27th ANNUAL REPORT

2019-20

20 MICRONS nano™

Corporate Information

(as on 08.06.2020)

Board of Directors

Mr. Chandresh S. Parikh	- Non - Executive Chairman
Mr. Atil C. Parikh	- CEO & Managing Director
Mr. Rajesh C. Parikh	- Non-Executive Director
Mr. Sudhir R. Parikh	- Non-Executive Director
Mr. Ramkisan A. Devidayal	- Independent Director
Ms. Darsha R. Kikani	- Independent Director

Chief Financial Officer
Mr. Narendra R. Patel

Company Secretary
Mrs. Anuja Muley

Statutory Auditors
M/s. K.M. Swadia & Co.,
Chartered Accountants
Vadodara.

Audit Committee of Directors
Mr. Ramkisan A. Devidayal - Chairman
Mr. Chandresh S. Parikh-Member
Mrs. Darsha R. Kikani-Member

Bankers / Financial Institutions
IDBI Bank Limited

Website
www.20nano.com
Email
cs@20nano.com

Registered Office & Head Office
9-10, GIDC Industrial Estate,
Waghodia - 391 760.
Dist.: Vadodara.
Gujarat. India.
Tel : +91 75 748 06350
Fax : +91 2668 264003

Registrar and Share Transfer Agent
Link Intime India Pvt. Ltd,
Shangrila Complex, 1st Floor, Opp.
HDFC Bank, B Tower, 102 B and 103,
Nr. Radhakrishna Char Rasta,
Akota, Vadodara-390 020.
Tel: 0265 - 2356 573 / 2356 794
Fax:0265 - 2356 791
Email: vadodara@linkintime.co.in

Company Identification No. →U15543GJ1993PLC020540
ISIN : INE799W01013

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FROM CHAIRMAN'S DESK........

Dear Members,

You Company has carved its space in the field of Specialty Chemicals and Functional Additives in 2019-20 with diving deep into an exemplary range offering to a diverse industry base creating a niche in itself and breaking away from the traditional impression associated with its parent company, 20 Microns Limited.

The impact of COVID–19 on our business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economy. With the opening of domestic and international market post lockdown, we expect business to improve steadily.

The year 2019-20 passed by's Fiscal showed better scenario of the Company with Gross Revenue achieved upward trend of 41% compared to the previous year and earned Net Profit after tax of Rs. 244.39 Lakhs during the year.

Your Company is constantly evolving the market demand and would be expanding multifold in the years to follow leading to the much needed shift of concentrating on more value added specialties and additives to cater to the trends with improved margins and overall improving top-line.

The Company has always believed in continuous development of its product portfolio and expand it in the best capacities within its product base into existing and newer applications like Plastic & Polymers, Paints & Coatings, Rubber, Printing Inks, Cosmetics, Ceramics, Agrochemicals, Foundry, Filtration, and Water Treatment.

Our Functional Additives range offers a new perspective by improvement in the overall functionality and processing capabilities of the end product. Our Specialty product range has been showing great acceptance in international markets as well and would help extend our range and show a remarkable increase in the future years for accelerated growth.

Immense of opportunities having converted into milestones with sincere efforts by the Company's Task Force from down the line to the 1st line of the Management, I am thankful to them and all my Stakeholders, Bankers, Customers etc. for having reposed confidence in the Company and placed their utmost efforts with dedication and sincerity.

Thank you All,

Chandresh S. Parikh
Chairman

NOTICE FOR THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **27th ANNUAL GENERAL MEETING** of the Shareholders of **20 Microns Nano Minerals Limited** will be held on Monday, the 21st day of September, 2020 at 11.00 A.M. through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

[**a**] the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 including Audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon; and

[**b**] the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 including Audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, together with the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. Sudhir R. Parikh [DIN: 00041649], who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint Statutory Auditors and fix their remuneration.

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 including any statutory enactment or modification thereof, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. N.C. Vaishnav & Co., Chartered Accountants, Vadodara (Firm Registration No. 112712W), be appointed as statutory auditors of the Company, in place of retiring auditors M/S K.M. Swadia & Company, Chartered Accountants, Vadodara (Firm Registration No. 110740W), to hold office from the conclusion of this 27th AGM until the conclusion of the 32nd AGM, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

SPECIAL BUSINESS:

4. To consider and approve Related Party Transactions and in this regard, pass the following resolution as Special Resolution.

"RESOLVED THAT in terms of the provisions of Section 188 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications 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] during FY 2020-21, 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."

By Order of the Board of Directors

Place: Vadodara **(Anuja K. Muley)**
Date: 13.08.2020 **Company Secretary**

NOTES: -

1. In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Monday, 21st September, 2020 at 11.00 a.m. The deemed venue for the 27th Annual General Meeting will be the Conference Hall, 347, GIDC Industrial Estate, Waghodia – 391 760, Dist. Vadodara, Gujarat.
2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
3. Record date for the purpose of Annual General Meeting is Tuesday, 15th September, 2020.
4. Inspection of Documents: For availing Electronic copy of all the documents referred in the Notice of the 27th AGM and the Explanatory Statement thereto, shall be made available for inspection to members upon writing an email to cs@20nano.com.

NOTICE FOR THE ANNUAL GENERAL MEETING [CONTD.]

Scan copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding' maintained under Section 170 of the Act and the 'Register of Contract and Arrangements' in which Directors of the Company are interested under Section 189 of the Act, shall be made available for inspection to members upon writing an email to cs@20nano.com.

5. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to cs@20nano.com.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. The Explanatory Statement, for Item No. 4 pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of this notice.
8. M/s. Kashyap Shah & Co., Practicing Company Secretary is appointed as Scrutinizer for this AGM.
9. In line with the MCA General Circular dated May 5, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company. The Notice convening the 27th AGM has been uploaded on the website of the Company.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to Registrer & Transfor Agents viz. Link Intime India Pvt. Ltd. at vadodara@linkintime.co.in. in case the shares are held in physical form, quoting their folio number.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. Members will be provided with the facility of remote e-voting and Members participating at the AGM, will be eligible to exercise their right to vote through e-voting during such proceedings of the AGM.
13. Shareholders are requested to follow the instructions given below to cast their votes through e-voting:

    A) The Remote e-voting period begins on Friday, 18th September, 2020 at 10:00 a.m. (IST) and ends on Sunday, 20th September, 2020 at 5:00 p.m. (IST). During this period, shareholders' holding shares either in physical form or in dematerialized form, as on the 'Cut-off date' i.e. Monday, 14th September, 2020 may cast their vote electronically by logging to NSDL website at https://www.evoting.nsdl.com/

    The e-voting module shall be disabled by NSDL for voting thereafter.

    B) Refer below for the detailed steps on the process and manner for remote e-voting/e-voting at the AGM and to access the VC/OAVM facility at the AGM.

    Step 1: How to Login to NSDL Website

    I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

    II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

    III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

    Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

E-Voting Event No. (EVEN) is 113537

IV. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

V. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

VI. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

VII. Now, you will have to click on "Login" button.

VIII. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: How to cast your vote electronically on NSDL e-voting system

A. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

B. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

C. Select "EVEN" of company for which you wish to cast your vote.

D. Now you are ready for e-Voting as the Voting page opens.

E. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

F. Upon confirmation, the message "Vote cast successfully" will be displayed.

G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Step 3: How to access the VC/OAVM facility at the AGM:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

   Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990

4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@20nano.com from 10th September, 2020 (9:00 a.m. IST) to 15th September, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

NOTICE FOR THE ANNUAL GENERAL MEETING [CONTD.]

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kashyap.cs@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered

a. Members holding shares in physical mode – Please provide necessary details like Folio No., Name of shareholder to email id vadodera@linktime.co.in.

b. Members holding shares in Demat mode can get their email id registered by contacting their respective Depository Participant

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

Item No.4

Related Party Transactions

The Members are hereby informed that in terms of the Companies Act, 2013 and Rules made thereunder, the companies are required to obtain prior approval of its shareholders for those Related Party Transactions which cross the ceiling mentioned for various cateigories in the given Rules.

The Related Party Transactions to be carried out during FY 2020-21

Name of Related Party	Nature of Relationship	Type of Transaction	Amount *[₹ in Lakhs]*
20 Microns Ltd.	Holding Company Common Directors	Sale and Purchase of Goods / Material	2,000.00

A. **Terms and Conditions for sale/purchase of Goods and Materials**

i. All Sales or purchases of Goods and Materials 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,

ii. 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 materials.

iii. Payment Terms: Normally within 60-90 days from the date of supply.

iv. Abnormal delay in payment shall carry interest not exceeding the rates applicable to the bank borrowings.

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

Except Mr. Chandresh S. Parikh, Chairman; Mr. Atil C. Parikh, CEO & Managing Director; Mr. Rajesh C. Parikh, Director; and Mr. Ramkisan Devidayal, an Independent Director and the Key Managerial Personnel viz. Mr. Narendra R. Patel, CFO & Mrs. Anuja K. Muley, Company Secretary of the Company and their relatives, none of the other Directors or relative of other Directors and Key of the Company are not to be considered and concerned or interested in passing of the special resolution at item 4 of the Notice.

Your Directors commend the special resolution at Item No. 4 for your approval and acceptance.

By Order of the Board of Directors

Place : Vadodara.
Date : 13.08.2020

(Anuja K. Muley)
Company Secretary

ANNEXURE TO ITEM 2 :

Details of Director seeking re-appointment at the forthcoming Annual General Meeting [in pursuance of Secretarial Standards issued by the Institute of Company Secretaries of India] :—

Name of the Director	**Mr. Sudhir R. Parikh**
Director Identification Number (DIN)	00041649
Date of Birth	22.09.1953
Nationality	Indian
Date of appointment on the Board	10.04.2000
Qualification	Chartered Accountant
Expertise in specific functional area	Finance and Accounts
No of shares held in the company	10
Relation inter-se	No Inter-se Relation
List of directorships held in other companies	None
Chairman/ Member in the Committees of the Boards of listed companies in which he/she is a Director *	None

* Audit Committee and Stakeholder Relationship Committee considered

BOARD'S REPORT

To the Members,

Your Directors have pleasure in submitting 27th Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2020.

FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Total Income	5953.19	4194.59	5929.74	4176.95
Profit before Depreciation, Interest and Tax (PBDITA)	590.96	579.00	544.45	563.42
Interest for the year	127.88	90.33	128.02	90.33
Depreciation for the year	139.61	124.10	139.61	124.10
Profit/(Loss) before tax and Exceptional item	323.47	364.57	276.82	348.99
Exceptional items	-	-	-	-
Profit/(Loss) for the year	323.47	364.57	276.82	348.99
Tax liability :-				
Current Tax	85.63	101.60	85.63	101.60
Deferred Tax	(6.54)	2.66	(20.14)	(2.22)
Prior period Tax	0.0	0.15	0.02	0.15
Net Profit/(Loss) for the year	**244.39**	**260.17**	**211.31**	**249.47**
Other Comprehensive Income (after tax)	1.27	(0.74)	0.81	2.55
Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the Period)	**245.66**	**259.43**	**212.13**	**252.02**

DIVIDEND

No Dividend was declared for the current financial year due to conservation of Profits.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

No Unclaimed Dividend has been transferred to Investor Education and Protection Fund (IEPF).

REVIEW OF BUSINESS OPERATIONS

Your Directors wish to present the details of Business operations done during the year under review:

Manufacturing:

During the year, your company has achieved production of finished goods of 12,168 MTS as against 24,507 MTS of previous year.

Outsource Material:

During the year, your company has outsourced 1,408 MTS as against 1,374 MTS of previous year.

Mining Material:

During the year, your company has excavated 46,971 MTS of minerals as against 82,198 MTS of previous year.

Sales & Marketing:

During the year, Sales Volume was 65,930 MTS as against 1,08,079 MTS of previous year.

On marketing front, your Company is taking various strategic steps to introduce new products for various applications and the company expects to generate higher sales volumes.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND ON THE DATE OF THE REPORT

The impact of COVID–19 on our business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economy. With the opening of domestic and international market post lockdown, we expect business to improve steadily.

During the financial year under report, no significant or material orders have been passed by any of the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in future.

MANAGEMENT DISCUSSIONS AND ANALYSIS

As you are aware the Company has implemented some provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, although the same are not applicable to the company.

REVIEW OF FINANCIAL PERFORMANCE

The Gross Revenue achieved during the year from Sale of Products is ₹ 5880.57 Lakhs as against ₹ 4194.68 Lakhs of the previous year and earned Net Profit after tax ₹ 244.39 Lakhs as against Net Profit after tax of ₹ 260.17 Lakhs of the previous fiscal.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OPPORTUNITIES AHEAD

20 Microns Nano Minerals Limited has carved its space in the field of Specialty Chemicals and Functional Additives in 2019-20 with diving deep into an exemplary range offering to a diverse industry base creating a niche in itself and breaking away from the traditional impression associated with its parent company, 20 Microns Limited.

20 Microns Nano Minerals currently offers a wide range of Chemically Modified Minerals and Additives range in it's constant drive to technologically challenge it's products to cater a diverse industry base with it's innovation backup and the thrive to perform by competing with global giants and proving it's existence through remarkably excellent product quality and superior performance taking leaps in the years to come through continued research and development.

20 Microns Nano Minerals has always believed in continuous development of its product portfolio and expand it in the best capacities within its product base into existing and newer applications like Plastic & Polymers, Paints & Coatings, Rubber, Printing Inks, Cosmetics, Ceramics, Agrochemicals, Foundry, Filtration and Water Treatment. The market demand for specialties created by 20 Microns Nano Minerals is constantly evolving and would be expanding multifold in the years to follow leading to the much needed shift of concentrating on more value added specialties and additives to cater to the trends with improved margins and overall improving top-line.

Customized Product Development for multiple applications by providing cost effective solutions to the end formulations has always been a top priority for 20 Microns Nano Minerals Limited. Our strong R&D team constantly puts efforts in innovating and creating solutions for our customers which keeps us motivated through the product development journey. The markets are expanding and the demand is generating globally for our products most of which are already widely accepted around the globe substituting many imported products.

Our Functional Additives range offers a new perspective by improvement in the overall functionality and processing capabilities of the end product.

Our newest range of Micronized Waxes and Wax Emulsions are high performance wax additives based on unique chemistries providing much needed performance, stability and resistance to end products in Printing Inks, Plastics, coatings and Adhesive industries.

Our newest Quartz range offers a variety of colored granules options with different sizing which provides some great properties for high end applications like grouting, flooring and kitchen sinks.

We offer unique solutions to our customers by offsetting their expensive pigments and partially substituting them with our Additives to enhance their properties and reduce their overall formulation costs.

Our Dessicant range of products falling under Vaporoxol series helps improve the shelf life of the products by absorbing moisture by chemical reactions. A unique range of Organoclays and inorganic thickeners for Paints & Coatings, Grease, Drilling Fluids, Printing Inks, Cosmetics and various other industries have given our company a strong foothold in the Chemically Modified Minerals space which is a new integral category offering within the company.

Our Matting Agents are treated colloidal silicas which improve the matting quotient of the end products catered mainly to the Coatings, Cosmetics and other related industries. We also take pride in also offering products which partially replace Carbon black, Precipitated Silica and Zinc Oxide with unique chemistries designed through our product offerings.

Most of our product offerings by 20 Microns Nano Minerals Limited are replacing the widely used branded products from multinational companies being imported into India. Our Company is also determined to continuously add various functional grades for newer applications backed up by our R&D team whose initial results have shown encouraging results and would be launched in coming years with super specialty range of product offerings yielding better prospects and tapping the market demand. Our Sales team has done exceptionally well promoting these unique product offerings in the market by focusing more on the Functional Additives and Chemically Modified range of products where value addition is the key factor for any product churned out of 20 Microns Nano Minerals Limited.

Our Specialty product range has been showing great acceptance in international markets as well and would help extend our range and show a remarkable increase in the future years for accelerated growth. We have begun exporting to Middle East, Western Europe, USA and Far East and expect to expand globally into other newer territories with our existing and new range of products.

BOARD'S REPORT [CONTD.]

RESEARCH & DEVELOPMENT

From an idea to a real vision

"There's Plenty of Room at the Bottom" - Richard Feynman

Research and Development at 20 Microns Nano Minerals Limited is centre where scientist makes innovative ideas into real things. R&D has task of researching scientific correlations to develop new products and processes engineering. Another task is to develop new business fields that find new area of application for proven processes.

The development of new products requires decision to be made on what path to take while constantly imagining what the destination will be in upcoming year. The Company's internal research team has dedicated years of experience into analyzing properties of minerals and synthetic materials while developing processes and applications to enhance their performance. Our expertise in inorganic chemistry, crystallography and structural analysis, fine particle technology and other aspects of materials science apply to and support all of our product lines.

20 Microns Nano Minerals Ltd. promotes own innovation capability by strengthening our internal innovation culture which promotes fascination, creativity, willingness to experiment, customer centricity and cooperation among all application in field of industrial mineral to perform as functional fillers and extenders for paints, plastic, paper, ink, rubber, ceramic, construction chemical, agrochemical, foundry, and other applications.

20 Microns Nano Mineral Ltd. R&D Centre has laboratories for chemical, physical and Mineralogical investigations and it's among the world's foremost establishments for technological development in the mining and material handling industries. R&D also dealing with process design, engineering and its development by optimization of scientific and technical parameters while implementing it at plant level.

We carry out continuous research to achieve better solutions for our customers. This work includes both the improvement of existing products and the development of new ones.

20 Microns Nano Mineral Research and Development activities contribute to its customer's market success by research base solution that meets their need. Optimized its process in order to be the process technology leader and to be sustainability profitable.

Research and Development efficient mineral processing technologies and value added products and service strengthen our position as global suppliers of environmentally sustainable specialty mineral, which is based on its process design, technologies, and control optimization system.

We also promote our culture of innovation in all areas of the company to face the challenges of our time and safeguard profitable growth for our company and customers.

Scientifically founded innovations and the skills of our employees from the basis for our success as a company. We have technical specialists covering a wide range of industries including paints & coating, polymers (plastic & rubber), paper, ceramic, construction additives, refractory & foundry, adhesive & sealants, ink, cosmetics, agrochemical, etc.

Innovative Products Developed During the Year 2019 -20

Sr.No	Group/Series	Product Grade
1	FMSIL	FMSIL 900
		FMSIL 906
		FMSIL M 5
		FMSIL 520
		FMSIL ED 50
2	Calcium Carbonate	VAPORGLOSS
3	Glowtox	GLOWTOX 30
		GLOWTOX BLK 60
		GLOTWOX B 104
		NANOTOX W 104
4	Wax	FLOWAX PR 700
		FLOWAX 19 MW
		FLOWAX 45 MW
		FLOWAX NZ 8
5	LC Series	LC 95T PIGMENT
6	KAOLIN	PEARLUSTER 90
		HYPER FINE BR
		HYPER APT

Our commitment to quality

20 Microns Nano Mineral Ltd. believes and committed to ensure quality consistency of our products and services to satisfying customer's requirement. As customer focused company, we shall be able to understand changing customer requirement time to time and continually improve our quality management system accordingly and this makes an important contribution to its long term revenue and profitability.

20 Microns Nano Mineral Ltd. objective is to remain globally competitive by product innovation, upgradation of technology and continual improvement in quality, continue to build its reputation for quality by maintaining certification with a quality management system standard.

MINING

The Company is possessing mining lease(s) for the following natural resources:

MINING LEASES RESERVES

Status as on 31.03.2020

Sr. No.	Details of Mines	Approx. Reserves (in Lakhs Tons)	Approx. Value of the Reserves# (Rs. In Lakhs)
1.	Dolomite Mines, Anantapur, Andhra Pradesh, Area -4.289 Hector	16.692	3340.63
2.	Nadappa China Clay Mine, Nr. Village Nadappa, Taluka Bhuj, Dist. Kutch, Gujarat. Area – 7.30 Hector.	09.758**	1414.85
TOTAL		**26.450**	**4755.48**

 # - the estimated net value addition available to the Company of the mineral reserves is not accounted for in the books as per the Accounting practice prevailing in India

***** - Figure as per UNFC code***

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to Section 129(3) of the Companies Act, 2013 ("Act"), the consolidated financial statements of the Company and its subsidiary, prepared in accordance with the relevant Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of this Annual Report. Pursuant to the provisions of the said section, a statement containing the salient features of the financial statements of the Company's subsidiary, in Form AOC-1 is given in **Annexure A**. Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements of the Company, along with other relevant documents, in respect of subsidiaries, are available on the website of the Company, www.20nano.com

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure B** and is attached to this report.

INTERNAL FINANCE 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 program 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.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company reviews the risks involved in various operations and take corrective actions from time to time to mitigate the same.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Since the corporate social responsibilities provisions are not applicable, the Company has not developed and implemented any initiatives.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

BOARD'S REPORT [CONTD.]

PARTICULARS OF EMPLOYEES

There are no employees in the Company who are drawing remuneration of ₹ 1.02 Crore or more when employed for the whole Financial Year and ₹ 8.50 lakhs or more per month.

ANNUAL EVALUATION

As per provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) Annual Evaluation is applicable to public company having paid up share capital of ₹ 25 Crore or more at the end of preceding Financial year. The criteria is not applicable to the Company and accordingly annual evaluation is not required.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 are furnished in **Annexure C** and are attached to this report.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There is no qualification, reservation or adverse remarks made by the Statutory Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to Company but during the Financial Year company has adopted the same voluntary and there is no adverse remarks made by them.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Board of Directors has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining credentials, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

AUDITORS

Statutory Auditors

In terms of the provisions of the Companies Act, 2013, the tenure of the existing Statutory Auditors viz. M/s. K. M. Swadia & Co., Chartered Accountants, Vadodara, expires at the conclusion of the ensuing Annual General Meeting [AGM]. 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 M/s. N. C. Vaishnav & Co., Chartered Accountants, Vadodara, as the Statutory Auditors of the Company for the period from the conclusion of this 27th AGM until the conclusion of the 32nd AGM. The Company has received a certificate from the above Auditors to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. This item is being included in the notice for your approval.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Kashyap Shah & Co, Practicing Company Secretary (Certificate of Practice Number: 6672) to undertake the Secretarial Audit of the Company.

The Company has annexed to this Board Report, a Secretarial Audit Report given by the Secretarial Auditor for the FY 2019-20. Further there are no adverse remarks made by the Secretarial Auditor during the year 2019-20.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure D** and is attached to this Report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had conducted Four (04) Board Meetings during the financial year under review. These were held on 28.05.2019; 13.08.2019; 07.11.2019 & 12.02.2020 :

Sr. No.	Name of Directors	Category	No. of Board Meetings attended	Attendance at Last AGM
1	Mr. Chandresh Parikh	Chairman –Non –Executive Director	4	YES
2	Mr. Rajesh Parikh	Non-Executive Director	4	YES
3	Mr. Atil Parikh	CEO & Managing Director	4	YES
4	Mr. Sudhir Parikh	Non-Executive Director	2	NO
5	Mr. Ramkisan Devidayal	Non-Executive, Independent Director	4	YES
6	Mrs. Darsha Kikani	Non-Executive, Independent Director	4	NO

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(C) of the Companies Act, 2013, the Board hereby submit its responsibility Statement:—

(a) in the preparation of the annual accounts, the applicable Indian Accounting Standards had been followed along with proper explanation relating to material departures;

(b) the Directors had 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 at the end of the financial year and of the profit and loss of the company for that period;

(c) the Directors had 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;

(d) the Directors had prepared the annual accounts on a going concern basis; and

(e) 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.

GOVERNANCE

A. Corporate Governance:

Your Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. As stated hereto provisions of Listing Requirements are not applicable to your company, the Report on Corporate Governance is annexed to this report as a good governance practice and transparent to the stakeholders.

B. Vigil Mechanism

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, employee was not denied access to the Audit Committee. The policy of vigil mechanism may be accessed on the Company's website www.20nano.com.

C. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review No sexual Harassment Complaint has been received by the Company. The policy of Sexual Harassment at workplace may be accessed on the Company's website www.20nano.com.

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 22nd May, 2014 and subsequently approved by you from time to time.

As on 31.03.2020, outstanding Unsecured Fixed Deposits from Shareholders was ₹ 594.02 Lakhs. Deposits amounting to ₹ 351.67 Lakhs are due for repayment on or before 31.03.2021.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Sudhir R. Parikh, Director of the Company retires at this Annual General Meeting and being eligible, offer himself for reappointment.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

DISCLOSURE OF COMPOSITION OF COMMITTEE'S:

The Company has constituted/reconstituted various Committees consisting of the Board of Directors and the same has been narrated in the Corporate Governance Report which forms part of this Annual Report.

SHARES

a. **BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

BOARD'S REPORT [CONTD.]

b. **SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

c. **BONUS SHARES**

No Bonus Shares were issued during the year under review.

d. **EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, Employees and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Vadodara **(Chandresh S. Parikh)**
Date: 13.08.2020 **Chairman**

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 lakhs)

Sr. No.	Name of Subsidiary	Financial Period Ended	Exchange Rate	Share capital	Reserves and Surplus	Total Assets	Total Liabilities (excluding Share capital and Reserves and Surplus)	Invest ments	Turnover	Profit/ (Loss) before taxation	Provisions for taxation	Profit/ (Loss) after taxation	% of share holding
1	Silicate Minerals (I) Pvt. Ltd.	31.03.2020	N.A	1.253	15.75	860.53	843.53	-	9.43	(46.66)	0	(14.71)	100%

Note : 1. Company is not having any associates or joint venture companies as on 31.03.2020

2. The Company has not liquidated or sold any of its subsidiary companies during FY 2019-20

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 March 31, 2020.

For and on behalf of the Board

(Chandresh S. Parikh) **Chairman**

(Atil C. Parikh) **CEO & MD**

Place : Vadodara
Date : 13th August, 2020

BOARD'S REPORT [CONTD.]

Annexure B - Conservation of Energy, technology absorption, foreign exchange earnings and outgo

Particulars pursuant to the Companies (Accounts) Rules, 2014

A) Conservation of Energy-

(i) the steps taken or impact on conservation of energy-

By purchase of new superfine roller mill at Waghodia, energy saving was achieved by 15% – 20% with same production capacity compared to typical mineral grinding equipments.

(ii) the steps taken by the company for utilizing alternate sources of energy- NIL

(iii) the capital investment on energy conservation equipments- NIL

(B) Technology absorption-

(i) the efforts made towards technology absorption - Roller Mill imported during FY 2017

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution – Cost reduction in terms of energy saving and it considered as import substitute by improvement in quality of finished goods

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) the details of technology imported - The new generation superfine roller mill has breakthrough technology for grinding various minerals compared to typical mineral grinding equipments. It has increased grinding efficiency in operation

(b) the year of import - 2017

(c) whether the technology been fully absorbed - Yes

(d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof - NA

Expenditure incurred on research and development is ₹ 166.76 Lakhs. (Previous year ₹ 82.63 Lakhs)

Foreign Exchange Earning and Outgo

Total Foreign Exchange used and earned:

Foreign Exchange Earned: ₹ 465.64 Lakhs (Previous year ₹ 329.64 Lakhs)

Foreign Exchange Used: ₹ 401.20 Lakhs (Previous year ₹ 171.24 Lakhs)

For and on behalf of the Board

(Chandresh S. Parikh)
Chairman

(Atil C. Parikh)
CEO & MD

Place : Vadodara
Date : 13th August, 2020

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, 2020, 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, 2020 are as follows-

Name of Related Party	Nature of relationship	Type of Transaction	Duration of Contract	Salient Terms	Amount (₹ In Lakhs)
20 Microns Limited	Holding Company	Sales of Material	Not Applicable	Not Applicable	2010.07
		Purchase of material	Not Applicable	Not Applicable	1970.04
		Royalty Paid	Not Applicable	Not Applicable	134.94
		Service Provided (Job work Charges)	Not Applicable	Not Applicable	-
		Reimbursement of Expenses (Income Net)	Not Applicable	Not Applicable	1.03
		Reimbursement of Expenses (Expenses Net)	Not Applicable	Not Applicable	0.10
		Rent Received	Not Applicable	Not Applicable	4.54
		Rent Paid	Not Applicable	Not Applicable	328.08
		Sale of Fixed Asset	Not Applicable	Not Applicable	3.26
		Purchase of Fixed Assets	Not Applicable	Not Applicable	13.02
		Purchase of Shares	Not Applicable	Not Applicable	-
		Salary Deputation Received	Not Applicable	Not Applicable	19.20
		Salary Deputation Paid	Not Applicable	Not Applicable	180.33
Silicate Minerals (I) Pvt. Ltd.	Subsidiary Company	Sales of Material	Not Applicable	Not Applicable	-
		Interest Received	Not Applicable	Not Applicable	32.89
20 MCC Pvt .Ltd.	Common Director and subsidiary of common Holding Company	Sales of Material	Not Applicable	Not Applicable	9.08
		Purchase of material	Not Applicable	Not Applicable	94.77
		Rent Paid	Not Applicable	Not Applicable	1.78
Mr. Chandresh S. Parikh	Director and relative of Key Management Personnel	Interest on Deposit Paid	Not Applicable	Not Applicable	3.71
		Commission Paid	Not Applicable	Not Applicable	1.08
Mr. Rajesh C. Parikh	Director and relative of Key Management Personnel	Commission Paid	Not Applicable	Not Applicable	1.01
Mr. Atil C. Parikh	Director and Key Management Personnel	Remuneration Paid	Not Applicable	Not Applicable	10.50
Mrs. Anuja Muley	KMP	Remuneration Paid	Not Applicable	Not Applicable	4.23

* Appropriate approvals have been taken for related party transactions.

The Company has not taken any loan or advance in the nature of loan from its holding company viz. 20 Microns Limited.

For and on behalf of the Board

(Chandresh S. Parikh)
Chairman

(Atil C. Parikh)
CEO & Managing Director

Place : Vadodara
Date : 13th August, 2020

BOARD'S REPORT [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	U15543GJ1993PLC020540
2.	Registration Date	28.10.1993
3.	Name of the Company	20 Microns Nano Minerals 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 – 391760, Dist.: Vadodara, Gujarat. Phone No. – 7574806350
6.	Listed company	No
7.	Name, Address and Contact details of Registrar and Share Transfer Agent	Link Intime India Private Limited Address: Shangrila Complex, 1st Floor, Opp. HDFC Bank, B Tower, 102 B and 103, Near Radhakrishna Char Rasta, Akota, Vadodara-390 020. Tel: 0265 - 2356 573 / 2356794 Fax: 0265 - 2356 791 Email: vadodara@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are as under:-

Sr. No	Name & Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	CALCITE	08107	19%
2.	WAX	20232	19%
3.	SCD	20116	20%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

(As on 31.03.2020)

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
1	20 Microns Ltd. 9/10, GIDC Industrial Estate, Waghodia – 391760 Dist. Vadodara	L99999GJ1987PLC009768	Holding	97.21%	2(87)
2	Silicate Minerals [I] Private Limited 347, GIDC Industrial Estate, Waghodia – 391760 Dist. Vadodara	U74140GJ1997PTC031829	Subsidiary	100.00%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr. No.	Category Code & Category of Share-holders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% 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	228270	0	228270	2.5448	228270	0	228270	2.5448	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	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)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	8969780	0	8969780	’99.9973	8969780	0	8969780	’99.9973	0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	178	62	240	0.0027	178	62	240	0.0027	0.0000

BOARD'S REPORT [CONTD.]

Sr. No.	Category Code & Category of Share-holders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (B)(3)	178	62	240	0.0027	178	62	240	0.0027	0.0000
	Total Public Shareholding(B)= (B)(1)+(B)(2)+(B)(3)	178	62	240	0.0027	178	62	240	0.0027	0.0000
	Total (A)+(B)	8969958	62	8970020	100.0000	8969958	62	8970020	100.0000	0.0000
(C)	Non Promoter - Non Public									
(C1)	Shares Underlying DRs									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
(C2)	Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	8969958	62	8970020	100.0000	8969958	62	8970020	100.0000	

ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year – 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	20 MICRONS LIMITED	8720000	97.21	0.00	8720000	97.21	0.00	0.00
2	CHANDRESH S PARIKH	200010	2.23	0.00	200010	2.23	0.00	0.00
3	ATIL CHANDRESH PARIKH	28250	0.31	0.00	28250	0.31	0.00	0.00
4	ERIEZ INDUSTRIES PRIVATE LIMITED	21510	0.24	'0.00	21510	0.24	'0.00	0.00
5	RAJESH CHANDRESH PARIKH	10	0.00	0.00	10	0.00	0.00	0.00
	Total	8969780	99.99	0.00	8969780	99.99	0.00	0.00

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares held	No. of shares held	% of total shares of the company
1	20 MICRONS LIMITED	8720000	97.2127	-	-	8720000	97.2127
	AT THE END OF THE YEAR					8720000	97.2127
2	CHANDRESH S PARIKH	200010	2.2298	-	-	200010	2.2298
	AT THE END OF THE YEAR					200010	2.2298
3	ATIL CHANDRESH PARIKH	28250	0.3149	-	-	28250	0.3149
	AT THE END OF THE YEAR					28250	0.3149
4	ERIEZ INDUSTRIES PRIVATE LIMITED	21510	0.2398	-	-	21510	0.2398
	AT THE END OF THE YEAR					21510	0.2398
5	RAJESH CHANDRESH PARIKH	10	0.0001	-	-	10	0.0001
	AT THE END OF THE YEAR	-	-	-	-	10	0.0001

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

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS_DATE
1	PRADEEP BALKRISHNA LANDGE	1301670000176072	AAPPL5233P	20	31/03/2020
2	NIRAKARBHAI HARIVARRAY DESAI	1206460000063474	AARPD4239R	137	31/03/2019
3	NIRAKARBHAI HARIVARRAY DESAI	1206460000063474	AARPD4239R	83	31/03/2020
4	TARABEN LAXMIKANT JOSHI	0000054	AAVPJ7123N	1	31/03/2019
5	TARABEN LAXMIKANT JOSHI	0000054	AAVPJ7123N	1	31/03/2020
6	SEEMA SHYAM AFINWALE	1301670000909783	ABGPA5443E	1	31/03/2020
7	KAUSTUBH SHRIKANT JOSHI	1301670000771451	ABHPJ1832B	1	31/03/2019
8	KAUSTUBH SHRIKANT JOSHI	1301670000771451	ABHPJ1832B	1	31/03/2020
9	VAIBHAVI YOGESH UPASANI	IN30199111373564	ABLPU0202E	1	31/03/2020
10	SUDHIR RAMESHKANT PARIKH	1201170000030268	ACAPP7539B	10	31/03/2019
11	SUDHIR PARIKH	1204920006334883	ACAPP7539B	10	31/03/2020
12	ARVIND GANESH VIJAPURE	1301670000115745	ACCPV2952N	1	31/03/2019
13	ARVIND GANESH VIJAPURE	1301670000115745	ACCPV2952N	1	31/03/2020
14	PUSHPABEN CHHAGANLAL SONI	1301670000773214	ACEPS4492G	1	31/03/2020
15	BHASKER ADINATH BHOSALE	0000063	ACFPB6159C	1	31/03/2019
16	BHASKER ADINATH BHOSALE	0000063	ACFPB6159C	1	31/03/2020
17	NARENDRA GANPATLAL BUMIYA	0000071	ACGPB2789M	1	31/03/2019
18	NARENDRA GANPATLAL BUMIYA	0000071	ACGPB2789M	1	31/03/2020
19	RASHESH R CHHAYA	0000042	ACGPG1470L	1	31/03/2019
20	RASHESH R CHHAYA	0000042	ACGPG1470L	1	31/03/2020
21	PESHANKKUMAR KANTIBHAI PATEL	1206460000061941	ACYPP4249A	20	31/03/2019
22	PESHANKKUMAR KANTIBHAI PATEL	1206460000061941	ACYPP4249A	20	31/03/2020
23	SHREERANG DATTATRAYA KANADE	0000066	ACZPK8714A	1	31/03/2019
24	SHREERANG DATTATRAYA KANADE	0000066	ACZPK8714A	1	31/03/2020

BOARD'S REPORT [CONTD.]

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors & KMP	Shareholding at the beginning of the Year 2019-20		Date wise Increase / Decrease in Promoters Share holding 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 2019-20		Shareholding at the end of the year 2019-20	
		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	10	0.00	NIL	NA	10	0.00	10	0.00
2.	Mr. Chandresh S. Parikh Jointly with Ilaben C. Parikh	200000	2.23	NIL	NA	200000	2.23	200000	2.23
3.	Mr. Rajesh C. Parikh Jointly with Ilaben C. Parikh	10	0	NIL	NA	10	0	10	0
4.	Mr. Atil C. Parikh Jointly with Ilaben C. Parikh	28250	0.31	NIL	NA	28250	0.31	28250	0.31
5.	Mr. Sudhir R. Parikh	10	0	NIL	NA	10	0	10	0
6.	Mr. Ramkishan Devidayal	0	0	NIL	NA	0	0	0	0
7.	Mrs. Darsha R Kikani	0	0	NIL	NA	0	0	0	0
8	Mr. Narendra R Patel	1	0	NIL	NA	0	0	1	0
9.	Mrs. Anuja K Muley	1	0	NIL	NA	0	0	1	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(₹ in Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	465.44	3.09	330.04	798.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	465.44	3.09	330.04	798.58
Change in Indebtedness during the financial year				
• Addition	-	-	303.67	303.67
• Reduction	317.11	1.16	-	318.27
Net Change	-317.11	-1.16	303.67	-14.60
Indebtedness at the end of the financial year				
i) Principal Amount	148.33	1.94	633.71	783.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	148.33	1.94	633.71	783.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Director / KMP Mr. Atil Parikh (Chief Executive Officer and Managing Director)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.50	10.50
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 * Car	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify…Incentives	-	-
5	Others, please specify		
	Total	10.50	10.50
	Overall Ceiling as per the Act	Remuneration shall not exceed 5% of the net profit of the company in the financial year computed in accordance with section 198 of the Companies Act, 2013	

B. REMUNERATION TO OTHER DIRECTORS :

(₹ in Lakhs)

Particulars of Remuneration	Mr. Chandresh Parikh	Mr. Rajesh Parikh	Mr. Ramkisan Devidayal	Mr. Sudhir Parikh	Mrs. Darsha Kikani	Total Amount
1. Independent Directors						
Fee for attending Board / Committee Meetings	0	0	1.75	0	1.75	3.50
Commission	0	0	0.69	0	0.42	1.11
Others, please specify	0	0	0	0	0	0
Total (1)	**0**	**0**	**2.44**	**0**	**2.17**	**4.61**
2. Other Non-Executive Directors						
Fee for attending Board / Committee Meetings	0	0	0	0.40	0	0.40
Commission	1.08	1.01	0	0.42	0	2.51
Others, please specify	0	0	0	0	0	0
Total (2)	**1.08**	**1.01**	**0**	**0.82**	**0**	**2.91**
Total (B)=(1+2)	**1.08**	**1.01**	**2.44**	**0.82**	**2.17**	**7.52**
Overall Ceiling as per the Act	Sitting Fees shall not exceed the sum of rupees 1 lakh per meeting of the Board or Committee thereof and Commission paid not exceeded 1% of the Net Profit as calculated under Section 198 of the Companies Act, 2013.					

BOARD'S REPORT [CONTD.]

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD **(₹ in Lakhs)**

Sr No.	Particulars of Remuneration	Total Amount (₹) Mrs. Anuja K. Muley-CS
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.11
	(b) Value of perquisites u/s 17(2)of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	-
	- others, specify…Incentive	0.12
5	Others, please specify Provident Fund	
	Total	4.23

*Mr. Narendra R Patel, Chief Financial Officer (CFO) of the Company is not drawing any salary from the Company.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March 31, 2020

REPORT ON CORPORATE GOVERNANCE

As you are aware, your Company has implemented some of the significant provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [Listing Regulations, 2015] although the same are not applicable to the Company. Your Company has always been transparent in all its activities.

Company's Philosophy on Governance

In order to build on rich legacy of fair, transparent and effective governance which includes strong emphasis on human values, individual dignity and attainment of high level of transparency and accountability in the functioning of the Company, your Company has always been active on safeguarding the interests of all its stakeholders.

The Company believes that its systems and actions must be devoted for enhancing Corporate Performance and maximizing Shareholders value in the long term.

1. BOARD OF DIRECTORS

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, 2020, are given below:-

Name of Directors	**Category of Directors**	**No. of other Directorship**	**Committee Membership/ * Chairmanship**	
			Committee Membership	**Committee Chairmanship**
NON EXECUTIVE DIRECTOR(S)				
Mr. Chandresh S. Parikh	Chairman & Director	2	1	-
Mr. Rajesh C. Parikh	Director	2	1	-
Mr. Sudhir R. Parikh	Director	1	-	-
EXECUTIVE DIRECTOR(S)				
Mr. Atil C. Parikh	CEO & Managing Director	2	1	-
INDEPENDENT DIRECTOR(S)				
Mr. Ramkisan Devidayal	Independent Director	8	2	5
Mrs. Darsha Kikani	Independent Director	3	1	-

***** Audit Committee and Stakeholder Relationship Committee considered

BOARD MEETINGS AND PROCEDURE

The Company has well-defined process of placing vital and sufficient information before the Board pertaining to the matters to be considered at each Board and Committee Meetings, to enable the Board to discharge its responsibilities effectively and efficiently.

A. During the financial year ended 31.03.2020, the Board met Five (5) times the dates of which are as under:

Sr. No.	Board Meeting dates	Board strength	No of Directors present
1	28.05.2019	6	6
2	13.08.2019	6	5
3	07.11.2019	6	6
4	12.02.2020	6	5

B. **Attendance of Directors at**

1) Board Meetings and

2) Annual General Meeting

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Chandresh S. Parikh	4	YES
Mr. Rajesh C. Parikh	4	YES
Mr. Atil C. Parikh	4	YES
Mr. Sudhir R. Parikh	2	NO
Mr. Ramkisan Devidayal	4	YES
Mrs. Darsha Kikani	4	NO

REPORT ON CORPORATE GOVERNANCE [CONTD.]

C. SITTING FEES AND COMMISSION TO THE COMMITTEE MEMBERS & DIRECTORS

The details of sitting fees and commission paid to the Committee Members & Directors are as under:

Name of Directors	Sitting fees [₹]	Commission [₹]
Mr. Chandresh S. Parikh	NIL	1.08
Mr. Rajesh C. Parikh	NIL	1.01
Mr. Atil C. Parikh	NIL	-
Mr. Sudhir R. Parikh	0.40	0.42
Mr. Ramkisan Devidayal	1.75	0.69
Mrs. Darsha Kikani	1.75	0.42

SHAREHOLDING OF THE DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 2020:

NAME OF DIRECTORS	NO. OF SHARES HELD IN THE COMPANY SINGLY	PERCENTAGE OF HOLDING
Mr. Chandresh S. Parikh	2,00,010	2.23
Mr. Rajesh C. Parikh	10	0.0001%
Mr. Atil C. Parikh	28,250	0.31%
Mr. Sudhir R. Parikh	10	0.0001%
Mr. Ramkisan Devidayal	NIL	NIL
Mrs. Darsha Kikani	NIL	NIL

Appointment/ Re-appointment of Directors

Mr. Sudhir R. Parikh, Director of the Company will retires by rotation at the ensuing Annual General Meeting who is eligible for re-appointment.

Profile of Directors

The brief profile of each Director is given below:

Mr. Chandresh S. Parikh, our **Non-Executive Chairman and Director**, holds a Degree in Master of Science (Chemistry). He has played a very important role in the turnaround of the Company and has over 52 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 of management of the affairs of that Company. He was a Managing Director in Aerofoam (Nigeria) Ltd., Lagoa, Nigeria during 1982-88. He holds 2,00,010 Equity Shares representing 2.23% of the paid-up Capital of the Company.

Mr. Atil C. Parikh, **the CEO & Managing Director,** 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 20 Microns Limited as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Board of the Holding Company as the Managing Director- 20 Microns Limited. He holds 28,250 Equity Shares representing 0.31 % of the paid-up Capital of the Company.

Mr. Rajesh C. Parikh the Non-Executive Director has graduated with First Class Degree in Bachelor of Mechanical Engineering. He has also completed the Masters in Business Administration in Finance Stream. 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 of 20 Microns Limited and was in charge of Technical matters & Marketing of the products of the Company. His exposure to the consuming industries brought in him insight for business and industry. He holds 10 Equity Shares representing 0.0001% of the paid-up Capital of the Company.

Mr. Sudhir R. Parikh, the Non-Executive Director, Fellow Chartered Accountant, is the Director of our Company. He joined M/s. Lovelock & 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 & 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 good experience in Accounting, Finance, Taxation and Management. He holds 10 Equity Shares representing 0.0001% of the paid-up Capital of the Company.

Mr. Ramkisan Devidayal, **Independent Director,** holds Master's degree in Commerce & Management. He has rich & 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 was the Vice Chairman of Baroda Citizen Council & 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. He does not hold any shares of the Company.

Mrs. Darsha R. Kikani, 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 has also worked with Mindspark Language Team of Educational Initiatives, an innovative landmark Company in Education Sector for five years. Presently, she is working as Consultant in the areas of Company Law and SEBI Matters, Capital Market etc. She does not hold any Shares of the Company.

D. 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 to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board and Committees 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 Board Meeting held next thereafter, for noting.

E. Invitees & Proceedings:

Apart from the Board members, the Chief Financial Officer and Company Secretary 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.

F. 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.

G. Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board, General Meeting 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. COMMITTEES OF THE BOARD

The Board of Directors of the Company has constituted the following Committees:

Committee of Directors	Constituted on	Reconstituted on	Dissolved on
Audit Committee-Reconstituted	11th November, 2010	07th July, 2017	---
Nomination & Remuneration Committee	07th July, 2017	--	12th February, 2020
Stakeholder Relationship & Share Transfer Committee	07th July, 2017	---	12th February, 2020

2.1 AUDIT COMMITTEE OF DIRECTORS

Composition

The Company has an Audit Committee of Directors at the Board level with the powers and the roles that are in accordance with Listing Regulations, 2015 and section 177 of the Companies Act, 2013. The Committee acts as a link between Management, Statutory Auditors and the Board of Directors. The majority of Committee members have accounting and financial management expertise. The Statutory Auditors of the Company are permanent invitee to the Committee meetings. The Company Secretary is appointed as Secretary to the Committee.

REPORT ON CORPORATE GOVERNANCE [CONTD.]

The Committee is comprised of the following members:

1. Mr. Ramkisan A. Devidayal - Chairman
2. Mr. Chandresh S. Parikh - Member
3. Mrs. Darsha R. Kikani - Member

A. During the financial year ended 31.03.2020, the Committee met 4 (Four) times, the dates of which are as under:

Sr. No.	Date of Meetings	Committee Strength	No. of Committee Members present
1	28.05.2019	3	3
2	13.08.2019	3	3
3	07.11.2019	3	3
4	12.02.2020	3	3

Attendance at the Audit Committee Meetings:

Name of Directors	Category	No of Meetings held/ attended
Mr. Ramkisan Devidayal	Non-Executive,Independent Director	4 of 4
Mr. Chandresh S. Parikh	Non - Executive Director	4 of 4
Mrs. Darsha Kikani	Non-Executive,Independent Director	4 of 4

Terms of Reference

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulation, 2015 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, and internal 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 assets 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 judgment by the management.

(xiv) Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory 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.

2.2 Nomination and Remuneration Committee of Directors :

Composition and Attendance at the Meeting

The Nomination and Remuneration Committee of Directors comprises of the members as stated below. The Committee during the year ended on 31st March, 2020 had 1 [one] meeting on 28.05.2019.The attendance of the members was as under:-

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Ramkisan Devidayal, Chairman – Independent Director	1 of 1
2	Mr. Rajesh C Parikh - Member-Non-executive Director	1 of 1
3	Mrs. Darsha R Kikani - Member - Independent Director	1 of 1

The Nomination and Remuneration Committee of Directors was on 12.02.2020,

2.3 Stakeholder Relationship and Share Transfer Committee of Directors :

Stakeholder Relationship and Share Transfer Committee of the Company was dissolved on 12.02.2020.

3. POLICIES/ CODES

a. 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 accessed on the Company's website www.20nano.com.

b. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review No sexual Harassment Complaint has been received by the Company. The policy of Sexual Harassment at workplace may be accessed on the Company's website www.20nano.com.

c. Policy on Code of conduct:

The Board of Directors of 20 Microns Nano Minerals Ltd. has adopted the code of conduct for the Board of Directors and Senior Management Employees of the company which was adopted in its meeting held on 13th October, 2017 which shall be effectively from 13th October, 2017, the Company shall always strive to maintain the highest standards of conduct in all its endeavors. The company's directors and senior managers have a responsibility to lead by example, acting with truth, sincerity and fairness in all decisions. The same can be accessed on the Company's website www.20nano.com.

4. SECRETARIAL AUDIT

Pursuant to Provision of Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors of the company has appointed M/s. Kashyap Shah & Co., Practicing Company Secretaries, Vadodara 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, and other Rules and Regulations, as applicable to the company.

5. SERVICES OF DEPOSITORY:

During the year Company has availed the Services of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for the Purpose of Dematerializations of the Equity Shares of the Company. The Company has obtained the **ISIN: INE799W01013.**

The 99.99% of total shares of the company, as on date, are in dematerialized form and balance 0.01% are in physical form.

6. GENERAL MEETINGS

Location, Date and time, of the last three Annual General Meetings are given below:

Financial Year	Date	Location	Time	No. of Special Resolutions passed
2018-19	12.08.2019	At Conference Room 347, GIDC, Industrial Estate, Waghodia, Dist.: Vadodara – 391760, Gujarat.	11.00 AM	Two [2]
2017-18	30.04.2018	At Conference Room 347, GIDC, Industrial Estate, Waghodia, Dist.: Vadodara – 391760, Gujarat.	11.00 AM	Two [2]
2016-17	21.09.2017	At Conference Room 347, GIDC, Industrial Estate, Waghodia, Dist.: Vadodara – 391760, Gujarat.	11.00 AM	Four [4]

REPORT ON CORPORATE GOVERNANCE [CONTD.]

- **During the year 2019-20, 1 [one] Extra-Ordinary General Meeting was held on 13.09.2019 and passed 1[one] Special Resolution**

7. GENERAL SHAREHOLDER INFORMATION:

Registered Office	9-10, GIDC Industrial Estate, Waghodia, Dist.: Vadodara – 391760 , Gujarat, India.
Annual General Meeting	Day & Date : Monday, the 21st day of September, 2020 Time : 11:00 A.M through Video Conferencing or OAVM

8. Plant Locations

Manufacturing Unit as on 31st March, 2020

Plant Location	Address
Waghodia	9/10, GIDC Industrial Estate, Waghodia – 391 760, Dist. Vadodara
Vadadala	172,174 & 175,Vadadala Village, Jarod Samlaya Road, Savli, Vadodara, Gujarat,391520

9. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2020

Category	Total shares	% to total Capital
Promoters – individual	228270	2.545
Promoters Bodies corporate	8741510	97.452
Others	240	0.003
Total	***8970020***	***100.000***

10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020

Range of shares	Shareholders		Shares	
	No. of Shareholders	%	No. of Shares	%
01 to 10000	113	96.58	260	0.003
10001 & Above	4	3.42	8969760	99.997
Total	***117***	***100.00***	***8970020***	***100.00***

11. INVESTORS CORRESPONDENCE

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

The Company Secretary
20 Microns Nano Minerals Limited
9/10, GIDC Industrial Estate, Waghodia – 391 760.
Dist.: Vadodara. Gujarat, India
Email: cs@20nano.com

For the Demat Shares of the company and for any assistance the shareholders may contact/write to:

Link Intime India Pvt. Ltd,
Shangrila Complex, 1st Floor,Opp. HDFC Bank,
B Tower, 102 B and 103, Near Radhakrishna Char Rasta,
Akota, Vadodara-390 020.
Tel : 0265 - 2356 573 / 2356 794
Fax : 0265 - 2356 791
Email : vadodara@linkintime.co.in

Place : Vadodara | **Chandresh S. Parikh**
Date : 13.08.2020 | **Chairman**

SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31st March, 2020)

[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 Nano Minerals Limited
9-10 GIDC Industrial Estate
Waghodia,
Dist. Vadodara- 391760.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by 20 Microns Nano Minerals Limited (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 the Company'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, 2020 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, 2020, 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. - Not Applicable to the Company during the Audit Period.
   B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. - Not Applicable to the Company during the Audit Period.
   C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. — Not Applicable to the Company during the Audit Period.
   D. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. - 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, 2011 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, 2018. - 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.

   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 representation of management letter, considering its nature of business, process and location, the following Acts are specifically applicable to the Company. There are adequate systems and processes in the company to monitor and ensure compliance.

   1. Air (Prevention & Control of Pollution) Act, 1981 & Rules.
   2. Environment Protection Act, 1986 & Rules.
   3. Mineral Conservation & Development Rules, 1988.

We further report that.

The Board of Directors of the Company is duly constituted 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.

SECRETARIAL AUDIT REPORT [CONTD.]

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were *generally* sent at least 7 days 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.

During the Audit period, all the decisions were taken by the Board of Directors or Committee of the Board without any dissent by any of the Directors of the Company as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

We further report that during the audit period, the Company has passed Special Resolution at Annual General Meeting of the Company held on 12.08.2019 for (1) Re-appointment of Mr. Atil C Parikh as CEO & Managing Director w.e.f. 01.04.2020 (2) Payment of commission upto 1% of the Net Profit of the Company to Non Executive Directors and Independent Directors. The Company at its Extra Ordinary General Meeting held on 13.09.2019 passed ordinary resolution for approval of related Party transactions with 20 Microns Limited and 20MCC Private Limited.

For Kashyap Shah & Co.
Practising Company Secretaries

(Kashyap Shah)
Proprietor
FCS No. 7662. CP No. 6672
UDIN : F007662B000281782

Place : Vadodara
Date : 26.05.2020

Note : 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

To,
The Members,
20 Microns Nano Minerals Limited
9-10 GIDC Industrial Estate
Waghodia,
Dist. Vadodara- 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 Kashyap Shah & Co.
Practising Company Secretaries

(Kashyap Shah)
Proprietor
FCS No. 7662. CP No. 6672
UDIN : F007662B000281782

Place : Vadodara
Date : 26.05.2020

INDEPENDENT AUDITOR'S REPORT

To the Members of 20 Microns Nano Minerals Limited.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial Statements of **20 Microns Nano Minerals Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the Standalone Financial Statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India , of the state of affairs of the Company as at 31st March, 2020, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the Standalone financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Report on Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report including Annexures to Board's Report, but does not include the standalone financial Statements and our auditor's report thereon.

Our opinion on the Standalone financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance 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, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT [CONTD.]

Auditor's Responsibilities for the Audit of Standalone Ind AS financial statement

Our objectives are to obtain reasonable assurance about whether the Standalone financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial Statements, including the disclosures, and whether the standalone financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a 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 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 Standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 standalone 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 has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

For **K. M. Swadia and Company**
Chartered Accountants
Firm's Registration No. 110740W

Pravin Panchiwala
Partner
Membership No. 127406
UDIN: **20127406AAAAAS6216**

Vadodara, June 08, 2020

ANNEXURE – "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on the Other Legal and Regulatory Requirements' section of our report of even date)

i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The Company has a regular program of physical verification of its fixed assets by the management in a phased periodical manner over a period of three years, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain assets were verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. As explained to us, the management has conducted physical verification of inventories at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liabilities Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Para 3 (iii) [(a) to (c)] of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

iv. In our opinion and according to the information and explanations given to us in respect of loans, Investments, guarantees and securities, the company has complied with the provisions of the section 185 and 186 of the Companies Act, 2013.

v. According to the information and explanation given to us, in respect of deposits accepted during the year are in compliance with the provisions of section 73 to 76 and other provisions of the companies act and the rules framed there under.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to information and explanations given to us, in respect of the statutory dues:

a. The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, GST, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax cess and any other statutory dues applicable to it. There are no arrears outstanding in case of any of the statutory dues as at the yearend for a period of more than six months from the date they have become payable;

b. The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

Act under which amount is due and authority before which matter is being disputed	Nature of dues	Amount (₹)	Period to which it relates
Income Tax Act,1961	Income Tax	20,42,700	F.Y. 2014-15 (A.Y. 2015-16)
Income Tax Act,1961 – Before Jurisdictional Assessing Officer ageist intimation u/s 143 (1)	Income Tax	39,17,150	F.Y. 2015-16 (A.Y. 2016-17)
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax and Value Added Tax.	19,04,698	F.Y. 2010-11
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	5,70,775	F.Y. 2012-13
Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax	Sales Tax And Value Added Tax	12,46,775	F.Y. 2012-13

viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks or financial institutions during the year under audit. The Company has not issued any debentures.

ANNEXURE – “A” TO THE INDEPENDENT AUDITOR’S REPORT [CONTD.]

ix. The Company did not raise moneys by way of initial public offer or further public offer. In our opinion, the term loans/ deposits were applied for the purposes for which the loans were obtained.

x. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

xi. In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 197 read with schedule 5 to the Companies Act, 2013 with respect to managerial remuneration.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable.

xiii. In our opinion and according to the information and explanation given to us the Company’s transactions with its related party are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. In our opinion and according to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. In our opinion and according to information and explanation given to us, the company has not entered in to any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (XV) of the order are not applicable to the Company.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **K. M. Swadia and Company**
Chartered Accountants
Firm’s Registration No. 110740W

Pravin Panchiwala
Partner
Membership No. 127406
UDIN: **20127406AAAAAS6216**

Vadodara, June 08, 2020

ANNEXURE – "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under "Report on the Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of 20 Microns Nano Minerals limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

1. Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements of the Company that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement of the Company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Financial Statement of the Company and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

3. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to Financial Statements of the Company and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **K. M. Swadia and Company**
Chartered Accountants
Firm's Registration No. 110740W

Pravin Panchiwala
Partner
Membership No. 127406
UDIN: **20127406AAAAAS6216**

Vadodara, June 08, 2020

20 MICRONS nano
20 Microns Nano Minerals Ltd.

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	2182.00	2013.94
Capital work in progress	3	-	110.77
Right of Use Assets	4	127.07	-
Intangible assets	4	33.68	53.42
Intangible assets under development	3	-	6.32
Financial assets			
i. Investments	5	1.48	1.48
ii. Loans		-	-
Other financial assets	6	666.77	8.24
Tax Assets (Net)	23	47.48	47.38
Other non-current assets	7	-	141.56
Total Non-Current Assets		**3058.49**	**2383.11**
Current assets			
Inventories	8	1832.96	986.56
Financial Assets			
i. Trade receivables	9	899.14	781.12
ii. Cash and cash equivalents	10	25.07	8.11
iii. Bank balances other than (ii) above	11	39.44	24.88
iv. Loans	12	184.97	167.92
v. Other current assets	13	97.62	641.09
Total Current Assets		**3079.20**	**2609.67**
TOTAL ASSETS		**6137.69**	**4992.78**
EQUITY AND LIABILITIES			
Equity			
i. Equity share capital	14	897.00	897.00
ii. Other Equity	15	2109.95	1866.92
Total equity		**3006.95**	**2763.92**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
i. Borrowings	16	256.99	135.98
ii. Other financial liabilities	16a	76.20	-
Deferred tax liabilities (Net)	17	272.20	275.68
Total Non-Current Liabilities		**605.38**	**411.66**
Current liabilities			
Financial Liabilities			
Borrowings	18	440.56	563.26
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises.		65.45	84.75
Total outstanding dues of creditors other than micro enterprises and small enterprises.		1766.49	761.79
Other financial liabilities	20	135.92	90.28
Other current liabilities	21	101.90	309.34
Provisions	22	15.05	7.78
Current Tax Liabilities (Net)	23	-	-
Total Current Liabilities		**2525.36**	**1817.20**
Total Liabilities		**3130.74**	**2228.86**
TOTAL EQUITY AND LIABILITIES		**6137.69**	**4992.78**

See accompanying notes to the financial statements

As per our report attached
For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406

Place : Waghodia, Vadodara
Date : June 8, 2020

For 20 Microns Nano Minerals Limited

Chandresh S. Parikh
Chairman
DIN-00041584

Atil C. Parikh
CEO & Managing Director
DIN-00041712

Anuja K. Muley
Company Secretary
M.No. - A21243

N R Patel
Chief Financial
Officer

Place : Waghodia, Vadodara
Date : June 8, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue			
Revenue from Operations	**24**	5880.57	4149.68
Other income	**25**	72.62	44.91
Total Income		**5953.19**	**4194.59**
Expenses			
Cost of materials consumed	**26**	3860.96	2284.55
Purchase of Stock In Trade	**27**	63.85	43.60
Changes in inventories of Finished Goods	**28**	(196.03)	35.79
Employee Benefits Expenses	**29**	522.43	371.29
Finance Costs	**30**	127.88	90.33
Depreciation and Amortization Expenses	**31**	139.61	124.10
Other Expenses	**32**	1111.02	880.37
Total Expenses		**5629.72**	**3830.02**
Profit Before Exceptional Items and Tax		323.47	364.57
Exceptional Items		-	-
Profit Before Tax		**323.47**	**364.57**
Tax expense:			
Current Tax	**33**	85.63	101.60
Adjustment for earlier tax expense		.0	.15
Deferred Tax		(6.54)	2.66
Profit for the year		**244.39**	**260.17**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan	**34**	1.70	(1.07)
Tax on above	**34**	(.43)	.33
Total other comprehensive income		**1.27**	**(.74)**
Total comprehensive income for the year		**245.66**	**259.43**
Earnings per equity share of FV of Rs 10 each			
Basic		2.72	2.90
Diluted		2.72	2.90
See accompanying notes to the financial statements			

As per our report attached
For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406

Place : Waghodia, Vadodara
Date : June 8, 2020

For 20 Microns Nano Minerals Limited

Chandresh S. Parikh
Chairman
DIN-00041584

Atil C. Parikh
CEO & Managing Director
DIN-00041712

Anuja K. Muley
Company Secretary
M.No. - A21243

N R Patel
Chief Financial
Officer

Place : Waghodia, Vadodara
Date : June 8, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCIE)
FOR THE YEAR ENDED MARCH 31, 2020

(a) **Equity share capital** (₹ in Lakhs)

Equity shares of ₹ 10/- each issued, subscribed and fully paid up	No. of Shares	Amount
As at March 31, 2020 and March 31, 2019	89,70,020	897.00

(b) **Other equity** (₹ in Lakhs)

Particulars	Attributable to the equity holders of the Company		
	Security Premium account	Surplus in Profit and Loss account	Total Other Equity
Balance at April 1, 2018 (A)	**349.80**	**1354.63**	**1704.43**
Share issue expenditure	(10.43)	-	(10.43)
Profit for the year	-	260.17	260.17
Other comprehensive income for the year, net of tax	-	(.74)	(.74)
Dividends	-	(71.76)	(71.76)
Corporate Tax on Dividends	-	(14.75)	(14.75)
Balance at March 31, 2019 (B)	**339.37**	**1527.55**	**1866.92**
Share issue expenditure	(2.63)		(2.63)
Profit for the year		244.39	244.39
Other comprehensive income for the year, net of tax		1.27	1.27
Balance at March 31, 2020 (C)	**336.74**	**1773.21**	**2109.95**

As per our report attached
For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406

Place : Waghodia, Vadodara
Date : June 8, 2020

For 20 Microns Nano Minerals Limited

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N R Patel
Chief Financial Officer

Place : Waghodia, Vadodara
Date : June 8, 2020

STANDALONE CASH FLOW STATEMENT AS AT 31ST MARCH, 2020

(₹ in Lakhs)

	Particulars	For the Year ended March 31, 2020	Year ended Year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Tax	323.47	364.57
	Adjustments for:		
	Depreciation and amortisation	139.61	124.10
	Profit on sale/disposal of Property, plant and equipment	(.26)	(1.59)
	Unrealised Foreign Exchange Loss/Gain	-	-
	Liability/Provision no longer required written back	(5.58)	(13.56)
	Remission of Debit Balances	.39	.38
	Bad Debts Written Off	-	-
	Provision for Doubtful Debts (Trade Receivables)	-	-
	Interest Income	(55.20)	(20.90)
	Interest Paid	127.88	90.33
	Operating Profit before Working Capital Changes	**530.32**	**543.34**
	Adjustments for changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	(118.42)	(69.85)
	(Increase)/Decrease in Other - Non Current Assets	-	.67
	(Increase)/Decrease in Other financial assets-Non-current	(658.53)	14.76
	(Increase)/Decrease in Short Terms Loans and Advances	(17.05)	(12.40)
	(Increase)/Decrease in Other Current Assets	543.46	(609.07)
	(Increase)/Decrease in Other financial assets-Current	(14.57)	(16.62)
	(Increase)/Decrease in Inventories	(846.39)	(77.17)
	Changes in Trade and Other Receivables	**(1111.50)**	**(769.69)**
	Increase/(Decrease) in Trade Payables	990.97	233.99
	Increase/(Decrease) in Other financial liability except current maturity of long term debt	48.64	.0
	Increase/(Decrease) in Other current Liabilities	(207.44)	249.84
	Increase/(Decrease) in Short-term provisions	8.97	1.45
	Increase/(Decrease) in Other financial liabilities -Non- Current	76.20	
	Changes in Trade and Other Payables	**917.34**	**485.28**
	Cash Generated from Operations	**336.16**	**258.93**
	Income tax paid (Net of refunds)	85.73	139.03
	Net Cash from Operating Activities	**250.42**	**119.90**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds from sale of Assets	1.96	16.51
	Purchase of Assets	(158.04)	(248.28)
	Investments In Equity Shares	-	(1.25)
	Interest Received	55.20	20.90
	Net Cash used in Investing Activities	**(100.88)**	**(212.13)**

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2020	Year ended Year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from /(Repayment of) Long-term borrowings (Net)	168.10	28.20
Proceeds from Short-term borrowings	187.06	65.39
Repayment of Long-term borrowings (Secured and Unsecured)	(50.10)	(74.90)
Repayment of Short-term borrowings (Secured and Unsecured)	(309.76)	259.07
Share issue expense	-	(11.47)
Interest Paid	(127.88)	(90.33)
Dividend Paid (including tax thereon)	-	(86.51)
Net Cash from Financing Activities	**(132.59)**	**89.45**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**16.95**	**(2.77)**
Cash and Cash Equivalents at the beginning of the year	8.11	10.88
Cash and Cash Equivalents at the end of the year	25.07	8.11
Closing Cash and Cash Equivalents comprise:		
Cash in hand	.15	-
Balances with Scheduled Banks		
Balance in Current and Savings Account	24.92	8.11
Total	**25.07**	**8.11**

Notes to Cash Flow Statement:

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard IND AS - 7 on Cash Flow Statements.

(ii) Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.

(iii) Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year's figures.

(iv) In Part A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the Net cash flow from operating activities. In Part B and Part C, figures in bracket indicate cash-outflow.

(V) Disclosure pursuant to Ind AS 7 on "Statement of Cash Flows"

Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activites, to meet the disclosure requirement.

(₹ in Lakhs)

For the year ended March 31, 2020	Opening Balance	Cash Flows		Non Cash Changes	Closing Balance
		Repayment	Proceeds		
Short Term Borrowings	563.26	-309.76	186.56	.49	440.56
Long Term Borrowings (including Current maturities)	217.22	-50.10	168.84	-.74	335.21
Bank Balances other than Cash and Cash Equivalents	24.88	-	14.57	-	39.44

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.

As per our report attached
For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406

Place : Waghodia, Vadodara
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For 20 Microns Nano Minerals Limited

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Chief Financial Officer

Place : Waghodia, Vadodara
Date : June 8, 2020

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31ST, 2020

Authorization of financial statements:

The Standalone Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 8th June, 2020.

Note 1 – Corporate Information

20 Microns Nano Mineral Limited ("Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 9 – 10, GIDC, Waghodia, Vadodara – 391760, Gujarat, India.

The Company is engaged in processing and selling of Specialty Chemicals (Functional Additives -FA and Chemically Modified Minerals –CMM), Soft Minerals (SM) and Hard Minerals (HM) and are used in industries such as paints and coatings, printing inks, plastics and polymers, rubber, ceramics, foundry, paper, adhesives, cosmetics, construction, agro chemicals, chemical and pharmaceuticals, textile, oil-well drilling, filtration.

Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

2.1.1 Statement of Compliance

The standalone financial statements have been prepared in accordance and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.1.2 Historical Cost Convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

2.2 Use of Estimates and Judgements

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the accompanying disclosures and the disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 33 :- Current/deferred tax expense

Note 36 :- Contingent liabilities and assets

Note 9 :- Expected credit loss for receivables

Note 39 :- Measurement of defined benefit obligations

2.3 Property, Plant and Equipment

An item of Property, plant and equipment that qualifies as an assets is measured at their cost. Following initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines the cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent expenditures, including replacement costs where applicable, incurred for an item of Property plant and equipment are added to its books value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Any item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to revenue in the income statement when the asset is derecognised.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

2.4 Capital work-in-progress and intangible assets under development

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/intangible assets under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

2.5 Investment Properties

Investment properties comprises of Immovable Property that are held for rental yield and/or capital appreciation.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as and when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.6 Intangible Assets

Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

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.

Research and development:

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable;
- and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Any item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is recognised in the statement of Profit and Loss when the asset is derecognised.

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Mining Lease Right

Company has acquired mining lease rights under agreement with the state government of Andhra Pradesh ("government").

The costs of mining properties and leases, during exploration and evaluation stage, which include the costs of acquiring and developing mining properties and mineral rights, are capitalized as property, plant and equipment under the heading 'Mining Lease Rights' in the year in which they are incurred. Until the company receives approval from the government for mining, these assets are classified as capital work in progress. During this exploration and evaluation stage, mining expenditure is subjected to impairment review on an event of indication of impairment and any impairment loss is recognized in profit and loss prior to stage of reclassification (from capital work in progress to cost of mining property)

After the approval is received from the government for mining, all expenditure incurred till that stage is transferred from capital work in progress and capitalized. The same is amortized on straight line method over a period of mining lease agreement with the government.

Mining property, within the period of mining lease agreement, is subjected to annual impairment review. Any impairment loss is immediately recognized in profit and loss.

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

(i) Acquisition costs – costs associated with acquisition of licenses and rights to explore, including related professional fees.

(ii) General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

(iii) Costs of exploratory drilling and equipping exploratory and appraisal wells.

2.7 Depreciation and amortisation methods, estimated useful lives and residual values

Depreciation is recognised so as to write off the cost of assets (other than freehold land and Capital work-in- progress) less their residual values on straight-line method over their useful lives of the assets.

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The management believes that these useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful lives are reviewed by the management at each financial year end and revised, if appropriate. In case of a revision, the unamortised depreciable amount (remaining net value of assets) is charged over the revised remaining useful lives.

Based on management estimate, residual value of 5% is considered for respective tangible assets except Lease hold land.

Intangible assets are amortized over their individual estimated useful lives on a Straight-Line basis, commencing from the year in which the same are available to the company for its intended use. The useful lives as estimated by the management for the intangible assets are as follows:

a)	Process Know How (Product Development)	5 Years
b)	Mine Development	5 Years

Cost of lease-hold land is amortized equally over the period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively if appropriate.

Component accounting of assets: If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and accordingly depreciated at the useful lives.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Investment properties are depreciated based on the useful life prescribed in Schedule II to the Companies Act, 2013.

2.8 Impairment of non-financial assets

At the balance sheet date, non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. 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.

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.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

2.9 Revenue recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as Goods and Service Tax, Sales Tax and Value Added Tax are excluded from revenue.

Revenue from sale of products is recognized when the Company transfers all the significant risks and rewards of ownership to the buyer, while the company retains neither continuing managerial involvement nor effective control over the product sold. No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods, amount of sale can be measured reliably, and the cost incurred and to be incurred can be measured reliably. Sales figure are inclusive of excise duty and freight in case of landed rates, but are of net of sales returns, and rate or quantity adjustments.

Export benefits available under the prevalent schemes are recognized when there exists no significant uncertainty regards to its realisation.

Interest is recognised using Effective Interest Rate method as set out in Ind AS 109.

Dividend income is recognised, when the right to receive payment is established.

Royalty income is recognised on accrual basis in accordance with the substance of the agreement.

Investment property rental income is recognised as revenue on accrual basis as per the terms of the underlying contract with customers.

Other operating income and misc. income are accounted on accrual basis as and when the right to receive arises.

2.10 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings –interest bearing loans are subsequently measured at amortised cost by using the effective interest method (EIR method). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest method (EIR). The EIR Amortization is included as Finance Costs in the statement of profit and loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all the facility will be draw down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is deferred as a payment for liquidity services and amortised over the period of the facility to which it relates.

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or other expenses as well as through the EIR amortization process.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

2.11 Borrowing Cost

The Company is capitalising general and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying asset up to the date of commissioning. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Expenses incurred in connection with the arrangement of specific borrowings are capitalized over the period of the borrowing and every year such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the statement of profit and loss.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.12.1 Financial Asset

Initial Recognition

A financial asset or a financial liability is recognised in the balance sheet only when, the Company becomes party to the contractual provisions of the instrument.

Initial Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified into:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss (FVTPL); and
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above-mentioned categories based on:

- The Company's business model for managing the financial assets, and
- The contractual cash flows characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- The assets contractual cash flows represent SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity Investments:

All equity investments in scope of Ind AS 109 are measured at fair value except investment in Subsidiary. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity investments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Investments in subsidiary:

Investments in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
   (1) The Company has transferred substantially all the risks and rewards of the asset, or
   (2) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.12.2 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

- Financial liabilities measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.12.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.13 Fair Value

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director and Chief Financial Officer.

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (refer note 37)

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Investment in unquoted equity shares.
4. Financial instruments (including those carried at amortised cost).

2.14 Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

2.15 Foreign Currency Transactions

2.15.1 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

2.15.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.16 Employee Benefits

Employees Benefits are provided in the books as per Ind AS -19 on "Employee Benefits" in the following manner:

2.16.1 Post-Employment Benefit Plans

Defined Contribution Plan

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company does not carry any other obligation apart from the monthly contribution.

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined Benefit Plans

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 separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

2.16.2 Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services. Short term employee benefits includes salary and wages, bonus, incentive and ex-gratia and also includes accrued leave benefits, which are expected to be availed or en-cashed within 12 months from the end of the year.

2.17 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

(A) Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

2.18 Taxation

Tax expenses is the aggregate amount included in the determination of profit or loss for the period in respect of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

2.18.1 Current Tax

The current tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

2.18.2 Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred taxes are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19 Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company’s earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.20 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management’s assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.21 Segment Reporting

The Company primarily operates in the segment of Micronized Minerals. The Managing Director of the Company allocate resources and assess the performance of the Company; thus, they are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

2.22 Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.23 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.24 Dividend to Equity Shareholders of the Company

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.25 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Note 3 Property, Plant and Equipment (PPE) **(₹ in Lakhs)**

Particulars	Property, Plant and Equipment (PPE)									Total	Capital Work in progress (CWIP)	Exploration intangible assets under develope-ment	Total including capital work in progress and exploration intangible assets under
	Freehold land	Lease Hold Land	Office Building	Factory Building	Plant & Machinery	Furniture and fixtures	Office equip-ments	Computer Equip-ments	Vehicles				
Gross Block													
As at April 1, 2018	23.75	849.05	89.47	222.31	1073.21	84.02	16.30	12.03	117.01	2487.16	7.95	5.24	2500.35
Additions	-	-	-	17.22	46.76	.86	-	.18	-	65.03	102.82	1.08	168.93
Disposals/Adjustments	-	-	-	-	(15.52)	-	-	-	-	(15.52)	-	-	(15.52)
As at April 1, 2019	23.75	849.05	89.47	239.54	1104.44	84.89	16.30	12.21	117.01	2536.66	110.77	6.32	2653.75
Additions	-	42.21	10.43	-	214.73	-	.16	1.11	-	268.65	-	-	268.65
Disposals/Adjustments					(9.14)	-	-	-	-	(9.14)	(110.77)	(6.32)	(126.24)
As at March 31, 2020	**23.75**	**891.27**	**99.91**	**239.54**	**1310.03**	**84.89**	**16.46**	**13.32**	**117.01**	**2796.16**	**.0**	**.0**	**2796.16**
Accumulated depreciation, depletion, amortisation and impairment													
As at April 1, 2018	-	21.72	10.17	42.79	244.83	47.93	15.09	11.18	31.45	425.16	-	-	425.16
Charge for the year	-	10.86	1.51	7.32	55.56	8.85	.11	.18	13.77	98.16	-	-	98.16
Disposals/ Adjustments	-	-	-	-	(.60)	-	-	-	-	(.60)	-	-	(.60)
As at April 1, 2019	-	32.58	11.68	50.11	299.79	56.78	15.20	11.35	45.21	522.72	.0	.0	522.72
Charge for the year	-	10.86	1.52	7.46	58.79	8.89	.09	.18	11.10	98.89	-	-	98.89
Disposals/ Adjustments	-	-	-	-	(7.45)	-	-	-	-	(7.45)	-	-	(7.45)
As at March 31, 2020	.0	43.45	13.20	57.57	351.14	65.67	15.30	11.53	56.31	614.17	.0	.0	614.17
Net Book Value	-	-	-	-	-	-	-	-	-	-	-	-	-
As at April 1, 2018	23.75	827.33	79.30	179.52	828.38	36.09	1.21	.85	85.56	2062.00	7.95	5.24	2075.19
As at April 1, 2019	23.75	816.47	77.79	189.43	804.65	28.10	1.10	.85	71.80	2013.94	110.77	6.32	2131.03
As at March 31, 2020	**23.75**	**847.82**	**86.71**	**181.97**	**958.90**	**19.21**	**1.17**	**1.78**	**60.70**	**2182.00**	**.0**	**.0**	**2182.00**

Note 3.1 Impairment of Assets : Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 3.2 Security Pledge of Assets : Refer to Note 16 on borrowings for details in terms of pledge of assets as security.

Note 3.3 Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Note 4

Intangible assets and Right of Use Assets **(₹ in Lakhs)**

Particulars	Intangible assets			Right of Use Assets
	Product Development	Mining Development Expense	Total	
Gross Block				
As at April 1, 2018	158.72	16.95	175.67	
Additions		6.90	6.90	
Disposals/ Adjustments			.0	
As at April 1, 2019	158.72	23.85	182.58	15.60
Additions		6.32	6.32	126.13
Disposals/ Adjustments			.0	
As at March 31, 2020	**158.72**	**30.17**	**188.90**	**141.73**
Accumulated amortisation and impairment				
As at April 1, 2018	87.12	16.11	103.22	
Charge for the year	24.63	1.30	25.93	
Disposals/ Adjustments	.0			
As at April 1, 2019	111.75	17.41	129.16	-
Charge for the year	23.84	2.23	26.06	14.66
Disposals/ Adjustments				
As at March 31, 2020	135.58	19.64	155.22	14.66
Net Book Value				
As at April 1, 2018	71.61	.85	72.45	-
As at April 1, 2019	46.97	6.44	53.42	15.60
As at March 31, 2020	**23.14**	**10.54**	**33.68**	**127.07**

Note 4.1 Product Development is in respect of expenditure incurred for in house development of of product and recognised as intangible asset. The useful life of the product development is taken 5 years.

Note 4.2 Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 4.3 There is no restriction on the title of intangible assets.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 5 Non- current financial assets : Investments		
Unquoted :		
Investments in Subsidiary company Valued at Cost		
Silicate Minerals Private Limited		
12530 (P.Y. 12530/-) Fully paid equity shares of ₹ 10 each	1.25	1.25
Investments in Government Securities (unquoted)		
National Savings Certificate	.23	.23
Total	**1.48**	**1.48**
Aggregate amount of quoted investments	Nil	Nil
Aggregate carrying amount of unquoted investments	1.48	1.48
Aggregate amount of impairment	Nil	Nil
Note 6 Other Financial Assets		
Unsecured, considered good		
Advance recoverable (Related parties 6.1)	649.50	
Bank Deposits with more than 12 months maturity		
Deposits (Liquid Asset on Public Deposits) statutorily required as Companies Act 2013	-	7.84
Margin Money deposits under lien against Bank Guarantee	-	.40
Security Deposits	17.27	
Total	**666.77**	**8.24**
6.1 Advance to Subsidiary Compnay Silicate Minerals (I) Pvt Ltd is ₹ 649.50 Lakhs carrying 9% rate of interest per annum.		
Note 7 Other non- current assets		
Advance for Capital Expenditure [Unsecured, considered good]	-	141.56
Total	**-**	**141.56**
Note 8 Inventories*		
Raw Materials	1217.14	599.09
Finished Goods	386.49	206.99
Stock in trade	30.43	13.90
Stores and Spares	198.90	166.58
Total	**1832.96**	**986.56**
* For Valuation- Refer note 2.14		
** Refer to Note 16 on borrowings for details in terms of pledge of assets as security.		
Note 9 Current financial assets : Trade receivables*		
Unsecured, Considered Good (Refer Note 9.1 below)	919.51	806.24
Less: Provision for Expected Credit Loss	(20.36)	(25.12)
Total	**899.14**	**781.12**
9.1 Trade Receivable from Subsidiary Compnay Silicate Minerals (I) Pvt Ltd is ₹ 17.79 Lakhs (P.Y. ₹ 17.79 Lakhs) and Subsidiary of the holding company 20 MCC Pvt Limited is ₹ Nil (P.Y. ₹ 2.71 Lakhs)		
* Refer to Note 16.1 on borrowings for details in terms of pledge of assets as security.		

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 10 Current financial assets : Cash and cash equivalents		
Balance with banks - Current accounts	24.92	8.11
Cash on hand	.15	**.0**
Total	**25.07**	**8.11**
Note 11 Current financial assets : Other bank balances		
Bank deposits with original maturity of more than 3 months but less than 12 months		
Deposits (Refer Note -11.1 & 11.2 below)	39.21	24.88
Margin Money deposits under lien against Bank Guarantee (Refer Note -11.1 below)	.23	-
Earmarked unpaid dividend accounts (Refer Note -11.3 below)	.0	.0
Total	**39.44**	**24.88**

Note 11.1: Bank deposits earns interest at fixed rate based on respective deposit rate.

Note 11.2: The balance is held for Liquid Asset on Public Deposits as per the requirement unde the Companies Act 2013.

Note 11.3: The balances in unclaimed dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 12 Current financial assets : Loans (including security deposits)		
Inter Corporate Deposits (Note 12.1)	149.70	133.82
Loans to employees	1.58	2.39
Security and other deposits [Unsecured, considered good]	33.68	31.70
Total	**184.97**	**167.92**

Note 12.1

The Inter corporate deposit is unsecured in nature and carrying 14% rate of interest. The same ICD is repayable on demand.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 13 Current assets : Others		
Advances [Unsecured, considered good]		
To Suppliers (Related parties 13.1)	-	616.90
To Others	14.26	12.35
Prepaid Expenses	9.01	3.09
Balance with government authority	66.00	.39
Sales Tax Paid Under Protest	8.14	8.14
Group Gratuity Fund	.20	.20
Total	**97.62**	**641.09**

13.1 Advance to Subsidiary Compnay Silicate Minerals (I) Pvt Ltd is ₹ Nil/- (P.Y. ₹ 616.90 Lakhs).

Note 14 Share Capital

Authorised, issued, subscribed, fully paid up share capital (₹ in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹10 each	2,00,00,000	2000.00	2,00,00,000	2000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid up	89,70,020	897.00	89,70,020	897.00
Total	**89,70,020**	**897.00**	**89,70,020**	**897.00**

A. Reconciliation of shares outstanding at the beginning and at the end of the reporting period (₹ in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Equity Shares of ₹ 10 each fully paid		Equity Shares of ₹ 10 each fully paid	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the period	89,70,020	897.00	89,70,020	897.00
Add: Shares issued during the period	-	-	-	-
Add: Shares bought back during the period	-	-	-	-
Less: Shares cancelled during the period	-	-	-	-
Shares outstanding at the end of the period	**89,70,020**	**897.00**	**89,70,020**	**897.00**

B. Other Disclosures

Terms/ rights attached to equity shares

Every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held for all matter submitted to vote in a shareholders meeting of the company. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion of the number of shares held to the total equity shares outstanding as on that date.

C. Shareholders holding more than 5 % of total share capital

Name of Shareholders	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10 each fully paid				
20 Microns Limited (Holding Co.)	87,20,000	97.21%	87,20,000	97.21%
Total	**87,20,000**	**97.21%**	**87,20,000**	**97.21%**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 15 OTHER EQUITY		
Reserves & Surplus		
Securities Premium Account		
Opening Balance	339.37	349.80
Share issue expenditure - Deferred Tax	2.63	10.43
Closing Balance	**336.74**	**339.37**
Surplus in Profit and Loss account		
Opening balance	1527.55	1354.63
Profit for the year	244.39	260.17
Other Comprehensive Income		
Add: Remeasurements of post-employment benefit obligation, net of tax	1.27	(.74)
Total	1773.21	1614.06
Dividend	-	(71.76)
Corporate Tax on Dividend	-	(14.75)
Closing Balance	1773.21	1527.55
Total other equity	**2109.95**	**1866.92**

Note 16 Non- current financial liabilities : Borrowings

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-Current	Current*	Non-Current	Current*
Secured				
Term Loan from Banks (Refer Note No. 16.1)	-	2.82	.45	29.14
Vehicle Loans (Refer Note No. 16.3)	18.98	14.75	33.73	14.26
Total secured borrowing [A]	18.98	17.57	34.17	43.40
Unsecured				
Deposits - From Public & Members (Refer Note No. 16.2)	237.34	67.59	99.87	45.73
Vehicle Loans (Refer Note No. 16.3)	.67	1.27	1.94	1.16
Total unsecured borrowing [B]	238.01	68.86	101.81	46.89
TOTAL [A+B]	**256.99**	**86.43**	**135.98**	**90.28**

*Amount disclosed under the head "Current financial liabilities : Others" (Note 20)

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

16.1 Term Loans from Bank

16.1.1 Primary Security: The term loan is secured way of first charge on all present and future current assets of the Company. Collateral Security: Term Loan is further secured by way of Second charge on all present and future fixed assets of the Company. Corporate Guarantee: Corporate Guarantee of 20 Microns Ltd.

16.1.2 Rate of interest is 13.70%.

16.2 Unsecured Deposits

Effective Interest Rate	8.5% to 12 %
Year	**(₹ in Lakhs)**
2020-21	67.59
2021-22 and 2022-23	237.34

16.3 Term loans of ₹ 33.73 Lakhs outstanding as at March 31, 2020 (P.Y. ₹ 47.98 Lakhs) for acquisition of assets (vehicles) are secured only by the hypothecation of the respective assets financed. Rate of interest is 8.30% - 9.65%.

Note 16a Non Current financial liabilities : Borrowings **(₹ in Lakhs)**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-Current	Current*	Non-Current	Current*
Unsecured				
Lease Liability	76.20	45.27	-	-
Total	76.20	45.27	-	-

Note 17 Deferred tax Liabilities

(a) Deferred tax balances and movement for the year Ended March 31, 2020 **(₹ in Lakhs)**

Particulars	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2020
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	313.61	(4.22)	-	-	309.39
Loans and borrowings	.96	(.9)	-	-	.87
Employee benefits	-	-	-		
Right to use assets	-	28.28	-	-	28.28
Total	**314.57**	**23.97**	**-**	**-**	**338.54**
Deferred tax asset					
Employee benefits	.97	(.14)	(.43)	-	.40
Tax credit	23.83	-	-	-	23.83
Provisions	6.99	(1.87)	-	-	5.12
Share issue expense	7.10	-	-	(2.63)	4.48
Lease Liability	-	32.52	-	-	32.52
Total	**38.89**	**30.51**	**(.43)**	**(2.63)**	**66.34**
Net deferred tax Liabilities	**275.68**	**(6.54)**	**.43**	**2.63**	**272.20**

(b) Deferred tax balances and movement for the year Ended March 31, 2019 **(₹ in Lakhs)**

Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2019
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	310.56	3.04	-	-	313.61
Loans and borrowings	1.39	(.43)	-	-	.96
Employee benefits	.19	(.19)	-	-	0
Total	**312.14**	**2.43**	**-**	**-**	**314.57**
Deferred tax asset					
Employee benefits	.08	.55	.33	**-**	.97
Tax credit	23.83	-	-	-	23.83
Provisions	7.76	(.78)	-	-	6.99
Share issue expense	6.07	-	-	1.03	7.10
Total	**37.75**	**(.22)**	**.33**	**1.03**	**38.89**
Net deferred tax Liabilities	**274.39**	**2.66**	**(.33)**	**(1.03)**	**275.68**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 18 Current financial liabilities : Borrowings		
Secured (Repayment on demand)		
Loan from Banks (Cash credit / Bank Overdraft) (Refer Note 18.1)	111.78	387.87
Unsecured		
Deposits		
From Public and Members (Refer Note 16.2)	328.78	175.39
Total	**440.56**	**563.26**
Details of Securities		
Note 18.1		
Secured (Repayable on demand and Rate of interest is 12.30%)		
For Security refer Note 16.1 .1		
Note 18.2		
The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.		
Note 19 Current financial liabilities : Trade payables		
Total outstanding dues of micro enterprises and small enterprises		
- Trade payables others (Refer Note 19.1)	65.45	84.75
Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
Trade payables - Related Parties (Refer Note 19.2)	917.91	549.96
Trade payables - Others	848.58	211.83
Total	**1831.93**	**846.54**
Note 19.1		
The list of undertaking covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by the auditor. The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as under:		
Principal Amount due and remaining unpaid	64.99	84.34
Interest due on (1) above and unpaid interest	.46	.40
Interest paid on all delayed payments under MSMED Act,2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay other than (3) above	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
Note 19.2		
Trade payable includes Trade payable to Holding Compnay 20 Microns Ltd is ₹ 855.85 Lakhs (P.Y. ₹ 549.96 Lakhs) and Subsidiary of ultimate Holding Company 20 MCC Pvt Ltd ₹ 62.06 Lakhs (P.Y. ₹ Nil /-).		

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 20 Current financial liabilities : Others		
Current maturities of long term borrowings - (Please refer Note 16):-		
Term Loan		
- From Banks (Secured) (Refer Note No. 16.1)	2.82	29.14
- Vehicle Loans (Secured) (Refer Note No. 16.3)	14.75	14.26
Deposits(Unsecured)		
- From Pubilc and Members	59.38	36.68
Term Loan		
- Vehicle Loans (Unsecured) (Refer Note No. 16.3)	1.27	1.16
	78.22	81.24
Unclaimed Dividend*	.0	.0
Unclaimed Matured public deposits and Interest	8.21	9.05
Lease Liability	45.27	.0
Payable for Capital Expenditure	4.22	.0
Total	**135.92**	**90.28**

Note : The unclaimed dividend will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 when become due. No amount is due at the end of the period for credit to Investors education and protection fund.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 21 Current liabilities : Others		
Advance from customer (Refer Note 21.1)	52.29	250.78
Statutory Dues Payable	10.11	20.66
Other Current Liabilities	-	-
Employee Benefits Payable	5.08	9.42
Other current financial liabilities	34.41	28.47
Total	**101.90**	**309.34**

Note 21.1 Advance from Customer includes advances received from Holding Compnay 20 Microns Ltd is NIL. (P.Y. ₹ 248.74 Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 22 Current provisions		
(a) Provision for employee benefits (Refer note 39)		
Provision for gratuity	1.27	3.17
Provision for leave encashment	.30	.30
(b) Provision for Expenses	13.48	4.31
Total	**15.05**	**7.78**
Note 23 Details of Income tax assets and income tax liabilities		
(a) Income tax assets	47.48	47.38
(b) Current income tax liabilities	-	-
Net Asset (a-b)	**47.48**	**47.38**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Note 24 Revenue from Operations		
Sale of products	5880.57	4148.15
Other operating revenues	-	1.53
Total	**5880.57**	**4149.68**
Note 24.1 Details of other operating revenues of the company are as under:		
Job Work Charges	-	1.53
Total	**-**	**1.53**
Note 25 Other Income		
Interest Income	55.20	20.90
Rent	5.83	1.20
Net Gain on Disposal of Tangible Asset	.26	1.59
Net Gain on Foreign Currency Transactions	4.79	1.93
Provisions no longer required written back	3.95	12.67
Liability no longer required written back	1.63	.89
Export Incentives	.51	1.29
Other Non-Operating Income	.46	4.45
Total	**72.62**	**44.91**
*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.		
Note 26 Cost of materials consumed		
(a) Raw Material and Packing Material		
Opening Stock of Material	596.34	532.22
Add : Purchases	4374.71	2177.21
	4971.05	2709.43
Less: Closing Stock of Materials	1214.33	596.34
Sub - Total (a)	**3756.72**	**2113.09**
(b) Mining Material		
Opening Stock of Material	2.76	.84
Add : Purchases	104.30	173.37
	107.05	174.21
Less: Closing Stock of Materials	2.81	2.76
Sub - Total (b)	**104.24**	**171.46**
Total (a+b)	**3860.96**	**2284.55**
Note 27 Purchases of Stock in trade		
Purchases of Stock in trade	63.85	43.60
Total	**63.85**	**43.60**
Note 28 Changes in inventories of Finished Goods and Stock in Trade		
Changes in inventories of finished goods and stock in trade		
Inventory at the beginning of the year		
Finished Goods	206.99	230.44
Stock in Trade	13.90	26.24
Sub total (a)	**220.89**	**256.68**
Less: Inventory at the end of the year		
Finished Goods	386.49	206.99
Stock in Trade	30.43	13.90
Sub total (b)	**416.92**	**220.89**
Total	**(196.03)**	**35.79**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Note 29 Employee benefit expense		
Salary, Wages Bonus & Allowances	455.32	322.74
Incentive To Employees	13.94	10.29
Contribution to Provident and Other Funds	13.43	12.41
Managerial Remuneration	14.12	14.03
Staff Welfare Expenses	25.62	11.81
Total	**522.43**	**371.29**
Note 30 Finance Costs		
Interest on Term Loans	6.99	12.85
Interest on Working Capital Loans	52.75	38.51
Interest expense on financial liabilities at amortised cost	57.96	34.60
Interest on Lease Liability	4.65	-
Other Borrowing Costs	5.53	4.37
Total	**127.88**	**90.33**
Note 31 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	98.89	98.16
Amortisation of intangible assets (refer note 4)	26.06	25.93
Amortisation of Right of use assets (refer note 4)	14.66	-
Total	**139.61**	**124.10**
Note 32 Other Expenses		
Note 32.1 Manufacturing Expenses		
Consumption of Stores and Spare Parts	47.95	29.21
Power and Fuel	252.09	275.79
Rent	278.07	34.00
Repairs :		
Buildings	-	.47
Plant and Machinery	34.48	31.21
Other Manufacturing & Factory Expenses	80.13	69.84
Sub Total	**692.71**	**440.51**
Note 32.2 Administrative & Other Expenses		
Rent	1.65	4.05
Rates & Taxes	1.46	8.69
Insurance	6.31	4.94
Post, Telephone & Courier	7.83	3.06
Printing and Stationary expenses	4.21	3.40
Legal, Licenses and Renewal expenses	.47	1.15
Software and Computer Maintenance	1.21	.60
Travelling & Conveyance	6.65	4.58
Vehicle Running & Maintenance	6.35	5.04
Professional Fees	13.92	13.42
Auditors Remuneration	2.50	2.50
Directors Sitting Fees	3.90	4.90
Donation	.11	2.00
Remission of Debit balance	.39	.38
Miscellaneous Expenses	42.16	21.29
Royalty Paid	114.36	76.98
Sub Total	**213.50**	**156.96**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Note 32.3 Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	16.89	15.97
Sales Commission	6.34	5.42
Rent	3.90	1.62
Other Selling Expenses	26.75	28.99
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	91.08	196.75
Freight and Logistic Expenses (Export)	32.65	17.44
Export Expenses	27.21	16.70
Sub Total	**204.81**	**282.90**
Total	**1111.02**	**880.37**
Note 32.4 Payment to Auditors		
Audit Fees	2.50	2.50
Certification Charges and other reimbursement	-	2.99
Total	**2.50**	**5.49**
Note 33 Income Taxes		
(a) Income tax expense/(benefit) recognised in the statements of profit and loss		
Income tax expense recogniged in the statements of profit and loss consists of the following:		
Current Tax		
(a) Current income tax	85.63	101.60
(b) Short/(Excess) provision of income tax in respect of previous years	-	.15
(c) Deferred tax benefit	(6.54)	2.66
Tax expense for the year (a+b+c)	**79.09**	**104.40**
b) Income tax Expences/(benefit) Recognised directly in equity		
Income tax expense/(benefit) recognised ditectly in equity consist of the following:		
Tax effect on actural gains/losses on defined benefit obligation	(.43)	.33
Tax effect on gains/losses on Share issue expense	(2.63)	1.03
Total Income tax expense/(Benefit) recogniged in the equity	**(3.06)**	**1.37**
(c) Reconciliation of effective tax rate		
The following is a reconciliation of the Comapany's effective tax rates for the years ended 31 March 2020 and 31 March 2019		
Profit before income tax	323.47	364.57
Enacted tax rate in india	25.17%	27.82%
Tax at statutory income tax rate	81.41	101.42
Effect of:		
Non Deductible Expense for tax purposes:		
Disallowable Expenses	4.21	.17
Current Tax Provision	**85.63**	**101.60**
Earlier year's tax	-	.15
Increase/ (Decrease) in Deferred Tax Liability	(6.54)	2.66
Deferred Tax Provision	**(6.54)**	**2.66**
Income Tax Expense	**79.09**	**104.40**
Effective tax rate	**24.45%**	**28.64%**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Note 34 Statement of other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	1.70	(1.07)
Tax impact on Actuarial gains and losses	(.43)	.33
Total (i)	1.27	(.74)
(ii) Items that will be reclassified to profit or loss	-	-
Income tax relating to items that will be reclassified to profit or loss - Gain /(loss)	-	-
Total (ii)	-	-
Total (i+ii)	**1.27**	**(.74)**

Note 35 Earning per Share -(EPS)

Earnings per equity share of FV of Rs 10 each

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit for the year (Profit attributable to equity shareholders) (Amount In ₹)	244.39	260.17
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	89,70,020	89,70,020
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	89,70,020	89,70,020
Face Value of equity share (₹)	10	10
Basic EPS (₹)	2.72	2.90
Diluted EPS (₹)	2.72	2.90

Note 36 CONTINGENT LIABILITIES & CONTINGENT ASSETS AND CAPITAL COMMITMENTS

A) CONTINGENT LIABILITIES

Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Contingent Liabilities		
(a) Statutory claims (Refer Note 36.1)	96.82	96.82
(b) There are numerous interpretative issues relating to the SC judgment on PF dated 28th february, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of SC order. The company will update its provision, on receiving further clarity on subject.	-	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance Payment).	493.49	493.49
Other Commitments		
The Company has an export obligation on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.	-	68.74
Total	**590.31**	**659.05**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 36.1 Contingent Liabilities - Statutory claims		
Demand of Sales Tax, Value Added Tax and Central Sales Tax	37.22	37.22
Demand of Income Tax (Net of Refund adjusted and paid under protest)	59.60	59.60
B) CONTINGENT ASSETS		
The company is having certain claims which are pursuing through legal processes. The Management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.		

Note 37 Financial instruments – Fair values and risk management

A. Accounting classification and fair values (₹ in Lakhs)

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets measured at amortised cost								
Investments (Non-current)	-	.23	1.25	1.48	-	-	.23	.23
Other Financial Assets	-	-	666.77	666.77	-	-	-	-
Loans (Current)	-	-	184.97	184.97	-	-	-	-
Trade receivables	-	-	899.14	899.14	-	-	-	-
Cash and cash equivalents	-	-	25.07	25.07	-	-	-	-
Other bank balances	-	-	39.44	39.44	-	-	-	-
	-	**.23**	**1816.65**	**1816.88**	**-**	**-**	**.23**	**.23**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	256.99	256.99	-	256.99	-	256.99
Current borrowings	-	-	440.56	440.56	-	-	-	-
Trade payables	-	-	1831.93	1831.93	-	-	-	-
Other financial liabilities	-	-	135.92	135.92	-	-	-	-
Total	**-**	**-**	**2665.40**	**2665.40**	**-**	**256.99**	**-**	**256.99**

March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets measured at amortised cost	-							
Investments (Non-current)	-	.23	1.25	1.48	-	-	.23	.23
Other Financial Assets	-	-	8.24	8.24	-	-	-	-
Loans (Current)	-	-	167.92	167.92	-	-	-	-
Trade receivables	-	-	781.12	781.12	-	-	-	-
Cash and cash equivalents	-	-	8.11	8.11	-	-	-	-
Other bank balances	-	-	24.88	24.88	-	-	-	-
	-	**.23**	**991.51**	**991.74**	**-**	**-**	**.23**	**.23**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	135.98	135.98	-	135.98	-	135.98
Current borrowings	-	-	563.26	563.26	-	-	-	-
Trade payables	-	-	846.54	846.54	-	-	-	-
Other financial liabilities	-	-	90.28	90.28	-	-	-	-
Total -	**-**	**-**	**1636.06**	**1636.06**	**-**	**135.98**	**-**	**135.98**

Fair value of financial assets and liabilities which are measured at amortized cost is not materially different from the carrying value (ie..amortized cost).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

* For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has a well-define Risk Management framework for reviewing the major risks and taking care of all the financial risks. The risk management framework aims to :

a. create a stable business planning environment by reducing the impact of currency and interest rate fluctuation on company's business plan.

b. achieve greater predictability to earnings by determining the financial value of the expected earning in advance.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities and loans given.

The carrying amount of following financial assets represents the maximum credit exposure:

(a) Cash and Cash equivalent and Other Bank Balances

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's major customer base is paints, plastic, rubber and other misc industries.

The Commercial and Marketing department has established a credit policy.

The Company raises the invoice for quantities sold based.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 9.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Movement in Allowance for bad and doubtful Trade receivable **(₹ in Lakhs)**

Particulars	**31-Mar-20**	**31-Mar-19**
Opening Allowance for bad and doubtful Trade receivable	25.12	27.91
Provision during the year	(1.65)	(.9)
Recovery/Adjustment during the year	(3.10)	(2.70)
Write off during the year	-	-
Closing Allowance for bad and doubtful Trade receivable	**20.36**	**25.12**

The impairment provisions above are based on management judgment / assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

(c) Loans Given

The Company has given Inter corporate deposit, loans and security deposits. The maximum exposure to the credit risk at the reporting date from Loans given amounts to ₹ 851.74 Lakhs on March 31, 2020 ₹ 176.16 Lakhs on March 31, 2019.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of ₹ 2.82 Lakhs as at March 31, 2020 (at amortised cost) that is secured as mentioned in Note 16.1.1. Interest would be payable at the rate of varying from 13.70%.

(b) The company has also accepted deposit from share holders amounting to ₹ 633.71 laksh as at March 31, 2020 (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 8.5 % - 12%.

(c) For maintaining working capital liquidity company avails cash credit limit from bank that is secured as mentioned in Note 16.1.1. The amount availed as at 31/03/2020 is ₹ 111.78 Lakhs (at amortised cost). The said loan is having rate of interest of 12.25% - 12.35%.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

(₹ in Lakhs)

		Contractual cash flows			
March 31, 2020	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	256.99	-	256.99	-	256.99
Current financial liabilities	440.56	440.56	-	-	440.56
Trade and other payables	1831.93	1831.93	-	-	1831.93
Other current financial liabilities	135.92	135.92	-	-	135.92
	2665.40	**2408.41**	**256.99**	**-**	**2665.40**

(₹ in Lakhs)

		Contractual cash flows			
March 31, 2019	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	135.98	-	135.98	-	135.98
Current financial liabilities	563.26	563.26	-	-	563.26
Trade and other payables	846.54	846.54	-	-	846.54
Other current financial liabilities	90.28	90.28	-	-	90.28
	1636.06	**1500.08**	**135.98**	**-**	**1636.06**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

a) Currency risk

The functional currency of the Company is Indian Rupee. The Company have transaction of import of materials, other foreign expenditures and export of goods. hence the company is exposed to currency risk on account of payables and receivables in foreign currency. Company have outstanding balances in USD & EURO.

(₹ in Lakhs)

Details of foreign currency Transactions and balances	As at 31 March, 2020	As at 31 March, 2019
Trade and Other Payables		
USD & EURO	165.67	.14
Trade Receivables and advances		
USD & EURO	141.22	76.59

Sensitivity analysis

Profit or loss is sensitive to higher/lower Exchange rate of currency. A possible 5% change in exchange rate would affect profit/loss at the reporting date by amount shown below:

As at 31st March 2020 (₹ in Lakhs)

Details of foreign currency Transactions and balances	Profit or (Loss)		Equity (net of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(8.28)	8.28	(5.98)	5.98
Trade Receivables and advances	7.06	(7.06)	5.10	(5.10)

As at 31st March 2019 (₹ in Lakhs)

Details of foreign currency Transactions and balances	Profit or (Loss)		Equity (net of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(.1)	.01	(.1)	.01
Trade Receivables and advances	3.83	(3.83)	2.76	(2.76)

b) Interest rate risk

Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company's interest rate exposure is mainly related to debt obligation. On period under review the Company do not have any term loans at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate. The company have accepted deposits from share holders which are fixed rate instruments.

(₹ in Lakhs)

Interest bearing instruments	As at 31 March, 2020	As at 31 March, 2019
Non current - Borrowings	256.99	135.98
Current portion of Long term borrowings	86.43	90.28
Total	**343.42**	**226.27**

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates Based on the composition of debt a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

(₹ in Lakhs)

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
31st March 2020				
Non current - Borrowings	(2.57)	2.57	(1.85)	1.85
Current portion of Long term borrowings	(.86)	.86	(.62)	.62
Total	(3.43)	3.43	(2.48)	2.48
31st March 2019				
Non current - Borrowings	(1.36)	1.36	(.98)	.98
Current portion of Long term borrowings	(.90)	.90	(.65)	.65
Total	(2.26)	2.26	(1.63)	1.63

c) Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of raw Material and other consumables. The company has risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.The company's commodity risk is managed centrally through well established trading operations and control processes.

d) Equity Price Risk

The Company do not have any investment in quoted equity shares hence not expose to equity price risk.

Note : 38 Capital Management

The Company's objectives when managing capital are to- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and- Maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of the annual business plan coupled with long term and short term strategic investments and expansion plans. The funding needs are met through equity, cash generated from operations, long terms and short term bank borrowings and deposits.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is as follows.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Interest bearing borrowings	783.98	789.53
Less : Current Investment	-	-
Less : Cash and bank balances	(64.51)	(32.99)
Adjusted net debt	719.47	756.54
Borrowings	783.98	789.53
Total equity	3006.95	2763.92
Adjusted net debt to adjusted equity ratio	0.24	0.27
Debt equity ratio	0.26	0.29

Note : 39 Disclosure Of Employee Benefits

The Company has implemented Ind AS - 19 on "Employee Benefits".

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is ₹ 9.38 Lakhs (Previous year ₹ 8.84 Lakhs)

(b) Gratuity and Leave Encashment - Defined Benefit Plans (payable in future)

Provision has been made for Gratuity as per Actuarial Valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

(₹ in Lakhs)

Assumptions	**Gratuity As at 31 March, 2020**	**Gratuity As at 31 March, 2019**
A. Discount rate	6.85%	7.55%
Rate of return on plan assets	6.85%	7.55%
Salary Escalation	6.00%	6.00%
B. Change in Defined Benefit Obligations		
Liability at the beginning of the year	13.65	9.85
Interest Cost	1.02	.74
Current Service Cost	2.94	2.93
Past service cost	-	-
Prior year Charge	-	-
Due to change in Demographic assumptions	(.1)	-
Benefits Paid	(.59)	(.81)
Actuarial loss/ (gain) due to experience adjustment	(2.73)	.79
Actuarial (Gain) / Loss due to change in financial estimate	1.12	.14
Total Liability at the end of the year	15.40	13.65
C. Change in Fair Value of plan Assets		
Opening fair Value of plan assets	10.47	10.51
Interest Income	.92	.91
Return on plan assets excluding amounts included in interest income	.09	(.14)
Contributions by employer	3.25	-
Benefits Paid	(.59)	(.81)
Closing fair Value of plan assets	14.14	10.47
D. Profit and Loss Account for the current Period		
Current Service Cost	2.94	2.93
Net Interest Cost	.10	(.16)
Past service cost and loss/(gain) on curtailments and settlements	-	-
Total included in ‘Employee Benefit Expense’	3.04	2.77
Other Comphrehensive Income for the current Period		
Components of acturial gain/losses on obligations:		
Due to change in financial assumptions	1.12	.14
Due to change in Demographic assumptions	(.1)	-
Due to experience adjustments	(2.73)	.79
Return on plan assets excluding amounts included in interest income	(.9)	.14
Amount recognized in Other Comprehensive Income	(1.70)	1.07
E. Balance Sheet Reconciliation		
Opening Net Liability	3.17	(.67)
Employee Benefit Expense	3.04	2.77
Amounts recognized in Other Comprehensive Income	(1.70)	1.07
Contributions to Plan Assets	(3.25)	-
Benefits Paid	-	-
Closing Liability	1.27	3.17
F. Current/Non-Current Liability :		
Current*	1.27	3.17
Non-Current	-	-

*The Company liability is calculated as expected reduction in contributions for the next 12 months.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

(c) Amounts recognised in current year and previous three years

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
A. Gratuity		
Present value of Defined Benefit Obligation	15.40	13.65
Fair value of Plan Assets	14.14	10.47
(Surplus) / Deficit in the plan	1.27	3.17
Actuarial (Gain) / Loss on Plan Obligation	(1.62)	.94
Actuarial Gain / (Loss) on Plan Assets	(.9)	.14

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-20	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	14.59	16.28
Salary growth rate (0.5% movement)	16.26	14.60
Withdrawal rate (W.R.) Sensitivity	15.42	15.39

	31-Mar-19	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	12.95	14.40
Salary growth rate (0.5% movement)	14.38	12.94
Expected working lifetime (varied by 2 years)	13.67	13.62

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20 Lakhs was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

(i) **Entity responsibilities for the governance of the plan**

Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The company has participated in Group Gratuity Scheme Plan with SBI Life insurance to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year.

(a) Composition of the plan assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(c) Expected benefit payments as on 31 March 2020.

Particulars	1-5 years	6-10 years
Cash flow (₹)	2.34	3.12
Distribution (in %)	6.30%	8.94%

(g) Other Notes:

(i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.

(ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

Note 40 Related Party Transactions:

Sr. No.	Name of Related Parties	Nature of Relationship
1	Shri. Chandresh Parikh	Director and relative of Key Management Personnel
2	Shri. Rajesh Parikh	Director and relative of Key Management Personnel
3	Shri. Atil Parikh	Directors-Key Management Personnel
4	Mr. Narendra Patel	Chief Financial Officer -Key Management Personnel
5	Ms. Komal Pandey	Company Secretary -Key Management Personnel (Till Date 03/01/2019)
6	Ms. Anuja K. Muley	Company Secretary -Key Management Personnel (From Date 07/02/2019)
7	20 Microns Limited	Holding Company
8	Silicate Minerals (I) Private Limited	Subsidiary Company with effect from May 29, 2018
9	20 MCC Private Limited	Common Director and the Subsidiary of the holding company with effect from August 23, 2018.
10	Eriez Industries Pvt Ltd	Director/s of the company are members in Eriez Industries Pvt Ltd

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Sr. No.		Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1		**20 Microns Limited**	Holding Company		
	a	Sales of Materials		2010.07	369.99
	b	Sale of Fixed Assets		3.26	19.48
	c	Service Provided		-	1.78
	d	Rent Paid		328.08	40.61
	e	Rent Received		4.54	.71
	f	Purchase of Goods		1970.04	968.50
	g	Purchase of Fixed Assets		13.02	74.58
	h	Royalty Paid		134.94	90.83
	i	Reimbursement of Expenses (Expenses Net)		.10	1.49
	j	Reimbursement of Expenses (Income Net)		1.03	.65
	k	Purchase of Share		-	1.25
	l	Salary Deputation Received		19.20	-
	m	Salary Deputation Paid		180.33	-
		Balance as period end			
		Trade Payables		855.85	549.96
		Advance from Customer		-	248.74
2		**Silicate Minerals Pvt Ltd**	Subsidiary Company		
	a	Sales of Materials		-	17.79
	b	Interest Received		32.89	-
		Balance as period end			
		Trade Receivable		17.79	17.79
		Advance to suppliers		-	616.90
3		**20 MCC Pvt Limited**	Common Director		
	a	Sales of Materials	and The subsidiary	9.08	.03
	b	Purchase of Goods	holding company	94.77	.59
	c	Rent Paid		1.78	-
		Balance as period end			
		Trade Payables		62.06	-
		Trade Receivables		-	2.71
4		**Compensation paid to Key Management Personnel:**			
		Key Management Personnel			
	a	**Mr. Atil Parikh (Refer Note a below)**	* Director and key		
		short-term employee benefits	managemengt personnel	10.50	9.86
	b	**Mrs. Komal Pandey (Refer Note a below) (Up to Jan-19)**			
		short-term employee benefits *	Comopany Secretary -	-	2.61
		other long-term benefits *	Key management Personnel	-	.19
	c	**Mrs. Anuju Muley (Refer Note a below) (From May-19)**			
		short-term employee benefits *	Comopany Secretary -	3.42	-
		other long-term benefits *	Key management Personnel	-	-
5		**Chandresh Parikh**	Director and relative		
		Interest Paid	of key management	3.71	5.00
		Deposit Received	Personnel	-	-
		Commission Paid		1.08	1.30
		Balance as period end		33.70	30.00
6		**Rajesh Parikh**	Director and Key		
		Commission Paid	management	1.01	1.20
		Balance as period end	Personnel	-	-

Notes : *As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.

Notes:

The following are the list of Independent Directors with whom no transaction have been occurred during the period from April 01, 2019 to March 31, 2020 and Financial Year 2019-20 other than payment of sitting fees:

a) Mr. Ram Devidayal
b) Mr. Sudhir Parikh
c) Mrs. Darsha Kikani

Note 41 Segment Reporting

The Company primarily operates in the segment of Micronized Minerals. The MD/CEO of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

Information about geographical areas

1. The Company does not have geographical distribution of revenue and hence entitywide disclosure is not applicable to the Company.
2. None of the company's assets are located outside India hence entitywide disclosure is not applicable to the Company.

Information about major customers There is one customer to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹ 1767.31 Lakhs.

Note 41.1 RESEARCH AND DEVELOPMENT EXPENDITURE

Details of Research and development expenses incurred during the year, debited under various heads of statement of profit and loss is given below:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue expenditure		
Raw Material Consumption	1.56	2.49
Employee benefit expenses	59.38	13.08
Other expenses		
- Analysis Charges	10.63	7.20
- Laboratory expenses	12.30	9.43
- Other Manufacturing expenses	25.00	3.44
- Repairs Plant & Machinery	5.67	1.59
- Stores & Spares Consumed	8.55	10.00
- Office Electric expenses	2.44	2.81
- Other Administration expenses	13.72	4.64
Depreciation	27.50	27.96
Total	**166.76**	**82.63**

Note 42 Disclosure of IND AS 115 "Contract with Customers"

Contract Balances (₹ in Lakhs)

Particulars	March 31, 2020	April 01, 2019
Trade receivables	899.14	781.12
Contract Assets	Nil	Nil
Contract Liabilities	52.29	250.78

Reconciliation of the amount of revenue recognised in the statement of profit and loss and contracted price

(₹ in Lakhs)

Particulars	March 31, 2020
Revenue as per contracted price	5892.62
Adjustments	
Discounts	(12.05)
Revenue from contract with customers	**5880.57**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Note 43 Lease

Note 43.1 Transition to Ind AS 116:

The Company has adopted Ind AS 116 on "Leases" with effect from April 01, 2019 and applied on all contracts of leases existing on April 01, 2019 by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 have not been restated. The Company has recognised and measured the Right-of-Use (ROU) asset and the lease liability on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU asset of ₹ 15.60 Lakhs and corresponding lease liability of ₹ 15.60 Lakhs as at April 01, 2019. Further, the nature of expenses in respect of operating leases has changed from lease rent in the previous year to depreciation for the ROU asset and finance costs for interest accrued on lease liability. The impact of adoption of Ind AS 116 on the profit before tax and earning per share for the year ended March 31, 2020 is not material.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases and low-value assets.

Note 43.2 Disclosures pursuant to Ind AS 116:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020: **(₹ in Lakhs)**

Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at April 01, 2019	15.60	-	15.60
Additions	126.13	14.66	111.47
Deletions			
Balance as at March 31, 2020	**141.73**	**14.66**	**127.07**

The aggregate depreciation expense amounting to Rs 14.66 Lakhs on ROU assets is included under Depreciation and Amortization Expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	(₹ in Lakhs)
Current lease liabilities	45.27
Non current lease liabilities	76.20
	121.46

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	(₹ in Lakhs)
Balance as at April 01, 2019	15.60
Additions	118.22
Finance cost accrued	4.65
Deletions	
Payment of lease liabilities	17.00
Balance as at March 31, 2020	**121.46**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	(₹ in Lakhs)
Less than one year	45.27
One to five years	76.20
More than five years	0.00

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ₹ 283.62 Lakhs for the year ended March 31, 2020.

Note 44 Impact of Covid-19

The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown of the plant and all offices from 24th March 2020. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Note 45 Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.

As per our report attached.

As per our report attached	**For 20 Microns Nano Minerals Limited**	
For K M Swadia & Co.		
FRN - 110740W Chartered Accountants	**Chandresh S. Parikh** Chairman DIN-00041584	**Atil C. Parikh** CEO & Managing Director DIN-00041712
CA. Pravin Panchiwala Partner M. No. - 127406	**Anuja K. Muley** Company Secretary M.No. - A21243	**N R Patel** Chief Financial Officer
Place : Waghodia, Vadodara Date : June 8, 2020	Place : Waghodia, Vadodara Date : June 8, 2020	

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To the Members of 20 Microns Nano Minerals Limited.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial Statements of **20 Microns Nano Minerals Limited** ("the Parent") and its subsidiary (the Parent and its subsidiaries together referred to as the "Group") which comprises the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the Consolidated Financial Statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India , of the consolidated state of affairs of the Company as at 31st March, 2020, their consolidated profit and their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the Consolidated financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Report on Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report including Annexures to Board's Report, but does not include the Consolidated financial Statements and our auditor's report thereon.

Our opinion on the Consolidated financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from its financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Consolidated financial Statements

The Parent'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 Consolidated financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including Accounting Standards (Ind AS) specified under section 133 of the Act.

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; selection and application of appropriate accounting policies; making judgements 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of Consolidated financial statement

Our objectives are to obtain reasonable assurance about whether the Consolidated financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial Statements, including the disclosures, and whether the Consolidated financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 1 subsidiary whose financial statements reflect total assets of ₹ 860.53 Lacs as at March 31, 2020, total revenues of ₹ 9.43 Lacs and net cash outflows amounting to ₹ 0.02 Lacs for the year ended on March 31, 2020, as considered in the consolidated financial statements. This financial statements have been audited by the other 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 this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements above 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.

CONSOLIDATED INDEPENDENT AUDITORS' REPORT [CONTD.]

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the subsidiary referred to in the Other Matters section above 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 purposes 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, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow 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.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) 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, as amended 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.;

      ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India during the year ended March 31, 2020.

For **K. M. Swadia and Company**
Chartered Accountants
(Firm's Registration No. 110740W)

Pravin Panchiwala
Partner
(Membership No. 127406)
UDIN : 20127406AAAAAT1941

Vadodara, June 08, 2020

ANNEXURE – "A" TO THE CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on the Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of 20 Microns Nano Minerals limited (hereinafter referred to as the "Parent") and its subsidiary company, which are companies incorporated in India, as of that date.

1. **Management's Responsibility for Internal Financial Controls**

   The respective Board of Directors of the Parent and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. **Auditors' Responsibility**

   Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company which are companies incorporated in India.

3. **Meaning of Internal Financial Controls over Financial Reporting**

   A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4. **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

   Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. **Opinion**

   In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K. M. Swadia and Company**
Chartered Accountants
(Firm's Registration No. 110740W)

Pravin Panchiwala
Partner
(Membership No. 127406)
UDIN : 20127406AAAAAT1941

Vadodara, June 08, 2020

CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	2182.00	2013.94
Capital work in progress	3	-	110.77
Right of Use Assets	4	127.07	-
Intangible assets	4	33.68	53.42
Intangible assets under development	3	5.15	11.47
Goodwill on Consolidation		2.16	2.16
Financial assets			
Investments	5	94.56	95.20
Other financial assets	6	18.90	11.94
Tax Assets (Net)	23	47.48	47.38
Other non-current assets	7	386.95	528.51
Total Non-Current Assets		**2897.95**	**2874.79**
Current assets			
Inventories	8	2046.99	1199.97
Financial Assets			
i. Trade receivables	9	883.43	763.32
ii. Cash and cash equivalents	10	25.79	8.87
iii. Bank balances other than (ii) above	11	39.44	24.88
iv. Loans	12	184.97	167.92
Other current assets	13	252.83	181.68
Total Current Assets		**3433.45**	**2346.63**
TOTAL ASSETS		**6331.41**	**5221.42**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	897.00	897.00
Other Equity	15	2127.86	1918.36
Total equity		**3024.86**	**2815.36**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	256.99	135.98
Other financial liabilities	16a	76.20	-
Deferred tax liabilities (Net)	17	271.78	289.04
Total Non-Current Liabilities		**604.96**	**425.02**
Current liabilities			
Financial Liabilities			
Borrowings	18	440.56	563.26
Trade payables			
Total outstanding dues of micro enterprises and small enterprises.	19	65.45	84.75
Total outstanding dues of creditors other than micro enterprises and small enterprises.	19	1922.83	922.67
Other financial liabilities	20	135.92	90.28
Other current liabilities	21	121.36	311.91
Provisions	22	15.47	8.17
Current Tax Liabilities (Net)	23		.0
Total Current Liabilities		**2701.58**	**1981.04**
Total liabilities		**3306.54**	**2406.06**
TOTAL EQUITY AND LIABILITIES		**6331.41**	**5221.42**

See accompanying notes to the financial statements

As per our report attached
For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406

Place : Waghodia, Vadodara
Date : June 8, 2020

For 20 Microns Nano Minerals Limited

Chandresh S. Parikh
Chairman
DIN-00041584

Atil C. Parikh
CEO & Managing Director
DIN-00041712

Anuja K. Muley
Company Secretary
M.No. - A21243

N R Patel
Chief Financial Officer

Place : Waghodia, Vadodara
Date : June 8, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	Notes No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue			
Revenue from Operations	24	5882.55	4131.88
Other income	25	47.19	45.06
Total Income		**5929.74**	**4176.95**
Expenses			
Cost of materials consumed	26	3862.29	2266.75
Purchase of Stock In Trade	27	63.85	43.60
Changes in inventories of Finished Goods	28	(196.03)	35.79
Employee Benefits Expenses	29	522.43	371.29
Finance Costs	30	128.02	90.33
Depreciation and Amortization Expenses	31	139.61	124.10
Other Expenses	32	1132.75	896.10
Total Expenses		**5652.92**	**3827.96**
Profit Before Exceptional Items and Tax		276.82	348.99
Profit Before Tax		**276.82**	**348.99**
Tax expense:			
Current Tax	33	85.63	101.60
Adjustment for earlier tax expense	33	.02	.15
Deferred Tax	33	(20.14)	(2.22)
Profit for the year		**211.31**	**249.47**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan	34	1.70	(1.07)
Tax on above	34	(.43)	.33
(Loss)/gain on FVOCI equity investment	34	(.64)	4.31
Tax on above	34	.18	(1.03)
Total other comprehensive income		**.81**	**2.55**
Total comprehensive income for the year		**212.13**	**252.02**
Earnings per equity share of FV of Rs 10 each			
Basic	35	2.36	2.78
Diluted	35	2.36	2.78
See accompanying notes to the financial statements			

As per our report attached
For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406

Place : Waghodia, Vadodara
Date : June 8, 2020

For 20 Microns Nano Minerals Limited

Chandresh S. Parikh
Chairman
DIN-00041584

Atil C. Parikh
CEO & Managing Director
DIN-00041712

Anuja K. Muley
Company Secretary
M.No. - A21243

N R Patel
Chief Financial Officer

Place : Waghodia, Vadodara
Date : June 8, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED MARCH 31, 2020

20 MICRONS nano
20 Microns Nano Minerals Ltd.

(a) Equity share capital **(₹ in Lakhs)**

Equity shares of ₹ 10/- each issued, subscribed and fully paid up	No. of Shares	Amount
As at March 31, 2020 and March 31, 2019	89,70,020	897.00

(b) Other equity **(₹ in Lakhs)**

Particulars	Attributable to the equity holders of the Company		
	Security Premium account	Surplus in Profit and Loss account	Total Other Equity
Balance at April 1, 2018 (A)	**349.80**	**1354.63**	**1704.50**
Share issue expenditure	(10.43)	-	(10.43)
Profit for the year	-	206.17	260.17
Other comprehensive income for the year, net of tax	-	(0.74)	(0.74)
Dividends	-	(71.76)	(71.76)
Corporate Tax on Dividends	-	(14.75)	(14.75)
Balance at March 31, 2019 (B)	**339.37**	**1527.55**	**1866.92**
Share Issue Exps.	(2.63)	-	(2.63)
Profit for the year	-	244.39	244.39
Other comprehensive income for the year, net of tax	-	1.27	1.27
Balance at March 31, 2020 (C)	**336.74**	**1773.21**	**2109.95**

As per our report attached
For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406

Place : Waghodia, Vadodara
Date : June 8, 2020

For 20 Microns Nano Minerals Limited

Chandresh S. Parikh
Chairman
DIN-00041584

Atil C. Parikh
CEO & Managing Director
DIN-00041712

Anuja K. Muley
Company Secretary
M.No. - A21243

N R Patel
Chief Financial Officer

Place : Waghodia, Vadodara
Date : June 8, 2020

CONSOLIDATED CASH FLOW STATEMENT
AS AT 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2020	Year ended Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	276.82	348.99
Adjustments for:		
Depreciation and amortisation	139.61	124.10
Profit on sale/disposal of Property, plant and equipment	(.26)	(1.59)
Liability/Provision no longer required written back	(5.58)	(13.56)
Remission of Debit Balances	(.26)	.38
Interest Income	(23.34)	(20.90)
Interest Paid	128.02	90.33
Operating Profit before Working Capital Changes	**515.01**	**527.76**
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(119.84)	(52.05)
(Increase)/Decrease in Other - Non Current Assets	141.56	(377.33)
(Increase)/Decrease in Other financial assets-Non-current	(6.96)	12.60
(Increase)/Decrease in Short Terms Loans and Advances	(17.05)	(12.40)
(Increase)/Decrease in Other Current Assets	(71.15)	(141.45)
(Increase)/Decrease in Other financial assets-Current	(14.57)	(16.65)
(Increase)/Decrease in Inventories	(847.02)	(158.25)
Changes in Trade and Other Receivables	**(935.03)**	**(745.53)**
Increase/(Decrease) in Trade Payables	986.43	228.56
Increase/(Decrease) in Other financial liability except current maturity of long term debt	48.64	2.54
Increase/(Decrease) in Other current Liabilities	(190.55)	243.12
Increase/(Decrease) in Short-term provisions	9.00	1.83
Increase/(Decrease) in Other financial liabilities -Non- Current	76.20	
Changes in Trade and Other Payables	**929.73**	**476.04**
Cash Generated from Operations	**509.71**	**258.26**
Income tax paid (Net of refunds)	85.76	139.03
Net Cash from Operating Activities	**423.96**	**119.23**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Assets	1.96	16.51
Purchase of Assets	(299.60)	(248.28)
Investments In Equity Shares	-	(1.25)
Interest Received	23.34	20.90
Net Cash used in Investing Activities	**(274.30)**	**(212.13)**

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2020	Year ended Year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of equity shares		
Proceeds from /(Repayment of) Long-term borrowings (Net)	118.00	28.20
Proceeds from Short-term borrowings	(122.70)	65.39
Repayment of Long-term borrowings (Secured and Unsecured)	-	(74.90)
Repayment of Short-term borrowings (Secured and Unsecured)	-	259.07
Share issue expense	-	(11.47)
Interest Paid	(128.02)	(90.33)
Dividend Paid (including tax thereon)	-	(86.51)
Net Cash from Financing Activities	**(132.73)**	**89.45**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**16.93**	**(3.45)**
Cash and Cash Equivalents at the beginning of the year	8.87	12.31
Cash and Cash Equivalents at the end of the year	25.79	8.87
Closing Cash and Cash Equivalents comprise:		
Cash in hand	.15	-
Balance in Current and Savings Account	25.64	8.87
Total	**25.79**	**8.87**

Notes to Cash Flow Statement:

(i) The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard IND AS - 7 on Cash Flow Statements.

(ii) Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.

(iii) Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year’s figures.

(iv) In Part A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the Net cash flow from operating activities. In Part B and Part C, figures in bracket indicate cash-outflow.

(V) Disclosure pursuant to Ind AS 7 on “Statement of Cash Flows”

Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activites, to meet the disclosure requirement.

₹ in lakhs

For the year ended March 31, 2020	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short Term Borrowings	563.26	-123.20	.49	440.56
Long Term Borrowings (including Current maturities)	217.22	118.73	-.74	335.21
Bank Balances other than Cash and Cash Equivalents	24.88	14.57	-	39.44

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.

As per our report attached
For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406

Place : Waghodia, Vadodara
Date : June 8, 2020

For 20 Microns Nano Minerals Limited

Chandresh S. Parikh
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N R Patel
Chief Financial
Officer

Place : Waghodia, Vadodara
Date : June 8, 2020

CONSOLIDATED STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2020

Authorization of financial statements:

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 8th June, 2020.

Note 1 – Corporate Information& Basis of Consolidation

20 Microns Nano Mineral Limited ("Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 9 – 10, GIDC, Waghodia, Vadodara – 391760, Gujarat, India.

20 Microns Nano Mineral Limited ("Company") and its subsidiary (collectively referred as "The Group"). The Group is engaged in processing and selling of Specialty Chemicals (Functional Additives -FA and Chemically Modified Minerals –CMM), Soft Minerals (SM) and Hard Minerals (HM) and are used in industries such as paints and coatings, printing inks, plastics and polymers, rubber, ceramics, foundry, paper, adhesives, cosmetics, construction, agro chemicals, chemical and pharmaceuticals, textile, oil-well drilling, filtration.

Basis of Consolidation:

The Company consolidates the entity which is controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

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 Group's separate financial statements.

Particulars of Consolidation:

The lists of Subsidiary Companies as at 31st March, 2020 are as under:

Company	Year End	Country ofIncorporation	Proportion of Ownership
Silicate Minerals (I) Private Limited	March 31	India	100%

Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

2.1.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.1.2 Historical Cost Convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

2.2 Use of Estimates and Judgements

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the accompanying disclosures and the disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 33 :- Current/deferred tax expense

Note 36 :- Contingent liabilities and assets

Note 9 :- Expected credit loss for receivables

Note 39 :- Measurement of defined benefit obligations

2.3 Property, Plant and Equipment

An item of Property, plant and equipment that qualifies as an assets is measured at their cost. Following initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines the cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent expenditures, including replacement costs where applicable, incurred for an item of Property plant and equipment are added to its books value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Any item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to revenue in the income statement when the asset is derecognised.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

2.4 Capital work-in-progress and intangible assets under development

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/intangible assets under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

2.5 Investment Properties

Investment properties comprises of Immovable Property that are held for rental yield and/or capital appreciation.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as and when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.6 Intangible Assets

Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

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.

Research and development:

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production

CONSOLIDATED STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable;
- and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Any item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is recognised in the statement of Profit and Loss when the asset is derecognised.

Mining Lease Right

Company has acquired mining lease rights under agreement with the state government of Andhra Pradesh (“government”).

The costs of mining properties and leases, during exploration and evaluation stage, which include the costs of acquiring and developing mining properties and mineral rights, are capitalized as property, plant and equipment under the heading ‘Mining Lease Rights’ in the year in which they are incurred. Until the company receives approval from the government for mining, these assets are classified as capital work in progress. During this exploration and evaluation stage, mining expenditure is subjected to impairment review on an event of indication of impairment and any impairment loss is recognized in profit and loss prior to stage of reclassification (from capital work in progress to cost of mining property)

After the approval is received from the government for mining, all expenditure incurred till that stage is transferred from capital work in progress and capitalized. The same is amortized on straight line method over a period of mining lease agreement with the government.

Mining property, within the period of mining lease agreement, is subjected to annual impairment review. Any impairment loss is immediately recognized in profit and loss.

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

(i) Acquisition costs – costs associated with acquisition of licenses and rights to explore, including related professional fees.

(ii) General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

(iii) Costs of exploratory drilling and equipping exploratory and appraisal wells.

2.7 Depreciation and amortisation methods, estimated useful lives and residual values

Depreciation is recognised so as to write off the cost of assets (other than freehold land and Capital work-in- progress) less their residual values on straight-line method over their useful lives of the assets.

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The management believes that these useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful lives are reviewed by the management at each financial year end and revised, if appropriate. In case of a revision, the unamortised depreciable amount (remaining net value of assets) is charged over the revised remaining useful lives.

Based on management estimate, residual value of 5% is considered for respective tangible assets except Lease hold land.

Intangible assets are amortized over their individual estimated useful lives on a Straight-Line basis, commencing from the year in which the same are available to the company for its intended use. The useful lives as estimated by the management for the intangible assets are as follows:

a)	Process Know How (Product Development)	5 Years
b)	Mine Development	5 Years

Cost of lease-hold land is amortized equally over the period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively if appropriate.

Component accounting of assets: If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and accordingly depreciated at the useful lives.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Investment properties are depreciated based on the useful life prescribed in Schedule II to the Companies Act, 2013.

2.8 Impairment of non-financial assets

At the balance sheet date, non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. 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.

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.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

2.9 Revenue recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as Goods and Service Tax, Sales Tax and Value Added Tax are excluded from revenue.

Revenue from sale of products is recognized when the Company transfers all the significant risks and rewards of ownership to the buyer, while the company retains neither continuing managerial involvement nor effective control over the product sold. No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods, amount of sale can be measured reliably, and the cost incurred and to be incurred can be measured reliably. Sales figure are inclusive of excise duty and freight in case of landed rates, but are of net of sales returns, and rate or quantity adjustments.

Export benefits available under the prevalent schemes are recognized when there exists no significant uncertainty regards to its realisation.

Interest is recognised using Effective Interest Rate method as set out in Ind AS 109.

Dividend income is recognised, when the right to receive payment is established.

Royalty income is recognised on accrual basis in accordance with the substance of the agreement.

Investment property rental income is recognised as revenue on accrual basis as per the terms of the underlying contract with customers.

Other operating income and misc. income are accounted on accrual basis as and when the right to receive arises.

2.10 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings –interest bearing loans are subsequently measured at amortised cost by using the effective interest method (EIR method). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest method (EIR). The EIR Amortization is included as Finance Costs in the statement of profit and loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all the facility will be draw down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is deferred as a payment for liquidity services and amortised over the period of the facility to which it relates.

CONSOLIDATED STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or other expenses as well as through the EIR amortization process.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

2.11 Borrowing Cost

The Company is capitalising general and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying asset up to the date of commissioning. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Expenses incurred in connection with the arrangement of specific borrowings are capitalized over the period of the borrowing and every year such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the statement of profit and loss.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.12.1 Financial Asset

Initial Recognition

A financial asset or a financial liability is recognised in the balance sheet only when, the Company becomes party to the contractual provisions of the instrument.

Initial Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified into:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss (FVTPL); and
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above-mentioned categories based on:

- The Company's business model for managing the financial assets, and
- The contractual cash flows characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- The assets contractual cash flows represent SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity Investments:

All equity investments in scope of Ind AS 109 are measured at fair value except investment in Subsidiary. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity investments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Investments in subsidiary:

Investments in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
    (1) The Company has transferred substantially all the risks and rewards of the asset, or
    (2) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

CONSOLIDATED STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.12.2Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

- Financial liabilities measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.12.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.13 Fair Value

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director and Chief Financial Officer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (refer note 37)

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Investment in unquoted equity shares.
4. Financial instruments (including those carried at amortised cost).

2.14 Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

CONSOLIDATED STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

2.15 Foreign Currency Transactions

2.15.1 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

2.15.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.16 Employee Benefits

Employees Benefits are provided in the books as per Ind AS -19 on “Employee Benefits” in the following manner:

2.16.1 Post-Employment Benefit Plans

Defined Contribution Plan

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company does not carry any other obligation apart from the monthly contribution.

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined Benefit Plans

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 separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

2.16.2 Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services. Short term employee benefits includes salary and wages, bonus, incentive and ex-gratia and also includes accrued leave benefits, which are expected to be availed or en-cashed within 12 months from the end of the year.

2.17 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

(A) Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

2.18 Taxation

Tax expenses is the aggregate amount included in the determination of profit or loss for the period in respect of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

2.18.1 Current Tax

The current tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

CONSOLIDATED STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2020 [Contd.]

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

2.18.2Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred taxes are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19 Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.20 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.21 Segment Reporting

The Company primarily operates in the segment of Micronized Minerals. The Managing Director of the Company allocate resources and assess the performance of the Company; thus, they are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

2.22 Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.23 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.24 Dividend to Equity Shareholders of the Company

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.25 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 3 Property, Plant and Equipment (PPE)

(₹ in Lakhs)

Particulars	Property, Plant and Equipment (PPE)									Total	Capital Work in progress (CWIP)	Exploration intangible assets under develope-ment	Total including capital work in progress and exploration intangible assets under
	Freehold land	Lease Hold Land	Office Building	Factory Building	Plant & Machinery	Furniture and fixtures	Office equip-ments	Computer Equip-ments	Vehicles				
Gross Block													
As at April 1, 2018	23.75	849.05	89.47	222.31	1073.21	84.02	16.30	12.03	117.01	2487.16	7.95	5.15	2500.26
Additions				17.22	46.76	.86		.18		65.03	102.82	6.32	174.17
Disposals/Adjustments					(15.52)					(15.52)			(15.52)
As at April 1, 2019	23.75	849.05	89.47	239.54	1104.44	84.89	16.30	12.21	117.01	2536.66	110.77	11.47	2658.91
Additions		42.21	10.43		214.73		.16	1.11		268.65			268.65
Disposals/Adjustments					(9.14)					(9.14)	(110.77)	(6.32)	(126.24)
As at March 31, 2020	**23.75**	**891.27**	**99.91**	**239.54**	**1310.03**	**84.89**	**16.46**	**13.32**	**117.01**	**2796.16**	**.0**	**5.15**	**2801.32**
Accumulated depreciation, depletion, amortisation and impairment													
As at April 1, 2018		21.72	10.17	42.79	244.83	47.93	15.09	11.18	31.45	425.16			425.16
Charge for the year		10.86	1.51	7.32	55.56	8.85	.11	.18	13.77	98.16			98.16
Disposals/Adjustments					(.60)					(.60)			(.60)
As at April 1, 2019		32.58	11.68	50.11	299.79	56.78	15.20	11.35	45.21	522.72	.0	.0	522.72
Charge for the year		10.86	1.52	7.46	58.79	8.89	.09	.18	11.10	98.89			98.89
Disposals/Adjustments					(7.45)					(7.45)			(7.45)
As at March 31, 2020	.0	43.45	13.20	57.57	351.14	65.67	15.30	11.53	56.31	614.17	.0	.0	614.17
Net Book Value													
As at April 1, 2018	23.75	827.33	79.30	179.52	828.38	36.09	1.21	.85	85.56	2062.00	7.95	5.15	2075.10
As at April 1, 2019	23.75	816.47	77.79	189.43	804.65	28.10	1.10	.85	71.80	2013.94	110.77	11.47	2136.18
As at March 31, 2020	**23.75**	**847.82**	**86.71**	**181.97**	**958.90**	**19.21**	**1.17**	**1.78**	**60.70**	**2182.00**	**.0**	**5.15**	**2187.15**

Note 3.1 Impairment of Assets : Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 3.2 Security Pledge of Assets : Refer to Note 16 on borrowings for details in terms of pledge of assets as security.

Note 4

Intangible assets and Right of Use Assets **(₹ in Lakhs)**

Particulars	**Intangible assets**			**Right of Use Assets**
	Product Development	**Mining Development Expense**	**Total**	
Gross Block				
As at April 1, 2018	158.72	16.95	175.67	
Additions		6.90	6.90	
Disposals/ Adjustments			.0	
As at April 1, 2019	158.72	23.85	182.58	15.60
Additions		6.32	6.32	126.13
Disposals/ Adjustments			.0	
As at March 31, 2020	**158.72**	**30.17**	**188.90**	**141.73**
Accumulated amortisation and impairment				
As at April 1, 2018	87.12	16.11	103.22	
Charge for the year	24.63	1.30	25.93	
Disposals/ Adjustments			.0	
As at April 1, 2019	111.75	17.41	129.16	-
Charge for the year	23.84	2.23	26.06	14.66
Disposals/ Adjustments				
As at March 31, 2020	135.58	19.64	155.22	14.66
Net Book Value				
As at April 1, 2018	71.61	.85	72.45	-
As at April 1, 2019	46.97	6.44	53.42	15.60
As at March 31, 2020	**23.14**	**10.54**	**33.68**	**127.07**

Note 4.1 Product Development is in respect of expenditure incurred for in house development of product and recognised as intangible asset. The useful life of the product development is taken 5 years.

Note 4.2 Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on “Impairment of Assets”. Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 4.3 There is no restriction on the title of intangible assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 5 Non-current financial assets : Investments		
Unquoted :		
Investments in Subsidiary company Valued at Cost		
Equity Shares (Fully paid up) :		
In Subsidiary Companies		
Silicate Minerals Private Limited (CY 12530 Nos. Equity Shares & PY : 12530 Nos.)	-	-
In other company through FVTOCI	-	-
DMC Pvt. Ltd. (Formerly known as Dispersive Minerals & Chemicals India Limited) - 60,000 shares @ 10/- each	94.33	94.97
Investments in Government Securities (unquoted)		
National Savings Certificate	.23	.23
Total	**94.56**	**95.20**
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	94.56	95.20
(c) Aggregate amount of impairment in value of investments.	Nil	Nil
Note 6 Other Financial Assets		
Unsecured, considered good		
Advance recoverable (Related parties 6.1)	-	-
Bank Deposits with more than 12 months maturity		
Deposits (Liquid Asset on Public Deposits) statutorily required as Companies Act 2013	-	7.84
Margin Money deposits under lien against Bank Guarantee	-	.40
Other Deposits	-	2.07
Security Deposits	17.27	-
Balance with Banks	1.63	1.63
Total	**18.90**	**11.94**
Note 7 Other non- current assets		
Advance for Capital Expenditure [Unsecured, considered good]	386.95	528.51
Total	**386.95**	**528.51**
Note 8 Inventories*		
Raw Materials	1431.17	812.50
Finished Goods	386.49	206.99
Stock in trade	30.43	13.90
Stores and Spares	198.90	166.58
Total	**2046.99**	**1199.97**
* For Valuation- Refer note 2.15		
** Refer to Note 16 on borrowings for details in terms of pledge of assets as security.		
Note 9 Current financial assets : Trade receivables		
Unsecured, Considered Good	903.79	763.32
Unsecured, Considered Doubtful	-	25.12
Less: Provision for Expected Credit Loss	(20.36)	(25.12)
Total	**883.43**	**763.32**

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 10 Current financial assets : Cash and cash equivalents		
Balance with banks - Current accounts	25.64	8.87
Cash on hand	.15	-
Total	**25.79**	**8.87**
Note 11 Current financial assets : Other bank balances		
Earmarked unpaid dividend accounts (Refer Note -11.3 below)	.0	.0
Bank deposits with original maturity of more than 3 months but less than 12 months		
Margin Money deposits under lien against Bank Guarantee (Refer Note -11.1 below)	.23	-
Deposits (Refer Note -11.1 & 11.2 below)	39.21	24.88
Total	**39.44**	**24.88**

Note 11.1: Bank deposits earns interest at fixed rate based on respective deposit rate.

Note 11.2: The balance is held for Liquid Asset on Public Deposits as per the requirement unde the Companies Act 2013.

Note 11.3: The balances in unclaimed dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 12 Current financial assets : Loans (including security deposits)		
Inter Corporate Deposits (Note 12.1)	149.70	133.82
Loans to employees	1.58	2.39
Security and other deposits [Unsecured, considered good]	33.68	31.70
Total	**184.97**	**167.92**

Note 12.1

The Inter corporate deposit is unsecured in nature and carrying 14% rate of interest. The same ICD is repayable on demand.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 13 Current assets : Others		
Advances [Unsecured, considered good]		
To Others	148.74	153.10
Prepaid Expenses	9.01	3.09
Balance with government authority	86.59	16.94
Sales Tax Paid Under Protest	8.14	8.14
Group Gratuity Fund	.20	.20
Interest receivable	.09	-
Others	.06	.20
Total	**252.83**	**181.68**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

Note 14 Share Capital

Authorised, issued, subscribed, fully paid up share capital (₹ in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 10 each	2,00,00,000	2000.00	2,00,00,000	2000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid up	89,70,020	897.00	89,70,020	897.00
Total	**89,70,020**	**897.00**	**89,70,020**	**897.00**

A. Reconciliation of shares outstanding at the beginning and at the end of the reporting period (₹ in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Equity Shares of ₹ 10 each fully paid		Equity Shares of ₹ 10 each fully paid	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the period	89,70,020	897.00	89,70,020	897.00
Add: Shares issued during the period	-	-	-	-
Add: Shares bought back during the period	-	-	-	-
Less: Shares cancelled during the period	-	-	-	-
Shares outstanding at the end of the period	**89,70,020**	**897.00**	**89,70,020**	**897.00**

B. Other Disclosures

Terms/ rights attached to equity shares

Every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held for all matter submitted to vote in a shareholders meeting of the company. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion of the number of shares held to the total equity shares outstanding as on that date.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

C. Shareholders holding more than 5 % of total share capital

Name of Shareholders	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10 each fully paid				
20 Microns Limited (Holding Co.)	87,20,000	97.21%	87,20,000	97.21%
Total	**87,20,000**	**97.21%**	**87,20,000**	**97.21%**

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 15 OTHER EQUITY		
Reserves & Surplus		
Securities Premium Account		
Opening Balance	339.37	349.80
Share issue expenditure	(2.63)	(10.43)
Closing Balance	**336.74**	**339.37**
Retained Earning		
Opening balance	1508.40	1346.18
Other Comprehensive Income - Correction of Error (Net Of Tax Effect)	-	-
Profit for the year	211.31	249.47
Other Comprehensive Income, net of tax	1.27	(.74)
Dividend	-	(71.76)
Corporate Tax on Dividend	-	(14.75)
Closing Balance	1720.99	1508.40
Equity Instrument through Other Comprehensive Income		
Opening balance	70.59	-
Movement in OCI net of tax restated as a part of correction of error (Refer Note 44)	-	70.59
Movement in OCI Correction of Error (Net Of Tax Effect)	-	-
Movement in OCI (Net) during the year	(.46)	-
Closing Balance	**70.13**	**70.59**
Total other equity	**2127.86**	**1918.36**

Note 16 Non- current financial liabilities : Borrowings (₹ in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-Current	Current*	Non-Current	Current*
Secured				
Term Loan from Banks (Refer Note No. 16.1)	-	2.82	.45	29.14
Vehicle Loans (Refer Note No. 16.3)	18.98	14.75	33.73	14.26
Total secured borrowing [A]	18.98	17.57	34.17	43.40
Unsecured				
Deposits - From Public & Members (Refer Note No. 16.2)	237.34	67.59	99.87	45.73
Vehicle Loans (Refer Note No. 16.3)	.67	1.27	1.94	1.16
Total unsecured borrowing [B]	238.01	68.86	101.81	46.89
TOTAL [A+B]	**256.99**	**86.43**	**135.98**	**90.28**

*Amount disclosed under the head “Current financial liabilities : Others” (Note 20)

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

16.1 Term Loans from Bank

16.1.1 Primary Security: The term loan is secured way of first charge on all present and future current assets of the Company. Collateral Security: Term Loan is further secured by way of Second charge on all present and future fixed assets of the Company. Corporate Guarantee: Corporate Guarantee of 20 Microns Ltd.

16.1.2 Rate of interest is 13.70%.

16.2 Unsecured Deposits

Effective Interest Rate	8.5% to 12 %
Year	**(₹ in Lakhs)**
2020-21	67.59
2021-22 and 2022-23	237.34

16.3 Term loans of ₹ 33.73 Lakhs outstanding as at March 31, 2020 (P.Y. ₹ 47.98 Lakhs) for acquisition of assets (vehicles) are secured only by the hypothecation of the respective assets financed. Rate of interest is 8.30% - 9.65%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

Note 16a Non Current financial liabilities : Borrowings **(₹ in Lakhs)**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-Current	Current*	Non-Current	Current*
Unsecured				
Lease Liability	76.20	45.27	-	-
Total	76.20	45.27	-	-

Note 17 Deferred tax Liabilities

(a) Deferred tax balances and movement for the year Ended March 31, 2020 **(₹ in Lakhs)**

Particulars	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2020
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	313.61	(4.22)	-	-	309.39
Loans and borrowings	.96	(.9)	-	-	.87
Employee benefits	-	-	-	-	-
Right to use assets	-	28.28	-	-	28.28
Deferred Tax Asset On Carried Forward Losses	(4.88)	(13.60)	-	-	(18.48)
Fair Valuation Of Investments	18.38	-	(.18)	-	18.20
Total	**328.06**	**10.37**	**(.18)**	**-**	**338.26**
Deferred tax asset					
Employee benefits	.97	(.14)	(.43)	-	.40
Tax credit	23.97	-	-	-	23.97
Provisions	6.99	(1.87)	-	-	5.12
Share issue expense	7.10	-	-	(2.63)	4.48
Lease Liability	-	32.52	-	-	32.52
Total	**39.03**	**30.51**	**(.43)**	**(2.63)**	**66.48**
Net deferred tax Liabilities	**289.04**	**(20.14)**	**.25**	**2.63**	**271.78**

(b) Deferred tax balances and movement for the year Ended March 31, 2019 **(₹ in Lakhs)**

Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2019
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	310.56	3.04	-	-	313.61
Loans and borrowings	1.39	(.43)	-	-	.96
Employee benefits	.19	(.19)	-	-	0
Deferred Tax Asset On Carried Forward Losses	-	(4.88)	-	-	(4.88)
Fair Valuation Of Investments	17.35	-	1.03	-	18.38
Total	**312.14**	**(2.45)**	**-**	**-**	**328.06**
Deferred tax asset					
Employee benefits	.08	.55	.33	-	.97
Tax credit	23.97	-	-	-	23.97
Provisions	7.76	(.78)	-	-	6.99
Share issue expense	6.07	-	-	1.03	7.10
Total	**37.88**	**(.22)**	**.33**	**1.03**	**39.03**
Net deferred tax Liabilities	**274.25**	**(2.22)**	**(.33)**	**(1.03)**	**289.04**

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 18 Current financial liabilities : Borrowings		
Secured (Repayment on demand)		
Loan from Banks (Cash credit / Bank Overdraft) (Refer Note 18.1)	111.78	387.87
Unsecured		
Deposits		
From Public and Members (Refer Note 16.2)	328.78	175.39
Total	**440.56**	**563.26**
Details of Securities		

Note 18.1

Secured (Repayable on demand and Rate of interest is 12.30%)

For Security refer Note 16.1.1

Note 18.2

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 19 Current financial liabilities : Trade payables		
Total outstanding dues of micro enterprises and small enterprises		
- Trade payables others (Refer Note 19.1)	65.45	84.75
Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
Trade payables - Related Parties (Refer Note 19.2)	900.12	549.96
Trade payables - Others	1022.71	372.71
Total	**1988.27**	**1007.41**

Note 19.1

The list of undertaking covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by the auditor. The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as under:

Particulars	As at 31 March, 2020	As at 31 March, 2019
Principal Amount due and remaining unpaid	64.99	84.34
Interest due on (1) above and unpaid interest	.46	.40
Interest paid on all delayed payments under MSMED Act,2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay other than (3) above	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Note 19.2

Trade payable includes Trade payable to Holding Compnay 20 Microns Ltd is ₹ 1027.06 Lakhs & Subsidory Holding Company 20 MCC Pvt Ltd ₹ 62.06 Lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 20 Current financial liabilities : Others		
Current maturities of long term borrowings - (Please refer Note 16):-		
Term Loan		
-From Banks (Secured) (Refer Note No. 16.1)	2.82	29.14
-Vehicle Loans (Secured) (Refer Note No. 16.3)	14.75	14.26
Deposits(Unsecured)		
-From Pubilc and Members	59.38	36.68
Term Loan		
-Vehicle Loans (Unsecured) (Refer Note No. 16.3)	1.27	1.16
	78.22	**81.24**
Unclaimed Dividend*	.0	.0
Unclaimed Matured public deposits and Interest	8.21	9.05
Lease Liability	45.27	-
Payable for Capital Expenditure	4.22	-
Total	**135.92**	**90.28**

Note : The unclaimed dividend will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 when become due. No amount is due at the end of the period for credit to Investors education and protection fund.

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 21 Current liabilities : Others		
Advance from customer (Refer Note 21.1)	70.09	250.78
Statutory Dues Payable	11.28	22.78
Employee Benefits Payable	5.08	9.42
Other current financial liabilities	34.91	28.92
Total	**121.36**	**311.91**

Note 21.1 Advance from Customer includes advances received from Holding Compnay 20 Microns Ltd is NIL. (P.Y. ₹ 248.74 Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 22 Current provisions		
(a) Provision for employee benefits (Refer note 39)		
Provision for gratuity	1.27	3.17
Provision for leave encashment	.30	.30
(b) Provision for Expenses	13.91	4.70
Total	**15.47**	**8.17**
Note 23 Details of Income tax assets and income tax liabilities		
(a) Income tax assets	47.48	47.38
(b) Current income tax liabilities	-	-
Net Asset (a-b)	**47.48**	**47.38**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Note 24 Revenue from Operations		
Sale of products	5882.55	4130.35
Other operating revenues	-	1.53
Total	**5882.55**	**4131.88**
Note 24.1 Details of other operating revenues of the company are as under:		
Job Work Charges	-	1.53
Total	**-**	**1.53**
Note 25 Other Income		
Interest Income	23.34	20.99
Rent	5.83	1.20
Net Gain on Disposal of Tangible Asset	.26	1.59
Net Gain on Foreign Currency Transactions	4.79	1.93
Provisions no longer required written back	3.95	12.67
Liability no longer required written back	1.63	.89
Remission of Credit and Debit Balances	.66	-
Export Incentives	.51	1.29
Other Non-Operating Income	6.22	4.51
Total	**47.19**	**45.06**
*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.		
Note 26 Cost of materials consumed		
(a) Raw Material and Packing Material		
Opening Stock of Material	809.74	664.54
Add : Purchases	4376.66	2240.50
	5186.40	2905.04
Less: Closing Stock of Materials	1428.35	809.74
Sub - Total (a)	**3758.05**	**2095.30**
(b) Mining Material		
Opening Stock of Material	2.76	.84
Add : Purchases	104.30	173.37
	107.05	174.21
Less: Closing Stock of Materials	2.81	2.76
Sub - Total (b)	**104.24**	**171.46**
Total (a+b)	**3862.29**	**2266.75**
Note 27 Purchases of Stock in trade		
Purchases of Stock in trade	63.85	43.60
Total	**63.85**	**43.60**
Note 28 Changes in inventories of Finished Goods and Stock in Trade		
Inventory at the beginning of the year		
Finished Goods	206.99	230.44
Stock in Trade	13.90	26.24
sub total (a)	**220.89**	**256.68**
Less: Inventory at the end of the year		
Finished Goods	386.49	206.99
Stock in Trade	30.43	13.90
sub total (b)	**416.92**	**220.89**
Total	**(196.03)**	**35.79**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Note 29 Employee benefit expense		
Salary, Wages Bonus & Allowances	455.32	322.74
Incentive To Employees	13.94	10.29
Contribution to Provident and Other Funds	13.43	12.41
Managerial Remuneration	14.12	14.03
Staff Welfare Expenses	25.62	11.81
Total	**522.43**	**371.29**
Note 30 Finance Costs		
Interest on Term Loans	6.99	12.85
Interest on Working Capital Loans	52.75	38.51
Interest expense on financial liabilities at amortised cost	57.96	-
Interest on Lease Liability	4.65	34.60
Other Borrowing Costs	5.67	4.37
Total	**128.02**	**90.33**
Note 31 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	98.89	98.16
Amortisation of intangible assets (refer note 4)	26.06	25.93
Amortisation of Right of use assets (refer note 4)	14.66	-
Total	**139.61**	**124.10**
Note 32 Other Expenses		
Note 32.1 Manufacturing Expenses		
Consumption of Stores and Spare Parts	47.95	29.21
Power and Fuel	252.09	275.79
Rent*	295.35	46.50
Repairs :		
Buildings	-	.47
Plant and Machinery	34.48	31.21
Other Manufacturing & Factory Expenses	80.75	66.43
Sub Total	**710.62**	**449.60**
Note 32.2 Administrative & Other Expenses		
Rent	1.65	4.05
Rates & Taxes	1.46	8.69
Insurance	6.66	5.10
Post, Telephone & Courier	7.83	3.06
Printing and Stationary expenses	4.21	3.40
Legal, Licenses and Renewal expenses	1.83	1.43
Software and Computer Maintenance	1.21	.60
Travelling & Conveyance	6.65	4.58
Vehicle Running & Maintenance	6.35	5.04
Professional Fees	15.00	13.82
Auditors Remuneration	2.58	2.58
Directors Sitting Fees	4.40	5.40
Donation	.11	2.00
Remission of Debit balance	.39	.38
Miscellaneous Expenses	42.62	21.32
Royalty Paid	114.36	76.98
Sub Total	**217.32**	**158.40**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Note 32.3 Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	16.89	15.97
Sales Commission	6.34	5.42
Rent	3.90	1.62
Other Selling Expenses	26.75	29.89
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	91.08	196.75
Freight and Logistic Expenses (Export)	32.65	17.44
Export Expenses	27.21	16.70
Sub Total	**204.81**	**283.80**
Total	**1132.75**	**896.10**
Note 32.4 Payment to Auditors		
Audit Fees	2.58	2.58
Certification Charges and other reimbursement	-	2.99
Total	**2.58**	**5.56**
Note 33 Income Taxes		
(a) Income tax expense/(benefit) recognised in the statements of profit and loss		
Income tax expense recogniged in the statements of profit and loss consists of the following:		
Current Tax		
(a) Current income tax	85.63	101.60
(b) Short/(Excess) provision of income tax in respect of previous years	.02	.15
(c) Deferred tax benefit	(20.14)	(2.22)
Tax expense for the year (a+b+c)	**65.51**	**99.52**
b) Income tax Expences/(benefit) Recognised directly in equity		
Income tax expense/(benefit) recognised ditectly in equity consist of the following:		
Tax effect on actural gains/losses on defined benefit obligation	(.43)	.33
Tax effect on gains/losses on Share issue expense	1.70	(1.07)
Total Income tax expense/(Benefit) recogniged in the equity	**1.27**	**(.74)**
(c) Reconciliation of effective tax rate		
The following is a reconciliation of the Comapany's effective tax rates for the years ended 31 March 2020 and 31 March 2019		
Profit before income tax	276.82	348.99
Enacted tax rate in india	25.17%	27.82%
Computed expected tax expense	69.67	97.09
Effect of:	-	-
Non Deductible Expense for tax purposes:	-	-
Others	3.16	.17
Current Tax Provision	**72.83**	**97.26**
Earlier year's tax	-	.15
Increase/ (Decrease) in Deferred Tax Liability	(20.14)	(2.22)
Deferred Tax Provision	**(20.14)**	**(2.22)**
Income Tax Expense	**52.69**	**95.19**
Effective tax rate	**19.04%**	**27.27%**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Note 34 Statement of other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - Gain /(loss)	(.64)	4.31
Tax impact on unquoted investments	.18	(1.03)
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	1.70	(1.07)
Tax impact on Actuarial gains and losses	(.43)	.33
Total (i)	**.81**	**2.55**
(ii) Items that will be reclassified to profit or loss	-	
Income tax relating to items that will be reclassified to profit or loss - Gain/(loss)	-	-
Total (ii)		
Total (i+ii)	**.81**	**2.55**

Note 35 Earning per Share -(EPS)

Earnings per equity share of FV of Rs 10 each

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Profit for the year (Profit attributable to equity shareholders)	211.31	249.47
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	89,70,020	89,70,020
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	89,70,020	89,70,020
Face Value of equity share (₹)	10	10
Basic EPS (₹)	2.36	2.78
Diluted EPS (₹)	2.36	2.78

Note 36 CONTINGENT LIABILITIES & CONTINGENT ASSETS AND CAPITAL COMMITMENTS

A) CONTINGENT LIABILITIES

Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Contingent Liabilities		
(a) Statutory claims (Refer Note 36.1)	96.82	96.82
(b) There are numerous interpretative issues relating to the SC judgment on PF dated 28th february, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of SC order. The company will update its provision, on receiving further clarity on subject.	-	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance Payment).	493.49	493.49
Other Commitments		
The Company has an export obligation on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.	-	68.74
Total	**590.31**	**659.05**

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 36.1 Contingent Liabilities - Statutory claims		
Demand of Sales Tax, Value Added Tax and Central Sales Tax	37.22	37.22
Demand of Income Tax (Net of Refund adjusted and paid under protest)	59.60	59.60
B) CONTINGENT ASSETS		
The company is having certain claims which are pursuing through legal processes. The Management believe tha probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.		

Note 37 Financial instruments – Fair values and risk management

A. Accounting classification and fair values (₹ in Lakhs)

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets measured at amortised cost								
Investments (Non-current)	-	94.56	1.25	94.56	-	-	94.56	94.56
Other Financial Assets	-	-	18.90	18.90	-	-	-	-
Loans (Current)	-	-	184.97	184.97	-	-	-	-
Trade receivables	-	-	883.43	883.43	-	-	-	-
Cash and cash equivalents	-	-	25.79	25.79	-	-	-	-
Other bank balances	-	-	39.44	39.44	-	-	-	-
	-	**94.56**	**1153.79**	**1247.10**	**-**	**-**	**94.56**	**94.56**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	256.99	256.99	-	256.99	-	256.99
Current borrowings	-	-	440.56	440.56	-	-	-	-
Trade payables	-	-	1988.27	1988.27	-	-	-	-
Other financial liabilities	-	-	135.92	135.92	-	-	-	-
Total	**-**	**-**	**2821.74**	**2821.74**	**-**	**256.99**	**-**	**256.99**

March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets measured at amortised cost								
Investments (Non-current)	-	95.20	1.25	96.45	-	-	95.20	95.20
Other Financial Assets	-	-	11.94	11.94	-	-	-	-
Loans (Current)	-	-	167.92	167.92	-	-	-	-
Trade receivables	-	-	763.32	763.32	-	-	-	-
Cash and cash equivalents	-	-	8.87	8.87	-	-	-	-
Other bank balances	-	-	24.88	24.88	-	-	-	-
	-	**95.20**	**978.18**	**1073.37**	**-**	**-**	**95.20**	**95.20**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	135.98	135.98	-	135.98	-	135.98
Current borrowings	-	-	563.26	563.26	-	-	-	-
Trade payables	-	-	1007.41	1007.41	-	-	-	-
Other financial liabilities	-	-	90.28	90.28	-	-	-	-
Total	**-**	**-**	**1796.94**	**1796.94**	**-**	**135.98**	**-**	**135.98**

Fair value of financial assets and liabilities which are measured at amortized cost is not materially different from the carrying value (ie..amortized cost).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has a well-define Risk Management framework for reviewing the major risks and taking care of all the financial risks. The risk management framework aims to :

a. create a stable business planning environment by reducing the impact of currency and interest rate fluctuation on company's business plan.

b. achieve greater predictability to earnings by determining the financial value of the expected earning in advance.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities and loans given.

The carrying amount of following financial assets represents the maximum credit exposure:

(a) Cash and Cash equivalent and Other Bank Balances

The group maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The group's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's major customer base is paints, plastic, rubber and other misc industries.

The Commercial and Marketing department has established a credit policy.

The group raises the invoice for quantities sold based.

The group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 9.

Movement in Allowance for bad and doubtful Trade receivable (₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Opening Allowance for bad and doubtful Trade receivable	25.12	27.91
Provision during the year	(1.65)	(.9)
Recovery/Adjustment during the year	(3.10)	(2.70)
Write off during the year	-	-
Closing Allowance for bad and doubtful Trade receivable	**20.36**	**25.12**

The impairment provisions above are based on management judgment / assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

(c) Loans Given

The Company has given Inter corporate deposit, loans and security deposits. The maximum exposure to the credit risk at the reporting date from Loans given amounts to ₹ 202.24 Lakhs on March 31, 2020 ₹ 178.23 Lakhs on March 31, 2019.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Company maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of ₹ 2.82 laksh as at March 31, 2020 (at amortised cost) that is secured as mentioned in Note 16.1.1. Interest would be payable at the rate of varying from 13.70%.

(b) The company has also accepted deposit from share holders amounting to ₹ 633.71 Lakhs as at March 31, 2020 (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 8.5 % - 12%.

(c) For maintaining working capital liquidity company avails cash credit limit from bank that is secured as mentioned in Note 16.1.1. The amount availed as at 31/03/2020 is ₹ 111.78 Lakhs (at amortised cost). The said loan is having rate of interest of 12.25% - 12.35%.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

(₹ in Lakhs)

		Contractual cash flows			
March 31, 2020	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	256.99	-	256.99	-	256.99
Current financial liabilities	440.56	440.56	-	-	440.56
Trade and other payables	1988.27	1988.27	-	-	1988.27
Other current financial liabilities	135.92	135.92	-	-	135.92
	2821.74	**2564.75**	**256.99**	**-**	**2821.74**

(₹ in Lakhs)

		Contractual cash flows			
March 31, 2019	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	135.98	-	135.98	-	135.98
Current financial liabilities	563.26	563.26	-	-	563.26
Trade and other payables	1007.41	1007.41	-	-	1007.41
Other current financial liabilities	90.28	90.28	-	-	90.28
	1796.94	**1660.96**	**135.98**	**-**	**1796.94**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

a) Currency risk

The functional currency of the group is Indian Rupee. The Group have transaction of import of materials, other foreign expenditures and export of goods. Hence the group is exposed to currency risk on account of payables and receivables in foreign currency. Group have outstanding balances in USD.

(₹ in Lakhs)

Details of foreign currency Transactions and balances	As at 31 March, 2020	As at 31 March, 2019
Trade and Other Payables		
USD & EURO	165.67	.14
Trade Receivables and advances		
USD & EURO	141.22	76.59

Sensitivity analysis

Profit or loss is sensitive to higher/lower Exchange rate of currency. A possible 5% change in exchange rate would affect profit/loss at the reporting date by amount shown below:

As at 31st March 2020 (₹ in Lakhs)

Details of foreign currency Transactions and balances	Profit or (Loss)		Equity (net of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(8.28)	8.28	(5.98)	5.98
Trade Receivables and advances	7.06	(7.06)	5.10	(5.10)

As at 31st March 2019 (₹ in Lakhs)

Details of foreign currency Transactions and balances	Profit or (Loss)		Equity (net of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(.1)	.01	(.1)	.01
Trade Receivables and advances	3.83	(3.83)	2.76	(2.76)

b) Interest rate risk

Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the group's cash flows as well as costs. The Group's interest rate exposure is mainly related to debt obligation. On period under review the Group do not have any term loans at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate. The group have accepted deposits from share holders which are fixed rate instruments.

(₹ in Lakhs)

Interest bearing instruments	As at 31 March, 2020	As at 31 March, 2019
Non current - Borrowings	256.99	135.98
Current portion of Long term borrowings	86.43	90.28
Total	**343.42**	**226.27**

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates Based on the composition of debt a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(₹ in Lakhs)

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp Decreare	100 bp Increase	100 bp Decreare
31st March 2020				
Non current - Borrowings	(2.57)	2.57	(1.85)	1.85
Current portion of Long term borrowings	(.86)	.86	(.62)	.62
Total	(3.43)	3.43	(2.48)	2.48
31st March 2019				
Non current - Borrowings	(1.36)	1.36	(.98)	.98
Current portion of Long term borrowings	(.90)	.90	(.65)	.65
Total	(2.26)	2.26	(1.63)	1.63

c) **Commodity Price Risk**

Commodity price risk arises due to fluctuation in prices of raw Material and other consumables. The group has risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.The group's commodity risk is managed centrally through well established trading operations and control processes.

d) **Equity Price Risk**

The group do not have any investment in quoted equity shares hence not expose to equity price risk.

Note 38 Capital Management

The Group's objectives when managing capital are to- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and- Maintain an optimal capital structure to reduce the cost of capital.

The Group determines the amount of capital required on the basis of the annual business plan coupled with long term and short term strategic investments and expansion plans. The funding needs are met through equity, cash generated from operations, long terms and short term bank borrowings and deposits.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio is as follows : (₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Interest bearing borrowings	783.98	789.53
Less : Current Investment	-	-
Less : Cash and bank balances	(65.24)	(33.74)
Adjusted net debt	718.74	755.79
Borrowings	783.98	789.53
Total equity	3024.86	2815.36
Adjusted net debt to adjusted equity ratio	0.24	0.27
Debt equity ratio	0.26	0.28

Note 39 Disclosure Of Employee Benefits

The Group has implemented Ind AS - 19 on "Employee Benefits".

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is ₹ 9.38 Lakhs (Previous year ₹ 8,.84 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

(b) Gratuity and Leave Encashment - Defined Benefit Plans (payable in future)

Provision has been made for Gratuity as per Actuarial Valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

(₹ in Lakhs)

Assumptions	**Gratuity As at 31 March, 2020**	**Gratuity As at 31 March, 2019**
A. Discount rate	6.85%	7.55%
Rate of return on plan assets	6.85%	7.55%
Salary Escalation	6.00%	6.00%
B. Change in Defined Benefit Obligations		
Liability at the beginning of the year	13.65	9.85
Interest Cost	1.02	.74
Current Service Cost	2.94	2.93
Past service cost	-	
Prior year Charge	(.1)	-
Benefits Paid	(.59)	(.81)
Actuarial loss/ (gain) due to experience adjustment	(2.73)	.79
Actuarial (Gain) / Loss due to change in financial estimate	1.12	.14
Total Liability at the end of the year	15.40	13.65
C. Change in Fair Value of plan Assets		
Opening fair Value of plan assets	10.47	10.51
Interest Income	.92	.91
Return on plan assets excluding amounts included in interest income	.09	(.14)
Contributions by employer	3.25	.0
Benefits Paid	(.59)	(.81)
Closing fair Value of plan assets	14.14	10.47
D. Profit and Loss Account for the current Period		
Current Service Cost	2.94	2.93
Net Interest Cost	.10	(.16)
Past service cost and loss/(gain) on curtailments and settlements	-	.0
Total included in 'Employee Benefit Expense'	3.04	2.77
Other Comphrehensive Income for the current Period		
Components of acturial gain/losses on obligations:		
Due to change in financial assumptions	1.12	.14
Due to change in Demographic assumptions	(.1)	.0
Due to experience adjustments	(2.73)	.79
Return on plan assets excluding amounts included in interest income	(.9)	.14
Amount recognized in Other Comprehensive Income	(1.70)	1.07
E. Balance Sheet Reconciliation		
Opening Net Liability	3.17	-.67
Employee Benefit Expense	3.04	2.77
Amounts recognized in Other Comprehensive Income	(1.70)	1.07
Contributions to Plan Assets	(3.25)	.0
Benefits Paid	.0	.0
Closing Liability	1.27	3.17
F. Current/Non-Current Liability :		
Current*	1.27	3.17
Non-Current	-	.0

*The Group liability is calculated as expected reduction in contributions for the next 12 months.

(c) Amounts recognised in current year and previous three years

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
A. Gratuity		
Present value of Defined Benefit Obligation	15.40	13.65
Fair value of Plan Assets	14.14	10.47
(Surplus) / Deficit in the plan	1.27	3.17
Actuarial (Gain) / Loss on Plan Obligation	(1.62)	.94
Actuarial Gain / (Loss) on Plan Assets	(.9)	.14

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-20	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	14.59	16.28
Salary growth rate (0.5% movement)	16.26	14.60
Withdrawal rate (W.R.) Sensitivity	15.42	15.39

	31-Mar-19	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	12.95	14.40
Salary growth rate (0.5% movement)	14.38	12.94
Expected working lifetime (varied by 2 years)	13.67	13.62

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20 Lakhs was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

(i) **Entity responsibilities for the governance of the plan**

Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The Group has participated in Group Gratuity Scheme Plan with SBI Life insurance to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year.

(a) Composition of the plan assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(c) Expected benefit payments as on 31 March 2020.

Particulars	1-5 years	6-10 years
Cash flow (₹)	2.34	3.12
Distribution (in %)	6.30%	8.94%

(g) Other Notes:

(i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the group's policy for the Plan Assets management.

(ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

Note 40 Related Party Transactions:

Sr. No.	Name of Related Parties	Nature of Relationship
1	Shri. Chandresh Parikh	Director and relative of Key Management Personnel
2	Shri. Rajesh Parikh	Director and relative of Key Management Personnel
3	Shri. Atil Parikh	Directors-Key Management Personnel
4	Mr. Narendra Patel	Chief Financial Officer -Key Management Personnel
5	Ms. Komal Pandey	Company Secretary -Key Management Personnel (Till Date 03/01/2019)
6	Ms. Anuja K. Muley	Company Secretary -Key Management Personnel (From Date 07/02/2019)
7	20 Microns Limited	Holding Company
8	Silicate Minerals (I) Private Limited	Subsidiary Company with effect from May 29, 2018
9	20 MCC Private Limited	Common Director and the Subsidiary of the holding company with effect from August 23, 2018.
10	Eriez Industries Pvt Ltd	Director/s of the company are members in Eriez Industries Pvt Ltd

Sr. No.		Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1		**20 Microns Limited**	Holding Company		
	a	Sales of Materials		2012.05	369.99
	b	Sale of Fixed Assets		3.26	19.48
	c	Service Provided		-	2.46
	d	Rent Paid		343.08	40.61
	e	Rent Received		4.54	.71
	f	Purchase of Goods		1970.04	968.50
	g	Purchase of Fixed Assets		13.02	74.58
	h	Royalty Paid		134.94	90.83
	i	Reimbursement of Expenses (Expenses Net)		.10	1.34
	j	Reimbursement of Expenses (Income Net)		-	-
	k	Purchase of Share		-	1.25
	l	Salary Deputation Received		19.20	-
	m	Salary Deputation Paid		180.33	-
		Balance as period end			
		Trade Payables		1027.06	798.71
		Trade Receivables		-	-
2		**20 MCC Pvt Limited**	Common Director		
	a	Sales of Materials	and The subsidiary	9.08	.03
	b	Purchase of Goods	holding company	88.42	.59
	c	Rent Paid		1.78	-
		Balance as period end			
		Trade Payables		62.06	-
		Trade Receivables		-	2.71
3		**Compensation paid to Key Management Personnel:**			
		Key Management Personnel			
	a	**Mr. Atil Parikh**	Director and Key		
		Director Remuneration	management Personnel	10.65	9.86
		Balance as period end		-	-
	b	**Mrs. Komal Pandey (Refer Note a below) (Up to Jan-19)**			
		short-term employee benefits *	Comopany Secretary -	-	2.61
		other long-term benefits *	Key management Personnel	-	.19
	c	**Mrs. Anuja Muley (Refer Note a below) (From May-19)**			
		short-term employee benefits *	Comopany Secretary -	3.42	-
		other long-term benefits *	Key management Personnel	-	-
4		**Chandresh Parikh**	Director and relative		
		Director Remuneration	of key management	.20	-
		Interest Paid	Personnel	3.71	5.00
		Deposit Received		-	-
		Commission Paid		1.08	1.30
		Balance as period end		33.70	30.00
5		**Rajesh Parikh**	Director and Key		
		Director Remuneration	management	.15	-
		Commission Paid	Personnel	1.01	1.20
		Balance as period end	-	-	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

Notes:

The following are the list of Independent Directors with whom no transaction have been occurred during the period from April 01, 2019 to March 31, 2020 and Financial Year 2019-20 other than payment of sitting fees:

a) Mr. Ram Devidayal
b) Mr. Sudhir Parikh
c) Mrs. Darsha Kikani

Note 41 Segment Reporting

The Group primarily operates in the segment of Micronized Minerals. The MD/CEO of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

Information about geographical areas

1. The Company does not have geographical distribution of revenue and hence entitywide disclosure is not applicable to the Company.
2. None of the company's assets are located outside India hence entitywide disclosure is not applicable to the Company.

Information about major customers There is one customer to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹ 1767.31 Lakhs.

Note 41.1 RESEARCH AND DEVELOPMENT EXPENDITURE

Details of Research and development expenses incurred during the year, debited under various heads of statement of profit and loss is given below:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue expenditure		
Raw Material Consumption	1.56	2.49
Employee benefit expenses	59.38	13.08
Other expenses		
- Analysis Charges	10.63	7.20
- Laboratory expenses	12.30	9.43
- Other Manufacturing expenses	25.00	3.44
- Repairs Plant & Machinery	5.67	1.59
- Stores & Spares Consumed	8.55	10.00
- Office Electric expenses	2.44	2.81
- Other Administration expenses	13.72	4.64
Depreciation	27.50	27.96
Total	**166.76**	**82.63**

Note 42 Disclosure of IND AS 115 "Contract with Customers"

Contract Balances (₹ in Lakhs)

Particulars	March 31, 2020	April 01, 2019
Trade receivables	883.43	763.32
Contract Assets	Nil	Nil
Contract Liabilities	70.09	250.78

Reconciliation of the amount of revenue recognised in the statement of profit and loss and contracted price

(₹ in Lakhs)

Particulars	March 31, 2020
Revenue as per contracted price	5882.55
Adjustments	
Discounts	-
Revenue from contract with customers	**5882.55**

Meaning of the terms:

- Contract assets : Unbilled revenue if any. (not applicable in our case)
- Contract liabilities : Advance from customers.

Note 43 Lease

Note 43.1 Transition to Ind AS 116:

The Company has adopted Ind AS 116 on “Leases” with effect from April 01, 2019 and applied on all contracts of leases existing on April 01, 2019 by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 have not been restated. The Company has recognised and measured the Right-of-Use (ROU) asset and the lease liability on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU asset of ₹ 15.60 Lakhs and corresponding lease liability of ₹ 15.60 Lakhs as at April 01, 2019. Further, the nature of expenses in respect of operating leases has changed from lease rent in the previous year to depreciation for the ROU asset and finance costs for interest accrued on lease liability. The impact of adoption of Ind AS 116 on the profit before tax and earning per share for the year ended March 31, 2020 is not material.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases and low-value assets.

Note 43.2 Disclosures pursuant to Ind AS 116:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020: **(₹ in Lakhs)**

Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at April 01, 2019	15.60	-	15.60
Additions	126.13	14.66	111.47
Deletions			
Balance as at March 31, 2020	**141.73**	**14.66**	**127.07**

The aggregate depreciation expense amounting to Rs 14.66 Lakhs on ROU assets is included under Depreciation and Amortization Expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	(₹ in Lakhs)
Current lease liabilities	45.27
Non current lease liabilities	76.20
	121.46

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	(₹ in Lakhs)
Balance as at April 01, 2019	15.60
Additions	118.22
Finance cost accrued	4.65
Deletions	
Payment of lease liabilities	17.00
Balance as at March 31, 2020	**121.46**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	(₹ in Lakhs)
Less than one year	45.27
One to five years	76.20
More than five years	-

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ₹ 283.62 Lakhs for the year ended March 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 [CONTD.]

Note 44 Prior Period Item

Certain material prior period errors relating to fair valuation of investments in equity shares of an unlisted company – DMC Pvt. Ltd. and that related to recognition of deferred tax asset on carried forward losses under the Income Tax Law – were rectified with retrospective restatement of balance sheets as at March 31, 2019, Statement Of Profit & Loss including Comprehensive Income, Statement Of Changes In Equity and Statement Of Cash Flows for the year ended March 31, 2019 Impact on respective line items in the financial statements affected by such rectification as compared to the audited financial statements of previous years have been tabulated below:

Particulars	2018-19
Investments- FVOCI restated at fair value as at March 31, 2019 (F.V. 9496800- Cost 600000)	88.97
Fair Value as at 31.03.2019	94.97
Carrying Value	6.00
Impact on FV through OCI as at March 31, 2019	88.97
Deferred tax on above	(18.38)
Net of Deferred Tax	70.59

Deferred Tax for the Financial Year 2019-20 includes restatement of the following correction of errors:

Particulars	2018-19
Deferred Tax Assets on carry forward losses.	4.88

Note 45 Impact of Covid-19

The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown of the plant and all offices from 24th March 2020. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Note 46 Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

The Accompanying Notes are an integral part of the financial Statements.

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.

As per our report attached.

As per our report attached
For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406

Place : Waghodia, Vadodara
Date : June 8, 2020

For 20 Microns Nano Minerals Limited

Chandresh S. Parikh
Chairman
DIN-00041584

Atil C. Parikh
CEO & Managing Director
DIN-00041712

Anuja K. Muley
Company Secretary
M.No. - A21243

N R Patel
Chief Financial Officer

Place : Waghodia, Vadodara
Date : June 8, 2020

" We are equipped with the best state of art infrastructure in QC and R & D labs with advanced instruments to produce **Specialty Chemicals** of the highest standard in quality and consistency. "

20 MICRONS NANO MINERALS LIMITED

For more information please contact:
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