sale 12-Sep-2014	-23387	0.0691	121011	0.3578
	Purchase 19-Sep-2014	5450	0.0161	126461	0.3739
	Purchase 30-Sep-2014	39350	0.1163	165811	0.4903
	Sale 03-Oct-2014	-10450	0.0309	155361	0.4594
	Sale 10-Oct-2014	-2050	0.0060	153311	0.4533
	Sale 17-Oct-2014	-32000	0.0946	121311	0.3587
	Purchase 24-Oct-2014	38687	0.1144	159998	0.4731
	Purchase 31-Oct-2014	47536	0.1405	207534	0.6137
	Sale 07-Nov-2014	-9586	0.0283	197948	0.5853
	Purchase 14-Nov-2014	10050	0.0297	207998	0.6150
	Purchase 21-Nov-2014	43900	0.1298	251898	0.7449
	Sale 28-Nov-2014	-25087	0.0741	226811	0.6707
	Purchase 05-Dec-2014	4800	0.0141	231611	0.6849
	Purchase 12-Dec-2014	7176	0.0212	238787	0.7061
	Purchase 19-Dec-2014	29226	0.0864	268013	0.7925
	Sale 31-Dec-2014	-89000	0.2631	179013	0.5293
	Purchase 09-Jan-2015	12600	0.0372	191613	0.5666
	Purchase 16-Jan-2015	14660	0.0433	206273	0.6099
	Purchase 23-Jan-2015	4290	0.0126	210563	0.6226
	Sale 30-Jan-2015	-29570	0.0874	180993	0.5352
	Purchase 06-Feb-2015	15900	0.0470	196893	0.5822
	Purchase 13-Feb-2015	1787	0.0052	198680	0.5875
	Sale 20-Feb-2015	-100717	0.2978	97963	0.2896
	Sale 27-Feb-2015	-9665	0.0285	88298	0.2611
	Purchase 13-Mar-2015	18133	0.0536	106431	0.3147
	Sale 20-Mar-2015	-21050	0.0622	85381	0.2524
	Sale 27-Mar-2015	-47883	0.1415	37498	0.1108
	Purchase 31-Mar-2015	59902	0.1771	97400	0.2880
	At the end of the Year 31-Mar-2015	97400	0.2880	97400	0.2880
	HAVING SAME PAN				

## REPORT OF BOARD DIRECTORS [Contd.]

11	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	131940	0.3901	131940	0.3901
	Purchase 04-Apr-2014	24013	0.0710	155953	0.4611
	Sale 11-Apr-2014	-110826	0.3277	45127	0.1334
	Purchase 18-Apr-2014	7601	0.0224	52728	0.1559
	Purchase 25-Apr-2014	34991	0.1034	87719	0.2594
	Purchase 02-May-2014	34750	0.1027	122469	0.3621
	Sale 16-May-2014	-53550	0.1583	68919	0.2038
	Purchase 23-May-2014	200	0.0005	69119	0.2043
	Sale 30-May-2014	-27350	0.0808	41769	0.1235
	Sale 06-Jun-2014	-5206	0.0153	36563	0.1081
	Sale 13-Jun-2014	-3630	0.0107	32933	0.0973
	Sale 20-Jun-2014	-107	0.0003	32826	0.0970
	Sale 30-Jun-2014	-32041	0.0947	785	0.0023
	Sale 04-Jul-2014	-200	0.0005	585	0.0017
	Purchase 11-Jul-2014	170	0.0005	755	0.0022
	Purchase 18-Jul-2014	48143	0.1423	48898	0.1446
	Sale 25-Jul-2014	-4089	0.0120	44809	0.1325
	Purchase 08-Aug-2014	11900	0.0351	56709	0.1676
	Purchase 14-Aug-2014	13725	0.0405	70434	0.2082
	Purchase 22-Aug-2014	17300	0.0511	87734	0.2594
	Sale 29-Aug-2014	-7545	0.0223	80189	0.2371
	Purchase 12-Sep-2014	43687	0.1291	123876	0.3663
	Sale 19-Sep-2014	-92550	0.2736	31326	0.0926
	Purchase 30-Sep-2014	117550	0.3476	148876	0.4402
	Sale 03-Oct-2014	-16150	0.0477	132726	0.3924
	Sale 10-Oct-2014	-24800	0.0733	107926	0.3191
	Purchase 17-Oct-2014	33050	0.0977	140976	0.4168
	Sale 24-Oct-2014	-18737	0.0554	122239	0.3614
	Sale 31-Oct-2014	-10750	0.0317	111489	0.3296
	Sale 07-Nov-2014	-29750	0.0879	81739	0.2417
	Sale 14-Nov-2014	-16900	0.0499	64839	0.1917
	Sale 21-Nov-2014	-1500	0.0044	63339	0.1873
	Purchase 28-Nov-2014	18887	0.0558	82226	0.2431
	Sale 05-Dec-2014	-31400	0.0928	50826	0.1503
	Sale 12-Dec-2014	-8326	0.0246	42500	0.1256
	Sale 19-Dec-2014	-3650	0.0107	38850	0.1148
	Purchase 31-Dec-2014	65800	0.1945	104650	0.3094
	Purchase 02-Jan-2015	49600	0.1466	154250	0.4561
	Sale 09-Jan-2015	-12600	0.0372	141650	0.4188
	Sale 16-Jan-2015	-14645	0.0433	127005	0.3755
	Sale 23-Jan-2015	-4305	0.0127	122700	0.3628
	Purchase 30-Jan-2015	29570	0.0874	152270	0.4502
	Sale 06-Feb-2015	-90900	0.2688	61370	0.1814
	Sale 13-Feb-2015	-1787	0.0052	59583	0.1761
	Purchase 20-Feb-2015	15217	0.0449	74800	0.2211
	Sale 27-Feb-2015	-2435	0.0072	72365	0.2139
	Sale 06-Mar-2015	-200	0.0005	72165	0.2134
	Sale 13-Mar-2015	-30565	0.0903	41600	0.1230
	Purchase 20-Mar-2015	21582	0.0638	63182	0.1868
	Sale 27-Mar-2015	-39535	0.1169	23647	0.0699
	Purchase 31-Mar-2015	35242	0.1042	58889	0.1741
	At the end of the Year 31-Mar-2015	58889	0.1741	58889	0.1741
	HAVING SAME PAN				
11	MARFATIA STOCK BROKING PVT LTD				
	At the beginning of the year 01-Apr-2014	37771	0.1116	37771	0.1116

## REPORT OF BOARD DIRECTORS [Contd.]

	Sale 04-Apr-2014	-34654	0.1024	3117	0.0092
	Sale 11-Apr-2014	-2768	0.0081	349	0.0010
	Purchase 18-Apr-2014	10451	0.0309	10800	0.0319
	Purchase 25-Apr-2014	11650	0.0344	22450	0.0663
	Sale 02-May-2014	-22450	0.0663	0	0.0000
	Purchase 16-May-2014	500	0.0014	500	0.0014
	Sale 23-May-2014	-300	0.0008	200	0.0005
	Purchase 30-May-2014	9800	0.0289	10000	0.0295
	Sale 06-Jun-2014	-10000	0.0295	0	0.0000
	Purchase 11-Jul-2014	200	0.0005	200	0.0005
	Sale 18-Jul-2014	-200	0.0005	0	0.0000
	Purchase 14-Aug-2014	28200	0.0833	28200	0.0833
	Sale 22-Aug-2014	-6800	0.0201	21400	0.0632
	Sale 29-Aug-2014	-21400	0.0632	0	0.0000
	Purchase 05-Sep-2014	44500	0.1315	44500	0.1315
	Sale 12-Sep-2014	-44300	0.1310	200	0.0005
	Purchase 19-Sep-2014	6800	0.0201	7000	0.0207
	Sale 30-Sep-2014	-7000	0.0207	0	0.0000
	Purchase 21-Nov-2014	10800	0.0319	10800	0.0319
	Sale 28-Nov-2014	-10800	0.0319	0	0.0000
	Purchase 19-Dec-2014	31400	0.0928	31400	0.0928
	Purchase 31-Dec-2014	18200	0.0538	49600	0.1466
	Sale 02-Jan-2015	-49600	0.1466	0	0.0000
	Purchase 06-Feb-2015	200	0.0005	200	0.0005
	Sale 13-Feb-2015	-200	0.0005	0	0.0000
	Purchase 27-Feb-2015	24500	0.0724	24500	0.0724
	Sale 06-Mar-2015	-24500	0.0724	0	0.0000
	Purchase 13-Mar-2015	18532	0.0548	18532	0.0548
	Sale 20-Mar-2015	-18532	0.0548	0	0.0000
	Purchase 27-Mar-2015	19000	0.0561	19000	0.0561
	Sale 31-Mar-2015	-19000	0.0561	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000
	HAVING SAME PAN				
11	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	32056	0.0947	32056	0.0947
	Sale 04-Apr-2014	-31843	0.0941	213	0.0006
	Sale 11-Apr-2014	-213	0.0006	0	0.0000
	Purchase 18-Apr-2014	134	0.0003	134	0.0003
	Purchase 25-Apr-2014	871	0.0025	1005	0.0029
	Sale 02-May-2014	-1005	0.0029	0	0.0000
	Purchase 23-May-2014	85	0.0002	85	0.0002
	Purchase 30-May-2014	18415	0.0544	18500	0.0547
	Sale 06-Jun-2014	-18325	0.0541	175	0.0005
	Purchase 13-Jun-2014	26825	0.0793	27000	0.0798
	Sale 20-Jun-2014	-17863	0.0528	9137	0.0270
	Purchase 30-Jun-2014	18958	0.0560	28095	0.0830
	Sale 04-Jul-2014	-18795	0.0555	9300	0.0275
	Purchase 11-Jul-2014	20700	0.0612	30000	0.0887
	Purchase 18-Jul-2014	10200	0.0301	40200	0.1188
	Purchase 25-Jul-2014	10400	0.0307	50600	0.1496
	Sale 01-Aug-2014	-50600	0.1496	0	0.0000
	Purchase 08-Aug-2014	500	0.0014	500	0.0014
	Purchase 14-Aug-2014	1500	0.0044	2000	0.0059
	Purchase 22-Aug-2014	25400	0.0751	27400	0.0810
	Purchase 29-Aug-2014	6545	0.0193	33945	0.1003
	Sale 05-Sep-2014	-33945	0.1003	0	0.0000

## REPORT OF BOARD DIRECTORS [Contd.]

	Purchase 12-Sep-2014	53000	0.1567	53000	0.1567
	Purchase 19-Sep-2014	69400	0.2052	122400	0.3619
	Sale 30-Sep-2014	-122400	0.3619	0	0.0000
	Purchase 03-Oct-2014	26600	0.0786	26600	0.0786
	Purchase 10-Oct-2014	37450	0.1107	64050	0.1894
	Sale 17-Oct-2014	-4050	0.0119	60000	0.1774
	Sale 24-Oct-2014	-16075	0.0475	43925	0.1298
	Sale 31-Oct-2014	-31925	0.0944	12000	0.0354
	Purchase 07-Nov-2014	39350	0.1163	51350	0.1518
	Purchase 14-Nov-2014	6850	0.0202	58200	0.1721
	Sale 21-Nov-2014	-58200	0.1721	0	0.0000
	Purchase 28-Nov-2014	17000	0.0502	17000	0.0502
	Purchase 05-Dec-2014	26600	0.0786	43600	0.1289
	Purchase 12-Dec-2014	1150	0.0034	44750	0.1323
	Sale 19-Dec-2014	-39750	0.1175	5000	0.0147
	Sale 31-Dec-2014	-5000	0.0147	0	0.0000
	Purchase 20-Feb-2015	19820	0.0586	19820	0.0586
	Sale 27-Feb-2015	-12720	0.0376	7100	0.0209
	Purchase 06-Mar-2015	10600	0.0313	17700	0.0523
	Sale 13-Mar-2015	-17700	0.0523	0	0.0000
	Purchase 20-Mar-2015	17750	0.0524	17750	0.0524
	Purchase 27-Mar-2015	70918	0.2097	88668	0.2622
	Sale 31-Mar-2015	-88668	0.2622	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000
	HAVING SAME PAN				
11	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0.0000
	Purchase 31-Mar-2015	110600	0.3270	110600	0.3270
	At the end of the Year 31-Mar-2015	110600	0.3270	110600	0.3270
	HAVING SAME PAN				
11	MARFATIA STOCK BROKING PVT LTD				
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0.0000
	Purchase 20-Feb-2015	16000	0.0473	16000	0.0473
	At the end of the Year 31-Mar-2015	16000	0.0473	16000	0.0473
12	A.VIMAL CHAND . .				
	At the beginning of the year 01-Apr-2014	7713	0.0228	7713	0.0228
	Purchase 04-Apr-2014	52287	0.1546	60000	0.1774
	Purchase 11-Apr-2014	40000	0.1182	100000	0.2957
	Purchase 25-Apr-2014	100000	0.2957	200000	0.5914
	Purchase 02-May-2014	94938	0.2807	294938	0.8721
	Purchase 09-May-2014	5062	0.0149	300000	0.8871
	Sale 01-Aug-2014	-2938	0.0086	297062	0.8784
	Sale 08-Aug-2014	-10324	0.0305	286738	0.8479
	Purchase 14-Aug-2014	13262	0.0392	300000	0.8871
	At the end of the Year 31-Mar-2015	300000	0.8871	300000	0.8871
	HAVING SAME PAN				
12	VIMALCHAND A .				
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0.0000
	Purchase 13-Jun-2014	20000	0.0591	20000	0.0591
	Purchase 20-Jun-2014	17000	0.0502	37000	0.1094
	Purchase 30-Jun-2014	3000	0.0088	40000	0.1182
	Purchase 25-Jul-2014	45500	0.1345	85500	0.2528
	At the end of the Year 31-Mar-2015	85500	0.2528	85500	0.2528



## REPORT OF BOARD DIRECTORS [Contd.]

### v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors and KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No of shares increase /decrease	Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Chandresh S. Parikh	3630400	10.74	NA	0	NA	NA	3630400	10.74
2	Mr. Rajesh C. Parikh	1659956	4.91	NA	0	NA	NA	1659956	4.91
3	Mr. Atil C. Parikh	1659956	4.91	NA	0	NA	NA	1659956	4.91
4	Mr. Sudhir R. Parikh	396690	1.17	NA	0	NA	NA	396690	1.17
5	Mr. P.M. Shah	21500	0.06	NA	0	NA	NA	21500	0.06
6	Mr. Ramkisan Devidayal	120000	0.35	NA	0	NA	NA	120000	0.35
7	Mr. Atul Patel	0	0.00	200000	200000 (Transmission)	200000	0.59	200000	0.59
8	Mrs. Darsha Kikani	0	0.00	NA	0	NA	NA	0	0.00
9	Dr. Ajay Ranka	0	0.00	NA	0	NA	NA	0	0.00
10	Mr. Bharat Kanani	0	0.00	Purchase of 1 share on 06.12.2014	1	1	0.00	1	0.00
11	Mrs. Anuja Kedar Muley	0	0.00	Purchase of 1 share on 06.12.2014	1	1	0.00	1	0.00

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14008.06	57.15	2135.88	16201.09
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	83.57		164.38	247.96
Total (i+ii+iii)	14091.63	57.15	2300.26	16449.05
Change in Indebtedness during the financial year				
• Addition	795.17	184.00		979.17
• Reduction	1516.98	57.15	365.01	1939.14
Net Change	-721.81	126.85	-365.01	-959.97
Indebtedness at the end of the financial year				
i) Principal Amount	13299.40	184.00	1797.31	15280.71
ii) Interest due but not paid	-			
iii) Interest accrued but not due	70.41	-	137.95	208.36
Total (i+ii+iii)	13369.82	184.00	1935.26	15489.08

## REPORT OF BOARD DIRECTORS [Contd.]

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

#### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER :

Sr. No.	Particulars of Remuneration	Name of Director / KMP				Total Amount
		Mr. Chandresh Parikh	Mr. Rajesh Parikh	Mr. Atil Parikh	Mr. Sudhir Parikh	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 * Car (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	4,079,400	3,559,296	2,913,456	3,262,688	13,814,840
		39,600	28,800	28,800	26,400	123,600
		-	-	-	1,000,000	1,000,000
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify Provident Fund	468000	357120	292320	327360	1444800
	Total (A)	4587000	3945216	3234576	4,616,448	16383240
	Ceiling as per the Act	Since the Company has incurred loss during the FY 2014-15, the remuneration paid to the Whole Time Directors are as per the provisions of the then Schedule XIII of the Companies Act, 1956				

#### B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. P. M. Shah	Mr. Ram Devidayal	Mr. Atul Patel	Mrs. Darsha Kikani	Dr. Ajay Ranka	Mr. Naresh Makhija	
1.	Independent Directors Fee for attending board/committee meetings Commission Others, please specify	89,000 - -	1,14,000 - -	69,000 - -	35,000 - -	15,000 - -	- - -	- - -
	Total (1)	89,000	1,14,000	69,000	35,000	15,000	-	208,000
2.	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	- - -	- - -	- - -	- - -	- - -	5,000 - -	- - -
	Total (2)	-	-	-	-	-	5,000	5000
	Total (B)=(1+2)	89,000	1,14,000	69,000	35,000	15,000	5,000	213,000
	Total Managerial Remuneration							16383240
	Overall Ceiling as per the Act	Since the Company has incurred loss during the FY 2014-15, the remuneration paid to the Whole Time Directors are as per the provisions of the then Schedule XIII of the Companies Act, 1956						

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Name of Director / KMP		Total
		Mr. Bharat Kanani (w.e.f. 06.08.2014) - CFO	Mrs. Anuja Muley - CS	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 * Car (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,043,039 19,200 -	667,306 - -	2,710,345 19,200 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	- - -	- - -	- - -
5	Others, please specify Provident Fund	130403	45108	175511
	Total	2,192,642	712,414	2,905,056

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

There were no penalties/punishment/compounding of offences for the year ending March 31, 2015

## REPORT OF BOARD DIRECTORS [Contd.]

### **Annexure E : Conservation of Energy, technology absorption, foreign exchange earnings and outgo Particulars pursuant to the Companies (Accounts) Rules, 2014**

#### **Conservation of Energy:-**

During year 2015, the company has taken some step at various unit of company to strengthen energy conservation efforts. We used over 2.54 Crore unit of electricity during the year and restricted increase upto 10% compare to previous year by taking various steps as stated under

- Electricity Audits carried by professional Energy Auditors at Bhuj, Hosur and Alwar plants to control harmonics level effecting in excess power consumption
- Choose an operating mode allowing switching off an unloaded machine, use variable speed drive, choose less energy demanding strategies of movements, use high efficiency motors and other equipment etc.

#### **Use of Furnace Oil instead Coal and efficient use of solar energy to dry the slurry to powder**

Before this year, the company was utilizing coal, a cheap source of energy, at bhuj plant. Since burning of coal associated with number of environmental challenges, the company has made significant efforts to reduce coal usage and shifted to furnace oil. The Company's engineers have made effort and invest significant amount in purchase of imported burner to modify the design of existing equipment for usage of Furnace Oil instead of coal. The Company has also used solar energy for drying process. These efforts were more concerned to health and safety of public rather to reduce the cost.

As a result during the year company used only 15 M.T of coal compared to 107 M.T in year 2013-14.

#### **Technology Absorption:-**

Company focus on development of new product, process and developments in manufacturing plants to support existing business.

#### **Following are the efforts made towards technology absorption:**

- The German Technology of sub micron grinding was absorbed and put in use. Full integrated high volume mechanized plant installed at Alwar Plant came into good effect showing saving compared to current less mechanized plants.
- Atomization towards new level with fully automated plants required less manpower and controlled from distance resulted in, consistency in process and supply with improved working conditions for reducing carbon footprint.
- Company has developed minerals base products for construction industry for fast curing by reducing water usages.
- Development of cost effective product for paper industries.
- By applying best excavation techniques company extracted high purity reserve with a minimum of impurities.

Expenditure incurred on research and development is ₹ 14.55 Lacs

#### **Foreign Exchange Earning and Outgo**

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:

#### **Total Foreign Exchange used and earned:**

- Foreign Exchange Earned: ₹ 2792.39 Lacs
- Foreign Exchange Used: ₹ 3543.11 Lacs

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

(Chandresh Parikh)  
Executive Chairman

(Rajesh C. Parikh)  
Chief Executive Officer and  
Managing Director

Place : Waghodia, Vadodara  
Date : 07th August, 2015

## REPORT OF BOARD DIRECTORS [Contd.]

### Annexure F : Annual Report on CSR Activities [Pursuant to Section 135 of the Companies Act, 2013]

20 Microns Ltd. recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavors to make CSR a key business process for sustainable development. 20 Microns Ltd. is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our company is committed towards aligning with nature; and has adopted eco-friendly practices.

We set up 20 Microns Foundation Trust in 2001. This was done to focus on our CSR initiatives, long before the provision of the Companies Act, 2013, stating that the CSR activities undertaken by the Company has to be through a registered trust, came into force.

#### CSR Committee

We have a Board Committee (CSR Committee) that provides oversight of CSR Policy execution to ensure that the CSR objectives of the Company are met. Our CSR Committee comprises:

- Mr. Pravinchandra M. Shah
- Mr. Chandresh S. Parikh
- Mr. Sudhir R. Parikh

#### Our Objective

As outlined in our CSR Policy, our broad objective is to create an awareness of "Living A Normal Life with Diabetes.

Visit <http://www.20microns.com/admin/upload/csr/CSR%20Policy.pdf> for more details relating to our CSR Policy.

#### Financial Details

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribed that every company having a net worth of ₹ 500 Crs or more or turnover of ₹ 1000 Crs or more or net profit of ₹ 5 Crs or more during any financial year shall ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to 20 Microns Ltd. The financial details as sought by the Companies Act, 2013 are as under

(₹ in lacs)	
Particulars	Amount
Average net profit of the Company for last three financial years	636.38
Prescribed CSR expenditure (2% of the average net profit as computed above)	12.73
Details of CSR Expenditure during the financial year	
Total amount to be spent for the financial year	12.73
Amount Spent	-
Amount Unspent	12.73

Since the company went for financial restructuring, monetary resources are limited to spend on Corporate Social Responsibility Activities.

The manner of the amount spent during the financial year is detailed as follows:

CSR Project/ activity/ beneficiary	Sector	Location of the Project/ programme	Amount Outlay	Amount spent on the projects/ programmes	Cumulative expenditure up to the reporting period	Amount spent direct/implementing agency
20 Microns Foundation Trust	Health Care and medical facilities	Vadodara and near vicinity	12.73 Lacs	-	-	Through Foundation

#### Our CSR Responsibilities

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR Project and activities in compliance with our CSR activities.

(Chandresh S. Parikh)  
Executive Chairman

(P.M. Shah)  
Director

Place : Waghodia, Vadodara  
Date : 07th August, 2015

## REPORT ON CORPORATE GOVERNANCE

The Directors' Report on the compliance of the Corporate Governance Code is given below.

### 1. CORPORATE GOVERNANCE

#### 1.1 Company's Philosophy on Corporate Governance:

Fairness, accountability, disclosures and transparency are the four strong pillars supporting the foundation of your Company's philosophy of Corporate Governance. Responsible governance is imbibed in your Company's work culture which has enabled it to achieve sustainable growth on its journey to continued success, thereby meeting stakeholders' expectations. The governance processes and systems of your Company have strengthened over a period of time.

Your Company is committed to sound principles of Corporate Governance with respect to all its procedures, policies and practices. Comprehensive disclosures, structured accountability in exercise of powers, adhering to best practices and commitment to compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. In fact, this has become an integral part of the way the business is done. The governance practices followed by your Company are continuously reviewed and the same are benchmarked with the best governed companies.

Your Company has complied with all the regulations stipulated by the Securities Exchange Board of India (SEBI) in the Listing Agreement. This chapter, along with chapters on Management Discussions and Analysis constitutes 20 Microns' compliance with Clause 49 of the Listing Agreement.

#### 1.2 The Governance Structure:

Company's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (i) The Board of Directors - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals and targets, policies, reporting mechanism and accountability and decision making process to be followed.
- (ii) Committees of Directors - such as Audit Committee, Nomination and Remuneration Committee, CSR Committee and Risk Management Committee etc. are focused on financial reporting, audit and internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR activities and the risk management framework.
- (iii) Executive Management – The entire business including the support services are managed with clearly demarcated responsibilities and authorities at different levels.

### 2. Board of Directors

#### 2.1 Composition

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Non-executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of manufacturing, finance and taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Agreement. As at the end of corporate financial year 2015, the total Board strength comprises of the following:

Independent Directors	05 Directors
Executive Directors (including Chairman)	04 Directors

Mr. Chandresh S. Parikh, Executive Chairman, Mr. Rajesh C. Parikh, CEO and MD and Mr. Atil C. Parikh, MD are relative of each other. Other than aforesaid Directors, none of the Directors have any inter-se relation among themselves and any employees of the Company.

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the retirement policy laid down by the Board from time-to-time. The Managing Director(s) and Director (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders.

#### APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

Mr. Rajesh C. Parikh, CEO and Managing Director of the Company will retire by rotation at the ensuing Annual General Meeting who is eligible for re-appointment.



## REPORT ON CORPORATE GOVERNANCE [Contd.]

### 2.2 Profile of Directors

The brief profile of each Director is given below:

Mr. Chandresh S. Parikh, the Executive Chairman holds a Degree in Master of Science (Chemistry). He has played a very important role in the turnaround of the Company and has over 35 years of experience, in India and abroad, in various fields such as product development and commercialization of products developed through R & D etc. He started his career as R & D Chemist in the year 1968 with Suhrid Geigy Limited; Vadodara till 1972. Thereafter he joined in as a Chief Chemist with General Foam Products, Mombassa, Kenya in 1972 and continued with them till 1975. Thereafter he held Senior Executive positions as Technical Director and Executive Director in Banco Products (T) Ltd., Dar E Salaam from 1975-82. As Technical Director he was in charge of Production and technical matters and as an Executive Director he was in overall charge and management of the affairs of that Company. He was a Managing Director in Aerofoam (Nigeria) Ltd., Lagoa, Nigeria during 1982-88. He came to India for the formation of 20 Microns Private Limited in 1987 and started commercial production from 1988. He holds 36,30,400 Equity Shares representing 10.73% of the paid-up Capital of the Company.

Mr. Rajesh C. Parikh has graduated with First Class Degree in Bachelor of Mechanical Engineering. He has also completed the Masters in Business Administration in Finance Stream. He is the CEO and Managing Director of our Company. He started his career with Jyoti Limited, a Vadodara based Engineering Company, in the year 1994 as a Trainee Engineer and there after he was associated with the Company and held, on part time basis, few assignments for a new project to be established for China Clay. At the age of 27 he joined the Board and was in charge of Technical matters and Marketing of the product of the Company. His exposure to the consuming industries brought in him insight for business and industry. He holds 16,59,956 Equity Shares representing 4.90% of the paid-up Capital of the Company.

Mr. Atil C. Parikh, the Managing Director, aged 37 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, the Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he re-joined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Board of 20 Microns Nano Minerals Limited. He holds 16,59,956 Equity Shares representing 4.90% of the paid-up Capital of the Company.

Mr. Sudhir R. Parikh, the Director aged 61 years, is a fellow member of the Institute of Chartered Accountants of India. Early in his career, he joined M/s. Lovelock and Lewes, an audit firm for a period of 1½ years. Subsequently, he held a senior executive position as Manager Accounts in Asian Dehydrates Limited in the year 1977, Nasik. He then joined as a Chief Accountant in M. H. Spinning and Mfg Co. Ltd., Ahmedabad in the year 1978. He was also an Executive Director in Banco Products (T) Ltd., Dar- E- Salaam, Tanzania and a Director in United Foam Private Limited, Waghodia. He has gathered rich experience in Accounting, Finance, Taxation and Management. He looks after the Accounts, Finance, Banking and Administration of the Company. He is also on the Board of 20 Microns Nano Minerals Limited. He is a member of Stakeholder Relationship and Share Transfer Committee, Finance Committee and Management Committee of the Company. He holds 3,96,690 Equity Shares representing 1.17% of the present paid-up capital of the Company.

Mr. Pravinchandra M. Shah, the Independent Director, holds Master's degree in Commerce and Bachelor's degree in Law from the M.S. University, Vadodara. He is an Associate Member of Institute of Company Secretaries of India and Institute of Cost and Works Accountants of India. He has an extensive experience of more than 47 years in various fields of Accounting, Finance, Taxation (Direct and Indirect), Company Secretarial Matters, Legal Matters, General Administration, Labour Matters, etc. He started his career in the year 1959 with Textile Appliances and Instruments Co. Pvt. Ltd as Accountant cum Secretary till 1962. Mr. Shah has worked for more than 20 years (1966 – 1986) with Banco Products (India) Ltd and its group in different capacities, lastly as Director (Finance) and from the year 1989 onwards with Transpek Industry Ltd as Vice President (Finance). He has also worked as a consultant for over more than 15 years in the areas of Finance, Accounts, Taxation, Company Law and SEBI Matters, etc. Mr. P.M. Shah is a member of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship and Share Transfer Committee of the Board of Directors of the Company. He holds 21,500 Equity Shares representing 0.06% of the paid-up Capital of the Company.

Mr. Ram Devidayal, the Independent Director, holds Master's degree in Commerce and Management. He has rich and extensive experience in the fields of Agrochemicals of about 35 years of which 20 years in the Senior – 1st Line Management of the Companies to which he has been associated as Director. He is the Vice Chairman of Baroda Citizen Council and involved in Social activities of many NGOs. He has also been actively attached with various Associations, since last over a Decade, like Chamber of Commerce in Vadodara; Federations of Gujarat Industries; Gujarat Pesticides Formulators; etc. He has travelled widely round the Globe and participated in various International Seminars and led delegations several times. Mr. Ram Devidayal is the Chairman of the Audit Committee and Member of Nomination and Remuneration Committee

## REPORT ON CORPORATE GOVERNANCE [Contd.]

and Stakeholder Relationship and Share Transfer Committee of the Board of Directors of the Company. He holds 120000 Equity Shares representing 0.35% of the paid-up Capital of the Company.

Mr. Atul Patel, the Independent Director, is Graduate in Textile Engineering from VJTI, Bombay. He is a Managing Director of TARAK CHEMICALS PRIVATE LIMITED, Vadodara engaged in the manufacturing of Oil Field Chemicals and other Specialty Chemicals. He has been deeply involved in the activities of Industrial Association and was closely associated with Federation of Gujarat Industries [FGI, a body looking after interests of the Industries]. He had been President of FGI for 1991 and 1992. He was the President of Vadodara Industrial Employers' Union for the period 1993-95 and also a Senate member of M.S. University of Baroda. He has also been attached with Charitable Organizations and Educational Institutions, presently the President of United Way of Baroda and the past Chairman of Baroda Citizen Council, a body activist in the development of Baroda City. Besides, he is the Trustee of Gyana Yagna Vidhya Mandir, Atladra – Vadodara and Nar Seva Samaj, Dist. Kheda and also the Chairman of the Baroda Citizen Community Co – Operative Credit Society Ltd., Vadodara. Mr. Atul Patel is Member of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship and Share Transfer Committee of the Board of Directors of the Company. He holds 200000 Equity Shares representing 0.59% of the paid-up Capital of the Company.

Mrs. Darsha R. Kikani, the Independent Director, is a member of Institute of Chartered Secretaries and Administrators, UK and Fellow Member of Institute of Company Secretaries of India. She holds Master Degree of Business Administration, Bachelor Degree of Laws and Bachelor Degree of Science. Mrs. Darsha Kikani carries a balanced mix of executive, academic as well as entrepreneurial experience. She has interacted with companies at corporate level for over 17 years, as a practicing Company Secretary and Company Law Consultant. Experience includes the whole spectrum of functions starting from incorporation of companies to regulatory aspects of Corporate Governance, liaison with Stock Exchanges/SEBI and from conducting secretarial due diligence of companies for IPO to Merger and Acquisitions. She was also associated as Secretarial Executive with M/s. Ambalal Sarabhai Enterprises Limited, Vadodara. Also worked as a Market Research Associate with Consulting Division of ORG, for the Sardar Sarovar (Narmada) Project. She worked as Asst. Vice President (Corporate Legal Team) with Reliance Infrastructure Limited, Mumbai, one of the largest industrial groups of India. She is presently working with Mindspark Language Team of Educational Initiatives, an innovative landmark Company in Education Sector for four years. She does not hold any Shares of the Company.

Dr. Ajay Ranka, the Independent Director, is Ph.D. (Polymer Science and Engg), USA besides, a chemical Engineer. He has worked with PPG Industries, USA, as R & D Specialist. He is recognized as a top notch scientist for outstanding pioneering work in Polymer Chemistry and Nanotechnology. He has to his credit many American, European and Indian patents. He is associated with many social, business and trade organizations and a staunch supporter of education through philanthropy. He is presently working as CEO of Zydex Industries Pvt. Ltd. He does not hold any shares of the Company.

### 2.3 Meetings, agenda and proceedings etc. of the Board Meeting:

#### Meetings:

The Board generally meets 4 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. During the year ended on 31st March, 2015, the Board of Directors had 6 meetings. These were held on 10th April, 2014, 24th May, 2014, 06th August, 2014, 12th November, 2014, 11th February, 2015 and 23rd March, 2015. The last Annual General Meeting (AGM) was held on 27th September, 2014. The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2015, and at the last AGM is as under:-

Sr. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at Last AGM
1	Mr. Chandresh S. Parikh Executive Director	Executive Chairman	6 of 6	Yes
2	Mr. Rajesh C. Parikh	Executive Director	5 of 6	Yes
3	Mr. Atil C. Parikh	Executive Director	4 of 6	Yes
4	Mr. Sudhir R. Parikh	Executive Director	5 of 6	Yes
5	Mr. Pravinchandra M Shah	Non-Executive, Independent	5 of 6	Yes
6	Mr. Ram A. Devidayal	Non-Executive, Independent	6 of 6	Yes
7	Mr. Atul H. Patel	Non-Executive, Independent	4 of 6	No
8	Mr. Naresh Makhija (upto 05.02.2015)	Non-Executive Nominee Director	1 of 4	No
9	Mrs. Darsha Kikani (w.e.f. 06.08.2014)	Non-Executive, Independent	3 of 4	No
10	Dr. Ajay Ranka (w.e.f. 27.09.2014)	Non-Executive, Independent	1 of 3	NA

## REPORT ON CORPORATE GOVERNANCE [Contd.]

### Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 11th February, 2015 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### Agenda:

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Any Other Agenda" are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification / approval.

### Invitees and Proceedings:

Apart from the Board members, the Company Secretary and the CFO are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on the quarterly and annual operating and financial performance and on annual operating and capex budget. The Managing Directors, CFO and other senior executives make presentations on capex proposals and progress, operational health and safety and other business issues.

### Post Meeting Action:

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Board for the action taken / pending to be taken.

### Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. She acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

## 2.4 Other Directorships etc.:

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st March, 2015, are given below:-

NAMES OF DIRECTORS	CATEGORY OF DIRECTORS	NO. OF OTHER DIRECTORSHIP	COMMITTEE MEMBERSHIP/ CHAIRMANSHIP*	
			COMMITTEE MEMBERSHIP	COMMITTEE CHAIRMANSHIP
EXECUTIVE DIRECTORS				
Mr. Chandresh S. Parikh	Executive Chairman	1	1	-
Mr. Rajesh C. Parikh	Chief Executive Officer and Managing Director	1	-	-
Mr. Atil C. Parikh	Managing Director	1	-	-
Mr. Sudhir R. Parikh	Director (Finance)	1	1	-
Non-Executive Directors				
Mr. Pravinchandra M. Shah	Independent Director	-	-	-
Mr. Ram A. Devidayal	Independent Director	5	2	2
Mr. Atul H. Patel	Independent Director	5	1	-
Mrs. Darsha Kikani	Independent Director	-	-	-
Dr. Ajay I. Ranka	Independent Director	-	-	-

\* Audit Committee and Stakeholder Relationship Committee considered

## REPORT ON CORPORATE GOVERNANCE [Contd.]

### 2.5 Induction and Training of Board Members:

The Company is having general practice to conduct a familiarization programme of the Independent Directors in their first Board Meeting immediately after their appointment.

Accordingly, the Company has made Independent Directors so appointed during the financial year familiarized about-

1. The Role, Rights, Responsibilities and Duties of Independent Directors; and
2. The Company, Nature of Industry in the Company operates, business model of the Company etc.

The queries/questions raised by the Independent Directors were replied and satisfied accordingly.

The details of such familiarization programmes for Independent Directors are posted on the website of the company and can be accessed at [http://www.20microns.com/admin/upload/Miscellaneous Familiarization%20Programme%20for%20Independent%20Directors.pdf](http://www.20microns.com/admin/upload/MiscellaneousFamiliarization%20Programme%20for%20Independent%20Directors.pdf)

### 2.6 Evaluation of the Board's Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### 2.7 Code of Conduct:

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and senior managers of the Company. The Code covers amongst other things the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc.

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the CEO and Managing Director is attached and forms part of the Annual Report of the Company.

### 2.8 Prevention of Insider Trading Code:

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code.

The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mrs. Anuja Muley, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

## 3. Audit Committee

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. Mrs. Anuja Muley, Company Secretary acts as secretary to the committee.

### 3.1 Composition and Meetings:-

The Audit Committee had 4 meetings during the year 2014-15, specifically on 24.05.2014, 06.08.2014, 12.11.2014 and 11.02.2015. The attendance of each committee member was as under:-

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Ram Devidayal, Chairman - Independent	4 of 4
2	Mr. P. M. Shah - Independent	3 of 4
3	Mr. Atul Patel - Independent	3 of 4

Mr. Ram Devidayal, Chairman of the Audit Committee was present at the last Annual General Meeting to answer the shareholders queries.

## REPORT ON CORPORATE GOVERNANCE [Contd.]

### 3.2 Invitees / Participants:-

1. Mr. Chandresh Parikh, Executive Chairman, Mr. Rajesh Parikh, CEO and MD, Mr. Atil Parikh, MD and Mr. Sudhir Parikh, Director are the permanent invitees to all Audit Committee meetings.
2. The Statutory Auditors have attended all the Audit Committee meetings held during the year.
3. The Business Heads and the CFO also attends all the Committee meetings to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc.

### 3.3 Terms of Reference:-

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the stock exchanges read with section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements, (v) interaction with statutory, internal and cost auditors, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

- (i) Matter included in the Director's Responsibility Statement.
- (ii) Changes, if any, in the accounting policies.
- (iii) Major accounting estimates and significant adjustments in financial statement.
- (iv) Compliance with listing and other legal requirements concerning financial statements.
- (v) Disclosures in financial statement including related party transactions,
- (vi) Qualification in draft audit report.
- (vii) Scrutiny of inter-corporate loans and investments.
- (viii) Management's Discussions and Analysis of Company's operations.
- (ix) Valuation of undertakings or assests of the company, wherever it is necessary.
- (x) Periodical Internal Audit Reports.
- (xi) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
- (xii) Letters of Statutory Auditors to management on internal control weakness, if any.
- (xiii) Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.
- (xiv) Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees.
- (xv) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus approval given, if any.

## 4. Nomination and Remuneration Committee

### 4.1 Composition and Attendance at the Meeting

The Nomination and Remuneration Committee comprises of the members as stated below. The Committee during the year ended on 31st March, 2015 had one meeting on 06.08.2014. The attendance of the members was as under:-

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. P.M. Shah, Chairman - Independent	1 of 1
2	Mr. Naresh Makhija - Non-Executive (upto 05.02.2015)	0 of 1
3	Mr. Ram Devidayal - Independent	1 of 1
4	Mr. Atul Patel - Independent	0 of 1
5	Mr. Chandresh Parikh - Executive Chairman (appointed w.e.f. 11.02.2015)	NA

### 4.2 Terms of Reference of the Nomination and Remuneration Committee:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other Senior employees;



## REPORT ON CORPORATE GOVERNANCE [Contd.]

2. Formulation of criteria for evaluation of Independent Directors and the Board Members;
3. Devising a policy for Board diversity;
4. Identifying persons, qualified to become directors of the Company and who may be appointed in Senior Management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee shall, while formulating the policy under point 1 ensure that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to manage the company successfully;
- (b) relationship of remuneration with the performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management personnel involves a balance between fixed pay and incentive payment reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### 4.3 Remuneration Policy

Remuneration to Executive Directors have been paid to them in terms of the approval given by Shareholders of the Company under the then Sections 269, 309 and other applicable provisions of the Companies Act, 1956 and the resolution passed in that behalf and as recommended by the Remuneration Committee of Directors duly constituted pursuant to the then Schedule XIII of the Companies Act, 1956.

The remuneration to the Executive Directors consists of fixed salary, allowances and other perquisites as per the Rules of the Company and commission on Net profit as calculated as per Sections 349 and 350 of the Companies Act, 1956. The Provident Fund is contributed as per Provident Fund Act and Rules.

The Non-Executive Directors are not paid any remuneration except the sitting fees for attending the Board and Committee Meetings.

The details of Remuneration drawn by the Executive Directors and Sitting Fees paid to the Non-Executive Directors are as under:

[₹ in Lacs]

Names of Directors	Basic	HRA	Medical	Company's Contribution to PF	Commission	TOTAL
<b>Executive Directors :</b>						
Mr. Chandresh S. Parikh	39.00	-	1.79	4.68	-	45.47
Mr. Rajesh C. Parikh	29.76	4.46	1.37	3.57	-	39.16
Mr. Atil C. Parikh	24.36	3.65	1.12	2.92	-	32.05
Mr. Sudhir R. Parikh	27.28	4.092	1.255	3.274	-	35.90
Non Executive Directors					Sitting fees [₹]	
Mr. Naresh Makhija*					5,000	
Mr. Pravinchandra M. Shah					89,000	
Mr. Ram A. Devidayal					1,14,000	
Mr. Atul H. Patel					69,000	
Mrs. Darsha Kikani					35,000	
Dr. Ajay Ranka					15,000	

[\*] = Sitting Fees were paid to the Institution nominating him.

### Director's Shareholding

Shareholding of the Directors in the company as on 31st March, 2015:

Names of Directors	No. of shares held in the Company singly and / or jointly	Percentage of holding
Mr. Chandresh S. Parikh	36,30,400	10.63
Mr. Rajesh C. Parikh	16,59,956	4.91
Mr. Atil C. Parikh	16,59,956	4.91

## REPORT ON CORPORATE GOVERNANCE [Contd.]

Mr. Sudhir R. Parikh	3,96,690	1.17
Mr. Naresh Makhija	Nil	Nil
Mr. Pravinchandra M. Shah	21,500	0.06
Mr. Ram Devidayal	1,20,000	0.35
Mr. Atul Patel	2,00,000	0.59
Dr. Ajay Ranka	Nil	Nil
Mrs. Darsha Kikani	Nil	Nil

In terms of Article 129 of the Articles of Association of the company, the directors are not required to hold any qualification shares.

### 5. Stakeholders Relationship and Share Transfer Committee

During the year under review, the nomenclature of the Share Transfer and Investors' / Depositors' Grievance Committee was changed to "Stakeholders Relationship and Share Transfer Committee", in line with the provisions of Section 178 of the Companies Act, 2013 w.e.f. 24th May, 2014. This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

The Committee is headed by Mr. P.M. Shah, Independent Director and consists of the members as stated below. During the year ended on 31st March, 2015, this Committee had 01 meeting on 11.02.2015 which was attended by the members as under:-

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. P. M. Shah, Chairman - Independent	1 of 1
2	Mr. Ram Devidayal - Independent	1 of 1
3	Mr. Rajesh Parikh, CEO and MD - Executive	1 of 1
4	Mr. Sudhir Parikh - Director – Executive	1 of 1

Mrs. Anuja Muley, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

Terms of Reference of Stakeholders Relationship and Share Transfer Committee

1. To approve transfer, transmission and/or transposition of shares, issue of duplicate share certificates and all other matters relating to shares and investor grievances.
2. To look in to redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non- receipt of declared dividend, etc. and advising shareholders/ investors on various matters such as to avail Nomination facility, fill up ECS Mandate, addition of joint names in Demat Accounts, transfer of holding from Physical form to Demat form.
3. To oversee performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.
4. To review unclaimed Dividend to the shareholders and take such steps as may be necessary to clear unpaid Dividend at the earliest in the interest of shareholders.
5. To resolve the grievances of Fixed Deposit holders and matters relating to fixed deposit accepted by the Company.
6. Such other matter as may be assigned by the Board of Directors from time to time.

The Company had not received any grievance directly or through Registrar and Transfer Agent All the requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

### 6. CSR Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee is headed by Mr. Chandresh Parikh Executive Chairman and consists of the members as stated below. During the year ended on 31st March, 2015, no meetings was held. The CSR Committee, as on 31st march, 2015, comprised of the following members:

1. Mr. Chandresh Parikh, Executive Chairman
2. Mr. P. M. Shah, Independent Director
3. Mr. Sudhir Parikh, Director

### 7. Risk Management Committee:

The revised Clause 49 mandates constitution of the Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

## REPORT ON CORPORATE GOVERNANCE [Contd.]

The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the CEO and MD and the CFO that the mitigation plans are finalized and up to date, owners are identified and the progress of mitigation actions are monitored. The Risk Management Committee met once in the Financial Year on 16.01.2015.

The Risk Management Committee comprises of the following members:

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Rajesh Parikh, Chairman of Committee	1 of 1
2	Mr. Atil Parikh, MD - Executive	1 of 1
3	Dr. Ajay Ranka, Independent (appointed w.e.f. 11.02.2015)	NA
4	Mr. Bharat Kanani, CFO - Executive	1 of 1
5	Mr. Prashant Bhavsar - Executive	0 of 1
6	Mr. K.K. Mishra, Executive (appointed w.e.f. 11.02.2015)	NA

### 8. Functional Committees

In addition to the above, the Company has constituted Strategic Planning Committee comprising of the Executives from all the Key Departments, Finance Committee and Management Committee from amongst the Directors.

The Finance Committee of Directors holds discussions on financial matters at regular intervals. These discussions will go a long way in reviewing financial affairs of the Company.

The Company may, from time to time, constitute such other functional Committees. The above Committees are delegated powers and duties with respect to specific purposes. Meetings of such Committees are held for the growth and efficient management and better co-ordination in the working of the Company.

The meetings of all the above Committees are held periodically looking to the needs of such meetings.

### 9. Vigil Mechanism Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The policy of vigil mechanism may be assessed on the Company's website at the link: <http://www.20microns.com/admin/upload/Miscellaneous/Vigilence%20policy.pdf>

### 10. General Body Meetings

#### (i) Annual General Meeting (AGM):

The details of Annual General Meetings held in last 3 years are as under:-

Financial Year	Date	Location	Time	No. of Special Resolutions passed
2013-14	27.09.2014	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	Special Resolution for authority to Board for mortgage, hypothecation, pledge or charge U/S 180(a) of the Companies Act, 2013 and approval to Related Party Transaction
2012-13	28.09.2013	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	Special Resolution for shifting Registered Office from the State of Gujarat to Maharashtra
2011-12	09.08.2012	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	No Special Resolution was passed.

#### (ii) Extra Ordinary General Meetings:

In addition to Annual General Meeting, the Company holds General Meetings of the shareholders as and when need arises. During the year, three (3) Extra Ordinary General Meetings were held on 24th May, 2014, 30th June, 2014 and 12th December, 2014 at the Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.

## REPORT ON CORPORATE GOVERNANCE [Contd.]

In compliance with the law, all the members were given an option to vote through electronic means on all the resolutions of the Notice using the CDSL platform. The Board of Directors have appointed Mr. D.R. Desai, Company Secretary in whole time practice as the scrutinizer for Meeting held on 24th May, 2014 and 30th June, 2014 and Mr. J.J. Gandhi, Company Secretary in whole time practice for Meeting held on 27th September, 2014 and 12th December, 2014 to scrutinize the e-voting process in a fair and transparent manner.

The following resolution was passed with the requisite majority as stipulated under the Companies Act, 2013:-

1. Approval to Unsecured Fixed Deposits Scheme for Acceptance of Deposits from Shareholders.
2. Ratification and confirmation of Related Party Transactions done upto 24.05.2014 and approval to related party transaction upto AGM 2015.
3. Authority to the Board for borrowing upto ₹ 300 crs. Under Section 180 (1)(c) of the Companies Act, 2013.
4. Issue of 1470600 Compulsorily Convertible Warrants to the persons other than Promoter Group.

### (iii) Postal Ballot:

During the year, the Company does not get approval of the Members, through Postal Ballot.

## 11. Management review and responsibility

### 11.1 Formal evaluation of officers

The nomination and remuneration committee of the Board approves the compensation and benefits for all executive Board members.

### 11.2 Board interaction with clients, employees, institutional investors, the government and the media.

The Executive Chairman and the MDs represent the company in interactions with investors, the media and various governments.

### 11.3 We have an integrated approach to managing risks inherent in various aspects of our business. The Risk Management Report forms part of this Annual Report.

### 11.4 A detailed report on our Management's discussion and analysis forms part of this Annual Report.

## 12. Disclosures

1. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.
2. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The company has identified that there are no materially significant transactions with the related parties pursuant to the material related party transaction policy formulated by the Company. The link of the policy is: [http://www.20microns.com/InvestorRelations/Miscellaneous/Related\\_party\\_Transaction\\_Policy.php](http://www.20microns.com/InvestorRelations/Miscellaneous/Related_party_Transaction_Policy.php)
3. The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.
4. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
5. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
6. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management. The details of the Risk Management Committee are provided at point no. 7 of this report.
7. During the year ended 31st March, 2015, the Company does not have any material listed/unlisted subsidiary companies as defined in Clause 49 of the Listing Agreement. However, the Company has framed a policy for determining "material subsidiary" and the same is disclosed on the Company's website at [http://www.20microns.com/InvestorRelations/Miscellaneous/Subsidiary\\_Policy.php](http://www.20microns.com/InvestorRelations/Miscellaneous/Subsidiary_Policy.php).
8. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Clause 49 of the Listing Agreement.

## REPORT ON CORPORATE GOVERNANCE [Contd.]

### 12.1 Disclosures of Unclaimed Shares

The following are the number of Shares issued pursuant to the Public Issue, which remain unclaimed despite the best efforts of the Registrar to Issue as well as of the Company:

Particulars	Aggregate No. of Shareholders	Aggregate No. of Shares
Shares lying in Suspense account as on 01.04.2014	3	422
Shares transferred from Suspense account during the year	Nil	Nil
Shares lying in Suspense account as on 31.03.2015	3	422

The Voting rights on above shares shall remain frozen till the rightful owner of such shares claims the shares.

### 12.2 Plant Locations

#### Manufacturing Unit

Plant Location	Address
Bhuj	Plot No.157, Village – Mamuara, Taluka : Bhuj, dist : Kutch, Gujarat - 370 020.
Hosur	Plot No.23-24, SIPCOAT,Phase II, Housr, Dist : Kishangiri, Tamil Nadu - 635109
Tirunelveli	Plot No.104/3, Thenkasi Road, Puthur Village, Alangulam via, Tirunelveli-627851, Tamil Nadu
Vadadala	Plot No.172/175, Jarod – Samalaya Road, Taluka - Savli, Dist. Vadodara - 391520, State - Gujarat.
Alwar	Plot No. F-140 and B-77-78, M.I.A.,Alwar,Rajasthan
Waghodia	Plot No. 9/10/11/336 and 253/254 GIDC,Waghodia
Swaroopgunj	Plot No. F-75-76, RIICO Industrial Estate, Swaroopgunj, Rajasthan-307023
Udaipur	Plot No. F-233-234, Road No. 1E, Matsya Industrial Estate, Madri, Udaipur, Rajasthan-313001.

### 13. CEO / CFO Certification

The CEO and MD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Clause 49 of the listing agreement certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

### 14. Non-Mandatory Requirements under Clause 49 of Listing Agreement

The Company has not adopted non-mandatory requirements as mentioned in Clause 49 of the Listing Agreement.

### 15. Certificate

A certificate from the statutory auditors of the company, confirming the compliance with all the conditions of corporate governance, as stipulated in clause 49 of the listing agreement of the stock exchanges is annexed at the end of this report.

### 16. Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in Business Standard and Loksatta.

These results are simultaneously posted on the website of the Company at [www.20microns.com](http://www.20microns.com).

### 17. Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the company appointed J. J. Gandhi and Co., Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the company. The Secretarial Audit Report confirms that the Company has complied with all the provisions of Companies Act, 2013, Depositories Act, 1996, Listing Agreements with stock exchanges, and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI), as applicable to the company.

### 18. General Shareholders' Information

#### 18.1 Annual General Meeting:

Day and Date : Friday, 25th September, 2015

Time : 3.00 p.m.

Venue : The Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara



## REPORT ON CORPORATE GOVERNANCE [Contd.]

### 18.2 Financial Calendar:

The Company follows the period of 01st April to 31st March, as the Financial Year.

First quarterly results	on or before 15th August, 2015
Second quarterly / Half yearly results	on or before 15th November, 2015
Third quarterly results	on or before 15th February, 2016
Annual results for the year ending on 31st March, 2016	on or before 30th May, 2016
Annual General Meeting for the year ending on 31st March, 2016	on or before 30th September 2016

### 18.3 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 18th September, 2015 till Friday, 25th September, 2015 (both days inclusive) for the purpose of 28th Annual General Meeting.

### 18.4 Listing of Shares and Other Securities:

The company's equity shares are listed on the following stock exchanges:

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Fort, Mumbai – 400 001.

Stock Code: 533022

National Stock Exchange of India Limited

Exchange Plaza, Bandra – Kurla Complex,

Bandra [East], Mumbai – 400 051.

Stock Code: 20MICRONS

### 18.5 Listing Fees:

The Company has paid listing fees up to 31st March, 2015 to the Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE) where Company's shares are listed.

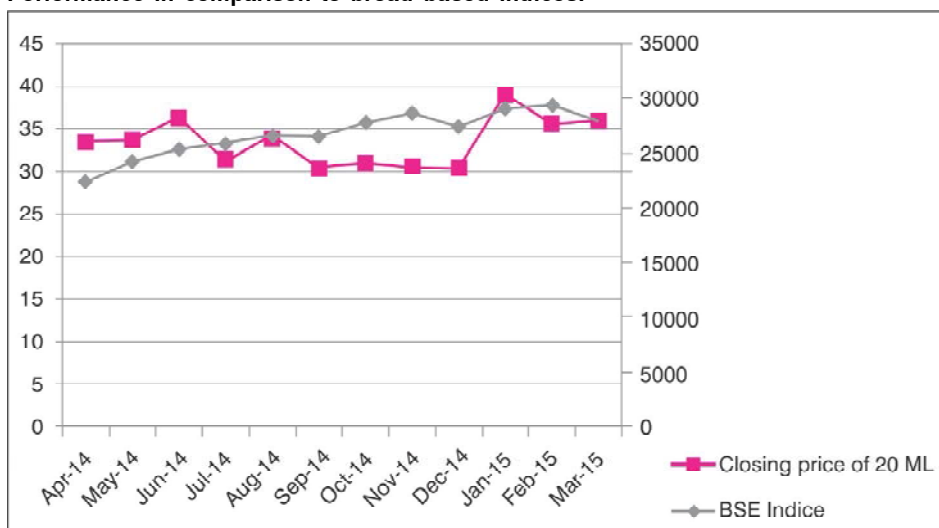
### 18.6 MARKET PRICE DATA

The monthly high and low prices of the shares of the company as quoted on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the FY 2014-15 are given hereunder:

Month	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)
Apr-14	37.50	30.45	33.40	37.65	30.45	33.60
May-14	38.55	32.40	33.65	38.35	32.25	33.95
Jun-14	42.00	33.00	36.20	39.50	33.00	36.30
Jul-14	40.00	31.00	31.50	36.95	31.15	31.55
Aug-14	35.70	30.60	33.90	36.00	30.60	33.95
Sep-14	35.30	30.20	30.45	35.80	30.20	30.40
Oct-14	32.50	30.20	31.05	32.40	30.20	31.15
Nov-14	32.00	30.15	30.55	31.65	30.30	30.55
Dec-14	31.55	26.50	30.40	31.95	27.80	30.60
Jan-15	47.60	30.20	39.05	47.50	30.20	39.10
Feb-15	41.70	35.25	35.60	42.80	35.00	36.05
Mar-15	37.45	33.50	36.00	38.30	33.30	35.60

## REPORT ON CORPORATE GOVERNANCE [Contd.]

### 18.7 Performance in comparison to broad based indices:



### 18.8 Share Transfer Agents:

The following is the details and contacts of the Registrars and Transfer Agents of the company:

CAMEO CORPORATE SERVICES LIMITED

SUBRAMANIAN BUILDING, NO. 1, CLUB HOUSE ROAD,

CHENNAI – 600 002.

TELE FAX: +91 044 28460395/0390

EMAIL : narasimhan@cameoindia.com

### 18.9 SHARE TRANSFER SYSTEM

The company's shares are traded on stock exchanges in demat mode only. Those transfers are effected through depositories i.e. NSDL and CDSL.

In physical mode, the transfer of shares are processed and approved and returned to the transferee within one month from the date of lodgment of the same, subject to documents being valid and complete in all respects.

### 18.10 DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the company as on 31st March, 2015 is as follows:

SL NO.	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
1	between 1 and 1000	3469	62.45	317760	0.94
2	between 1001 and 5000	1497	26.95	668505	1.98
3	between 5001 and 10000	204	3.67	326795	0.97
4	between 10001 and 20000	129	2.32	391715	1.16
5	between 20001 and 30000	57	1.03	289801	0.86
6	between 30001 and 40000	28	0.5	200395	0.59
7	between 40001 and 50000	25	0.45	234801	0.69
8	between 50001 and 100000	46	0.83	684233	2.02
9	> 100000	100	1.8	30701897	90.79
	Total	5555	100	33815902	100

## REPORT ON CORPORATE GOVERNANCE [Contd.]

### 18.11 Shareholding Pattern:

The shareholding of different categories of the shareholders as on 31st March, 2015 is given below:-

Sr. No.	CATEGORY	NO. OF SHARES	% TO TOTAL CAPITAL
1	Promoters & Group	18266929	54.02
2	Financial Institutions/Banks	10946	0.03
3	Bodies Corporate	7071656	20.91
4	Individuals	6293430	18.61
5	Clearing Members	11247	0.03
6	Hindu Undivided Families	280751	0.83
7	Non Resident Indians	1880327	5.56
8	Trusts	616	0.00
	<b>TOTAL</b>	<b>33815902</b>	<b>100.00</b>

### 18.12 Dematerialization of Shares:

About 97.91 % of total equity share capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2015.

### 18.13 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. No discrepancies were noticed during these audits.

### 18.14 INVESTORS CORRESPONDENCE

In order to facilitate quick redressal of the grievances/queries as also quick disposal of the matters relating to physical share transfers, transmissions, transposition and any other query relating to the shares of the Company, please write to:

Ms. Anuja Muley  
Company Secretary and Compliance Officer  
20 Microns Limited  
9/10, GIDC Industrial Estate,  
Waghodia – 391760. Dist. Vadodara, Gujarat, India  
Tel : +91 2668 292297 Fax: +91 2668 264003  
Email: investors@20microns.com

### 18.15 Registered Office:

9/10, GIDC INDUSTRIAL ESTATE,  
WAGHODIA – 391760  
DIST. VADODARA  
GUJARAT, INDIA  
TEL: +91-2668-292297  
FAX: +91-2668-264003

### 19. Subsidiary Companies

There is no material non listed Indian subsidiary Company. The requirements of the Clause 49 of the Listing Agreement with regard to subsidiary companies have been complied with.

## REPORT ON CORPORATE GOVERNANCE [Contd.]

### CEO/ CFO CERTIFICATION

To

**The Board of Directors**

**20 Microns Limited**

**Dear Members of the Board,**

1. We have reviewed Audited Financial statements and the cash flow statement of 20 Microns Limited for the year ended 31st March, 2015 and that to the best of our knowledge and information :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and information, no transactions are entered into by the Company during the year ended 31st March, 2015, which are fraudulent, illegal and violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. In order to evaluate the effectiveness of internal control systems, pertaining to financial reporting and for risk management we have established internal framework to carry out independent study at regular intervals on risk management and internal controls, which helps in forming the opinion for CEO/CFO certification as required.
4. We have informed to the Auditors and the Audit Committee:
  - i) There are no Significant changes in the internal control over financial reporting during the year;
  - ii) There are no Significant changes in accounting policies during the year and
  - iii) There are no Instances of significant fraud of which we have become aware.
5. We have provided protection to Whistle Blower from unfair termination and other unfair or prejudicial employment practices.
6. We further declare that all Board Members and Senior Management Personnel have affirmed compliance with code of conduct and ethics for the year covered by this report.

**Rajesh C. Parikh**  
CEO & Managing Director

**Bharat Kanani**  
Chief Financial Officer

Place : Vadodara  
Date : 07th August, 2015

### AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To,

**The Members of**

**20 MICRONS LIMITED**

We have examined the compliance of condition of Corporate Governance by 20 MICRONS LIMITED for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges in India.

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, and the representation made by directors and the management, 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 as to the efficiency or effectiveness with which the management has conducted affairs of the Company.

**For Manubhai & Shah.**  
Chartered Accountants  
Firm Registration No. 106041W

Place : Ahmedabad  
Date : 07th August, 2015

**G. R. Parmar**  
Partner  
Membership No. 121462

## SECRETARIAL AUDIT REPORT

**(For the Financial year ended on 31st March, 2015)**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
20 Microns Ltd.  
9 - 10, GIDC Industrial Estate,  
Waghodia, Baroda - 391760

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **20 Microns Ltd.** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of **20 Microns Ltd.'s** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2015, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regula-

tions, 2009. - The Shareholders of the Company at their Extra-Ordinary General Meeting passed a special resolution approving the issue of 14,70,600 Compulsory Convertible Warrants into equity shares to the persons other than Promoter Group on preferential basis. In-principal approval to the said issue has been granted by the BSE and NSE on 23rd March, 2015.

- D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period;
- E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
- F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
- H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. - Not mandatory for the Company to comply with during the Audit Period.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

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

Further, as per the representation of management letter, considering its products, process and location, the following Acts are specifically applicable to the Company.

1. The Mines Act, 1952
2. The Mines and Minerals (Development & Regulations) Act, 1957
3. The Mines and Minerals (Development & Regulations) Amendment Ordinance, 2015
4. The Water (Prevention and Control of Pollution) Act, 1974
5. The Air (Prevention and Control of Pollution) Act, 1981

**We further report that;**

The Board of Directors of the Company is duly constituted



## SECRETARIAL AUDIT REPORT [Contd.]

with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The compliance of Secretarial Standards were not mandatory during the Audit period, however, many of them were complied with by the Company.

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

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

**for J. J. Gandhi & Co.**  
**Practising Company Secretaries**

**Place : Vadodara**  
**Date : 7th Aug., 2015**

**(J. J. Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**

This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

### Annexure to Secretarial Audit Report

Date : 7th Aug., 2015

To,  
The Members,  
20 Microns Ltd.  
9 - 10, GIDC Industrial Estate,  
Waghodia, Baroda - 391760

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**for J. J. Gandhi & Co.**  
**Practising Company Secretaries**

**(J. J. Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**

## INDEPENDENT AUDITORS' REPORT

### To The Members Of 20 Microns Limited

Report on the Standalone Financial Statements We have audited the accompanying standalone financial statements of **20 MICRONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended on that date and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to:

- a) Note 4(e) to the financial statements regarding restructuring/re-schedulement of loans by lenders.
- b) Note 42 to the financial statements, regarding action taken by the company for repayment of deposits accepted prior to commencement of the Act and its classification in to Current and Non-Current Category for the reasons stated in the said note.

Our Opinion is not modified in respect of above matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

## INDEPENDENT AUDITORS' REPORT [Contd.]

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Manubhai & Shah**  
Chartered Accountants  
Firm Registration No. 106041W  
**(G. R. Parmar)**  
Partner  
Membership No.121462

Place : Ahmedabad  
Date : May 27, 2015

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report on Standalone Financial Statement of 20 Microns Limited of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management as per phased programme of verification designed to cover all the fixed assets on rotation basis, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification as compared to the records maintained by the Company.
- (ii) (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) and (b)] of the said Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In respect of deposits accepted prior to commencement of the act i.e. 01.04.2014, as per Section 74(1) of the Act, the Company is required

to make repayment of deposit accepted prior to 31.03.2014 within a period of one year from 01.04.2014 or the date on which deposit becomes due for payment, whichever is earlier. The Company has repaid the deposits which have matured during the year 2014-15. However, in respect of deposits maturing after 31.03.2015, the Company has made an application dated March 29, 2015 under Section 74 (2) of the Companies Act, 2013, before the Company Law Board, Western Region Bench, Mumbai to allow the Company to re-pay the deposits up to and inclusive of the time as agreed with the fixed deposit holders.

In respect of deposits accepted after commencement of the Act i.e. 01.04.2014 from members, the Company has complied with provisions of Section 73 of Companies Act, 2013.

According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- (vi) We have broadly reviewed the books of account maintained by the Company in respect of mineral products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
  - (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with appropriate authorities except Income Tax Deducted at source, Sales Tax, Service Tax, Provident Fund and ESIC where there was some delay on few occasions at some of the offices of the company.
- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable as applicable were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT [Contd.]

(b) According to the information and explanations given to us and the records of the Company examined by us, the details of disputed

statutory dues that have not been deposited on account of dispute are as under.

Sr. No.	Name of Statute	Nature of dues	Amount (In Lacs ₹)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Act, 1944	Excise Duty	749.67	Financial Year 07.02.2000 to 31.07.2003	Supreme Court
2.	Central Excise Act, 1944	Excise Duty	2.00	Financial Year 1999-2000	Customs, Excise and Service Tax Appellate Tribunal
3.	Central Excise Act, 1944	Custom Duty	1.50	Financial Year 2006-2007	Customs, Excise and Service Tax Appellate Tribunal
4.	Income Tax Act, 1961	Income tax	5.96	Assessment Year 2009-2010	Commissioner of Income Tax
5.	Income Tax Act, 1961	Income tax	32.76	Assessment Year 2011-2012	Commissioner of Income Tax
6.	Central Sales Tax, 1956	Central Sales Tax	9.43	Financial Year 2008-2009	Commissioner of Commercial Taxes, Appeals

(c) The Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and rules made thereunder.

(viii) The Company has no accumulated losses as at the end of the year ended March 31, 2015 and it has not incurred any cash losses in the year ended on that date or in the immediately preceding year ended on March 31, 2014.

(ix) In our opinion and according to the information and explanations given to us, during the year there have been defaults in repayment of instalments and Interest on Term Loans from the Banks. However in this regards Company had made an application for re-schedulement which was approved by the banks by way of Restructuring Package as mentioned in Note no. 4(e) to the Financial Statements. As per the terms of restructuring package the repayment of dues will commence from April 2016. Hence at the year-end there was no default in terms of restructuring package.

(x) According to the information and explanations given to us, the Company has given guarantee of ₹ 1,225 Lacs for loans taken by Subsidiary Company. The terms of such guarantee are not prejudicial to the interest of the Company.

(xi) The Term Loans were applied for the purpose for which the loans were obtained.

(xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

**For Manubhai & Shah**  
Chartered Accountants  
Firm Registration No. 106041W

Place : Ahmedabad  
Date : May 27, 2015

**(G R Parmar)**  
Partner  
Membership No.121462

## BALANCE SHEET

as at March 31st, 2015

		(₹ In Lacs)	
Particulars	Note	As At 31, March 2015	As At 31, March 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	1690.80	1690.80
(b) Reserves and Surplus	3	5276.64	5750.01
		<b>6967.44</b>	<b>7440.81</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	8066.76	5779.02
(b) Deferred Tax Liabilities (Net)	5	1239.75	1327.18
(c) Other Long Term Liabilities	6	35.21	49.96
		<b>9341.72</b>	<b>7156.16</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	6689.46	7837.74
(b) Trade Payables	8	6649.58	4691.81
(c) Other Current Liabilities	9	1502.33	3525.86
(d) Short-Term Provisions	10	87.69	56.90
		<b>14929.06</b>	<b>16112.31</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31238.22</b>	<b>30709.28</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Tangible Assets	11	14148.14	14550.88
(b) Intangible Assets	11	132.46	139.07
(c) Capital Work-In-Progress	11	709.32	1073.26
(d) Non-Current Investments	12	737.92	737.92
(e) Long Term Loans and Advances	13	1093.37	1440.69
(f) Other Non-Current Assets	14	348.67	310.31
		<b>17169.88</b>	<b>18252.12</b>
<b>(2) Current Assets</b>			
(a) Inventories	15	6316.58	5783.46
(b) Trade Receivables	16	4262.03	5256.35
(c) Cash and Bank Balances	17	1666.06	657.81
(d) Short-Term Loans and Advances	18	1572.75	607.35
(e) Other Current Assets	19	250.92	152.20
		<b>14068.34</b>	<b>12457.16</b>
<b>TOTAL ASSETS</b>		<b>31238.22</b>	<b>30709.28</b>

Significant Accounting Policies 1

The notes referred to above form an integral part of the financial statement.

As per our audit report of even date attached

**For Manubhai & Shah**

Chartered Accountants

Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
Membership No.:121462

C. S. Parikh  
Executive Chairman  
DIN- 00041584

Bharat Kanani  
Chief Financial Officer

Anuja Muley  
Secretary

May 27, 2015  
Waghodia, Vadodara

May 27, 2015  
Waghodia, Vadodara



## STATEMENT OF PROFIT AND LOSS

as at March 31st, 2015

		(₹ In Lacs)	
Particulars	Note	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>I</b> Revenue from Operations (Gross)	20	32518.83	30095.37
Less : Excise Duty		1197.13	1053.53
Revenue from Operations (Net)		31321.70	29041.84
<b>II</b> Other Income	21	644.72	873.44
<b>III Total Revenue [I + II]</b>		<b>31966.42</b>	<b>29915.28</b>
<b>IV Expenses</b>			
(a) Cost of Materials Consumed	22	16023.00	14746.67
(b) Changes in Inventories of Finished Goods	23	(212.26)	(512.69)
(c) Employee Benefit Expenses	24	2859.96	2589.80
(d) Finance Costs	25	2492.05	2168.96
(e) Depreciation and Amortization Expense		945.20	1007.51
(f) Other Expenses	26	10319.74	9905.92
<b>IV Total Expenses</b>		<b>32427.69</b>	<b>29906.16</b>
<b>V Profit Before Tax [III - IV]</b>		<b>(461.27)</b>	<b>9.12</b>
<b>VI Tax Expenses</b>			
(a) Current Tax		-	9.00
(b) MAT Credit Entitlement		-	(9.00)
(c) Deferred Tax		(55.57)	(4.99)
(d) Wealth Tax		1.71	1.05
<b>Total Tax Expenses</b>		<b>(53.86)</b>	<b>(3.94)</b>
<b>VII Profit/ (Loss) For The Year [V - VI]</b>		<b>(407.41)</b>	<b>13.06</b>
<b>Earning per Equity Share of ₹ 5 each [ in ₹ ]</b>			
Basic		<b>(1.20)</b>	<b>0.04</b>
Diluted		<b>(1.20)</b>	<b>0.04</b>

Significant Accounting Policies

1

The notes referred to above form an integral part of the financial statement.

As per our audit report of even date attached

**For Manubhai & Shah**

Chartered Accountants

Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
Membership No.:121462

C. S. Parikh  
Executive Chairman  
DIN- 00041584

Bharat Kanani  
Chief Financial Officer

Anuja Muley  
Secretary

May 27, 2015  
Waghodia, Vadodara

May 27, 2015  
Waghodia, Vadodara

## CASH FLOW STATEMENT

### as at March 31st, 2015

	(₹ In Lacs)	
	for the year ended 31, March 2015	for the year ended 31, March 2014
<b>A. Cash Flow From Operating Activities</b>		
<b>Profit / (Loss) Before Tax</b>	<b>(461.27)</b>	<b>9.12</b>
<b>Adjusted For :</b>		
Depreciation and Amortisation Expenses	945.20	1007.51
Gratuity Provision	87.64	48.37
Provision For Doubtful Debts	38.00	34.74
Bad Debts written off	1.53	
Provision For Leave Encashment	4.50	(2.26)
Provision Written Back	(53.13)	
Credit Balances Written Back	(51.70)	(50.29)
Debit Balances Written-Off	19.67	46.50
Profit on Disposal Of Tangible Assets	(95.36)	(.36)
Loss on Disposal Of Tangible Assets	21.17	26.92
Dividend From Long Term Investments	(324.82)	(648.90)
Interest Received on Bank Deposits	(59.32)	(42.14)
Interest Paid	2483.96	2165.91
Forward Premium	8.09	3.04
	<u>3025.43</u>	<u>2589.05</u>
<b>Operating Profit Before Working Capital Changes</b>	<b>2564.16</b>	<b>2598.16</b>
<b>Adjusted For :</b>		
Increase / (Decrease) In Trade Payables and Liabilities	(221.67)	2124.99
(Increase) / Decrease In Trade Receivables	935.12	(842.11)
(Increase) / Decrease In Loans and Advances	(546.48)	94.66
(Increase) / Decrease In Inventories	(533.12)	(1351.55)
(Increase) / Decrease In Other Assets	319.01	(203.72)
	<u>(47.13)</u>	<u>(177.74)</u>
<b>Cash Generated From Operation</b>	<b>2517.02</b>	<b>2420.43</b>
Direct Taxes Paid (Net of Refund)	<u>(71.62)</u>	<u>(108.91)</u>
<b>Net Cash From Operating Activities</b>	<b>2445.40</b>	<b>2311.52</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Tangible Assets, Capital Work In Progress including Capital Advances	(274.93)	(2553.24)
Purchase of Intangible Assets	(45.63)	(26.35)
Proceeds From Disposal of Tangible Assets	125.03	30.51
Dividend From Long Term Investments	(256.67)	595.40
Interest Received on Bank Deposits	59.32	42.14
	<u>59.32</u>	<u>42.14</u>
<b>Net Cash Used In Investing Activities</b>	<b>(392.89)</b>	<b>(1911.54)</b>

## CASH FLOW STATEMENT

as at March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	for the year ended 31, March 2015	for the year ended 31, March 2014
<b>C. Cash Flow From Financing Activities</b>		
Proceeds From Long-Term Borrowings (Net)	2287.75	46.43
Proceeds From Short-Term Borrowings (Net)	(1148.28)	1306.01
Dividend Paid	-	(158.31)
Corporate Dividend Tax On Dividend Paid	-	(26.90)
Share Premium Received	-	592.31
Proceed From Issue of Share Capital	-	107.69
Interest Paid	(2483.96)	(2165.91)
Forward Premium	(8.09)	(3.04)
<b>Net Cash Used In Financing Activities</b>	<b>(1352.58)</b>	<b>(301.73)</b>
<b>Net Increase In Cash and Cash Equivalents</b>	<b>699.93</b>	<b>98.25</b>
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>207.20</b>	<b>108.94</b>
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>907.13</b>	<b>207.20</b>

### Notes:

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' specified under section 133 of the Companies Act, 2013.
- Components of Cash and cash equivalents

Particulars	As at 31 March, 2015	As at 31 March, 2014
Cash in hand	20.82	14.51
Balances with banks in current accounts	1077.68	201.14
<b>Total</b>	<b>1098.50</b>	<b>215.64</b>
Less: amount due to bank in current accounts	(191.37)	(8.44)
<b>Total</b>	<b>907.13</b>	<b>207.20</b>

- Bank Overdraft and other short term loans have been treated as part of financing activities.
- Figures in bracket indicates cash outflows.
- Previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's classification.

As per our audit report of even date attached

**For Manubhai & Shah**  
Chartered Accountants  
Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
Membership No.:121462

C. S. Parikh  
Executive Chairman  
DIN- 00041584

Bharat Kanani  
Chief Financial Officer

Anuja Muley  
Secretary

May 27, 2015  
Waghodia, Vadodara

May 27, 2015  
Waghodia, Vadodara

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### for the year ended March 31st, 2015

#### Note 1 : Significant Accounting Policies :

##### A. Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules 2006 which continues to be applicable under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The reporting currency is INR and amounts are rounded off to nearest lacs.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### B. Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon best knowledge of current events and actions, actual results could differ from these estimates. These differences are recognized in the period in which the results are known / materialized.

##### C. Revenue Recognition

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

- Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership; and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales figure are inclusive of excise duty and freight in case of landed rates, but are of net of sales returns, and rate difference adjustments.
- Export benefits available under the prevalent schemes are accrued in the year in which the goods are exported and are accounted to the extent considered recoverable.
- Dividend income is recognized when the right to receive dividend is established.
- Interest income is recognized on accrual basis.

##### D. Fixed Assets and Depreciation

- Fixed assets including leasehold improvements and technical knowhow costs are stated at cost (net of CENVAT, wherever applicable). Cost includes direct expenses related to acquisition and installation and interest incurred during construction period.
- Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 or over the estimated useful lives of the assets, whichever is higher. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.
- In respect of addition and sales of assets during the year, depreciation is provided on pro-rata basis.
- In case of assets acquired on lease, cost / premium paid are being amortized over a period of 20 years or the life the lease whichever is less.
- Expenditure on projects pending capitalization is shown under the head "Capital Work In Progress" which will be capitalized to respective heads of Fixed Assets on commencement of commercial production.
- Machinery spares either procured along with plant and machineries or subsequently and whose useful life is expected to be irregular are capitalized and depreciated over residual use life of related plant and machinery.

##### E. Intangible Assets

- Acquired Intangible Assets in the form of "Process Know How" is recognized at the cost of acquisition and amortized on straight line basis over a period of five years, depending on their estimated useful life.
- Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits. ERP Project fees are amortized over a period of seven years. Costs of all other software are amortized over a period of five years.
- The amortization period and method are reviewed at each year end.

##### F. Impairment of Fixed Assets

- Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### for the year ended March 31st, 2015 [Contd.]

cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use.

- b) Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

#### G. Inventories

Raw Materials, Stores & Spares and finished goods are valued at cost or net realizable value whichever is lower. For this purpose cost is arrived at on weighted average basis. In respect of finished goods appropriate overheads are considered based on the normal operating capacity. Cost of finished goods also includes excise duty if applicable.

#### H. Foreign Exchange Transactions

- a) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchanges rate between the reporting currency and the foreign currency at the date of transaction. Foreign currency monetary items outstanding as on balance sheet date are revalued at exchange rate prevailing on balance sheet date (closing rate) and the gain / loss is recognized in Statement of Profit and Loss.
- b) The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the Contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

#### I. Investments

- a) Current Investments are carried at the lower of cost and quoted / fair value, computed category wise.
- b) Long-term investments are stated at cost added by directly attributable cost. Provision for diminution in the value of long-term investments is made only if such a decline is of other than temporary in nature in the opinion of the management.

#### J. Employee Benefits

- a) Short Term Employee Benefits

Short term employee benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services is rendered. Short term employee benefits also include accrued leave

benefits, which are expected to be availed or encashed within 12 months from the end of the year.

- b) Post-employment benefit plans

- b.i) Defined Contribution Plan

Contribution towards provident fund for eligible employees are accrued in accordance with applicable statutes and deposited with the regulatory authorities. The Company does not carry any other obligation apart from the monthly contribution.

- b.ii) Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is administered through a Trust. Contributions in respect of gratuity are made to the approved Gratuity Fund of the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and is recognized in the Balance sheet as reduced by the fair value of Gratuity Fund. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

#### K. Borrowing Cost

General and specific borrowing costs directly attributable to the acquisition, construction and production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

#### L. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### M. Taxes on Income

- a) Tax expense comprise of current and deferred taxes.
- b) Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.
- c) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### for the year ended March 31st, 2015 [Contd.]

enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset is recognized on carried forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. At each reporting date, the unrecognized deferred tax assets is reassessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities.

- d) Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence

to the effect that Company will pay normal Income Tax during the specified period.

#### **N. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### **O. Cash and Cash Equivalents**

In the Cash Flow Statement, cash and cash equivalents represent cash on hand and demand deposits with bank.

#### **P. General**

Accounting policies not specifically referred to are consistent with generally accepted accounting practice.



## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015

	(₹ In Lacs)	
	As At 31 March, 2015	As At 31 March, 2014
<b>2. Share Capital</b>		
<b>a. Authorised Capital</b>		
6,00,00,000 Equity Shares of ₹ 5/- each (Previous Year 6,00,00,000 Equity Shares of ₹ 5/- each)	<b>3000.00</b>	<b>3000.00</b>
<b>b. Issued, Subscribed and Fully Paid-Up Equity Shares</b>		
3,38,15,902 Equity Shares of ₹ 5/- each (Previous Year: 3,38,15,902 shares of ₹ 5 each)	<b>1690.80</b>	<b>1690.80</b>
<b>c. Reconciliation of the share outstanding at the beginning and at the end of the reporting period.</b>		

Name of Shareholder	As At 31 March, 2015		As At 31 March, 2014	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	33,815,902	169,079,510	31,662,056	158,310,280
Issued during the period - Debenture Conversion	-	-	2,153,846	10,769,230
<b>Outstanding at the end of the year</b>	<b>33,815,902</b>	<b>169,079,510</b>	<b>33,815,902</b>	<b>169,079,510</b>

**d. Rights, Preferences and Restrictions Attached to Equity Shares**

- The Company has only one class of shares referred to as equity shares having a par value of ₹ 5 each.
- Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.
- The dividend proposed if any by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.
- In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

**e. Details of Shareholders Holding More Than 5% Equity Shares in the Company:**

Name of Shareholders	As At 31 March, 2015		As At 31 March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Eriez Finance And Investment Limited	8,250,235	24.39	8,250,235	24.40
Chandresh S Parikh	3,630,400	10.74	3,630,400	10.74
Rameshbhai Baldevbhai Patel	1,953,100	5.78	1,953,100	5.78
Arcadia Share & Stock Brokers Private Limited	2,129,134	6.30	1,748,965	5.17
Pratik Minerals Private Limited	2,153,846	6.37	2,153,846	6.37
<b>Total</b>	<b>18,116,715</b>	<b>53.57</b>	<b>17,736,546</b>	<b>52.46</b>

- f. The Company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2015.

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

		(₹ In Lacs)		
		As At 31 March, 2015	As At 31 March, 2014	
<b>3. Reserves and Surplus</b>				
<b>a. General Reserve</b>				
Balance as per last year Financial Statement	120.54	120.54		
<b>Closing Balance</b>	<b>120.54</b>	<b>120.54</b>		
<b>b. Securities Premium Account</b>				
Balance as per last year Financial Statement	3553.86	2961.55		
Add : Addition during year	-	592.31		
<b>Closing Balance</b>	<b>3553.86</b>	<b>3553.86</b>		
<b>c. Surplus as per Statement of Profit and loss</b>				
Balance as per last year Financial Statement	2075.61	2062.55		
(Less) : Depreciation Adjustment [Refer Note : 11(5)]	(65.95)	-		
Add/(Less): Net Profit/(Loss) for the year	(407.41)	13.06		
<b>Closing Balance</b>	<b>1602.25</b>	<b>2075.61</b>		
<b>Total Reserves and Surplus</b>	<b>5276.64</b>	<b>5750.01</b>		
<b>4. Long Term Borrowings</b>				
Particulars	2015		2014	
	Current Maturities	Non-Current Maturities	Current Maturities	Non-Current Maturities
<b>a. Secured Borrowings</b>				
i. Term Loans				
From Banks (Refer Note e. below)	52.52	7465.21	2004.49	4933.94
From Financial Institution	-	-	15.64	-
<b>Total Secured Borrowings</b>	<b>52.52</b>	<b>7465.21</b>	<b>2020.13</b>	<b>4933.94</b>
<b>b. Unsecured Borrowings</b>				
i. From Financial Institution	-	-	26.11	-
ii. Deposits				
From Public & Members	405.46	591.30	476.00	773.33
From Related Parties (Refer Note No. 37)	66.50	10.25	31.05	71.75
iii. Deferred Payment Liabilities				
Sales Tax Deferment Loan	-	-	31.04	-
(Deferred Loan repaid in monthly installments)				
<b>Total Unsecured Borrowings</b>	<b>471.96</b>	<b>601.55</b>	<b>564.20</b>	<b>845.08</b>
<b>Total Borrowings</b>	<b>524.48</b>	<b>8066.76</b>	<b>2584.33</b>	<b>5779.02</b>
		<b>8591.24</b>		<b>8363.35</b>

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

#### c. Maturity Profile of Borrowings [as at March 31, 2015]

##### Secured Borrowings

The principal amount of the loans to each of the lenders shall be repayable in equated monthly installments ranging over a period from 48 months to 96 months. The repayment scheduled as per the sanction terms for sanction amounts of loans is as under :

Year	From Bank
Effective Interest Rate	9.11% to 13.75%
2015-16	52.52
2016-17	859.56
2017-18	836.86
2018-19	971.94
2019-20	1366.78
2020-21	1505.86
2021-22	1066.00
2022-23	857.87
	<b>7517.40</b>

##### Unsecured Borrowings

Year	Public Deposits
Effective Interest Rate	10.25% - 13.62%
2015-16	471.96
2016-17	408.73
2017-18 and Onwards	192.82
	<b>1073.51</b>

#### d. Details of Securities

The term loans obtained as consortium loans are secured by way of

##### 1 First pari-passu charge by way of mortgage / hypothecation over :

- Plot No. 157 Mamura, Bhuj (admeasuring 3.20 acres)
- Negative lien on Plot No. 158,156,149 of Mamura, Bhuj (admeasuring 74399 sq.mtrs.)
- Plot No. 172,174 & 175, Vadadala, Baroda (admeasuring 03.00.01 hectares)
- Plot No. F-75/76/82/85 & H-83/84, RIICO I.A., Swaroopganj, Rajasthan (admeasuring 9,457.50 sq.mtrs.)
- 307/308, Arundee Complex, Race Course, Baroda (admeasuring 1,405 super built up area)
- 134,135 1st Floor, Hindustan Kohinoor Ind. Complex, LBs Marg, Vikhroli (W), Mumbai (admeasuring 870 sq. ft.)
- Plot No. B-77 (Admeasuring 8825 sq. mts.) and B-78 (Admeasuring 8480 sq. mts), Matsya Industrial Area, Alwar, Rajasthan.
- Plot no. 253-254 (area 3000 sq.mtrs.) and plot no.728 & 729 (area 4061 sq mtrs), GIDC, Waghodia
- Plot no. F-140 (admeasuring 2304 sq.mtrs.)
- Plot no.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu
- Plot no.104/3 of land located at survey no 65, village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)
- Plant and machinery, both present and future, wherever situated at all factories and premises pertaining to above locations.

##### 2 Second pari-passu charge by way of mortgage / hypothecation over :

Current assets, both present and future, wherever situated, but pertaining to the division/factory/premises at Vadadala, Waghodia and Bhuj (all in Gujarat), Alwar and Swaroopganj (both in Rajasthan), Hosur and Tirunvelli (both in Tamil Nadu) and Vikhroli (W), Mumbai.

- All the term loans are further collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Finance & Investment Ltd.", a company where significant influence exists.
- Term loans of ₹ 88.79 Lacs (Previous Year: ₹ 133.63 Lacs) obtained for acquisition of assets (vehicles) are secured only by the hypothecation of the respective assets financed.

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

#### e. Restructuring of Term and Working Capital Loans during the Year

During the financial year ended March 31, 2015, the Company's proposal of restructuring of existing fund based and non-fund based financial facilities with Consortium Bankers namely State Bank of India and IDBI Bank Limited was approved. The cut off date agreed is 1<sup>st</sup> April, 2014 and restructuring is subject to renewal and reassessment every year.

As per the restructuring proposal, the existing Term Loans and Corporate Loan have been rescheduled / restructured and certain portion of interest has been converted into Funded Interest Term Loans (FITL). Repayment of Term Loans, Corporate Loan and FITL shall be made in equal monthly instalments from April 2016 after considering a moratorium period of 24 Months. Important conditions of the restructuring proposals are as under :

- a. Release of primary security in the form of land and building located at the following locations with the condition to deposit the sale proceeds in Term Loan account(s):  
Plot Nos.- 253 & 254, 728 & 729, GIDC Waghodia.  
Plot nos-F-75/76/82/85 & H-83/84, RIICO, Swaroopgunj, Rajasthan.  
Plot no-140, Alwar, Rajasthan.  
Survey no-65, Door no. 104-3, Puthur village, Tirunelveli.  
307-308, Arundee Complex, Vadodara.
- b. all advances are to be collaterally secured by pledge of entire shareholding of promoters of the Company i.e. of 8,500,547 shares including 1,550,235 unencumbered shares of Corporate Promoter being "Eriez Finance & Investment Limited".
- c. Eriez Finance & Investment Limited is to provide corporate guarantee as security which has been provided on 26<sup>th</sup> March, 2015.
- d. Any deficit in estimated internal accruals / cash flow during the restructured period shall be made up by additional promoters' contribution (non-interest bearing funds).
- e. No additional capex (except to the extent captured in the CMA) or change in management structure of the company shall be made without prior permission of the Consortium.
- f. In the event of increase in Paid-Up Capital of the company, the promoters' shall pledge their shares additionally, to ensure that total pledged shares to Banks forms 30% of the total Paid-Up Capital.
- g. Company shall not declare dividends or increase remuneration / compensations to Directors / top executives without prior approval of the Banks.

#### 5. Deferred Tax Liability (net)

	2013-14	Changes during the year	2014-15
<b>Deferred Tax Liabilities</b>			
Product Development Expenses	19.35	7.97	27.32
Difference between WDV of Fixed Assets as per the Income Tax Act, 1961 and the Companies Act, 2013.			
	1722.48	165.19	1887.67
<b>Gross Deferred Tax Liabilities</b>	<b>1741.83</b>	<b>173.16</b>	<b>1914.99</b>
<b>Deferred Tax Assets</b>			
Unabsorbed Depreciation and Carry Forward Losses	366.77	243.60	610.37
Disallowances under the Income Tax Act, 1961			
VRS Expenses u/s 35DDA	2.56	(2.56)	-
Provision for Bad and Doubtful Debts	43.19	11.36	54.55
Provision for Gratuity Liability	2.13	8.19	10.32
<b>Gross Deferred Tax Assets</b>	<b>414.65</b>	<b>260.59</b>	<b>675.24</b>
<b>Net Deferred Tax Liabilities</b>	<b>1327.18</b>	<b>(87.43)</b>	<b>1239.75</b>
<b>Previous Year</b>	<b>1332.17</b>	<b>(4.99)</b>	<b>1327.18</b>

The tax impact for the above purpose has been arrived at by applying tax rate of 33.06% being the enacted tax rates for Indian companies under the Income Tax Act, 1961. Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing tax laws.

Movement for the year is after adjustment of deferred tax of ₹ 31.86 lacs calculated for the carrying value of assets, whose remaining useful life is Nil as at 1 April 2014, and whose accumulated depreciation has been charged to the opening balance of retained earnings pursuant to the Companies Act, 2013.

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	As At 31 March, 2015	As At 31 March, 2014
<b>6. OTHER LONG TERM LIABILITIES</b>		
Trade Deposits	2.39	2.61
Interest Accrued But Not Due	32.82	47.35
<b>Total</b>	<b>35.21</b>	<b>49.96</b>
<b>7. SHORT TERM BORROWINGS</b>		
<b>a. Secured (Repayable on Demand)</b>		
Working Capital Facilities From Banks - Refer Note 4(e) (Effective Rate of Interest being 12.75%)	5781.66	7053.99
<b>b. Unsecured</b>		
Deposits from Public and Members (Effective Rate of Interest being 10.25% - 11.04%)	723.80	783.75
Inter Corporate Deposits	184.00	-
<b>Total</b>	<b>6689.46</b>	<b>7837.74</b>
<b>c. Details of Securities</b>		
The working capital facilities are secured by way of:		
1 First pari-passu charge by way of hypothecation of:		
Current Assets, both present and future, wherever situated, but pertaining to the division/factory/premises at Vadadala, Waghodia and Bhuj (all in Gujarat), Alwar and Swaroopganj (both in Rajasthan), Hosur and Tirunvelli (both in Tamil Nadu) and Vikhroli (W), Mumbai.		
2 Second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 3(d)(1).		
3 The working capital finance facilities are further collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Finance & Investment Ltd. ", a company where significant influence exists.		
<b>8. TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	38.42	70.21
Other suppliers	6611.15	4621.60
<b>Total</b>	<b>6649.58</b>	<b>4691.81</b>
<b>8.1</b> The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:		
1. Principal Amount due and remaining unpaid	38.42	70.21
2. Interest due on (1) above and unpaid interest	-	-
3. Interest paid on all delayed payments under MSMED Act, 2006	7.77	4.15
4. Payment made beyond the appointed day during the year	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-
6. Interest accrued and remaining unpaid	-	-
7. Amount of further interest remaining due and payable in succeeding years	-	-

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	As At 31 March, 2015	As At 31 March, 2014
<b>9. OTHER CURRENT LIABILITIES</b>		
Salary and Wages Accrued	131.70	148.27
Current Maturities Of Long Term Borrowings		
Secured Term Loans From Banks (Refer Note No. - 4)	52.52	2004.49
Secured Borrowings From Financial Institutes	-	15.64
Unsecured Borrowings From Financial Institutes	-	26.11
Deposit From Public	405.46	476.00
Deposit From Related Parties	66.50	31.05
Sales Tax Deferment Loan	-	31.04
Amounts Due to Banks In Current Account	191.37	8.44
Interest Accrued But Not Due	175.74	200.61
Unclaimed Dividends	1.83	2.11
Unclaimed Matured Deposits	15.00	3.49
Advance From Customers	4.92	156.96
Statutory Dues	86.82	76.44
Other Payables	370.47	345.21
<b>Total</b>	<b>1502.33</b>	<b>3525.86</b>
<b>10. SHORT TERM PROVISIONS</b>		
<b>a. Provision For Employee Benefits</b>		
Leave Encashment	4.50	6.53
Gratuity	31.20	6.56
(Net of plan assets ₹ 312.41 lacs; Previous Year ₹ 252.84 lacs)		
<b>b. Others</b>		
Excise and Royalty on Finished Goods	51.99	43.81
<b>Total</b>	<b>87.69</b>	<b>56.90</b>



# NOTES TO FINANCIAL STATEMENT

## for the year ended March 31st, 2015 [Contd.]

11. Fixed Assets											
Particulars	Gross Block				Depreciation / Amortisation				Net Block		
	As At April 01, 2014	Additions During Year	On Sale/ Adjustments	Total March 31, 2015	Upto April 01, 2014	Provided During Year	On Sale Adjustments	On Sale	Up To March 31, 2015	As At March 31, 2015	As At March 31, 2014
(A) TANGIBLE ASSETS											
Freehold Land	65.54	-	-	65.54	-	-	-	-	-	65.54	65.54
Leasehold Land	623.03	-	(11.96)	611.07	111.69	31.46	(4.53)	-	138.62	472.44	511.34
Office Building	130.49	10.75	(.65)	140.59	30.14	8.20	(.8)	2.84	41.11	99.48	100.35
Leasehold Office Building	75.20	-	-	75.20	24.44	7.52	-	-	31.96	43.24	50.76
Factory Building	3517.07	61.60	(32.94)	3545.73	507.18	109.65	(7.72)	-	609.12	2936.61	3009.89
Plant and Machinery	14667.67	546.87	(36.36)	15178.17	4416.20	611.23	(21.99)	70.34	5075.78	10102.39	10251.46
Vehicles	448.45	10.58	(4.07)	454.96	140.68	60.78	(1.64)	1.88	201.70	253.26	307.77
Furniture	225.27	.05	-	225.32	82.52	20.76	-	2.39	105.67	119.64	142.75
Computer & Software	147.95	5.92	(4.54)	149.33	100.15	21.17	(4.26)	6.21	123.26	26.06	47.80
Office Equipments	103.67	3.11	(.71)	106.07	40.46	22.18	(.19)	14.15	76.60	29.47	63.21
Total	20004.33	638.87	(91.23)	20551.97	5453.45	892.96	(40.40)	97.81	6403.82	14148.14	14550.88
Previous year	18411.07	1786.48	(193.22)	20004.33	4634.26	955.35	(136.16)	-	5453.45	14550.88	13776.81
(B) Intangible Assets											
Product Development	191.36	45.63	-	236.99	131.73	22.63	-	-	154.36	82.63	59.63
SAP Expenses & Licence	-	-	-	-	-	-	-	-	-	-	-
Fees	192.46	-	-	192.46	113.01	29.61	-	-	142.63	49.83	79.44
Total	383.81	45.63	-	429.45	244.74	52.24	-	-	296.98	132.46	139.07
Previous year	357.46	26.35	-	383.81	192.58	52.16	-	-	244.74	139.07	164.89
(C) Capital Work in Progress											
Total	20388.14	684.50	(91.23)	20981.41	5698.19	945.20	(40.40)	97.81	6700.81	14989.92	15763.21
Previous year	18768.54	1812.83	(193.22)	20388.14	4826.84	1007.51	(136.16)	-	5698.19	15763.20	14285.49

### Notes:

- 1) Pursuant to Accounting Standard AS-28, 'Impairment of Assets', there is no impairment of Assets.
- 2) The Company has taken an office building on finance lease, having aggregate cost of ₹ 75 Lacs during the financial year 2010-11. The period of lease is for 10 years with rights of ownership of assets to be transferred to company at the end of lease period. The Company has paid in advance at the inception of the lease, the lease rental payment agreed for the lease period. In view of the same there is no outstanding liability of rental payments to be made by the company over the lease period and consequently there is no interest cost attached to it.
- 3) Addition during the year includes interest, finance charges and Project Department Salary amounting to ₹ 30.72 lacs (Previous Year: ₹ 76.24 lacs) capitalised required by Accounting Standard AS-16 'Borrowing Cost'
- 4) CWIP includes interest and finance charges amounting to ₹ 180.68 lacs (Previous Year: ₹ 182.01 lacs) capitalised as required by Accounting Standard-16 'Borrowing Cost'.
- 5) During the current year, the Company has revised the useful lives of fixed assets as per useful life specified in Schedule II to the Companies Act, 2013 as on 1 April 2014. Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the revised remaining useful lives. As a result of this change, the depreciation charge for the year ended 31 March 2015 is lower by ₹ 83.80 lacs. Further ₹ 65.95 lacs (net of deferred tax of ₹ 31.86 lacs) representing the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014 has been charged to the opening balance of retained earnings pursuant to the Companies Act, 2013. This amount is shown as adjustment to the accumulated depreciation balance.

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	As At 31 March, 2015	As At 31 March, 2014
<b>12. NON CURRENT INVESTMENTS</b>		
<b>a. Trade Investments</b>		
In Unquoted Fully Paid Up Equity Shares of Subsidiary Companies:		
i. 20 Microns Nano Minerals Limited 60,00,000 shares (Previous Year: 60,00,000 shares) of ₹ 10 each.	600.00	600.00
ii. 20 Microns SDN BHD 3,60,000 shares (Previous Year: 3,60,000 shares) of RM 1 each.	50.39	50.39
iii. 20 Microns FZE 1 share (Previous Year: 1 share) of AED 1,50,000.	18.64	18.64
<b>Total Trade Investments</b>	<b>669.03</b>	<b>669.03</b>
<b>b. Non-Trade Investments</b>		
In Unquoted Fully Paid Up Equity Shares of		
i. 6,80,000 equity shares (Previous Year: 6,80,000) of Eriez Finance and Investment Limited, ₹ 10 each fully paid up.	68.00	68.00
Other Investment National Savings Certificate (Lodged with Sales tax Authorities)	.89	.89
<b>Total Non-Trade Investments</b>	<b>68.89</b>	<b>68.89</b>
<b>Total Investments</b>	<b>737.92</b>	<b>737.92</b>
<b>13. LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
Advance to Suppliers of Capital Goods	808.90	1125.28
Loans and Advances to Related Parties (Refer Note No.37)	-	18.61
Balances With Tax Authorities	2.50	14.82
Mat Credit Entitlement	281.97	281.97
<b>Total</b>	<b>1093.37</b>	<b>1440.69</b>
<b>14. OTHER NON CURRENT ASSETS</b>		
Security Deposits	279.87	278.42
Mine Development Charges	68.80	31.89
<b>Total</b>	<b>348.67</b>	<b>310.31</b>
<b>15. INVENTORIES</b>		
Raw Materials	3780.81	3386.67
Finished Goods	2055.67	1843.41
Stores and Spares	371.39	349.04
Goods in Transit (Raw Materials)	108.71	204.34
<b>Total</b>	<b>6316.58</b>	<b>5783.46</b>
The inventory is valued at lower of cost or net realisable value.		
<b>16. TRADE RECEIVABLES (UNSECURED)</b>		
<b>a. Debts Outstanding For a Period Exceeding Six Months</b>		
From Due Date of Repayment:		
Considered Good	43.31	17.65
Considered Doubtful	165.00	133.11
	208.31	150.76
Less : Provision for Doubtful Debts	(165.00)	(133.11)
	43.31	17.65
<b>b. Other Debts - Considered Good</b>	<b>4212.72</b>	<b>5232.69</b>
<b>c. Amounts Due From Related Parties</b>	<b>6.00</b>	<b>6.01</b>
<b>Total</b>	<b>4262.03</b>	<b>5256.35</b>

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

		(₹ In Lacs)
	As At 31 March, 2015	As At 31 March, 2014
<b>17 CASH AND BANK BALANCES</b>		
a. <b>Cash and Cash Equivalents</b>		
Cash on Hand	20.82	14.51
Balances with banks in current account	1077.68	201.14
	<b>1098.50</b>	<b>215.64</b>
b. <b>Other balances</b>		
In Deposit Account (Liquid Asset)	190.61	187.89
In Deposit Account (LC & BG Margin Money)	375.12	252.18
In Unpaid Dividend Account #	1.83	2.11
	<b>567.56</b>	<b>442.17</b>
The above includes deposits of ₹ 125.53 lacs (previous year: ₹ 157.18 Lacs) due for maturity after 1 year. # balance held in unpaid dividend account are restricted amounts and not available for use.		
<b>Total</b>	<b>1666.06</b>	<b>657.81</b>
<b>18 SHORT TERM LOAN AND ADVANCES (Unsecured, Considered Good)</b>		
Loans and Advances to Related Parties	145.61	107.73
Others :		
Balances With Tax Authorities	51.52	125.21
Advance Payment of Income Tax	149.94	78.32
(Net of Provision ₹ 817.50 lacs; Previous Year ₹ 818.50 lacs)		
Loan & Advance to Employees	22.20	23.81
Advances to Suppliers	1045.48	106.66
Deposits	46.74	55.69
Prepaid Expenses	89.15	82.02
Others	22.12	27.91
	<b>1572.75</b>	<b>607.35</b>
<b>19 OTHER CURRENT ASSETS</b>		
Export Incentive Receivable	24.02	17.18
Insurance Claim Receivable	6.16	-
Income Accrued But Not Due On Deposits	44.79	27.21
Accrued Dividend From Subsidiaries	175.95	107.80
<b>Total</b>	<b>250.92</b>	<b>152.20</b>
		(₹ In Lacs)
	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>20 Revenue From Operations</b>		
Sale of Products - Domestic	29268.12	26560.29
- Export	3232.05	3515.93
	<b>32500.17</b>	<b>30076.23</b>
Less : Excise Duty	1197.13	1053.53
	<b>31303.04</b>	<b>29022.70</b>
Other Operating Revenues	18.65	19.15
<b>Total</b>	<b>31321.70</b>	<b>29041.84</b>

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>20.1 Details of products sold are as under (Net Sales)</b>		
Dry Mineral Products	23510.11	21841.35
Wet Mineral Products	7660.17	7058.66
Others	132.76	122.69
<b>Sub Total</b>	<b>31303.04</b>	<b>29022.70</b>
<b>20.2 Details of Other Operating Revenues of the Company are as under :</b>		
Scrap Sales	6.39	5.04
Miscellaneous Income	.04	.29
Export Incentives	12.22	13.82
<b>Sub Total</b>	<b>18.65</b>	<b>19.15</b>
<b>Total</b>	<b>31321.70</b>	<b>29041.84</b>
<b>21 Other Income</b>		
Interest	67.36	44.59
Gain on Disposal of Tangible Assets (Net)	74.19	-
Provision Written Back	53.13	71.96
Liability no longer required written back	51.70	50.29
Gain on Foreign Currency Transactions	4.92	36.65
Dividend From Subsidiaries	324.82	648.90
Rent	9.15	8.52
Other Non-operating Income	59.45	12.52
<b>Total</b>	<b>644.72</b>	<b>873.44</b>
<b>22 Cost of Materials Consumed</b>		
<b>Raw Materials :</b>		
Opening Stock of Raw Materials	3386.67	2854.51
Add : Purchases	16525.84	15483.17
	19912.52	18337.68
Less : Goods in Transit	108.71	204.34
Less : Closing Stock of Raw Materials	3780.81	3386.67
<b>Raw Material consumed</b>	<b>16023.00</b>	<b>14746.67</b>
<b>23 Changes in Inventories of Finished Goods</b>		
Opening stock of Finished Goods	1843.41	1330.72
Less : Closing stock of Finished Goods	2055.67	1843.41
<b>Increase in Inventories of Finished Goods</b>	<b>(212.26)</b>	<b>(512.69)</b>
<b>24 Employee Benefits Expense</b>		
Salary, Wages & Allowances	2434.69	2206.94
Managerial Remuneration	152.60	155.86
Company's contribution to provident & other funds	190.32	160.95
Staff welfare expenses	82.36	66.05
<b>Total</b>	<b>2859.96</b>	<b>2589.80</b>
<b>24.1 Disclosure pursuant to Accounting Standard 15 "Employee Benefits":</b>		
<b>A Defined Contribution Plans</b>	<b>2014-15</b>	<b>2013-14</b>
Employer's contribution to Provident Fund	93.16	92.77

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)				
	For the Year Ended 31 March, 2015		For the Year Ended 31 March, 2014		
<b>B Defined Benefit Plan</b>					
<b>B.1 Reconciliation of opening and closing balances of present value of obligations</b>					
Present Value of Obligation as at the beginning of the year	259.39		227.97		
Interest Cost	22.31		17.15		
Current & Past Service Cost	23.34		21.39		
Actuarial (gain) / Loss on obligations	63.52		30.53		
Benefits paid	(24.96)		(37.65)		
Present value of Obligation as at the end of the year	343.61		259.39		
<b>B.2 Reconciliation of opening and closing balances of fair value of plan assets.</b>	<b>2014-15</b>		<b>2013-14</b>		
Fair Value of Plan Assets at the beginning of the year	252.84		239.79		
Expected Return on Plan Assets	22.57		21.24		
Contributions	63.00		30.00		
Actuarial Gain / (loss) on Plan Assets	(1.03)		(.54)		
Benefit paid	(24.96)		(37.65)		
Fair Value of Plan Assets at the end of the year	312.41		252.84		
<b>B.3 Amount recognized in Balance Sheet.</b>	<b>2014-15</b>		<b>2013-14</b>		
Present Value of Obligations as at the end of the year	343.61		259.39		
Fair value of plan Assets as at the end of the year	312.41		252.84		
Net Asset / (Liability) recognized in Balance sheet	(31.20)		(6.55)		
<b>B.4 Expenses recognized in the Profit and loss account.</b>	<b>2014-15</b>		<b>2013-14</b>		
Current & Past Service Cost	23.34		21.39		
Interest Cost	22.31		17.15		
Expected Return on Plan Assets	(22.57)		(21.24)		
Net actuarial (gain) / loss recognized in the year	64.55		31.06		
Expenses Recognized in the statement of Profit & Loss	87.64		48.37		
<b>B.5 Amount pertaining to plan is as follows:</b>					
	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of defined value obligations	343.61	259.39	227.98	222.97	196.99
Fair value of plan assets	312.41	252.84	239.78	245.9	197.55
Surplus / (deficit) in plan	(31.20)	(6.57)	11.80	22.93	0.56
Experience adjustments					
on plan assets (Loss) / Gain	(1.03)	(.54)	(.41)	(3.17)	(1.92)
on plan liabilities (Gain) / Loss	63.52	30.53	10.61	7.20	33.97
<b>B.6 Investment Details:</b>	<b>2014-15</b>				<b>2013-14</b>
Insurance Policies	100%				100%
<b>B.7 Principal actuarial assumptions.</b>	<b>2014-15</b>				<b>2013-14</b>
Mortality	2006-08				1994-96
	Indian Assured				Indian Assured
	Lives Mortality				Lives Ultimate
Discount Rate	7.80%				9.10%
Rate of increase in Compensation Levels	6.50%				6.50%
Rate of Return on Plan Assets	9.00%				9.00%
<b>B.8</b> Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with tenure similar to the expected working lifetime of the employee.					
<b>B.9</b> Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.					

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

		(₹ In Lacs)
	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>25. Finance Costs</b>		
Interest on Term Loans	870.54	1029.87
Interest on working Capital Loans	1129.98	932.42
Other Interest	256.58	269.01
<b>Sub - Total</b>	<b>2257.11</b>	<b>2231.30</b>
Other Borrowing Costs	265.97	142.02
<b>Total</b>	<b>2523.07</b>	<b>2373.32</b>
Less : Finance costs capitalized	(31.02)	(204.36)
<b>Total Finance Cost</b>	<b>2492.05</b>	<b>2168.96</b>
<b>26 Other Expenses</b>		
<b>26.1 Manufacturing Expenses</b>		
Consumption of Stores and Spare Parts	391.09	281.72
Power and Fuel	3273.35	3412.70
Rent	113.33	117.10
Repairs :		
Buildings	20.06	12.47
Plant and Machinery	277.76	238.73
Other Manufacturing & Factory Expenses	207.32	182.25
<b>Total</b>	<b>4282.91</b>	<b>4244.97</b>
<b>26.2 Administrative &amp; Other Expenses</b>		
Rent	19.89	19.51
Rates and Taxes	57.73	58.53
Insurance	58.52	61.57
Post, Telephone & Courier	99.59	99.31
Printing and Stationary expenses	24.12	23.18
Legal, Licenses and Renewal expenses	18.16	11.23
Software and Computer Maintenance	25.29	25.06
Travelling & Conveyance	120.24	108.67
Vehicle Running & Maintenance	68.38	49.16
Professional Fees	161.85	106.89
Auditors Remuneration	9.62	9.63
Directors Sitting Fees	3.25	1.93
Loss on sale/discarded of Assets (Net)	-	26.56
Donation	2.35	8.65
Miscellaneous Expenses	143.16	158.34
<b>Total</b>	<b>812.14</b>	<b>768.22</b>



## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>26.3 Research &amp; Development Expenses</b>	<b>14.55</b>	<b>33.83</b>
<b>26.4 Marketing, Selling &amp; Distribution Expenses :</b>		
<b>Selling Expenses</b>		
Travelling Expenses	338.30	300.88
Rebate and Discount	104.79	98.34
Sales Commission	67.90	73.63
Bad Debts written off	1.53	.02
Provision for Doubtful Debts	38.00	34.74
Rent	144.78	127.89
Other Selling Expenses	192.91	134.87
<b>Sub-Total</b>	<b>888.21</b>	<b>770.37</b>
<b>Distribution Expenses</b>		
Freight and Logistic Expenses (Domestic)	3544.37	3314.14
Freight and Logistic Expenses (Export)	672.42	670.28
Service Tax	105.13	104.11
<b>Sub-Total</b>	<b>4321.93</b>	<b>4088.54</b>
<b>Total Other Expenses</b>	<b>10319.74</b>	<b>9905.92</b>

## 27. Contingent Liabilities and Commitments

### (To the extent not provided for)

#### (A) Contingent Liabilities

##### (i) Claims against the company not acknowledged as debt:

The Company does not have any claims note acknowledged as debt as on the balance sheet date (Previous Year ₹ Nil)

##### (ii) Other money for which the company is contingently liable - Matter under dispute:

(₹ in lacs)

Sr. No.	Particulars	2014-15	2013-14
1	Demand of Sales Tax, Value Added Tax and Central Sales Tax (An amount of ₹ 3.10 lacs deposited under protest)	12.53	12.53
2	Claims from Excise and Customs authorities not acknowledged as debt. (An amount of ₹ 19.12 lacs deposited under protest in previous year)	758.44	773.56
3	Demand of Income Tax	125.00	70.23

##### (iii) Guarantees and Letter of Credits:

- Company has given guarantee of ₹ 1,225.00 lacs (Previous Year ₹ 1,225.00 lacs) on behalf of subsidiary company.
- Guarantee given by Company's Bankers in normal course of business ₹ 205.11 lacs (Previous Year ₹ 39.46 lacs).
- Inland / Foreign Letter of Credit issued by Bank ₹ 2434.51 lacs (Previous Year ₹ 1896.42 lacs).

#### (B) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to ₹ 15.67 lacs (Net of Advances of ₹ 808.90 lacs) [Previous Year ₹ 26.28 lacs (Net of Advances of ₹ 1125.28 lacs)]

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

28. In the opinion of the management, the current assets and loans and advances considered as non-current and other non-current assets are stated at value, which is realizable in the ordinary course of business and provision is made for all known material liabilities. Balances of Trade Receivable and Trade Payables are subject to confirmation, reconciliation and consequential adjustments, if any.

**29. Particulars of Raw Material Consumed:**

(₹ in lacs)

Particulars	2014-15	2013-14
Dry Minerals	13,048.95	12,177.15
Wet Minerals	2,883.38	2,486.98
Others	90.67	82.34
<b>Total</b>	<b>16,023.00</b>	<b>14,746.47</b>

**30. Value of imported and indigenous material consumed:**

(₹ in lacs)

Particulars	2014-15		2013-14	
	Value (In ₹)	%	Value (In ₹)	%
Raw Material				
Imported	5,206.05	32.49	4,612.19	31.28
Indigenous	10,816.95	67.51	10,134.28	68.72
<b>Total</b>	<b>16,023.00</b>	<b>100.00</b>	<b>14,746.47</b>	<b>100.00</b>
Machinery Spares #				
Imported	27.88	4.17	18.51	3.56
Indigenous	640.97	95.83	501.94	96.44
<b>Total</b>	<b>668.85</b>	<b>100.00</b>	<b>520.45</b>	<b>100.00</b>

# Also includes spares consumed for repairs.

**31. Prior period adjustments:**

(₹ in lacs)

**31.1 Prior Period Expenses under various heads is as under:**

Particulars	2014-15	2013-14
Administrative & Other Expenses	1.55	1.26
Manufacturing Expenses	2.55	1.67
Selling & Distribution Expenses	2.56	1.59
<b>Total</b>	<b>6.66</b>	<b>4.52</b>

**31.2 Prior Period Income under various heads is as under:**

Particulars	2014-15	2013-14
Others	-	1.79
<b>Total</b>	<b>-</b>	<b>1.79</b>

**32. Payment to Auditors:**

(₹ in lacs)

Particulars	2014-15	2013-14
Audit Fees	7.08	6.74
In other capacity	1.49	1.60
Out of Pocket Expenses	1.05	1.41

**33. Value of imports on C.I.F basis in respect of :**

(₹ in lacs)

Particulars	2014-15	2013-14
Raw Material	3,392.93	3,456.72
Machinery Spares	17.13	18.51
Capital Goods	30.68	92.54

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

#### 34. Expenditure in foreign currency :

(₹ in lacs)

Particulars	2014-15	2013-14
Travelling	49.83	46.28
Sales Commission	27.81	39.70
Other Matters	24.73	9.71

#### 35. Earnings in foreign currency

(₹ in lacs)

Particulars	2014-15	2013-14
FOB Value of Exports	2792.39	3,086.33

#### 36. Segment Information

The Company operates only in one business segment namely Micronized Minerals. In view of this, no separate disclosure is required under AS-17.

#### 37. Related party transactions

As required under the Accounting Standard AS – 18 on “Related Party Disclosures” as specified under section 133 of the Companies Act, 2013 are given below:

(₹ in lacs)

Name of the Related Party	Nature of Relationship	Nature of Transaction	2014-15	2013-14
20 Microns Nano Minerals Limited	Subsidiary	a) <b>Income :</b>		
		Sales	336.67	248.04
		Rent	4.06	0.98
		Fixed Asset Sales	6.99	2.57
		Reimbursement of Expenses	4.68	3.04
		b) <b>Expenses :</b>		
		Purchases	228.29	319.23
		Rent	52.40	52.40
		Product Development Charges	41.95	58.90
		Fixed Asset Purchases	38.72	431.94
		Reimbursement of Expenses	-	0.11
		c) <b>Other :</b>		
		Deposit Acquired on account of business take over	-	3.58
20 Micron SDN BHD	Subsidiary	d) <b>Amount Receivable / (Payable) at the year end</b>	<b>6.00</b>	<b>126.34</b>
		a) <b>Income :</b>		
		Dividend	60.60	46.19
		b) <b>Other :</b>		
20 Microns FZE	Subsidiary	Repayment of Loan	-	55.09
		c) <b>Dividend Receivable at the year end</b>	<b>60.60</b>	-
		a) <b>Income :</b>		
		Dividend	264.22	602.71
20 Microns Foundation trust	Significant Influence Exercised by Key Managerial Personnel	b) <b>Expenses :</b>		
		Reimbursement of Expenses Paid	-	0.16
		c) <b>Other :</b>		
		Loan Accepted	-	137.39
20 Microns Foundation trust	Significant Influence Exercised by Key Managerial Personnel	Repayment of Loan	-	153.74
		Loan Granted	-	-
		d) <b>Dividend Receivable at the year end</b>	<b>115.35</b>	<b>107.80</b>
		a) <b>Expenses :</b>		
20 Microns Foundation trust	Significant Influence Exercised by Key Managerial Personnel	Donation paid	-	4.90

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

Name of the Related Party	Nature of Relationship	Nature of Transaction	2014-15	2013-14
<b>DMC Limited</b> (formerly Known as Dispersive Minerals and Chemicals India Limited)	<b>Significant Influence Exercised by Key Managerial Personnel</b>	a) <b>Others :</b> Advances Paid b) <b>Amount Receivable at the year end</b>	75.72 <b>145.41</b>	69.69 <b>69.69</b>
<b>Eriez Finance &amp; Investment Limited</b>	<b>Significant Influence Exists</b>	a) <b>Expenses :</b> Professional Fees paid b) <b>Others :</b> Advance Paid Advance received Back c) <b>Amount Receivable / (Payable) at the year end</b>	- 3.36 4.02 -	33.71 0.66 - <b>0.66</b>
<b>20 Microns ESOS Trust</b>	<b>Significant Influence Exists</b>	a) <b>Others :</b> Loans and Advances given Advance received Back b) <b>Amount Receivable at the year end</b>	- 18.61 -	0.02 - <b>18.61</b>
<b>Shri C. S. Parikh</b>	<b>Key Management Personnel</b>	a) <b>Expenses :</b> Remuneration paid Interest on Deposit b) <b>Others :</b> Deposit Outstanding	45.47 1.40 10.00	45.47 1.26 10.00
<b>Shri R. C. Parikh</b>	<b>Key Management Personnel</b>	a) <b>Expenses :</b> Remuneration paid	39.16	39.16
<b>Shri A. C. Parikh</b>	<b>Key Management Personnel</b>	a) <b>Expenses :</b> Remuneration paid Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Received / Renewed Deposit Outstanding	32.06 0.57 4.00 5.00 5.00	32.06 0.54 - - 4.00
<b>Shri S. R. Parikh</b>	<b>Key Management Personnel</b>	a) <b>Expenses :</b> Remuneration paid Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Received / Renewed Deposit Outstanding	35.90 1.15 7.25 - 6.50	39.16 1.64 1.00 2.50 13.75
<b>Smt A. K. Muley</b>	<b>Key Management Personnel</b>	a) <b>Expenses :</b> Remuneration paid:	6.97	4.66
<b>Shri B. V. Kanani</b>	<b>Key Management Personnel</b>	a) <b>Expenses :</b> Remuneration paid	21.52	-
<b>Shri S. R. Parikh (HUF)</b>	<b>Relative to Key Management Personnel</b>	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Received / Renewed Deposit Outstanding	0.98 2.80 - 5.75	8.55 2.25 4.75 1.05
<b>Shri L. R. Parikh</b>	<b>Relative to Key Management Personnel</b>	a) <b>Expenses :</b> Remuneration paid Professional Fees Paid	- 8.96	23.21 -

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

Name of the Related Party	Nature of Relationship	Nature of Transaction	2014-15	2013-14
Smt. I. C. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Outstanding	8.72 16.50 42.50	7.81 - 59.00
Smt. S. R. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Outstanding	0.14 1.00	0.13 1.00
Smt. P. A. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Outstanding	0.55 4.00	0.50 4.00
Mrs. V. R. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Outstanding	- 0.50 -	.07 - 0.50
Smt D. S. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Remuneration paid Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Received / Renewed Deposit Outstanding	- 0.28 - - 2.00	2.37 0.33 1.50 0.50 2.00

#### Notes :

- Following are the List of Independent Directors with whom no transactions has been occurred during the Financial year 2014-15 other than payment of sitting Fees :
  - Mr. Pravinchandra M. Shah
  - Mr. Ram A. Devidayal
  - Mr. Atul H. Patel
  - Mr. Ajay I. Ranka
- 20 Microns Nano minerals Limited, 20 Microns SDN.BHD, 20 Microns FZE, have been using software package being "SAP" by 20 Microns Limited without payment of Consideration.

#### 38. Leases

- The Company has obtained several premises for its business operations under leave and license agreements. These are generally not non-cancelable lease and are renewable on mutual consent on mutually agreeable terms. Lease payments are recognized in the statement of profit and loss as rent expenses amounting to ₹ 278.00 lacs (previous year ₹ 264.50 lacs)
- The Company has given land and building on operating lease for period ranging from 11 months to 60 months. During the year, the company has also given plant and machinery on operating lease and has recognized the lease rent on both assets in the statement of profit and loss amounting to ₹ 9.15 lacs (Previous Year ₹ 8.52 lacs)

#### 39. Basic and Diluted earnings per share

Particulars	2014-15	2013-14
Profit attributable to Shareholders (₹ in Lacs)	(407.41)	13.06
Weighted average no. of Equity shares outstanding during the year	3,38,15,902	3,23,80,286
Nominal Value of Equity Shares (₹)	5/-	5/-
Basic and diluted earnings per share (₹)	(1.20)	0.04

## NOTES TO FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

#### 40. Forward Contracts

- A) The Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Company's overall strategy. The Company does not use forward covers for speculative purposes.
- B) Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.
- C) The outstanding forward contracts as at March 31, 2015 is ₹ 143.42 lacs (Previous Year ₹ 245.00 lacs) in respect of hedging currency related risk.
41. As per Section 74(1) of the Companies Act, 2013, the Company is required to make repayment of deposit accepted prior to 31.03.2014 within a period of one year from 01.04.2014 or the date on which deposit becomes due for payment, whichever is earlier. The Company has repaid the deposits which have matured during the year 2014-15. However, in respect of deposits maturing after 31.03.2015, the Company has made an application dated March 29, 2015 under Section 74 (2) of the Companies Act, 2013, before the Company Law Board, Western Region Bench, Mumbai to allow the Company to re-pay the deposits upto and inclusive of the time as agreed with the fixed deposit holders. Pending the outcome of the application made the deposits are not re-paid by the Company before 31.03.2015. Consequently, the classification of deposit in to Current and Non-Current Category is made considering the period within which deposit will be repaid.
42. The figures of the previous year have been regrouped / reclassified, where necessary, to confirm with the current year's classification.

As per our audit report of even date attached

**For Manubhai & Shah**

Chartered Accountants

Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
Membership No.:121462

C. S. Parikh  
Executive Chairman  
DIN- 00041584

Bharat Kanani  
Chief Financial Officer

Anuja Muley  
Secretary

May 27, 2015  
Waghodia, Vadodara

May 27, 2015  
Waghodia, Vadodara



## CONSOLIDATED INDEPENDENT AUDITORS' REPORT

**To**  
**The Members of**  
**20 Microns Limited**  
**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of 20 Microns Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to:

- a) Note 4(d) to the financial statements regarding restructuring / re-schedulement of loans of the Holding Company by lenders.
- b) Note 42 to the financial statements, regarding action taken by the group for repayment of deposits accepted prior to commencement of the Act and its classification in to Current and Non-Current Category for the reasons stated in the said note.

Our Opinion is not modified in respect of above matters.

**Other Matters**

- a) We did not audit the financial statements of three (3) subsidiaries whose financial statements reflect total assets of ₹ 3,141.99 lacs as at 31st March, 2015, total revenues of ₹ 5,183.92 lacs and net cash outflows amounting to ₹ 96.83 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other

## CONSOLIDATED INDEPENDENT AUDITORS' REPORT [Contd.]

auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, and our report in terms of sub-sections (3) and (11) Of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the Independent Auditors' Reports of the Holding Company and Subsidiary Company incorporated in India, we give in the "Annexure" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its Subsidiary Company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 29 to the consolidated financial statements.
    - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Manubhai & Shah**  
Chartered Accountants  
Firm Registration No.:106041W

Place: Ahmedabad  
Date: May 27, 2015

**G. R. Parmar**  
Partner  
Membership No.: 121462

## CONSOLIDATED ANNEXURE TO INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report on Consolidate Financial Statement of 20 Microns Limited of even date)**

1. (a) The Holding Company and its Subsidiary are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
 (b) The fixed assets have been physically verified by the management as per phased programme of verification designed to cover all the fixed assets on rotation basis, which is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification as compared to the records maintained by the Holding Company and its Subsidiary.
2. (a) Inventories have been physically verified by the management of Holding Company and its Subsidiary at regular intervals during the year. The frequency of verification is reasonable.  
 (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Holding Company and its Subsidiary and the nature of their business.  
 (c) The Holding Company and its Subsidiary is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material.
3. The Holding Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) and (b)] of the said Order are not applicable to the Holding Company.  
 The Subsidiary Company has granted unsecured loan to one company covered in the register maintained under Section 189 of the Act. The terms and conditions of the loans granted by the Company do not stipulate for repayment of principal and interest, therefore the provisions of Clause 3 (iii) [(a) and (b)] of the said Order are not applicable to the Subsidiary Company.
4. There is an adequate internal control system commensurate with the size of Holding Company and its Subsidiary and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, We have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of deposits accepted prior to commencement of the act i.e. 01.04.2014, as per  
 Section 74(1) of the Act, Holding Company and its

Subsidiary are required to make repayment of deposit accepted prior to 31.03.2014 within a period of one year from 01.04.2014 or the date on which deposit becomes due for payment, whichever is earlier. The Holding Company and its Subsidiary have repaid the deposits which have matured during the year 2014-15. However, in respect of deposits maturing after 31.03.2015, Holding Company and its Subsidiary have made an application dated March 29, 2015 under Section 74 (2) of the Companies Act, 2013, before the Company Law Board, Western Region Bench, Mumbai to allow Holding Company and its Subsidiary to re-pay the deposits up to and inclusive of the time as agreed with the fixed deposit holders.

In respect of deposits accepted after commencement of the Act i.e. 01.04.2014 from members, the Holding Company has complied with provisions of Section 73 of Companies Act, 2013.

No order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

6. We have broadly reviewed the books of account maintained by the Holding Company in respect of mineral products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and prima facie, the prescribed accounts and records have been made and maintained. However, detailed examination of the records have not been made with a view to determine whether they are accurate or complete.

In respect of Subsidiary company, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

7. (a) The Holding Company and its Subsidiary is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with appropriate authorities except Income Tax Deducted at source, Sales Tax, Service Tax, Provident Fund and ESIC where there was some delay on few occasions at some of the offices of the Holding Company.  
 No undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, Value Added Tax, excise duty and cess were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.
- (b) The details of disputed statutory dues that have not been deposited on account of dispute are as under.

## CONSOLIDATED ANNEXURE TO INDEPENDENT AUDITORS' REPORT [Contd.]

### In case of Holding Company

Sr. No.	Name of Statute	Nature of dues	Amount (In Lacs ₹)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Act, 1944	Excise Duty	749.67	Financial Year 07.02.2000 to 31.07.2003	Supreme Court
2.	Central Excise Act, 1944	Excise Duty	2.00	Financial Year 1999-2000	Customs, Excise and Service Tax Appellate Tribunal
3.	Central Excise Act, 1944	Custom Duty	1.50	Financial Year 2006-2007	Customs, Excise and Service Tax Appellate Tribunal
4.	Income Tax Act, 1961	Income tax	5.96	Assessment Year 2009-2010	Commissioner of Income Tax
5.	Income Tax Act, 1961	Income tax	32.76	Assessment Year 2011-2012	Commissioner of Income Tax
6.	Central Sales Tax, 1956	Central Sales Tax	9.43	Financial Year 2008-2009	Commissioner of Commercial Taxes, Appeals

### In case of Holding Company

Sr. No.	Name of Statute	Nature of dues	Amount (In Lacs ₹)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	0.61	Assessment Year 2012-13	Commissioner of Income Tax
2	Gujarat Value Added Tax Act 2003	Sales Tax and Value Added Tax	24.75	2010-11	Commissioner of Commercial Tax

- (c) The Holding Company and its Subsidiary is not required to transfer any amount to Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and rules made thereunder.
8. The Holding Company and its Subsidiary has no accumulated losses as at the end of the year ended March 31, 2015 and they have not incurred any cash losses in the year ended on that date or in the immediately preceding year ended on March 31, 2014.
9. In our opinion and according to the information and explanations given to us, in case of Holding Company, during the year there have been defaults in repayment of instalments and Interest on Term Loans from the Banks. However in this regards Holding Company had made an application for re-schedulement which was approved by the banks by way of Restructuring Package as mentioned in Note no. 4(e) to the Financial Statements. As per the terms of restructuring package the repayment of dues will commence from April 2016. Hence at the year-end there was no default in terms of restructuring package.

The Subsidiary Company has not defaulted in the repayment of dues to banks or financial institutions or debenture holders during the year under audit.

10. According to the information and explanations given to us, the Holding Company has given guarantee of ₹ 1,225 Lacs for loans taken by Subsidiary Company. The terms of such guarantee are not prejudicial to the interest of the Company. The Subsidiary Company has not given guarantee for loan taken by others from bank or financial institutions.
11. The Term Loans were applied for the purpose for which the loans were obtained.
12. During the course of examination of the books and records of the holding Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on statutory auditor's report of the Subsidiary Company, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Manubhai & Shah  
Chartered Accountants  
Firm Registration No. 106041W

(G. R. Parmar)  
Partner

Place : Ahmedabad  
Date : May 27, 2015

Membership No.121462

## CONSOLIDATED BALANCE SHEET

as at March 31st, 2015

		(₹ In Lacs)	
Particulars	Note	As At 31, March 2015	As At 31, March 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	1690.80	1690.80
(b) Reserves and Surplus	3	5413.76	5719.50
		<b>7104.56</b>	<b>7410.30</b>
<b>(2) Minority Interest</b>		<b>9.23</b>	<b>7.97</b>
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	8228.22	6406.32
(b) Deferred Tax Liabilities (Net)	5	1360.44	1457.71
(c) Other Long Term Liabilities	6	35.96	51.03
		<b>9624.63</b>	<b>7915.06</b>
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	7	7200.60	8417.05
(b) Trade Payables	8	7186.26	5082.92
(c) Other Current Liabilities	9	2129.01	3894.33
(d) Short-Term Provisions	10	85.37	56.80
		<b>16601.24</b>	<b>17451.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33339.65</b>	<b>32784.43</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Tangible Assets	11	14989.84	15584.37
(b) Intangible Assets	11	142.00	180.50
(c) Capital Work-In-Progress	11	690.39	927.78
(d) Intangible Assets Under Development	11	5.24	17.92
(e) Non-Current Investments	12	69.12	69.12
(f) Long Term Loans and Advances	13	1309.95	1597.08
(g) Other Non-Current Assets	14	348.67	280.06
		<b>17555.21</b>	<b>18656.83</b>
<b>(2) Current Assets</b>			
(a) Inventories	15	6580.76	6081.67
(b) Trade Receivables	16	4954.97	5829.05
(c) Cash and Bank Balances	17	1839.28	919.59
(d) Short-Term Loans and Advances	18	2332.65	1248.30
(e) Other Current Assets	19	76.79	48.98
		<b>15784.44</b>	<b>14127.60</b>
<b>TOTAL ASSETS</b>		<b>33339.65</b>	<b>32784.43</b>

Significant Accounting Policies

1

The notes referred to above form an integral part of the financial statement.

As per our audit report of even date attached

**For Manubhai & Shah**

Chartered Accountants

Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
Membership No.:121462

C. S. Parikh  
Executive Chairman  
DIN- 00041584

Bharat Kanani  
Chief Financial Officer

Anuja Muley  
Secretary

May 27, 2015  
Waghodia, Vadodara

May 27, 2015  
Waghodia, Vadodara

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

### as at March 31st, 2015

		(₹ In Lacs)	
Particulars	Note	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>I Revenue from Operations (Gross)</b>	20	37183.15	34147.42
Less : Excise Duty		1375.35	1230.06
Revenue from Operations (Net)		35807.80	32917.35
<b>II Other Income</b>	21	440.15	378.44
<b>III Total Revenue [I + II]</b>		<b>36247.95</b>	<b>33295.79</b>
<b>IV Expenses</b>			
(a) Cost of Materials Consumed	22	19245.06	17055.47
(b) Changes in Inventories of Finished Goods and Stock In Trade	23	(207.76)	(465.03)
(c) Employee Benefits Expense	24	2974.01	2713.53
(d) Finance Costs	25	2673.52	2382.54
(e) Depreciation and Amortization Expense	11	1053.62	1088.73
(f) Other Expenses	26	10802.99	10594.17
<b>IV Total Expenses</b>		<b>36541.45</b>	<b>33369.42</b>
<b>V Profit / (Loss) Before Exceptional Items and Tax (III - IV)</b>		<b>(293.50)</b>	<b>(73.63)</b>
<b>VI Less : Exceptional Items</b>	27	-	119.30
<b>VII Profit / (Loss) Before Tax [V - VI]</b>		<b>(293.50)</b>	<b>(192.93)</b>
<b>VIII Tax Expenses</b>			
(a) Current Tax		45.00	36.02
(b) Mat Credit Entitlement		(14.55)	(9.00)
(c) Wealth Tax		1.71	1.05
(d) Deferred Tax		(64.67)	9.73
(e) Prior Year Tax Adjustment		(12.08)	(.12)
<b>VIII Total Tax Expenses</b>		<b>(44.58)</b>	<b>37.68</b>
<b>IX Profit / (Loss) for the year [VII - VIII]</b> (Before adjustment of of Minority Interest)		<b>(248.93)</b>	<b>(230.61)</b>
<b>X Less: Share of Profit / (Loss) Transferred to Minority Interest</b>		<b>1.26</b>	<b>(.14)</b>
<b>XI Profit / (Loss) for the year [IX - X]</b> (After adjustment of of Minority Interest)		<b>(250.19)</b>	<b>(230.47)</b>
<b>Earning / (Loss) per Equity Share of ₹ 5 each [ in ₹ ]</b>			
Basic		(0.74)	(0.71)
Diluted		(0.74)	(0.71)

Significant Accounting Policies

1

The notes referred to above form an integral part of the financial statement.

As per our audit report of even date attached

**For Manubhai & Shah**

Chartered Accountants

Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
Membership No.:121462

C. S. Parikh  
Executive Chairman  
DIN- 00041584

Bharat Kanani  
Chief Financial Officer

Anuja Muley  
Secretary

May 27, 2015  
Waghodia, Vadodara

May 27, 2015  
Waghodia, Vadodara



## CONSOLIDATED CASH FLOW STATEMENT

as at March 31st, 2015

	(₹ In Lacs)			
	for the year ended 31, March 2015		for the year ended 31, March 2014	
<b>A. Cash Flow From Operating Activities</b>				
Profit Before Tax		(293.50)		(192.93)
Adjusted For :				
Depreciation And Amortisation Expenses	1053.62		1088.73	
Gratuity Provision	88.80		45.97	
Bad Debts Written Off (Net Of Write Back)	(9.10)		(4.64)	
Provision For Doubtful Debts	49.05		34.78	
Provision For Leave Encashment	4.50		(2.26)	
Liability No Longer Required Written Back	(51.70)		(53.28)	
Provision written Back	(56.14)		(71.96)	
Debit Balances Written-Off	25.95		46.50	
Profit On Disposal Of Tangible Assets (Net)	(94.95)		-	
Loss On Disposal Of Tangible Assets (Net)	21.17		33.90	
Share Issue Expenses	1.60		1.60	
Interest Received On Deposits & Advance	(120.49)		(119.02)	
Interest Paid	2665.42		2379.50	
Exchange Rate Variation On Consolidation	11.84		25.37	
Forward Premium	8.09	3597.66	3.04	3408.23
<b>Operating Profit Before Working Capital Changes</b>		<b>3304.16</b>		<b>3215.30</b>
Adjusted For				
Increase / (Decrease) In Trade Payables And Liabilities	181.42		2680.09	
(Increase) / Decrease In Trade Receivables	808.18		(650.73)	
(Increase) / Decrease In Loans And Advances	(409.28)		102.06	
(Increase) / Decrease In Inventories	(499.08)		(1329.45)	
(Increase) / Decrease In Other Assets	(230.89)	(149.65)	(197.02)	604.95
<b>Cash Generated From Operation</b>		<b>3154.50</b>		<b>3820.26</b>
Direct Taxes Paid (Net Of Refund)		(125.08)		(146.79)
<b>Net Cash Provided By Operating Activities</b>		<b>3029.43</b>		<b>3673.47</b>
<b>B. Cash Flow From Investing Activities</b>				
Purchase of Tangible Assets, Capital Work In Progress including Capital Advances		(548.47)		(2249.96)
Purchase of Intangible Assets		(48.13)		(46.72)
Proceeds From Disposal Of Tangible Assets		117.01		34.35
Interest Received On Bank Deposits		120.49		119.02
<b>Net Cash Used In Investing Activities</b>		<b>(359.09)</b>		<b>(2143.32)</b>

## CONSOLIDATED CASH FLOW STATEMENT

### as at March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	for the year ended 31, March 2015	for the year ended 31, March 2014
<b>C. Cash Flow From Financing Activities</b>		
Proceeds From Long-Term Borrowings (Net)	1821.90	(865.28)
Proceeds From Short-Term Borrowings (Net)	(1216.45)	1314.25
Dividend Paid	-	(158.31)
Corporate Dividend Tax On Dividend Paid	-	(26.90)
Share Premium Received	-	592.31
Proceed From Issue Of Share Capital	-	107.69
Interest Paid	(2665.42)	(2379.50)
Forward Premium	(8.09)	(3.04)
<b>Net Cash From Financing Activities</b>	<b>(2068.06)</b>	<b>(1418.78)</b>
<b>Net Increase / (Decrease) In Cash And Cash Equivalents</b>	<b>602.27</b>	<b>111.38</b>
<b>Cash And Cash Equivalents - Opening Balance</b>	<b>433.68</b>	<b>322.30</b>
<b>Cash And Cash Equivalents - Closing Balance</b>	<b>1035.96</b>	<b>433.68</b>

#### Notes:

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' notified under the Companies (Accounting Standard) Rules, 2006.
- Components of Cash and Cash Equivalents:

Particulars	As at 31 March, 2015	As at 31 March, 2014
Cash in hand	147.47	14.65
Balances with banks in current account	1079.86	427.47
<b>Total</b>	<b>1227.33</b>	<b>442.12</b>
Less: amount due to bank in current account	(191.37)	(8.44)
<b>Total</b>	<b>1035.96</b>	<b>433.68</b>

- Bank Overdraft and other short term loans have been treated as part of financing activities.
- Figures in bracket indicates cash outflows.
- Previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's classification.

As per our audit report of even date attached

**For Manubhai & Shah**  
Chartered Accountants  
Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
Membership No.:121462

C. S. Parikh  
Executive Chairman  
DIN- 00041584

Bharat Kanani  
Chief Financial Officer

Anuja Muley  
Secretary

May 27, 2015  
Waghodia, Vadodara

May 27, 2015  
Waghodia, Vadodara

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

### Note: 1 Significant Accounting Policies on Consolidated Accounts

#### A. General Information

20 Microns Limited ("company") is public company domiciled in India and incorporated under Companies Act, 1956. Equity shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange. The Company is engaged in production and trading of Industrial Minerals.

#### B. Principles of Consolidation:

The consolidated Financial Statements include the financial statements of 20 Microns Limited and its subsidiaries (The Group). The Consolidated Financial Statements of the group have been prepared in accordance with Accounting Standard AS-21 'Consolidated Financial Statements' as notified under the Companies Accounting Standard Rules, 2006.

Consolidated Financial Statements normally include consolidated balance sheets, consolidated statement of profit and loss, consolidated statement of cash flows and notes to the consolidated financial statements and explanatory statements that form an integral part thereof. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent for its separate financial statements.

The consolidated financial statements have been combined on a line-by-line basis by adding the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balance/ transactions and resulting unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated. In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.

The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

#### C. Particulars of Consolidation:

The lists of Subsidiary Companies are as under:

Company	Year End	Country of Incorporation	Proportion of Ownership	
			As At 31st March 2015	As At 31st March 2014
20 Microns SDN BHD (Foreign Subsidiary)	March 31	Malaysia	100%	100%
20 Microns Nano Minerals Limited (Indian Subsidiary)	March 31	India	99.17%	99.17%
20 Microns FZE (Foreign subsidiary)	March 31	Sharjah	100%	100%

#### D. Basis of preparation of Financial Statements:

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The reporting currency is INR and amounts are rounded off to nearest lacs.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

#### E. Use of Estimates:

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon best knowledge of current events and actions, actual results could differ from these estimates. These differences are recognized in the period in which the results are known / materialized.

#### F. Revenue Recognition:

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

- Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the Group retains no

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015 [Contd.]

effective control of the goods transferred to a degree usually associated with ownership; and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales figure are inclusive of excise duty and freight in case of landed rates, but are of net of sales returns, and rate difference adjustments.

- b) Export benefits available under the prevalent schemes are accrued in the year in which the goods are exported and are accounted to the extent considered recoverable.
- c) Dividend income is recognized when the right to receive dividend is established.
- d) Interest income is recognized on accrual basis.

### G. Fixed Assets and Depreciation:

#### F.1 In respect of the Company and Indian Subsidiary:

- a) Fixed assets including leasehold improvements and technical knowhow are stated at cost (net of CENVAT, wherever applicable). Cost includes direct expenses related to acquisition and installation and interest incurred during construction period.
- b) Depreciation is provided on Straight Line Method (SLM) as per the framework given in Schedule II of the Companies Act, 2013 or over the estimated useful lives of the assets, whichever is higher. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.
- c) In respect of addition and sales of assets during the year, depreciation is provided on prorata basis.
- d) In case of assets acquired on lease, cost / premium paid is being amortized over a period of 20 years or the life the lease whichever is less.
- e) Expenditure on projects pending capitalization is shown under the head "Capital Work In Progress" which will be capitalized in respective heads of Fixed Assets after commencement of commercial production.
- f) Machinery spares either procured along with plant and machineries or subsequently and whose useful life is expected to be irregular are capitalized and depreciated over residual use life of related plant and machinery.

#### F.2 In respect of the 20 Microns SDN BHD (Foreign Subsidiary):

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on straight-line basis over the expected useful lives of the plant and equipment concerned.

The principal annual rates used are:

Motor Vehicle	20%
Office equipment	10%
Computer	20%

### H. Impairment of Fixed Assets:

- a) Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use.
- b) Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

### I. Intangible Assets:

#### H.1 In the case of the Company:

- A) Acquired Intangible Assets in the form of "Process Know How" is recognized at the cost of acquisition and amortized on straight line basis over a period of five years, depending on their estimated useful life.
- B) Capitalized software includes cost on SAP project and other Software cost including license fees, which provides significant future benefits. SAP Project fees are amortized over a period of seven years. Costs of all other software are amortized over a period of five years.
- C) The amortization period and method are reviewed at each year end.

#### H.2 In the case of Indian Subsidiary:

- A) Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any.
- B) Intangible assets are amortized on straight line method from the date they are available for use, over the useful lives of the assets not exceeding more than five years, as estimated by the management.
- C) Research and Development:

The Research and Development cost is accounted in accordance with Accounting Standard - 26 'Intangible Assets'. All related revenue expenditure incurred on original and planned investigation undertaken with the prospect of gaining new

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015 [Contd.]

scientific or technical knowledge and understanding up to the time when it is possible to demonstrate probable future economic benefits, is recognized as Research Expenses and charged off to the Statement of Profit and Loss, as incurred. All subsequent expenditure incurred for Product Development on the application of Research findings or the other knowledge upon demonstration of probability of future economic benefits, prior to the commencement of production, to the extent identifiable and possible to segregate are accumulated and carried forward as Development Expenditure under Intangible Assets under Development, to be capitalized as an intangible asset on completion of the project. In case a project does not proceed as per expectations/plans, the same is abandoned and the amount classified as Development Expenditure under Intangible Assets under Development is charged off to the Statement of Profit and Loss.

### J. Inventories:

Inventories of Raw Materials, Stores & Spares and finished goods are valued at cost or net realizable value whichever is lower. For this purpose cost is arrived at on weighted average basis. In respect of finished goods appropriate overheads are considered based on the normal operating capacity. Cost of finished goods also includes excise duty if applicable.

### K. Foreign Exchange Transactions:

- a) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction. Foreign currency monetary items outstanding as on balance sheet date are revalued at exchange rate prevailing on balance sheet date (closing rate) and the gain / loss is recognized in Statement of Profit and Loss.
- b) The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the Contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

### L. Investments:

- a) Current Investments are carried at the lower of cost and quoted / fair value, computed category wise.
- b) Long-term investments are stated at cost added by directly attributable cost. Provision for diminution in the value of long-term investments is made only if such a decline is of other than temporary in nature in the opinion of the management.
- c) Investments other than in subsidiaries have been

accounted as per Accounting Standard (AS) 13 on "Accounting for Investments"

### M. Employee Benefits:

#### L.1 In case of the Company & Indian Subsidiary:

##### a) Short Term Employee Benefits

Short term employee benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services is rendered. Short term employee benefits also include accrued leave benefits, which are expected to be availed or encashed within 12 months from the end of the year.

##### b) Post-employment benefit plans

##### b.i) Defined Contribution Plan

Contribution towards provident fund for eligible employees are accrued in accordance with applicable statutes and deposited with the regulatory authorities. The Group does not carry any other obligation apart from the monthly contribution.

##### b.ii) Defined Benefit Plan

The Group provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is administered through a Trust. Contributions in respect of gratuity are made to the approved Gratuity Fund of the Group. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and is recognized in the Balance sheet as reduced by the fair value of Gratuity Fund. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

#### L.2 In respect of the 20 Microns SDN BHD (Foreign Subsidiary):

- a) Short term benefits: Wages, salaries, bonuses and social security contributions are recognized as an expense in the year in which the associated services are rendered by employees of the Company.
- b) Defined contribution plans: As required by law, companies in Malaysia make contributions to the state pension scheme, the employees Provident Fund. Such contributions are recognized as an expense in the income statement as incurred.

### N. Borrowing Cost:

General and specific borrowing costs directly attributable to the acquisition, construction and production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015 [Contd.]

borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

### O. Leases:

#### N.1 In the case of the Company:

- a) Assets subject to operating leases are included under Fixed Assets or current assets as appropriate. Rent (lease) income is recognized in the Statement of Profit and Loss on a straight line basis over the life over the lease term. Costs, including depreciation, are recognized as an expense in Statement of Profit and Loss.
- b) Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognised as expenses in the Statement of Profit and Loss as and when paid.

#### N.2 In the case of Indian Subsidiary:

- a) Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.
- b) Assets leased out under operating leases are capitalised. Rental Income is recognized on accrual basis over the lease term.

### P. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### Q. Taxes on Income:

- a) Tax expense comprise of current and deferred taxes.
- b) Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.
- c) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax asset is recognized on carried forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred

tax asset can be realized. At each reporting date, the unrecognized deferred tax assets is reassessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities.

- d) Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

### R. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### S. Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents represent cash on hand and demand deposits with bank.

### T. General

Accounting policies not specifically referred to are consistent with generally accepted accounting practice.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015

		(₹ In Lacs)	
		As At 31 March, 2015	As At 31 March, 2014
<b>2. Share Capital</b>			
<b>a. Authorised Capital</b>			
6,00,00,000 Equity Shares of ₹ 5/- each		<b>3,000.00</b>	<b>3,000.00</b>
(Previous Year 6,00,00,000 Equity Shares of ₹ 5/- each)			
<b>b. Issued, Subscribed and Fully Paid-Up Equity Shares</b>			
3,38,15,902 Equity Shares of ₹ 5/- each		<b>1690.80</b>	<b>1690.80</b>
(Previous Year: 3,38,15,902 shares of ₹ 5 each)			
<b>c. Reconciliation of the share outstanding at the beginning and at the end of the reporting period</b>			
	<b>As At 31 March, 2015</b>	<b>As At 31 March, 2014</b>	
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>
At the beginning of the period	33,815,902	169,079,510	31,662,056
Issued during the period - Debenture conversion	-	-	2,153,846
Outstanding at the end of the period	<b>33,815,902</b>	<b>169,079,510</b>	<b>33,815,902</b>
<b>d. Rights, Preferences and Restrictions Attached to Equity Shares</b>			
i	The Company has only one class of shares referred to as equity shares having a par value of ₹ 5 each.		
ii	Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.		
iii	The dividend proposed if any by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.		
iv	In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		
<b>e. Details of Shareholders Holding More Than 5% Equity Shares in the Company:</b>			
	<b>As At 31 March, 2015</b>	<b>As At 31 March, 2014</b>	
<b>Name of Shareholders</b>	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>
Eriez Finance And Investment Limited	8,250,235	24.39	8,250,235
Chandresh S Parikh	3,630,400	10.74	3,630,400
Rameshbhai Baldevbhai Patel	1,953,100	5.78	1,953,100
Arcadia Share & Stock Brokers Private Limited	2,129,134	6.30	1,748,965
Pratik Minerals Private Limited	2,153,846	6.37	2,153,846
<b>Total</b>	<b>18,116,715</b>	<b>53.57</b>	<b>17,736,546</b>
<b>f.</b>	The Company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2015.		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

		As At 31 March, 2015	(₹ In Lacs) As At 31 March, 2014	
<b>3. Reserves and Surplus</b>				
<b>a. General Reserve</b>				
Balance As Per Last Year Financial Statement	120.54	120.54		
Add: Transfer From Surplus	-	-		
Closing Balance	<b>120.54</b>	<b>120.54</b>		
<b>b. Debenture Redemption Reserve</b>				
Balance As Per Last Year Financial Statement	-	-		
Add: Transfer From Surplus	67.35			
Closing Balance	<b>67.35</b>	-		
<b>c. Capital Reserve On Consolidation</b>				
	<b>48.88</b>	<b>48.88</b>		
<b>d. Securities Premium Account</b>				
Balance As Per Last Year Financial Statement	3553.86	2961.55		
Add : Addition During Year	-	592.31		
Closing Balance	<b>3553.86</b>	<b>3553.86</b>		
<b>e. Foreign Currency Translation Reserve</b>				
Balance As Per Last Year Financial Statement	42.20	16.83		
Add: Change During the year	11.84	25.37		
Closing Balance	<b>54.04</b>	<b>42.20</b>		
<b>f. Surplus as per Statement of Profit and Loss</b>				
Balance As Per Last Year Financial Statement	1954.03	2184.49		
(Less) : Depreciation Fund	(67.39)	-		
Add: Net Profit/(Loss) For The Year	(250.19)	(230.46)		
(Less) : Appropriations				
Transfer to Debenture Redemption Reserve	67.35	-		
<b>Closing Balance</b>	<b>1569.10</b>	<b>1954.03</b>		
	<b>5413.76</b>	<b>5719.50</b>		
<b>4. Long Term Borrowings</b>				
	<b>2015</b>		<b>2014</b>	
	<b>Current Maturities</b>	<b>Non-Current Maturities</b>	<b>Current Maturities</b>	<b>Non-Current Maturities</b>
<b>a. Secured Borrowings</b>				
i. Term Loans				
From Banks	262.94	7528.54	2214.62	5216.95
From Financial Institution	-	7.24	15.64	.0
<b>Total Secured Borrowings</b>	<b>262.94</b>	<b>7535.78</b>	<b>2230.26</b>	<b>5216.95</b>
<b>b. Unsecured Borrowings</b>				
i. From Financial Institution	-	-	26.11	-
ii. Public Deposits				
iii. Deposit from Public	433.51	649.19	522.34	815.22
Deposit from Related Parties (Refer Note No. 33)	66.50	10.25	31.05	71.75
Deferred Payment Liabilities				
iv Sales Tax Deferment Loan	-	-	31.04	-
v. 11% Optionally Convertible Debentures (OCD)	269.40	-	-	269.40
vi. 11% Fully Convertible Debentures (FCD)	-	33.00	-	33.00
<b>Total Unsecured Borrowings</b>	<b>769.41</b>	<b>692.44</b>	<b>610.54</b>	<b>1189.37</b>
<b>Total Borrowings</b>	<b>1032.35</b>	<b>8228.22</b>	<b>2840.80</b>	<b>6406.32</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

#### c. Details of Securities, Repayment and Interest Rate:

- i. The term loan are secured by way of first charge by way of mortgage or hypothecation over certain properties and second charge by way of hypothecation of present and future current assets. The loans are repayable over a period of 1 to 8 years. The effective rate of interest is in the range of 9.11% to 14.25%.
- ii. Further the term loans are collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Finance and Investment Ltd.", a company where significant influence exists.
- iii. The Public Deposits are repayable over a period of 3 years. The effective rate of interest is in the range of 10.25% to 13.62%.
- iv. 11% OCD of ₹15 each are to be redeemed at the end of 3 years from the date of allotment. On the date of redemption, at the option of debenture holders, OCD shall either be redeemed or be converted into Equity Shares in part or in full. Debenture holders opting for redemption shall intimate such option 60 days before the due date or debentures shall be presumed to have been converted in to Equity Shares. Each Debenture of ₹ 15 shall be converted into 1 Equity Share of ₹10 at a premium of ₹ 5.
- v. 11% FCD of ₹15 each are to be redeemed at the end of 3 years from the date of allotment. On the date of redemption, each Debenture of ₹ 15 shall be converted into 1 Equity Share of ₹10 at a premium of ₹ 5.

#### d. Restructuring of Term and Working Capital Loans during the Year for Holding Company.

During the financial year ended March 31, 2015, the Company's proposal of restructuring of existing fund based and non-fund based financial facilities with Consortium Bankers namely State Bank of India and IDBI Bank Limited was approved. The cut off date agreed is 1<sup>st</sup> April, 2014 and restructuring is subject to renewal and reassessment every year.

As per the restructuring proposal, the existing Term Loans and Corporate Loan have been rescheduled / restructured and certain portion of interest has been converted into Funded Interest Term Loans (FITL). Repayment of Term Loans, Corporate Loan and FITL shall be made in equal monthly instalments from April 2016 after considering a moratorium period of 24 Months. Important conditions of the restructuring proposals are as under :

- a. Release of primary security in the form of land and building located at the following locations with the condition to deposit the sale proceeds in Term Loan account(s):  
Plot Nos.-253 & 254, 728 & 729, GIDC Waghodia.  
Plot nos-F-75/76/82/85 & H-83/84, RIICO, Swaroopgunj, Rajasthan.  
Plot no-140, Alwar, Rajasthan.  
Survey no-65, Door no.104-3, Puthur village, Tirunelveli.  
307-308, Arundeeep Complex, Vadodara.
- b. all advances are to be collaterally secured by pledge of entire shareholding of promoters of the Company i.e. of 8,500,547 shares including 1,550,235 unencumbered shares of Corporate Promoter being "Eriez Finance & Investment Limited".
- c. Eriez Finance & Investment Limited is also required to provide corporate guarantee as security which has been provided on 26<sup>th</sup> March, 2015.
- d. Any deficit in estimated internal accruals/ cash flow during the restructured period shall be made up by additional promoters' contribution (non-interest bearing funds).
- e. No additional capex (except to the extent captured in the CMA) or change in management structure of the company shall be made without prior permission of the Consortium.
- f. In the event of increase in Paid-Up Capital of the company, the promoters' shall pledge their shares additionally, to ensure that total pledged shares to Bank forms 30% of the total Paid-Up Capital.
- g. Company shall not declare dividends or increase remuneration / compensations to Directors / top executives without prior approval of the Bank.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	As At 31 March, 2015	As At 31 March, 2014
<b>5. Deferred Tax Liability (Net)</b>		
<b>Deferred Tax Liability On Account Of:</b>		
Product Development Expenses	27.32	19.35
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 1956.	2015.07	1857.20
<b>Gross Deferred Tax Liabilities</b>	<b>2042.39</b>	<b>1876.55</b>
<b>Deferred Tax Assets On Account Of :</b>		
Unabsorbed Depreciation and Carry Forward Losses	610.37	369.63
Disallowances under the Income Tax Act, 1961 u/s 43 B	-	-
VRS Expenses u/s 35DDA	.05	4.94
Provision for Gratuity liability	-	2.56
Provision For Bad and Doubtful Debts	10.32	.96
	61.21	40.75
<b>Gross Deferred Tax Assets</b>	<b>681.95</b>	<b>418.84</b>
<b>Net Deferred Tax Liabilities</b>	<b>1360.44</b>	<b>1457.71</b>
Movement for the year is after adjustment of deferred tax of ₹ 31.86 lacs calculated for the carrying value of assets, whose remaining useful life is NIL as at 1 April 2014, and whose accumulated depreciation has been charged to the opening balance of retained earnings pursuant to the Companies Act, 2013.		
<b>6. Other Long Term Liabilities</b>		
Trade Deposits	2.39	2.61
Interest Accrued But Not Due	33.57	48.42
<b>Total</b>	<b>35.96</b>	<b>51.03</b>
<b>7. Short Term Borrowings</b>		
<b>a. Secured (Repayable on Demand)</b>		
Working Capital Finance From Banks (Effective Rate of Interest being 12.75% - 14.00%)	6200.78	7467.74
<b>b. Unsecured</b>		
Public Deposits (Effective Rate of Interest being 10.25% - 11.04%)	815.82	949.31
Inter Corporate Deposits	184.00	-
Loans and advances from subsidiaries	-	-
<b>Total</b>	<b>7200.60</b>	<b>8417.05</b>
<b>c. Details of Securities</b>		
The working capital finance facilities are secured by way of first charge of present and future current assets by way of second charge over certain properties. Further collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Finance and Investment Ltd"., a company where significant influence exists.		
<b>d. Restructuring of Term and Working Capital Loans during the Year</b>		
Refer Note No. 4(d)		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	As At 31 March, 2015	As At 31 March, 2014
<b>8. Trade Payables</b>		
Micro, Small and Medium Enterprises	44.28	79.95
Other Suppliers	7141.98	5002.97
<b>Total</b>	<b>7186.26</b>	<b>5082.92</b>
The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:		
1 Principal Amount due and remaining unpaid	44.28	79.95
2 Interest due on (1) above and unpaid interest	.65	.44
3 Interest paid on all delayed payments under MSMED Act, 2006	7.77	4.15
4 Payment made beyond the appointed day during the year	-	-
5 Interest due and payable for the period of delay other than (3) above	-	-
6 Interest accrued and remaining unpaid	-	-
7 Amount of further interest remaining due and payable in succeeding years	-	-
<b>9. Other Current Liabilities</b>		
Salary And Wages Accrued	131.70	149.88
<b>Current Maturities Of Long Term Borrowings</b>		
Secured Term Loans From Banks	262.94	2214.62
Unsecured Term Loans From Banks	-	-
Secured Borrowings From Financial Institutes	-	15.64
Unsecured Borrowings From Financial Institutes	-	26.11
Deposit From Public	433.51	522.34
Deposit From Related Parties (Refer Note No. 33)	66.50	31.05
Sales Tax Deferment Loan	-	31.04
Optional Convertible Debentures-Series I	141.75	-
Optional Convertible Debentures-Series II	127.65	-
Amounts Due To Banks In Current Account	191.37	8.44
Interest Accrued But Not Due	192.50	226.47
Unclaimed Dividends	1.83	2.11
Unclaimed Matured Deposits	15.00	3.49
Advance From Customers	32.67	167.53
Statutory Dues	126.07	103.46
Other Payables	405.52	392.15
<b>Total</b>	<b>2129.01</b>	<b>3894.33</b>
<b>10. Short Term Provisions</b>		
<b>a Provision For Employee Benefits</b>		
Leave Encashment	4.65	6.68
Gratuity Provision	28.73	2.93
(Net of contribution of ₹ 318.06, Previous year ₹ 258.36 lacs)		
<b>b Others</b>		
Excise and Royalty On Finished Goods	51.99	47.20
<b>Total</b>	<b>85.37</b>	<b>56.80</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

11. Fixed Assets										
Particulars	Gross Block			Depreciation / Amortisation				Net Block		
	As At April 01, 2014	Additions During Year	On Sale/ Adjustments	Total March 31, 2015	Upto April 01, 2014	Provided During Year	On Sale	On Adjustments	Up To March 31, 2015	As At March 31, 2014
<b>(A) TANGIBLE ASSETS</b>										
Freehold Land	208.65	-	-	208.65	4.04	-	-	-	4.04	204.62
Leasehold Land	515.06	-	(11.96)	503.10	147.57	37.93	(4.53)	-	180.98	367.49
Office Building	204.34	10.75	(.65)	214.44	34.63	9.55	(.8)	2.84	46.94	169.71
Leasehold Office Building	80.56	-	-	80.56	24.44	7.52	-	-	31.96	56.12
Factory Building	3800.32	63.14	(32.94)	3830.52	568.07	115.76	(7.72)	-	676.11	3232.25
Plant And Machinery	15396.21	421.40	(23.63)	15793.98	4518.34	648.61	(16.88)	70.34	5220.40	10877.87
Vehicles	487.66	10.58	(4.52)	493.72	154.24	65.60	(2.07)	1.88	219.65	333.42
Computer Software	159.82	5.92	(4.54)	161.20	106.35	23.40	(4.26)	7.65	133.13	53.47
Furniture and Office Equipments	427.03	3.15	(.71)	429.47	137.62	58.63	(.19)	16.54	212.60	289.41
<b>Total</b>	<b>21279.65</b>	<b>514.94</b>	<b>(78.96)</b>	<b>21715.64</b>	<b>5695.29</b>	<b>966.99</b>	<b>(35.73)</b>	<b>99.25</b>	<b>6725.81</b>	<b>15584.37</b>
<b>Previous year</b>	<b>19789.12</b>	<b>1688.81</b>	<b>(198.29)</b>	<b>21279.65</b>	<b>4810.27</b>	<b>1015.05</b>	<b>(130.03)</b>	<b>-</b>	<b>5695.29</b>	<b>14978.85</b>
<b>(B) INTANGIBLE ASSETS</b>										
Product Development	161.38	45.63	-	207.02	131.73	22.63	-	-	154.36	29.66
Process Know How	182.24	2.50	(122.33)	62.41	125.41	30.82	(122.33)	-	33.90	56.83
Computer Software (SAP Expenses)	192.46	-	-	192.46	113.01	29.61	-	-	142.63	79.44
Mining Right	16.95	-	-	16.95	2.55	3.39	-	-	5.94	14.40
Web Site Development	.85	-	(.85)	-	.68	.17	(.85)	-	-	.17
<b>Total</b>	<b>553.89</b>	<b>48.13</b>	<b>(123.18)</b>	<b>478.83</b>	<b>373.39</b>	<b>86.63</b>	<b>(123.18)</b>	<b>-</b>	<b>336.83</b>	<b>180.50</b>
<b>Previous year</b>	<b>507.16</b>	<b>46.72</b>	<b>-</b>	<b>553.89</b>	<b>299.70</b>	<b>73.69</b>	<b>-</b>	<b>-</b>	<b>373.39</b>	<b>207.46</b>
<b>CAPITAL WORK IN PROGRESS</b>										
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>										
<b>TOTAL ₹</b>	<b>21833.54</b>	<b>563.07</b>	<b>(202.14)</b>	<b>22194.47</b>	<b>6068.68</b>	<b>1053.62</b>	<b>(158.91)</b>	<b>99.25</b>	<b>7062.64</b>	<b>15764.86</b>
<b>PREVIOUS YEAR</b>	<b>20296.29</b>	<b>1735.54</b>	<b>(198.29)</b>	<b>21833.54</b>	<b>5109.98</b>	<b>1088.73</b>	<b>(130.03)</b>	<b>-</b>	<b>6068.68</b>	<b>15186.31</b>

#### Notes:

- Pursuant to Accounting Standard AS-28, 'Impairment of Assets', there is no impairment of Assets.
- The Company has taken an office building on finance lease, having aggregate cost of ₹ 75 Lacs during the financial year 2010-11. The period of lease is for 10 years with rights of ownership of assets to be transferred to company at the end of lease period. The Company has paid in advance at the inception of the lease, the lease rental payment agreed for the lease period. In view of the same there is no outstanding liability of rental payments to be made by the company over the lease period and consequently there is no interest cost attached to it.
- Addition to Fixed Assets includes ₹ 30,72 lacs (Previous Year : ₹ 76.24 lacs) on account of capitalisation of interest.
- Amount of CWIP includes interest and finance charges amounting to ₹ 180.68 lacs (Previous Year: ₹ 182.01 lacs) capitalised as required by Accounting Standard-16 'Borrowing Cost'.
- During the current year, the Company has revised the useful lives of fixed assets as per useful life specified in Schedule II to the Companies Act, 2013 as on 1 April 2014. Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the revised remaining useful lives. As a result of this change, the depreciation charge for the year ended 31 March 2015 is lower by ₹ 83.80 lacs. Further ₹ 67.39 lacs (net of deferred tax of ₹ 31.86 lacs) representing the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014 has been charged to the opening balance of retained earnings pursuant to the Companies Act, 2013. This amount is shown as adjustment to the accumulated depreciation balance.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	As At 31 March, 2015	As At 31 March, 2014
<b>12. Non Current Investments</b>		
<b>Non-Trade Investments</b>		
In Unquoted Fully Paid Up Shares		
6,80,000 Equity Shares (Previous year : 6,80,000) of		
Eriez Finance and Investment Limited	68.00	68.00
Other Investment		
National Savings Certificate	1.12	1.12
<b>Total</b>	<b>69.12</b>	<b>69.12</b>
<b>13. Long Term Loans and Advances</b>		
<b>(Unsecured, Considered Good)</b>		
Advance To Suppliers Of Capital Goods	984.31	1267.14
Loans And Advances To Related Parties (Refer Note No. 33)	-	18.61
Balance With Tax Authorities	2.50	14.82
Mat Credit Entitlement	323.13	296.51
<b>Total</b>	<b>1309.95</b>	<b>1597.08</b>
<b>14. Other Non Current Assets</b>		
Security Deposits	279.87	278.42
Interest Accrued But No Due	-	1.64
Mine Development charges	68.80	-
<b>Total</b>	<b>348.67</b>	<b>280.06</b>
<b>15. Inventories</b>		
Raw Materials	3920.52	3556.51
Finished Goods	2131.24	1908.40
Stores And Spares	375.38	352.43
Stock-In-Trade	44.91	59.99
Goods In Transit (Raw Material)	108.71	204.34
<b>Total</b>	<b>6580.76</b>	<b>6081.67</b>
The inventory is valued at lower of cost and net realisable value.		
<b>16. Trade Receivables (Unsecured)</b>		
<b>a. Debts Outstanding for a Period Exceeding Six Months</b>		
From Due Date Of Repayment:		
Considered Good	53.20	102.54
Considered Doubtful	191.71	148.04
	244.90	250.58
Less : Provision For Doubtful Debts	(148.58)	(148.04)
	53.20	102.54
<b>b. Other Debts - Considered Good</b>	4901.77	5726.52
<b>Total</b>	<b>4954.97</b>	<b>5829.05</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	As At 31 March, 2015	As At 31 March, 2014
<b>17. Cash and Bank Balances</b>		
<b>a. Cash and Cash Equivalents</b>		
Cash On Hand	147.47	14.65
In Current Account	1079.86	427.47
	<b>1227.33</b>	<b>442.12</b>
<b>b. Other balances</b>		
In Deposit Account (Liquid Asset)	227.16	221.68
In Deposit Account (Margin Money)	382.96	253.69
In Unpaid Dividend Account #	1.83	2.11
<b>Total</b>	<b>611.95</b>	<b>477.47</b>
The above includes deposits of ₹ 128.14 lacs (previous year: ₹ 157.18 lacs) due for maturity after 1 year.		
# balance held in unpaid dividend account are restricted amounts and not available for use.		
	<b>1839.28</b>	<b>919.59</b>
<b>18. Short Term Loans and Advances (Unsecured, Considered Good)</b>		
Loans and Advances to Related Parties (Refer Note No. 33)	229.55	193.13
Others :		
Balances With Tax Authorities	75.16	168.57
Advance Payment Of Income Tax	199.69	119.61
(Net of Provision ₹ 817.51; Previous Year ₹ 898.21 lacs)		
Loan & Advance To Employees	22.28	24.95
Advances To Suppliers	1185.16	122.81
Deposits	48.02	61.12
Prepaid Expenses	96.19	88.15
Inter Corporate Deposits	451.41	410.07
Others	25.20	59.90
<b>Total</b>	<b>2332.65</b>	<b>1248.30</b>
<b>19. Other Current Assets</b>		
Export Incentive Receivable	24.02	17.18
Insurance Claim Receivable	6.16	-
Provident Fund Recoverable	-	2.98
Income Accrued But Not Due On Deposits	46.60	27.21
Unamortised Expense	-	1.60
<b>Total</b>	<b>76.79</b>	<b>48.98</b>
	<b>For the Year Ended 31 March, 2014</b>	<b>For the Year Ended 31 March, 2013</b>
<b>20. Revenue from Operations</b>		
Sale of Products - Domestic	31596.75	28426.09
- Export	5559.00	5643.78
	<b>37155.75</b>	<b>34069.87</b>
Less : Excise Duty	1375.35	1230.06
	<b>35780.40</b>	<b>32839.80</b>
Other Operating Revenues	27.40	77.55
<b>Total</b>	<b>35807.80</b>	<b>32917.35</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

	(₹ In Lacs)	
	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>20.1 Details of Other Operating Revenues are as under :</b>		
Scrap Sales	6.39	5.04
Remission Of Credit Balances	4.27	8.40
Miscellaneous Income	4.51	50.29
Export Incentives	12.22	13.82
<b>Total</b>	<b>27.40</b>	<b>77.55</b>
<b>Total</b>	<b>35807.80</b>	<b>32917.35</b>
<b>21. Other Income</b>		
Interest	129.38	119.02
Income Tax Refund	-	-
Gain On Sales of Tangible Assets (Net)	73.78	-
Gain / Loss On Foreign Currency Transaction (Net)	56.14	70.47
Provision Written Back	57.55	71.96
Liability No Longer Required Written Back	51.70	53.28
Rent	10.54	37.65
Provision For Bad Debts Written Back	-	4.64
Other Non-Operating Income	61.06	21.42
<b>Total</b>	<b>440.15</b>	<b>378.44</b>
<b>22. Cost of Materials Consumed</b>		
<b>Raw Materials :</b>		
Opening Stock of Raw Materials	3556.51	2996.69
Add : Purchases	19717.78	17819.63
	<b>23274.29</b>	<b>20816.32</b>
Less : Goods in Transit	108.71	204.34
Less : Closing Stock of Raw Materials	3920.52	3556.51
<b>Raw Material consumed</b>	<b>19245.06</b>	<b>17055.47</b>
<b>23. Changes in Inventories of Finished Goods &amp; Stock In Trade</b>		
Opening stock of Finished Goods & Stock In Trade	1968.39	1503.36
Less : Closing stock of Finished Goods & Stock In Trade	2176.15	1968.39
<b>Changes in Inventories of Finished Goods &amp; Stock In Trade</b>	<b>(207.76)</b>	<b>(465.03)</b>
<b>24. Employee Benefits Expense</b>		
Salary Wages & Bonus	2520.42	2302.73
Managerial Remuneration	176.26	178.53
Company's Contribution To Provident & Other Funds	192.78	163.38
Staff Welfare Expenses	84.56	68.89
<b>Total</b>	<b>2974.01</b>	<b>2713.53</b>
<b>25. Finance Costs</b>		
Interest Expenses		
Interest on Term Loans	917.38	1211.38
Interest On Working Capital Loans	1177.38	932.42
Other Interest	321.85	278.87
<b>Total</b>	<b>2416.61</b>	<b>2422.68</b>
Other Borrowing Costs	287.93	173.16
	<b>2704.54</b>	<b>2595.84</b>
Less: Finance Costs Capitalized	(31.02)	(213.30)
<b>Total</b>	<b>2673.52</b>	<b>2382.54</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

		(₹ In Lacs)
	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>26. Other Expenses</b>		
<b>26.1 Manufacturing Expenses</b>		
Consumption of Stores and Spare Parts	394.21	286.09
Power & Fuel	3314.52	3547.79
Rent	70.64	92.21
<b>Repairs :</b>		
Buildings	20.17	14.74
Plant and Machinery	284.82	261.67
Other Manufacturing & Factory Expenses	223.00	197.89
<b>Total</b>	<b>4307.36</b>	<b>4400.39</b>
<b>26.2 Administrative &amp; Other Expenses</b>		
Rent	24.29	24.08
Rates and Taxes	57.73	58.64
Insurance	68.79	72.84
Post, Telephone & Courier	105.21	104.29
Printing And Stationary Expenses	25.58	24.58
Legal, Licences And Renewal Expenses	23.43	14.75
Software And Computer Maintenance	25.29	25.06
Travelling & Conveyance	144.95	129.98
Vehicle Running & Maintenance	73.76	54.98
Professional Fees	171.85	132.02
Auditors Remuneration	12.17	13.00
Directors Sitting Fees	3.82	2.28
Loss On Sale/ Discarded Of Assets (Net)	-	33.90
Donation	2.35	8.66
Bad Debts	9.10	4.82
Share Issue Expenses Write Off	1.60	1.60
Misc. Expenses	156.68	172.04
<b>Total</b>	<b>906.61</b>	<b>877.52</b>
<b>26.3 Loss On Foreign Currency Transactions &amp; Translation (Net)</b>	-	1.50
<b>26.4 Research &amp; Development Expenses</b>	14.55	33.83
<b>26.5 Marketing, Selling &amp; Distribution Expenses :</b>		
<b>SELLING EXPENSES</b>		
Travelling Expenses	338.30	300.88
Rebate and Discount	114.73	109.46
Sales Commission	67.90	78.63
Bad Debts Written Off	1.53	.02
Provision for Bad debts	49.05	40.06
Rent	144.78	127.89
Other Selling Expenses	223.42	168.98
<b>Total</b>	<b>939.71</b>	<b>825.91</b>
<b>DISTRIBUTION EXPENSES</b>		
Freight and Logistic Expenses (Domestic)	3831.85	3573.96
Freight and Logistic Expenses (Export)	697.77	776.95
Service Tax	105.13	104.11
<b>Total</b>	<b>4634.76</b>	<b>4455.02</b>
<b>Total</b>	<b>10802.99</b>	<b>10594.17</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

		(₹ In Lacs)
	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014
<b>27 Exceptional Item</b>		
Mining Expenses *	-	119.30
<b>Total</b>	<b>-</b>	<b>119.30</b>

#### \* Mining Expenses

Department of Geology and mining, Government of Gujarat had carried out a satellite survey of the mines to ascertain state of mineral reserve of mines leased to various parties. Accordingly a survey was carried out of mines leased to Company. Based on survey, Department of Geology and mining has calculated estimated extraction of minerals from the date of its first allotment till the date of survey and compared the same with actual payment of royalty on extraction of minerals over the years by the company being existing lease holder. A discrepancy in quantity extracted was worked out by the Department of Geology and mining. As current lease holder the company, was called upon to pay the differential royalty with interest and penalty aggregating to ₹ 119.30. The company has contended that difference in quantity and consequent liability pertains to erstwhile lease holders period. However keeping business expediency in mind, the Company has paid the same.

28. The audited financial statement of 20 Microns SDN BHD has been prepared in accordance with Financial Reporting Standard of Malaysia and the audited financial statement of 20 microns FZE has been prepared in accordance with the international financial reporting standards (IFRS). Differences in accounting policies of the Company and Subsidiary are not material.

#### 29. Contingent Liabilities and Commitments: (To the extent not provided for)

##### 29.1 In the case of Company:

##### A) Contingent Liabilities

##### (i) Claims against the company not acknowledged as debt:

The Company does not have any claims note acknowledged as debt as on the balance sheet date (Previous Year ₹ Nil)

##### (ii) Other money for which the company is contingently liable - Matter under dispute:

(₹ in Lacs)			
Sr. No.	Particulars	March 31, 2015	March 31, 2014
1	Demand of Sales Tax, Value Added Tax and Central Sales Tax (An amount ₹ 3.10 lacs deposited under protest)	12.53	12.53
2	Claims from Excise and Customs authorities not acknowledged as debt. (An amount of ₹ 19.12 lacs deposited under protest in previous year)	758.44	773.56
3	Demand of Income Tax	125.00	70.23

##### (iii) Guarantees and Letter of Credits:

- Company has given guarantee of ₹ 1,225.00 (Previous Year ₹ 1,225.00 Lacs) on behalf of Indian subsidiary company.
- Guarantee given by Company's Bankers in normal course of business ₹ 205.11 lacs (Previous Year ₹ 39.46 lacs).
- Inland / Foreign Letter of Credit issued by Bank ₹ 2434.51 (Previous Year ₹ 1896.42 lacs).

##### B) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to ₹ 991.53 (Net of Advances of ₹ 975.86 lacs) [Previous Year ₹ 26.28 Lacs (Net of Advances of ₹ 1125.28 lacs)].

##### 29.2 In the case of Indian Subsidiary:

- A) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (Previous Year ₹ 208.74 Lacs).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

#### B) Claims against the company not acknowledged as debt:

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2015	March 31, 2014
1	Demand of Sales Tax, Value Added Tax and Central Sales Tax	24.75	-
2	Claims from Excise and Customs authorities not acknowledged as debt.	53.14	51.14
3	Demand of Income Tax	0.61	-
4	Provident Fund	2.98	2.98

C) Contingent Liabilities not provided for on account of bank guarantee of ₹ 19.30 Lacs (Previous Year ₹ 6.10 Lacs) and on account of Provident Fund Liability of ₹ 2.98 Lacs (Previous Year ₹ 2.98 Lacs).

30. In the opinion of the management, the current assets and loans and advances considered as non-current and other non-current assets are stated at value, which is realizable in the ordinary course of business and provision is made for all known material liabilities. Balances of Trade Receivable and Trade Payables are subject to confirmation, reconciliation and consequential adjustments, if any.

#### 31. Prior period adjustments:

A) Prior Period Expenses under various heads is as under:

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Administrative & Other Expenses	1.55	1.66
Manufacturing Expenses	2.55	1.76
Selling & Distribution Expenses	2.56	3.14
<b>Total</b>	<b>6.66</b>	<b>6.55</b>

B) Prior Period Income under various is as under:

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Interest Received	0.06	0.07
Others	-	1.79
<b>Total</b>	<b>0.06</b>	<b>1.86</b>

#### 32. Employee Benefits :

##### 32.1 In the case of Company:

The following table sets out the status of the gratuity plan as required under Accounting Standard AS 15 Employee Benefit (Revised 2005) and the reconciliation of opening balances of the present value of the defined benefit obligation.

#### A) Defined Contribution Plans:

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Employer's contribution to Provident Fund	93.16	92.77

#### B) Defined Benefit Plan:

##### B1) Reconciliation of opening and closing balances of present value of obligations.

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Present Value of Obligation as at the beginning of the year	259.39	227.97
Interest Cost	22.31	17.15
Current Service Cost	23.34	21.39
Actuarial (gain) / Loss on obligations	63.52	30.53
Benefits paid	(24.96)	(37.65)
Present value of Obligation as at the end of the year	343.61	259.39



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

#### B2) Changes in the Fair Value of Plan Assets

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Fair Value of Plan Assets at the beginning of the year	252.84	239.79
Expected Return on Plan Assets	22.57	21.24
Contributions	63.00	30.00
Actuarial Gain / (loss) on Plan Assets	(1.03)	(.54)
Benefit paid	(24.96)	(37.65)
Fair Value of Plan Assets at the end of the year	312.41	252.84

#### B3) The amount recognized in balance sheet

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Present Value of Obligations as at the end of the year	343.61	259.39
Fair value of plan Assets as at the end of the year	312.41	252.84
Net Asset / (Liability) recognized in Balance sheet	(31.20)	(6.56)

#### B4) Amount recognized in the Statement of Profit and Loss

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Current Service Cost	23.34	21.39
Interest Cost	22.31	17.15
Expected Return on Plan Assets	(22.57)	(21.24)
Net actuarial (gain) / loss recognized in the year	64.55	31.06
Expenses Recognized in the Statement of Profit & Loss	87.64	48.37

#### B5) Assumptions

Particulars	March 31, 2015	March 31, 2014
Mortality Table (LIC)	2006-08 Indian Assured Lives Mortality	2006-08 Indian Assured Lives Ultimate
Discount Rate	7.80%	9.10%
Rate of increase in Compensation Levels	6.50%	6.50%
Rate of Return on Plan Assets	9.00%	9.00%

#### B6) Amount pertaining to plan is as follows.

(₹ in Lacs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of defined value obligations	343.61	259.39	227.98	222.97	196.99
Fair value of plan assets	312.41	252.84	239.78	245.90	197.55
<b>Surplus / (deficit) in plan</b>	<b>(31.20)</b>	<b>(6.57)</b>	<b>11.80</b>	<b>22.93</b>	<b>0.56</b>
<b>Experience adjustments</b>					
on plan assets (Loss) / Gain	(1.03)	(.54)	(.41)	(3.17)	(1.92)
on plan liabilities (Gain) / Loss	63.52	30.53	10.61	7.20	33.97

#### B7) Investment Details:

Particulars	March 31, 2015	March 31, 2014
Insurance Policies	100%	100%

- Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with tenure similar to the expected working lifetime of the employee.
- Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

#### 32.2 In the case of Indian Subsidiary:

- A) **Defined contribution plans:** The Company has recognized ₹ 2.46 Lacs (Previous Year ₹ 2.43 Lacs) for Provident Fund Contribution as expenses under the defined contribution plan in the Statement of Profit & Loss.
- B) **Defined benefit plan:** The Company recognizes the liability towards the gratuity at each balance sheet date. The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2015 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.
- C) The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2015.

(₹ in Lacs)			
Sr.No.	Particulars	March 31, 2015	March 31, 2014
I	<b>Reconciliation in present value of obligations (PVO) – defined benefit obligation :</b>		
	Current Service Cost	0.68	0.62
	Interest Cost	0.17	0.31
	Actuarial (gain) / losses	0.80	(2.88)
	Benefits Paid	(0.35)	-
	PVO at the beginning of the year	1.88	3.83
	<b>PVO at end of the year</b>	<b>3.18</b>	<b>1.88</b>
II	<b>Reconciliation of the fair value of plan assets :</b>		
	Expected return on plan assets	0.51	0.46
	Adjustment of Opening Fund	-	-
	Actuarial gain/(losses)	(0.02)	-
	Contributions by the employer	-	-
	Benefits Paid	(0.35)	-
	Fair value of plan assets at beginning of the year	5.52	5.06
	<b>Fair value of plan assets at end of the year</b>	<b>5.65</b>	<b>5.52</b>
III	<b>Reconciliation of PVO and fair value of plan assets:</b>		
	PVO at end of period	3.18	1.88
	Fair Value of planned assets at end of year	5.65	5.52
	<b>Net asset/ (liability) recognized in the balance sheet</b>	<b>(2.47)</b>	<b>(3.63)</b>
IV	<b>Net cost for the year ended:</b>		
	Current Service cost	0.68	0.62
	Adjustment of the Opening Fund	-	-
	Interest cost	0.17	0.31
	Expected return on plan assets	(0.51)	(0.46)
	Actuarial (gain) / losses	0.83	(2.88)
	<b>Net cost</b>	<b>1.17</b>	<b>2.40</b>
V	<b>Assumption used in accounting for the gratuity plan:</b>		
	Discount Rate (%)	7.80%	9.10%
	Salary Escalation Rate (%)	6.00%	6.00%

#### D) Experience adjustments:

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Experience adjustments on account of plan liabilities	(0.31)	2.64	1.27	0.48	3.47
Experience adjustments on account of plan assets	(0.02)	-	0.02	0.06	*

\* In absence of availability, relevant information on the experience adjustment on plan liabilities has not been furnished above.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

E) The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

33. **Related Party Disclosures** as required under the Accounting Standard AS – 18 on “Related Party Disclosures” as specified under section 133 of the Companies Act, 2013 are given below: (₹ in Lacs)

Name of the Related Party	Nature of Relationship	Nature of Transaction	2014-15	2013-14
<b>DMC Limited</b> (formerly known as Dispersive Minerals and Chemicals India Limited)	<b>Significant Influence Exercised by Key Managerial Personnel</b>	<b>a) Income :</b> Interest received <b>b) Expenses :</b> Rent Paid <b>c) Others :</b> Advances Paid <b>d) Amount Receivable / (Payable) at the year end</b>	8.79 5.06 75.72 <b>229.35</b>	11.66 16.19 69.69 <b>144.63</b>
<b>20 Microns Foundation trust</b>	<b>Significant Influence Exercised by Key Managerial Personnel</b>	<b>a) Expenses :</b> Donation paid	-	4.90
<b>Eriez Finance &amp; Investment Limited</b>	<b>Significant Influence Exists</b>	<b>a) Expenses :</b> Professional Fees paid <b>b) Others :</b> Advance Paid Advance received Back <b>c) Amount Receivable / (Payable) at the year end</b>	- 3.36 4.02 -	53.93 - 0.66 (0.36)
<b>20 Microns ESOS Trust</b>	<b>Significant Influence Exists</b>	<b>a) Others :</b> Advance received Back <b>b) Amount Receivable at the year end</b>	18.61 -	0.02 <b>18.61</b>
<b>Shri C. S. Parikh</b>	<b>Key Management Personnel</b>	<b>a) Expenses :</b> Remuneration paid Interest on Deposit Interest on Debenture <b>b) Others :</b> Deposit Outstanding	45.47 1.40 3.30 10.00	45.47 1.26 3.30 10.00
<b>Shri R. C. Parikh</b>	<b>Key Management Personnel</b>	<b>a) Expenses :</b> Remuneration paid	39.16	39.16
<b>Shri. A. C. Parikh</b>	<b>Key Management Personnel</b>	<b>a) Expenses :</b> Remuneration paid Interest on Deposit <b>b) Others :</b> Deposit Paid Deposit Received / Renewed Deposit Outstanding	32.06 0.57 4.00 5.00 5.00	32.06 0.54 - - 4.00
<b>Shri S. R. Parikh</b>	<b>Key Management Personnel</b>	<b>a) Expenses :</b> Remuneration paid Interest on Deposit <b>b) Others :</b> Deposit Paid Deposit Received / Renewed Deposit Outstanding	35.90 1.15 7.25 - 6.50	39.16 1.64 1.00 2.50 13.75
<b>Smt A.K. Muley</b>	<b>Key Management Personnel</b>	<b>a) Expenses :</b> Remuneration paid:	6.97	4.66

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

Name of the Related Party	Nature of Relationship	Nature of Transaction	2014-15	2013-14
Shri B. V. Kanani	Key Management Personnel	a) <b>Expenses :</b> Remuneration paid	21.52	-
Shri S. R. Parikh (HUF)	Relative to Key Management Personnel	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Received / Renewed Deposit Outstanding	0.98 2.80 - 5.75	8.55 2.25 4.75 1.05
Shri L. R. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Professional Fees Paid Remuneration paid	8.96 -	- 23.21
Smt. I. C. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Outstanding	8.72 16.50 42.50	7.81 - 59.00
Smt. S. R. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Outstanding	0.14 1.00	0.13 1.00
Smt. P. A. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Outstanding	0.55 4.00	0.50 4.00
Mrs. V. R. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Outstanding	- - 0.50	0.07 - 0.50
Smt D. S. Parikh	Relative to Key Management Personnel	a) <b>Expenses :</b> Remuneration paid Interest on Deposit b) <b>Others :</b> Deposit Paid Deposit Received / Renewed Deposit Outstanding	- 0.28 - - 2.00	2.37 0.33 1.50 0.50 2.00

#### Notes :

- Following are the List of Independent Directors with whom no transactions has been occurred during the Financial Year 2014-15 other than payment of Sitting Fees :-
  - Mr. Pravinchandra M. Shah
  - Mr. Ram A. Devidayal
  - Mr. Atul H. Patel
  - Mr. Ajay I. Ranka
- 20 Microns Nano minerals Limited, 20 Microns SDN.BHD, 20 Microns FZE, have been using software package being "SAP" by 20 Microns Limited without payment of Consideration.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

#### 34. Deferred Taxation:

##### 34.1 In the case of Company:

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
<b>Deferred Tax Liabilities on account of:</b>		
Product Development Expenses	27.32	19.35
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 1956.	1887.67	1722.48
<b>Total (a)</b>	<b>1914.99</b>	<b>1741.83</b>
<b>Deferred Tax Assets on account of:</b>		
Unabsorbed losses and Depreciation	610.37	366.77
<b>Disallowances u/s 43 B</b>		
VRS Expenses u/s 35DDA	-	2.56
Provision for Gratuity liability	10.32	2.13
Provision for Bad and Doubtful Debts	54.55	43.19
<b>Total (b)</b>	<b>675.24</b>	<b>414.65</b>
<b>Net Deferred Tax Liabilities (a)-(b)</b>	<b>1239.75</b>	<b>1327.18</b>

##### 34.2 In the case of Indian Subsidiary:

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
<b>Deferred Tax Liabilities on account of:</b>		
Difference between book depreciation and tax depreciation	127.34	134.65
Expenses allowed under tax on payment basis	(6.71)	(4.94)
<b>Net Deferred Tax Liabilities</b>	<b>120.63</b>	<b>129.71</b>

##### 34.3 In the case of 20 Microns SDN (Foreign Subsidiary):

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
<b>Deferred Tax Liabilities on account of:</b>		
Plant & Equipment-Capital Allowance	0.05	0.07
<b>Net Deferred Tax Liabilities</b>	<b>0.05</b>	<b>0.07</b>

#### 35. Leases

- A) Group has obtained several premises and plant machinery for its business operations under leave and license agreements. These are generally not non-cancelable lease and are renewable on mutual consent on mutually agreeable terms. Lease payments are recognized as rent expenses in the statement of profit and loss.
- B) Group has given several premises and plant and machinery on operating lease for period ranging from 11 months to 60 months. The lease rent is recognized as rent income in the statement of profit and loss.

#### 36. Basic and Diluted Earnings Per Share:

Particulars	March 31, 2015	March 31, 2014
Profit / (Loss) attributable to Shareholders (₹ in Lacs)	(250.19)	(230.47)
Weighted average no. of Equity shares outstanding during the year (See Note Below)	3,38,15,902	3,23,80,286
Nominal Value of Equity Shares (₹)	5/-	5/-
Basic and diluted earnings / (loss) per share (₹)	(0.74)	(0.71)

#### 37. Forward Contracts

##### In the case of Company

- A) The Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Company's overall strategy. The Company does not use forward covers for speculative purposes.
- B) Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.
- C) The outstanding forward contracts as at March 31, 2015 is ₹ 143.42 Lacs (Previous Year ₹ 245.00 Lacs) in respect of hedging currency related risk.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

### for the year ended March 31st, 2015 [Contd.]

38. The Group operates only in one business segment namely Micronized Minerals. In view of this, no separate Disclosure is required under AS -17.
39. As per Section 74(1) of the Companies Act, 2013, the Group is required to make repayment of deposit accepted prior to 31.03.2014 within a period of one year from 01.04.2014 or the date on which deposit becomes due for payment, whichever is earlier. The Group has repaid the deposits which have matured during the year 2014-15. However, in respect of deposits maturing after 31.03.2015, the Group has made an application under Section 74 (2) of the Companies Act, 2013, before the Company Law Board, Western Region Bench, Mumbai to allow the Group to re-pay the deposits up to and inclusive of the time as agreed with the fixed deposit holders. Pending the outcome of the application made the deposits are not re-paid by the Group before 31.03.2015. Consequently, the classification of deposit in to Current and Non-Current Category is made considering the period within which deposit will be repaid.
40. The figures of the previous year have been regrouped / reclassified, where necessary, to conform with the current year's classification.

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As per our audit report of even date attached

**For Manubhai & Shah**  
Chartered Accountants  
Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
Membership No.:121462

C. S. Parikh  
Executive Chairman  
DIN- 00041584

Bharat Kanani  
Chief Financial Officer

Anuja Muley  
Secretary

May 27, 2015  
Waghodia, Vadodara

May 27, 2015  
Waghodia, Vadodara



# 20 MICRONS<sup>®</sup> L I M I T E D

**Registered Office :** 9/10, GIDC Industrial Estate, Waghodia - 391760, Dist.: Vadodara, Gujarat, India  
CIN : L99999GJ1987PLC009768

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

**E-Mail :** co\_secretary@20microns.com • **Website :** www.20microns.com

## ATTENDANCE SLIP

### 28th Annual General Meeting

Regd. Folio/DP & Client No.	
No. of Shares Held	

I certify that I am a registered Shareholder/Proxy for the resistered shareholder of the Company. I hereby record my presence at the **28th Annual General Meeting** of the Shareholders of the Company at the Conference Room of 347, GIDC Industrial Estte, WAGHODIA - 391 760. Dist. : Vadodara at 3.00 pm on **Friday the 25th September, 2015.**

Member's Name : \_\_\_\_\_ Proxy's Name : \_\_\_\_\_

#### Note :

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorised Representatives of Corporate Members shall produce proper authorization issued in their favour.

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**E-Mail :** co\_secretary@20microns.com • **Website :** www.20microns.com

## PROXY FROM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member[s]/Proxy \_\_\_\_\_

Registered Address \_\_\_\_\_

E-Mail ID \_\_\_\_\_

Folio No./Client ID \_\_\_\_\_

DP ID \_\_\_\_\_

I/We, being the Member[s] holding \_\_\_\_\_ shares of the above-named Company, hereby appoint -

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him

2. Name : \_\_\_\_\_

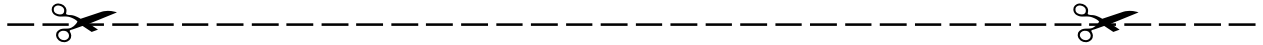
Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_



as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Friday, the 25th September, 2015 at the Conference Room of 347, GIDC Industrial Estate, WAGHODIA - 391 760. Dist. : Vadodara and at any adjournment[s] thereof in respect of the following resolution[s] as are indicated below :

Sr. No.	ORDINARY BUSINESS	Tick Appropriately ✓
1	Adoption of Financial Statements for the year ended 31.03.2015	For / Against
2	Re-appointment of Mr. Rajesh C. Parikh	For / Against
3	Re - appointment of M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad as an Independent Auditors and fixing their remuneration.	For / Against
<b>SPECIAL BUSINESS</b>		
4	Ratification of remuneration of Cost Auditors	For / Against
5	Appointment of Dr. Ajay I. Ranka as an Independent Director	For / Against
6	Re-appointment of Mr. Chandresh S. Parikh as Executive Chairman	For / Against
7	Re-appointment of Mr. Rajesh Parikh as Chief Executive Officer and Managing Director	For / Against
8	Re-appointment of Mr. Atil Parikh as Managing Director	For / Against
9	To Approve Related Party Transactions	For / Against
10	To Approve appointment of Mr. Sudhir Parikh as Consultant of the Company - Related Party Transactions	For / Against
11	Ratification about Ultimate Beneficial Owner of Pratik Minerals Pvt. Ltd. one of the allottees of Compulsorily Convertible Warrants (CCW)	For / Against

Signed this \_\_\_\_\_ day of September, 2015

Signature of Shareholder \_\_\_\_\_

Affix ₹ 1  
Revenue  
Stamp  
Signature

**Note :** This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of attorney, if any, under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting. For the resolutions, explanatory statement and notes, please refer the Notice of the 28th Annual General Meeting.



## OUR NETWORK



If undelivered, please return to;

**20 MICRONS<sup>®</sup>**

**L I M I T E D**

CIN : L99999GJ1987PLC009768

9/10, GIDC Industrial Estate,  
Waghodia – Dist. Vadodara – 391760  
Gujarat, India

Tel : +91 2668 292297

Fax : +91 2668 264003

E-Mail : [investors@20microns.com](mailto:investors@20microns.com)

[www.20microns.com](http://www.20microns.com)

**Corporate Office**

134-135, Hindustan Kohinoor Industrial Estate,  
L. B. S. Marg, Vikhroli (W),  
Mumbai, India

Tele : +91 22 32401006

Fax : +91 22 25771333

E-Mail : [corporate@20microns.com](mailto:corporate@20microns.com)