

25 years of Sustainable Growth

20 MICRONS™
L I M I T E D

Few Minerals, A world of applications

Where innovation is tradition

Engineered Minerals

Natural Products for Sustainability

Adding value through Minerals

25th
ANNUAL REPORT
2011/12

Corporate Information

(As on 31.03.2012)

Board of Directors

Mr. Chandresh S. Parikh	- <i>Chairman & Managing Director</i>
Mr. Rajesh C. Parikh	- <i>Managing Director</i>
Mr. Atil C. Parikh	- <i>Joint Managing Director</i>
Mr. Sudhir R. Parikh	- <i>Director [Finance]</i>
Mr. Naresh S. Makhija	- <i>Nominee Director IDBI</i>
Mr. Ram A. Devidayal	
Mr. Pravinchandra M. Shah	
Mr. Atul H. Patel	

Company Secretary

Mr. Nikunj J. Savaliya

Audit Committee

Mr. Ram A. Devidayal - Chairman
Mr. Pravinchandra M. Shah
Mr. Atul H. Patel

Remuneration Committee

Mr. Pravinchandra M. Shah - Chairman
Mr. Atul H. Patel
Mr. Naresh S. Makhija

Nomination & Compensation Committee

Mr. Chandresh S. Parikh - Chairman
Mr. Rajesh C. Parikh
Mr. Pravinchandra M. Shah
Mr. Ram A. Devidayal

Share Transfer & Investor's/Depositors' Grievances Committee

Mr. Pravinchandra M. Shah - Chairman
Mr. Rajesh C. Parikh
Mr. Sudhir R. Parikh
Mr. Ram A. Devidayal

Statutory Auditors

M/s. Manubhai & Co., Ahmedabad

Bankers / Financial Institutions

State Bank of India
IDBI Bank Limited
EXIM Bank Limited

Registered Office

9/10, GIDC Industrial Estate,
Waghodia – Dist. Vadodara – 391760
Gujarat, India
Tel : +91 2668 264077
Fax : +91 2668 262447

Corporate Office

134-135, Hindustan Kohinoor Industrial Estate,
L. B. S. Marg, Vikhroli (W),
Mumbai, India
Tele : +91 22 32401006 / 25771325
Fax : +91 22 25771333
E-Mail : corporate@20microns.com

Registrar and Share Transfer Agents

Cameo Corporate Services Limited
202, Pawan Flats, 7, Anand Nagar Society,
Productivity Road, Alkapuri,
Vadodara – 390007, Gujarat, India
Telefax : 0265 – 2341105
E-mail ID : jaydeep@cameoindia.com

Website

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

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NOTICE FOR THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the Shareholders of **20 Microns Limited** will be held on Thursday, the 9th day of August, 2012 at 3.00 p.m. at the Conference Room at 347, GIDC Industrial Estate, WAGHODIA – 391 760. Dist.: Vadodara, to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Audited Profit and Loss Account of the Company for the year ended 31st March, 2012 together with Directors' Report and Auditors' Report thereon.
- 2 To declare a dividend on Equity Shares.
- 3 To appoint a Director in place of Mr. Atul Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of Mr. Pravinchandra M. Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
- 5 To appoint M/s. Manubhai & Co., Chartered Accountants, Ahmedabad bearing Firm Registration No. 106041W with the Institute of Chartered Accountants of India, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of Directors

Place: Waghodia, Dist. Vadodara

Date : 28.05.2012

Nikunj Savaliya

Company Secretary

NOTABENE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxies to be effective, must be lodged at the registered office of the Company not later than 48 hours before the commencement of the meeting. A Proxy Form is sent herewith.
3. Members/Proxies should bring duly filled in and signed Attendance Slip sent herewith for attending the Meeting. The Members holding shares in dematerialised form are requested to bring their Client ID and DP ID for easy identification of attendance at the Meeting.
4. The Registers of Members and Share Transfer Books shall remain closed from Monday, the 30th day of July, 2012 to Thursday, the 9th day of August, 2012 [both days inclusive].
5. The dividend for the year ended 31st March, 2012 as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear in the Company's Register of Members as on the book closure dates.
6. Brief particulars about the Directors seeking appointments and/or re-appointments, as required by Clause 49 of the Listing Agreements with the Stock Exchanges, are given in the Report on Corporate Governance.
7. Members may avail of the Nomination Facility as provided under Section 109A of the Companies Act, 1956.
8. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

Report of Board of Directors

To The Members of
20 MICRONS LIMITED

Your Directors are pleased to present 25th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

RESULTS OF OPERATIONS:

<i>[Rs. in Lacs]</i>		
Particulars	2011-12	2010-11
Total Revenue	26770.19	23741.12
Profit before Depreciation, Interest and Tax (PBDITA)	3525.91	2555.41
Interest for the year	1408.52	1061.61
Depreciation for the year	631.80	533.30
Profit before tax and Exceptional item	1485.58	960.50
Exceptional items	-	39.42
Profit/(loss) for the year	1485.58	921.08
Tax liability :-		
Current Year's Tax & FBT	363.25	245.40
Earlier Years Tax Adjustments/MAT Credit	44.26	65.61
Deferred Tax Liability/(Asset)		60.28
Net Profit/(loss) for the year	1078.08	550.19

OVERVIEW OF ECONOMY

The world economy has been passing through stress. Financial turmoil in Europe has affected other countries. This contagion has pushed up borrowing costs and slowed growth in many parts of the world, and capital flows to developing countries have fallen. As a result, and despite a strengthening of activity in the United States and Japan, world trade has slowed down. Under this scenario, the forecast for global economic growth has been revised downward to about 2.5% in 2012. Indian economy also slowed down in 2011-12 mainly due to weak industrial growth. Inflation remained a major concern constraining RBI to pursue tight monetary policy.

In this generally depressed scenario, the Company has achieved about 13% growth in Gross sales value which stood at Rs. 26770.19 Lacs for the year. The management has taken measures as part of its continuous improvements to strengthen operations and viability. It has widened and improved the product range and price points in domestic as well as international markets to enlarge the customer base.

PERFORMANCE REVIEW:

During the year under report, your Company has achieved a Total Revenue of Rs. 26770.19 Lacs (Up by 12.76% from Rs. 23741.12 Lacs of the previous year). The operations have resulted in a net Profit before Depreciation, Interest and Tax (PBDITA) of Rs. 3525.90 Lacs (Up by 37.97% from Rs. 2555.41 Lacs of the previous year).

DIVIDEND:

Your Directors are pleased to recommend the payment of dividend @ 18% i.e. Rs. 1.80 per Equity Share of the face value of Rs. 10/- each for the year under review. The dividend, subject to approval of shareholders, will be paid to the Shareholders whose name appears on the Register of Members as on the Book Closure dates.

FUTURE OUTLOOK

The Company has achieved a growth rate of 13% in Gross Sales during the year. This growth rate is expected to continue alongwith higher profitability and inspire the Company and its dedicated staff to focus more attention on all its applications. The Current year and all-coming years would walk on the foot prints of with highest earnings and the continued support of effective sales force, improvement in production facilities and implementation of innovative ideas.

During the year, the Company vigorously followed steps to improve plant efficiency, customers' satisfaction, cost reduction and exploitation of new applications. The Company is still continuing to consolidate, relocate and outsource manufacturing by constantly reviewing market scenario. Product development is an ongoing process carried out in a well equipped R & D Centre. This will enable the Company to review the range of products offered to the Customers.

The Company is always looking on enhancing the interest of all the stakeholders by better utilization of all its resources.

Your Company expects robust growth in existing Products and contribution of new products by adopting the following strategies:--

- ➔ Expansion of Mineral Portfolio by adding new products;
- ➔ Enhance value chain by launching new synthetic minerals products by leveraging R&D strength;
- ➔ Expand Geographical locations by acquiring Mines and infrastructure facilities in Mineral rich countries in Middle East & South East Asia.

FINANCE

It is gratifying to note that State Bank of India, in consortium with IDBI Bank Limited has enhanced the aggregate credit facilities from Rs.6278 Lacs to Rs. 7258 Lacs and IDBI Bank Ltd. (IDBI) has also given the working capital finance of Rs. 500 Lacs.

Your Directors convey their grateful thanks to SBI and IDBI for their continued support and co-operation.

FIXED DEPOSITS

As on 31.03.2012, Fixed Deposits from Public and Shareholders stood at the total of Rs. 1475.05 Lacs. 23 deposits totaling to Rs.10.81 Lacs due for repayment on or before 31.03.2012 were not claimed by the depositors on that day. Out of these, deposits of Rs. 2.90 Lacs have since been repaid or renewed at the option of 8 depositors. No instructions have been received so far for the balance of Rs. 7.91 Lacs from 15 depositors. These deposits, if not claimed in future, shall be deposited in the 'Investors Education and Protection Fund' in due course, as per the provisions of the Companies Act, 1956.

SUBSIDIARIES

a) 20 Microns Nano Minerals Limited

Your Company owns 99.17 percent of 20 Microns Nano Minerals Limited. The said Company is having a state of the art In-house Research & Development facility which is registered with Department of Science & Industrial Research (DSIR), Ministry of Science and Technology, Government of India. During the year under review, the said Company reported revenue from operations of Rs. 3035.04 Lacs and achieved Net Profit of Rs. 30.15 Lacs.

b) 20 Microns Sdn. Bhd.

Your Company owns 99.99 percent of 20 Microns Sdn. Bhd. During the year under review, the said Company reported Gross Revenue of RM 13.56 Lacs and achieved Net profit of RM 1.90 Lacs.

c) 20 Microns FZE

Your Company owns 100 percent of 20 Microns FZE. During the period ending 31/03/2012, the said Company reported Gross Revenue of AED 70.72 Lacs and achieved Net profit of AED 18.07 Lacs.

As per Section 212(1) of the Companies Act, 1956, the Company is required to attach to its Accounts, the Directors' Report, Balance Sheet and Profit & Loss Account of each of its Subsidiaries. As the Consolidated Accounts present a complete picture of the financial results of the Company and its Subsidiaries and in view of General Circular No. 2/2011 dated 08.02.2011 and No. 3/2011 dated 21.02.2011 issued by Ministry of Corporate Affairs, the Annual Report of the Company does not contain the individual financial statements of its Subsidiaries. However, the statement of your Company's interest in the Subsidiaries as at 31st March, 2012, prepared in accordance with the provisions of Section 212 of the Companies Act, 1956 is attached to the Balance Sheet.

The Annual Accounts of the Subsidiary Companies along with the related detailed information are available for inspection by the shareholders of the Company and of the Subsidiary Companies at the Company's Registered Office and at the registered office of the concerned Subsidiary and copies of the same shall be provided to any shareholder on demand.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Financial Statements, based on the same received from the Subsidiary Companies, as approved by its Board of Directors, have been prepared in accordance with AS – 21 on Consolidated Financial Statement read with AS – 23 on Accounting for Investments in Associates.

CORPORATE GOVERNANCE

Pursuant to the requirements of the Listing Agreements with Stock Exchanges, your Directors are pleased to annex the following:

1. Management Discussion and Analysis Report
2. A report on Corporate Governance alongwith Auditors' Certificate relating to compliance of conditions thereof.
3. CEO Certificate regarding compliance with the Code of Conduct.

These annexure forms part of this report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with The Companies [Particulars of Employees] Rules, 1975, as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Report of the Board of Directors. We have to state that since there are no employees falling within the purview of the said requirements, the same has not been annexed herewith.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO.

In terms of the provisions of Section 217(1)(e) of the Companies Act, 1956 read with The Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988, as amended, the particulars of Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Out go are given in the Annexure – A to this Report.

INDUSTRIAL RELATIONS

Industrial relations remain cordial and peaceful at all levels of the Company throughout the year.

EMPLOYEES STOCK OPTION SCHEME [ESOS]

Details of the option granted, accepted and lapsed under Employees Stock Option Scheme – 2007 of the Company, as also the disclosures in compliance with the clause 12 of Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure - B to this Report. The Auditors' Certificate relating thereto have been set out in the said Annexure.

DIRECTORATE

With effect from 29.04.2011, the Nomination of Mr. Munish Mohan had been withdrawn by IDBI Bank Limited and in his stead and place, Mr. Naresh Makhija was Nominated as the IDBI Nominee Director on the Board of the Company.

Moreover, with effect from 22.10.2011, the Nomination of Mr. Mihir Joshi had been withdrawn by GVFL Limited and ceased to be a GVFL Nominee Director on the Board of the Company. Further, Mr. Vithaldas D. talati had resigned and ceased to be a Director on the Board of the Company with effect from 22.10.2011.

The Board appreciated and took on records the assistance and guidance received by the Company during the tenure of the respective Directorships of Mr. Munish Mohan, Mr. Mihir Joshi and Mr. Vithaldas Talati.

Mr. Atul H. Patel and Mr. Pravinchandra M. Shah, retire by rotation and being eligible, offer themselves for reappointment.

RESPONSIBILITY STATEMENT:

Your Directors make following statements in terms of Section 217(2AA) of the Companies Act, 1956:

1. The applicable accounting standards have been followed in the preparation of the Annual Accounts along with proper explanations relating to material departures;
2. Accounting policies are selected and applied consistently and judgments and estimates are made which are reasonable and prudent so as to give a true and fair view of the state of the affairs as at the end of financial year and of the profit of the Company for the year under review;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the accounts on a “going concern” basis.

AUDITORS

M/s. Manubhai & Co., Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from Statutory Auditors to the effect that, in case their appointment is made, it would be within the specified limit under Section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for assistance & co-operation received from the Government Authorities; GVFL; Banks and Financial Institutions; Customers; Vendors; Investors; Depositors and all others.

Your Directors also wish to place on record deep sense of their appreciation for the valuable and committed services of the Executives, Staff & Workers of the Company.

For and on behalf of the Board of Directors

Place: Waghodia, Vadodara

Date: 28.05.2012

Chandresh S. Parikh
Chairman and Managing Director

ANNEXURE - A

ANNEXURE TO THE DIRECTOR'S REPORT, 2011-12

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUT GO.

Statement pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Directors' Report.

Conservation of Energy

The Company's operations do not involve substantial consumption of energy in comparison to the cost of production. Wherever possible, energy conservation measures have been implemented. Total energy consumption is as per Form – A and forms part of the report.

FORM - A

CONSERVATION OF ENERGY FOR THE YEAR ENDED 31ST MARCH, 2012

Power and Fuel Consumption

A).	Fuel Consumption	2011-12	2010-11
1	Electricity		
	Purchased from Electricity Board		
	Unit consumed	14919983	12843146
	Total Amount (Rs. in Lacs)	870.09	716.11
	Average Rate / unit (Rs.)	5.83	5.58
2.	Diesel / SKO		
	Diesel / SKO Liters	214562	163285
	Total Amount (Rs. in Lacs)	94.76	67.13
	Average Rate / Liter (Rs.)	44.17	41.11
3	Gas		
	Gas used MT	90.92	69.00
	Total Amount (Rs. In Lacs)	59.72	42.09
	Average Rate/ MT (Rs)	65685	61000
4	Gas		
	Gas used SCM	459967.19	-
	Total Amount (Rs. In Lacs)	158.43	-
	Average Rate/ SCM (Rs)	34	-
5	Coal / Wood /Lignite		
	Coal / wood / Lignite used MT	18179.98	15312.00
	Total Amount (Rs. in Lacs)	913.27	692.66
	Average Rate/ MT (Rs)	5024	4524
6	Furnace Oil		
	Furnace Oil used MT	324.06	299.31
	Total Amount (Rs. in Lacs)	122.60	93.21
	Average rate/MT (Rs.)	37834	31143
	Grand Total	2218.88	1611.20

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

1. Research and Development(R & D):

a) Specific areas in which R&D carried out by the Company:

- As per Management Discussion and Analysis Report.

b) Benefits derived as a result of the above R & D:

- As per Management Discussion and Analysis Report.

c) Future plan of action:

- As per Management Discussion and Analysis Report.

d) Expenditure on R & D

- a) Capital : Rs. Nil Lacs
b) Recurring : Rs. 38.64 Lacs
c) Total : Rs. 38.64 Lacs
d) Total R & D expenditure
as a percentage of total
turnover : 0.15%

2. Technology absorption, adaptation and innovation:

1. Efforts in brief made towards technology absorption, adaptation and innovation.

- As per Directors' Report.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc.,

- As per Directors' Report.

3. The Company has not imported any technology during the year.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

- As per Directors' Report.

b) Total Foreign Exchange used and earned:

i. Foreign Exchange Earned: Rs. 2288.09 Lacs

ii. Foreign Exchange Used : Rs. 3499.80 Lacs

ANNEXURE - B
ANNEXURE TO THE DIRECTOR'S REPORT, 2011-12

EMPLOYEES' STOCK OPTION SCHEME - 2007

AUDITORS' CERTIFICATE ON EMPLOYEES' STOCK OPTION SCHEME - 2007

To,
Managing Director
20 Microns Limited
307/308, Arundee Complex, Race Course, Vadodara – 390 007.

On the basis of our examination of the relevant books of accounts and other records maintained by 20 MICRONS LIMITED ("the Company"), and as per the information and explanation given to us in this regard, we certify to the best of our knowledge and belief, that during the financial year 2011-12 the Company has implemented the Employees Stock Option Scheme – 2007 as approved by the members in the Extra-Ordinary General Meeting held on March 28, 2007, in accordance to the Securities and Exchange Board of India (employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, to the extent applicable and also the resolutions passed by the Company.

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

Place: Ahmedabad
Date: 28.05.2012

G. R. Parmar
Partner
Membership No. 121462

**Disclosure pursuant to the provisions of Securities and Exchange Board of India
(Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999**

Sr. No.	Particulars	Employees Stock Options Scheme – 2007	
a.	Options granted	553,431	
b.	Exercise Price	Rs. 14/- per share	
c.	Options Vested	433341	
d.	Options Exercised	210609	
e.	Total no. of shares arising as result of exercise of Options	210609	
f.	Options lapsed (Includes options forfeited and cancelled/lapsed)	342822	
g.	Variation in terms of Options	None	
h.	Money realized by exercise of Options	Rs. 29,48,526/-	
i.	Total number of options in force	----	
j.	Employee wise details of options granted to:		
	Senior Managerial Personnel	Name of Key Managerial Personnel	No of Options granted under ESOS 2007
		Mr. Nirakar H. Desai	10,000
		Mr. Rajiv C. Parikh	10,000
		Mr. Suresh B. Jagetia	6,000
		Mr. Ajay P. Joshi	5,625
		Mr. Dipes L. Goyal	5,250
		Mr. Arun B. Ajmeri	5,250
		Mr. Rakesh S. Parikh	5,000
		Mr. Lalit R. Parikh	4,688
		Mr. Peshank K. Patel	4,688
		Mr. Ramnath J. Rao	4,500
		Mr. Gaurang V. Gandhi	4,400
		Mr. Jagdish C. Patel	3,600
		Mr. Sanjay B. Mungra	3,438
		Mr. Dinesh P. Shah	2,500
		Mr. Narendrakumar R. Patel	3,438
		Mr. Jagat N. Ojha	3,300
		Mr. Vipul M. Chawda	3,125
	- Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None	
	- Employees who were granted option, during any one year, equal to or	None	

	exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant	
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MANAGEMENT DISCUSSIONS AND ANALYSIS

Your Directors submit hereunder an analysis of the sector wise performance of the Company for the year 2011-12 and its outlook for the future. This outlook is based on assessment of the current business environment and Government Policies. Any change in the future economic and other developments are likely to cause variation in this outlook.

EXPORT

Minerals export from India is growing sharply over few decades, technology up gradation has given a great advantage to Indian resources to compete with European and American suppliers. Further, export opportunity has also increase due to foreign currency which becomes direct incentive to exporter. In addition to that in Europe and USA strict Mining rules and regulation has discouraged mining activity and as a result International buyers has started their focus to source from India and China. Since most of the International players has their own manufacturing facilities in India, it becomes easy for them to extend approval for their global use.

The opportunities for the Company are ahead to increase its global business in the area of Calcined Kaolin, Talc, Mica and Baryte. Company is supplying various fillers and extenders to 53 countries across the globe. Company has major breakthrough in Calcined Kaolin in multinational Companies which may double the sales and contribute to good profitability. The Company has been successful in attracting and creating a strong base for future strategic alliances with major distribution in USA, Japan, Europe and Far East countries.

The comparative Export sales are as shown below:

(Rs. in Lacs)		
Element	2010-11	2011-12
CIF Value	2280	2774
FOB Value	1985	2270

In addition to Market development program, Company has started their representative office in China and a subsidiary Company in UAE, which would help to increase global business. Further the Company has in place market promotional plan to participate in various exhibitions across the continent to enhance its market presence.

PAPER AND PLASTIC DIVISION (P&P)

During the Year 2011-12 P&P division had grown 11% in Value terms over previous year with growth in all the Industrial segments viz. Paper, Plastics, Cosmetics etc.

Paper segment contributed maximum to the growth of division, with 40% growth over previous year and also slurry business penetration with long term contractual business deals with the customers had thrown open new segment with excellent potential for the business. Division has started focusing on PVC segment during the year 2010-11 with penetration in small pockets resulting in to PVC segment growth of 24% in value terms during 2011-12 as compared to previous year. Division has started focusing on Cosmetic application and achieved a growth of 190% as compared to previous year.

In the PVC segment, during the with the concept marketing of specialty valued added products efforts has been made to penetrate in major customers of Cable & Pipe segments and are looking forward to have more inroads in the segment with good contribution in the years to come.

Overall Paper and Plastic Division envisages higher profitable growth compared to previous year growth with all segments of the division Paper, Plastics & Cosmetics looking for the great year ahead.

COATING AND CONSTRUCTION DIVISION (C&C)

The year began with its own set of challenges from rising inflation to regulatory uncertainties. Amidst this chaos sensed in various industries, an optimistic approach was undercurrent and led to some sort of erratic stability in the country, leading the year with a leveraged growth and a tracked performance.

Speaking about the Coating & Construction division, it is an ensemble of various interesting applications from Paints & Coatings leading the chart, to other minor yet significant diverse applications such as Adhesives & Sealants, Construction and Oil Well Drilling. This division exemplifies the diversity that industrial minerals can offer to its end users.

An average of 30% growth within this division has been fetched from various applications that have significantly contributed to the overall growth of the company. Hedging the risk between multiple applications, there have been some low key to exponential growth across the table.

The Paint industry has shown great signs of improvement in this year with additional capacities getting functional and greater demand from the consumers. This industry which earlier worked in a cyclical manner has now outdone themselves and is now a year round consistent industry. This truly helps us forecast our supplies and plan our production capacities accordingly. Apart from the traditional major Paint customers, our focus on introducing and educating the Small Scale & Middle Scale Paint Industry with our unique range of high end products has helped us achieve a phenomenal growth in 2011-12 and is expected to follow the same trend in the years to come.

The entire year has been pretty stagnant for the construction Industry due to the lack of consumer buying and rising costs, but by grabbing few new projects in this industry and introducing new products for the industry, it helped us balance ourselves on our feet unlike others who were literally crawling.

The field of Oil well drilling also has conducted remarkable increase in the sales for the year that passed. A range of new products for this industry have already been lined up and the results would be visible in the next financial year. The Adhesives & Sealants industry has also been a great contributor with limited players operating in this industry and our entire range designed for them helps us grab a better market share.

Our new range of Ultrafine Calcium Carbonate has truly penetrated within these industries and with new innovations always by the stride, 20 Microns drives the passion to create a difference for its customers with its new product innovations and continued drive to optimize our customers product formulations.

Having introduced the unique concept of Satellite Plants and Product Slurry concepts in the Indian Paint Industry in 2010-11, the idea has already been seeded and we await the fruits to ripen anytime with the new generations plants being designed at customers end.

An exciting 2012-13 lies ahead of us with lots of innovation, refurbished & new products, partial replacement products, our State of Art Product Development Centre and New generation Plants.

MINING AT GLANCE

20 Microns is possessing mining lease(s) for the following natural resources:

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves# (Rs. In Lacs)
1.	China Clay Mines, Bhuj, Dist. Kutch, Gujarat, Area – 11.89 Hector*	27.56	3996.20
2.	Dolomite Mine, Taluka – Chhota Udepur, Dist. Vadodara, Gujarat, Area – 6.25 Hector.	13.89	4860.75
3.	Calcite Mine, Dist. Sirohi, Rajasthan, Area – 49.25 Hector.*	8.34	5002.52

4.	Limestone Mines, Dist. Tirunelveli, Tamilnadu, Area – 4.43 Hector.	10.48	4713.83
5.	Bentonite Mines, Bhuj, Gujarat, Area 6.5 Hector*	32.37	5664.20
6.	Diatomite Mines, Jaisalmer, Rajasthan, Area 10 Hector*	1.30	650.00
TOTAL		93.94	24887.50

* - under process of lease/renewal of lease with concerned State Governments.

- 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.

The Company carries out its activity of mineral excavation with the sole mission of providing High quality, cost effective and time bound raw mineral supply to all production location to fulfill uninterrupted supply of finish products to customer during 2011-12.

The basic aim and objective of the Company is to bridge the gap between demand of non metallic white industrial minerals for all industrial applications like Paint, Plastics, Paper, Rubber, Ceramics and supply to accomplish its mission of become No. 1 company brand image “20MICRONS” in Mineral industries.

The Company has also participated in Global Mining Summit in 2011 concurrently with International Mining & Machinery Exhibition 2011 held at Kolkata, with a object of adoption of new mining technology for soft and hard mineral mining.

In order to monitor physical and financial performance of mining activity, a month-wise and quarter-wise annual action plan is prepared and progress closely monitored as part of Company’s endeavor for backward integration to meet its critical raw material need.

INTELLECTUAL PROPERTIES

The Company has always been aggressive on innovations to develop of its various products and ultimately to meet customer’s requirements. The Company registered/applied following marks as Trademarks to enhance its brand in the marketplace.



- 1.
2. MAG FR™
3. GLAZEX™
1. BASOFIX®
2. FMSIL®
3. LIMOGLOSS®
4. METACEM®
5. METAPLAST®
6. MICRONBARYTE®
7. MICRONCARB®
8. MICRONCHINA®
9. MICRONMICA®
10. MICRONTALK®
11. OPAK®
12. SILCOAT®
13. SNOWCARB®
14. ULTRACARB®
15. NANOCARB®
16. NANOCCLAY®
17. LITHOMER®
18. CARALA CLAY 60®

19. REINFORSIL®
20. DIASILITE®
21. GLAZEX 90®
22. DIATOMACEOUS EARTH – DIATH 325 P8®
23. PARISH WHITE®
24. VAPORLITE®

RESEARCH AND DEVELOPMENT

20 Microns implements Idea Generation, which is a continuous, systematic search for new product opportunities. It involves delineating sources of new ideas and methods for generating them. Secondly, Problem Analysis, which is a need-assessment technique designed to develop an inventory of consumer problems in a particular product or service category and to serve as a basis for new product or service ideas.

With the aim to develop new generation product, Research & Technology Center (R&T Centre) was established with the area of 7000 square feet, with highly experienced chemists who emphasize on high working efficiency without compromising the quality. The center have Development section, Quality Assurance Section, Analytic Room, Testing Facilities in concern to the application in various fields like Rubber & Plastic, Paint & Printing Inks, and Pulp & Paper. These five product groups in R&T center are responsible for the product research and development along with consultation and project handling.

Expertise committee is responsible for planning R&D direction, making technology decision, auditing R&D tasks, professional consultation and business direction of the organization.

The R&T center follows the benefit structure analysis, which determines what specific benefits and characteristics are desired by the consumers within a particular product and even identifies the perceived deficiencies in what is currently provided.

Innovative products developed:

- O Carb-60T
- O Carb – 90T
- Vaporcifier
- AR Talc 1M8A
- Lithomer® – C
- Artificial Whiting
- Coated Pitch Control Talc

Innovative process developed:

- Utilization of waste CaCO₃ produced from paper industry
- Utilization of silica waste produced from china clay process
- Froth Floatation of LT Talc, Marble powder & Limestone.

Products in pipeline:

- High Aspect Ratio Mica
- Basofix Micro
- Calcium Sulphate
- Cationic Calcium Carbonate

CORPORATE SOCIAL RESPONSIBILITY

The Company believes that Corporate Social Responsibility (CSR) is “the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. It relates to business decision-making linked to ethical values, compliance with legal requirements and respect for people, communities and the environment, in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of businesses. *It is no longer the domain of large corporate and is now a necessity rather than choice and those failing to act now, face an uncertain future*”

20 Microns Diabetes Centre

Since last about 4 years 20 Microns Foundation has established “**20MICRONS DIABETES CENTRE**” to create primary awareness to the diabetes patients and educate the community and increase awareness about the risks of diabetes and its ways of prevention to avoid dangers of diabetes. The Centre has extended its activities and services to the population of the City’s nearby Rural area by arranging Diabetes Camps, Blood Donation Camps, awareness and distribution of medicines.

20 Microns Diabetes Centre has more than 1800 registered members and at the request of the regular patients as well as guidance of the CMD of the Company, Mr. Chandresh Parikh, the Centre is now working full time from 8.00 am to 6.00 pm and is providing free medical check up, in association with reputed medical practitioners, to its members and non-members at A-1, Ashok Nagar, Opp. Meridian Hospital, Diwalipura, Vadodara. The Centre welcomes all the needy people for free blood test and regular check up thereafter by becoming its registered member.

Besides, the Centre provides:

- Ayurvedic medicine viz. DIA – B – Microns on a concession rate with detailed information to the same.
- required medicines to the Juvenile Diabetic Patients as well as scholarship for their education.

Donation for Noble Cause

The Company is always ready to fulfil its Corporate Social Responsibility by donating for a noble cause to the benefit of public at large. The Company believes that corporate Companies should come forward for contribution to a noble cause which ultimately achieves a Good Corporate Governance.

During the year under review, the Company has donated Rs. 6.45 Lacs to various NGOs and charitable organisations as a part of initiatives towards Corporate Social Responsibility.

REPORT ON CORPORATE GOVERNANCE

Governance Philosophy

20 Microns Limited has always been committed to highest standards of Corporate Governance and firmly believes in and practices it for optimizing shareholders' value and protecting their interests.

The Company's endeavors are towards attaining the highest standards of transparency and accountability by conducting its affairs with integrity, responsibility and fairness with the applicable regulatory framework.

The Senior Management team has an excellent blend of professionals and is guided by ethical integrity and functions in a harmonious manner to meet every challenge and translate it into an opportunity for maximizing returns to the shareholders.

Your Company has been greatly benefiting from the invaluable inputs provided by the Non-Executive Directors, who are persons with vast experience, expertise and wisdom.

Key aspects of the Company's Governance processes are:

- Clear statements of Board processes.
- Disclosures, accountability, transparency, adequate systems and procedures to monitor the state of the affairs of the Company to enable the Board to effectively discharge its responsibilities to the stakeholders of the Company.

1. BOARD OF DIRECTORS

Composition

Your Company has a balanced mix of Executive, Non-Executive and Independent Directors on the Board. The total strength of the Board of Directors is 08. Your Company has an optimum combination of Executive and Non-Executive Directors with 50% of the Board of Directors comprising of Non-Executive Directors. Since the Chairman is the Executive Director, number of Independent Directors are 4 which is in conformity with the requirements of the clause 49 of the Listing Agreement.

As specified in Clause 49, none of the Directors on the Board is a member in more than 10 Committees or a Chairman of more than 5 Committees, across all the companies in which he is a Director.

Non Executive Directors' Compensation and Disclosure

Apart from sitting fees that are paid to the Non Executive Directors for attending Board/Committee meetings, no other Remunerations/commissions were paid during the year. No significant material transactions have been made with Independent Directors vis-à-vis your Company.

Category

The names and categories of Director on the Board and the number of Directorships and Committee Chairmanships/Memberships held by them in other Companies as on 31st March, 2012 are given below:

Names of Directors	Category of Directors	No. of other Directorship	Committee Membership/Chairmanship	
			Committee Membership	Committee Chairmanship
EXECUTIVE DIRECTORS				
Mr. Chandresh S. Parikh	Chairman & Managing Director	5	7	1
Mr. Raiesh C. Parikh	Managing Director	5	6	1

Mr. Atil C. Parikh	Joint Managing Director	2	3	-
Mr. Sudhir R. Parikh	Director (Finance)	5	6	-
NON EXECUTIVE DIRECTORS				
Mr. Mihir A. Joshi [upto 22.10.2011]	GVFL Nominee			
Mr. Munish Mohan [upto 29.04.2011]	IDBI Nominee	--	--	--
Mr. Pravinchandra M. Shah	Independent Director	-	1	2
Mr. Ram A. Devidayal	Independent Director	3	7	3
Mr. Vithaldas D. Talati [upto 22.10.2011]	Independent Director			
Mr. Atul H. Patel	Independent Director	10	3	-
Mr. Naresh Makhija [w.e.f. 29.04.2011]	IDBI Nominee	Nil	2	Nil

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.

The Company Secretary in consultation with Executive Directors finalizes the agenda, which is circulated with detailed notes to the Board Members in advance of the Meetings.

A. During the financial year ended 31.03.2011, the Board met 07 [Seven] times the dates of which are as under:

Sr. No.	Dates of Meetings	Board Strength	No. of Directors present
1	19.05.2011	10	8
2	04.08.2011	10	7
3	22.10.2011	08	8
4	01.12.2011	08	5
5	24.01.2012	08	7
6	10.03.2012	08	6
7	23.03.2012	08	7

The maximum gap between any two meetings was not more than 3 (three) calendar months.

B. Attendance of Directors at 1). Board Meetings and
2). Annual General Meeting.

Names of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Chandresh S. Parikh	7	YES
Mr. Rajesh C. Parikh	6	YES
Mr. Atil C. Parikh	4	YES
Mr. Sudhir R. Parikh	6	YES
Mr. Vithaldas D. Talati [upto 22.10.2011]	Nil	YES
Mr. Pravinchandra M. Shah	7	YES
Mr. Mihir A. Joshi [upto 22.10.2011]	2	
Mr. Ram A. Devidayal	7	YES
Mr. Munish Mohan [upto 29.04.2011]	Nil	
Mr. Atul H. Patel	4	
Mr. Naresh Makhija [w.e.f. 29.04.2011]	5	NO

Appointments/ Re-appointment of Directors

Mr. Atul Patel:

Mr. Atul Patel is a Managing Director of TARAK CHEMICALS PRIVATE LIMITED, Vadodara engaged in the manufacturing of Oil Field Chemicals & other Specialty Chemicals.

He has been deeply involved in the activities of Industrial Association and was closely associated with Federation of Gujarat Industries [FGI, a body looking after interests of the Industries]. He had been President of FGI for 1991 & 1992. He was the President of Vadodara Industrial Employers' Union for the period 1993-95 and also a Senate member of M.S. University of Baroda.

He has also been attached with Charitable Organizations and Educational Institutions, presently the President of United Way of Baroda and the past Chairman of Baroda Citizen Council, a body activist in the development of Baroda City. Besides, he is the Trustee of Gyana Yagna Vidhya Mandir, Atladra – Vadodara and Nar Seva Samaj, Dist. Kheda and also the Chairman of the Baroda Citizen Community Co – Operative Credit Society Ltd., Vadodara.

He is presently on the Board of Transpek Industry Limited; Enviro Infrastructure Co. Limited and Gujarat Automotive Gears Limited.

Mr. Pravinchandra M. Shah :

Mr. Pravinchandra M. Shah, holds Degree in M.Com, LLB, AICWA and ACS. He has an extensive experience of more than 47 years in various fields of Accounting, Finance, Taxation (Direct and Indirect), Company Secretarial Matters, Legal Matters, General Administration, Labour Matters, etc. He started his career in the year 1959 with Textile Appliances & Instruments Co. Pvt. Ltd as Accountant cum Secretary till 1962. Mr. Shah has worked for more than 20 years (1966 – 1986) with Banco Products (India) Ltd and its group in different capacities, lastly as Director (Finance) and from the year 1989 onwards with Transpek Industry Ltd as Vice President (Finance). He has also worked as a consultant for over more than 15 years in the areas of Finance, Accounts, Taxation, Company Law and SEBI Matters, etc.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company and the same is posted on the website of the Company (www.20microns.com). All Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A Declaration signed by the Chairman and Managing Director regarding affirmation of the compliance with the Code of Conduct by the Board Members and Senior Management personnel of the Company is appended at the end of this report.

2. COMMITTEES OF THE BOARD

The Board of Directors of the Company has constituted the following Committees from time to time:

Committee of Directors	Constituted on
Audit Committee	27 th February, 2001
Remuneration Committee	6 th January, 2003
Nomination and Compensation Committee	5 th August, 2006
Share Transfers & Investors'/Depositors' Grievances Committee	20 th November, 1997

AUDIT COMMITTEE

Composition

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Committee acts as a link between Management, Statutory and Internal Auditors and the Board of Directors and oversees the financial reporting process. The majority of Committee members have accounting and financial management expertise. The Director Finance/Chief Financial Officer, Vice President – Finance &

Operations and representatives of the Statutory and Internal Auditors of the Company are permanent invitees to the Committee meetings. The Company Secretary acts as Secretary to the Committee.

The Committee, as on 31st March, 2012, comprised of the following members:

1. Mr. Ram A. Devidayal - Chairman
2. Mr. Pravinchandra M. Shah
3. Mr. Munish Mohan [upto 29.04.2011]
4. Mr. Atul Patel [w.e.f. 19.05.2011]

All of them are Independent Directors.

Attendance

During the financial year ended 31st March, 2012, the Audit Committee met 4 [four] times the dates of which are as under:

Sr. No.	Dates of Meetings	Committee strength	No. of members present
1	19.05.2011	3	2
2	04.08.2011	3	2
3	22.10.2011	3	3
4	24.01.2012	3	2

Attendance at the Committee Meetings:

Names of Directors	Category	No of Meetings attended
Mr. Ram A. Devidayal	Independent Director	4
Mr. Pravinchandra M. Shah	Independent Director	4
Mr. Munish Mohan [upto 29.04.2011]	Independent Director	0
Mr. Atul Patel [w.e.f. 19.05.2011]	Independent Director	1

Terms of Reference

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations.
- Safeguarding of assets and adequacy of provisions for all liabilities.
- Reliability of financial and other management information and adequacy of disclosures.
- Compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee shall be as under:

- (a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other service rendered by the auditors;
- (c) Reviewing with the management the financial statements before submission to the Board, focusing primarily on:

- Any changes in accounting policies and practices
 - Major accounting entries based on exercise of judgment by management
 - Qualifications in draft audit report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with legal requirements concerning financing statements
 - Any related party transactions i.e. transactions of the Company of material nature with the top management or their relatives, with shareholders with large holdings in the Company or their subsidiaries etc. that may have potential conflict with the interests of the Company at large;
- (d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board;
- (e) Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow-up thereon;
- (f) Reviewing the findings of any internal investigations by the internal auditors and where there is suspected fraud or irregularity or failure of internal control systems of a material nature reporting the matter to the Board;
- (g) Discussion with the external auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;

REMUNERATION COMMITTEE

The Remuneration policy of the Company is based on several criteria which include responsibility, performance and potential of the Executive Director and growth of the Company.

The Remuneration Committee is vested with all the necessary powers and authorities to recommend and ensure appropriate disclosure on the remuneration of the Managing Director, Jt. Managing Director and the Whole time Director(s).

Composition

The Remuneration Committee, as on 31st March, 2012, comprised of the following members:

1. Mr. Pravinchandra M. Shah - Chairman
2. Mr. Vithaldas D. Talati [upto 22.10.2011]
3. Mr. Naresh Makhija [w.e.f. 19.05.2011]
4. Mr. Atul Patel [w.e.f. 19.05.2011]

All of them are Independent Directors.

Attendance

During the financial year ended 31st March, 2012, the Remuneration Committee met 2 [two] times the dates of which are as under:

Sr. No.	Dates of Meetings	Committee strength	No. of members present
1	14.05.2011	3	2
2	24.01.2012	3	2

Attendance at the Committee Meetings:

Names of Directors	Category	No of Meetings attended
Mr. Pravinchandra M. Shah	Independent Director	2
Mr. Vithaldas D. Talati [upto 22.10.2011]	Independent Director	1
Mr. Munish Mohan [upto 29.04.2011]	Independent Director	0
Mr. Naresh Makhija [w.e.f. 19.05.2011]	Independent Director	1

NOMINATION AND COMPENSATION COMMITTEE

As required by SEBI (Employees Stock Option Scheme & Employees Share Option Purchase) Guidelines, 1999, the Company has constituted a Nomination and Compensation Committee of Directors consisting of a majority of Independent Directors.

Composition

The Committee, as on 31st March, 2012, comprised of the following members:

1. Mr. Chandresh S. Parikh - Chairman
2. Mr. Rajesh C. Parikh
3. Mr. Pravinchandra M. Shah
4. Mr. Ram A. Devidayal

Attendance

During the financial year ended 31st March, 2012, no Meetings were held since there was no necessity.

SHARE TRANSFERS & INVESTORS'/DEPOSITORS' GRIEVANCES COMMITTEE

The major functions of the Committee are to approve transfer, transmission and transposition of shares, issue of duplicate share certificates and all other matters relating to shareholding and investor grievances and review all the matters relating to fixed deposits such as payment of interest on due dates, repayment of principal, maintenance of Liquid assets and other matters relating to Section 58A of the Companies Act, 1956 and Rules made there under.

Composition

The Committee, as on 31st March, 2012, comprised of the following members:

- 1) Mr. Pravinchandra M. Shah - Chairman
- 2) Mr. Rajesh C. Parikh
- 3) Mr. Sudhir R. Parikh
- 4) Mr. Vithaldas D. Talati [upto 22.10.2011]
- 5) Mr. Munish Mohan [upto 29.04.2011]
- 6) Mr. Ram Devidayal [w.e.f. 19.05.2011]

Except Mr. Rajesh C. Parikh and Mr. Sudhir R. Parikh, others are Independent Directors.

Attendance

During the financial year ended 31st March, 2012, the Committee met 4 (four) times the dates of which are as under:

Sr. No.	Dates of Meetings	Committee strength	No. of members present
1	14.05.2011	4	2
2	04.08.2011	5	2
3	26.09.2011	5	2
4	24.01.2012	4	4

Attendance at the Committee Meetings:

Names of Directors	Category	No of Meetings attended
Mr. Pravinchandra M. Shah	Independent Director	4
Mr. Vithaldas D. Talati [upto 22.10.2011]	Independent Director	1
Mr. Rajesh C. Parikh	Executive Director	3

Mr. Sudhir R. Parikh	Executive Director	3
Mr. Munish Mohan [upto 29.04.2011]	Independent Director	
Mr. Ram Devidayal [w.e.f. 19.05.2011]	Independent Director	3

FUNCTIONAL COMMITTEES

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

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

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

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

3. DISCLOSURES

Disclosure of materially significant related party transactions

The related party transactions have been placed before the Audit Committee on a quarterly basis. The transactions with related parties, for the financial year ended 31st March, 2012, were not in conflict with the interest of the Company at large. The related party transactions have been disclosed under Note 39 of Notes to Financial Statements forming part of the Annual Report.

Disclosure of Accounting treatment

There is no deviation in following the treatment prescribed in any Accounting Standard in preparation of financial statements of the Company during the year.

Details of non-compliance with regard to the Capital Market

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines prescribed by Securities and Exchange Board of India from time to time. During the year, there were no penalties or strictures imposed on the Company by the stock exchanges or SEBI on any manner related to capital markets.

Disclosure of Unclaimed Shares

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

Particulars	Aggregate No. of Shareholders	Aggregate No. of Shares
Shares lying in Suspense account as on 01.04.2011	7	850
Shares transferred from Suspense account during the year	4	428
Shares lying in Suspense account as on 31.03.2012	3	422

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

Board Disclosures – Risk Management

The Company is exposed to risks from foreign exchange fluctuations, competition, liquidity, credit and logistics risks. The Company has an integrated approach to managing the risks inherent in the various aspects of business. The Audit Committee of the Board is regularly informed about the business risks and steps taken to mitigate the same.

Remuneration of Directors for the financial year 2011-12

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

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

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

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

Names of Directors	Basic	HRA	Medical	Commission*	TOTAL
EXECUTIVE DIRECTORS :					
Mr. Chandresh S. Parikh	3240000	0	129600	720000	4089600
Mr. Rajesh C. Parikh	2460000	369000	113160	599920	3542080
Mr. Atil C. Parikh	2010000	301500	92460	552240	2956200
Mr. Sudhir R. Parikh	2460000	369000	113160	599920	3542080

* Commission amount related to Financial Year 2010-11.

These do not include Company's contribution to provident fund.

Non Executive Directors	Sitting fees [Rs.]
Mr. Vithaldas D. Talati [upto 22.10.2011]	8,000
Mr. Pravinchandra M. Shah	70,000
Mr. Ram A. Devidayal	63,000
Mr. Munish Mohan [upto 29.40.2011] *	Nil
Mr. Mihir A. Joshi [upto 22.10.2011] *	10,000
Mr. Atul H. Patel	24,000
Mr. Naresh Makhija [w.e.f. 29.04.2011] *	29,000

[*] = Sitting Fees were paid to the respective Institutions nominating them.

Director's Shareholding

Shareholding of the Directors in the Company as on 31st March, 2012:

Names of Directors	No. of shares held in the Company singly and / or jointly.	Percentage of holding
Mr. Chandresh S. Parikh	1800200	12.56
Mr. Rajesh C. Parikh *	279978	1.95
Mr. Atil C. Parikh *	279978	1.95
Mr. Sudhir R. Parikh	198345	1.38
Mr. Naresh Makhija	Nil	Nil
Mr. Pravinchandra M. Shah	13300	0.09
Mr. Ram Devidayal **	Nil	Nil
Mr. Atul Patel **	Nil	Nil

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

* Subscribed for 11,00,000 Convertible Warrants in their own names.

** Subscribed for 4,00,000 Convertible Warrants in their own/relatives' names

4. MANAGEMENT

A detailed Management Discussion and Analysis Report form part of the Report of the Board of Directors.

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company.

5. MEANS OF COMMUNICATION

The Quarterly, Half yearly and Annual Results are generally published in widely circulating national and local dailies in "Economic Times" – English & Vernacular - Gujarati versions.

The Company's Results and Official News Releases are also displayed on the Company's website www.20microns.com

6. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings are given below:

Financial Year	Date	Location	Time	No. of Special Resolutions passed
2010-11	18.08.2011	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	No Special Resolutions were passed.
2009-10	26.08.2010	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	No Special Resolutions were passed.
2008-09	20.08.2009	Regd. Office at 9/10, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	1 [One] Special resolution was passed in respect of appointment of Mr. Atil C. Parikh as whole time Director designated as the Joint Managing Director for a period of 3 years w.e.f. 29.01.2009.

During the year 2010-11, No Extra – ordinary General Meetings were held.

On 23rd April, 2012, an Extra-Ordinary General Meeting of the Shareholders was convened and hold where Special Resolutions for the following items were passed:

1. Re-appointment of Mr. Atil C. Parikh as the Whole-time Director, designated as the Joint Managing Director for the period from 29.01.2012 to 31.03.2013 and payment of Remuneration to him.
2. Create, Issue, Offer and Allot 11,00,000 Convertible Warrants to the Promoters of the Company
3. Create, Issue, Offer and Allot 4,00,000 Convertible Warrants to the Persons other than the Promoters of the Company.

7. CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the CEO and CFO certification is appended as an Annexure to this report.

8. REPORT ON CORPORATE GOVERNANCE

This Report on Corporate Governance forms part of the Annual Report. The Company is fully compliant with all the provisions of Clause 49 of the Listing Agreement of the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

9. COMPLIANCE

A Certificate from the Statutory Auditors of the Company, confirming the compliance with all the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges is annexed at the end of this Report.

10. GENERAL SHAREHOLDERS' INFORMATION

Registered Office

9/10, GIDC Industrial Estate,
Waghodia – 391760
Dist. Vadodara
Gujarat, India
Tel: +91-2668-264077
Fax: +91-2668-262447

Annual General Meeting

Day and Date : Thursday, the 9th day of August, 2012
Time : 03.00 p.m.
Venue : Plot No. 347, GIDC Industrial Estate, Waghodia – 391760, Dist. Vadodara, Gujarat, India

Financial Calendar

The Financial Year of the Company is from 1st April to 31st March and the Financial Results will be declared as per the following tentative Schedule:

Particulars	Tentative Schedule
Quarter ending on 30 th June, 2012	On or before 15 th August, 2012
Quarter / Half Year ending on 30 th September, 2012	On or before 15 th November, 2012
Quarter ending on 31 st December, 2012	On or before 15 th February, 2013
Annual Audited Results of the Year 2012-13	On or before 30 th May, 2013

Book Closure

The Registers of Members and Share Transfer Books of the Company will be closed from Monday, the 30th day of July 2012 to Thursday, the 9th day of August, 2012 [both days inclusive] for the purpose of 24th Annual General Meeting and dividend, if approved.

Listing Details

The Company's Equity shares are listed on the following Stock Exchanges:

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, MUMBAI – 400 001.
Stock Code: 533022

National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex,
Bandra [East], MUMBAI – 400 051.
Stock Code: 20MICRONS

The Company's payment of Listing Fees is up-to-date.

Registrar and Share Transfer Agents

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

CAMEO CORPORATE SERVICES LIMITED
202, Pawan Flats, 7, Anand Nagar Society,
Productivity Road, Alkapuri,
Vadodara – 390 007, Gujarat, India

TeleFax: +91 0265 2341105
Email: jaydeep@cameoindia.com

Share Transfer System

The Company's shares are traded on Stock Exchanges in Demat mode only. Those Transfers are effected through Depositories i.e. NSDL & CDSL.

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

Dematerialisation of Shares and Liquidity

The ISIN code of the Shares of the Company is INE144J01019. As on 31st March, 2012, 96.82% of the paid-up capital has been dematerialized as detailed below:

Mode	No. of Shares	% of the total share capital
PHYSICAL	4,56,370	3.18
NSDL	1,15,42,189	80.54
CDSL	23,32,469	16.28
TOTAL	14331028	100.00

Market Price Data

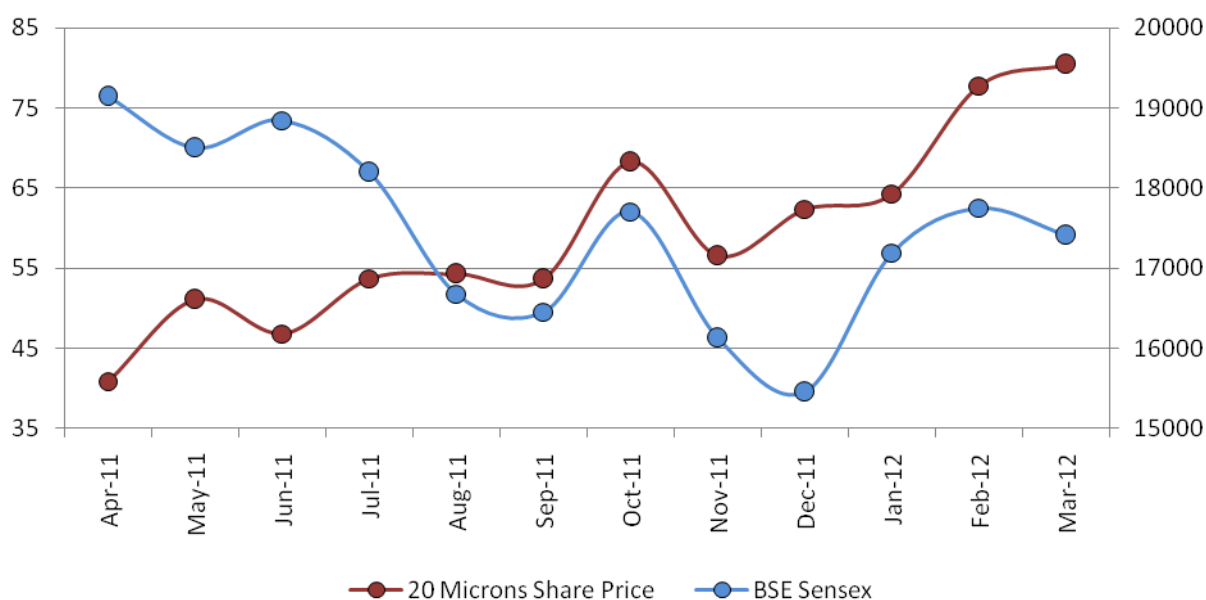
The monthly high and low prices of the Shares of the Company as quoted on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the FY 2011-12 are given hereunder:

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (in ₹)	Low (in ₹)	Close (in ₹)	High (in ₹)	Low (in ₹)	Close (in ₹)
April – 2011	42.40	36.50	40.85	42.90	36.35	40.95
May – 2011	51.70	40.10	51.10	51.50	39.50	51.10
June – 2011	51.95	41.60	46.80	52.35	45.35	46.75
July – 2011	54.50	46.10	53.70	55.20	45.90	53.75
August – 2011	57.80	44.55	54.25	59.00	44.40	54.35
September – 2011	61.00	49.55	53.65	60.00	49.75	53.60
October – 2011	71.90	50.10	68.25	75.00	50.20	68.20
November - 2011	75.00	50.05	56.50	69.05	50.55	56.15
December - 2011	65.00	56.00	62.35	65.80	56.00	62.25
January - 2012	67.70	60.00	64.30	68.00	60.45	64.10
February - 2012	82.25	61.00	77.80	85.10	62.45	77.55
March - 2012	88.00	75.00	80.40	88.00	74.00	80.30

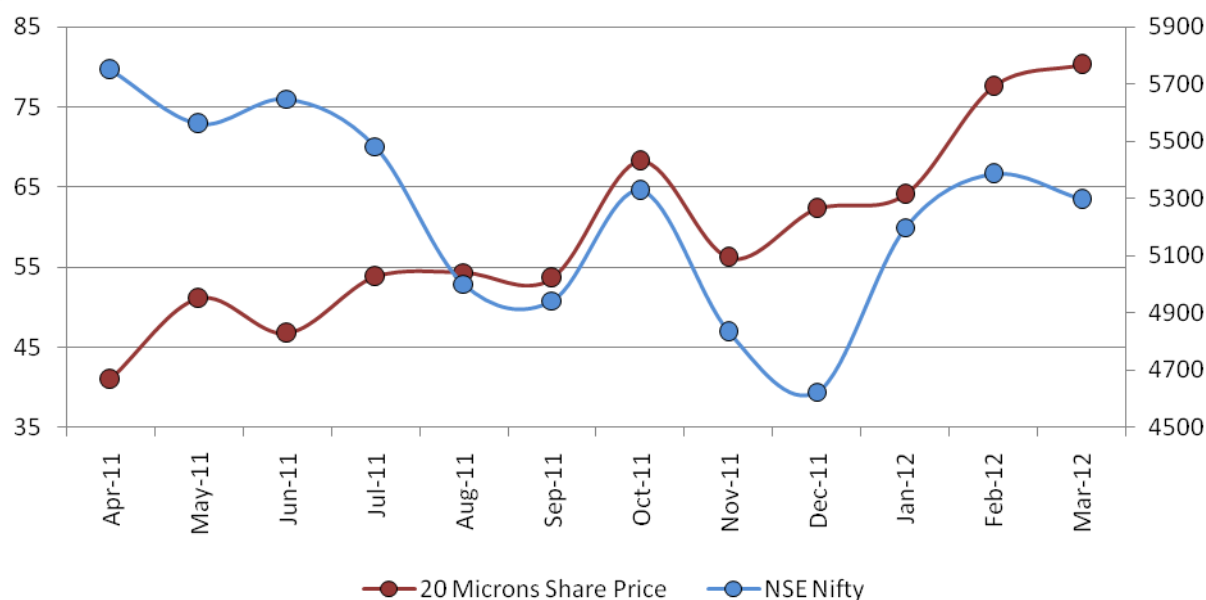
Stock Performance

The performance of the Company's share price vis-à-vis the broad based BSE and NSE indices during the year 2011-12 is as under:

(a) Comparison of the Company's share price with BSE Sensex



(b) Comparison of the Company's share price with NSE Nifty



Shareholding Pattern

The Shareholding Pattern of the Company as on 31st March, 2012 is as follows:

Category	No. of Shares	% Shareholding
Promoter & Promoter Group	8548605	59.65
Bodies Corporate	2041388	14.24
Clearing Members	166652	1.16
Non Resident Indians	925262	6.46
Trusts	28945	0.20
Other Individuals	2620176	18.28
TOTAL	14331028	100.00

Distribution of Shareholding

The distribution of shareholding of the Company as on 31st March, 2012 is as follows:

Range of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to total Shareholding
Up to 1000	2725	53.24	174121	1.21
between 1001 and 5000	1804	35.25	384061	2.68
between 5001 and 10000	206	4.03	174163	1.22
between 10001 and 20000	115	2.25	180718	1.26
between 20001 and 30000	44	0.86	111670	0.78
between 30001 and 40000	22	0.43	81004	0.57
between 40001 and 50000	23	0.45	111892	0.78
between 50001 and 100000	67	1.31	510807	3.56
100001 and above	112	2.19	12602592	87.94
Total	5118	100.00	14331028	100

Investors Correspondence

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

Mr. Nikunj Savaliya
Company Secretary & Compliance Officer
20 Microns Limited
9/10, GIDC Industrial Estate,
Waghodia - 391760
Dist. Vadodara, Gujarat, India
Tel : +91 02668 264077
Fax: +91 02668 262447
Email: investors@20microns.com

DECLARATION FOR CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreements with the Stock Exchanges, it is hereby declared that the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended 31st March, 2012.

Place : Vadodara
Date : 28.05.2012

Chandresh S. Parikh
Chairman & Managing Director

CEO/ CFO CERTIFICATION

To
The Board of Directors
20 Microns Limited

1. We have reviewed Audited Financial statements and the cash flow statement of 20 Microns Limited for the year ended 31st March, 2012 and that to the best of our knowledge & information :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and information, no transactions are entered into by the Company during the year ended 31st March, 2012, which are fraudulent, illegal and violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. In order to evaluate the effectiveness of internal control systems, pertaining to financial reporting and for risk management we have established internal framework to carry out independent study at regular intervals on risk management and internal controls, which helps in forming the opinion for CEO/CFO certification as required.
4. We have informed to the Auditors and the Audit Committee:
 - i) Significant changes in the internal control over financial reporting during the year, if any;
 - ii) Significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Vadodara
Date : 28.05.2011

Chandresh S. Parikh
Chairman & Managing Director

Sudhir R. Parikh
Director (Finance)

AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
20 MICRONS LIMITED

We have examined the relevant records of 20 Microns Limited (the Company) for the year ended March 31, 2012 relating to compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we state that the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company, as certified by the share transfer agents of the Company and based on the records maintained by them.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted affairs of the Company.

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

Place: Ahmedabad
Date : 28.05. 2012

G. R. Parmar
Partner
Membership No. 121462

AUDITOR'S REPORT

To,
The Members of
20 MICRONS LIMITED

1. We have audited the attached Balance Sheet of **20 MICRONS LIMITED** ('the Company') as at March 31, 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (order) and related amendments issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is invited to Note No 30 regarding non accounting of loss of Rs 145.52 Lacs on cancellation of forward contracts and loss of Rs. 359.73 Lacs on open forward contracts on valuing the same to the market value as at the balance sheet date for sale of US Dollars for the reasons stated in the said note. As mentioned in the said note since investigations of the transactions and legal proceeding are in process and pending the ultimate outcome or decision in the matter, we are unable to comment of its impact on profit, reserves and liabilities.*
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956 *except non recognition of loss on certain forward contracts for sale of US Dollars as required by Accounting Standard (AS – 11) "The Effects of Changes in Foreign Exchange Rates" as mentioned in Note No. 30;*
 - e) On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, *subject to comments in paragraph 4 above*, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- ii. in so far as it relates to Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- iii. in so far as it relates to the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

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

Waghodia, Vadodara
May 23, 2012

G. R. Parmar
Partner
Membership No.: 121462

20 MICRONS LIMITED

ANNEXURE TO AUDITORS' REPORT

[Referred to paragraph 3 of our report of even date]

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management as per phased programme of verification designed to cover all the fixed assets on rotation basis, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification as compared to the records maintained by the Company.
 - c) The fixed assets disposed of during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2.
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The company has maintained proper records of inventories. As explained to us, the discrepancies noticed on verification between physical stocks and book records were not material in relation to operations of the Company and such differences have been properly dealt with in the books of account.
3.
 - a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, reporting requirements as per clause (iii) (a) to (iii) (d) of paragraph 4 of the Order are not applicable in case of the Company.
 - b) The Company has taken unsecured loans from two subsidiary companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was Rs 152.90 Lacs and the year-end balance was Rs. 152.90 Lacs.
 - c) In our opinion and according to information and explanation given to us, the loans are interest free and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - d) The loans taken by the Company are interest free and repayable at the end of one year in single installment therefore the question of regular payment of principal amount interest does not arise.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchase are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In respect of transactions need to be entered into a register maintained u/s 301 of the Companies Act, 1956.
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so maintained.
 - b) Having regard to the nature of transaction and non availability of comparable quotations, the reasonability of price in respect of the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year can not be ascertained.
6. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. The Company has appointed firms of chartered accountants as internal auditors. On the basis of reports submitted by internal auditors, in our opinion the internal audit system is commensurate with the size and nature of company's business *except that scope needs to be enhanced to cover Treasury Operations.*
8. According to information and explanation given to us, the Company is under the process of maintaining cost records prescribed by Central Government under section 209(1) (d) of the Companies Act, 1956 in respect of manufacturing activities carried out by the Company.
9.
 - a) In our opinion and according to the information and explanation given to us, the company has been regular in undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Investor Education and Protection Fund, Custom duty, Excise duty, Professional tax and other statutory dues as may be applicable to the company except in case of Income Tax deducted at Source, Sales Tax, Service Tax and Employees' State Insurance dues where there was some delay on few occasions at some of the offices of the company.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears, as at 31st March, 2012 for a period of more than six months from the date they become payable.
 - c) *The details of disputed statutory dues that have not been deposited on account of dispute are as under:*

Sr. No.	Name of Statute	Nature of dues	Amount (In Lacs Rs.)	Period to which the amount relates	Forum where dispute is pending
1	Central Sales Tax Act, 1956	Local Sales Tax	1.35	2002-03	Appellate Tribunal
2	Sales Tax Act, 1959	Local Sales Tax	4.51	2003-04	Appellate Tribunal
3	Central Excise Act, 1944	Central Excise	147.68	September 2003 to June 2008	Customs, Excise and Service Tax Appellate Tribunal
7	Income Tax Act, 1961	Income tax	4.68	1995-96	Income Tax Appellate Tribunal
8	Income Tax Act, 1961	Income tax	20.15	2004-05	Commissioner of Income Tax
9	Income Tax Act, 1961	Income tax	184.48	2004-05	Income Tax Appellate Tribunal

10. The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society as per the Chit Fund Act, 1982 and other state legislations. Therefore, clause 4(xiii) of the Order is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of investment in shares and other securities and those timely entries have been made therein. The investment in the shares and other securities are held by the Company in its own name are not traded.
15. According to the information and explanation given to us, the Company has given guarantee of Rs. 1,250 Lacs for loans taken by subsidiary from bank. The terms of such guarantee are not prejudicial to the interest of the Company.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year therefore paragraph 4(xix) of the Order is not applicable.
20. The Company has not raised any money by way of public issues during the year.
21. *As mentioned in Note No. 30, the Senior Executive of the Company, acting beyond the delegated powers, had booked forward contracts for sale of US Dollars. Total loss on account of all such contract is estimated at Rs. 505.25 Lacs, considering the exchange rate as on the balance sheet date. The Company, based on legal advice has disputed such debits with bank as well as future liability. Company is investigating the transactions and shall also resort to suitable legal remedy, as advised, against the Senior Executive and / or Bank.*

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

Waghodia, Vadodara
May 23, 2012

G. R. Parmar
Partner
Membership No.: 121462

Balance Sheet
as at March 31, 2012

(₹ In Lacs)

		As At March 31,	
	Note	2012	2011
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1433.10	1433.10
(b) Reserves and Surplus	3	3805.49	3027.22
(c) Advance Money received against share warrants		515.00	-
		5753.59	4460.32
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	5142.21	2069.99
(b) Deferred tax liabilities (Net)	5	1092.20	1047.94
(c) Other Long term liabilities	6	35.99	36.80
		6270.40	3154.74
(3) Current Liabilities			
(a) Short-term borrowings	7	7520.32	6072.41
(b) Trade payables	8	2160.17	2328.06
(c) Other current liabilities	9	2488.28	2947.86
(d) Short-term provisions	10	315.23	252.13
		12484.00	11600.46
TOTAL EQUITY AND LIABILITIES		24508.00	19215.52
II ASSETS			
(1) Non-current assets			
(a) Tangible assets	11	7216.64	6833.55
(b) Intangible assets	11	183.97	200.19
(c) Capital work-in-progress	11	3567.22	569.95
(d) Non-current investments	12	737.92	719.28
(e) Long term loans and advances	13	1467.23	1447.11
(f) Other non-current assets	14	195.08	237.44
		13368.06	10007.51
(2) Current assets			
(a) Inventories	15	4806.16	3909.95
(b) Trade receivables	16	4433.35	3955.49
(c) Cash and bank balances	17	779.49	728.45
(d) Short-term loans and advances	18	797.90	608.64
(e) Other current assets	19	323.04	5.47
		11139.94	9208.00
TOTAL ASSETS		24508.00	19215.52

Significant Accounting Policies 1
The notes referred to above form an integral part of the financial statement.

As per our audit report of even date attached

For Manubhai & Co.

Chartered Accountants

Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership. No.:121462
May 23, 2012
Waghodia, Vadodara

C. S. Parikh
Chairman and
Managing Director
May 23, 2012
Waghodia, Vadodara

Rajesh Parikh
Managing
Director

N.J.Savaliya
Secretary

P.M.Shah
Director

STATEMENT OF PROFIT AND LOSS

		(₹ In Lacs)	
		For the Year Ended March 31,	
	Note	2012	2011
I Revenue from Operations	20	26379.73	23586.02
II Other Income	21	390.46	155.09
III Total Revenue [I + II]		26770.19	23741.12
IV Expenses			
(a) Cost of Materials Consumed	22	14169.19	13111.65
(b) Changes in Inventories of Finished Goods	23	(297.76)	290.08
(c) Employee Benefits Expense	24	1998.79	1783.13
(d) Finance Costs	25	1408.52	1061.61
(e) Depreciation and Amortization Expense		631.80	533.30
(f) Other Expenses	26	7374.07	6000.85
Total Expenses		25284.61	22780.62
V Profit before exceptional items and Tax (III - IV)		1485.58	960.50
VI Less : Exceptional Items	27	-	39.42
VII Profit before Tax [V - VI]		1485.58	921.08
VIII Tax Expenses			
(a) Current tax		362.00	245.00
(b) Wealth Tax		1.25	.40
(c) Deferred tax		44.26	60.28
(d) Mat credit		-	61.22
(e) Prior year tax adjustment		-	4.39
		407.51	370.88
IX Profit for the year [VI - VIII]		1078.08	550.19
Earning per Equity Share [in `]			
Basic		7.52	3.84
Diluted		7.52	3.84

Significant Accounting Policies

1

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

As per our audit report of even date attached

For Manubhai & Co.

For and on behalf of Board of Directors

Chartered Accountants

Firm Registration No.: 106041W

G. R. Parmar
 Partner
 Membership No.:121462)
 May 23,2012
 Waghodia, Vadodara

C. S. Parikh
 Chairman and
 Managing Director
 May 23, 2012
 Waghodia, Vadodara

Rajesh Parikh
 Managing
 Director

N.J.Savaliya
 Secretary

P.M.Shah
 Director

Cash Flow Statement
for the year ended March 31,2012

(₹ In Lacs)

	<i>for the year ended March 31,</i>	
	2012	2011
A. Cash Flow from Operating Activities		
Profit before tax	1485.58	921.08
Adjusted for :		
Depreciation and Amortisation expenses	631.80	533.30
Gratuity provision	30.76	42.38
Bad debts written off (net of write back)	(16.56)	(10.46)
Provision for Doubtful Debts	-	47.05
Provision for Leave Encashment	6.06	-
Credit balances written back	(12.48)	(22.88)
Debit balances written-off	12.09	5.34
Profit on disposal of Tangible assets	(21.16)	(1.67)
Loss on disposal of Tangible assets	16.09	21.30
Dividend from long term investments	(283.09)	(.6)
Interest Received on bank deposits	(38.14)	(51.03)
Interest Paid	962.59	922.79
Effect of Foreign Exchange Rate fluctuations (net)	146.87	(52.05)
Forward Premium	445.93	138.82
Operating Profit before working capital changes	3366.36	2493.91
Adjusted for		
Increase / (Decrease) in Trade Payables and liabilities	(258.99)	1198.67
(Increase) / Decrease in Trade Receivables	(452.30)	(1124.35)
(Increase) / Decrease in Loans and Advances	(289.05)	(1129.82)
(Increase) / Decrease in Inventories	(896.21)	(633.85)
(Increase) / Decrease in Other Assets	(7.85)	98.02
Cash Generated from Operation	1461.96	902.58
Direct Taxes paid (net of refund)	(283.52)	(166.99)
Net Cash provided by Operating Activities	1178.44	735.59
B. Cash Flow from Investing Activities		
Purchase of Tangible assets	(1115.15)	(1452.28)
Purchase of Intangible assets	(34.87)	(88.59)
Payments for Capital WIP	(2997.27)	(87.76)
Proceeds from disposal of Tangible assets	156.42	83.18
Investment In Subsidiary	(18.64)	-
Share Application Money Received back from Subsidiary	-	14.50
Dividend from long term investments	.0	.06
Interest Received on Bank Deposits	38.14	51.03
Net cash used in investing activities	(3971.37)	(1479.87)
C. Cash Flow from Financing Activities		
Proceeds from long-term borrowings (net)	2558.63	498.32
Proceeds from short-term borrowings (net)	1447.91	1530.60
Dividend paid	(214.18)	(142.87)
Corporate Dividend Tax on dividend paid	(34.87)	(23.80)
Advance for equity share warrants	515.00	-
Interest paid	(962.59)	(922.79)
Forward premium	(445.93)	(138.82)
Net Cash from financing activities	2863.95	800.64
Net Increase / (Decrease) in Cash and Cash Equivalents	71.02	56.36
Cash and cash equivalents - opening balance	699.19	642.83
Cash and cash equivalents - closing balance	770.21	699.19

Notes:

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

2 Components of Cash and cash equivalents

Particulars	As At March 31,	
	2012	2011
Cash in hand	3.96	2.76
Balances with banks:		
in current accounts	346.74	445.24
in deposit accounts	427.55	280.00
in unclaimed dividend accounts *	1.23	.44
amount due to bank in current account	-9.28	-29.26
Cash and cash equivalents	770.21	699.19
amount due to bank in current account	9.28	29.26
Cash and bank balances (as per note 17)	779.49	728.45

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

4 Bank Overdraft and other short term loans have been treated as part of financing activities.

5 Previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's classification.

As per our audit report attached

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

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership No. 121462

May 23, 2012
Waghodia, Vadodara

C.S. Parikh
Chairman and
Managing Director

May 23, 2012
Waghodia, Vadodara

Rajesh Parikh
Managing Director

N J Savalia
Secretary

P.M. Shah
Director

Notes to Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

2 Share Capital

		As At March 31,	
		2012	2011
a. Authorised Capital			
3,00,00,000 Equity Shares of ₹ 10/- each		30000.00	20000.00
(Previous Year 2,00,00,000 Equity Shares of ₹ 10/- each)			
b. Issued, subscribed and fully paid-up equity Shares			
1,43,31,028 Equity Shares of ₹ 10/- each		1433.10	1433.10
(Previous Year: 1,43,31,028 shares)			
c. Rights, preferences and restrictions attached to shares			
i	The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-.		
ii	Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.		
iii	The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.		
iv	In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		

d. Details of shareholders holding more than 5% shares in the Company:

of shareholders holding more than 10 shares in the Company.

		As At March 31,		
Name of Shareholder	2012		2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Eriez Finance and Investment Limited	3,644,412	25.43	3,019,688	21.07
Mr.Chandresh S. Parikh	1,800,200	12.56	1,600,000	11.16
Mr. Rameshbhai B. Patel	720,900	5.03	720,900	5.03
Gujarat Venture Capital Fund - 1995	-	0.00	1,003,989	7.01
Total	6,165,512	43.02	6,344,577	44.27

e. Shares reserve for issue under commitment to convert warrants into equity shares

- i The shareholders in the Extra-ordinary general meeting held on April 23, 2012 approved the allotment of 15,00,000 warrants on a preferential basis to promoters and other investors as specified in the notice of the Extra-Ordinary General Meeting issued by the Company on March 23, 2012. Each warrant is convertible into 1 (one) Equity Share of the Company of the face value of ₹ 10/- each at a premium of ₹ 80/- per share. Each warrant being priced at ₹ 90/- per share. On compliance of conditions of issue of warrants the warrants shall be converted in to 15,00,000 Equity Shares out of the unissued portion of share capital.

3 Reserves and Surplus

		As At March 31,	
		2012	2011
a. General Reserve			
Balance as per last year Financial Statement		39.68	12.17
Add: Transfer from Surplus		80.86	27.51
Closing Balance		120.54	39.68
b. Securities Premium Account			
Balance as per last year Financial Statement		1761.55	1761.55
c. Surplus as per Statement of Profit and loss			
Balance as per last year Financial Statement		1225.99	953.14
Add: Net Profit for the year		1078.08	550.19
Less: Appropriations			
Transfer to General Reserves		80.86	27.51
Proposed Dividends		257.96	214.97
Corporate Dividend Tax on Proposed Dividend		41.85	34.87
Closing Balance		1923.40	1225.99
		3805.49	3027.22

Notes to Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

4 Long term borrowings

	As At March 31,			
	2012		2011	
	Current maturities	Non-current maturities	Current maturities	Non-current maturities
a. Secured borrowings				
i. Term loans				
from Banks	1297.86	4240.85	1869.61	1326.19
from Financial Institution			113.40	
Total secured borrowings	1297.86	4240.85	1983.01	1326.19
b. Unsecured borrowings				
i. from Banks	49.79	13.72	-	
i. from Financial Institutes	91.53	126.11	-	
ii. Public Deposits				
Deposit from Public	301.54	665.08	274.53	614.76
Deposit from related parties (Refer Note No. 39)	36.15	38.05	30.35	43.15
iii. Deferred payment liabilities				
Sales Tax Deferment Loan (deferred loan repaid in monthly instalments)	27.50	58.40	30.07	85.90
Total unsecured borrowings	506.51	901.36	334.95	743.81
Total borrowings	1804.37	5142.21	2317.96	2069.99
		6946.58		4387.96

c. Maturity profile of borrowings (as at March 31,2012)
Secured Borrowings

The company has availed secured term loans from ₹ 5,538.71 Lacs as against sanctioned limit of ₹ 9011.38 Lacs. The principal amount of the loans to each of the lenders shall be repayable in equated monthly instalments ranging over a period from 48 months to 72 months. The repayment scheduled as per the sanction terms for sanction amounts of loans is as under:

Year	Amount payable	(₹ in Lacs)
2012-13	1297.86	
2013-14	1323.55	
2014-15	1719.97	
2015-16	1520.00	
2016-17	900.00	
2017-18	900.00	
2018-19	900.00	
after 2019	450.00	
	9011.38	

Unsecured Borrowings

Year	Financial Institutes	Bank	Deferred payment liabilities	Public Deposits
2012-13	91.53	49.79	27.50	337.69
2013-14	99.30	13.72	27.30	335.88
2014-15	26.81	-	31.09	367.25
	217.64	63.51	85.89	1040.82

d. Details of securities

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

1 first pari-passu charge over :

- Plot No. 157, Mamura, Bhuj (admeasuring 3.20 acres)
- Plot No. 172,174 & 175, Vadadala, Baroda (admeasuring 03.00.01 hectares)
- Plot No. F-75/76/82/85 & H-83/84, RIICO I.A., Swaroopganj, Rajasthan (admeasuring 9,457.50 sq.mtrs.)
- 307/308, Arundee Complex, Race Course, Baroda (admeasuring 1,405 super built up area)
- 134,135 1st Floor, Hindustan Kohinoor Ind. Complex, LBs Marg, Vikhroli (W), Mumbai (admeasuring 870 sq. ft.)
- Corporate office at plot no.347, GIDC, Waghodia
- Plot no. 253-254 (area 3000 sq.mtrs.) and plot no.728 & 729 (area 4061 sq mtrs), GIDC, Waghodia
- Plot no. F-140 (admeasuring 2304 sq.mtrs.), F-141 (admeasuring 2275 sq.mtrs.), F-142 (admeasuring 1950 sq.mtrs.), RIICO Industrial Area, Alwar, Rajasthan.
- Plot no.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu
- Plot no.104/3, village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)
- Plant and machinery, both present and future, wherever situated at all factories and premises pertaining to above locations.

2 second pari-passu charge over:

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

3 All the term loans are further collaterally secured by personal guarantee of Chairman and Managing Director, Managing Director and Joint Managing Director of the Company.
4 Term loans of ₹ 176.30 Lacs (Previous Year: ₹ 163.27 Lacs) obtained for acquisiton of assets (vehicles) are secured only by the hypothecation of the respective assets financed.

Notes to Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

5 Deferred Tax Liability (net)

	As At March 31,		
	2011	Changes during the year	2012
Deferred Tax Liability			
Product Development Expenses	21.62	.58	22.20
Provision for Gratuity liability	6.93	7.09	14.02
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 1956.	1067.20	24.44	1091.64
Gross Deferred Tax Liabilities	1095.75	32.11	1127.86
Deferred Tax Assets			
Disallowances under the Income Tax Act, 1961			
u/s 40 (a)(ia)	.39	-.39	.0
u/s 43 B	9.47	2.39	11.86
VRS Expenses u/s 35DDA	10.47	-2.80	7.67
Provision for Bad and Doubtful Debts	27.48	-11.35	16.13
Gross Deferred Tax Assets	47.81	-12.15	35.66
Net Deferred Tax Liabilities	1047.94	44.26	1092.20

The tax impact for the above purpose has been arrived at by applying tax rate of 32.445% being the enacted tax rates for Indian companies under the Income Tax Act, 1961.

6 Other Long Term Liabilities

	As At March 31,	
	2012	2011
Trade deposits	4.20	3.75
Interest accrued but not due	31.79	33.05
Total	35.99	36.80

7 Short Term borrowings

	As At March 31,	
	2012	2011
a. Secured		
Working Capital finance from banks	6933.19	5704.25
b. Unsecured		
Public deposits	434.23	368.16
Loans and advances from subsidiaries	152.90	-
(These loans are to be repaid in single instalment within one year)		
Total	7520.32	6072.41

c. Details of securities

The working capital finance facilities are secured by way of:

- 1 first pari-passu charge over:
current assets, both present and future, wherever situated, but pertaining to the division/factory/premises at Vadadala, Waghodia and Bhuj (all in Gujarat), Alwar and Swaroopganj (both in Rajasthan), Hosur and Tirunvelli (both in Tamil Nadu) and Vikhroli (W), Mumbai.
- 2 second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 3(d)(1).
- 3 The working capital finance facilities are further collaterally secured by personal guarantee of Chairman and Managing Director, Managing Director and Joint Managing Director of the Company.

Notes to Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

8 Trade Payables

	As At March 31,	
	2012	2011
Micro, Small and Medium Enterprises	108.15	167.94
Other suppliers	2052.02	2160.12
Total	2160.17	2328.06

- 8.1** The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	As At March 31,	
	2012	2011
Principal Amount due and remaining unpaid	108.15	167.94
Interest due on (1) above and unpaid interest	-	-
Interest paid on all delayed payments under MSMED Act, 2006	.24	1.77
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	-	-

9 Other Current Liabilities

	As At March 31,	
	2012	2011
Salary and wages accrued	115.73	104.99
Current Maturities of Long term borrowings		
Secured Term Loans from Banks	1297.86	1869.61
Unsecured Term Loans From Banks	49.79	-
Secured Borrowings From Financial Institutes	-	113.40
Unsecured Borrowings From Financial Institutes	91.53	-
Deposit from Public	301.54	304.88
Deposit from related parties	36.15	
(Refer Note No. 39)		
Sales Tax Deferment Loan	27.50	30.07
Amounts due to banks in current account	9.28	29.26
Interest accrued but not due	114.74	80.37
Unclaimed dividends	1.23	.44
Unclaimed matured deposits	10.81	.67
Advance from Customers	62.69	75.48
Statutory dues	67.93	58.57
Other payables	301.51	280.11
Total	2488.29	2947.86

10 Short Term Provisions

	As At March 31,	
	2012	2011
a Provision for employee benefits		
Leave Encashment	6.06	-
b Others		
Proposed Dividend	257.96	214.97
Corporate Dividend Tax on Proposed Dividend	41.85	34.87
Excise and Royalty on finished goods	9.36	2.29
Total	315.23	252.13

Notes to Financial Statement for the year ended March 31, 2012
11 Fixed Assets

(₹ In Lacs)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As At April 01,2011	Additions During Year	On Sale/ Adjustments	Total March 31,2012	Upto April 01,2011	Provided During Year	On Sale Adjustments	Up To March 31,2012	As At March 31,2012	As At March 31,2011
(A) TANGIBLE ASSETS										
Freehold Land	64.18	.0		64.18	.0	.0	.0	.0	64.18	64.18
Leasehold Land	110.05	190.06	.0	300.11	33.93	14.71		48.64	251.47	76.11
Office Building	125.13	5.36	.0	130.49	23.80	2.09		25.89	104.60	101.33
Leasehold Office Building	75.20			75.20	.30	9.10		9.40	65.80	74.90
Factory Building	1136.31	148.85	4.75	1280.42	296.07	39.83	(1.62)	334.29	946.13	840.24
Plant And Machinery	8214.58	647.35	366.66	8495.27	3056.41	450.46	(227.89)	3278.98	5216.29	5158.16
Vehicles	340.37	55.72	14.97	381.12	61.76	32.99	(5.71)	89.03	292.09	278.62
Furniture	330.66	58.51	.25	388.92	136.37	28.47	(.10)	164.73	224.19	194.29
Office Equipments	79.90	9.29	.06	89.13	34.18	3.06	(.1)	37.23	51.89	45.72
Total	10476.38	1115.15	386.69	11204.84	3642.83	580.70	-235.34	3988.20	7216.64	6833.55
Previous year	9195.70	1452.28	171.60	10476.38	3218.53	493.09	-68.79	3642.83	6833.55	5977.17

(B) INTANGIBLE ASSETS

Product Development	118.79	28.35		147.13	53.68	25.04		78.72	68.41	65.11
SAP Expenses & Licence Fees	166.45	6.53		172.97	31.36	26.06		57.42	115.55	135.09
Total	285.24	34.87	.0	320.11	85.04	51.10	.0	136.14	183.97	200.19
Previous year	196.65	88.59	.0	285.24	44.83	40.21	.0	85.04	200.19	151.82

(C) CAPITAL WORK-IN-PROGRESS	3567.22	569.95
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Total Fixed Assets

Total	10761.62	1150.02	386.69	11524.95	3727.87	631.80	-235.34	4124.34	10967.83	7603.69
Previous Year	9392.35	1540.87	171.60	10761.62	3263.36	533.30	-68.79	3727.87	7603.69	6128.98

Notes:

- 1) Pursuant to Accounting Standard AS-28, "Impairment of Assets", there is no impairment of assets.
- 2) The company has taken an office building on finance lease, having aggregate cost of ₹ 75.19 lacs during the financial year 2010-11. The period of lease is for 10 Years with rights of ownership of the assets to be transferred to the company at the end of lease period. The Company had paid in advance, at the inception of the lease, the lease rental payment agreed for the lease period. In view of the same there is no outstanding liability of rental payments to be made by the company over the lease period and consequently there is not interest cost attached to it.
- 3) Addition during the year includes interest and finance charges amounting to ₹ 103.78 lacs (Previous Year: ₹ 52.61 lacs) capitalised required by Accounting Standard AS-16 'Borrowing Cost'
- 4) Addition in CWIP includes interest and finance charges amounting to ₹ 352.15 lacs (Previous Year: ₹ 12.90 lacs) capitalised as required by Accounting Standard-16 'Borrowing Cost'.

Notes to Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

12 Non Current Investments

a. Trade Investments

in unquoted fully paid up equity shares
of subsidiary companies:

- i. 20 Microns Nano Minerals Limited
6,00,000 shares (Previous Year: 6,00,000 shares) of ₹ 10 each.
- ii. 20 Microns SDN BHD
3,60,000 shares (Previous Year: 3,60,000 shares) of RM 1 each.
- iii. 20 Microns FZE *
1 share (Previous Year: Nil) of AED 1,50,000.

* incorporated during the year

Total trade investments

b. Non-trade Investments

in unquoted fully paid up shares of related party

- i. 80,000 equity shares (Previous Year: 80,000) of Ereiz Finance and Investment Limited,
₹ 10 each fully paid up.
- ii. 60,000 0.10% Redeemable Cumulative Convertible Preference shares (Previous Year: 60,000) of Ereiz
Finance and Investment Limited, ₹ 10 each fully paid up.

Other Investment

National Savings Certificate
(Lodged with Sales tax Authorities)

Total non-trade investments

Total investments

	As At March 31, 2012	2011
	600.00	600.00
	50.39	50.39
	18.64	-
	669.03	650.39
	8.00	8.00
	60.00	60.00
	.89	.89
	68.89	68.89
	737.92	719.28

13 Long Term Loan and Advances

Unsecured and considered good

- a. Advance to suppliers of capital goods
- b. Loans and advances to related parties (Refer Note No.39)
- c. Balance with Gratuity fund
(Net of Provisions for Employee Benefits of ₹ 222.97 Lacs. Previous Year ₹ 196.99 Lacs)
- d. Mat Credit Entitlement

Total

	As At March 31, 2012	2011
	1308.19	1233.76
	10.15	7.14
	22.92	.56
	125.97	205.64
	1467.23	1447.11

14 Other non current Assets

Security Deposits

	As At March 31, 2012	2011
	195.08	237.44
	195.08	237.44

15 Inventories

Raw Materials
Finished Goods
Stores and Spares
Goods in transit (Raw materials)

Total

The inventory is valued at lower of cost and net realisable value.

	As At March 31, 2012	2011
	3437.64	2827.37
	977.61	679.85
	289.02	194.01
	101.89	208.72
	4806.16	3909.95

16 Trade Receivables (Unsecured)

- a. Debts outstanding for a period exceeding six months
from due date of repayment:
Considered good
Considered doubtful

Less : Provision for doubtful debts

- b. Other debts - Considered good
- c. Amounts due from related parties (Refer Note No. 39)

Total

	As At March 31, 2012	2011
	49.23	-
	49.71	82.72
	98.93	82.72
	(49.71)	(82.72)
	49.23	.0
	4272.00	3866.18
	112.13	89.30
	4433.35	3955.49

Notes to Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

17 Cash and Bank balances

	As At March 31,	
	2012	2011
Cash on hand	3.96	2.76
Balances with Banks		
in current account	346.74	445.24
in deposit account (liquid asset)	229.27	100.00
in deposit account (margin money)	198.28	180.00
in unpaid dividend account #	1.23	.44
Total		
The above includes deposits of ₹ 100 lacs (previous year: ₹ 100 lacs) due for maturity after 1 year. # balance held in unpaid dividend account are restricted amounts and not available for use.		
	779.49	728.45

**18 Short term loan and Advances
(Unsecured, Considered Good)**

	As At March 31,	
	2012	2011
Loans and advances to related parties (Refer Note No. 39)	184.52	119.38
Others :		
Balances with Tax authorities	299.66	221.11
Advance payment of Income Tax	7.47	1.47
(Net of provision ₹ 661.50 Lacs, Previous Year: ₹ 299.50 Lacs)		
Loan & advance to employees	57.62	47.45
Advances to suppliers	90.01	124.90
Deposits	83.55	19.41
Prepaid expenses	53.83	71.95
Others	21.24	2.96
	797.90	608.64

19 Other Current Assets

	As At March 31,	
	2012	2011
Export Incentive receivable	-	2.82
Insurance Claim receivable	1.14	.75
Income accrued but not due on deposits	38.83	1.90
Accrued dividend from subsidiaries	283.07	
Total	323.04	5.47

1761.82	1552.62
128.78	144.01
75.83	61.05
32.36	25.45
1998.79	1783.13

Notes on Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

24.1 Disclosure pursuant to Accounting Standard 15 "Employee Benefits":

A		Defined Contribution Plans				
	Employer's contribution to Provident Fund			2011-12	2010-11	
				66.84	52.58	
B		Defined Benefit Plan				
B.1	Reconciliation of opening and closing balances of present value of obligations.			2011-12	2010-11	
	Present Value of Obligation as at the beginning of the year			196.99	166.76	
	Interest Cost			16.25	13.34	
	Current Service Cost			28.98	13.5	
	Actuarial (gain) / Loss on obligations			1.59	28.93	
	Benefits paid			(20.84)	-25.54	
	Present value of Obligation as at the end of the year			222.97	196.99	
B.2	Reconciliation of opening and closing balances of fair value of plan assets.			2011-12	2010-11	
	Fair Value of Plan Assets at the beginning of the year			197.56	156.14	
	Expected Return on Plan Assets			19.23	15.31	
	Contributions			53.11	53.56	
	Actuarial Gain / (loss) on Plan Assets			(3.17)	-1.92	
	Benefit paid			(20.84)	-25.54	
	Fair Value of Plan Assets at the end of the year			245.9	197.55	
B.3	Amount recognized in balance sheet.			2011-12	2010-11	
	Present Value of Obligations as at the end of the year			222.97	196.99	
	Fair value of plan Assets as at the end of the year			245.90	197.55	
	Net Asset / (Liability) recognized in Balance sheet			22.93	0.56	
B.4	Expenses recognized in the Profit and loss account.			2011-12	2010-11	
	Current Service Cost			28.98	13.5	
	Interest Cost			16.25	13.34	
	Expected Return on Plan Assets			(19.23)	-15.31	
	Net actuarial (gain) / loss recognized in the year			4.76	30.85	
	Expenses Recognized in the statement of Profit & Loss			30.76	42.38	
B.5	Amount pertaining to plan is as follows:	2011-12	2010-11	2009-10	2008-09	2007-08
	Present value of defined value obligations	222.97	196.99	166.76	118.46	86.98
	Fair value of plan assets	245.9	197.55	156.14	70.98	61.75
	Surplus / (deficit) in plan	22.93	0.56	(10.62)	(47.49)	(25.23)
	Experience adjustments					
	on plan assets (Loss) / Gain	(3.17)	(1.92)	3.13	(5.06)	(4.90)
	on plan liabilities (Gain) / Loss	7.2	33.97	21.82	4.9	(3.90)
B.6	Investment Details:				2011-12	2010-11
	Insurance Policies				100%	100%
B.7	Principal actuarial assumptions.				2011-12	2010-11
	Mortality Table (LIC)				1994-96 (Ultimate)	1994-96 (Ultimate)
	Discount Rate				8.50%	8.25%
	Rate of increase in Compensation Levels				5.50%	5.50%
	Rate of Return on Plan Assets				9.00%	9.00%
B.8	Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with tenure similar to the expected working lifetime of the employee.					
B.9	Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.					

Notes on Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

25	Finance Costs	For the Year Ended March 31, 2012 2011	
	Interest Expenses		
	Interest on Term Loans	447.20	283.60
	Interest on working Capital Loans	561.97	450.13
	Other Interest	182.64	171.00
	Total	1191.80	904.73
	Other Borrowing Costs	639.25	235.61
		1831.05	1140.34
	Less : Finance costs capitalized	(422.53)	(78.73)
	Total	1408.52	1061.61
26	Other Expenses	For the Year Ended March 31, 2012 2011	
26.1	Manufacturing Expenses		
	Consumption of Stores and spare parts	178.68	129.29
	Power & fuel	2218.88	1611.20
	Rent	57.85	51.61
	Repairs :		
	Buildings	7.29	4.71
	Plant and Machinery	189.19	222.34
	Other manufacturing & Factory Expenses	157.97	147.31
	Total	2809.86	2166.46
26.2	Administrative & Other Expenses		
	Rent	26.26	27.39
	Rates and Taxes	7.39	4.25
	Insurance	33.48	19.59
	Post, Telephone & Courier	106.85	107.55
	Travelling & Conveyance	102.89	113.90
	Vehicle Running & Maintenance	41.50	35.69
	Professional Fees	92.86	62.29
	Auditors Remuneration (Refer Note. 34)	7.56	5.42
	Directors sitting fees	2.44	1.47
	Loss on sale/ discarded of Assets (Net)	-	19.63
	Donation	6.45	24.07
	Misc. Expenses	180.07	151.28
	Total	607.75	574.19
26.3	Loss on foreign currency transactions & translation (Net)	146.87	-
26.4	Research & Development Expenses	38.64	32.47
26.5	Marketing, Selling & Distribution Expenses :		
	SELLING EXPENSES		
	Travelling Expenses	289.67	154.54
	Rebate and Discount	119.86	121.25
	Sales Commission	64.45	34.47
	Bad Debts written off	13.48	3.31
	Provision for Bad debts	-	47.05
	Rent	150.87	134.75
	Other Selling Expenses	391.30	346.62
	Total	1029.63	841.98
	DISTRIBUTION EXPENSES		
	Freight outward- Local sales	2329.95	1972.32
	Freight outward- Export sales	344.41	349.89
	Service Tax	66.96	63.53
	Total	2741.32	2385.74
	Total	7374.07	6000.85
27	Exceptional Item	For the Year Ended March 31, 2012 2011	
	Payment under Voluntary Retirement Scheme	-	39.42
	Total	-	39.42

Notes to Financial Statement for the year ended March 31, 2012

28. Contingent Liabilities and Commitments

(To the extent not provided for)

A. Contingent Liabilities

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

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

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

(₹ in Lacs)

SR. NO.	PARTICULARS	March 31, 2012	March 31, 2011
1	Demand of Sales Tax disputed in appeal.	5.85	8.59
2	Claims from Excise authorities not acknowledged as debt.	147.68	148.68
3	Demand of Income Tax disputed in appeal.	209.31	168.24

(iii) Guarantees and Letter of Credits:

- Company has given guarantee of ₹ 1,250.00 (Previous Year: ₹ 1,250.00 Lacs) on behalf of subsidiary company.
- Guarantee given by Company's Bankers in normal course of business ₹ 31.19 lacs (Previous Year ₹ 13.49 Lacs).
- Inland / Foreign Letter of Credit issued by Bank ₹ 372.59 lacs (Previous Year: ₹ 499.18 Lacs).

B. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) amounting to ₹ 812.80 lacs (Previous Year ₹ 1193.88 lacs).

29. In the opinion of the management, the current assets and loans and advances considered as non-current and "other non-current assets" are stated at value, which is realizable in the ordinary course of business and provision is made for all known material liabilities.

30. During last quarter of financial year 2011-12, a Bank has debited in our account a sum of Rs.145.52 lacs on account of exchange difference on expiry of forward contracts. Preliminary investigation revealed that a senior executive of the Company, acting beyond delegated powers, had booked forward contracts for sale of US Dollars. The Company believes that Bank had permitted Senior Executive to book such contracts beyond powers delegated to him and it also appears that bank has permitted these contracts in contravention of various guidelines of Reserve Bank of India on the subject.

Total loss on account of all such contracts is estimated at Rs. 505.25 Lacs, considering the exchange rate as on the balance sheet date. The Company, based on legal advice has disowned such contracts and disputed such debits as well as future liability with bank. Company is investigating the transactions and has resorted to suitable legal remedy, as advised, against the Senior Executive and Bank. Pending the outcome of the investigations and actions, company has not accounted the said debits by the bank nor recognized this loss / liability in books of account.

31. Particulars of Raw Material Consumed:

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Dry minerals	11,428.57	11,110.09
Wet Minerals	2,307.08	1,056.4
Others	433.54	945.16
Total	14,169.19	13,111.65

Notes to Financial Statement for the year ended March 31, 2012

32. Value of imported and indigenous material consumed:

(₹ in Lacs)

Particulars		March 31, 2012		March 31, 2011	
		Value (In Rs.)	%	Value (In Rs.)	%
Raw Material	Imported	4,788.08	33.79	3,779.07	28.82
	Indigenous	9,381.11	66.21	9,332.58	71.18
Total		14,169.19	100.00	13,111.65	100.00
Machinery Spares #	Imported	8.97	2.49	15.26	4.34
	Indigenous	358.90	97.51	336.37	95.66
Total		367.87	100.00	351.63	100.00

Also includes spares consumed for repairs.

33. Prior period adjustments:

(₹ in Lacs)

33.1 Prior Period Expenses under various heads is as under:

Particulars	March 31, 2012	March 31, 2011
Salary and Wages	2.28	--
Tax Credit Reversal (Net)	0.18	4.80
Freight Charges	1.47	5.29
Import and Export Expenses	7.54	2.93
Repairs and Maintenance Charges	2.89	2.15
Power and Fuel	1.40	0.19
Others	4.68	2.43
Total	20.44	17.79

33.2 Prior Period Income under various is as under:

Particulars	March 31, 2012	March 31, 2011
Reversal of Provisions	--	8.73
Sales Commission	--	1.80
Others	5.00	0.47
Total	5.00	11.00

34. Payment to Auditors:

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Audit Fees	6.18	4.41
In other capacity	1.35	1.12
Out of Pocket Expenses	1.08	0.26

35. Value of imports on C.I.F basis in respect of

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Raw Material & Its Freight	3344.85	2,802.68
Machinery Spares	8.97	15.26
Capital goods	44.86	15.50

Notes to Financial Statement for the year ended March 31, 2012
36. Expenditure in foreign currency

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Travelling	53.30	7.79
Sales Commission	27.61	23.80
Other Matters	20.21	2.37

37. Earnings in foreign currency

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
FOB Value of Exports	2,288.09	1,914.47

38. Segment Analysis

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

39. Related party transactions

As required under the Accounting Standard AS – 18 on “Related Party Disclosures” as notified by The Companies (Accounting Standards) Rules, 2006 are given below:

(A) List of related parties:
a. Enterprises where control exists (subsidiaries):

- a. 20 Microns SDN BHD
- b. 20 Microns Nano Minerals Limited
- c. 20 Microns FZE

b. Enterprises where significant influence exists:

- a. DMC Limited (formerly known as Dispersive Minerals and Chemicals India Limited)
- b. Bruno Industrial Products Limited
- c. Microns Logistic Private Limited
- d. Eriez Finance & investment Limited
- e. Aric 20 Microns Infracon Private Limited
(formerly known as Eric Finance and Investment Limited)
- f. Platy Minerals Private Limited
(formerly known as Trio Techno Minerals Private Limited)
- g. Nanotech Minerals India Private Limited
- h. Ultra Minechem Equipments Private Limited
- i. 20 Microns Foundation Trust.
- j. 20 Microns ESOS Trust.

c. Key Management Personnel

- a. Shri C S Parikh - Chairman and Managing Director
- b. Shri S R Parikh - Whole Time Director
- c. Shri R C Parikh - Managing Director
- d. Shri A C Parikh - Jt. Managing Director

d. Relatives of Key Management Personnel:

- a. Mrs. I C Parikh - Wife of Shri C S Parikh
- b. Shri L R Parikh - Brother of Shri Sudhir Parikh
- c. Mrs D S Parikh - Wife of Shri Sudhir Parikh
- d. Mrs S R Parikh - Wife of Shri Rajesh C Parikh
- e. Ms. V R Parikh - Daughter of Shri Rajesh C Parikh

Notes to Financial Statement for the year ended March 31, 2012

B) Disclosures required for related parties transaction:

- Transactions during the year:

(₹ in Lacs)

for the year ending March 31,

Description	Enterprise where control exists		Enterprise where significant influence exists		Key Managerial Personnel		Relatives of Key Managerial Personnel	
	2012	2011	2012	2011	2012	2011	2012	2011
Sales	231.37	504.85	6.73	25.76	-	-	-	-
Purchase	268.73	991.90	157.55	78.80	-	-	-	-
Sales of fixed assets	103.00	16.66	7.09	-	-	-	-	-
Purchase of fixed assets	28.70	23.16	-	237.95	-	-	-	-
Acquisition of process know-how	-	-	16.55	12.40	-	-	-	-
Loans received	152.90	-	-	-	-	-	-	-
Loans and Advances given*	8.25	-	7.00	4.00	-	-	-	-
Rendering of Services	17.41	104.00	13.72	19.14	-	-	-	-
Services received	14.58	2.19	9.43	-	-	-	-	-
Rent paid	0.66	0.42	-	-	-	-	-	-
Rent received	15.89	17.29	-	-	-	-	-	-
OPE and professional fees paid	-	-	26.47	-	-	-	-	-
Brokerage	-	-	-	31.28	-	-	-	-
Share application money	-	26.93	-	-	-	-	-	-
Dividend Receivable	283.06							
Share application money refunded	-	14.50	-	-	-	-	-	-
Advance received for Share warrant	-	-	-	-	425.00	-	-	-
Deposit received	9.90	-	-	-	11.25	-	19.80	2.00
Deposit repayment	-	-	-	-	5.25	-	4.00	0.70
Interest paid on deposits	-	-	-	-	2.26	0.54	8.04	6.80
Donation	-	-	4.50	2.05	-	5.50	-	-
Remuneration paid	-	-	-	-	128.78	144.00	11.10	8.20

* includes ₹ 3.00 lakhs (previous year: ₹ 1.93 lakhs) advanced to 20 Microns ESOS Trust for acquiring the equity shares of the company, for the benefit of the employees.

- Balances outstanding at the end of the year:

(₹ in Lacs)

As at March 31,

Description	Enterprise where control exists		Enterprise where significant influence exists		Key Managerial Personnel		Relatives of Key Managerial Personnel	
	2012	2011	2012	2011	2012	2011	2012	2011
Trade Receivable	-	72.64	2.03	-	-	-	-	-
Loans & Advances given	156.02	-	28.50	22.76	-	-	-	-
Loans received	(152.90)	-	-	-	-	-	-	-
Receivable on account of assets sold	103.00	16.66	7.09	-	-	-	-	-
Payable on account of assets purchased	-	(23.16)	-	-	-	-	-	-
Trade Payable	-	(61.19)	-31.48	(19.32)	-	-	-	-
Share Application Money	-	12.43	-	-	-	-	-	-
Money received against share warrant	-	-	-	-	425.00	-	-	-

Notes to Financial Statement for the year ended March 31, 2012

Description	Enterprise where control exists		Enterprise where significant influence exists		Key Managerial Personnel		Relatives of Key Managerial Personnel	
	2012	2011	2012	2011	2012	2011	2012	2011
Dividend Receivable	283.06	-	-	-	-	-	-	-
Deposits	-	-	-	-	17.25	4.00	56.95	51.50

- Disclosure in Respect of Material Related Party Transactions during the year:

(₹ in Lacs)

for the year ending March 31,

Particulars	2012	2011
<u>Sales</u>		
20 Microns Nano Minerals Limited	231.37	504.85
<u>Purchases</u>		
20 Microns Nano Minerals Limited	268.73	991.90
DMC Limited	110.75	-
Aric 20 Microns Infracon Limited	45.58	-
<u>Sales of Fixed assets</u>		
20 Microns Nano Minerals Limited	103.00	16.66
<u>Purchase of fixed assets</u>		
20 Microns Nano Minerals Limited	28.70	23.16
DMC Limited	-	237.95
<u>Acquisition of process know how</u>		
DMC Limited	16.55	12.40
<u>Rendering of services</u>		
20 Microns Nano Minerals Limited	11.12	104.00
DMC Limited	13.46	19.44
<u>Services received</u>		
20 Microns Nano Minerals Limited	14.47	2.19
DMC Limited	9.43	-
<u>Rent paid</u>		
20 Microns Nano Minerals Limited	0.66	0.42
<u>Rent received</u>		
20 Microns Nano Minerals Limited	15.89	17.29
<u>Advances given</u>		
Bruno Industrial Products Limited	4.00	3.00
20 Microns ESOS Trust	3.00	1.93
20 Microns FZE	8.25	-
<u>Loans and Advances received</u>		
20 Microns SDN BHD	78.84	-

Notes to Financial Statement for the year ended March 31, 2012

Particulars	2012	2011
20 Microns FZE	74.06	-
<u>Dividend Receivable:</u>		
20 Microns FZE		
20 Microns SDN BHD	30.58	-
<u>Professional fees paid</u>	252.48	-
Eriez Finance & Investment Limited	26.47	31.27
<u>Donation given</u>		
20 Microns Foundation Trust	4.50	2.05
<u>Deposit Acquired</u>		
20 Microns Nano Minerals Limited	9.90	-
<u>Share application money refunded</u>		
20 Microns SDN BHD	-	14.50
<u>Advance received for share warrants</u>		
Shri R. C. Parikh	212.50	-
Shri A. C. Parikh	212.50	-
<u>Deposits received from Key management personnel/Relatives of Key management personnel</u>		
Shri S. R. Parikh	7.25	-
Mrs. I. C. Parikh	16.50	-
Shri A.C. Parikh	4.00	-
Mrs. D. S. Parikh	-	2.00
<u>Deposits repayment to Key management personnel/Relatives of Key management personnel</u>		
Shri S. R. Parikh	5.25	-
Mrs. D. S. Parikh	2.15	0.20
Shri S. R. Parikh-HUF	1.85	-
<u>Interest paid to Key management personnel/Relatives of Key management personnel</u>		
Shri S. R. Parikh	1.76	-
Mrs. I. C. Parikh	6.52	-
<u>Remuneration paid to Key management personnel/Relatives of Key management personnel</u>		
Shri C. S. Parikh	37.58	42.00
Shri S. R. Parikh	32.37	36.00
Shri R. C. Parikh	32.37	36.00
Shri A. C. Parikh	26.45	30.00
Shri L. R. Parikh	8.59	5.97
Shri D. S. Parikh	2.51	2.23

Notes to Financial Statement for the year ended March 31, 2012
40. Leases

- A) The Company has obtained several premises for its business operations under leave and license agreements. These are generally not non-cancelable lease and are renewable on mutual consent on mutually agreeable terms. Lease payments are recognized in the profit and loss account as rent expenses amounting to ₹ 229.09 (previous year ₹ 202.87 lacs)
- B) The Company has given land and building on operating lease for period ranging from 11 months to 60 months. During the year, the company has also given plant and machinery on operating lease and has recognized the lease rent on both assets in the profit and loss account amounting to ₹ 21.55 lacs (Previous Year ₹ 22.80 lacs)

41. Basic and Diluted earnings per share

Particulars	March 31,2012	March 31,2011
Profit attributable to Shareholders (₹ in Lacs)	10,78.08	Rs.550.19
Weighted average no. of Equity shares outstanding during the year	1,43,31,028	1,43,31,028
Nominal Value of Equity Shares (₹)	10/-	10/-
Basic and diluted earnings per share (₹)	7.52	3.84

42. Forward Contracts

- A) The Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Company's overall strategy. The Company does not use forward covers for speculative purposes.
- B) Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.
- B) The outstanding forward contracts as at March 31, 2012 is ₹ 4859.04 Lacs (Previous Year ₹ Rs 1564.94 Lacs) in respect of hedging currency related risk excluding forward contracts as mention in note no.30.

43. Equity dividends
43.1 Dividends declared

The board of directors in its meeting held on May 19, 2011, recommended a final dividend of ₹ 1.50 per equity share of ₹ 10 each (15% of face value) for financial year 2010-11, which was duly approved by the shareholders of the Company in the Annual General Meeting of the company held on August 18, 2011.

43.2 Dividends proposed

The board of directors in their meeting held on May 23,2012 have proposed a dividend of ₹ 1.8 per equity share of 10 each (18% of face value) for the financial year 2011-12. The same is subject to shareholder's approval in the Annual General Meeting.

44. Events after the Balance Sheet date

The shareholders in the Extra-ordinary general meeting held on April 23, 2012 approved the allotment of 15,00,000 warrants on a preferential basis to promoters and other investors as specified in the notice of the Extra-Ordinary General Meeting issued by the Company on March 23, 2012. The terms and conditions of the allotment are:

- a) Each warrant is convertible into 1 (one) Equity Share of the Company of the face value of ₹ 10/- each at a

Notes to Financial Statement for the year ended March 31, 2012

- premium of ₹ 80/- per share. Each warrant being priced at ₹ 90/- per share.
- b) The warrants shall be allotted within a period of 15 days from the date of passing of the resolutions by the shareholders or within 15 days from the date of approval of regulatory authority, whichever is later.
 - c) The warrant shall be compulsorily convertible (at the option of the Warrant Holder) at any time within a period of 18 months from the date of allotment of warrants, after the expiry of which the said warrants shall stand lapsed.
 - d) The warrant per se, shall not carry any voting rights with them.
 - e) The Warrant holder(s) shall, on or before the date of allotment of warrants, pay an amount equivalent to 25% of the total consideration viz. ₹ 22.50/- per warrant and balance consideration of ₹ 67.50 per warrant to be paid on or before the date of the conversion of the warrants in to Equity Shares.

The Company has received ₹ 515.00 Lacs from proposed allottees, being part consideration against issued of warrant. Pending the in principal approval from stock exchanges with regards to allotment of warrants, the Company has not allotted warrants against the advance money received as at the Balance Sheet date.

- 45.** Till the year ended March 31, 2011, the company prepared and presented the financial statements pursuant to the requirements of the erstwhile Schedule VI to the Companies Act, 1956. During the year ended March 31, 2012, the Revised Schedule VI notified under Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our audit report of even date attached

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

For and on behalf of Board of Directors

(G. R. Parmar)
Partner
M. No. 121462
Waghodia, Vadodara
May 23, 2012

(C. S. Parikh)
Chairman and
Managing Director
Waghodia, Vadodara
May 23, 2012

(Rajesh Parikh)
Managing
Director

(N. J. Savaliya)
Secretary

(P. M. Shah)
Director

AUDITOR'S REPORT

To,
The Board of Directors,
20 MICRONS LIMITED

We have audited the attached consolidated balance sheet of 20 Microns Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as at 31st March 2012, and the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiaries, whose financial statements reflect (before giving effect to the consolidation adjustments) total assets of ` 3823.43 Lacs as at 31st March 2012, total revenue of ` 4339.35 Lacs and cash flows amounting to ` (260.14) Lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules, 2006.

Attention is invited to Note No 30 regarding non accounting of loss of ` 145.52 Lacs on cancellation of forward contracts and loss of ` 359.73 Lacs on open forward contracts on valuing the same to the market value as at the balance sheet date for sale of US Dollars for the reasons stated in the said note. As mentioned in the said note since investigations of the transactions and legal proceeding are in process and pending the ultimate outcome or decision in the matter, we are unable to comment of its impact on profit, reserves and liabilities.

Based on our audit and on consideration of reports of other Auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, *subject to the above*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2012;.
- (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

- (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

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

Place: Waghodia, Vadodara

Date: May 28, 2012

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

CONSOLIDATED BALANCE SHEET

as at March 31, 2012

(₹ In Lacs)

		As At March 31,	
		2012	2011
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1433.10	1433.10
(b) Reserves and Surplus	3	3830.43	3019.03
(c) Advance Money received against share warrants		515.00	
		5778.53	4452.14
(2) Minority Interest			
		8.40	8.15
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	5878.43	2940.27
(b) Deferred tax liabilities (Net)	5	1168.01	1097.44
(c) Other Long term liabilities	6	39.05	37.62
		7085.49	4075.33
(4) Current Liabilities			
(a) Short-term borrowings	7	7964.43	6635.23
(b) Trade payables	8	2893.20	2664.16
(c) Other current liabilities	9	2780.03	3195.54
(d) Short-term provisions	10	315.91	252.12
		13953.58	12747.06
TOTAL EQUITY AND LIABILITIES		26826.00	21282.67
II ASSETS			
(1) Non-current assets			
(a) Tangible assets	11	8175.40	7564.91
(b) Intangible assets	11	253.19	251.43
(c) Capital work-in-progress	11	3669.90	457.14
(d) Intangible assets under development	11	41.01	21.64
(e) Non-current investments	12	69.12	69.12
(f) Long term loans and advances	13	1698.00	1784.68
(g) Other non-current assets	14	218.48	272.70
		14125.10	10421.63
(2) Current assets			
(a) Inventories	15	5263.08	4308.88
(b) Trade receivables	16	5277.39	4587.90
(c) Cash and bank balances	17	914.60	1120.45
(d) Short-term loans and advances	18	1204.26	836.74
(e) Other current assets	19	41.57	7.07
		12700.90	10861.04
TOTAL ASSETS		26826.00	21282.67

Significant Accounting Policies	1		
The notes referred to above form an integral part of the financial statement.		.0	.0

As per our audit report of even date attached

For Manubhai & Co.

Chartered Accountants

Firm Registration No.: 106041W

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership. No.:121462
May 28, 2012
Waghodia, Vadodara

C. S. Parikh
Chairman and
Managing Director
May 28, 2012
Waghodia, Vadodara

Rajesh Parikh
Managing
Director

N.J.Savaliya
Secretary

P.M.Shah
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ In Lacs)

	Note	For the Year Ended March 31,	
		2012	2011
I Revenue from Operations	20	30245.32	25529.72
II Other Income	21	196.80	190.20
III Total Revenue [I + II]		30442.12	25719.92
IV Expenses			
(a) Cost of Materials Consumed	22	15967.68	13439.07
(b) Changes in Inventories of Finished Goods	23	-267.98	183.03
(c) Employee Benefits Expense	24	2250.64	2019.62
(d) Finance Costs	25	1578.22	1131.88
(e) Depreciation and Amortization Expense		692.70	581.75
(f) Other Expenses	26	8667.43	7236.56
Total Expenses		28888.70	24591.92
V Profit before exceptional items and Tax (III - IV)		1553.42	1127.99
VI Less : Exceptional Items	27	.0	39.42
VII Profit before Tax [V - VI]		1553.42	1088.58
VIII Tax Expenses			
(a) Current tax		386.13	278.29
(b) Wealth Tax		1.25	.40
(c) Deferred tax		70.55	89.89
(d) Mat credit		-10.70	60.82
(e) Prior year tax adjustment		2.28	9.58
		449.51	438.98
IX Profit for the year [VI - VIII] (Before adjustment of of Minority Interest)		1103.90	649.60
IX Less: Share of Profit Transferred to Minority Interest		.25	.41
X Profit for the year [VI - VIII] (After adjustment of of Minority Interest)		1103.65	649.19
Earning per Equity Share [in ₹]			
Basic		7.70	4.53
Diluted		7.70	4.53

Significant Accounting Policies

1

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

As per our audit report of even date attached

For Manubhai & Co.

For and on behalf of Board of Directors

Chartered Accountants

Firm Registration No.: 106041W

 G. R. Parmar
 Partner
 Membership No.:121462
 May 28,2012
 Waghodia, Vadodara

 C. S. Parikh
 Chairman and
 Managing Director
 May 28, 2012
 Waghodia, Vadodara

 Rajesh Parikh
 Managing
 Director

 N.J.Savaliya
 Secretary

 P.M.Shah
 Director

Cash Flow Statement
for the year ended March 31, 2012

(₹ In Lacs)

	<i>for the year ended March 31,</i> 2012	2011
A. Cash Flow from Operating Activities		
Profit before tax	1553.42	1088.58
Adjusted for :		
Depreciation and Amortisation expenses	692.70	581.76
Gratuity provision	30.76	42.72
Bad debts written off (net of write back)	(17.63)	(10.12)
Provision for Doubtful Debts	(31.29)	48.04
Provision for Leave Encashment	6.06	-
Credit balances written back	(12.48)	(17.54)
Debit balances written-off	12.09	-
Profit on disposal of Tangible assets	(3.96)	(44.00)
Loss on disposal of Tangible assets	1.87	21.30
Dividend from long term investments	-	(.6)
Share issue expenses	1.60	1.60
Interest Received on bank deposits	(119.92)	(60.12)
Interest Paid	1132.29	993.06
Exchange Rate Variation on Consolidation	7.55	-2.61
Adjustments for Consolidation	-	2.14
Effect of Foreign Exchange Rate fluctuations (net)	(155.67)	(50.41)
Forward Premium	445.93	138.82
	<u>1989.90</u>	<u>1644.58</u>
Operating Profit before working capital changes	3543.32	2733.17
Adjusted for		
Increase / (Decrease) in Trade Payables and liabilities	(170.17)	1307.73
(Increase) / Decrease in Trade Receivables	(472.42)	(1345.70)
(Increase) / Decrease in Loans and Advances	(369.98)	(1807.31)
(Increase) / Decrease in Inventories	(954.20)	(769.92)
(Increase) / Decrease in Other Assets	18.13	97.09
	<u>(1948.64)</u>	<u>(2518.11)</u>
Cash Generated from Operation	1594.67	215.06
Direct Taxes paid (net of refund)	<u>(320.56)</u>	<u>(191.18)</u>
Net Cash provided by Operating Activities	1274.12	23.88
B. Cash Flow from Investing Activities		
Purchase of Tangible assets	(1383.84)	(1879.23)
Purchase of Intangible assets	(95.94)	(110.22)
Payments for Capital WIP	(3212.76)	-
Proceeds from disposal of Tangible assets	157.54	255.68
Dividend from long term investments	-	.06
Interest Received on Bank Deposits	119.92	60.12
Net cash used in investing activities	(4415.07)	(1673.59)
C. Cash Flow from Financing Activities		
Proceeds from long-term borrowings (net)	2938.16	1356.07
Proceeds from short-term borrowings (net)	1329.20	1944.09
Dividend paid	(214.18)	(142.87)
Corporate Dividend Tax on dividend paid	(34.87)	(23.80)
Advance for equity share warrants	515.00	-
Share Application Money Received	-	14.50
Share Application Money Repaid	-	(12.24)
Interest paid	(1132.29)	(993.06)
Forward premium	(445.93)	(138.82)
Net Cash from financing activities	2955.08	2003.86
Net Increase / (Decrease) in Cash and Cash Equivalents	-185.87	354.16
Cash and cash equivalents - opening balance	1091.20	737.04
Cash and cash equivalents - closing balance	905.33	1091.20

Notes:

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

Particulars	As At March 31,	
	2012	2011
Cash in hand	4.12	2.92
Balances with banks:		
in current accounts	467.89	826.42
in deposit accounts	237.27	100.00
in unclaimed dividend accounts *	205.33	191.12
Cash and cash equivalents	914.60	1120.45
Less: Amount Due in Current Account	9.28	29.26
Cash and bank balances (as per note 17)	905.33	1091.20

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.
- 4 Bank Overdraft and other short term loans have been treated as part of financing activities.
- 5 Previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's

As per our audit report attached

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

For and on behalf of Board of Directors

G. R. Parmar
 Partner
 Membership No. 121462

C.S. Parikh
 Chairman and
 Managing Director

Rajesh Parikh
 Managing Director

N J Savalia
 Secretary

P.M. Shah
 Director

May 28, 2012
 Waghodia, Vadodara

May 28, 2012
 Waghodia, Vadodara

Notes to Consolidated Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

2 Share Capital

	As At March 31,	
	2012	2011
a. Authorised Capital		
3,00,00,000 Equity Shares of ₹ 10/- each	30000.00	20000.00
(Previous Year 2,00,00,000 Equity Shares of ₹ 10/- each)		
b. Issued, subscribed and fully paid-up equity Shares		
1,43,31,028 Equity Shares of ₹ 10/- each	1433.10	1433.10
(Previous Year: 1,43,31,028 shares)		
c. Rights, preferences and restrictions attached to shares		
i The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-.		
ii Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.		
iii The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.		
iv In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.		

d. Details of shareholders holding more than 5% shares in the Company:

	As At March 31,			
	2012		2011	
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Eriez Finance and Investment Limited	3,644,412	25.43	3,019,688	21.07
Mr.Chandresh S. Parikh	1,800,200	12.56	1,600,000	11.16
Mr. Rameshbhai B. Patel	720,900	5.03	720,900	5.03
Gujarat Venture Capital Fund - 1995	-	0.00	1,003,989	7.01
Total	6,165,512	43.02	6,344,577	44.27

e. Shares reserve for issue under commitment to convert warrants into equity shares

- i The shareholders in the Extra-ordinary general meeting held on April 23, 2012 approved the allotment of 15,00,000 warrants on a preferential basis to promoters and other investors as specified in the notice of the Extra-Ordinary General Meeting issued by the Company on March 23, 2012. Each warrant is convertible into 1 (one) Equity Share of the Company of the face value of ₹ 10/- each at a premium of ₹ 80/- per share. Each warrant being priced at ₹ 90/- per share. On compliance of conditions of issue of warrants the warrants shall be converted into 15,00,000 Equity Shares out of the unissued portion of share capital.

3 Reserves and Surplus

	As At March 31,	
	2012	2011
a. General Reserve		
Balance as per last year Financial Statement	39.68	12.17
Add: Transfer from Surplus	80.86	27.51
Closing Balance	120.54	39.68
b. Capital Reserve On Consolidation	48.88	48.88
c. Securities Premium Account		
Balance as per last year Financial Statement	1761.55	1761.55
d. Foreign Currency Translation Reserve		
Balance as per last year Financial Statement	.04	-3.24
Add: Change During the year	7.55	3.29
Closing Balance	7.59	.04
e. Surplus as per Statement of Profit and loss		
Balance as per last year Financial Statement	1168.88	797.03
Add: Net Profit for the year	1103.65	649.19
Less: Appropriations		
Transfer to General Reserves	80.86	27.51
Proposed Dividends	257.96	214.97
Corporate Dividend Tax on Proposed Dividend	41.85	34.87
Closing Balance	1891.86	1168.88
	3830.43	3019.03

Notes to Consolidated Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

4 Long term borrowings

	2012		2011	
	Current maturities	Non-current maturities	Current maturities	Non-current maturities
a. Secured borrowings				
i. Term loans				
from Banks	1499.46	4881.99	2007.75	2168.93
from Financial Institution	.0	.0	113.40	.0
Total secured borrowings	1499.46	4881.99	2121.15	2168.93
b. Unsecured borrowings				
i. from Banks	49.79	13.72	.0	.0
i. from Financial Institutes	91.53	126.11	.0	.0
ii. Public Deposits				.0
Deposit from Public	312.29	760.16	304.88	642.30
Deposit from related parties (Refer Note No. 39)	36.15	38.05	.0	43.15
iii. Deferred payment liabilities		.0		.0
Sales Tax Deferment Loan (deferred loan repaid in monthly instalments)	27.50	58.40	30.07	85.90
		.0		.0
Total unsecured borrowings	517.26	996.44	334.95	771.35
Total borrowings	2016.72	5878.43	2456.10	2940.27

5 Deferred Tax Liability (net)

	As At March 31,	
	2012	2011
Deferred Tax Liability		
Product Development Expenses	22.20	21.62
Provision for Gratuity liability	14.02	6.93
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 1956.	.0	.0
	1168.30	1117.89
Gross Deferred Tax Liabilities	1204.52	1146.44
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961		
u/s 40 (a)(ia)	.0	.39
u/s 43 B	12.71	10.66
VRS Expenses u/s 35DDA	7.67	10.47
Provision for Bad and Doubtful Debts	16.13	27.48
Gross Deferred Tax Assets	36.51	49.00
Net Deferred Tax Liabilities	1168.01	1097.44

6 Other Long Term Liabilities

	As At March 31,	
	2012	2011
Trade deposits	4.20	3.75
Interest accrued but not due	34.85	33.09
Gratuity provision	.0	.78
Total	39.05	37.62

7 Short Term borrowings

	As At March 31,	
	2012	2011
a. Secured		
Working Capital finance from banks	7387.22	6214.27
b. Unsecured		
Public deposits	577.21	420.96
Loans and advances from subsidiaries (These loans are to be repaid in single instalment within one year)	.0	.0
Total	7964.43	6635.23

8 Trade Payables

	As At March 31,	
	2012	2011
Micro, Small and Medium Enterprises	159.42	185.38
Other suppliers	2733.78	2478.78
Total	2893.20	2664.16

Notes to Consolidated Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

9 Other Current Liabilities

	As At March 31,	
	2012	2011
Salary and wages accrued	115.73	104.99
Current Maturities of Long term borrowings		
Secured Term Loans from Banks	1499.46	2007.75
Unsecured Term Loans From Banks	49.79	.0
Secured Borrowings From Financial Institutes	.0	113.40
Unsecured Borrowings From Financial Institutes	91.53	.0
Deposit from Public	312.29	304.88
Deposit from related parties (Refer Note No. 39)	36.15	.0
Sales Tax Deferment Loan	27.50	30.07
Amounts due to banks in current account	9.28	29.26
Interest accrued but not due	120.33	80.65
Unclaimed dividends	1.23	.44
Unclaimed matured deposits	10.81	.67
Advance from Customers	62.92	76.41
Statutory dues	85.33	109.95
Other payables	357.68	337.05
Total	2780.03	3195.54

10 Short Term Provisions

	As At March 31,	
	2012	2011
a Provision for employee benefits		
Leave Encashment	6.75	.0
b Others		
Proposed Dividend	257.96	214.97
Corporate Dividend Tax on Proposed Dividend	41.85	34.87
Excise and Royalty on finished goods	9.36	2.29
Total	315.91	252.12

12 Non Current Investments

	As At March 31,	
	2012	2011
Non-trade Investments		
in unquoted fully paid up shares of related party		
i. 80,000 equity shares (Previous Year: 80,000) of Ereiz Finance and Investment Limited,	8.00	8.00
ii. 60,000 0.10% Redeemable Cumulative Convertible Preference shares (Previous Year:60,000) of Ereiz Finance and Investment	60.00	60.00
Other Investment		
National Savings Certificate (Lodged with Sales tax Authorities)	1.12	1.12
Total non-trade investments	69.12	69.12
Total investments	69.12	69.12

13 Long Term Loan and Advances

	As At March 31,	
	2012	2011
Unsecured and considered good		
a. Advance to suppliers of capital goods	1527.05	1569.04
b. Loans and advances to related parties (Refer Note No.39)	10.15	7.14
c. Balance with Gratuity fund (Net of Provisions for Employee Benefits of ₹ 222.97 Lacs. Previous Year ₹ 196.99 Lacs)	24.11	.56
d. Mat Credit Entitlement	136.70	207.94
Total	1698.00	1784.68

14 Other non current Assets

	As At March 31,	
	2012	2011
Security Deposits	214.38	267.62
Interest Accrue but no due	.90	.29
Unamortized expenses	3.20	4.80
Total	218.48	272.70

Notes to Consolidated Financial Statement for the year ended March 31, 2012
11 Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As At April 01,2011	Additions During Year	On Sale/ Adjustments	Total March 31,2012	Upto April 01,2011	Provided During Year	On Sale Adjustments	Up To March 31,2012	As At March 31,2012	As At March 31,2011
(A) TANGIBLE ASSETS										
Freehold Land	207.30	.0	.0	207.30	4.04	.0	.0	4.04	203.26	203.26
Leasehold Land	134.15	57.99	.0	192.14	50.42	21.17	.0	71.60	120.55	83.73
Office Building	198.81	5.53	.0	204.34	24.43	3.36	.0	27.79	176.55	174.38
Leasehold Office Building	75.20	5.36	.0	80.56	.30	9.10	.0	9.40	71.16	74.90
Factory Building	1388.73	149.79	4.75	1533.78	341.39	42.99	-1.62	382.76	1151.02	1047.34
Plant And Machinery	8453.26	970.40	370.36	9053.30	3069.13	467.95	-227.57	3309.51	5743.79	5384.13
Vehicles	392.37	56.65	14.97	434.04	67.10	38.34	-5.71	99.73	334.32	325.27
Furniture and Office Equipments	444.54	138.12	.37	582.29	172.64	34.97	-.09	207.53	374.76	271.89
Total	11294.36	1383.84	390.44	12287.75	3729.45	617.89	-234.99	4112.35	8175.40	7564.91
Previous year	9440.28	1987.26	345.47	11082.06	3231.21	519.71	-51.99	3665.32	7416.74	-
(B) INTANGIBLE ASSETS										
Product Development	118.79	28.35	.0	147.13	53.68	25.04	.0	78.72	68.41	65.11
Process Know How	105.62	41.70	.0	147.32	55.06	23.54	.0	78.60	68.71	50.56
Computer Software (SAP Expenses)	166.45	6.53		172.97	31.36	26.06		57.42	115.55	135.09
Web site development exp	.85			.85	.17	.17		.34	.51	.68
Total	391.71	76.57	.0	468.28	140.27	74.81	.0	215.08	253.19	251.43
Previous year	281.49	110.22	.0	391.71	78.77	61.51	.0	140.27	251.43	-
CAPITAL WORK IN PROGRESS									3669.90	457.14
INTANGIBLE ASSETS UNDER DEVELOPMENT									41.01	21.64

Notes to Consolidated Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

15 Inventories

	As At March 31,	
	2012	2011
Raw Materials	3710.08	3017.19
Finished Goods	1105.95	861.85
Stores and Spares	294.18	194.01
Stock-in-trade	50.99	27.11
Goods in transit (Raw materials)	101.89	208.72
Total	5263.08	4308.88

The inventory is valued at lower of cost and net realisable value.

16 Trade Receivables (Unsecured)

	As At March 31,	
	2012	2011
a. Debts outstanding for a period exceeding six months from due date of repayment:		
Considered good	65.53	.0
Considered doubtful	49.71	84.22
	115.23	84.21
Less : Provision for doubtful debts	49.71	84.22
	65.53	.0
b. Other debts - Considered good	4915.90	4498.60
c. Amounts due from related parties (Refer Note No. 39)	295.96	89.30
Total	5277.39	4587.90

17 Cash and Bank balances

	As At March 31,	
	2012	2011
Cash on hand	4.12	2.92
Balances with Banks		
in current account	467.89	826.42
in deposit account (liquid asset)	237.27	100.00
in deposit account (margin money)	204.10	190.67
in unpaid dividend account #	1.23	.44
Total	914.60	1120.45

 The above includes deposits of ₹ 100 lacs (previous year: ₹ 100 lacs) due for maturity after 1 year.
 # balance held in unpaid dividend account are restricted amounts and not available for use.

18 Short term loan and Advances (Unsecured, Considered Good)

	As At March 31,	
	2012	2011
Loans and advances to related parties (Refer Note No. 39)	100.73	230.06
Others :		
Balances with Tax authorities	310.88	268.77
Advance payment of Income Tax	15.37	2.51
(Net of provision ₹ 661.50 Lacs, Previous Year: ₹ 299.50 Lacs)	.0	.0
Loan & advance to employees	60.07	49.50
Advances to suppliers	174.69	190.52
Deposits	83.92	19.41
Prepaid expenses	57.45	72.07
Receivable against Sale of Assets	.0	.0
Inter Corporate Deposits	379.89	.0
Others	21.24	3.90
	1204.26	836.74

19 Other Current Assets

	As At March 31,	
	2012	2011
Export Incentive receivable	.0	2.82
Insurance Claim receivable	1.14	.75
Income accrued but not due on deposits	38.83	1.90
Accrued dividend from subsidiaries	.0	.0
Unamortised Expense	1.60	1.60
Total	41.57	7.07

Notes on Consolidated Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

20	Revenue from Operation	For the Year Ended March 31,	
		2012	2011
	Sale of Products - Domestic	27256.93	23721.94
	- Export	3437.87	2369.90
	Other Operating Revenues	62.69	31.84
		30757.49	26123.68
	Less : Excise Duty	512.17	593.96
	Total	30245.32	25529.72
20.1	Details of Other Operating Revenues are as under :		
	Income Tax Refund	26.11	.0
	Insurance Claim	6.56	.54
	Scrap Sales	9.65	1.67
	Remission of Credit Balances	15.95	20.11
	Misceallaneous Income	2.62	2.25
	Export Incentives	1.80	7.27
	Total	62.69	31.84
	Total	30245.32	25529.72
21	Other Income	For the Year Ended March 31,	
		2012	2011
	Interest	119.92	64.76
	Gain on disposal of Tangible Assets (Net)	3.96	1.67
	Gain on Sales Tangible Assets (Net)	.0	42.57
	Dividend from Long Term Investments	.01	.06
	Gain / Loss on foreign currency transection (Net)	.0	52.05
	Rent	22.14	5.31
	Provision for bad debts written back	31.29	13.77
	Other Non-operating Income	19.48	10.07
	Total	196.80	190.26
22	Cost of Materials Consumed	For the Year Ended March 31,	
		2012	2011
	Raw Materials :		
	Opening Stock of Raw Materials	3225.90	2355.92
	Add : Purchases	16553.74	14309.05
		19779.65	16664.98
	Less : Goods in Transit	101.89	208.72
	Less : Closing Stock of Raw Materials	3710.08	3017.19
	Raw Material consumed	15967.68	13439.07
23	Changes in Inventories of Finished Goods	For the Year Ended March 31,	
		2012	2011
	Opening stock of Finished Goods	888.96	1071.99
	Less : Closing stock of Finished Goods	1156.94	888.96
	Total	-267.98	183.03
24	Employee Benefits Expense	For the Year Ended March 31,	
		2012	2011
	Salary wages & Bonus	1984.80	1771.26
	Managerial Remuneration	145.78	156.45
	Company's contribution to provident & other funds	84.81	62.30
	Staff welfare expenses	35.25	29.61
	Total	2250.64	2019.62

(Managerial personnel have waived commission & hence no provision is made in respect thereof)

Notes on Consolidated Financial Statement for the year ended March 31, 2012

(₹ In Lacs)

25	Finance Costs	For the Year Ended March 31,	
		2012	2011
	Interest Expenses	.0	.0
	Interest on Term Loans	608.17	347.33
	Interest on working Capital Loans	561.97	450.13
	Other Interest	182.64	171.00
	Total	1352.77	968.46
	Other Borrowing Costs	647.98	242.16
		2000.75	1210.62
	Less : Finance costs capitalized	-422.53	-78.73
	Total	1578.22	1131.88
26	Other Expenses	For the Year Ended March 31,	
		2012	2011
26.1	Manufacturing Expenses		
	Consumption of Stores and spare parts	180.28	130.92
	Power & fuel	2317.53	1781.67
	Rent	92.48	86.01
	Repairs :		
	Buildings	7.94	5.37
	Plant and Machinery	213.24	260.85
	Other manufacturing & Factory Expenses	178.02	198.15
	Total	2989.49	2462.96
26.2	Administrative & Other Expenses		
	Rent	28.79	10.98
	Rates and Taxes	13.10	4.25
	Insurance	39.98	21.74
	Post, Telephone & Courier	115.01	109.88
	Travelling & Conveyance	140.91	145.51
	Vehicle Running & Maintenance	47.30	43.88
	Professional Fees	103.51	75.70
	Auditors Remuneration (Refer Note. 34)	9.43	6.67
	Directors sitting fees	3.66	2.69
	Loss on sale/ discarded of Assets (Net)	1.87	19.63
	Donation	6.54	24.07
	Bad Debts	.18	1.34
	Share Issue Expenses Write off	1.60	1.60
	Misc. Expenses	211.75	175.05
	Total	723.63	642.98
26.3	Loss on foreign currency transactions & translation (Net)	155.67	1.63
26.4	Research & Development Expenses	43.18	47.10
26.5	Marketing, Selling & Distribution Expenses :		
	SELLING EXPENSES		
	Travelling Expenses	289.67	154.54
	Rebate and Discount	125.63	123.51
	Sales Commission	64.45	34.47
	Bad Debts written off	13.48	3.31
	Provision for Bad debts	.0	47.05
	Rent	164.32	134.75
	Other Selling Expenses	412.35	382.82
	Total	1069.91	880.45
	DISTRIBUTION EXPENSES		
	Freight outward- Local sales	3274.20	2746.12
	Freight outward- Export sales	344.41	390.12
	Service Tax	66.96	63.53
	Total	3685.57	3199.77
	Total	8667.43	7234.89
27	Exceptional Item	For the Year Ended March 31,	
		2012	2011
	Payment under Voluntary Retirement Scheme	.0	39.42
	Total	-	39.42

Notes to Consolidated Financial Statement for the year ended March 31, 2012

28. The audited financial statement of 20 Microns SDN BHD has been prepared in accordance with Financial Reporting Standard of Malaysia and the audited financial statement of 20 microns FZE has been prepared in accordance with the international financial reporting standards (IFRS) and the applicable requirement of United Arab Emirates laws. Differences in accounting policies of the Company and Subsidiary are not material.

29. Contingent Liabilities and Commitments :

IN THE CASE OF COMPANY:

A) Contingent Liabilities

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

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

(₹ in Lacs)

SR. NO.	PARTICULARS	March 31, 2012	March 31, 2011
1	Demand of Sales Tax disputed in appeal.	5.85	8.59
2	Claims from Excise authorities not acknowledged as debt.	147.68	148.68
3	Demand of Income Tax disputed in appeal.	209.31	168.24

(iii) Guarantees and Letter of Credits:

- Company has given guarantee of ₹ 1,250.00 (Previous Year: ₹ 1,250.00 Lacs) on behalf of subsidiary company.
- Guarantee given by Company's Bankers in normal course of business ₹ 31.19 lacs (Previous Year ` 13.49 Lacs).
- Inland / Foreign Letter of Credit issued by Bank ₹ 372.59 lacs (Previous Year: ₹ 499.18 Lacs).

B) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) amounting to ₹ 812.80 lacs (Previous Year ₹ 1193.88 lacs).

IN THE CASE OF INDIAN SUBSIDIARY:

(i) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) ₹ 330.98Lacs (P.Y. ₹ 354.70 Lacs).

(ii) Contingent Liabilities not provided for ₹ 1.00 Lacs (P.Y. ₹ 2.19 Lacs) on account of bank guarantee.

30. During last quarter of financial year 2011-12, a Bank has debited in our account a sum of Rs. 145.52 lacs on account of exchange difference on expiry of forward contracts. Preliminary investigation revealed that a senior executive of the Company, acting beyond delegated powers, had booked forward contracts for sale of US Dollars. The Company believes that Bank had permitted Senior Executive to book such contracts beyond powers delegated to him and it also appears that bank has permitted these contracts in contravention of various guidelines of Reserve Bank of India on the subject. Total loss on account of all such contracts is estimated at Rs. 505.25 Lacs, considering the exchange rate as on the balance sheet date. The Company, based on legal advice has disowned such contracts and disputed such debits as well as future liability with bank. Company is investigating the transactions and has resorted to suitable legal remedy, as advised, against the Senior Executive and Bank. Pending the outcome of the investigations and actions, company has not accounted the said debits by the bank nor recognized this loss / liability in books of account.

Notes to Consolidated Financial Statement for the year ended March 31, 2012
31. Prior period adjustments:
A) Prior Period Expenses under various heads is as under:

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Salary and Wages	2.28	--
Tax Credit Reversal (Net)	0.18	3.35
Freight Charges	1.47	5.29
Import and Export Expenses	7.54	2.93
Repairs and Maintenance Charges	2.89	2.15
Power and Fuel	1.40	0.19
Others	4.85	2.54
Total	20.61	16.45

B) Prior Period Income under various is as under:

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Reversal of Provisions	--	8.73
Sales Commission	--	1.80
Others	5.06	0.47
Total	5.06	11.00

32. Employee Benefits :
IN THE CASE OF COMPANY:

The following table sets out the status of the gratuity plan as required under Accounting Standard AS 15 Employee Benefit (Revised 2005) and the reconciliation of opening balances of the present value of the defined benefit obligation.

A) Defined Contribution Plans

Particulars	March 31,2012	March 31,2011
Employer's contribution to Provident Fund	66.84	52.58

B) Defined Benefit Plan
B1) Reconciliation of opening and closing balances of present value of obligations.

(₹ in Lacs)

Particulars	March 31,2012	March 31,2011
Present Value of Obligation as at the beginning of the year	196.99	166.76
Interest Cost	16.25	13.34
Current Service Cost	28.98	13.50
Actuarial (gain) / Loss on obligations	1.59	28.93
Benefits paid	(20.84)	(25.54)
Present value of Obligation as at the end of the year	222.97	196.99

Notes to Consolidated Financial Statement for the year ended March 31, 2012
B2) Changes in the Fair Value of Plan Assets.

(₹ in Lacs)

Particulars	March 31,2012	March 31,2011
Fair Value of Plan Assets at the beginning of the year	197.56	156.14
Expected Return on Plan Assets	19.23	15.31
Contributions	53.11	53.56
Actuarial Gain / (loss) on Plan Assets	(3.17)	(1.92)
Benefit paid	(20.84)	(25.54)
Fair Value of Plan Assets at the end of the year	245.9	197.55

B3) The amount recognized in balance sheet.

(₹ in Lacs)

Particulars	March 31,2011	March 31,2010
Present Value of Obligations as at the end of the year	222.97	196.99
Fair value of plan Assets as at the end of the year	245.90	197.55
Net Asset / (Liability) recognized in Balance sheet	22.93	0.56

B4) Amount recognized in the Profit and loss account.

(₹ in Lacs)

Particulars	March 31,2011	March 31,2010
Current Service Cost	28.98	13.50
Interest Cost	16.25	13.34
Expected Return on Plan Assets	-19.23	(15.31)
Net actuarial (gain) / loss recognized in the year	4.76	30.85
Expenses Recognized in the statement of Profit & Loss	30.76	42.38

This amount is disclosed in Schedule 'O' payment to and provision for employees.

B5) Assumptions.

Particulars	March 31,2011	March 31,2010
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate	8.50%	8.25 %
Rate of increase in Compensation Levels	5.50%	5.50 %
Rate of Return on Plan Assets	9.00%	9.00 %

B6) Amount pertaining to plan is as follows.

Particulars	2011-12	2010-11	2009-10	2008-	2007-	2011-
Present value of defined value	222.97	196.99	166.76	118.46	86.98	196.99
Fair value of plan assets	245.9	197.55	156.14	70.98	61.75	197.55
Surplus / (deficit) in plan	22.93	0.56	(10.62)	(47.49)	(25.23)	0.56
Experience adjustments						
on plan assets (Loss) / Gain	(3.17)	(1.92)	3.13	(5.06)	(4.9)	(1.92)
on plan liabilities (Gain) / Loss	7.2	33.97	21.82	4.9	(3.9)	33.97

B7) Investment Details:

Particulars	March 31,2012	March 31,2011
Insurance Policies	100%	100%

Notes to Consolidated Financial Statement for the year ended March 31, 2012

- Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with tenure similar to the expected working lifetime of the employee.
- Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.
- This assumption is based on interest rates declared by LIC on gratuity funds.

IN THE CASE OF INDIAN SUBSIDIARY:

- A) Defined contribution plans: The Company has recognized ` 8.98 Lacs (P.Y.` 1.96 Lacs) for Provident Fund Contribution as expenses under the defined contribution plan in the Profit & Loss account for the year ended 31st March, 2012.
- B) Defined benefit plan: The Company recognizes the liability towards the gratuity at each balance sheet date. The most recent actuarial valuation of the defined benefit obligation for gratuity and leave encashment was carried out at March 31, 2012 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.
- C) The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2012.

(₹ in Lacs)

Sr. No.	Particulars	Gratuity Unfunded	
		March 31,2012	March 31,2011
I)	<u>Reconciliation in present value of obligations (PVO) – defined benefit obligation :</u>		
	Current Service Cost	2.49	2.66
	Interest Cost	6.41	0.11
	Actuarial (gain) / losses	(0.56)	(3.50)
	Benefits paid	-	-
	Past service cost	-	-
	PVO at the beginning of the year	0.78	1.48
	PVO at end of the year	2.77	0.78
II)	Reconciliation of the fair value of plan assets :		
	Expected return on plan assets	0.17	NA
	Actuarial gain/(losses)	(0.6)	NA
	Contributions by the employer	3.84	NA
	Benefits paid	-	NA
	Fair value of plan assets at beginning of the year	-	NA
	Fair value of plan assets at end of the year	3.96	NA
III)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of period	2.77	0.78
	Fair Value of planned assets at end of year	3.96	NA
	Funded status	Funded	Non funded
	Unrecognized actuarial gain/ (loss)	-	-

Notes to Consolidated Financial Statement for the year ended March 31, 2012

	Net asset/ (liability) recognized in the balance sheet	(1.19)	(0.78)
III)	Net cost for the year ended March 31:		
	Current Service cost	2.49	2.66
	Interest cost	6.41	0.12
	Expected return on plan assets	(0.17)	-
	Actuarial (gain) / losses	(0.50)	(3.49)
	Net cost	1.88	(0.71)
V)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	8.50%	8.25%
	Salary escalation rate (%)	6%	6%

D) Experience adjustments:

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Experience adjustments on account of plan liabilities	*	3.47	*	*	*

* In absence of availability, relevant information on the experience adjustment on plan liabilities has not been furnished above.

E) The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

33. Related party disclosures as required under the Accounting Standard AS – 18 on “Related Party Disclosures” as notified by The Companies (Accounting Standards) Rules, 2006 are given below:

(A) List of related parties:

- a. Enterprises where control exists: (subsidiaries)
 - a. 20 Microns SDN BHD
 - b. 20 Microns Nano Minerals Limited
 - c. 20 Microns FZE
- b. Enterprises where significant influence exists:
 - a. DMC Limited (formerly known as Dispersive Minerals and Chemicals India Limited)
 - b. Bruno Industrial Products Limited
 - c. Microns Logistic Private Limited
 - d. Eriez Finance & investment Limited
 - e. Aric 20 Microns Infracon Private Limited
(formerly known as Eric Finance and Investment Limited)
 - f. Platy Minerals Private Limited
(formerly known as Trio Techno Minerals Private Limited)
 - g. Nanotech Minerals India Private Limited
 - h. Ultra Minchem Equipments Private Limited
 - i. 20 Microns Foundation Trust.
 - j. 20 Microns ESOS Trust.
- c. Key Management Personnel
 - a. Shri C S Parikh - Chairman and Managing Director
 - b. Shri S R Parikh - Whole Time Director
 - c. Shri R C Parikh - Managing Director
 - d. Shri A C Parikh - Jt. Managing Director
- d. Relatives of Key Management Personnel:
 - a. Mrs. I C Parikh - Wife of Shri C S Parikh
 - b. Shri L R Parikh - Brother of Shri Sudhir Parikh
 - c. Mrs D S Parikh - Wife of Shri Sudhir Parikh
 - d. Mrs S R Parikh - Wife of Shri Rajesh C Parikh
 - e. Shri V R Parikh - Daughter of Rajesh C Parikh

Notes to Consolidated Financial Statement for the year ended March 31, 2012

(B) Disclosures required for related parties transaction:

- Transactions during the year: (₹ in Lacs)

Description	Enterprises where significant influence exists		Key Management Personnel		Relatives of Key Management Personnel	
	March 31,2012	March 31,2011	March 31,2012	March 31,2011	March 31,2012	March 31,2011
Sales	28.25	41.73	-	-	-	-
Sales Of Fixed Assets	7.09	-	-	-	-	-
Rendering of Services	16.84	19.14	-	-	-	-
Service received	77.34	-	-	-	-	-
Rent Paid	-	0.60	-	-	-	-
Loan and advance Given	65.84	100.00	-	-	-	-
Interest received on loan given	21.04	2.24	-	-	-	-
Advance Given	-	3.00	-	-	-	-
Purchase	233.45	189.63	-	-	-	-
Purchase Of Fixed Assets		237.95	-	-	-	-
Acquisition of process know how	16.55	12.40	-	-	-	-
Loan Repaid	91.18	-	-	-	-	-
Services Provided		11.63	-	-	-	-
Brokerage and OPE paid	26.47	38.43	-	-	-	-
Issue of Share Capital		-	-	-	-	-
Donation Paid	4.50	3.98	-	-	-	-
Deposit Repayment		-	5.25	-	4.00	0.70
Deposit Received		-	11.25	-	19.80	2.00
Advance for share warrant	-	-	425.00	-	-	-
Interest Paid on Deposit		-	2.26	0.54	8.04	6.80
Remuneration Paid		-	129.72	144.00	16.03	11.62

- Balances at the end of the year: (₹ in Lacs)

Description	Enterprises where significant influence exists		Key Management Personnel		Relatives of Key Management Personnel	
	March 31,2012	March 31,2011	March 31,2012	March 31,2011	March 31,2012	March 31,2011
Debtors		-	-	-	-	-
Creditors	30.56	-	-	-	-	-
Loan & Advances Given	106.82	126.29	-	-	-	-
Trust		7.14	-	-	-	-
Acquisition of process know how		-	-	-	-	-
Purchases		(19.82)	-	-	-	-
Share Application Money		-	-	-	-	-
Brokerage		-	-	-	-	-
Deposits		-	17.25	4.00	56.95	51.50
Receivable on account of assets sold	7.09					
Money received against share Warrant			425.00			

Notes to Consolidated Financial Statement for the year ended March 31, 2012
34. Deferred Taxation:

IN THE CASE OF COMPANY:

(₹ in Lacs)

Particulars	March 31,2012	March 31,2011
Deferred Tax Liability		
Bad and Doubtful Debts	(16.13)	(27.48)
Product Development Expenses	22.20	21.62
Difference between WDV of fixed assets as per the	1091.64	1067.20
Total (a)	1097.71	1061.34
Deferred Tax Assets		
Unabsorbed losses and Depreciation	-	-
Disallowances u/s 40 (a)(ia)	-	0.39
Disallowances u/s 43 B	11.86	9.47
VRS Expenses u/s 35DDA	7.67	10.47
Provision for Gratuity liability	(14.20)	(6.93)
Total (b)		13.40
Net Deferred Tax Liabilities (a)-(b)	1092.20	1047.94

IN THE CASE OF INDIAN SUBSIDIARY:

(₹ in Lacs)

Particulars	March 31,2012	March 31,2011
Difference between book depreciation and tax depreciation	76.52	50.57
Unabsorbed losses and depreciation	-	-
Expenses allowed under tax on payment basis	(0.84)	(1.19)
Total Deferred tax Liabilities/(Assets)	75.68	49.37

IN THE CASE OF 20 MICRONS SDN (FOREIGN SUBSIDIARY):

(₹ in Lacs)

Particulars	March 31,2012	March 31,2011
Deferred tax assets:		
Unabsorbed tax loss	-	-
Deferred tax liabilities:		
Plant & Equipment-Capital allowance	(0.13)	(0.12)
Total	(0.13)	(0.12)

35. Calculation of earning per share:

Calculation of Basic and Diluted earnings per share:

Particulars	March 31,2012	March 31,2011
Profit attributable to Shareholders (₹ in Lacs)	1103.65	649.19
Weighted average no. of Equity shares outstanding during the year	1,43,31,028	1,43,31,028
Nominal Value of Equity Shares (₹)	10/-	10/-
Basic & Diluted earning per share (₹)	7.70/-	4.53

36. Forward Contracts

IN THE CASE OF COMPANY

- A) The Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Company's overall strategy. The Company does not use forward covers for speculative purposes.

Notes to Consolidated Financial Statement for the year ended March 31, 2012

- B) Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.
- C) The outstanding forward contracts as at March 31, 2012 is ₹ 4859.04 Lacs (Previous Year ₹ Rs 1564.94 Lacs) in respect of hedging currency related risk excluding forward contracts as mention in note no.30.
37. The Group operates only in one business segment i.e. Industrial Minerals. In view of this, no separate Disclosure is required under AS -17.
38. Events after the Balance Sheet date

The shareholders in the Extra-ordinary general meeting held on April 23, 2012 approved the allotment of 15,00,000 warrants on a preferential basis to promoters and other investors as specified in the notice of the Extra-Ordinary General Meeting issued by the Company on March 23, 2012. The terms and conditions of the allotment are:

- a) Each warrant is convertible into 1 (one) Equity Share of the Company of the face value of ₹ 10/- each at a premium of ₹ 80/- per share. Each warrant being priced at ₹ 90/- per share.
- b) The warrants shall be allotted within a period of 15 days from the date of passing of the resolutions by the shareholders or within 15 days from the date of approval of regulatory authority, whichever is later.
- c) The warrant shall be compulsorily convertible (at the option of the Warrant Holder) at any time within a period of 18 months from the date of allotment of warrants, after the expiry of which the said warrants shall stand lapsed.
- d) The warrant per se, shall not carry any voting rights with them.
- e) The Warrant holder(s) shall, on or before the date of allotment of warrants, pay an amount equivalent to 25% of the total consideration viz. ₹ 22.50/- per warrant and balance consideration of ₹ 67.50 per warrant to be paid on or before the date of the conversion of the warrants in to Equity Shares.

The Company has received ₹ 515.00 Lacs from proposed allottees, being part consideration against issued of warrant. Pending the in principal approval from stock exchanges with regards to allotment of warrants, the Company has not allotted warrants against the advance money received as at the Balance Sheet date.

39. Till the year ended March 31, 2011, the company prepared and presented the financial statements pursuant to the requirements of the erstwhile Schedule VI to the Companies Act, 1956. During the year ended March 31, 2012, the Revised Schedule VI notified under Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our audit report of even date attached

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

For and on behalf of Board of Directors

(G. R. Parmar)
Partner
M. No. 121462
Waghodia, Vadodara
May 28, 2012

(C. S. Parikh)
Chairman and
Managing Director
Waghodia, Vadodara
May 28, 2012

(Rajesh Parikh)
Managing
Director

(N. J. Savaliya)
Secretary

(P. M. Shah)
Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY FOR THE YEAR ENDED 31ST MARCH, 2012**

1. Name of the Subsidiary Company : 20 Microns SDN BHD.
20 Microns Nano Minerals Ltd.
20 Microns FZE
2. The Financial Year of the Subsidiaries Company ended on : 31st March, 2012
3. Number of Equity Shares held by 20 Microns Ltd. in the Subsidiaries as at the end of the financial year of the subsidiaries.
 - 20 Microns Sdn.Bhd. : 360000 Ordinary shares of RM 1.00 Fully Paid
 - 20 Microns Nano Minerals Ltd. : 6000000 Ordinary shares of ` .10/- Fully Paid.
 - 20 Microns FZE : 1 share of 1,50,000/ AED

Extent of Interest of 20 Microns Ltd. :
in the capital of the Subsidiaries at the
of the financial year of the Subsidiaries.

20 Microns SDN.BHD.	:	99.99%
20 Microns Nano Minerals Ltd.	:	99.17%
20 Microns FZE	:	100.00%

4. Net aggregate of the Subsidiaries Company 's Profit / (Loss) not dealt with in the Company 's Accounts.

a) For the Subsidiary Company 's :
financial year ended on 31st
March, 2012.

➤ 20 Microns SDN BHD	:	Profit Rs. 31.26 Lacs
➤ 20 Microns Nano Minerals Ltd.	:	Profit Rs. 30.16 Lacs
20 Microns FZE	:	Profit Rs. 251.91 Lacs

a) For the Subsidiary Company 's :
previous financial years since
it became the Holding Company 's
Subsidiaries.

➤ 20 Microns SDN.BHD.	:	Loss Rs. 21.03 Lacs
➤ 20 Microns Nano Minerals Ltd.	:	Profit Rs 78.62 Lacs

5. Net aggregate amount of the Subsidiaries :
Profit / (Loss) dealt with in the
Company's Accounts.

- A. For the Subsidiaries Company 's : NIL
financial year ended on 31st
March, 2012.
- B. For the Subsidiaries Company 's : NIL
previous financial years since
it became the Holding Company 's
Subsidiaries.

C.S.Parikh
Chairman &
Managing Director

Rajesh Parikh
Managing
Director

Nikunj Savaliya
Secretary

P. M. Shah
Director

Place:- Waghodia
Date : May 28,2012

20 MICRONS[™]
L I M I T E D

Regd. Office: 9/10, GIDC Industrial Estate, Waghodia, Dist. Vadodara. Gujarat. India

: ATTENDENCE SLIP:

Folio No. :
DP ID / Client ID :
No. of Share held :

I/We hereby certify that I/We am/are a registered Member/Proxy for the registered Member of the Company and hereby record my/our presence at the 25th Annual General Meeting of the Company held on Thursday, the 9th day of August, 2012 at 3.00 p.m. at the Conference Room at 347, GIDC Industrial Estate, WAGHODIA – 391 760. Dist.: Vadodara.

Name of the Registered Holder/Proxy (IN BLOCK LETTERS)	Signature of the Registered Holder/Proxy

NOTE: Please fill up this attendance slip and hand it over at the entrance of the Meeting hall. Members are requested to bring their copy of Annual Report at the Meeting.

20 MICRONS[™]
L I M I T E D

Regd. Office : 9/10, GIDC Industrial Estate, Waghodia, Dist. Vadodara. Gujarat. India

:PROXY:

Folio No. :
DP ID / Client ID :
No. of Share held :

I/We _____ of _____ in the District of _____ being a Member(s) of 20 Microns Limited, hereby appoint :

_____ of _____ in the District of _____ failing him/her,

_____ of _____ in the District of _____ failing him/her,

as my/our Proxy to vote for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Thursday, the 9th day of August, 2012 at 3.00 p.m. and at any adjournment(s) thereof.

**Affix Re. 1
Revenue
Stamp**

Signed this ____ day of _____, 2012

Signature

NOTE: This Proxy form, in order to be effective, should be duly stamped, completely signed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.



CORPORATE OFFICE:

134 - 135, Hindustan Kohinoor Ind. Complex,
L.B.S. Marg, Vikhroli (West), Mumbai 400 083, India.
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Fax: +91-22-2577 1333 / 1325 / 1350

WORKS:

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Waghodia 391 760, Dist Vadodara, Gujarat, India.
Phone: +91-2668-292290, Fax: +91-2668-262447

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