

20 MICRONS[®]
L I M I T E D

30th
Annual report
2016-17





Construction Chemicals & Ayurvedic Medicines

Board of Directors (as on 25.05.2017)

Mr. Chandresh S. Parikh

Executive Chairman

Mr. Rajesh C. Parikh

CEO & Managing Director

Mr. Atul C. Parikh

Managing Director

Mr. Sudhir R. Parikh

Director

(upto 04.05.2017)

Mrs. Sejal R. Parikh

Director

(w.e.f. 04.05.2017)

Mr. Ramkisan A. Devidayal

Independent Director

Mr. Pravinchandra M. Shah

Independent Director

Mr. Atul H. Patel

Independent Director

Mrs. Darsha Kikani

Independent Director

(upto 04.05.2017)

Mr. Ajay I. Ranka

Independent Director

Chief Financial Officer

Mr. Narendra R. Patel

Company Secretary

Mrs. Anuja K. Muley

Audit Committee

Mr. Ramkisan A. Devidayal - Chairman

Mr. Pravinchandra M. Shah

Mr. Atul H. Patel

Nomination & Remuneration Committee

Mr. Pravinchandra M. Shah - Chairman

Mr. Chandresh S. Parikh

Mr. Ramkisan A. Devidayal

Mr. Atul H. Patel

Stakeholders' Relationship and Share Transfer Committee

Mr. Pravinchandra M. Shah - Chairman

Mr. Rajesh C. Parikh

Mr. Sudhir R. Parikh [upto 04.05.2017]

Mr. Atul C. Parikh [w.e.f. 25.05.2017]

Mr. Ramkisan A. Devidayal

CSR Committee

Mr. Chandresh C. Parikh - Chairman

Mr. Pravinchandra M. Shah

Mr. Sudhir R. Parikh [upto 04.05.2017]

Mrs. Sejal R. Parikh [w.e.f. 25.05.2017]

Statutory Auditors

Manubhai & Shah LLP, Ahmedabad

Bankers

State Bank of India

IDBI Bank Limited

Registered Office

9/10, GIDC Industrial Estate,

Waghodia - Dist. Vadodara - 391760

Gujarat, India

Tel : +91 2668 292297

Fax : +91 2668 264003

E-Mail : investors@20microns.com

Corporate Office

134-135, Hindustan Kohinoor Industrial Estate,

L. B. S. Marg, Vikhroli (W),

Mumbai, India

Tele : +91 22 25771325

Fax : +91 22 25771333

E-Mail : corporate@20microns.com

Registrar and Share Transfer Agents

CAMEO CORPORATE SERVICES LIMITED

"Subramanian Building",

No. 1, Club House Road,

Chennai-600 002

Tel : 044-28460390-95

E-Mail : narasimhan@cameoindia.com

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

CIN : L99999GJ1987PLC009768

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Chairman's Statement

Dear Shareholders,

I warmly welcome you all in this august gathering to review the annual performance of the fiscal 2016-17.

The Industrial Minerals sector has always been considered as an important segment for the Indian economy. The mining sector has been reeling for few years now, under a lethal mix of high borrowing costs on one hand and environmental and regulatory policy paralysis on the part of the government on the other hand. But with the government in place, by bringing reforms in the mining industry, the hope has revived in the industry to bring in some major growth oriented mining and mineral development policy reforms in the next few years which should boost this industry to the next level. With global economic activity now picking up steam after a long-awaited cyclical recovery in investment, manufacturing and trade, the world growth is expected to rise from 3.1 percent in 2016 to over 3.5 percent in 2017 and 3.6% in 2018.

2016-17 passed by, witnessed a major setback in terms of changes in mining regulations and restrictions imposed especially by Rajasthan government disallowing mines operating without Environmental Clearance (EC) Licenses leading to closure of many mines and causing price

escalations and demand supply gap. Provisional clearances were offered on conditional basis for certain minerals and clarity was very ambiguous about the actions taken and the expectations. About 500 mines are covered under the Act of 22/3 and are awaiting the scrapping of this Act by Mining Department which is very uncertain at this point of time. Side-by-side, royalties have also increased in Gujarat, Rajasthan and Andhra Pradesh creating dis-satisfied conditions in raw material procurement. But overall the impact has been quite positive to restrict illegal mining by the government and creating a safe and sustainable environment for people working at the mines.

A few minor changes in the mining scenario for leasing and auction of mines have been brought into notice by the Central government. Apart from that, not many significant changes have been noticed or realized in the Industrial Minerals industry that the Company operates in. This industry still predominantly functions in an unorganized way wherein a limited players are trying to get their act through and shift their focus in an organized way segmenting them in the category in which 20 Microns operates since more than few decades. India has always been a self sufficient nation with well endowed natural mineral resources in the league of larger nations

of USA, Europe, and China. This industry falling under the larger Minerals & Mining sector is a significant contributor to India's GDP growth which is currently on the decline.

Much greater emphasis is required on development of mineral deposits by way of prospecting and zero-waste mining in which directions the Company plans to work-out and implement. Indian government does not formally define mining as a core industrial activity. Rather it is viewed as more often as an ancillary raw material industry. The mining legislation always gave accent to regulation which emphasized management of the mines rather than on exploration and development.

The future should therefore usher in an era of mineral development with socio-economic development as the focus. A significant amount of mineral potential still lying untapped could contribute enormously to the country's GDP if the challenges are overshadowed by a high flow of FDI in this sector.

The mining industry in India has however started to shape the future directions of this engagement towards an inclusive agenda for improving livelihoods of the local populace, bringing in much needed investment, job, wealth creation and government revenues.

The future therefore now lies on deployment of latest technologies as well as interpretation of geological data to its best advantage for opening up of new mines. As mineral exploration is a key to attracting investment in the mining sector, separate legislation and procedure for grant of prospecting/exploration licenses is required.

India has seen probably the best exports in terms of Minerals because of the low ocean freight coupled with increased demand and availability

of materials. In value terms, Export to Africa and Middle East has held up the best. However export sales of 20 Microns product sales has increased 24% over last year. Mineral export from India is growing up sharply over few years. Minerals like Talc, Feldspar has seen tremendous growth.

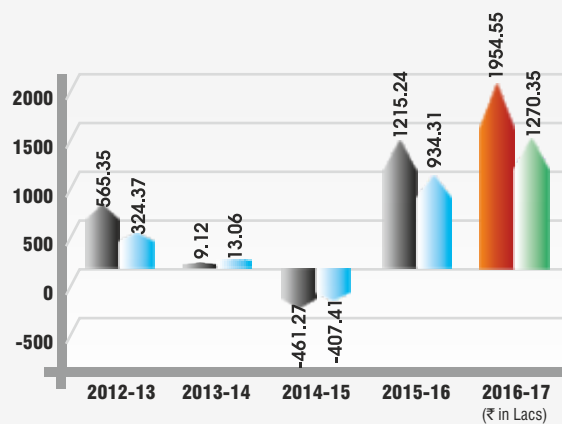
2016-17 was quite challenging in itself due to the overall slowdown in the industrial segment as well as in the retail market especially in the second half of the year due to historical decision of de-monitisation, and despite in such a sluggish scenario, Company's major Divisions - VAD and CNC - were able to manage the growth over the previous financial year. It's also remarkable to note that our growth pace has been consistently maintained strong EBIDTA or bottom line growth compared to the last fiscal despite critical market scenario and even in the commodities segment, we have introduced various premium products which have given them substantial cost benefits in their product formulation.

While concluding, Our Will to Win Team 20 has sustained across cycles and I am confident that it will serve us well ahead at this time of great optimism. I am grateful to them for their sustained efforts in making 20 Microns a leading Nano & Miconised Minerals company in the world. I would also like to thank all our stakeholders, Board, Bankers and the Government for the support and assistance provided throughout our journey. I solicit your continued cooperation as has always been with 20 Microns.

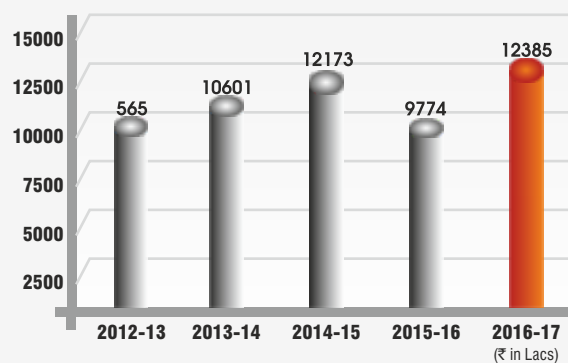
Thank you all,

Chandresh S. Parikh
Executive Chairman

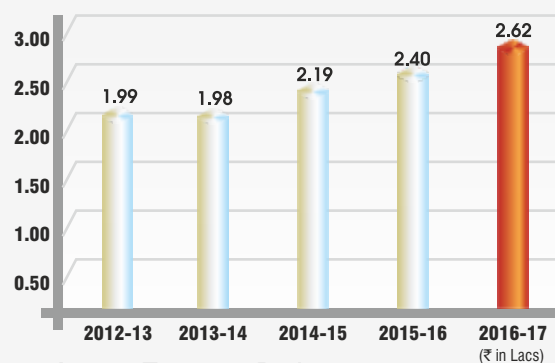
Performance INDICATORS (STANDALONE)



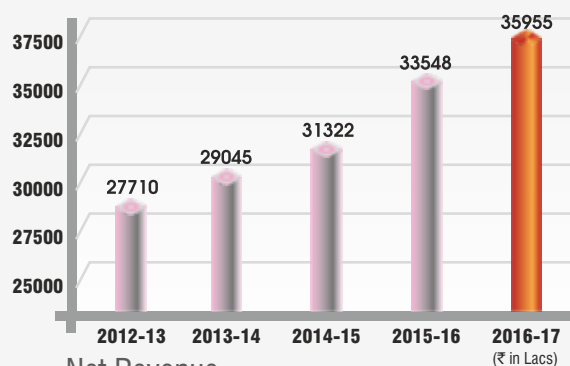
Profit Before Tax & Profit After Tax



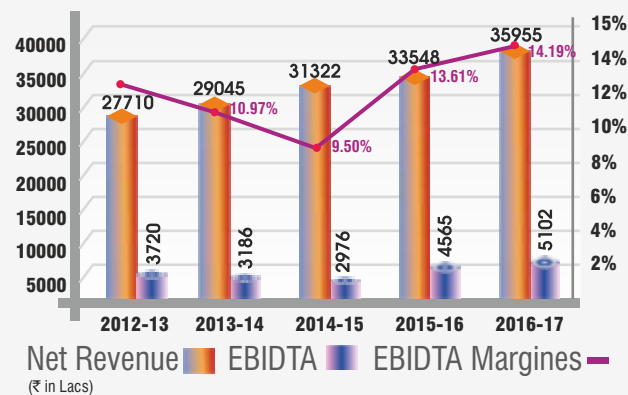
Market Capitalisation



Assets Turnover Ratio (Excluding CWIP)



Net Revenue



Net Revenue EBITDA EBITDA Margines
(₹ in Lacs)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the Shareholders of **20 Microns Limited** will be held on Friday, the 22nd day of September, 2017 at 03.00 p.m. at the Conference Room at 347, GIDC Industrial Estate, WAGHODIA – 391 760. Dist.: Vadodara, to transact the following business:

ORDINARY BUSINESS

1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and the Audited Profit and Loss Account of the Company for the year ended 31st March, 2017 together with Directors' Report and Auditors' Report thereon.

2 To appoint a Director in place of Mr. Rajesh C. Parikh (DIN 00041610), who retires by rotation and being eligible, offers himself for re-appointment.

3 Appointment of Statutory Auditors

To appoint auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of fifth consecutive Annual General Meeting and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of Audit Committee of the Board of Director, J.H. Mehta & Co, Chartered Accountants, Ahmedabad, (FRN : 106227W) be and is hereby appointed as Statutory Auditors of the Company in place of retiring Auditors Manubhai & Shah LLP, Chartered Accountants, Ahmedabad, (FRN : 106041W) to hold office of the Statutory Auditors for 5 years till conclusion of the sixth Annual General Meeting subject to ratification of appointment by the shareholders at every Annual General Meeting held after this Annual General Meeting, on such remuneration as may be fixed by the Board of Directors of the Company."

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution"

SPECIAL BUSINESS

4 Ratification of remuneration of Cost Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the Financial Year ending 31st March, 2018 to M/s. Y.S. Thaker & Co.,

Cost Accountants having Firm Registration No. 000318 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2017-18, amounting to Rs. 75,000/- (Rupees Seventy Five Thousand Only) as also the payment of tax applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

5 Regularization of Additional Director, Mrs. Sejal Rajesh Parikh

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

"RESOLVED THAT pursuant to Sections 160 & 161 of the Companies Act, 2013 and any other applicable provisions if any, Mrs. Sejal Rajesh Parikh (DIN 00140489), who was appointed as an Additional Director on May 04, 2017 be and is hereby appointed as a Non-Executive Non-Independent Director of the Company who is liable to retire by rotation.

RESOLVED FURTHER THAT the Executive Chairman, the CFO and the Company Secretary of the Company, be and are hereby severally authorised to file relevant forms with the Registrar of companies, Gujarat, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment"

6 Approval to Related Party Transactions

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

"RESOLVED THAT in terms of the provisions of Section 188 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (including any statutory modification or re-enactment thereof for the time being in force), the proposed Related Party Transactions by the Company with related parties [the details of which have also been given in the Explanatory Statement annexed hereto] for the period from 01st October, 2017 to 31st March, 2018 and from 01st April, 2018 to 31st March, 2019, be and the same are hereby approved and that the Audit Committee and/or Board of Directors be and is hereby authorized, to do all such acts, deeds, matters and things as may be necessary, expedient and required to implement this resolution."

7 Adoption of New Set of Articles of Association

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

contained in the existing Articles of Association of the Company with immediate effect.

“RESOLVED FURTHER THAT the Executive Chairman, the CFO and the Company Secretary be and are hereby severally authorised to do all such acts, deeds and actions as may be necessary, proper or expedient to give effect to this resolution.”

8 Revision in the Rates of Interest of Unsecured Fixed Deposits being accepted by the Company

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

“RESOLVED THAT in terms of the provisions of the Companies Act, 2013 read with Companies [Acceptance of Deposits] Rules, 2014 as may be amended from time to time and the Fixed Deposit Scheme approved by the Shareholders of the Company in their General Meetings held on 24.05.2014 and 23.09.2016, keeping all the terms and conditions of the acceptance of unsecured fixed deposits un-changed, consent of the Company be and is hereby accorded to reduce the rates of interest @ 0.50% on the unsecured fixed deposits being accepted by the Company from its Shareholders, the details of which are given in the explanatory statement annexed hereto, be and the same is hereby approved.’

RESOLVED FURTHER THAT pursuant to the provision of Section 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, approval be and is hereby accorded to accept unsecured fixed deposits from the public subject to Networth of One Hundred Crores and/or Turnover of Five Hundred Crores of the company to consider the Unsecured Fixed Deposits Schemes as modified to that extent.’

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to make revision in rate of interest of unsecured fixed deposits from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized and empowered to do all acts, deeds, matters and things to give effect to the above resolution.

9 Payment of Commission to Mr. Ramkisan Devidayal, the Non-Executive Director

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

RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being on force] consent of the Company be and is hereby accorded to the payment of Commission not exceeding Rs. 3,50,000/- [Rupees Three Lakh Fifty Thousand only] to Mr. Ramkisan Devidayal, the Non – Executive Independent Director of the Company [other than the Managing Directors and/or Whole-time Directors] during the financial year 2017-18 which shall be within the overall maximum limits 1% [one percent] of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the above commission shall be in addition to fee payable to such Directors for attending the meetings of Board and/or Committee of Directors thereof or for any other purposes whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation at the Board and other meetings.

10 Payment of Commission to Mr. Atul Patel, the Non-Executive Director

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

RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being on force] consent of the Company be and is hereby accorded to the payment of Commission not exceeding Rs. 1,50,000/- [Rupees One Lakh Fifty Thousand only] to Mr. Atul Patel, the Non – Executive Independent Director of the Company [other than the Managing Directors and/or Whole-time Directors] during the financial year 2017-18 which shall be within the overall maximum limits 1% [one percent] of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the above commission shall be in addition to fee payable to such Directors for attending the meetings of Board and/or Committee of Directors thereof or for any other purposes whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation at the Board and other meetings.

11 Payment of Commission to Mr. Pravinchandra M. Shah, the Non-Executive Director

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

RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being on force] consent of the Company be and is hereby accorded to the payment of Commission not exceeding Rs. 1,00,000/- [Rupees One Lakh only] to Mr. Pravinchandra M. Shah, the Non – Executive Independent Director of the Company [other than the Managing Directors and/or Whole-time Directors] during the financial year 2017-18 which shall be within the overall maximum limits 1% [one percent] of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the above commission shall be in addition to fee payable to such Directors for attending the meetings of Board and/or Committee of Directors thereof or for any other purposes whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation at the Board and other meetings.

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

12 Payment of Commission to Dr. Ajay Ranka, the Non-Executive Director

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

RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being on force] consent of the Company be and is hereby accorded to the payment of Commission not exceeding Rs. 1,00,000/- [Rupees One Lakh only] to Dr. Ajay Ranka, the Non – Executive Independent Director of the Company [other than the Managing Directors and/or Whole-time Directors] during the financial year 2017-18 which shall be within the overall maximum limits 1% [one percent] of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the above commission shall be in addition to fee payable to such Directors for attending the meetings of Board and/or Committee of Directors thereof or for any other purposes whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation at the Board and other meetings.

By Order of the Board of Directors

Place : Waghodia, Dist. Vadodara

Anuja K. Muley

Date : 25th May, 2017

Company Secretary

Notes:

- 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.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
- The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.**
- Members/Proxies should bring duly filled in and signed Attendance Slip sent herewith for attending the Meeting. The Members holding shares in de-materialised form are requested to bring their Client ID and DP ID for easy identification of attendance at the Meeting.
- The Registers of Members and Share Transfers shall remain closed from Friday, the 15th day of September, 2017 to Friday, the 22nd day of September, 2017 [both days inclusive].

- All the work related to share registry in terms of both - physical and electronic – are being conducted by Company's R & T Agents – M/s. Cameo Corporate Services Ltd., "Subramanian Building", No. 1, Club House Road, Chennai – 600 002. Tel: 044-28460390 – 28460395. Email ID – narasimhan@cameoindia.com. The Shareholders are requested to send their communication to the aforesaid address in future.
- The Company has appointed M/s J. J. Gandhi & Co., the Practicing Company Secretary, as a Scrutinizer for conducting the e-voting process in a transparent manner.
- In compliance with provisions of the New Companies Act, 2013 the Company is pleased to offer **e-voting facility**, for all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically.
- The Company also provides the facility for voting either through electronic voting system or ballot or polling paper at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their rights at the meeting.
- In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to ---co_secretary@20microns.com mentioning your Folio/ DP ID & Client ID.
- Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing required form.
- All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 5.00 p.m) on all working days except 2nd and 4th Saturdays and Sundays/National Holidays, upto and including the date of the Annual General Meeting of the Company.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their de-mat account. Members holding shares in physical form can submit their PAN to M/s. Cameo Corporate Services Ltd. at the address given at [6] above.

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Cameo Corporate Services Ltd, for consolidation into a single folio.
15. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/reappointment, as required in terms of SEBI's [Listing Obligations & Disclosure Requirements] Regulations, 2015 is annexed.
16. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
17. **Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.**
18. The result of voting will be announced at the Registered Office of the Company situated at 9-10, GIDC Industrial Estate, WAGHODIA – 391 760. Dist.: Vadodara, by the Chairman of the Meeting within three days from the date of Annual General meeting. The result of the voting will be communicated to the stock exchanges and will be placed on the website of the Company www.20microns.com.
19. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the company.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19th September, 2017 – 10.00 am and ends on 21st September, 2017 – 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> i.e. 20 Microns Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Item No. 4

M/s. Y.S Thaker & Co., Cost Accountants have been appointed as the Cost Auditors of the Company for the Financial Year 2017-18 by the Board of Directors of the Company at its meeting held on 25th May, 2017. The Board has fixed remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand only) exclusive of applicable tax and out-of-pocket expenses. In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as fixed by the Board of Directors shall be ratified by the members.

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

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

Item No. 5: Appointment of Mrs. Sejal Rajesh Parikh

The Board by passing Circular Resolution on 4th May, 2017, appointed Mrs. Sejal Rajesh Parikh as an additional director with effect from the date of such Circular Resolution pursuant to Section 161 of the Companies Act, 2013. Hence, she will hold office up to the date of the ensuing Annual General Meeting.

The Company has received consent in writing to act as director in Form DIR 2 and intimation in Form DIR 8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail her services as Director. Accordingly, the Board recommends the resolution Nos. 5 in relation to appointment of Mrs. Sejal Rajesh Parikh, for the approval by the shareholders of the Company.

Except Mr. Chandresh S. Parikh, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh, none of the Directors/ Key Managerial Personnel of the Company/ their relatives, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 5 of the Notice.

Item No. 6

The Members are hereby informed that in terms of the New Companies Act, 2013, the companies are required to obtain prior approval of its shareholders for the Related Party Transactions with the Associates and budgeted related party transactions to be made till Annual General Meeting to be held in 2018 -

The Related Party Transactions to be carried out From 01.10.2017 to 31.03.2018							
VALUE OF PURCHASES/SALES OF GOODS & SERVICES/ASSETS							
(₹ in Lacs)							
Sr No.	Name of Related Party	Nature of Relationship	Directors Related	Sale / purchase/of goods & services*	Lease rent paid/ receivable	Assets sale & purchase **	Donation
(1)	20 Microns Nano Minerals Ltd.	Subsidiary	Mr. Chandresh S Parikh, Mr. Rajesh C Parikh, Mr. Atil C Parikh,	240.00	346.00	50.00	-
(2)	20 Microns Foundation	Trust	Mr. Chandresh S Parikh	-	-	-	15.00

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

The Related Party Transactions to be carried out From 01.04.2018 to 31.03.2019

The Related Party Transactions to be carried out From 01.04.2018 to 31.03.2019							
VALUE OF PURCHASES/SALES OF GOODS & SERVICES/ASSETS							(₹ in Lacs)
Sr No.	Name of Related Party	Nature of Relationship	Directors Related	Sale / purchase/of goods & services*	Lease rent paid/ receivable	Assets sale & purchase **	Donation
(1)	20 Microns Nano Minerals Ltd.	Subsidiary	Mr. Chandresh S Parikh, Mr. Rajesh C Parikh, Mr. Atil C Parikh,	480.00	572.00	100.00	-
(2)	20 Microns Foundation	Trust	Mr. Chandresh S Parikh	-	-	-	25.00

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

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

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

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

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

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

C. In case of Purchase/Sale of Land/Buildings and other Fixed Assets, the Value will be determined based on the prevailing Market Value of the Asset proposed to be sold/purchased at the time of sale/purchase.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 6 of the Notice.

Your Directors commend the resolution at Item No. 6 for your approval and acceptance.

Item : 7 Adoption of New Set of Articles of Association

20 Microns Limited was incorporated as 20 Microns Private Limited on 29th June, 1987 under the provisions of the Companies Act, 1956.

The existing Articles of Association ("AOA") was based on the Companies Act, 1956 and several clauses / regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and which are no longer in force.

The Existing regulations of the Articles of Association are replaced by the new set of regulations and adopted as new set of Articles of Association as per the requirements of Table F of First Schedule in the Companies Act, 2013. The modification in Articles of association is carried out to give effect to provisions of the Companies Act, 2013.

Consent of the shareholders by way of a Special Resolution is required in this regard. The entire set of proposed articles of association is available on the website of the company.

The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the registered office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution.

Item : 8 Revision in the rate of interest on Unsecured Fixed Deposits

The Company has been paying interest on the unsecured fixed deposits much more than being offered by the Banks and that the Banks have reduced the rates as such to the tune of about 1% to 1.5% in last 2 – 3 years. In view of the above besides with a view to curb the finance costs, it was decided by the Board of Directors of the Company in its meeting held on 25.05.2017 to reduce 0.50% of rate of interest in all the schemes of the unsecured fixed deposits being accepted by the Company from its Shareholders as under:

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

SCHEME - A					
Monthly Income Plan - Interest payable Monthly					
Period	Minimum	Existing ROI p.a.		Proposed ROI p.a.	
Months	Deposit Rs.	%	SC %	%	SC %
12	50,000	9.50	9.75	9.00	9.25
24		10.00	10.25	9.50	9.75
36		10.50	10.75	10.00	10.25

SCHEME - B					
Half Yearly Income Plan - Interest payable Half yearly					
Period	Minimum	Existing ROI p.a.		Proposed ROI p.a.	
Months	Deposit Rs.	%	SC %	%	SC %
12	25,000	10.00	10.25	9.50	9.75
24		10.50	10.75	10.00	10.25
36		11.00	11.25	10.50	10.75

SCHEME - C					
Cumulative Deposit Plan - Interest Compounded Half yearly					
Period	Minimum	Existing Yield		Proposed Yield	
Months	Deposit Rs.	%	SC %	%	SC %
12	25,000	10.25	10.51	9.73	9.99
24		11.36	11.65	10.78	11.07
36		12.63	12.96	11.98	12.30

Pursuant to the provisions of Companies Act, 2013 and Rules made thereunder, the company having Networth of Rs. 100 Crs and/or Turnover of Rs. 500 Crs can accept deposits from Public. Accordingly, the Company can accept deposits from Public on achieving aforementioned Networth/Turnover.

In terms of the provisions of the Companies Act, 2013 and Companies [Acceptance of Deposits] Rules, 2014 and the relevant Notifications/Circulars/Rules etc., the Company is required to obtain approval of its Shareholders to the above proposal for reduction of rate of interest and to accept deposits from Public, being accepted by the Company and therefore, the Special Resolution at item no. 8 is recommended for your approval.

None of the Directors, Key Managerial Personnel or relative of Director or Key Managerial Personnel, of the Company is concerned or interested in passing of the Special Resolution at item 8 of the Notice.

Item Nos. 9 to 12: Commission to Non-Executive Directors of the Company

The Board of Directors, in its meeting held on 25.05.2017, in terms of the recommendations of Nomination & Remuneration Committee of Directors vide its respective resolutions passed on 20.05.2017, have approved payment of Commission to the Non – Executive Independent Directors, subject to the approval of the Shareholders.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 and taking into consideration the roles and responsibilities of the Directors, it is proposed that the Non – Executive Independent Directors other than the Managing and Whole-time Directors, be paid during the financial year 2017-18, the commission not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. This commission will be distributed amongst all the Non – Executive Independent Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013.

The above commission shall be in addition to the fee payable to the Directors for attending the meetings of the Board and/or Committee thereof or for any other purposes whatsoever as may be decided by the Board of Directors and re-imbursement of expenses for participation in the Board and other meetings.

Accordingly approval of the Shareholders is sought by way of respective Special Resolutions under the applicable provisions of the Companies Act, 2013 and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, for payment of Commission to the Non – Executive Independent Directors of the Company other than the Managing and Whole-time Directors, during the financial year 2017-18, as set out in the Special Resolutions at items 9 to 12 of the Notice.

The Board recommends the Special Resolutions at items 9 to 12 of the Notice for approval by the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

The Directors, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise in the special resolutions at item 9 to 12 of the Notice except Mr. Ramkisan Devidayal, Mr. Atul Patel, Mr. Pravinchandra M. Shah and Dr. Ajay Ranka, the Non – Executive Independent Directors of the Company who may be deemed to be concerned or interested in the respective special resolutions as set out at items 9 to 12 of the Notice to the extent of the remuneration that may be received by each of them.

Details of the proposed Commission to the Non – Executive Independent Directors as are under :

Notice Item No.	Name	Amount of Commission not exceeding ₹ Per annum	Financial Year	No. Share Held	Inter-se Relationship, if any
9	Mr. Ramkisan Devidayal	₹ 3,50,000/-	2017-18	1,20,000 [0.34%]	No Inter-se Relationship
10	Mr. Atul Patel	₹ 1,50,000/-	2017-18	2,00,000 [0.57%]	No Inter-se Relationship
11	Mr. Pravinchandra M. Shah	₹ 1,00,000/-	2017-18	21,500 [0.06%]	No Inter-se Relationship
12	Dr. Ajay Ranka	₹ 1,00,000/-	2017-18	----	No Inter-se Relationship

By Order of the Board of Directors
For 20 Microns Ltd.,

Place : Waghodia, Dist. Vadodara

Date : 25th May, 2017

Anuja K. Muley
Company Secretary

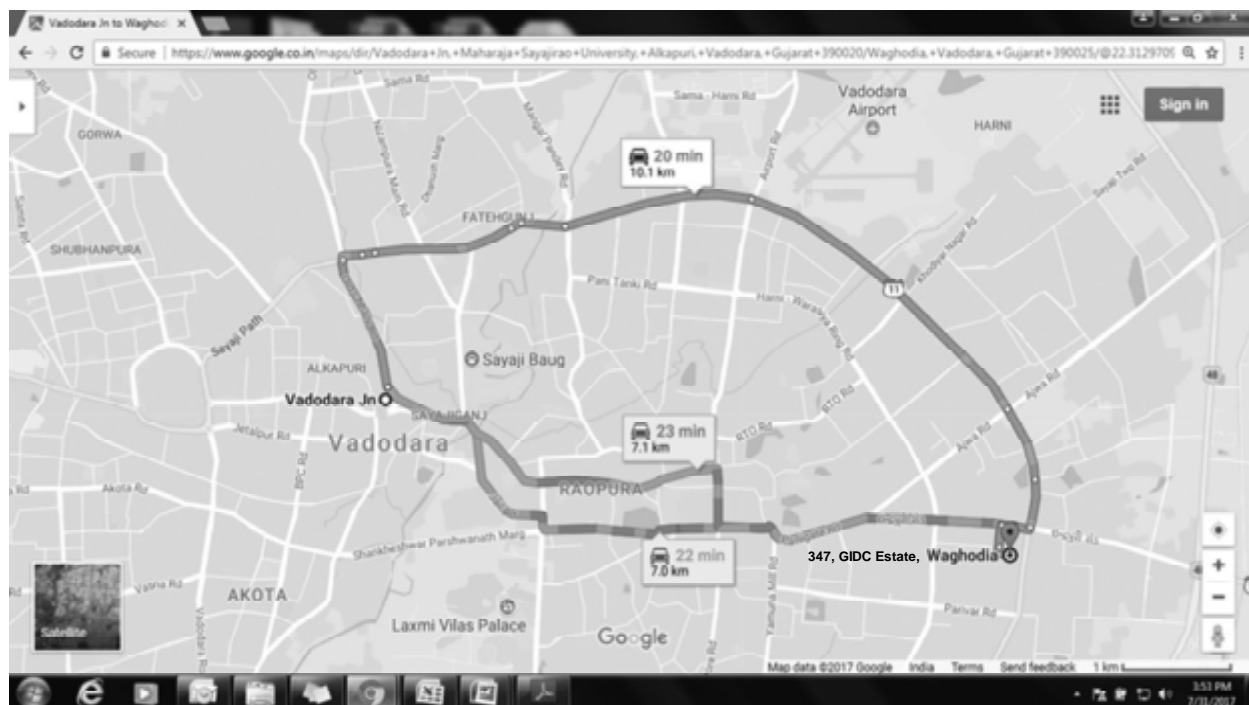
NOTICE OF ANNUAL GENERAL MEETING [Contd.]

ANNEXURE TO ITEMS 2 & 5 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [in pursuance of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015]

Name of the Director	Mr. Rajesh Chandresh Parikh	Mrs. Sejal Rajesh Parikh
Director Identification Number	00041610	00140489
Date of Birth	28/12/1971	27/03/1973
Nationality	Indian	Indian
Date of appointment on the Board	02/07/1998	04/05/2017
Qualification	B.E. [Mech.] & MBA (Finance)	B.E. [Production] & PGDBA
Expertise in specific functional area	Marketing & Business Development of Products	Manufacturing & Marketing of Products
No of shares held in the company	16,59,956 equity shares of ₹ 5/- each	NIL
Relation inter-se	Mr. Chanresh S. Parikh, Executive Chairman Mr. Atil C. Parikh, Managing Director Mrs. Sejal R. Parikh, Non Executive Director	Mr. Chandresh S. Parikh – Executive Chairman Mr. Rajesh C. Parikh – CEO & Managing Director Mr. Atil C. Parikh – Managing Director
List of directorships held in other companies	20 Microns Nano Minerals Limited	NIL
Chairman/Member in the Committees of the Boards of listed companies in which he/she is a Director	Stakeholder Relationship & Share Transfer Committee - Member	CSR Committee – Member

Route Map of AGM Venue



BOARD'S REPORT

Dear Members,

The Directors have pleasure to present their 30th Annual Report and the Audited Annual Accounts for the year ended 31st March, 2017.

Financial Results

The Company's financial performance for the year ended 31st March, 2017 is summarized below:

	[₹ in Lacs]	
Particulars	2016-17	2015-16
Total Revenue	37248.43	34855.26
Profit before Depreciation, Interest and Tax (PBDITA)	5101.65	4564.60
Interest for the year	2246.42	2417.88
Depreciation for the year	900.68	931.48
Profit/(Loss) before tax and Exceptional items	1954.55	1215.24
Exceptional items	-	-
Profit/(loss) for the year	1954.55	1215.24
Tax liability :-		
Current Year's Tax	401.55	270.00
MAT Credit	-401.55	-270.00
Deferred Tax Liability/(Asset)	684.20	91.78
Prior period Tax Adjustment	-	189.15
Net Profit/(Loss) for the year	1270.35	934.31

State of Company's Affairs

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

It may be re-called as stated inter-alia in the last year's report that strong requests and representations were made to the bank to re-classify account of the Company as the Standard Asset as soon as possible although IDBI Bank continued to classify the account as Standard Asset.

Your Directors are pleased to inform you that the status of the Company has been restored as the Standard Assets, w.e.f. 06.10.2016 which was identified earlier as NPA by the Lead Bankers of the Company – State Bank of India, due to its technical reasons only and not the non – performing by the Company.

- Your Company had entered into an arrangement of sales, marketing and distribution of the products with Ascom Carbonate & Chemicals Manufacturing, EGYPT [ASCOM] [Supplier] since 2009 viz. Ground Calcium Carbonate. The Company had outstanding dues amounting to USD 8,36,166 payable to ASCOM since 2014 due to unresolved issues like ASCOM's shortfall in material dispatch, default in payment of cost & freight to shipper, detention charges, default towards issuance of telex/bill of lading etc, and ASCOM was conveyed to have a joint meeting to sort out the issue of outstanding and carry out reconciliation for the same, but there was no positive and concrete response from ASCOM ever. In view of this fact, the Company had filed a Civil Suit at the Hon'ble District Court at Vadodara in December, 2015 for the recourse of arriving at a common outstanding amount by way of reconciliation jointly. On the other hands, the Company received the Notice from the Hon'ble High Court, Gujarat intimating

that ASCOM had filed a winding-up petition against the Company. Your company has filed its reply with Hon'ble High Court. The Company has alternative arrangements for procurement of material, therefore do not have any impact on the business of the Company.

- The Company received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch. The aforesaid Department has levied penalty of ₹ 4.19 Crs and your Company filed an appeal/legal course against the order of the Geology and Mining Department as the company has carried out mining as per the approved mine plan. Subsequently, the appellate authority, vide its order dated 17th September, 2016 has given Interim Stay against the aforesaid order issued by Geologist, Bhuj and further ordered to resume mining activity.

Net Worth of the Company is increased to ₹ 9672.10 Lacs as on 31st March, 2017 as compared to ₹ 8401.75 Lacs as on 31st March, 2016.

Reclassification of Promoters/Promoters' Group

During the Year, Mr. Rameshbhai B. Patel, Promoter and Ms. Rupal Ashish Pathak, Ms. Alpa Chetan Turakhia and Ms. Shilpa Chetan Mehta, belonging to the Promoters' Group of the company were re-classified in Public Category. BSE and NSE vide their letters dated 07th March, 2017 and 15th March, 2017 respectively approved such Reclassification of Promoters/Promoters' Group to Public Category.

Dividend

To conserve the resources, your Directors have not recommended dividend during the year under consideration.

BOARD'S REPORT [Contd.]

Investors Education and Protection Fund

During the year no fund has been transferred to the Investors Education & Protection Fund.

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

There have been no material changes and commitments affecting financial position between the end of the Fiscal Year and the date of the report

Management Discussions and Analysis

Analysis of sector-wise performance of the Company for the fiscal year 2016-17 and future outlook are given hereunder. The outlook is based on the assessment of the current business scenario and Government Policies. Any deviation to the developments – future and other – may affect the variances in the outlook.

Industry Progress & Outlook

This year particularly has seen a major setback in terms of changes in mining regulations and restrictions imposed especially by Rajasthan government disallowing mining activities to mines operating without Environmental Clearance (EC) Licenses leading to closure of many mines and causing price escalations and demand supply gap. Provisional clearances were offered on conditional basis for certain minerals and clarity was very ambiguous about the actions taken and the expectations. About 500 mines are covered under the Act of 22/3 and are awaiting the scrapping of this Act by Mining Department which is very uncertain at this point of time. Simultaneously, royalties have also escalated in Gujarat, Rajasthan and Andhra Pradesh creating unfortunate conditions in raw material procurement. But overall the impact has been quite positive to restrict illegal mining by the government and creating a safe and sustainable environment for people working at the mines.

A few minor changes in the mining scenario for leasing and auction of mines have been brought into notice by the Central government. Apart from that, not many significant changes have been noticed or realized in the Industrial Minerals industry that the Company operates in. This industry still predominantly functions in an unorganized way wherein a limited players are trying to get their act through and shift their focus in an organized way segmenting them in the category in which 20 Microns operates since more than few decades. India has always been a self sufficient nation with well endowed natural mineral resources in the league of larger nations of USA, Europe, and China. This industry falling under the larger Minerals & Mining sector is a significant contributor to India's GDP growth which is currently on the decline.

The Industrial Minerals sector provides the basic raw materials to the manufacturing sector and has always been considered as an important segment for the Indian economy. The mining sector has been reeling for few years now, under a lethal mix of high borrowing costs on one hand and environmental and regulatory policy paralysis on the part of the government on the other hand. But with the new government in place, who has had a brief history of bringing

reforms in the mining industry, the hope has revived in the industry to bring in some major growth oriented mining and mineral development policy reforms in the next few years which should boost this industry to the next level.

Much greater emphasis is required on development of mineral deposits by way of prospecting and zero-waste mining. The Indian government does not formally define mining as a core industrial activity. Rather it is viewed as more often as an ancillary raw material industry. The mining legislation always gave accent to regulation which emphasized management of the mines rather than on exploration and development.

The future should therefore usher in an era of mineral development with socio-economic development as the focus. A significant amount of mineral potential still lying untapped could contribute enormously to the country's GDP if the challenges are overshadowed by a high flow of FDI in this sector.

The mining industry in India has however started to shape the future direction of this engagement towards an inclusive agenda for improving livelihoods of the local populace, bringing in much needed investment, job, wealth creation and government revenues.

The future therefore now lies on deployment of latest technologies as well as interpretation of geological data to its best advantage for opening up of new mines. As mineral exploration is a key to attracting investment in the mining sector, separate legislation and procedure for grant of prospecting/exploration licenses is required.

Product wise performance -

CNC – Coating & Construction Division

The product range for CNC division includes a varied application base with the majority share lying with Paint Industry inclusive of Architectural, Industrial and Powder Coatings and a minor share with the Allied base of industries catering to Agrochemicals, Adhesives & Sealants, Construction, Cosmetics, Printing Inks, Oil Well Drilling, Foundry, Ceramics, and many others.

The year 2016-17 was quite challenging in itself due to the overall slowdown in the industrial segment as well as in the retail market especially in the second half of the year due to historical decision of de-monitisation, and despite in such a sluggish scenario, CNC division was able to manage the growth of above 9% over the previous financial year. It is also remarkable to note that our growth pace has been consistently maintained in Major Paint Companies by providing them value added as well as import substitute products and even in the commodities segment, we have introduced various premium products which have given them substantial cost benefits in their product formulation.

The paint industry can easily grow at 15% annually over the next few years from its current size, as the per capita paint consumption in India which is a little over 4 kgs is still very low as compared to the developed western nations. Therefore, as the country develops and modernizes, the per capita paint consumption is bound to increase. Considering this scenario, Major paint companies have

BOARD'S REPORT [Contd.]

started their new lines of production during the year and also have plan to establish their newer production Units to come up with larger capacities across the country to cater the demand being generated in Tier-II & III cities, especially in the segment of Decorative Paints including exterior wall paints, interior wall paints, wood finishes and enamel and ancillary products such as primers, putties etc. Decorative paints account for over 70% of the overall paint market in India which consumes majority of the Industrial Minerals and being a premium supplier and having a close association with the market leader of the segment, we expect good volumes of business in the near future. In the recent past we have introduced speciality mineral product which will support us to get stable growth in the future too. The other side TiO₂ prices are increasing and to control the overall costing of the finished products we have an advantage of getting good volume of our high end mineral additive which replace the costly opacifiers and expecting to get double digit growth in the segment.

Reports of various institutes & conducted studies show that the corporates are hopeful for a better turnaround in the Economy and improvement in Investment Climate in the light of expected reforms in Government's Economic policies, boost up the infrastructure and housing sector as a whole which should eventually support the growth in the Paint industries along with medium & small scale paint Manufacturers by adopting the new process technologies to produce high-end product and expanding their network in all segments by accepting the new products faster which helps us to increase the volume of our specialty products.

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

The Paints & Coatings industry expects outperforming 2017-18 and we anticipate outgrowing our customers demand and by concentrating more towards the newer application with the best possibilities of a great mix of commodity and specialty Products.

VAD - Value Added Division

This was year full of challenges which were both bitter and fruitful, some were exhausting while some were rewarding, especially in the second half of the year due to historical decision of demonetisation by the Indian Government and despite in such a sluggish scenario, the encouraging part of the story was that under such adverse situation, our **VALUE ADDED DIVISION** did well and maintained a strong EBIDTA or bottom line growth compared to previous year & in such critical market situation successfully achieved the target, which itself is a commendable achievement and registered growth in all segment i.e. PVC Pipe, PVC cable, PP/MB and Paper etc.

Paper Industry

The paper industry in India is more than a century old. The Indian Paper Industry accounts for about 1.6% of the world's production of paper and paperboard. The domestic production of paper and paperboard is estimated consumption is pegged at 9.3 kg. Till now, the growth in paper industry has mirrored the growth in GDP. The Paper industry is a priority sector for foreign collaboration and 100% FDI is approved on automatic route by Reserve Bank of India. Currently, there are about 515 paper companies engaged in the manufacture of paper and paperboards and newsprint in India. Our country is almost self-sufficient in the manufacture of most varieties of paper and paperboards. But Imports of paper, paperboard and newsprint into India have been steadily increasing. In the last five years, imports have risen at a CAGR of 11.4% in value terms. The Pulp & Paper Industry has made substantial investments in the last 5 years and it is becoming very difficult to meet its financial obligation in view of significant drop in margins. if no urgent steps are taken, it is feared that many mills may face closure, there is a very serious threat of existing investments in capacities turning economically unviable.. Consequently, these export-led economies in Asia continue to target the fragile Indian market. In case of Pulp & Paper Industry, coal is being used for power generation and the increase has had a significant impact on the cost structure of the industry, which the industry is finding it difficult to absorb.

Indian paper industry to witness a CAGR of 7% over the next five years. The growth will be largely driven by printing & writing and packaging & paper board segment. The Indian paper industry can be broadly classified into three segments:

1. **Printing & writing (P&W)** : Printing and writing segment caters to office stationary, textbooks, copier papers, notebooks etc. This segment forms ~31% of domestic paper industry. Governments thrust on education through steps like Right to Education, Sarva Shiksha Abhiyan, rise in service sector are key factors contributing to the growth of this segment.
2. **Packaging & paper board** : Packaging & paper board segment caters to territory and flexible packaging purposes in industries such as FMCG, food, pharma, textiles etc. This segment forms 47% of the domestic paper industry. This is currently fastest growing segment owing to factors such as rising urbanization, increasing penetration of organized retail, higher growth in FMCG, pharmaceutical.
3. **Newsprint** : Newsprint serves the newspaper & magazines industry. This segment forms 18% of Indian paper industry. This segment is under stress due to lower growth rates and import threat.

The paper industry now widen its horizons with the help of joint ventures/long terms contractual business along with latest technological on-site / off-site WGCC plant. In Paper segment, slurry business penetration had thrown excellent potential for the business. Usually W&P paper industry in India consume Talc / Soap stone as major

BOARD'S REPORT [Contd.]

filler for their paper products mainly for writing & printing paper. From 2010 onwards & due to the closure of some TALC mines by NGT, forcing paper inductees to use Calcium carbonates instead of Talc. Due to effort of educating uses of Calcium Carbonate instead of Talc as major fillers for writing & printing paper, slowly – slowly few paper mills getting converted to use Dry Calcium Carbonate also as fillers apart from WGCC / Talc, for paper product but conversion ratio is not as fast because Calcium Carbonate price is little –bit costlier than Talc fillers. However to offset the cut in margins, the company's teams are working with the technical teams of several paper mills for using good calcium carbonate and try to reach at formulations which match their technical requirement. Our special effort is towards promoting specialty product like opacifiers, Low abrasion DGCC and WGCC in Paper application which is contributing towards the positive trend in our sales pattern and resulted into substantially more EBIDTA growth against Projection for this year.

Plastic Industry

Globally Plastics Industries most lucrative business is growing bigger by the day. Plastics –as the key material for man's progress today –will be a key beneficiary of this tremendous growth surge. India relatively low per capita consumption of plastics – currently at 9.7 kg per annum – is expected to triple over next decade as the demand for polymer is driven by growth in end use markets, such as agriculture, packaging, automotive, infrastructure, transport, rails and telecommunication mainly from emerging economies. Polymer is continuously substituting metals, glass, paper, and other traditional materials in various applications due to its lightweight and strength and the design flexibility they offer along with low-cost. Thermoplastics segment is expected to witness the highest growth over the next few years. The entire year saw a very volatile and uncertain trend for polymer processing industries forcing many industries to cut down their production activities by substantial degree. However in such adverse scenario, our company registered fair bit of success in terms of achieving targeted sales Quantity and targeted EBIDTA over to last year.

In spite of the above change in business environment, the second half of the year was too much bitter & exhausting as steep drop in the sales due to demonetisation effect coupled a catastrophic spiraling about sales drop & uncertainties in markets. Apart from this also India's custom tariff compliance to allow zero percent import duty from ASEAN countries hampered & impacted a lot to market shift.

The segments of our plastics division which consist of application like Raffia Master-batch, All type of master - batch, Vinyl Industries, PU, Epoxy and Thermo-sets plastics Processing Industries etc :

Polyolefin's & Engineering plastics's compound industries means **Master-Batch / compound application** is majorly dependent on Automotive Parts, Woven Sack and Plastic carry Bags. The market is severely affected due to the demonetization and also the restriction imposed by

government in uses pattern in the end industries as well as restriction related to environmental hazard. In such adverse situation as a matter of fact the growth in this segment got terribly affected. The segment like PVC processing industries consist of PVC pipe, PVC compound for wire and cable and other PVC processing Industries who making Sheet, film, profile, and PU Flexible Foam, SMC/ DMC, Epoxy & Electrical Insulator and others allied Industries managed positive growth. Our company focused to counter this period of uncertainties and we have formed a vigorous marketing plan and increased our strength to revive the sector with better core products from our overseas source coupled by serving them with our "**Specialty Product Range**" which is more on concept selling of **Value Added Product** which can be accumulate more bottom –line profit for this Division of Company, so products like Desiccants, Antiblocking Agents, Synthetics Barium Sulfate for colored Master- batch brilliancy & spacers application and valued added product like Opacifiers, which is partial replacement of TiO₂ in white master batch application or TiO₂ filled application. Apart from this range, severe marketing efforts were also done in processing aids such as Wax, Multifunctional Processing aid which is necessities ingredient for extrusion base Polymer processing Industries. This paradigm shifts are posing exciting challenges and favorable opportunities, which we are addressing effectively to optimally position ourselves to secure concentrated business areas where we have clear sights of more market penetration and value addition. These efforts are kept ongoing and a separate team has been formed to promote and market above products on a consistent basis. This has opened new segment with excellent prospective for the business and made us potential for projecting profitable good growth year ahead.

Rubber Application

During 2016-17, Rubber Industries growth marginally up compared to previous year due to favorable market conditions, main constraint was continued rate increase of rubber and carbon black. Our Company's Rubber division took the advantage of the market scenario. We had crossed sales targets with increased profit as compared to previous fiscal. Several new products are also being developed for the partial replacement of synthetic silica and carbon black which is widely used as filler in the segment. Also company is emphasizing to focus more on value added products like Vaporlink (product which partially replaces carbon black), Wax, Zinkomer – 100% replacement of Zinc Oxide. Rubber processing and Vaporoxol series use as desiccant which are high value products, can boost the sales turnover in coming future. This year we have developed new product viz. Flowaid which is one pack lubricant for rubber application.

As India is growing hub for Rubber Industry for automobile and other like industry and also getting quality natural rubber, Company is expecting good growth in our Rubber application. Company has increased dealer network to cater small and medium scale market.

Pharma – Herbal Division

20 Microns Pharma Division launched its Herbal – Ayurvedic Tablets viz. "Dia-B-Microns" & "Dia-B-Microns FORTE" which

BOARD'S REPORT [Contd.]

is safe and reliable herbal medicine for effective management of joint pain & helpful in sugar control. Since Dia-B-Microns is completely Herbal product, it has no side effects. This has now been penetrated majorly in the States of South & North India besides Gujarat & Maharashtra in its span of about 3 – 4 years.

A new herbal – ayurvedic medicine for Arthritis has been launched viz. "Arthritol" which is rich combination of Karela, Methi, Sunthi, Trifala and Haldi. This helps in relieving from mild and temporary pain due to exercise or normal overuse. Helpful in the treatment of Arthritis, relieves pain and inflammation and minimize joint stiffness/Swelling. Maximize joint function, retards joint tissue destruction. Also, it is better substitute for patients who are intolerant to DMARDs.

Also, we developed and launched a softgel in the combination of Flexseed oil, Garlic oil and Wheat Germ oil viz. Micronflax 369 which helps to keep our heart healthy, take control of cholesterol & Triglycerides. Also, it increase fat burning, enhance joint comfort, Boost energy/stamina and promote blood sugar balance and anti ageing capabilities also.

Construction & Chemicals Division

The Division, after having commenced its journey in 2015 continued to penetrate the construction & infrastructural markets and despite having giants in the competition, launched 3 products viz. MICRONSIL 30C & 30C+; NANOSIL & METAKRETE.

MICRONSIL 30C & 30C+ is a 3rd generation high quality and effective minerals admixture for plaster, slab and masonry work applications, suitable for surface like bricks, stone, blocks etc.

NANOSIL is a solvent free high reactive Silicone based waterproofing agent.

METAKRETE is a BIS certified minerals based product for pre-cast structures. It is thermally structured ultrafine pozzolan which replaces industry by-product such as Silicafume / Microsilica.

Strategically, the drive for awareness was targeted from the grass-root i.e. the Masonry, who are virtual operators in the construction & infrastructure fields. During the year, the Company conducted so many seminars; road shows; etc. in the big Cities like Vadodara, Surat, Vapi, Indore, Bhopal etc... and made aware about the Company's above products plus its effective benefits to the ultimate users.

Exports

Splendid Opportunities ahead for Export

India has seen probably the best exports in terms of Minerals because of the low ocean freight coupled with increased demand and availability of materials. In value terms, Export to Africa and Middle East has held up the best. However export sales of 20 Microns product has increased 24% over last year. Mineral export from India is growing up sharply over few years. Minerals like Talc, Feldspar has seen tremendous growth.

Automation and advancement in Technology has given a great acceleration to Indian resources to compete with global Giants. Year over year, it has been observed that

export opening has also increased due to US dollar appreciation against Indian Rupee which becomes incitement to exporter. Environment restriction in Europe and USA for discouraging mining has actively played a role to search resources in India. Indian mineral market will have better opening since China has also put limitations export quota for natural resources specially on Talc. But if India wants to make inroads into Europe with some specialty minerals which are surface modified then REACH compliance becomes extremely important and also expensive as the deadline for REACH registration ends in 2018.

Since most of the International players has their own manufacturing facilities in India, it becomes easy for them to source and to extend approval for their global use.

Considering contemporary standing, 20 Microns accomplished to sale their products in 56 countries across the globe. In the year 16-17, the Company has been able to encapsulate bulk business of Calcined Kaolin in Egyptian and Ethiopian markets and anticipating to initiate bulk contract in European countries for their major products which will give a very good value addition in year 2017-18. We also would like to increase sales in expanding into other application like plastics, Ceramics.

For Future development, company has started aggressive marketing activity by way of arranging technical meet and conference which will help to generate more customer base across the globe.

Company is targeting around 23% growth for year 2017-18 for export sales over last year.

Mining

Your Company has been a pioneer in White Industrial Minerals and possesses mining leases having sizable mineral reserves of 55.110 Lacs MT and 96.492 Lacs MT and the life of the mine is more than 25 years at current capacity. The reserves shown in the table below are located in the potential mineral block.

Reserves in Mining Leases

Status as on 31.03.2017

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves (₹ In Lacs)
1.	China Clay – Mines, Bhuj, Dist. Kutchh, Gujarat. Area-11.89 Hecter	22.580	3274.10
2.	Dolomite Mine, Taluka – Chhota Udepur, Dist. Vadodara, Gujarat, Area – 6.25 Hecter.	13.890	4860.75
3.	Calcite Mine, Dist. Sirohi, Rajasthan, Area – 49.25 Hecter.	8.340	5002.52
4.	Limestone Mines, Dist. Tirunelveli, Tamil Nadu, Area – 4.43 Hecter.	10.300	4635.00
	TOTAL	55.110	17772.37

BOARD'S REPORT [Contd.]

Reserves in Private Owned Land

Status as on 31.03.2017

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves (₹ In Lacs)
1.	China Clay – Mamuara Village, Bhuj, Dist. Kutchh, Gujarat. Area – 25.1455 Hecter	64.122	9297.69
2.	Bentonite Mines, Bhuj, Gujarat, Area 6.5 Hecter	32.370	5664.20
	TOTAL	96.492	14961.89

Your Company's endeavor for next five years is to make Zero Mining Waste. The processing plants will be installed to utilize all the by-products and make them saleable/marketable.

Research & Development

Innovation is the foundation upon which 20 Microns was created and is the force that drives us to achieve greater success for our company and for our customers.

Our R&D activities aim to strengthen our core businesses and to enhance our ability to more quickly develop products aligned with the demands of the market. To stay on the leading edge in our priority fields, we stimulate internal cooperation to maximize organizational resources and generate synergies. We also collaborate in joint research projects with external research facilities, at universities and other educational institutions, and at public research laboratories.

20 Microns significantly invests in a variety of research and development activities to improve product functionality identify new applications for our minerals and to enhance our processing to provide benefits for customers. All of the innovative technical work undertaken is to increase our knowledge not only on the mineral products we manufacture and supply but also to fully understand and improve customer applications.

20 Microns R&D team consists of some 25 people focusing on product and technology improvements as well as laying the groundwork for future business. We have technical specialists covering a wide range of industries including paints & coatings, polymers (plastic & rubber), paper, ceramic, construction additives, refractory & foundry, adhesive & sealants, ink, cosmetic, agrochemical, etc. Our technical specialists are active within the industry they serve keeping upto date with the technologies and raw materials required by customers.

20 Microns priorities in allocating R&D resources are paints & coatings, polymers, ceramic, paper and construction chemicals. All of the application centers focus on these fields.

Paints & Coatings

20 Microns has extensive surface coatings test facilities. In our modern laboratory we can manufacture lab scale coating

formulations and perform various critical analyses like rheology, color, opacity, sheen, scrub, crack, etc. to develop next generation minerals for our customers.

Polymer (Plastic & Rubber)

For the Polymer industry we can manufacture formulations based on various compounding technologies. Testing includes mechanical, rheological, dimensional evaluations all supported by the latest analytical techniques.

Ceramic, Construction Chemicals, Paper & Foundry

We also have a lab facility to evaluate the opportunity for new raw material in all the above mentioned application.

Innovative Products Developed during the year 2016 – 17

- LC 470 Pigment
- Dorkafil C1
- Low Oil absorption Talc
- Glowtox 50 Plus
- Micron China JBN 90
- Whitex 90
- Metakrete
- Glowtox D & DX
- Riobent EW
- Pure Micron Mica
- Low cost matting agent
- Synthetic Redoxide
- Micron China white ICC
- Micronsil 30 C
- Nanosil
- White Kaolin

Quality Control

Our Commitment to Quality

At 20 Microns Minerals, our mission is to consistently produce the highest quality products in the industrial minerals industry at all of our plants. Quality is an integral part of how we work and what we do. We have an entire team dedicated to quality, working with our Research & Development team, and directly with our plants to constantly test our incoming ores and finished products.

Each 20 Microns manufacturing site has a comprehensive quality testing laboratory where we monitor the products daily. Quality control tests performed include: physical testing, chemical testing & optical properties.

We also work in partnership with various universities, testing houses, consultants and research institutions to keep abreast of new developments in the world of minerals and the industries where they are utilised.

Human Resources

20 Microns- Employee's Second Home

20 Microns family members are working efficiently for the betterment of the company. Workplace where employees are both intrinsically satisfied and extrinsically encouraged. Employees are motivated not only by Monetary Benefits but also by providing Work-Life balance environment, Appraisal, Healthcare benefits, etc.

Employees here are always supported to improve their skills and invest in themselves. Each one here is asked for their input and which communicates respect for an individual's ideas. The strength and weakness of the employee's peers/ co-workers and the culture of the company helps to build up a clear vision to achieve common goal.

BOARD'S REPORT [Contd.]

Better physical and mental health promotes Healthy Work Environment. So keeping health in priority, company provides well equipped Fitness Center for all employees along with it Trained Staff to assist each one, Cardio and Strength training equipment, Fitness assessments, etc.

Regular Health check-ups along with nutrition guidance can help to keep employees in good health which in turn has a positive effect on the entire workforce, thus increasing productivity. This helps in curing problems on early stage.

Transparent and regular communication among peers and superiors which helps not only in individual growth but also for team growth which directly affects growth of the organization.

Whether economy is growing or shrinking, Management always stands for Employees. A balanced work and personal life helps to enhance employee's motivation. So keeping those all factors in mind Management are constantly working on betterment of the employees.

Environment, Safety & Health

Celebrated 46th National Safety week 4th March to 10th March 2017



Celebrated 46th National safety Day/Week on the Theme of “सुरक्षा का महत्व समझें समझाएं और पालन करें” The National Safety Day/Week Campaign is celebrated in all 20 MICRONS plants in India every year (organized by the Safety Dept.) to commemorate the establishment of this event, 4th of March as well as enhance the safety awareness among people.

It is celebrated with great enthusiasm to make aware the people about how to get prevented from the industrial accidents by exhibiting widespread safety awareness programs in the public sectors which have not been covered by any safety legislation. During whole week campaign celebration, varieties of specific activities are displayed to the people as per the safety requirements.

Following national level activities for whole week such as company employee with contractor employee and interested party functions including seminars, poster of safety messages and slogans distribution, banner exhibition, play of drama and songs, training programs, workshops, display of films over SHE issues are held during the campaign celebration. Safety Pledge event is carried out by the organizational employees.

Safety activities based training programs are held for the industrial staffs over various topics to carry out their

responsibilities very well. During training session they are taught about the testing and examination of pressure vessels, lifting machines, chemical and electrical safety, risk handling and assessment, fire control, first aid knowledge etc.

Celebrated world Environment Day on 5th June 2016



The theme of World Environment Day: 2016 was “Zero tolerance for the illegal trade in wildlife” the theme encourages you to take action of your own to help safeguard the species under threat. This also motivates you to show zero tolerance for the illegal trade in wildlife.

20 MICRONS to raise awareness towards importance and benefits of cleanliness and environmental conservation. “Cleaner Production” word itself conveys the message of cleanliness. Under this SHE team took initiative of cleaning our work place and premises for creating healthy working environment for greener future.

Plant in charge, Managers, Union Employee with Contractor worker and interested party shared their views on preservation of environment as per our Indian ideology. In the Plenary Discussion, the participants shared their views on the environment preservation. The participants decided to contribute towards preservation of environment by changing their habits for example, using bicycles in short distances, using public transport for the daily commute to the offices, reducing food waste, saving energy at home and offices by switching of lights and ACs when not in use, including using water efficiently.

On the occasion of world environment Day: 2016, we arrange various events and practical activities like... Plantation of more than 500 trees across in company, arrange seminar in subject of Virtual environment inside the plant.

Occupational Health Examination: 2016-17

20 MICRONS provide its employee full body health checkup packages for employees' continued good health. Our Annual medical checkup programs identify any symptoms of major illness and also pinpoint potential areas of risk so as to prevent future health problems, thus lower the cost of future medical expenses. Our goal is to encourage people for a longer and healthier life. Today's fast paced, stressful lifestyle affects our health. Regular health checkup is answer to this problem.

This gave comprehensive assessment of the health status of the individual for all age groups.

BOARD'S REPORT [Contd.]

Cautionary Authority Statement

Statements in this Management Discussions and Analysis Report describing the Company's objectives, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Fixed Deposits

The Company has started accepting the deposits only from the shareholders of the company pursuant to the provisions of Companies Act, 2013 and Rules made thereunder. The said Scheme was approved by you at your Extra-ordinary General Meeting held on 24th May, 2014 and amended in Annual General Meeting held on 23rd September, 2016.

As on 31.03.2017, Fixed Deposits from Shareholders stood at the total of ₹ 1912.94 Lacs. Deposits amounting to ₹ 1262.10 are due for repayment on or before 31.03.2018.

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

The deposits accepted upto the 31st March, 2014 pursuant to Companies Act, 1956 and interest thereon will be repaid to the depositors on the date of maturity of respective deposits. In this regard, the Company has filed petition with Company Law Board, Mumbai (CLB) praying to allow the repayment as per maturity of respective deposit only and CLB accepted plea of the Company and vide its order no. C.A. NO.34/74(2)/CLB/MC/MAH/2015 dated 20th January, 2016 directed the company to repay total outstanding principal amount, as on date of order, amounting to ₹ 398.27 Lacs, on or before 31.03.2017 along with the interest due thereon. Accordingly the Company repaid total ₹ 468.76 Lacs along with the interest thereon during the FY 2016-17.

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

Consolidated Financial Statements

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS – 21) on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report.

Subsidiaries, Joint Ventures & Associates

As on 31st March, 2017, we have 03 subsidiaries viz. 20 Microns Nano Minerals Ltd., 20 Microns FZE, 20 Microns SDN BHD. During the year, the Board of Directors (the Board) reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement in the prescribed format AOC-1 is appended as Annexure A to the Board's Report. The statement also provides the details of performance, financial positions of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the

consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on our website www.20microns.com. These documents will also be available for inspection during business hours at our registered office at Waghodia, Vadodara.

Directors' Responsibility Statement

The Directors report that :

- i) In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed and there are no material departures from the same.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the profit of the Company for the year ended on that date.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General Shareholders Information

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

Particulars of Employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure B to the Board's Report.

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

Corporate Governance

As required by SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Corporate Governance Report and the Auditor's Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report.

BOARD'S REPORT [Contd.]

Secretarial Audit

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

Cost Audit Compliances

Pursuant to Sec. 209 (1)(d) of the Companies Act, 2013, Cost Audit Report for the financial year ended 31.03.2016 was submitted to the Central Government on 13.10.2016.

Related Party Transactions

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

Extracts of Annual Return and Other Disclosures under Companies [Appointment and Remuneration] Rules, 2014

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

Particulars of Loan, Guarantees or Investments

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

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

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

Risk Management Policy Implementation

The Company operates in a competitive environment and is generally exposed to various risks at different times such as technological risks, business risks, operational risks, financial risks etc. The Board of Directors and Audit Committee of Directors of the Company periodically review the Risk of the Company so that the Management controls the risk through properly defined network. The Company has a system based approach to business risk management backed by strong internal control systems.

A range of responsibilities from strategy to the operational is specified. A strong independent internal audit function at the corporate level carries out risk focused audits across all businesses enabling identification of areas where risk managements processes may need to be improved. The Board reviews internal audit findings and provide strategic guidance on internal control, monitors internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented. The

combination of policies and procedures adequately addresses the various risks associated with your company's businesses.

Corporate Social Responsibility

As the part of the CSR activities, the Company had started its journey in the year 2008 with formation of the "20 Microns Diabetes Centre" under the 20 Microns Foundation Trust with an aim that the community at large is well aware as also conscious about the very common diseases now-a-days on the Globe i.e. Diabetes.

There are about 4600 members registered on the above centre who are regularly being checked and counseled from time to time. This members take advantage of regular check up at the above centre where the specialized Doctors visits and spending their valuable time voluntarily and complementarily.

During the year 2016-17, 20 Microns Diabetes Centre initiated a special drive for the juvenile diabetic students of 10th & 12th particularly. They were given extensive guidance especially for how to make preparation for the Exams despite of having the diseases. Some of them, who were needy, were provided with the monetary help too.

Besides, focus was diversify on the health of the Employees and Workers of various Factories – Corporate in and around Vadodara. Of this, with the co-operation of Makarpura Industrial Charitable Trust as well as the Entrepreneurs thereat, the major check-up and counseling camp-drive at the Industrial Estate at Makarpura, VADODARA is on since February, 2017.

Internal Finance Control System Adequacy

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

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

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

Directors and Key Managerial Personnel

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

The Board has appointed Mrs. Sejal R. Parikh as an Additional Director in the category of Non Executive Non

BOARD'S REPORT [Contd.]

Independent Woman Director w.e.f. 4th May, 2017. She holds office of Additional Director up to the ensuing Annual General Meeting of the Company. The Company has received a notice u/s 160 of the Companies Act, 2013 from a shareholder of the Company proposing the candidature of Mrs. Sejal R. Parikh for the office of Non-Executive Non-Independent Woman Director who is liable to retire by rotation. Brief profile of Mrs. Sejal R. Parikh is as under :

Mrs. Sejalben R. Parikh holds a Bachelor Degree in Production Engineering besides, Post Graduation Diploma in Business Administration. She had worked for 2 years as the Trainee Engineer in Planning Department of GMM Pfaudler Limited, Vallabh Vidyanagar, the Glass lined Equipment manufacturing company. She was also a part of projects related to Heritage Preservation of Vadodara in Maharaja Sayajirao University.

During the year, Mr. Sudhir R. Parikh resigned as the Director in the category of Non – Executive and Non – Independent Director w.e.f. 04.05.2017 due to his non-availability in the country. Mrs. Darsha Kikani also resigned as an Independent [Woman] Director w.e.f. 04.05.2017 due to her pre-occupations as the Practicing Company Secretary. The Board appreciates and taken note of the extensive support and guidance received during their tenure as Directors in the respective categories.

During the year under review, Mr. Narendra R. Patel was appointed as the Chief Financial Officer of the Company w.e.f. 08th August, 2016.

The Company has set criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors. The note on familiarization programme to Independent Directors is available on the website of the Company www.20microns.com.

The Company has also prepared a Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management Employees which is available on the website of the Company www.20microns.com.

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

In accordance with provisions of Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), Mr. P. M. Shah, Mr. Ramkisan Devidayal, Mr. Atul Patel, Mrs. Darsha Kikani and Dr. Ajay Ranka have given a declaration to the Company that they meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013.

Auditors

A. Statutory Auditors

In terms of the provisions of the Companies Act, 2013, the tenure of the existing Statutory Auditors viz. M/s. Manubhai and Shah LLP, Chartered Accountants, Ahmedabad expires at the conclusion of the ensuing

Annual General Meeting [AGM]. In accordance with Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint M/s. J.H. Mehta & Co., Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company for the period from the conclusion of the ensuing AGM to the conclusion of the AGM for the year 2022. The Company has received a certificate from the above Auditors to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. This item is being included in the notice for your approval.

B. Internal Auditors

The Company has appointed M/s. N C Vaishnav and Co., M/s. P Mani and Co. and M/s. Deopura and Associates, Chartered Accountants as Internal Auditors of the Company for the F.Y. 2017-18, for the Western Region & Eastern Region, South Region and North Region, respectively.

C. Cost Auditors

The Company has appointed M/s Y.S. Thakar and Co., Cost Accountants, to audit its cost accounting records relating to Mining and Metallurgy of ferrous and non-ferrous metals for the Financial Year 2017-18 subject to ratification of their remuneration by shareholders of the Company.

The Company is seeking the ratification of the Shareholders for the remuneration payable to M/s Y.S. Thakar and Co., Cost Accountants as the Cost Auditors of the Company for the Financial Year 2017-18 vide resolution no. 4 of the Notice of AGM.

D. Secretarial Auditors

As per provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company is required to appoint Secretarial Auditor to carry out Secretarial Audit of the Company. The Company has appointed M/s. J.J. Gandhi and Co., Practicing Company Secretaries as Secretarial Auditors of the Company for the F.Y. 2017-18.

Significant and Material Orders

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

DISCLOSURES

CSR Committee of Directors

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

Subsequently, during the year at the Board Meeting held on 25.05.2017, the Committee was re-constituted to the effect of replacement of Mrs. Sejalben R. Parikh in place of Mr. Sudhir R. Parikh, who resigned as the Director w.e.f. 04.05.2017.

BOARD'S REPORT [Contd.]

Audit Committee of Directors

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

Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations, 2015. Vigil Disclosures can be made by a whistle blower through an email to the Chairman of the Audit Committee. The policy of vigil mechanism may be accessed on the Company's website www.20microns.com.

Meeting of the Board of Directors

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

Acknowledgement

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

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

For and on behalf of the Board of Directors

Chandresh S. Parikh
Executive Chairman

Place : Waghodia, Vadodara

Date : 25th May, 2017

BOARD'S REPORT [Contd.]

Annexure A

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

AOC-1

(₹ In lacs)

	Name of Subsidiary	Financial Period Ended	Exchange Rate	Share capital	Reserves and Surplus	Total Assets	Total Liabilities (excluding Share capital and Reserves and Surplus)	Investments	Turnover	Profit/ (Loss) before taxation	Provisions for taxation	Profit/ (Loss) after taxation	% of share holding
1	20 Microns Nano Minerals Ltd	31.03.2017	N.A	897.00	882.11	3271.00	1491.89	0.23	3251.70	258.50	89.81	168.69	95%
2	20 Microns FZE	31.03.2017	17.65	26.49	79.21	173.08	67.38	0	349.02	45.76	0	45.76	100%
3	20 Microns SDN BHD	31.03.2017	14.65	52.74	133.81	311.77	125.22	0	504.83	93.56	24.99	68.58	100%

Note :

1. Company is not having any associates or joint venture companies as on 31.03.2017
2. The Company has not liquidated or sold any of its subsidiary companies during FY 2016-17

PART B - Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company is not having any Associate Company or Joint Venture Company as on 31st March, 2017

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

(Chandresh Parikh)
Executive Chairman

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

Place : Waghodia, Vadodara

Date : 25th May, 2017

BOARD'S REPORT [Contd.]

Annexure – B: Particulars of Employees

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

a. Remuneration paid to Whole Time Directors

Sr. No.	Name	Designation	Remuneration in fiscal 2017 (in ₹ Lacs)	Remuneration in fiscal 2016 (in ₹ Lacs)	No. of Stock options granted in fiscal 2017	% increase in remuneration in 2017 as compared to 2016	Ratio of remuneration to MRE (Excl. WTD)	Ratio of remuneration to MRE (Incl. WTD)
1	Mr. Chandresh Parikh	Executive Chairman	53.02	49.11	-	8.00	4.87	4.90
2	Mr. Rajesh C. Parikh	CEO and Managing Director	45.71	42.30	-	8.00	5.64	5.69
3	Mr. Atil C. Parikh	Managing Director	37.39	34.62	-	8.00	6.90	6.95

b. Remuneration paid to Independent Directors

No remuneration was paid to Non-Executive Independent Directors during FY 2016-17

c. Remuneration of other Key Managerial Personnel (KMP)

Sr. No.	Name	Designation	Remuneration in fiscal 2017 (in ₹ Lacs)	Remuneration in fiscal 2016 (in ₹ Lacs)	No. of Stock options granted in fiscal 2017	% increase in remuneration in 2017 as compared to 2016	Ratio of remuneration to MRE (Excl. WTD)	Ratio of remuneration to MRE (Incl. WTD)
1	Mr. Narendra Patel (w.e.f.08.08.2016)	Chief Financial Officer	15.18	NA	-	NA	17.00	17.13
2	Mrs. Anuja Muley	Company Secretary	8.46	7.83	-	8.00	30.50	30.73

The Median Remuneration of Employee (MRE) excluding Whole Time Directors (WTDs) was ₹ 257719/- and ₹ 248988/- in fiscal 2017 and fiscal 2016 respectively. The increase in MRE (excluding WTDs) in fiscal 2017, as compared to fiscal 2016 is 3.51%.

The Median Remuneration of Employee (MRE) including Whole Time Directors (WTDs) was ₹ 259871/- and ₹ 250065/- in fiscal 2017 and fiscal 2016 respectively. The increase in MRE (including WTDs) in fiscal 2017, as compared to fiscal 2016 is 3.92%.

The number of permanent employees on the rolls of the Company as of March 31, 2017 and March 31, 2016 was 378 and 390 respectively.

The aggregate increase in salary for WTDs and other KMPs was 8.00% in fiscal 2016-17 over fiscal 2015-16. The rise in remuneration is made as per Remuneration Policy of the Company.

The Company has not paid variable compensation to its managerial personnel during fiscal year 2017.

The Company has paid Incentive to all its employees including Executive Directors as per the Incentive Scheme duly approved by Nomination and Remuneration Committee and Board of Directors of the Company. The Incentive Paid to the Executive Directors and KMP during FY 2016-17 were as under –

Name of Executive Director/KMP	Designation	Incentive Amount (₹ in Lacs)
Mr. Chandresh Parikh	Executive Chairman	8.86
Mr. Rajesh C. Parikh	CEO and Managing Director	7.78
Mr. Atil C. Parikh	Managing Director	6.43
Mr. Narendra Patel (w.e.f. 08.08.2016)	Chief Financial Officer	2.01
Mrs. Anuja Muley	Company Secretary	1.12

BOARD'S REPORT [Contd.]

During the fiscal 2016-17, no employee received remuneration in excess of the highest-paid director.

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

(Chandresh Parikh)
Executive Chairman

(Rajesh C. Parikh)
CEO and Managing Director

Place : Waghodia, Vadodara

Date : 25th May, 2017

Annexure C - Particulars of Transactions made with related parties

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

AOC -2

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

Details of transactions not at arm's length basis

There were no transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

Details of transactions at arm's length basis

The details of transactions at arm's length basis for the year ended March 31, 2017 are as follows-

Name of Related Party	Nature of relationship	Type of Transaction	Duration of Contract	Salient Terms*	Amount
					(₹ In Lacs)
20 Microns Nano Minerals Ltd.	Subsidiary	Sales of Material	Not Applicable	Not Applicable	538.52
20 Microns Nano Minerals Ltd.	Subsidiary	Rent Received	Not Applicable	Not Applicable	158.46
20 Microns Nano Minerals Ltd.	Subsidiary	Royalty Received	Not Applicable	Not Applicable	54.54
20 Microns Nano Minerals Ltd.	Subsidiary	Purchase of material	Not Applicable	Not Applicable	131.42
20 Microns Nano Minerals Ltd.	Subsidiary	Rent Paid	Not Applicable	Not Applicable	52.69

* Appropriate approvals have been taken for related party transactions.

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

(Chandresh Parikh)
Executive Chairman

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

Place : Waghodia, Vadodara

Date : 25th May, 2017

BOARD'S REPORT [Contd.]

Annexure D : Extract of Annual Return

Form No. MGT – 9

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L99999GJ1987PLC009768
2.	Registration Date	29.06.1987
3.	Name of the Company	20 Microns Limited
4.	Category / Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	9/10, GIDC Industrial Estate, Waghodia, Dist. Vadodara (Gujarat) Phone No. – 02668 – 292297 Email: investors@20microns.com Website: www.20microns.com
6.	Listed company	Yes BSE Ltd. (BSE) – 533022 National Stock Exchange of India Ltd. (NSE) – 20MICRONS
7.	Name, Address and Contact details of Registrar and Transfer Agent	CAMEO CORPORATE SERVICES LTD. "Subarmanian Building", No. 1, Club House Rd., CHENNAI - 600 002. Tel : 044 - 28460390 / 395

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Calcium carbonate	08107	43.89
2	China Clay	08108	27.49
3	Talc	08998	12.40

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	20 Microns Nano Minerals Ltd. Plot No. 157, Village: Mamuara, BHUJ, Dist. Kutch, Gujarat	U15543GJ1993PLC020540	Subsidiary	94.76%	2(87)
2	20 Microns FZE SAIF Zone, Sharjah, UAE	NA	Subsidiary	100%	2(87)
3	20 Microns SDN BHD 6, Jalan Chew Sin on 31650 IPOH, Perak, Malaysia	NA	Subsidiary	99.999%	2(87)

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

(i) Category-wise Share Holding

Category Code & Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1. INDIAN									

BOARD'S REPORT [Contd.]

Category Code & Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
a. INDIVIDUALS/ HINDU UNDIVIDED FAMILY	9750214	0	9750214	27.6315	7381002	0	7381002	20.9173	-6.7142
b. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c. BODIES CORPORATE	8250235	0	8250235	23.3807	8250235	0	8250235	23.3807	0.0000
d. FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. ANY OTHER									
SUB - TOTAL (A)(1)	18000449	0	18000449	51.0122	15631237	0	15631237	44.2980	-6.7142
2. FOREIGN									
a. INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b. BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c. INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. ANY OTHER									
SUB-TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1) + (A)(2)	18000449	0	18000449	51.0122	15631237	0	15631237	44.2980	-6.7142
B. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
a. MUTUAL FUNDS/ UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b. FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	12067	0	12067	0.0341	0.0341
c. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f. FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g. FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000

BOARD'S REPORT [Contd.]

Category code	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
h. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i. ANY OTHER									
SUB-TOTAL (B)(1)	0	0	0	0.0000	12067	0	12067	0.0341	0.0341
2. NON-INSTITUTIONS									
a. BODIES CORPORATE	7641526	0	7641526	21.6556	6765371	0	6765371	19.1726	-2.4829
b. INDIVIDUALS -									
I INDIVIDUAL SHAREHOLDER SHOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	2949367	22896	2972263	8.4232	4875518	20496	4896014	13.8750	5.4518
II INDIVIDUAL SHAREHOLDER SHOLDING NOMINAL SHARE CAPITALIN EXCESS OF RS. 1 LAKH	4412249	0	4412249	12.5040	4736332	0	4736332	13.4225	0.9184
c. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. ANY OTHER									
CLEARING MEMBERS	10639	0	10639	0.0301	22297	0	22297	0.0631	0.0330
DIRECTORS AND THEIR RELATIVES	0	0	0	0.0000	832200	0	832200	2.3584	2.3584
HINDU UNDIVIDED FAMILIES	417746	1	417747	1.1838	463121	1	463122	1.3124	0.1285
NON RESIDENT INDIANS	1147013	684410	1831423	5.1901	1243246	684410	1927656	5.4628	0.2727
TRUSTS	206	0	206	0.0005	206	0	206	0.0005	0.0000
	1575604	684411	2260015	6.4047	2561070	684411	3245481	9.1975	2.7927
SUB - TOTAL (B)(2)	16578746	707307	17286053	48.9877	18938291	704907	19643198	55.6677	6.6800
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	16578746	707307	17286053	48.9877	18950358	704907	19655265	55.7019	6.7142
TOTAL (A) + (B)	34579195	707307	35286502	100.00	34581595	704907	35286502	100.00	0.0000
C. SHARES HELD BYCUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTSHAVE BEEN ISSUED									
Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000

BOARD'S REPORT [Contd.]

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	CHANDRESH S PARIKH T1 : ILABEN PARIKH	3085402	8.7438	8.7438	3085402	8.7438	8.7438	0.0000
2	ERIEZ FINANCE AND INVESTMENT LIMITED HAVING SAME PAN	2966430	8.4066	4.3932	2966430	8.4066	4.3932	0.0000
2	ERIEZ FINANCE AND INVESTMENT LTD HAVING SAME PAN	2767394	7.8426	0.0000	2767394	7.8426	0.0000	0.0000
2	ERIEZ FINANCE AND INVESTMENT LIMITED	2516411	7.1313	7.0848	2516411	7.1313	0.0000	0.0000
3	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL JT2 : PATEL NEESHAD RAMESHBHAI	1441800	4.0859	0.0000	0	0.0000	0.0000	-4.0859
4	RAJESH CHANDRESH PARIKH JT1 : SEJAL RAJESH PARIKH	1100000	3.1173	3.1173	1100000	3.1173	3.1173	0.0000
5	ATIL CHANDRESH PARIKH JT1 : PURVI ATIL PARIKH	1100000	3.1173	3.1173	1100000	3.1173	3.1173	0.0000
6	RAJESH C PARIKH JT1 : CHANDRESH S PARIKH	559956	1.5868	1.5868	559956	1.5868	1.5868	0.0000
7	CHANDRESH S PARIKH	544998	1.5444	1.5444	544998	1.5444	1.5444	0.0000
8	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL	511300	1.4489	0.0000	0	0.0000	0.0000	-1.4489
9	ATIL CHANDRESH PARIKH JT1 : CHANDRESH S PARIKH	484862	1.3740	1.3740	484862	1.3740	1.3740	0.0000
10	SUDHIR RAMESHKANT PARIKH JT1 : DHARMISTHA SUDHIR PARIKH	334946	0.9492	0.0000	334946	0.9492	0.0000	0.0000
11	ALPA CHETAN TURAKHIA JT1 : ANANTRAI KESHAVJI KAMDAR	100000	0.2833	0.0000	22600	0.0640	0.0000	-0.2193
12	RUPAL ASHISH PATHAK JT1 : ANANTRAI KESHAVJI KAMDAR	100000	0.2833	0.0000	23020	0.0652	0.0000	-0.2181

BOARD'S REPORT [Contd.]

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
13	SHILPA CHETAN MEHTA JT1 : ANANTRAI KESHAVJI KAMDAR	100000	0.2833	0.0000	23000	0.0651	0.0000	-0.2182
14	PARIKH ATIL CHANDRESH JT1 : ILABEN PARIKH	75094	0.2128	0.2128	75094	0.2128	0.2128	0.0000
15	SUDHIR RAMESHKANT PARIKH	61744	0.1749	0.0000	61744	0.1749	0.0000	0.0000
16	PATEL NEESHAD RAMESHBHAI JT1 : KAMINI RAMESHBHAI PATEL JT2 : RAMESHBHAI BALDEVBHAI PATEL	48076	0.1362	0.0000	0	0.0000	0.0000	-0.1362
17	PATEL NEESHAD RAMESHBHAI JT1 : KAMINI RAMESHBHAI PATEL	34694	0.0983	0.0000	0	0.0000	0.0000	-0.0983
18	ILABEN PARIKH	34000	0.0963	0.0000	34000	0.0963	0.0000	0.0000
19	KAMINI RAMESHBHAI PATEL JT1 : PATEL NEESHAD RAMESHBHAI JT2 : RAMESHBHAI BALDEVBHAI PATEL	33342	0.0944	0.0000	0	0.0000	0.0000	-0.0944

(iii) Change in Promoters' Shareholding

SI No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	CHANDRESH S PARIKH JT1 : ILABEN PARIKH				
	At the beginning of the year 01-Apr-2016	3085402	8.7438	3085402	8.7438
	At the end of the Year 31-Mar-2017	3085402	8.7438	3085402	8.7438
2	ERIEZ FINANCE AND INVESTMENT LIMITED				
	At the beginning of the year 01-Apr-2016	2966430	8.4066	2966430	8.4066
	At the end of the Year 31-Mar-2017	2966430	8.4066	2966430	8.4066
	HAVING SAME PAN				
2	ERIEZ FINANCE AND INVESTMENT LTD				
	At the beginning of the year 01-Apr-2016	2767394	7.8426	2767394	7.8426
	At the end of the Year 31-Mar-2017	2767394	7.8426	2767394	7.8426
	HAVING SAME PAN				
2	ERIEZ FINANCE AND INVESTMENT LIMITED				
	At the beginning of the year 01-Apr-2016	2516411	7.1313	2516411	7.1313
	At the end of the Year 31-Mar-2017	2516411	7.1313	2516411	7.1313

BOARD'S REPORT [Contd.]

SI No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
3	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL JT2 : PATEL NEESHAD RAMESHBHAI				
	At the beginning of the year 01-Apr-2016	1441800	4.0859	1441800	4.0859
	Sale 02-Sep-2016	-1441800	4.0859	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
4	RAJESH CHANDRESH PARIKH JT1 : SEJAL RAJESH PARIKH				
	At the beginning of the year 01-Apr-2016	1100000	3.1173	1100000	3.1173
	At the end of the Year 31-Mar-2017	1100000	3.1173	1100000	3.1173
5	ATIL CHANDRESH PARIKH JT1 : PURVI ATIL PARIKH				
	At the beginning of the year 01-Apr-2016	1100000	3.1173	1100000	3.1173
	At the end of the Year 31-Mar-2017	1100000	3.1173	1100000	3.1173
6	RAJESH C PARIKH JT1 : CHANDRESH S PARIKH				
	At the beginning of the year 01-Apr-2016	559956	1.5868	559956	1.5868
	At the end of the Year 31-Mar-2017	559956	1.5868	559956	1.5868
7	CHANDRESH S PARIKH				
	At the beginning of the year 01-Apr-2016	544998	1.5444	544998	1.5444
	At the end of the Year 31-Mar-2017	544998	1.5444	544998	1.5444
8	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL				
	At the beginning of the year 01-Apr-2016	511300	1.4489	511300	1.4489
	Sale 02-Sep-2016	-511300	1.4489	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
9	ATIL CHANDRESH PARIKH JT1 : CHANDRESH S PARIKH				
	At the beginning of the year 01-Apr-2016	484862	1.3740	484862	1.3740
	At the end of the Year 31-Mar-2017	484862	1.3740	484862	1.3740
10	SUDHIR RAMESHKANT PARIKH JT1 : DHARMISTHA SUDHIR PARIKH				
	At the beginning of the year 01-Apr-2016	334946	0.9492	334946	0.9492
	At the end of the Year 31-Mar-2017	334946	0.9492	334946	0.9492
11	ALPA CHETAN TURAKHIA JT1 : ANANTRAI KESHAVJI KAMDAR				
	At the beginning of the year 01-Apr-2016	100000	0.2833	100000	0.2833
	Sale 20-Jan-2017	-75000	0.2125	25000	0.0708
	Sale 27-Jan-2017	-2400	0.0068	22600	0.0640
	At the end of the Year 31-Mar-2017	22600	0.0640	22600	0.0640
12	RUPAL ASHISH PATHAK JT1 : ANANTRAI KESHAVJI KAMDAR				
	At the beginning of the year 01-Apr-2016	100000	0.2833	100000	0.2833
	Sale 20-Jan-2017	-75000	0.2125	25000	0.0708
	Sale 27-Jan-2017	-1980	0.0056	23020	0.0652
	At the end of the Year 31-Mar-2017	23020	0.0652	23020	0.0652
13	SHILPA CHETAN MEHTA JT1 : ANANTRAI KESHAVJI KAMDAR				
	At the beginning of the year 01-Apr-2016	100000	0.2833	100000	0.2833
	Sale 20-Jan-2017	-75000	0.2125	25000	0.0708
	Sale 27-Jan-2017	-2000	0.0056	23000	0.0651
	At the end of the Year 31-Mar-2017	23000	0.0651	23000	0.0651

BOARD'S REPORT [Contd.]

SI No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
14	PARIKH ATIL CHANDRESH JT1 : ILABEN PARIKH				
	At the beginning of the year 01-Apr-2016	75094	0.2128	75094	0.2128
	At the end of the Year 31-Mar-2017	75094	0.2128	75094	0.2128
15	SUDHIR RAMESHKANT PARIKH				
	At the beginning of the year 01-Apr-2016	61744	0.1749	61744	0.1749
	At the end of the Year 31-Mar-2017	61744	0.1749	61744	0.1749
16	PATEL NEESHAD RAMESHBHAI JT1 : KAMINI RAMESHBHAI PATEL JT2 : RAMESHBHAI BALDEVBHAI PATEL				
	At the beginning of the year 01-Apr-2016	48076	0.1362	48076	0.1362
	Sale 27-May-2016	-882	0.0024	47194	0.1337
	Sale 12-Aug-2016	-35000	0.0991	12194	0.0345
	Sale 23-Sep-2016	-12194	0.0345	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
17	PATEL NEESHAD RAMESHBHAI JT1 : KAMINI RAMESHBHAI PATEL				
	At the beginning of the year 01-Apr-2016	34694	0.0983	34694	0.0983
	Sale 02-Sep-2016	-34694	0.0983	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
18	ILABEN PARIKH				
	At the beginning of the year 01-Apr-2016	34000	0.0963	34000	0.0963
	At the end of the Year 31-Mar-2017	34000	0.0963	34000	0.0963
19	KAMINI RAMESHBHAI PATEL JT1 : PATEL NEESHAD RAMESHBHAI JT2 : RAMESHBHAI BALDEVBHAI PATEL				
	At the beginning of the year 01-Apr-2016	33342	0.0944	33342	0.0944
	Sale 20-May-2016	-12864	0.0364	20478	0.0580
	Sale 27-May-2016	-20478	0.0580	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000

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

SI	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	ARCADIA SHARE & STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2016	2356928	6.6794	2356928	6.6794
	Sale 15-Apr-2016	-550	0.0015	2356378	6.6778
	Purchase 22-Apr-2016	5130	0.0145	2361508	6.6923
	Sale 29-Apr-2016	-10000	0.0283	2351508	6.6640
	Sale 06-May-2016	-5000	0.0141	2346508	6.6498
	Purchase 17-Jun-2016	27010	0.0765	2373518	6.7264
	Sale 30-Jun-2016	-430	0.0012	2373088	6.7252
	Sale 08-Jul-2016	-16508	0.0467	2356580	6.6784
	Sale 15-Jul-2016	-40459	0.1146	2316121	6.5637
	Sale 22-Jul-2016	-13191	0.0373	2302930	6.5263

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SI No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sale 12-Aug-2016	-551740	1.5636	1751190	4.9627
	Sale 19-Aug-2016	-430340	1.2195	1320850	3.7432
	Sale 09-Sep-2016	-2620	0.0074	1318230	3.7357
	Sale 15-Sep-2016	-550	0.0015	1317680	3.7342
	Purchase 23-Sep-2016	2700	0.0076	1320380	3.7418
	Sale 30-Sep-2016	-1000	0.0028	1319380	3.7390
	Purchase 07-Oct-2016	3870	0.0109	1323250	3.7500
	Sale 14-Oct-2016	-5048	0.0143	1318202	3.7357
	Purchase 21-Oct-2016	4300	0.0121	1322502	3.7478
	Purchase 04-Nov-2016	22910	0.0649	1345412	3.8128
	Sale 11-Nov-2016	-8000	0.0226	1337412	3.7901
	Sale 18-Nov-2016	-6430	0.0182	1330982	3.7719
	Purchase 25-Nov-2016	6070	0.0172	1337052	3.7891
	Sale 02-Dec-2016	-150	0.0004	1336902	3.7887
	Sale 09-Dec-2016	-900	0.0025	1336002	3.7861
	Sale 16-Dec-2016	-2981	0.0084	1333021	3.7777
	Sale 23-Dec-2016	-12069	0.0342	1320952	3.7435
	Sale 20-Jan-2017	-5120	0.0145	1315832	3.7289
	Sale 27-Jan-2017	-6301	0.0178	1309531	3.7111
	Sale 03-Feb-2017	-6712	0.0190	1302819	3.6921
	Sale 10-Feb-2017	-1289350	3.6539	13469	0.0381
	Purchase 17-Feb-2017	5760	0.0163	19229	0.0544
	Purchase 24-Feb-2017	936931	2.6552	956160	2.7097
	Sale 03-Mar-2017	-100	0.0002	956060	2.7094
	Purchase 24-Mar-2017	319950	0.9067	1276010	3.6161
	Sale 31-Mar-2017	-6170	0.0174	1269840	3.5986
	At the end of the Year 31-Mar-2017	1269840	3.5986	1269840	3.5986
	HAVING SAME PAN				
1	ARCADIA SHARE & STOCK BROKERS PVT. LTD				
	At the beginning of the year 01-Apr-2016	4940	0.0139	4940	0.0139
	At the end of the Year 31-Mar-2017	4940	0.0139	4940	0.0139
	HAVING SAME PAN				
1	ARCADIA SHARE & STOCK BROKERS PVT. LTD.				
	At the beginning of the year 01-Apr-2016	500	0.0014	500	0.0014
	Sale 08-Apr-2016	-450	0.0012	50	0.0001
	Sale 15-Apr-2016	-50	0.0001	0	0.0000
	Purchase 12-Aug-2016	553440	1.5684	553440	1.5684
	Sale 19-Aug-2016	-553440	1.5684	0	0.0000
	Purchase 02-Sep-2016	500	0.0014	500	0.0014
	Sale 09-Sep-2016	-500	0.0014	0	0.0000
	Purchase 04-Nov-2016	500	0.0014	500	0.0014
	Sale 11-Nov-2016	-500	0.0014	0	0.0000
	Purchase 13-Jan-2017	50	0.0001	50	0.0001
	Sale 20-Jan-2017	-50	0.0001	0	0.0000

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	Purchase 27-Jan-2017	788	0.0022	788	0.0022
	Purchase 03-Feb-2017	2820	0.0079	3608	0.0102
	Sale 10-Feb-2017	-3608	0.0102	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
	HAVING SAME PAN				
1	ARCADIA SHARE & STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2016	200	0.0005	200	0.0005
	Sale 08-Apr-2016	-50	0.0001	150	0.0004
	Purchase 10-Jun-2016	100	0.0002	250	0.0007
	Sale 12-Aug-2016	-200	0.0005	50	0.0001
	Purchase 07-Oct-2016	100	0.0002	150	0.0004
	Purchase 14-Oct-2016	48	0.0001	198	0.0005
	Purchase 28-Oct-2016	1900	0.0053	2098	0.0059
	Sale 04-Nov-2016	-1820	0.0051	278	0.0007
	Purchase 18-Nov-2016	100	0.0002	378	0.0010
	Purchase 25-Nov-2016	100	0.0002	478	0.0013
	Sale 16-Dec-2016	-100	0.0002	378	0.0010
	Purchase 06-Jan-2017	750	0.0021	1128	0.0031
	Purchase 13-Jan-2017	275	0.0007	1403	0.0039
	Sale 20-Jan-2017	-615	0.0017	788	0.0022
	Purchase 27-Jan-2017	1062	0.0030	1850	0.0052
	Sale 03-Feb-2017	-1400	0.0039	450	0.0012
	Purchase 10-Feb-2017	1950	0.0055	2400	0.0068
	Sale 17-Feb-2017	-510	0.0014	1890	0.0053
	Purchase 24-Feb-2017	169	0.0004	2059	0.0058
	Purchase 03-Mar-2017	100	0.0002	2159	0.0061
	Sale 24-Mar-2017	-850	0.0024	1309	0.0037
	Sale 31-Mar-2017	-1000	0.0028	309	0.0008
	At the end of the Year 31-Mar-2017	309	0.0008	309	0.0008
	HAVING SAME PAN				
1	ARCADIA SHARE AND STOCK BROKERS PVT. LTD.				
	At the beginning of the year 01-Apr-2016	200	0.0005	200	0.0005
	Purchase 22-Apr-2016	370	0.0010	570	0.0016
	Purchase 13-May-2016	500	0.0014	1070	0.0030
	Sale 30-Jun-2016	-570	0.0016	500	0.0014
	Purchase 22-Jul-2016	300	0.0008	800	0.0022
	Purchase 19-Aug-2016	1580	0.0044	2380	0.0067
	Sale 09-Sep-2016	-2380	0.0067	0	0.0000
	Purchase 23-Sep-2016	1300	0.0036	1300	0.0036
	Sale 07-Oct-2016	-870	0.0024	430	0.0012
	Purchase 21-Oct-2016	50	0.0001	480	0.0013
	Purchase 28-Oct-2016	3350	0.0094	3830	0.0108
	Sale 04-Nov-2016	-2890	0.0081	940	0.0026
	Purchase 11-Nov-2016	700	0.0019	1640	0.0046
	Sale 18-Nov-2016	-1070	0.0030	570	0.0016
	Sale 25-Nov-2016	-291	0.0008	279	0.0007

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	Purchase 09-Dec-2016	200	0.0005	479	0.0013
	Sale 23-Dec-2016	-379	0.0010	100	0.0002
	Purchase 06-Jan-2017	1050	0.0029	1150	0.0032
	Purchase 13-Jan-2017	50	0.0001	1200	0.0034
	Sale 20-Jan-2017	-540	0.0015	660	0.0018
	Purchase 17-Feb-2017	200	0.0005	860	0.0024
	Sale 03-Mar-2017	-200	0.0005	660	0.0018
	At the end of the Year 31-Mar-2017	660	0.0018	660	0.0018
	HAVING SAME PAN				
1	ARCADIA SHARE & STOCK BROKERS PVT. LTD				
	At the beginning of the year 01-Apr-2016	2	0.0000	2	0.0000
	Purchase 17-Jun-2016	2990	0.0084	2992	0.0084
	Sale 30-Jun-2016	-2992	0.0084	0	0.0000
	Purchase 20-Jan-2017	1500	0.0042	1500	0.0042
	Sale 27-Jan-2017	-1500	0.0042	0	0.0000
	Purchase 03-Feb-2017	1	0.0000	1	0.0000
	At the end of the Year 31-Mar-2017	1	0.0000	1	0.0000
	HAVING SAME PAN				
1	ARCADIA SHARE AND STOCK BROKERS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 24-Feb-2017	35000	0.0991	35000	0.0991
	Purchase 31-Mar-2017	2926	0.0082	37926	0.1074
	At the end of the Year 31-Mar-2017	37926	0.1074	37926	0.1074
	HAVING SAME PAN				
1	ARCADIA SHARE & STOCK BROKERS PVT. LTD				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 30-Jun-2016	492	0.0013	492	0.0013
	Sale 08-Jul-2016	-492	0.0013	0	0.0000
	Purchase 31-Mar-2017	2444	0.0069	2444	0.0069
	At the end of the Year 31-Mar-2017	2444	0.0069	2444	0.0069
	HAVING SAME PAN				
1	ARCADIA SHARE AND STOCK BROKERS PVT. LTD				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 08-Jul-2016	12500	0.0354	12500	0.0354
	Sale 15-Jul-2016	-12500	0.0354	0	0.0000
	Purchase 10-Feb-2017	100	0.0002	100	0.0002
	Sale 17-Feb-2017	-100	0.0002	0	0.0000
	Purchase 31-Mar-2017	1000	0.0028	1000	0.0028
	At the end of the Year 31-Mar-2017	1000	0.0028	1000	0.0028
2	PRATIK MINERALS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	1805437	5.1165	1805437	5.1165
	At the end of the Year 31-Mar-2017	1805437	5.1165	1805437	5.1165
	HAVING SAME PAN				
2	PRATIK MINERALS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	1230769	3.4879	1230769	3.4879
	At the end of the Year 31-Mar-2017	1230769	3.4879	1230769	3.4879

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3	VIKING INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	534544	1.5148	534544	1.5148
	Sale 27-May-2016	-5000	0.0141	529544	1.5006
	Sale 16-Sep-2016	-20000	0.0566	509544	1.4440
	Sale 21-Oct-2016	-40000	0.1133	469544	1.3306
	Sale 28-Oct-2016	-41659	0.1180	427885	1.2126
	Sale 04-Nov-2016	-24000	0.0680	403885	1.1445
	Sale 11-Nov-2016	-18800	0.0532	385085	1.0913
	At the end of the Year 31-Mar-2017	385085	1.0913	385085	1.0913
	HAVING SAME PAN				
3	VIKING INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	340480	0.9649	340480	0.9649
	Purchase 22-Apr-2016	7898	0.0223	348378	0.9872
	Purchase 22-Jul-2016	66572	0.1886	414950	1.1759
	Purchase 29-Jul-2016	1305	0.0036	416255	1.1796
	Sale 05-Aug-2016	-8056	0.0228	408199	1.1568
	Sale 12-Aug-2016	-55649	0.1577	352550	0.9991
	Purchase 09-Sep-2016	101000	0.2862	453550	1.2853
	Sale 16-Sep-2016	-12554	0.0355	440996	1.2497
	Sale 23-Sep-2016	-2500	0.0070	438496	1.2426
	Sale 30-Sep-2016	-500	0.0014	437996	1.2412
	Sale 14-Oct-2016	-9750	0.0276	428246	1.2136
	Sale 21-Oct-2016	-33812	0.0958	394434	1.1178
	Sale 28-Oct-2016	-33365	0.0945	361069	1.0232
	Sale 04-Nov-2016	-46500	0.1317	314569	0.8914
	At the end of the Year 31-Mar-2017	314569	0.8914	314569	0.8914
4	NARENDRA MANIBHAI PATEL JT1 : PANNABEN NARENDRAKUMAR PATEL				
	At the beginning of the year 01-Apr-2016	474274	1.3440	474274	1.3440
	At the end of the Year 31-Mar-2017	474274	1.3440	474274	1.3440
5	REKHA KAMDAR JT1 : ANANTRAI KAMDAR				
	At the beginning of the year 01-Apr-2016	428880	1.2154	428880	1.2154
	Sale 21-Oct-2016	-3500	0.0099	425380	1.2055
	Sale 28-Oct-2016	-1500	0.0042	423880	1.2012
	Sale 04-Nov-2016	-3500	0.0099	420380	1.1913
	Sale 11-Nov-2016	-2500	0.0070	417880	1.1842
	Sale 20-Jan-2017	-20000	0.0566	397880	1.1275
	Sale 03-Feb-2017	-5000	0.0141	392880	1.1134
	Sale 10-Feb-2017	-60000	0.1700	332880	0.9433
	At the end of the Year 31-Mar-2017	332880	0.9433	332880	0.9433
6	CHINTAN MAGANLAL KAKKAD				
	At the beginning of the year 01-Apr-2016	404075	1.1451	404075	1.1451
	Purchase 22-Apr-2016	4700	0.0133	408775	1.1584
	Sale 21-Oct-2016	-2000	0.0056	406775	1.1527
	Sale 04-Nov-2016	-10000	0.0283	396775	1.1244

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	Purchase 11-Nov-2016	5000	0.0141	401775	1.1386
	Purchase 25-Nov-2016	5000	0.0141	406775	1.1527
	Sale 20-Jan-2017	-20250	0.0573	386525	1.0953
	At the end of the Year 31-Mar-2017	386525	1.0953	386525	1.0953
7	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	308418	0.8740	308418	0.8740
	Purchase 15-Jul-2016	20000	0.0566	328418	0.9307
	Sale 12-Aug-2016	-41000	0.1161	287418	0.8145
	Purchase 02-Sep-2016	96500	0.2734	383918	1.0880
	Sale 09-Sep-2016	-123617	0.3503	260301	0.7376
	Sale 23-Sep-2016	-100	0.0002	260201	0.7373
	Purchase 07-Oct-2016	58238	0.1650	318439	0.9024
	Sale 02-Dec-2016	-318439	0.9024	0	0.0000
	Purchase 17-Mar-2017	100	0.0002	100	0.0002
	Purchase 31-Mar-2017	289450	0.8202	289550	0.8205
	At the end of the Year 31-Mar-2017	289550	0.8205	289550	0.8205
	HAVING SAME PAN				
7	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	64698	0.1833	64698	0.1833
	Purchase 15-Apr-2016	8810	0.0249	73508	0.2083
	Sale 22-Apr-2016	-15582	0.0441	57926	0.1641
	Sale 29-Apr-2016	-900	0.0025	57026	0.1616
	Purchase 06-May-2016	42300	0.1198	99326	0.2814
	Purchase 13-May-2016	6699	0.0189	106025	0.3004
	Sale 27-May-2016	-8200	0.0232	97825	0.2772
	Sale 03-Jun-2016	-5290	0.0149	92535	0.2622
	Sale 30-Jun-2016	-4445	0.0125	88090	0.2496
	Purchase 01-Jul-2016	900	0.0025	88990	0.2521
	Sale 15-Jul-2016	-6699	0.0189	82291	0.2332
	Sale 22-Jul-2016	-300	0.0008	81991	0.2323
	Sale 12-Aug-2016	-57542	0.1630	24449	0.0692
	Purchase 19-Aug-2016	13311	0.0377	37760	0.1070
	Sale 02-Sep-2016	-7160	0.0202	30600	0.0867
	Sale 09-Sep-2016	-25311	0.0717	5289	0.0149
	Purchase 15-Sep-2016	1885	0.0053	7174	0.0203
	Purchase 16-Sep-2016	6738	0.0190	13912	0.0394
	Sale 23-Sep-2016	-75	0.0002	13837	0.0392
	Purchase 30-Sep-2016	44900	0.1272	58737	0.1664
	Sale 07-Oct-2016	-50865	0.1441	7872	0.0223
	Purchase 21-Oct-2016	9098	0.0257	16970	0.0480
	Sale 28-Oct-2016	-1356	0.0038	15614	0.0442
	Purchase 04-Nov-2016	7983	0.0226	23597	0.0668
	Sale 11-Nov-2016	-21828	0.0618	1769	0.0050
	Sale 02-Dec-2016	-1022	0.0028	747	0.0021
	Sale 09-Dec-2016	-233	0.0006	514	0.0014
	Sale 30-Dec-2016	-500	0.0014	14	0.0000

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	Purchase 20-Jan-2017	3100	0.0087	3114	0.0088
	Sale 10-Feb-2017	-1000	0.0028	2114	0.0059
	Sale 31-Mar-2017	-2000	0.0056	114	0.0003
	At the end of the Year 31-Mar-2017	114	0.0003	114	0.0003
	HAVING SAME PAN				
7	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	11491	0.0325	11491	0.0325
	Sale 08-Apr-2016	-1000	0.0028	10491	0.0297
	Purchase 15-Apr-2016	615	0.0017	11106	0.0314
	Sale 22-Apr-2016	-8868	0.0251	2238	0.0063
	Purchase 06-May-2016	20700	0.0586	22938	0.0650
	Purchase 13-May-2016	3301	0.0093	26239	0.0743
	Purchase 27-May-2016	15400	0.0436	41639	0.1180
	Purchase 03-Jun-2016	14447	0.0409	56086	0.1589
	Sale 30-Jun-2016	-5212	0.0147	50874	0.1441
	Sale 15-Jul-2016	-13961	0.0395	36913	0.1046
	Sale 12-Aug-2016	-36202	0.1025	711	0.0020
	Purchase 19-Aug-2016	87500	0.2479	88211	0.2499
	Sale 02-Sep-2016	-87500	0.2479	711	0.0020
	Purchase 15-Sep-2016	4620	0.0130	5331	0.0151
	Sale 16-Sep-2016	-4645	0.0131	686	0.0019
	Purchase 23-Sep-2016	1075	0.0030	1761	0.0049
	Purchase 30-Sep-2016	5000	0.0141	6761	0.0191
	Sale 07-Oct-2016	-5950	0.0168	811	0.0022
	Purchase 14-Oct-2016	100	0.0002	911	0.0025
	Sale 21-Oct-2016	-650	0.0018	261	0.0007
	Purchase 28-Oct-2016	4425	0.0125	4686	0.0132
	Purchase 04-Nov-2016	6183	0.0175	10869	0.0308
	Sale 11-Nov-2016	-9672	0.0274	1197	0.0033
	Sale 25-Nov-2016	-100	0.0002	1097	0.0031
	Sale 02-Dec-2016	-800	0.0022	297	0.0008
	Purchase 09-Dec-2016	65	0.0001	362	0.0010
	Sale 16-Dec-2016	-76	0.0002	286	0.0008
	Sale 30-Dec-2016	-200	0.0005	86	0.0002
	Purchase 20-Jan-2017	100	0.0002	186	0.0005
	Sale 03-Feb-2017	-100	0.0002	86	0.0002
	Purchase 24-Feb-2017	5009	0.0141	5095	0.0144
	Sale 03-Mar-2017	-5009	0.0141	86	0.0002
	At the end of the Year 31-Mar-2017	86	0.0002	86	0.0002
	HAVING SAME PAN				
7	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 23-Sep-2016	500	0.0014	500	0.0014
	Purchase 14-Oct-2016	1000	0.0028	1500	0.0042
	Sale 28-Oct-2016	-500	0.0014	1000	0.0028
	Sale 04-Nov-2016	-500	0.0014	500	0.0014

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	Purchase 11-Nov-2016	2000	0.0056	2500	0.0070
	Sale 25-Nov-2016	-1467	0.0041	1033	0.0029
	Purchase 02-Dec-2016	254028	0.7199	255061	0.7228
	Sale 06-Jan-2017	-500	0.0014	254561	0.7214
	Sale 13-Jan-2017	-34800	0.0986	219761	0.6227
	Purchase 27-Jan-2017	31000	0.0878	250761	0.7106
	Purchase 03-Feb-2017	100	0.0002	250861	0.7109
	Sale 03-Mar-2017	-100	0.0002	250761	0.7106
	Sale 31-Mar-2017	-250661	0.7103	100	0.0002
	At the end of the Year 31-Mar-2017	100	0.0002	100	0.0002
8	NARESH KRISHNALAL PAREKH				
	At the beginning of the year 01-Apr-2016	294120	0.8335	294120	0.8335
	Sale 10-Feb-2017	-142220	0.4030	151900	0.4304
	Sale 17-Feb-2017	-25000	0.0708	126900	0.3596
	Sale 24-Feb-2017	-29080	0.0824	97820	0.2772
	Sale 10-Mar-2017	-19970	0.0565	77850	0.2206
	Sale 17-Mar-2017	-10000	0.0283	67850	0.1922
	At the end of the Year 31-Mar-2017	67850	0.1922	67850	0.1922
9	DHANVARSHA FINVEST LIMITED				
	At the beginning of the year 01-Apr-2016	272450	0.7721	272450	0.7721
	Sale 20-May-2016	-76250	0.2160	196200	0.5560
	Sale 27-May-2016	-33500	0.0949	162700	0.4610
	Sale 03-Jun-2016	-35000	0.0991	127700	0.3618
	Sale 17-Jun-2016	-35150	0.0996	92550	0.2622
	Sale 12-Aug-2016	-92250	0.2614	300	0.0008
	Sale 19-Aug-2016	-300	0.0008	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
10	ALKABEN JAYESH SHAH				
	At the beginning of the year 01-Apr-2016	233500	0.6617	233500	0.6617
	At the end of the Year 31-Mar-2017	233500	0.6617	233500	0.6617
	NEW TOP 10 AS ON (31-Mar-2017)				
11	RAMESHBHAI BALDEVBHAI PATEL				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 30-Sep-2016	1984471	5.6238	1984471	5.6238
	Sale 28-Oct-2016	-100000	0.2833	1884471	5.3404
	Sale 04-Nov-2016	-39117	0.1108	1845354	5.2296
	Sale 11-Nov-2016	-6000	0.0170	1839354	5.2126
	At the end of the Year 31-Mar-2017	1839354	5.2126	1839354	5.2126

BOARD'S REPORT [Contd.]

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors and KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No of shares increase/ decrease	Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Chandresh S. Parikh	3630400	10.29	NA	0	NA	NA	3630400	10.29
2	Mr. Rajesh C. Parikh	1659956	4.70	NA	0	NA	NA	1659956	4.70
3	Mr. Atil C. Parikh	1659956	4.70	NA	0	NA	NA	1659956	4.70
4	Mr. Sudhir R. Parikh	396690	1.12	NA	0	NA	NA	396690	1.12
5	Mr. P.M. Shah	21500	0.06	NA	0	NA	NA	21500	0.06
6	Mr. Ramkisan Devidayal	120000	0.34	NA	0	NA	NA	120000	0.34
7	Mr. Atul Patel	200000	0.57	NA	0	NA	NA	200000	0.57
8	Mrs. Darsha Kikani	0	0.00	NA	0	NA	NA	0	0.00
9	Dr. Ajay Ranka	0	0.00	NA	0	NA	NA	0	0.00
10	Mr. N. R. Patel (w.e.f. 08.08.2016)	2000	0.0057	NA	0	NA	NA	2000	0.0057
11	Mrs. Anuja Kedar Muley	1	0.00	NA	0	NA	NA	1	0.00

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	13812.38	-	1724.55	15536.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	128.43	-	110.65	239.08
Total (i+ii+iii)	13940.81	-	1835.20	15776.01
Change in Indebtedness during the financial year				
• Addition	1677.03	-	1596.51	3273.54
• Reduction	2974.95	-	1407.65	4382.60
Net Change	(1297.92)	-	188.86	(1109.06)
Indebtedness at the end of the financial year				
i) Principal Amount	12577.21	-	1918.10	14495.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	65.68	-	105.96	171.64
Total (i+ii+iii)	12642.89	-	2024.05	14666.95

BOARD'S REPORT [Contd.]

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of Director / KMP			Total Amount (₹ in lacs)
		Mr. Chandresh Parikh	Mr. Rajesh Parikh	Mr. Atil Parikh	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,757,208	4,154,904	3,398,556	12,310,668
	(b) Value of perquisites u/s17(2) of the Income-tax Act, 1961* Car	28,800	28,800	28,800	86,400
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...Incentives	886210	777683	643062	2306955
5	Others, please specify	-	-	-	-
	Total	5672218	4961387	4070418	14704023
	Overall Ceiling as per the Act	Since the Company has incurred inadequate profit during the FY 2016-17, the remuneration paid to the Whole Time Directors are as per the provisions of the Schedule V of the Companies Act, 2013			

B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. P.M. Shah	Mr. Ramkisan Devidayal	Mr. Atul Patel	Mrs. Darsha Kikani	Dr. Ajay Ranka	Mr. Sudhir Parikh	
1.	Independent Directors							
	Fee for attending board / committee meetings	2,50,000	2,30,000	1,35,000	75,000	75,000	0	
	Commission	0	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	0	
	Total (1)	2,50,000	2,30,000	1,35,000	75,000	75,000	0	765,000
2.	Other Non-Executive Directors							
	Fee for attending board / committee meetings	0	0	0	0	0	1,10,00	
	Commission	0	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	0	
	Total (2)	0	0	0	0	0	1,10,000	1,10,000
	Total (B)=(1+2)	2,50,000	2,30,000	1,35,000	75,000	75,000	1,10,000	8,75,000
	Total Managerial Remuneration							8,75,000
	Overall Ceiling as per the Act	The Company has paid only sitting fees to Non-Executive Director and Independent Directors. Since the Company has incurred inadequate profit during the FY 2016-17, the remuneration paid to the Whole Time Directors are as per the provisions of the then Schedule V of the Companies Act, 2013						

BOARD'S REPORT [Contd.]

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

Sr. No.	Particulars of Remuneration	Name of Director / KMP		Total Amount (₹ in lacs)
		Mr. N.R. Patel (w.e.f. 08.08.2016) - CFO	Mrs. Anuja Muley - CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1451952	780,165	2232117
	(b) Value of perquisites u/s17(2) of the Income-tax Act, 1961* Car	14400	-	14400
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...Incentives	160188	111780	271968
5	Others, please specify Provident Fund	112656	60540	173196
	Total	1739196	952485	2691681

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March 31, 2017

BOARD'S REPORT [Contd.]

Annexure E : Conservation of Energy, technology absorption, foreign exchange earnings and outgo

Particulars pursuant to the Companies (Accounts) Rules, 2014

A) Conservation of Energy-

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

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

The company has made significant efforts to reduce coal usage and shifted to furnace oil. The Company has also used solar energy for drying process. These efforts were more concerned to health and safety of public rather to reduce the cost.

At the Bhuj plant, the company has started utilizing fuel gases for reducing energy consumption and thereby successfully reduced furnace oil consumption by apprx. 10%.

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

(B) Technology absorption-

(i) the efforts made towards technology absorption - NIL

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution - NIL

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

(a) the details of technology imported - NIL

(b) the year of import - NIL

(c) whether the technology been fully absorbed - NIL

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

Expenditure incurred on research and development is Nil.

Foreign Exchange Earning and Outgo

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

Total Foreign Exchange used and earned:

i. Foreign Exchange Earned: ₹ 4666.23 Lacs [Previous Year : ₹ 3719.49 Lacs]

ii. Foreign Exchange Used : ₹ 3543.07 Lacs [Previous Year : ₹ 3228.66Lacs]

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

(Chandresh Parikh)
Executive Chairman

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

Place : Waghodia, Vadodara

Date : 25th May, 2017

BOARD'S REPORT [Contd.]

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

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

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

CSR Committee

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

- Mr. Chandresh S. Parikh
- Mr. Pravinchandra M. Shah
- Mr. Sudhir R. Parikh [upto 04.05.2017]
- Mrs. Sejalben R. Parikh [w.e.f. 25.05.2017]

Our Objective

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

Visit our website www.20microns.com for more details relating to our CSR Policy.

Financial Details

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

(₹ in lacs)

Particulars	Amount
Average net profit of the Company for last three financial years	180.30
Prescribed CSR expenditure (2% of the average net profit as computed above)	3.61
Details of CSR Expenditure during the financial year	-
Total amount to be spent for the financial year	3.61
Amount Spent	5.10
Amount Unspent	0.00

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

CSR Project/activity/ beneficiary	Sector	Location of the Project/ programme	Amount Outlay ₹	Amount spent on the projects/ programmes	Cumulative expenditure up to the reporting period ₹	Amount spent direct/ implementing agency
20 Microns Foundation Trust	Health Care and medical facilities	Vadodara and near vicinity	5.10 Lacs	0	5.10 Lacs	Through Foundation

Our CSR Responsibilities

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

(Chandresh S. Parikh)
Executive Chairman

Place : Waghodia, Vadodara
Date : 25th May, 2017

REPORT ON CORPORATE GOVERNANCE

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

1. CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

The essence of Corporate Governance lays in its transparency and its efficiency lies in its ability to protect the shareholders' interest. This is precisely what your company's governance process and practice ventured to achieve a transparency and professionalism in action as well as the implementation of policies and procedure to ensure high ethical standards and responsible management.

To enunciate the spirit behind the governance process, your company listed out its various compliances with the statutory requirements of the day, as well as the spirit of the practice.

2. Board of Directors

2.1 Composition

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

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [Listing Regulation, 2015]. As at the end of corporate financial year 2016-17, the total Board strength comprises of the following:

Independent Directors	05 Directors
Non-Executive Directors	01 Director
Executive Directors (including Chairman)	03 Directors

Mr. Chandresh S. Parikh, Executive Chairman; Mr. Rajesh C. Parikh, Chief Executive Officer and Managing Director and Mr. Atil C. Parikh, Managing Director, are the relatives of each other. Other than aforesaid Directors, none of the Directors have any inter-se relations among themselves and any employees of the Company.

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

APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

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

Mrs. Sejal R. Parikh, Non-Executive Non-Independent Director of the Company appointed as an Additional Director w.e.f. 04th May, 2017. She holds office of Additional Director up to the ensuing Annual General Meeting of the Company. The Company has received a notice u/s 160 of the Companies Act, 2013 from a shareholder of the Company proposing the candidature of Mrs. Sejal R. Parikh for the office of Non-Executive Non-Independent Woman Director who is liable to retire by rotation.

2.2 Profile of Directors

The brief profile of each Director is given below:

Mr. Chandresh S. Parikh, the **Executive Chairman** holds a Degree in Master of Science (Chemistry). He has played a very important role in the turnaround of the Company and has over 45 years of experience, in India and abroad, in various fields such as product development and commercialization of products developed through R & D etc. He started his career as R & D Chemist in the year 1968 with Suhrid Geigy Limited; Vadodara till 1972. Thereafter he joined in as a Chief Chemist with General Foam Products, Mombassa, Kenya in 1972 and continued with them till 1975. Thereafter he held Senior Executive positions as Technical Director and Executive Director in Banco Products (T) Ltd., Dar E Salaam from 1975-82. As Technical Director he was in charge of Production and technical matters and as an Executive Director he was in overall charge and management of the affairs of that Company. He was a Managing Director in Aerofoam (Nigeria) Ltd., Lagoa, Nigeria during 1982-87. He came to India for the formation of 20 Microns Private Limited in 1987 and started commercial production from 1988. He holds 36,30,400 Equity Shares representing 10.29% of the paid-up Capital of the Company.

REPORT ON CORPORATE GOVERNANCE [Contd.]

Mr. Rajesh C. Parikh has graduated with First Class Degree in Bachelor of Mechanical Engineering. He has also completed the Masters in Business Administration in Finance Stream. He is the **CEO and Managing Director** of our Company. He started his career with Jyoti Limited, a Vadodara based Engineering Company, in the year 1994 as a Trainee Engineer and there after he was associated with the Company and held, on part time basis, few assignments for a new project to be established for China Clay. At the age of 27 he joined the Board and was in charge of Technical matters and Marketing of the product of the Company. His exposure to the consuming industries brought in him insight for business and industry. He holds 16,59,956 Equity Shares representing 4.70% of the paid-up Capital of the Company.

Mr. Atil C. Parikh, the **Managing Director**, aged 39 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, the Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he re-joined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Board of 20 Microns Nano Minerals Limited. He holds 16,59,956 Equity Shares representing 4.70% of the paid-up Capital of the Company.

Mr. Sudhir R. Parikh, the **Director** aged 63 years, is a fellow member of the Institute of Chartered Accountants of India. Early in his career, he joined M/s. Lovelock and Lewes, an audit firm for a period of 1½ years. Subsequently, he held a senior executive position as Manager Accounts in Asian Dehydrates Limited in the year 1977, Nasik. He then joined as a Chief Accountant in M. H. Spinning and Mfg Co. Ltd., Ahmedabad in the year 1978. He was also an Executive Director in Banco Products (T) Ltd., Dar- E- Salaam, Tanzania and a Director in United Foam Private Limited, Waghodia. He has gathered rich experience in Accounting, Finance, Taxation and Management. He is also on the Board of 20 Microns Nano Minerals Limited. He holds 3,96,690 Equity Shares representing 1.12% of the paid-up capital of the Company. He recently resigned from the Board of the Company w.e.f. 04.05.2017 due to his unavailability in the country.

Mr. Pravinchandra M. Shah, the **Independent Director**, holds Master's degree in Commerce and Bachelor's degree in Law from the M.S. University, Vadodara. He is an Associate Member of Institute of Company Secretaries of India and Institute of Cost and Works Accountants of India. He has an extensive experience of more than 48 years in various fields of Accounting, Finance, Taxation (Direct and Indirect), Company Secretarial Matters, Legal Matters, General Administration, Labour Matters, etc. He started his career in the year 1959 with Textile Appliances and Instruments Co. Pvt. Ltd as Accountant cum Secretary till 1962. Mr. Shah has worked for more than 20 years (1966 – 1986) with Banco Products (India) Ltd and its group in different capacities, lastly as Director (Finance) and from the year 1989 onwards with Transpek Industry Ltd as Vice President (Finance). He has also worked as a consultant for more than 15 years in the areas of Finance, Accounts, Taxation, Company Law and SEBI Matters, etc. Mr. P.M. Shah is a member of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship and Share Transfer Committee of the Board of Directors of the Company. He holds 21,500 Equity Shares representing 0.06% of the paid-up Capital of the Company.

Mr. Ramkisan A. Devidayal, the **Independent Director**, holds Master's degree in Commerce and Management. He has rich and extensive experience in the fields of Agrochemicals of about 35 years of which 20 years in the Senior – 1st Line Management of the Companies to which he has been associated as Director. He was the Vice Chairman of Baroda Citizen Council and involved in Social activities of many NGOs. He has also been actively attached with various Associations, since last over a Decade, like Chamber of Commerce in Vadodara; Federations of Gujarat Industries; Gujarat Pesticides Formulators; etc. He has travelled widely round the Globe and participated in various International Seminars and led delegations several times. Mr. Ramkisan Devidayal is the Chairman of the Audit Committee and Member of Nomination and Remuneration Committee and Stakeholder Relationships and Share Transfer Committee of the Board of Directors of the Company. He holds 120000 Equity Shares representing 0.34% of the paid-up Capital of the Company.

Mr. Atul H. Patel, the **Independent Director**, is Graduate in Textile Engineering from VJTI, Bombay. He is a Managing Director of TARAK CHEMICALS LIMITED, Vadodara engaged in the manufacturing of Oil Field Chemicals and other Specialty Chemicals. He has been deeply involved in the activities of Industrial Association and was closely associated with Federation of Gujarat Industries [FGI, a body looking after interests of the Industries]. He had been President of FGI for 1991 and 1992. He was the President of Vadodara Industrial Employers' Union for the period 1993-95 and also a Senate member of M.S. University of Baroda. He has also been attached with Charitable Organizations and Educational Institutions, presently the Trustee 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 Director of the Baroda Citizen Community Co - Operative Credit Society Ltd., Vadodara. Mr. Atul Patel is Member of the Audit Committee and Nomination and

REPORT ON CORPORATE GOVERNANCE [Contd.]

Remuneration Committee of the Board of Directors of the Company. He holds 200000 Equity Shares representing 0.57% of the paid-up Capital of the Company.

Mrs. Darsha R. Kikani, the Independent Director, is a member of Institute of Chartered Secretaries and Administrators, UK and Fellow Member of Institute of Company Secretaries of India. She holds Master Degree of Business Administration, Bachelor Degree of Laws and Bachelor Degree of Science. Mrs. Darsha Kikani carries a balanced mix of executive, academic as well as entrepreneurial experience. She has interacted with companies at corporate level for over 17 years, as a practicing Company Secretary and Company Law Consultant. Experience includes the whole spectrum of functions starting from incorporation of companies to regulatory aspects of Corporate Governance, liaison with Stock Exchanges/SEBI and from conducting secretarial due diligence of companies for IPO to Merger and Acquisitions. She was also associated as Secretarial Executive with M/s. Ambalal Sarabhai Enterprises Limited, Vadodara. Also worked as a Market Research Associate with Consulting Division of ORG, for the Sardar Sarovar (Narmada) Project. She worked as Asst. Vice President (Corporate Legal Team) with Reliance Infrastructure Limited, Mumbai, one of the largest industrial groups of India. She was also worked with Mindspark Language Team of Educational Initiatives, an innovative landmark Company in Education Sector for five years. Presently, she is working as Consultant in the areas of Company Law and SEBI Matters, Capital Market etc. She does not hold any Shares of the Company. She recently resigned from the Board of the Company w.e.f. 04.05.2017 due to her pre-occupation.

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

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

Meetings:

The Board generally meets 4 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. During the year ended on 31st March, 2017, the Board of Directors had 05 Meetings. These were held on 23rd May, 2016, 08th August, 2016, 23rd September, 2016, 05th November, 2016, and 09th February, 2017. The last Annual General Meeting (AGM) was held on 23rd September, 2016. The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2017, and at the last AGM is as under:-

Sr. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at Last AGM
1	Mr. Chandresh S. Parikh	Chairman - Executive Director	5	YES
2	Mr. Rajesh C. Parikh	Executive Director	5	YES
3	Mr. Atil C. Parikh	Executive Director	5	YES
4	Mr. Sudhir R. Parikh	Non-Executive Director	3	YES
5	Mr. Pravinchandra M. Shah	Non-Executive, Independent Director	5	YES
6	Mr. Ramkishan A. Devidayal	Non-Executive, Independent Director	5	YES
7	Mr. Atul H. Patel	Non-Executive, Independent Director	3	NO
8	Mrs. Darsha R. Kikani	Non-Executive, Independent Director	4	YES
9	Dr. Ajay I. Ranka	Non-Executive, Independent Director	4	YES

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 09th February, 2017 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Agenda:

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Any Other Agenda" are included with the permission of the Chairman. Agenda papers are generally circulated seven days

REPORT ON CORPORATE GOVERNANCE [Contd.]

prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the Board Meeting for noting.

Invitees and Proceedings:

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

Post Meeting Action:

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

Support and Role of Company Secretary:

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

2.4 Other Directorships etc.:

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

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st March, 2017, are given below:-

Names of Directors	Category of Directors	No. of other Directorship	Committee Membership/ Chairmanship*	
			Committee Membership	Committee Chairmanship
EXECUTIVE DIRECTORS				
Mr. Chandresh S. Parikh	Executive Chairman	1	1	-
Mr. Rajesh C. Parikh	Chief Executive Officer and Managing Director	1	1	-
Mr. Atil C. Parikh	Managing Director	1	-	-
Non-Executive Directors				
Mr. Sudhir R. Parikh	Non-Executive Director	1	1	-
Mr. Pravinchandra M. Shah	Independent Director	0	-	-
Mr. Ramkisan A. Devidayal	Independent Director	5	3	2
Mr. Atul H. Patel	Independent Director	5	1	-
Mrs. Darsha R. Kikani	Independent Director	-	-	-
Dr. Ajay I. Ranka	Independent Director	-	-	-

* Audit Committee and Stakeholder Relationship Committee considered

2.5 Induction and Training of Board Members:

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

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

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

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

The details of such familiarization programme for Independent Directors are posted on the website of the company www.20microns.com

REPORT ON CORPORATE GOVERNANCE [Contd.]

2.6 Evaluation of the Board's Performance:

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

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

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

2.7 Code of Conduct:

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

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

2.8 Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code.

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

3. Audit Committee

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

3.1 Composition and Meetings:-

The Audit Committee had 4 meetings during the year 2016-17, specifically on 23.05.2016, 08.08.2016, 05.11.2016 and 09.02.2017. The attendance of each committee member was as under:-

Sr.No.	Name of Committee Members	No of Meetings held/attended
1	Mr. Ramkisan A. Devidayal, Chairman – Independent Director	4 of 4
2	Mr. Pravinchandra M. Shah - Independent Director	4 of 4
3	Mr. Atul H. Patel - Independent Director	3 of 4

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

3.2 Invitees / Participants:-

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

3.3 Terms of Reference:-

The terms of reference of the Audit Committee are as per the guidelines set out in the listing Regulations, 2015 read with section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements, (v) interaction with statutory, internal and cost

REPORT ON CORPORATE GOVERNANCE [Contd.]

auditors, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

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

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

4. Nomination and Remuneration Committee

4.1 Composition and Attendance at the Meeting

The Nomination and Remuneration Committee comprises of the members as stated below. The Committee during the year ended on 31st March, 2017 had one meeting on 24.06.2016. The attendance of the members was as under:-

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. P.M. Shah, Chairman – Independent Director	1 of 1
2	Mr. Ramkisan A. Devidayal - Independent Director	1 of 1
3	Mr. Atul H. Patel - Independent Director	1 of 1
4	Mr. Chandresh S. Parikh - Executive Chairman	1 of 1

4.2 Terms of Reference of the Nomination and Remuneration Committee:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other Senior employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board Members;
3. Devising a policy for Board diversity;
4. Identifying persons, qualified to become Directors of the Company and who may be appointed in Senior Management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

4.3 Remuneration Policy

Remuneration to Executive Directors have been paid to them in terms of the approval given by Shareholders of the Company under Sections 196, 197 and other applicable provisions of the Companies Act, 2013 and the resolution passed in that behalf and as recommended by the Nomination & Remuneration Committee of Directors duly constituted pursuant to Schedule V of the Companies Act, 2013.

The remuneration to the Executive Directors consists of fixed salary, allowances and other perquisites as per the Rules of the Company and commission on Net profit as calculated as per Sections 198 of the Companies Act, 2013. The Provident Fund is contributed as per Provident Fund Act and Rules.

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

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

[₹ in Lacs]					
Names of Directors	Basic	HRA	Medical	Commission	TOTAL
EXECUTIVE DIRECTORS :					
Mr. Chandresh S. Parikh	45.48	0	2.09	0	47.57
Mr. Rajesh C. Parikh	34.74	5.21	1.60	0	41.55
Mr. Atil C. Parikh	28.42	4.26	1.31	0	33.99
Non Executive Directors			Sitting fees [₹]		
Mr. Sudhir R. Parikh			1,10,000		
Mr. Pravinchandra M. Shah			2,50,000		
Mr. Ramkisan A. Devidayal			2,30,000		
Mr. Atul H. Patel			1,35,000		
Mrs. Darsha R. Kikani			75,000		
Dr. Ajay I. Ranka			75,000		

Directors' Shareholding

Shareholding of the Directors in the company as on 31st March, 2017:

Names of Directors	No. of shares held in the Company singly and / or jointly	Percentage of holding
Mr. Chandresh S. Parikh	36,30,400	10.29
Mr. Rajesh C. Parikh	16,59,956	4.70
Mr. Atil C. Parikh	16,59,956	4.70
Mr. Sudhir R. Parikh	3,96,690	1.12
Mr. Pravinchandra M. Shah	21,500	0.06
Mr. Ramkisan A. Devidayal	1,20,000	0.34
Mr. Atul H. Patel	2,00,000	0.57
Mrs. Darsha R. Kikani	Nil	Nil
Dr. Ajay I. Ranka	Nil	Nil

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

5. Stakeholder Relationship and Share Transfer Committee

The Stakeholders Relationship and Share Transfer Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

The Committee is headed by Mr. P.M. Shah, Independent Director and consists of the members as stated below. During the year ended on 31st March, 2017, this Committee had 01 meeting on 09.02.2017 which was attended by the members as under:-

REPORT ON CORPORATE GOVERNANCE [Contd.]

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

Mrs. Anuja Muley, Company Secretary is designated as the “Compliance Officer” who oversees the redressal of the investors’ grievances.

Terms of Reference of Stakeholders Relationship and Share Transfer Committee

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

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

6. CSR Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee is headed by Mr. Chandresh Parikh, Executive Chairman and consists of the members as stated below. During the year ended on 31st March, 2017, two meetings were held on 28.04.2016 and 30.03.2017. The CSR Committee, as on 31st March, 2017, comprised of the following members:

Sr. No.	Name of Committee Members	No of Meetings held/attended
1	Mr. Chandresh S. Parikh – Executive Chairman	2 of 2
2	Mr. P.M. Shah, Chairman – Independent Director	2 of 2
3	Mr. Sudhir R. Parikh – Non-Executive Director	1 of 2

7. Functional Committees

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

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

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

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

8. Vigil Mechanism Policy

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

9. General Body Meetings

(i) Annual General Meeting (AGM):

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

Financial Year	Date	Location	Time	No. of Special Resolutions passed
2015-16	23.09.2016	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	03
2014-15	25.09.2015	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	08
2013-14	27.09.2014	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	02

(ii) Extra Ordinary General Meetings:

During the year, no Extra-ordinary General Meeting was held.

(iii) Postal Ballot:

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

10. Management review and responsibility

10.1 Formal evaluation of officers

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

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

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

10.3 We have an integrated approach to managing risks inherent in various aspects of our business.

10.4 A detailed report on our Management Discussion and Analysis forms part of this Annual Report.

11. Disclosures

- Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.
- There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The company has identified that there are no materially significant transactions with the related parties pursuant to the material related party transaction policy formulated by the Company. The said policy is available on the website of Company www.20microns.com
- The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- During the year ended 31st March, 2017, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16(1)(c) of the Listing Regulation, 2015. However, the Company has framed a policy for determining "material subsidiary" and the same is disclosed on the Company's website at www.20microns.com
- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated in Section 149(7) of the Companies Act, 2013.

REPORT ON CORPORATE GOVERNANCE [Contd.]

11.1 Disclosures of Unclaimed Shares

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

Particulars	Aggregate No. of Shareholders	Aggregate No. of Shares
Shares lying in Suspense account as on 01.04.2016	3	844
Shares transferred from Suspense account during the year	Nil	Nil
Shares lying in Suspense account as on 31.03.2017	3	844

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

11.2 Plant Locations

Manufacturing Unit

Plant Location	Address
Bhuj	Plot No.157, Village – Mamuara, Taluka : Bhuj, dist : Kutch, Gujarat - 370 020.
Hosur	Plot No.23-24, SIPCOAT,Phase II, Housr, Dist : Kishangiri, Tamil Nadu - 635109
Haldwani	Village: Haripur,Bareilly Road, Taluka: Haldwani,Dist. Nainital,Uttarakhand. -263139
Vadadala	Plot No.172/175, Jarod – Samalaya Road, Taluka - Savli, Dist. Vadodara - 391520, State - Gujarat.
Alwar	Plot No. F-140 and B-77-78, M.I.A.,Alwar,Rajasthan
Waghodia	Plot No. 253-254 & 256 GIDC, Waghodia
Nandesari	55,GIDC,Nandesari,Dist. Vadodara-391340
Udaipur	Plot No. F-233-234, Road No. 1E, Matsya Industrial Estate, Madri, Udaipur, Rajasthan-313001.

12. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The CEO and CFO has issued certificate pursuant to the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

13. Non-Mandatory Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has not adopted non-mandatory requirements as mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. Certificate

A certificate from the statutory auditors of the company, confirming the compliance with all the conditions of corporate governance, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed at the end of this report.

15. Means of Communication

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

These results are simultaneously posted on the website of the Company at www.20microns.com.

16. Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors of the company appointed M/s. J. J. Gandhi and Co., Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the company. The Secretarial Audit Report confirms that the Company has complied with all the provisions of Companies Act, 2013, Depositories Act, 1996 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the Regulations and Guidelines of the Securities and Exchange Board of India, as applicable to the company.

REPORT ON CORPORATE GOVERNANCE [Contd.]

17. General Shareholders' Information

17.1 Annual General Meeting:

Day and Date : Friday, 22nd September, 2017

Time : 3.00 p.m.

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

17.2 Financial Calendar:

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

First quarterly results* : on or before 15th August, 2017

Second quarterly / Half yearly results* : on or before 15th November, 2017

Third quarterly results* : on or before 15th February, 2018

Fourth quarterly results* : on or before 30th May, 2018

Annual General Meeting for the year : on or before 30th September 2018
ending on 31st March, 2018

(* subject to modification in Act/Rules/Regulation by SEBI/BSE/NSE)

17.3 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 15th September, 2017 till Friday, 22nd September, 2017 (both days inclusive) for the purpose of 30th Annual General Meeting.

17.4 Listing of Shares and Other Securities:

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

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Fort, Mumbai – 400 001.

Stock Code: 533022

National Stock Exchange of India Limited

Exchange Plaza, Bandra – Kurla Complex,

Bandra [East], Mumbai – 400 051.

Stock Code: 20MICRONS

17.5 Listing Fees:

The Company has paid listing fees up to 31st March, 2018 to the Bombay Stock Exchange and National Stock Exchange of India Ltd. where Company's shares are listed.

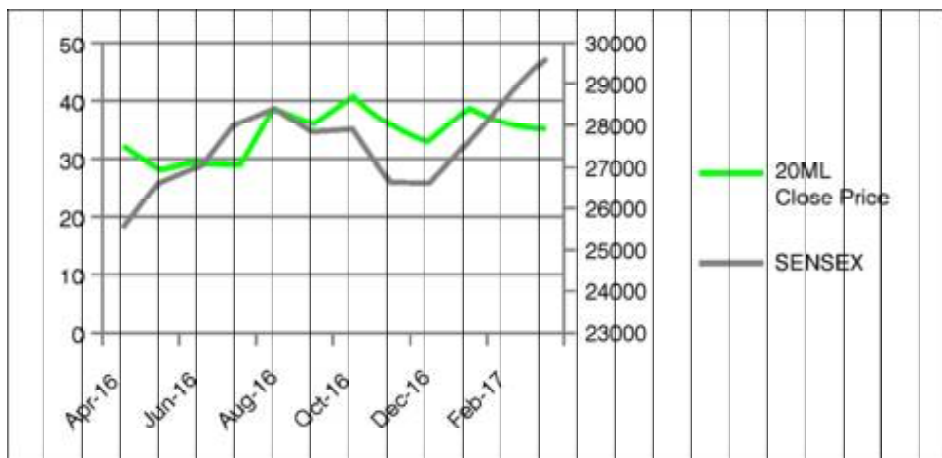
17.6 MARKET PRICE DATA

The monthly high and low prices of the shares of the company as quoted on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the FY 2016-17 are given hereunder:

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
Apr-16	36	27.75	32.05	36	27.5	31.7
May-16	34.8	28	28.75	34.8	27.7	28.55
Jun-16	30.95	27.5	29.65	30.6	27.5	29.7
Jul-16	31	28	29.4	31.2	28	29.3
Aug-16	44.4	28.85	38.15	45	28.5	38.2
Sep-16	41	33.7	36.5	40.95	33.05	36.45
Oct-16	41.9	33.3	40.9	42	30.6	40.65
Nov-16	47	31.95	35.65	46.9	31.4	35.7
Dec-16	37	31.7	33.05	37.1	31.2	32.95
Jan-17	43.6	33.1	38.85	43.6	31.3	38.75
Feb-17	43.1	35.7	35.95	43.6	35.55	36.05
Mar-17	38.25	34.05	35.1	38.4	34	35

REPORT ON CORPORATE GOVERNANCE [Contd.]

17.7 Performance in comparison to broad based indices:



17.8 Share Transfer Agents:

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

CAMEO CORPORATE SERVICES LIMITED
SUBRAMANIAN BUILDING, NO. 1, CLUB HOUSE ROAD,
CHENNAI – 600 002.
TELE FAX: +91 044 28460395/0390
EMAIL : narasimhan@cameoindia.com

17.9 SHARE TRANSFER SYSTEM

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

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

17.10 DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the company as on 31st March, 2017 is as follows:

SLNO	HOLDING	NUMBER OF HOLDERS	% OF TOTAL	SHARES	% OF TOTAL
1	between 1 and 1000	4760	54.62	422195	1.20
2	between 1001 and 5000	2792	32.04	1452916	4.12
3	between 5001 and 10000	471	5.41	763111	2.16
4	between 10001 and 20000	259	2.97	777913	2.20
5	between 20001 and 30000	170	1.95	855676	2.42
6	between 30001 and 40000	45	0.52	322536	0.91
7	between 40001 and 50000	51	0.59	490106	1.30
8	between 50001 and 100000	66	0.76	953419	2.70
9	> 100000	100	1.15	29248630	82.89
TOTAL		8714	100.00	35286502	100.00

REPORT ON CORPORATE GOVERNANCE [Contd.]

17.11 Shareholding Pattern:

The shareholding of different categories of the shareholders as on 31st March, 2017 is given below:-

SLNO	CLIENT TYPE	NO. OF SHARES	% OF HOLDINGS
1	Promoters	7381002	20.92
2	Corporate Body	15015606	42.55
3	Resident	10907434	30.91
4	FI	6715	00.02
5	NRI	1927656	5.46
6	Clearing Member	22297	00.06
7	Trusts	206	00.00
8	Bank	5352	00.02
9	Employees	20234	00.06
	Total	35286502	100.00

17.12 Dematerialization of Shares:

About 98% of total equity share capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2017.

17.13 Reconciliation of Share Capital Audit:

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

17.14 INVESTORS CORRESPONDENCE

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

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

17.15 Registered Office:

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

18. Subsidiary Companies

There is no material non listed Indian subsidiary Company. The requirements of the Regulation 24 of Listing Regulation, 2015 with regard to subsidiary companies have been complied with.

REPORT ON CORPORATE GOVERNANCE [Contd.]

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Board of Directors 20 Microns Limited

Dear Members of the Board,

1. We have reviewed Audited Financial statements and the cash flow statement of 20 Microns Limited for the year ended 31st March, 2017 and that to the best of our knowledge and belief :
 - 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, 2017, which are fraudulent, illegal and violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. In order to evaluate the effectiveness of internal control systems, pertaining to financial reporting and for risk management we have established internal framework to carry out independent study at regular intervals on risk management and internal controls, which helps in forming the opinion for CEO/CFO certification as required.
4. We have informed to the Auditors and the Audit Committee:
 - i) There are no Significant changes in the internal control over financial reporting during the year;
 - ii) There are no Significant changes in accounting policies during the year and
 - iii) There are no instances of significant fraud of which we have become aware.
5. We have provided protection to Whistle Blower from unfair termination and other unfair or prejudicial employment practices.
6. We further declare that all Board Members and Senior Management Personnel have affirmed compliance with code of conduct and ethics for the year covered by this report.

Narendra R. Patel
Chief Financial Officer

Rajesh C. Parikh
CEO and Managing Director

Place : Waghodia
Date : 25.05.2017

AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
20 MICRONS LIMITED

Auditors' Certificate on Corporate Governance

We have examined the relevant records of 20 Microns Limited (the Company) for the year ended March 31, 2017 relating to compliance of conditions of Corporate Governance as stipulated in regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of schedule V of Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulation, 2015 (Listing regulation) for the Financial Year 01st April, 2016 to 31st March, 2017.

Management's responsibility

The company's management takes full responsibility of the compliance of conditions of Corporate Governance as stipulated in the regulations above.

Auditors' responsibility

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.

We conducted our engagement in accordance with the 'Guidance Note on audit Reports and Certificates for Special purposes' issued by Institute of Chartered Accountants of India. Our responsibility is to certify based on work done.

Conclusion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of schedule V of the Listing regulations as applicable.

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

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W/W100136

(G. R. Parmar)
Partner

Place : Waghodia, Vadodara
Date : May 25, 2017

Membership No.121462

SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31st March, 2017)

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

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

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31st March, 2017**, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable to the Company during the Audit Period;

- D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period;
 - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
 - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
 - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;
6. Considering products, process and location of the Company, and having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws applicable specifically to the Company;
- A. The Water (Prevention and Control of Pollution) Act, 1974
 - B. The Air (Prevention and Control of Pollution) Act, 1981
 - C. The Environment (Protection) Act, 1984
 - D. The Mines Act, 1952
 - E. The Mines and Minerals (Development & Regulations) Act, 1957
 - F. The Mines and Minerals (Development & Regulations) Amendment Ordinance, 2015

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that;

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

SECRETARIAL AUDIT REPORT [Contd.]

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Place: Vadodara
Date: 25th May, 2017

J. J. Gandhi
Proprietor
FCS No. 3519 and CP No. 2515

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

Annexure to Secretarial Audit Report

Date: 25th May, 2017

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

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

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

for J. J. Gandhi & Co.
Practising Company Secretaries
J. J. Gandhi
Proprietor
FCS No. 3519 and CP No. 2515

INDEPENDENT AUDITOR'S REPORT

To
The Members of
20 Microns Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **20 Microns Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended on that date and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its

INDEPENDENT AUDITOR'S REPORT [Contd.]

financial statements – *Refer Note 27 to the financial statements;*

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The company had provided requisite disclosures in its financial statements as to

holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W/W100136

Place : Waghodia, Vadodara
Date: May 25, 2017

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

ANNEXURE - A

TO INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In respect of deposits accepted by the Company, the Company has complied with the directives of Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with appropriate authorities except Income Tax Deducted at source, Sales Tax, Excise, Service Tax, Provident Fund where there was some delay on few occasions at some of the offices of the company.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

ANNEXURE - A

TO INDEPENDENT AUDITOR'S REPORT [Contd.]

- (b) According to the information and explanations given to us and the records of the Company examined by us, the details of disputed statutory dues that have not been deposited on account of dispute are as under.

Name of statute	Nature of dues	Amount (in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax, 1956	Central Sales Tax	10.76	F.Y. 2011-12	Commissioner of Commercial Taxes, Appeals
Central Sales Tax, 1956	Central Sales Tax	88.54	F.Y. 2014-15	Asst. Commissioner of Commercial Taxes
Income Tax Act, 1961	Income tax	5.96	A.Y. 2009-10	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income tax	1.04	A.Y. 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	11.87	A.Y. 2011-12	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income tax	13.20	A.Y. 2013-14	Commissioner of Income Tax, Appeals

- (viii) The Company has not defaulted in repayment of loans or borrowing dues to financial institution or bank or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer, further public offer (including debt instruments) or term loan during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to information and explanation provided to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in

compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, reporting requirement under paragraph 3 (xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45IA of Reserve bank of India Act, 1934.

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W/W100136

Place : Waghodia, Vadodara
Date : May 25, 2017

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

ANNEXURE - B

TO INDEPENDENT AUDITOR'S REPORT [Contd.]

(Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our report on Standalone Financial Statements of 20 Microns Limited of even date)

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

We have audited the internal financial controls over financial reporting of **20 Microns Limited ("the Company")**, as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W/W100136

Place : Waghodia, Vadodara
Date: May 25, 2017

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

BALANCE SHEET**as at March 31st, 2017**

		(₹ In Lacs)	
Particulars	Notes	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1764.33	1764.33
(b) Reserves and Surplus	3	7907.77	6637.43
		9672.10	8401.75
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	6367.26	7084.18
(b) Deferred Tax Liabilities (Net)	5	2015.74	1331.54
(c) Other Long Term Liabilities	6	44.96	30.66
		8427.96	8446.38
(3) Current Liabilities			
(a) Short-Term Borrowings	7	6880.35	7061.17
(b) Trade Payables	8		
Dues of micro and small enterprises		40.27	49.91
Dues of creditors other than micro and small enterprises		4877.92	5137.38
(c) Other Current Liabilities	9	2243.92	2384.72
(d) Short-Term Provisions	10	36.30	67.91
		14078.76	14701.09
TOTAL EQUITY AND LIABILITIES		32178.82	31549.22
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	11	13630.31	13901.73
Intangible Assets	11	63.68	103.75
Capital Work-In-Progress	11	683.96	222.87
Intangible Assets under development	11	21.80	21.80
(b) Non-Current Investments	12	1337.92	737.92
(c) Long Term Loans and Advances	13	2434.79	1441.08
(d) Other Non-Current Assets	14	20.99	36.85
		18193.45	16466.02
(2) Current Assets			
(a) Inventories	15	5917.23	6414.52
(b) Trade Receivables	16	5322.29	5465.51
(c) Cash and Bank Balances	17	943.12	858.86
(d) Short-Term Loans and Advances	18	1760.07	2295.36
(e) Other Current Assets	19	42.66	48.95
		13985.37	15083.20
TOTAL ASSETS		32178.82	31549.22

Significant Accounting Policies 1
The accompanying notes form an integral part of the financial statements.
As per our audit report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

G. R. Parmar
Partner
Membership No. : 121462

C. S. Parikh
Executive Chairman
DIN # 00041584

For and on behalf of Board of Directors

P. M. Shah
Independent
Director
DIN # 00017558

N. R. Patel
Chief Financial
Officer

Anuja K. Muley
Company
Secretary
A21243

May 25, 2017
Waghodia, Vadodara

May 25, 2017
Waghodia, Vadodara

STATEMENT OF PROFIT AND LOSS

as at March 31st, 2017

		(₹ In Lacs)	
Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
I Revenue from Operations (Gross)	20	37248.43	34855.26
Less : Excise Duty		1293.77	1307.00
Revenue from Operations (Net)		35954.66	33548.26
II Other Income	21	248.60	422.21
III Total Revenue [I + II]		36203.27	33970.46
IV Expenses			
(a) Cost of Materials Consumed	22	16295.45	15901.61
(b) Changes in Inventories of Finished Goods	23	425.33	(82.73)
(c) Employee Benefit Expenses	24	3360.60	3072.08
(d) Finance Costs	25	2246.42	2417.88
(e) Depreciation and Amortization Expense	11	900.68	931.48
(f) Other Expenses	26	11020.25	10514.91
Total Expenses		34248.72	32755.23
V Profit/(Loss) Before Exceptional Items & Tax		1954.55	1215.24
VI Less : Exceptional Items		-	-
VII Profit Before Tax [V - VI]		1954.55	1215.24
VIII Tax Expenses			
(a) Current Tax		401.55	270.00
(b) MAT Credit Entitlement		(401.55)	(270.00)
(c) Deferred Tax		684.20	91.78
(d) Prior year tax adjustment		-	189.15
Total Tax Expenses		684.20	280.93
IX Profit For The Year [VII - VIII]		1270.35	934.31
Earning per Equity Share of ₹ 5 each [in ₹]			
Basic		3.63	2.67
Diluted		3.63	2.65

Significant Accounting Policies 1

The accompanying notes form an integral part of the financial statements.

As per our audit report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

G. R. Parmar
Partner
Membership No. : 121462

C. S. Parikh
Executive Chairman
DIN # 00041584

For and on behalf of Board of Directors

P. M. Shah
Independent
Director
DIN # 00017558

N. R. Patel
Chief Financial
Officer

Anuja K. Muley
Company
Secretary
A21243

May 25, 2017
Waghodia, Vadodara

May 25, 2017
Waghodia, Vadodara

CASH FLOW STATEMENT**as at March 31st, 2017**

	(₹ In Lacs)	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash Flow From Operating Activities		
Profit/ (Loss) Before Tax	1954.55	1215.24
Adjusted For :		
Depreciation and Amortisation Expenses	900.68	931.48
Gratuity Provision	85.45	80.73
Provision For Doubtful Debts	28.00	66.00
Bad Debts written off	-	5.24
Provision For Leave Encashment	3.00	4.50
Provision Written Back	(22.50)	(22.50)
Credit Balances Written Back	(12.27)	(30.47)
Debit Balances Written-Off	47.81	
Profit on Disposal Of Tangible Assets	(.27)	(109.14)
Loss on Disposal Of Tangible Assets	19.34	25.78
Interest Received on Bank Deposits	(46.27)	(51.06)
Interest Paid	2246.42	2416.08
Effect Of Foreign Exchange Rate Fluctuations (Net)	5.15	(7.98)
Forward Premium	-	1.80
	3206.74	3358.29
Operating Profit Before Working Capital Changes	5161.29	4573.53
Adjusted For :		
Increase / (Decrease) In Trade Payables and Liabilities	(411.81)	(743.62)
(Increase) / Decrease In Trade Receivables	87.89	(1282.31)
(Increase) / Decrease In Loans and Advances	683.66	(553.76)
(Increase) / Decrease In Inventories	470.31	(97.94)
(Increase) / Decrease In Other Assets	27.93	83.52
	857.98	(2594.11)
Cash Generated From Operation	6019.27	1979.42
Direct Taxes Paid (Net of Refund)	(573.60)	(138.59)
Net Cash From Operating Activities	5445.66	1840.82
B. Cash Flow From Investing Activities		
Purchase of Tangible Assets , Capital Work In		
Progress including Capital Advances	(1626.59)	(294.29)
Purchase of Intangible Assets	-	(32.60)
Investment in Subsidiary	(600.00)	
Proceeds From Disposal of Tangible Assets	15.75	218.52
Dividend From Long Term Investments	-	175.95
Interest Received on Bank Deposits	46.27	51.06
Net Cash Used In Investing Activities	(2164.57)	118.64

CASH FLOW STATEMENT

as at March 31st, 2017 [Contd.]

(₹ In Lacs)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash Flow From Financing Activities		
Repayment of Long-Term Borrowings (Net)	(716.92)	(982.58)
Proceeds/(Repayment) From Short-Term Borrowings (Net)	(180.82)	371.71
Share Premium Received	-	426.47
Proceed From Issue of Share Capital	-	73.53
Interest Paid	(2311.80)	(2389.75)
Forward Premium	(1.80)	
Net Cash Used In Financing Activities	(3209.55)	(2502.42)
Net Increase In Cash and Cash Equivalents	71.55	(542.96)
Cash and Cash Equivalents - Opening Balance	364.16	907.13
Cash and Cash Equivalents - Closing Balance	435.71	364.16

Notes :

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

Particulars	As At March 31, 2017	As At March 31, 2016
Cash in hand	15.65	10.12
Balances with banks in current accounts	443.16	358.67
Total	458.81	368.78
Less: amount due to bank in current accounts	(23.10)	(4.62)
Total	435.71	364.16
- Bank Overdraft and other short term loans have been treated as part of financing activities.
- Figures in bracket indicates cash outflows.
- Previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's classification.

As per our audit report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

G. R. Parmar
Partner
Membership No. : 121462

C. S. Parikh
Executive Chairman
DIN # 00041584

For and on behalf of Board of Directors

P. M. Shah
Independent
Director
DIN # 00017558

N. R. Patel
Chief Financial
Officer

Anuja K. Muley
Company
Secretary
A21243

May 25, 2017
Waghodia, Vadodara

May 25, 2017
Waghodia, Vadodara

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended March 31st, 2017

Note 1 : Significant Accounting Policies :

A. Basis of preparation of Financial Statements

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

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

B. Use of Estimates

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

C. Revenue Recognition

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

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

D. Fixed Assets and Depreciation

- Fixed assets including leasehold improvements and technical knowhow costs are stated at cost (net of

CENVAT, wherever applicable). Cost includes direct expenses related to acquisition and installation and interest incurred during construction period.

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

E. Intangible Assets

- Acquired Intangible Assets in the form of "Process Know How" is recognized at the cost of acquisition and amortized on straight line basis over a period of five years, depending on their estimated useful life.
- Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits. ERP Project fees are amortized over a period of seven years. Costs of all other software are amortized over a period of five years.
- Expenses incurred during development of Process know how or Product development is shown under the head "Intangible asset under development".
- Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprises and cost can be measured reliably.
- The amortization period and method are reviewed at each year end.

F. Impairment of Fixed Assets

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

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended March 31st, 2017 [Contd.]

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

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

G. Inventories

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

H. Foreign Exchange Transactions

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

I. Investments

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

J. Employee Benefits

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

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

- b) Post-employment benefit plans

b.i) Defined Contribution Plan

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

b.ii) Defined Benefit Plan

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

K. Borrowing Cost

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

L. Earnings Per Share

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

M. Taxes on Income

- a) Tax expense comprise of current and deferred taxes.
- b) Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.
- c) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized for deductible timing differences only to the extent

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended March 31st, 2017 [Contd.]

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

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

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

N. Provisions, Contingent Liabilities and Contingent Assets

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

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

O. Cash and Cash Equivalents

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

P. General

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

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017

(₹ In Lacs)

	As at 31 March, 2017	As at 31 March, 2016
2 SHARE CAPITAL		
2.1 Authorised Capital		
6,00,00,000 Equity Shares of ₹ 5/- each	3000.00	3000.00
(Previous Year 6,00,00,000 Equity Shares of ₹ 5/- each)		
2.2 Issued, Subscribed and Fully Paid-Up Equity Shares		
3,52,86,502 Equity Shares of ₹ 5/- each	1764.33	1764.33
(Previous Year: 3,52,86,502 shares of ₹ 5 each)		

2.3 Reconciliation of the share outstanding at the beginning and at the end of the reporting period.

Particulars	As at 31 March 31, 2017		As at 31 March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	3,52,86,502	17,64,32,510	3,38,15,902	16,90,79,510
Equity shares Issued during the year - Compulsory Convertible Warrant	-	-	14,70,600	73,53,000
Outstanding at the end of the year	3,52,86,502	17,64,32,510	3,52,86,502	17,64,32,510

2.4 Rights, Preferences and Restrictions Attached to Equity Shares

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

2.5 Details of Shareholders Holding More Than 5% Equity Shares in the Company:

Name of Shareholders	As At 31 March 31, 2017		As At 31 March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Eriez Industries Private Limited (Previously known as "Eriez Finance & Investment Limited")	82 50 235	23.38	82 50 235	23.38
Chandresh S Parikh	36 30 400	10.29	36 30 400	10.29
Rameshbhai Baldevbhai Patel	18 39 354	5.21	19 53 100	5.53
Pratik Minerals Private Limited	30 36 206	8.60	30 36 206	8.60
Total	1 67 56 195	47.48	1 68 69 941	47.80

- 2.6** The Company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2017

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

	As at 31 March, 2017	As at 31 March, 2016
3 RESERVES AND SURPLUS		
a. General Reserve		
Balance as at beginning of the year	120.54	120.54
Balance as at end of the year	120.54	120.54
b. Securities Premium Account		
Balance as at beginning of the year	3980.33	3553.86
Add : Addition during year	-	426.47
Balance as at end of the year	3980.33	3980.33
c. Surplus as per Statement of Profit and loss		
Balance as at beginning of the year	2536.56	1602.25
Add : Net Profit for the year	1270.35	934.31
Balance as at end of the year	3806.90	2536.56
Total	7907.77	6637.43

4 LONG TERM BORROWINGS

Particulars	As at 31 March 31, 2017		As at 31 March 31, 2016	
	Current Maturities	Non-Current Maturities	Current Maturities	Non-Current Maturities
a. Secured Borrowings				
Term Loans				
From Banks	977.34	5707.86	973.69	6584.16
Total Secured Borrowings	977.34	5707.86	973.69	6584.16
b. Unsecured Borrowings				
Deposits				
From Public & Members	260.20	602.25	394.49	463.52
From Related Parties (Refer Note No. 38)	5.00	57.15	5.25	36.50
Total Unsecured Borrowings	265.20	659.40	399.74	500.02
Total	1242.54	6367.26	1373.43	7084.18

4.1 Maturity Profile of Borrowings [as at March 31, 2017]

Secured Borrowings

The principal amount of the loans to each of the lenders shall be repayable in equated monthly installments ranging over a period from 36 months to 72 months. The repayment scheduled as per the sanction terms for sanction amounts of loans is as under:

Year-wise	Term Loans from banks
Effective Interest Rate	9.35% to 16%
2017-18	977.33
2018-19	1059.73
2019-20	1427.01
2020-21	1529.65
2021-22	965.25
2022-23	726.22
Total	6685.19

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

Unsecured Borrowings

Year-wise	Public Deposits
Effective Interest Rate	10.25% - 13.62%
2017-18	265.20
2018-19	382.62
2019-20	276.78
Total	924.60

4.2 Details of Securities

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

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

- Plot No. 157, Mamura, Bhuj
- Negative lien on Plot No. 158,156,149 of Mamura, Bhuj
- Plot No. 172,174 & 175, Vadadala, Baroda
- Plot No. F-75/76/82/85 & H-83/84, RIICO I.A., Swaroopganj, Rajasthan
- 307/308, Arundeeep Complex, Race Course, Baroda
- 134,135 1st Floor, Hindustan Kohinoor Ind. Complex, LBs Marg, Vikhroli (W), Mumbai
- Plot No. B-77 and B-78 , Matsya Industrial Area, Alwar, Rajasthan.
- Plot no. 253-254 GIDC, Waghodia
- Plot no.23 & 24 SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu
- Plot no.104/3 of land located at survey no 65 , village Puthur, Tirunvelli, Tamil Nadu
- Plot no. F 140 , Alwar , Rajasthan.
- Plant and machinery, both present and future, wherever situated at all factories and premises pertaining to above locations.

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

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

- All the term loans are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, of the company and corporate guarantee by "Eriez Industries Private Limited" (Previously known as Eriez Finance & Investment Limited), a company where significant influence exists and pledge of entire shareholding of promoters of the Company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of Corporate Promoter being "Eriez Industries Private Limited (Formerly known as " Eriez Finance and Investment Limited")
- Term loans of ₹ 124.51 Lacs (Previous Year: ₹ 47.91 Lacs) obtained for acquisition of assets (vehicles) are secured only by the hypothecation of the respective assets financed.

- 4.3 State Bank of India vide its letter dated 09.02.2017 has informed the company that the account of the Company is upgraded to Standard Asset on 06.10.2016

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

5 DEFERRED TAX LIABILITIES (NET)

The major components of deferred tax liabilities and deferred tax assets are as under :

Particulars	As at March 31, 2016	Changes during the year	As at March 31, 2017
A. Deferred Tax Liabilities			
Product Development Expenses	26.60	(9.54)	17.06
Difference between WDV of Fixed Assets as per the Income Tax Act, 1961 and the Companies Act, 2013.	1947.64	154.40	2102.04
Provision for Gratuity Liability	2.67	6.46	9.13
Gross Deferred Tax Liabilities (A)	1976.91	151.32	2128.23
B. Deferred Tax Assets			
Unabsorbed Depreciation and Carry Forward Losses	511.98	(495.84)	16.14
Disallowances under the Income Tax Act, 1961 u/s 43 B	86.72	(44.39)	42.33
Provision for Bad and Doubtful Debts	46.67	7.35	54.02
Gross Deferred Tax Assets (B)	645.37	(532.88)	112.49
C. Net Deferred Tax Liabilities (A - B)	1331.54	684.20	2015.74
Previous Year	1239.75	(91.78)	1331.54

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

	As at 31 March, 2017	As at 31 March, 2016
6 OTHER LONG TERM LIABILITIES		
Trade Deposits	13.14	7.14
Interest Accrued But Not Due On Deposits From Public	31.82	23.52
Total	44.96	30.66
7 SHORT TERM BORROWINGS		
a. Secured (Repayable on Demand)		
Working Capital Facilities From Banks (Effective Rate of Interest being 12.25%)	5892.01	6254.53
b. Unsecured		
Deposits from Public/ Members (Effective Rate of Interest being 10.25% - 13.62%)	988.34	806.64
Total	6880.35	7061.17

7.1 Details of Securities

The working capital facilities are secured by way of:

- 1 First pari-passu charge by way of hypothecation of:
Current Assets, both present and future, wherever situated, but pertaining to the division/factory/premises at Vadadala, Waghodia and Bhuj (all in Gujarat), Alwar and Swaroopganj (both in Rajasthan), Hosur and Tirunvelli (both in Tamil Nadu) and Vikhroli (W), Mumbai.
- 2 Second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 4.2
- 3 The working capital finance facilities are further collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Finance & Investment Ltd. ", a company where significant influence exists and pledge of entire shareholding of promoters

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

of the Company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of Corporate Promoter being "Eriez Industries Private Limited (Formerly known as "Eriez Finance and Investment Limited")

4 Refer Note 4.3

	As at 31 March, 2017	As at 31 March, 2016
8 TRADE PAYABLES		
Micro, Small and Medium Enterprises	40.27	49.91
Other suppliers	4877.92	5137.38
Total	4918.20	5187.29
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:		
1 Principal Amount due and remaining unpaid	40.27	49.91
2 Interest due on (1) above and unpaid interest	-	-
3 Interest paid on all delayed payments under MSMED Act, 2006	1.53	3.05
4 Payment made beyond the appointed day during the year	-	-
5 Interest due and payable for the period of delay other than (3) above	-	-
6 Interest accrued and remaining unpaid	-	-
7 Amount of further interest remaining due and payable in succeeding years	-	-
9 OTHER CURRENT LIABILITIES		
Employee Benefits Payable	173.57	131.41
Current Maturities Of Long Term Borrowings - (Refer Note No. - 4)		
Secured Term Loans From Banks	977.34	973.69
Deposit From Public/Members	260.20	394.49
Deposit From Related Parties	5.00	5.25
Amounts Due to Banks In Current Account	23.10	4.62
Interest Accrued But Not Due	136.43	210.73
Unclaimed Dividends	1.82	1.82
Unclaimed Matured Deposits & Interest due thereon	8.56	22.98
Advance From Customers	100.41	27.40
Statutory Dues	66.50	180.81
Other Payables	491.01	431.51
Total	2243.92	2384.72
10 SHORT TERM PROVISIONS		
a Provision For Employee Benefits		
Leave Encashment	3.00	4.50
b Others		
Excise Duty on Finished Goods	33.30	63.41
Total	36.30	67.91

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

11 Fixed Assets										(₹ in Lacs)	
Particulars	Gross Block			Depreciation / Amortisation			Net Block				
	As At April 01, 2016	Additions During Year	On Sale/ Adjustments	As At March 31, 2017	Upto April 01, 2016	Provided During Year	On Sale/ Adjustments	Up To March 31, 2017	As At March 31, 2017	As At March 31, 2016	
(A) Tangible Assets											
Freehold Land	112.48	-	-	112.48	-	-	-	-	112.48	112.48	
Leasehold Land	605.60	21.20	-	626.80	164.81	30.91	-	195.71	431.09	440.80	
Office Building	120.24	-	-	120.24	38.09	2.71	-	40.80	79.44	82.15	
Leasehold Office Building	75.20	-	-	75.20	39.48	7.52	-	47.00	28.20	35.72	
Factory Building	3519.30	198.71	-	3718.01	699.05	111.69	-	810.74	2907.27	2820.25	
Plant And Machinery	15771.25	227.77	(36.27)	15962.75	5686.81	616.39	(22.68)	6280.52	9682.23	10084.44	
Vehicles	432.20	130.24	(69.90)	492.55	247.06	53.87	(49.11)	251.82	240.73	185.14	
Furniture	225.15	.37	(.79)	224.74	125.85	19.09	(.49)	144.46	80.28	99.30	
Computer & Software	154.62	29.15	(1.74)	182.03	134.67	10.50	(1.65)	143.52	38.51	19.95	
Office Equipments	110.72	16.56	(1.23)	126.06	89.21	7.92	(1.17)	95.97	30.09	21.51	
Total	21126.77	624.01	(109.92)	21640.86	7225.04	860.60	(75.09)	8010.55	13630.31	13901.73	
Previous Year	20551.97	758.93	(184.12)	21126.77	6403.82	870.17	(48.95)	7225.04	13901.73	14148.14	
(B) Intangible Assets											
Product Development	269.58	-	-	269.58	189.12	28.88	-	218.00	51.59	80.47	
Sap Exps & Licence Fees	192.46	-	-	192.46	169.17	11.20	-	180.37	12.09	23.29	
Total	462.04	-	-	462.04	358.29	40.08	-	398.37	63.68	103.75	
Previous Year	429.45	32.60	-	462.04	296.98	61.31	-	358.29	103.75	132.46	
(C) Capital Work In Progress											
(D) Intangible Assets Under Development											
TOTAL	21588.82	624.01	(109.92)	22102.91	7583.33	900.68	(75.09)	8408.92	14399.76	14250.16	
Previous Year	20981.42	791.53	(184.12)	21588.82	6700.80	931.48	(48.95)	7583.33	14250.16	14989.92	

Notes:

- Pursuant To Accounting Standard As-28, 'Impairment Of Assets', There Is No Impairment Of Assets.
- Addition To Plant & Machineries Includes Spares Amounting To Rs 26.52 Lacs Which Has Been Reclassified From Inventory Of Spares To Plant & Machineries Pursuant To Amended Accounting Standard As-10, "Property, Plant & Equipment" As Per Accounting Standards Amendment Rules, 2006.
- The Company Has Taken An Office Building On Finance Lease, Having Aggregate Cost Of ₹ 75 Lacs During The Financial Year 2010-11. The Period Of Lease Is For 10 Years With Rights Of Ownership Of Assets To Be Transferred To Company At The End Of Lease Period. The Company Has Paid In Advance At The Inception Of The Lease. The Lease Rental Payment Agreed For The Lease Period. In View Of The Same There Is No Outstanding Liability Of Rental Payments To Be Made By The Company Over The Lease Period And Consequently There Is No Interest Cost Attached To It.
- Addition During The Year Includes Interest, Finance Charges And Project Department Salary Amounting To Nil (Previous Year: ₹ 90.13 Lacs) Capitalised Required By Accounting Standard As-16 'Borrowing Cost'.
- Cwp Includes Interest And Finance Charges Amounting To ₹ 90.56 Lacs (Previous Year: ₹ 90.56 Lacs) As Required By Accounting Standard-16 'Borrowing Cost'.
- The Company Has Given On Operating Lease Following Assets Of Tirunvelli Unit To Its Wholly Owned Subsidiary :

Block Of Assets		As At March 31, 2017	
		Gross Block	Net Block
Factory Building		14.44	11.55
Plant And Machinery		348.54	234.74
Vehicles		20.38	8.57
Furniture		.38	.20
Computer & Software		.17	-
Office Equipments		1.06	.21
Total		384.97	255.27

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

	As at 31 March, 2017	As at 31 March, 2016
12 NON CURRENT INVESTMENTS		
a. Trade Investments		
In Unquoted Fully Paid Up Equity Shares of Subsidiary Companies:		
i. 20 Microns Nano Minerals Limited 85,00,000 shares of ₹ 10 each (Previous Year: 60,00,000 shares of ₹ 10 each.)	1200.00	600.00
ii. 20 Microns SDN BHD 3,60,000 shares (Previous Year: 3,60,000 shares) of RM 1 each.	50.39	50.39
iii. 20 Microns FZE 1 share (Previous Year: 1 share) of AED 1,50,000.	18.64	18.64
Total Trade Investments	1269.03	669.03
b. Non-Trade Investments		
In Unquoted Fully Paid Up Equity Shares of 6,80,000 equity shares (Previous Year: 6,80,000) of Eriez Industries Pvt. Ltd. (Previously known as Eriez Finance and Investment Limited), ₹ 10 each fully paid up.	68.00	68.00
Other Investment National Savings Certificate (Lodged with Sales tax Authorities)	.89	.89
Total Non-Trade Investments	68.89	68.89
Total Investments	1337.92	737.92
13 LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Advance to Suppliers of Capital Goods	1368.98	800.50
Loan & Advance to Employees	11.44	13.96
Balance With Gratuity Fund	27.62	8.07
Income Tax paid under protest	2.10	-
Mat Credit Entitlement	761.74	364.22
Security Deposits	262.91	254.33
Total	2434.79	1441.08
14 OTHER NON CURRENT ASSETS		
Mine Development Charges	20.99	36.85
Total	20.99	36.85
15 INVENTORIES (Valued at lower of cost or net realisable value)		
Raw Materials	3482.95	3632.37
Finished Goods	1713.07	2138.40
Stores and Spares	615.78	500.37
Goods in Transit (Raw Materials)	105.43	143.39
Total	5917.23	6414.52
16 TRADE RECEIVABLES (UNSECURED)		
a. Debts Outstanding For a Period Exceeding Six Months From Due Date of Repayment:		
Considered Good	76.07	96.65
Considered Doubtful	163.40	141.15
	239.47	237.80
Less : Provision for Doubtful Debts	(163.40)	(141.15)
	76.07	96.65
b. Other Debts - Considered Good	5246.22	4931.28
c. Amounts Due From Related Parties	-	437.58
Total	5322.29	5465.51

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

	As at 31 March, 2017	As at 31 March, 2016
17 CASH AND BANK BALANCES		
a. Cash and Cash Equivalents		
Cash on Hand	15.65	10.12
Balances with banks in current account	443.16	358.67
	458.81	368.78
b. Other balances		
In Deposit Account (Liquid Asset) *	267.62	235.60
In Deposit Account (LC & BG Margin Money) *	214.86	252.66
In Unpaid Dividend Account #	1.82	1.82
	484.31	490.08
*The above includes deposits of ₹ 192.50 lacs (previous year: ₹ 37.64 Lacs) due for maturity after 1 year.		
# balance held in unpaid dividend account are restricted amounts and not available for use.		
Total	943.12	858.86
18 SHORT TERM LOAN AND ADVANCES		
(Unsecured, Considered Good)		
Balances With Tax Authorities	149.88	86.79
Advance Payment of Income Tax	191.13	17.14
(Net of Provision ₹ 1489.05 lacs; Previous Year ₹ 1087.50 lacs)		
Loan & Advance to Employees	38.51	18.40
Advances to Suppliers	1243.23	2075.09
Deposits	63.82	37.41
Prepaid Expenses	71.28	60.32
Others	2.24	.19
Total	1760.07	2295.36
19 OTHER CURRENT ASSETS		
Insurance Claim Receivable	12.62	3.07
Income Accrued But Not Due On Deposits	30.04	45.88
Total	42.66	48.95

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

		(₹ In Lacs)
	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
20 REVENUE FROM OPERATIONS		
Sale of Products		
Domestic	32102.32	30802.39
Export	5065.53	4006.15
	37167.84	34808.54
Less : Excise Duty	1293.77	1307.00
	35874.07	33501.54
Other Operating Revenues	80.59	46.72
Total	35954.66	33548.26
20.1 Details of products sold are as under (Net Sales)		
Dry Mineral Products	25971.35	24457.69
Wet Mineral Products	9588.38	8891.81
Others	314.35	152.04
Sub Total	35874.07	33501.54
20.2 Details of Other Operating Revenues of the Company are as under :		
Scrap Sales	2.51	1.02
Royalty Received	61.05	45.62
Export Incentives	17.03	.08
Sub Total	80.59	46.72
21 OTHER INCOME		
Interest	56.39	64.02
Gain on Disposal of Tangible Assets (Net)	-	83.36
Provision Written Back	22.50	22.50
Liability no longer required written back	12.27	30.47
Gain on Foreign Currency Transactions	-	19.42
Rent	123.75	142.37
Other Non-operating Income	33.70	60.08
Total	248.60	422.21
22 COST OF MATERIALS CONSUMED		
Opening Stock of Materials	3632.37	3780.81
Add : Purchases	16251.46	15896.55
	19883.83	19677.36
Less : Goods in Transit	105.43	143.39
Less : Closing Stock of Materials	3482.95	3632.37
Total cost of material consumed	16295.45	15901.61
23 CHANGES IN INVENTORIES OF FINISHED GOODS		
Opening Stock of Finished Goods	2138.40	2055.67
Less : Closing Stock of Finished Goods	1713.07	2138.40
(Increase)/Decrease in Finished Goods	425.33	(82.73)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

	(₹ In Lacs)				
	For the Year Ended 31 March, 2017		For the Year Ended 31 March, 2016		
24 EMPLOYEE BENEFITS EXPENSES					
Salary, Wages & Allowances	2628.84		2514.46		
Incentive to Employees	260.69		109.86		
Managerial Remuneration	123.11		116.23		
Company's contribution to provident & other funds	223.63		215.26		
Staff welfare expenses	124.33		116.27		
Total	3360.60		3072.08		
24.1 Disclosure pursuant to Accounting Standard 15 "Employee Benefits":					
A Defined Contribution Plans	2016-17		2015-16		
Employer's contribution to Provident Fund	130.66		126.10		
B Defined Benefit Plan					
B.1 Reconciliation of opening and closing balances of present value of obligations	2016-17		2015-16		
Present Value of Obligation as at the beginning of the year	410.44		343.61		
Interest Cost	30.67		26.36		
Current & Past Service Cost	34.87		30.97		
Actuarial (gain) / Loss on obligations	57.48		53.04		
Benefits paid	(17.31)		(43.54)		
Present value of Obligation as at the end of the year	516.16		410.44		
B.2 Reconciliation of opening and closing balances of fair value of plan assets	2016-17		2015-16		
Fair Value of Plan Assets at the beginning of the year	418.51		312.41		
Expected Return on Plan Assets	33.24		29.09		
Contributions	105.00		120.00		
Actuarial Gain / (loss) on Plan Assets	4.34		.54		
Benefit paid	(17.31)		(43.54)		
Fair Value of Plan Assets at the end of the year	543.77		418.51		
B.3 Amount recognized in Balance Sheet	2016-17		2015-16		
Present Value of Obligations as at the end of the year	516.16		410.44		
Fair value of plan Assets as at the end of the year	543.77		418.51		
Net Asset / (Liability) recognized in Balance sheet	27.62		8.07		
B.4 Expenses recognized in the Profit and loss account	2016-17		2015-16		
Current & Past Service Cost	34.87		30.97		
Interest Cost	30.67		26.36		
Expected Return on Plan Assets	(33.24)		(29.09)		
Net actuarial (gain) / loss recognized in the year	53.14		52.49		
Expenses Recognized in the statement of Profit & Loss	85.45		80.73		
B.5 Amount pertaining to plan is as follows:					
	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of defined value obligations	516.16	410.44	343.61	259.39	227.98
Fair value of plan assets	543.77	418.51	312.41	252.84	239.78
Surplus / (deficit) in plan	27.62	8.07	(31.20)	(6.57)	11.80
Experience adjustments					
on plan assets (Loss) / Gain	(4.34)	.54	(1.03)	(.54)	(.41)
on plan liabilities (Gain) / Loss	57.48	53.04	63.52	30.53	10.61
B.6 Investment Details:	2016-17				2015-16
Insurance Policies	100%				100%

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

	(₹ In Lacs)	
	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
B.7 Principal actuarial assumptions	2016-17	2015-16
Mortality	2006-08 Indian Assured Lives Mortality	2006-08 Indian Assured Lives Mortality
Discount Rate	7.10%	7.85%
Rate of increase in Compensation Levels	7.50%	6.50%
Rate of Return on Plan Assets	7.10%	7.90%
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.		
25 FINANCE COSTS		
Interest on Term Loans	860.21	945.83
Interest on working Capital Loans	1053.18	1053.17
Other Interest	227.11	229.42
Other Borrowing Costs	105.92	189.46
Total	2246.42	2417.88
26 OTHER EXPENSES		
26.1 Manufacturing Expenses		
Consumption of Stores and Spare Parts	417.63	521.87
Power and Fuel	3705.70	3435.02
Rent	97.70	96.40
Repairs :		
Buildings	18.29	18.65
Plant and Machinery	222.06	232.73
Other Manufacturing & Factory Expenses	271.43	198.15
Total	4732.81	4502.82
26.2 Administrative & Other Expenses		
Rent	22.59	16.61
Rates and Taxes	126.54	120.55
Insurance	67.89	80.65
Post, Telephone & Courier	106.48	103.84
Printing and Stationary expenses	32.62	28.06
Legal, Licenses and Renewal expenses	9.89	7.36
Software and Computer Maintenance	36.13	28.22
Travelling & Conveyance	136.66	105.85
Vehicle Running & Maintenance	68.04	60.53
Professional Fees	115.63	126.34
Auditors Remuneration	10.14	10.20
Directors Sitting Fees	8.75	5.70
Loss on Disposal of Tangible Assets (Net)	19.07	-
Loss on Foreign Currency Transactions	8.31	-
Donation	.65	4.29
CSR expenditure	5.10	1.85
Sundry balances written off	5.71	47.81
Miscellaneous Expenses	127.13	93.69
Total	907.33	841.54

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

		(₹ In Lacs)
	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
26.3 Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	307.57	337.47
Rebate and Discount	86.59	130.97
Sales Commission	93.15	59.32
Bad Debts written off	-	5.24
Provision for Doubtful Debts	28.00	66.00
Rent	139.44	140.28
Other Selling Expenses	213.09	194.18
Sub-Total	867.85	933.47
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	3562.29	3448.20
Freight and Logistic Expenses (Export)	777.47	648.49
Service Tax	172.51	140.39
Sub-Total	4512.26	4237.08
Total	11020.25	10514.91

27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

27.1 Contingent Liabilities

27.1.1 Claims against the company not acknowledged as debt:

Claims not acknowledged as debt as on the balance sheet date ₹ 641.87 lacs (Previous Year ₹ Nil)

- During the year, the Company has received the Notice from the Hon'ble High Court of Gujarat intimating that one of the supplier had filed a winding-up petition against the Company for non-payment of outstanding dues of the supplier of ₹ 541.98 Lacs. The company has filed a response with the Hon'ble High Court of Gujarat stating that the outstanding dues were not paid due to unresolved issues with the supplier for shortfall in material dispatch, default in payment of cost & freight to shipper, detention charges, default towards issuance of telex/bill of lading, etc., and the matter is subjudicial. The company is carrying provision for the amount of ₹ 319.24 Lacs claimed by the supplier.
- The Company has received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch whereby a penalty of ₹ 419.13 lacs is levied on the Company. Company has filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority, vide its order dated 17th September, 2016 has given Interim Stay against the aforesaid order issued by Geology and Mining Department, Bhuj, Kutch and further ordered to resume mining activity. The matter is pending for hearing before appellate authority.

27.1.2 Other money for which the company is contingently liable - Matter under dispute:

	(₹ in lacs)	
Particulars	2016-17	2015-16
Demand of Sales Tax, Value Added Tax and Central Sales Tax [Net of An amount of ₹ 4.50 lacs deposited under protest (P.Y. ₹ 4.5 lacs deposited under protest)]	99.30	10.76
Demand of Income Tax (Net of Refund adjusted and paid under protest)	32.70	45.13
Labour disputed cases	94.00	Nil

In respect of assessment pending at various forums for various Assessment Years, the amount of contingent liability in respect of VAT is not quantifiable.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

27.1.3 Guarantees and Letter of Credits:

- Company has given guarantee of ₹ 1,225.00 lacs (Previous Year ₹ 1,225.00 lacs) on behalf of subsidiary company.
- Guarantee given by Company's Bankers in normal course of business ₹ 290.65 lacs (Previous Year ₹ 251.88 lacs).
- Inland / Foreign Letter of Credit issued by Bank ₹ NIL (Previous Year ₹ 516.41 lacs).

27.2 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to ₹ 6.96 lacs (Net of Advances of ₹ 1360.94 lacs) [Previous Year ₹ 27.97 lacs (Net of Advances of ₹ 792.46 lacs)]

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

29 PARTICULARS OF RAW MATERIAL CONSUMED:

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Dry Minerals	13067.1	12803.47
Wet Minerals	3030.90	3026.90
Others	197.45	71.24
Total	16295.45	15901.61

30 VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED:

(₹ in lacs)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Value (In ₹)	%	Value (In ₹)	%
Raw materials				
Imported	4631.72	28.42	4505.78	28.34
Indigenous	11663.73	71.58	11395.83	71.66
Total	16295.45	100	15901.61	100
Machinery Spares				
Imported	27.69	4.33	15.37	1.99
Indigenous	611.86	95.67	757.88	98.01
Total	639.55	100	773.25	100

Also includes spares consumed for repairs.

31 PRIOR PERIOD ADJUSTMENTS:

31.1 Break up of Prior Period Expenses pertaining to various heads is as under:

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Administrative & Other Expenses	0.27	0.85
Manufacturing Expenses	0.60	0.40
Selling & Distribution Expenses	6.58	0.03
Personal Expenses	0.04	-
Total	7.50	1.28

31.2 Prior Period Income under various heads is as under:

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Import Duty of Previous Year	-	22.84
Others	-	1.50
Total	-	24.34

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

32 PAYMENT TO AUDITORS

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Audit Fees	8.85	8.80
In Other Capacity	1.00	0.57
Out of Pocket Expenses	1.14	0.83

33 VALUE OF IMPORTS ON C.I.F BASIS IN RESPECT OF :

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw Material	3385.62	3112.88
Machinery Spares	29.16	-
Capital Goods	-	37.95

34 EXPENDITURE IN FOREIGN CURRENCY :

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Travelling	74.93	61.70
Sales Commission	40.44	12.45
Others	12.92	3.68

35 EARNINGS IN FOREIGN CURRENCY

(₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
FOB Value of Exports	4313.45	3392.83
Ocean Freight & Insurance	352.78	326.66

36 RESEARCH AND DEVELOPMENT EXPENDITURE

The company has incurred expenses during the year for research and development of product of the company. The break up of research and development expenses grouped under various head are as under :

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue expenditure		
Employee benefit expenses	65.20	-
Other expenses	45.25	-
Total	110.45	-

37 SEGMENT ANALYSIS

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

38 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:

(₹ in lacs)

Name of the Related Party	Nature of Relationship	Nature of Transaction	2016-17	2015-16
20 Microns Nano Minerals Limited	Subsidiary	a) Income :		
		Sales	276.25	538.30
		Royalty	73.67	52.12
		Rent	138.35	158.46
		Reimbursement of Expenses	1.04	5.04

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

Name of the Related Party	Nature of Relationship	Nature of Transaction	2016-17	2015-16
		b) Expenses : Purchases 222.06 131.10 Rent 31.77 52.69 Reimbursement of Expenses 5.06 - c) Investment in share capital 600.00 - d) Fixed Asset Purchase 4.53 - e) Amount Receivable / (Payable) at the year end (14.90) 394.66		
20 Micron SDN BHD	Subsidiary	a) Income : Sales - 6.34	-	6.34
20 Microns FZE	Subsidiary	a) Amount Receivable / (Payable) at the year end	-	-
20 Microns Foundation trust	Significant Influence Exists	a) Expenses : Donation paid 5.1 1.85	5.1	1.85
Shri C.S.Parikh	Key Management Personnel	a) Expenses : Remuneration paid 61.89 51.94 Interest on Deposit 4.01 2.02 b) Others : Deposit Received / Renewed 25.00 35.00 Deposit Paid During the Year 25.00 10.00 Deposit Outstanding 35.00 35.00	61.89 4.01 25.00 25.00 35.00	51.94 2.02 35.00 10.00 35.00
Shri R.C.Parikh	Key Management Personnel	a) Expenses : Remuneration paid 53.49 44.78	53.49	44.78
Shri. A.C.Parikh	Key Management Personnel	a) Expenses : Remuneration paid 43.83 36.65 Interest on Deposit 0.71 0.63 b) Others : Deposit Outstanding 5.00 5.00	43.83 0.71 5.00	36.65 0.63 5.00
Shri S.R.Parikh	Key Management Personnel	a) Expenses : Interest on Deposit - 0.28 b) Others : Deposit Paid - 6.5	- -	0.28 6.5
Shri S.R.Parikh (HUF)	Relative to Key-Management Personnel	a) Expenses : Interest on Deposit 0.69 0.75 b) Others : Deposit Paid 4.75 1.00 Deposit Outstanding 10.00 4.75	0.69 4.75 10.00	0.75 1.00 4.75
Shri L.R.Parikh	Relative to Key-Management Personnel	a) Expenses : Professional Fees Paid 3.38 8.38 Reimbursement of Expenses Paid 0.32 1.01 Others : Deposit Received/renewed 25.00 - Interest 1.46 - Deposit Outstanding 25.00 -	3.38 0.32 25.00 1.46 25.00	8.38 1.01 - - -
Smt. I.C.Parikh	Relative to Key-Management Personnel	a) Expenses : Interest on Deposit 1.97 2.75 b) Others : Deposit Paid - 27.00 Deposit Received / Renewed - 15.50 Deposit Outstanding 15.5 15.50	1.97 - - 15.5	2.75 27.00 15.50 15.50

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

Name of the Related Party	Nature of Relationship	Nature of Transaction	2016-17	2015-16
Smt. S.R.Parikh	Relative to Key-Management Personnel	a) Expenses : Interest on Deposit b) Others : Deposit Received / Renewed Deposit Outstanding	0.13 - 1.00	0.13 1.00 1.00
Smt. P.A.Parikh	Relative to Key-Management Personnel	a) Expenses : Interest on Deposit b) Others : Deposit Received / Renewed Deposit Paid Deposit Outstanding	0.63 - - 5.00	0.53 5.00 4.00 5.00
Mr N R Patel CFO W.E.F 08/08/2016	Key-Management Personnel	a) Expense Remuneration paid	16.88	-
Smt D.S.Parikh	Relative to Key-Management Personnel	a) Expenses : Interest on Deposit b) Others : Deposit Paid Deposit Outstanding	0.04 0.5 -	0.16 1.5 0.5
Smt.A.K.Muley	Key-Management Personnel	a) Expenses : Remuneration Paid Interest on Deposit b) Others : Deposit Received / Renewed Deposit Paid Deposit Outstanding	9.52 0.04 1.3 - 1.3	7.65 - - -
Shri B.V.Kanani (Ceases to be KMP w.e.f. 01.03.2016)	Key-Management Personnel	a) Expenses : Remuneration paid	-	33.23

Notes :

- Following are the list of Independent Directors with whom no transaction have been occurred during the Financial Year 2016-17 other than payment of Sitting Fees :
 - Mr. Pravinchandra M Shah
 - Mr. Ram Devidayal
 - Mr. Atul Patel
 - Mrs. Darsha Kikani
 - Dr. Ajay Ranka
- 20 Microns Nano Minerals Ltd, 20 Microns SDN BHD, 20 Microns FZE have been using software package being "SAP" by 20 Microns Ltd without payment of Consideration.

39 LEASES

- The Company has obtained several premises for its business operations under leave and license agreements. These are generally not non-cancelable lease and are renewable on mutual consent on mutually agreeable terms. Lease payments are recognized in the statement of profit and loss as rent expenses amounting to ₹ 237.81 lacs (previous year ₹ 253.29 lacs)
- The Company has given land and building on operating lease for period ranging from 11 months to 60 months. During the year, the company has also given plant and machinery on operating lease and has recognized the lease rent on both assets in the statement of profit and loss amounting to ₹ 123.75 lacs (Previous Year ₹ 142.37 lacs)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

40 BASIC AND DILUTED EARNING PER SHARE

Particulars	2016 – 17 Basic & Diluted	2015-16 Basic	Diluted
Profit attributable to Shareholders (₹ in Lacs)	1270.35	934.31	934.31
Weighted average no. of Equity shares outstanding during the year	3 52 86 502	3 51 29 347	3 53 83 177
Nominal Value of Equity Shares (₹)	5/-	5/-	5/-
Earnings Per Share (₹)	3.63	2.67	2.65

41 FORWARD CONTRACTS

- A The Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Company's overall strategy. The Company does not use forward covers for speculative purposes.
- B Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.
- C The outstanding forward contracts as at March 31, 2017 is ₹ NIL (Previous Year ₹ NIL) in respect of hedging currency related risk.

- 42 During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:
(₹ in lacs)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	32.28	.19	32.47
(+) Permitted Receipt	-	13.21	13.21
(-) Permitted Payments	10.42	4.87	15.28
(-) Amount deposited in Banks	21.86	.22	22.08
Closing cash in hand as on 30.12.2016	-	8.31	8.31

- 43 The figures of the previous year have been regrouped / reclassified, where necessary, to conform with the current year's classification.

As per our audit report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

G. R. Parmar
Partner
Membership No. : 121462

C. S. Parikh
Executive Chairman
DIN # 00041584

For and on behalf of Board of Directors

P. M. Shah
Independent
Director
DIN # 00017558

N. R. Patel
Chief Financial
Officer

Anuja K. Muley
Company
Secretary
A21243

May 25, 2017
Waghodia, Vadodara

May 25, 2017
Waghodia, Vadodara

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 20 MICRONS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **20 Microns Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements of two (2) subsidiaries whose financial statements reflect total assets of ₹ 3,444.08 lacs as at 31st March, 2017, total revenues of ₹ 3,667.46 lacs and net cash flows of ₹ 89.97 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, and our report in terms of sub-sections (3) and (11) Of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- b) We did not audit the financial statements of one (1) subsidiary whose financial statements reflect total assets of ₹ 311.77 lacs as at 31st March, 2017, total revenues of ₹ 363.92 lacs and net cash flows of ₹ 65.40 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and

CONSOLIDATED INDEPENDENT AUDITORS' REPORT [Contd.]

disclosures included in respect of these Subsidiary, and our report in terms of sub-sections (3) and (11) Of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on such an unaudited financial statement. In our opinion and explanation given to us by the Management, these financial statements are not material to the group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its Subsidiary Company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy, of the internal financial controls over financial reporting, of the Holding Company and its Subsidiary Company incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 29 to the consolidated financial statements.
- (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn No. 106041W/W100136

Place: Waghodia, Vadodara
Date : May 25, 2017

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

CONSOLIDATED ANNEXURE TO INDEPENDENT AUDITORS' REPORT

ANNEXURE - A

TO INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **20 Microns Limited** ("the Holding Company") and its Indian subsidiary (the Holding Company and its Indian subsidiary together referred to as "the Group") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the group have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established

CONSOLIDATED ANNEXURE TO INDEPENDENT AUDITORS' REPORT [Contd.]

by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its Indian Subsidiary, is based on the corresponding report of the auditor of such company.

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Regn. No. 106041W/W100136

(G R Parmar)
Partner
Place : Waghodia, Vadodara
Date : May 25, 2017
Membership No. 121462

CONSOLIDATED BALANCE SHEET**as at March 31st, 2017**

		(₹ In Lacs)	
Particulars	Notes	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1764.33	1764.33
(b) Reserves and Surplus	3	8462.05	6969.05
		10226.38	8733.37
(2) Minority Interest		67.35	58.51
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	6475.98	7238.74
(b) Deferred Tax Liabilities (Net)	5	2181.39	1495.67
(c) Other Long Term Liabilities	6	46.80	31.86
		8704.17	8766.28
(4) Current Liabilities			
(a) Short-Term Borrowings	7	7371.92	7611.58
(b) Trade Payables	8		
Dues of micro and small enterprises		42.77	58.86
Dues of creditors other than micro and small enterprises		5557.98	5456.40
(c) Other Current Liabilities	9	2428.90	2601.12
(d) Short-Term Provisions	10	97.96	89.96
		15499.53	15817.91
TOTAL EQUITY AND LIABILITIES		34497.44	33376.08
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	11	14769.98	14905.41
Intangible Assets	11	134.42	211.65
Capital Work-In-Progress	11	683.96	403.89
Intangible Assets Under Development	11	27.04	27.04
(b) Non-Current Investments	12	69.12	69.12
(c) Long Term Loans and Advances	13	2464.27	1523.03
(d) Other Non-Current Assets	14	20.99	36.85
		18169.79	17177.00
(2) Current Assets			
(a) Inventories	15	6756.61	7021.02
(b) Trade Receivables	16	6303.46	5597.70
(c) Cash and Bank Balances	17	1210.67	940.08
(d) Short-Term Loans and Advances	18	2012.57	2589.70
(e) Other Current Assets	19	44.33	50.57
		16327.65	16199.08
TOTAL ASSETS		34497.44	33376.08

Significant Accounting Policies 1

The accompanying notes form an integral part of the financial statements.

As per our audit report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

G. R. Parmar

Partner

Membership No. : 121462

C. S. Parikh

Executive Chairman

DIN # 00041584

For and on behalf of Board of Directors

P. M. Shah

Independent

Director

DIN # 00017558

N. R. Patel

Chief Financial

Officer

Anuja K. Muley

Company

Secretary

A21243

May 25, 2017

Waghodia, Vadodara

May 25, 2017

Waghodia, Vadodara

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

as at March 31st, 2017

		(₹ In Lacs)	
Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
I Revenue from Operations (Gross)	20	41057.88	37465.69
Less : Excise Duty		1557.17	1510.25
I Revenue from Operations (Net)		39500.71	35955.44
II Other Income	21	185.91	377.49
III Total Revenue [I + II]		39686.62	36332.92
IV Expenses			
(a) Cost of Materials Consumed	22	18117.18	17148.56
(b) Changes in Inventories of Finished Goods and Stock In Trade	23	376.00	(100.93)
(c) Employee Benefits Expense	24	3642.45	3271.70
(d) Finance Costs	25	2356.41	2521.80
(e) Depreciation and Amortization Expense	11	1021.87	1021.90
(f) Other Expenses	26	11824.26	11019.45
Total Expenses		37338.18	34882.48
V Profit Before Exceptional Items and Tax (III - IV)		2348.45	1450.45
VI Less : Exceptional Items		-	-
VII Profit Before Tax [V - VI]		2348.45	1450.45
VIII Tax Expenses			
(a) Current Tax		481.35	314.31
(b) Mat Credit Entitlement		(368.08)	(294.32)
(c) Deferred Tax		685.73	135.23
(d) Prior Year Tax Adjustment		-	189.15
Total Tax Expenses		799.00	344.36
IX Profit for the year [VII - VIII] (Before adjustment of of Minority Interest)		1549.45	1106.08
X Less: Share of Profit Transferred to Minority Interest		8.84	7.29
XI Profit for the year [IX - X](After adjustment of of Minority Interest)		1540.61	1098.80
Earning per Equity Share of ₹ 5 each [in ₹]			
Basic		4.37	3.14
Diluted		4.37	3.11

Significant Accounting Policies 1

The accompanying notes form an integral part of the financial statements.

As per our audit report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

G. R. Parmar
Partner
Membership No. : 121462

C. S. Parikh
Executive Chairman
DIN # 00041584

For and on behalf of Board of Directors

P. M. Shah
Independent
Director
DIN # 00017558

N. R. Patel
Chief Financial
Officer

Anuja K. Muley
Company
Secretary
A21243

May 25, 2017
Waghodia, Vadodara

May 25, 2017
Waghodia, Vadodara

CONSOLIDATED CASH FLOW STATEMENT**as at March 31st, 2017**

	(₹ In Lacs)	
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash Flow From Operating Activities		
Profit Before Tax	2348.45	1450.45
Adjusted For :		
Depreciation And Amortisation Expenses	1021.87	1021.90
Gratuity Provision	87.25	82.07
Bad Debts Written Off (Net Of Write Back)	-	2.27
Provision For Doubtful Debts	33.59	67.78
Provision For Leave Encashment	3.00	-
Liability No Longer Required Written Back	(17.07)	(30.52)
Provision written Back	(22.50)	(3.58)
Debit Balances Written-Off	5.77	49.42
Profit On Disposal Of Tangible Assets	(.27)	(109.14)
Loss On Disposal Of Tangible Assets	19.34	27.01
Interest Received On Deposits & Advance	(77.04)	(96.19)
Interest Paid	2356.41	2521.80
Effect of Foreign Exchange Rate Fluctuations (Net)	6.64	(7.98)
Exchange Rate Variation On Consolidation	(47.61)	9.01
Forward Premium	-	-
	3369.39	3533.85
Operating Profit Before Working Capital Changes	5717.84	4984.30
Adjusted For		
Increase / (Decrease) In Trade Payables And Liabilities	(99.69)	(1306.86)
(Increase) / Decrease In Trade Receivables	(745.11)	(762.21)
(Increase) / Decrease In Loans And Advances	706.84	130.26
(Increase) / Decrease In Inventories	264.41	(440.27)
(Increase) / Decrease In Other Assets	22.10	83.70
		(2295.38)
Cash Generated From Operation	5866.38	2688.92
Direct Taxes Paid (Net Of Refund)	(627.95)	(145.97)
Net Cash Provided By Operating Activities	5238.43	2542.95
B. Cash Flow From Investing Activities		
Purchase of Tangible Assets ,Capital Work In Progress including Capital Advances	(1683.30)	(733.37)
Purchase of Intangible Assets	-	(146.91)
Proceeds From Disposal Of Tangible Assets	16.14	219.97
Interest Received On Bank Deposits	77.04	96.19
Net Cash Used In Investing Activities	(1590.13)	(564.11)

CONSOLIDATED CASH FLOW STATEMENT

as at March 31st, 2017 [Contd.]

(₹ In Lacs)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash Flow From Financing Activities		
Repayment of Long-Term Borrowings (Net) (Refer Note 2 Below)	(762.76)	(989.48)
Repayment From Short-Term Borrowings (Net)	(239.66)	413.98
Share Premium Received	-	447.47
Proceed From Issue Of Share Capital	-	42.00
Interest Paid (Refer Note 2 Below)	(2418.96)	(2504.88)
Net Cash From Financing Activities	(3421.38)	(2590.91)
Net Increase/(Decrease) In Cash And Cash Equivalents	226.92	(612.08)
Cash And Cash Equivalents - Opening Balance	423.88	1035.96
Cash And Cash Equivalents - Closing Balance	650.80	423.88

Notes :

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

Particulars	As At March 31, 2017	As At March 31, 2016
Cash in hand	15.78	10.57
Balances with banks in current account	680.79	417.94
Total	696.57	428.50
Less: amount due to bank in current account	(45.77)	(4.62)
Total	650.80	423.88
- Bank Overdraft and other short term loans have been treated as part of financing activities.
- Figures in bracket indicates cash outflows.
- Previous year's figures have been regrouped / reclassified, wherever necessary to confirm to the current year's classification.

As per our audit report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

G. R. Parmar
Partner
Membership No. : 121462

C. S. Parikh
Executive Chairman
DIN # 00041584

For and on behalf of Board of Directors

P. M. Shah
Independent
Director
DIN # 00017558

N. R. Patel
Chief Financial
Officer

Anuja K. Muley
Company
Secretary
A21243

May 25, 2017
Waghodia, Vadodara

May 25, 2017
Waghodia, Vadodara

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

Note: 1 Significant Accounting Policies on Consolidated Accounts

A. General Information

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

B. Principles of Consolidation:

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

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

C. Particulars of Consolidation:

The lists of Subsidiary Companies are as under:

Company	Year End	Country of Incorporation	Proportion of Ownership	
			As At 31st March 2017	As At 31st March 2016
20 Microns SDN BHD (Foreign Subsidiary)	March 31	Malaysia	100%	100%
20 Microns Nano Minerals Limited (Indian Subsidiary)	March 31	India	94.76%	92.74%
20 Microns FZE (Foreign subsidiary)	March 31	Sharjah	100%	100%

D. Basis of preparation of Financial Statements:

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

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

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

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

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

E. Use of Estimates:

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

F. Revenue Recognition:

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

- Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the Group retains no effective control of the goods transferred to a

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017 [Contd.]

degree usually associated with ownership; and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales figure are inclusive of excise duty and freight in case of landed rates, but are of net of sales returns, and rate difference adjustments.

- b) Export benefits available under the prevalent schemes are accrued in the year in which realization is confirmed i.e. necessary procedure for realization have been initiated.
- c) Dividend income is recognized when the right to receive dividend is established.
- d) Interest income is recognized on accrual basis.

G. Fixed Assets and Depreciation:

G.1 In respect of the Company and Indian Subsidiary:

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

G.2 In respect of the 20 Microns SDN BHD (Foreign Subsidiary):

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on straight-line basis over the expected useful lives of the plant and equipment concerned.

The principal annual rates used are:

Motor Vehicle	20%
Office equipment	10%
Computer	20%

H. Impairment of Fixed Assets:

- a) Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use.
- b) Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

I. Intangible Assets:

I.1 In the case of the Company:

- A) Acquired Intangible Assets in the form of "Process Know How" is recognized at the cost of acquisition and amortized on straight line basis over a period of five years, depending on their estimated useful life.
- B) Capitalized software includes cost on SAP project and other Software cost including license fees, which provides significant future benefits. SAP Project fees are amortized over a period of seven years. Costs of all other software are amortized over a period of five years.
- C) Expenses incurred during development of Process know how or Product development is shown under the head "Intangible asset under development".
- D) Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprises and cost can be measured reliably.
- E) The amortization period and method are reviewed at each year end.

I.2 In the case of Indian Subsidiary:

- A) Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any.
- B) Intangible assets are amortized on straight line method from the date they are available for use, over the useful lives of the assets not exceeding more than five years, as estimated by the management.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017 [Contd.]

C) Research and Development:

The Research and Development cost is accounted in accordance with Accounting Standard - 26 'Intangible Assets'. All related revenue expenditure incurred on original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding up to the time when it is possible to demonstrate probable future economic benefits, is recognized as Research Expenses and charged off to the Statement of Profit and Loss, as incurred. All subsequent expenditure incurred for Product Development on the application of Research findings or the other knowledge upon demonstration of probability of future economic benefits, prior to the commencement of production, to the extent identifiable and possible to segregate are accumulated and carried forward as Development Expenditure under Intangible Assets under Development, to be capitalized as an intangible asset on completion of the project. In case a project does not proceed as per expectations/plans, the same is abandoned and the amount classified as Development Expenditure under Intangible Assets under Development is charged off to the Statement of Profit and Loss.

J. Inventories:

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

K. Foreign Exchange Transactions:

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

L. Investments:

- a) Current Investments are carried at the lower of cost and quoted / fair value, computed category wise.

- b) Long-term investments are stated at cost added by directly attributable cost. Provision for diminution in the value of long-term investments is made only if such a decline is of other than temporary in nature in the opinion of the management.
- c) Investments other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments"

M. Employee Benefits:

M.1 In case of the Company & Indian Subsidiary:

- a) Short Term Employee Benefits
Short term employee benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services is rendered. Short term employee benefits also include accrued leave benefits, which are expected to be availed or encashed within 12 months from the end of the year.
- b) Post-employment benefit plans
- b.i) Defined Contribution Plan
Contribution towards provident fund for eligible employees are accrued in accordance with applicable statutes and deposited with the regulatory authorities. The Group does not carry any other obligation apart from the monthly contribution.
- b.ii) Defined Benefit Plan
The Group provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is administered through a Trust. Contributions in respect of gratuity are made to the approved Gratuity Fund of the Group. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and is recognized in the Balance sheet as reduced by the fair value of Gratuity Fund. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

M.2 In respect of the 20 Microns SDN BHD (Foreign Subsidiary):

- a) Short term benefits: Wages, salaries, bonuses and social security contributions are recognized as an expense in the year in which the associated services are rendered by employees of the Company.
- b) Defined contribution plans: As required by law, companies in Malaysia make contributions to the state pension scheme, the employees Provident Fund. Such contributions are recognized as an expense in the income statement as incurred.

N. Borrowing Cost:

General and specific borrowing costs directly attributable to the acquisition, construction and production of qualifying assets, which are assets that

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017 [Contd.]

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

O. Leases:

O.1 In the case of the Company:

- a) Assets subject to operating leases are included under Fixed Assets or current assets as appropriate. Rent (lease) income is recognized in the Statement of Profit and Loss on a straight line basis over the life over the lease term. Costs, including depreciation, are recognized as an expense in Statement of Profit and Loss.
- b) Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognised as expenses in the Statement of Profit and Loss as and when paid.

O. 2 In the case of Indian Subsidiary:

- a) Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.
- b) Assets leased out under operating leases are capitalized. Rental Income is recognized on accrual basis over the lease term.

P. Earnings Per Share

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

Q. Taxes on Income:

- a) Tax expense comprise of current and deferred taxes.
- b) Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.
- c) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset is recognized on carried forward losses (if any) under tax laws, only to the extent that there

is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. At each reporting date, the unrecognized deferred tax assets is reassessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

R. Provisions, Contingent Liabilities and Contingent Assets:

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

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

S. Cash and Cash Equivalents

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

T. General

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017

(₹ In Lacs)

	As at 31 March, 2017	As at 31 March, 2016
2 SHARE CAPITAL		
2.1 Authorised Capital		
6,00,00,000 Equity Shares of ₹ 5/- each	3,000.00	3,000.00
(Previous Year 6,00,00,000 Equity Shares of ₹ 5/- each)		
2.2 Issued, Subscribed and Fully Paid-Up Equity Shares		
3,52,86,502 Equity Shares of ₹ 5/- each	1764.33	1764.33
(Previous Year: 3,52,86,502 shares of ₹ 5 each)		

2.3 Reconciliation of the share outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 31, 2017		As at 31 March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	3 52 86 502	17 64 32 510	3 38 15 902	16 90 79 510
Issued during the period - Compulsory Convertible Warrant	-	-	14 70 600	73 53 000
Outstanding at the end of the year	3 52 86 502	17 64 32 510	3 52 86 502	17 64 32 510

2.4 Rights, Preferences and Restrictions Attached to Equity Shares

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

2.5 Details of Shareholders Holding More Than 5% Equity Shares in the Company:

Name of Shareholders	As At 31 March 31, 2017		As At 31 March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Eriez Industries Private Limited (Previously known as "Eriez Finance & Investment Limited")	82 50 235	23.38	82 50 235	23.38
Chandresh S Parikh	36 30 400	10.29	36 30 400	10.29
Rameshbhai Baldevbhai Patel	18 39 354	5.21	19 53 100	5.53
Pratik Minerals Private Limited	30 36 206	8.60	30 36 206	8.60
Total	1 67 56 195	47.48	1 68 69 941	47.80

- 2.6** The Company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

(₹ In Lacs)		
	As at 31 March, 2017	As at 31 March, 2016
3 RESERVES AND SURPLUS		
a. General Reserve		
Balance as at beginning of the year	120.54	120.54
Add: Transfer From Surplus	-	-
Balance as at end of the year	120.54	120.54
b. Debenture Redemption Reserve		
Balance as at beginning of the year	-	67.35
Less : Transferred to Surplus	-	67.35
Balance as at end of the year	-	-
c. Capital Reserve On Consolidation	48.88	48.88
d. Securities Premium Account		
Balance as at beginning of the year	4001.33	3553.86
Add : Addition During Year	-	447.47
Balance as at end of the year	4001.33	4001.33
e. Foreign Currency Translation Reserve		
Balance as at beginning of the year	63.04	54.04
Add: Change During the year	(47.61)	9.01
Balance as at end of the year	15.43	63.04
f. Surplus as per Statement of Profit and Loss		
Balance as at beginning of the year	2735.26	1569.10
Add: Net Profit For The Year	1540.61	1098.81
Transfer from Debenture Redemption Reserve	-	67.35
Balance as at end of the year	4275.87	2735.26
Total	8462.05	6969.05

4 LONG TERM BORROWINGS

Particulars	As at 31 March 31, 2017		As at 31 March 31, 2016	
	Current Maturities	Non-Current Maturities	Current Maturities	Non-Current Maturities
a. Secured Borrowings				
Term Loans				
From Banks	1028.45	5781.39	1072.60	6707.13
Total Secured Borrowings	1028.45	5781.39	1072.60	6707.13
b. Unsecured Borrowings				
Deposits			-	
From Public/Members	291.80	637.45	409.38	495.12
From Related Parties (Refer Note No. 33)	5.00	57.15	5.25	36.50
Total Unsecured Borrowings	296.80	694.60	414.63	531.62
Total	1325.25	6475.98	1487.23	7238.74

4.1 Details of Securities, Repayment and Interest Rate:

- The term loan are secured by way of first charge by way of mortgage or hypothecation over certain properties and second charge by way of hypothecation of present and future current assets. The loans are repayable over a period of 1 to 7 years. The effective rate of interest is in the range of 9.35 % to 16.00 %.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

- ii. All the term loans are further collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, of the company and corporate guarantee by "Eriez Industries Private Limited" (Previously known as Eriez Finance & Investment Limited), a company where significant influence exists and pledge of entire shareholding of promoters of the Company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of Corporate Promoter being "Eriez Industries Private Limited (Formerly known as "Eriez Finance and Investment Limited")
- iii. The Public Deposits are repayable over a period of 3 years. The effective rate of interest is in the range of 10.25 % to 13.87%.

4.2 State Bank of India vide its letter dated 09.02.2017 has informed the company that the account of the Company is upgraded to Standard Asset on 06.10.2016

	As at 31 March, 2017	As at 31 March, 2016
5 DEFERRED TAX LIABILITIES (NET)		
The major components of deferred tax liabilities and deferred tax assets are as under :		
A. Deferred Tax Liability On Account Of:		
Product Development Expenses	17.06	26.60
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 2013.	2276.67	2119.10
Provision for Gratuity Liability	9.13	2.67
Gross Deferred Tax Liabilities (A)	2302.86	2148.37
B. Deferred Tax Assets On Account Of :		
Unabsorbed Depreciation and Carry Forward Losses	16.14	511.99
Disallowance u/s 43 B of Income Tax Act, 1961	42.38	86.83
Provision For Bad and Doubtful Debts	62.96	53.88
Gross Deferred Tax Assets (B)	121.47	652.70
C. Net Deferred Tax Liabilities (A-B)	2181.39	1495.67
6 OTHER LONG TERM LIABILITIES		
Trade Deposits	13.14	7.14
Interest Accrued But Not Due	33.66	24.72
Total	46.80	31.86
7 SHORT TERM BORROWINGS		
a. Secured (Repayable on Demand)		
Working Capital Finance From Banks (Effective Rate of Interest being 12.15% - 14.00%)	6237.61	6671.22
b. Unsecured		
Deposits from Public/Members (Effective Rate of Interest being 10.25% - 13.87%)	1134.31	940.36
Total	7371.92	7611.58

7.1 Details of Securities

- (i) The working capital finance facilities are secured by way of first charge of present and future current assets by way of second charge over certain properties.
- (ii) The working capital finance facilities are further collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Finance & Investment Ltd. ", a company where significant influence exists and pledge of entire shareholding of promoters

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

of the Company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of Corporate Promoter being "Eriez Industries Private Limited (Formerly known as " Eriez Finance and Investment Limited")

7.2 Refer Note 4.2

	As at 31 March, 2017	As at 31 March, 2016
8 TRADE PAYABLES		
Micro, Small and Medium Enterprises	42.77	58.86
Other Suppliers	5557.98	5456.40
Total	5600.75	5515.26
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 31 March, 2017	As at 31 March, 2016
1 Principal Amount due and remaining unpaid	42.77	49.91
2 Interest due on (1) above and unpaid interest	-	-
3 Interest paid on all delayed payments under MSMED Act, 2006	1.53	3.05
4 Payment made beyond the appointed day during the year	-	-
5 Interest due and payable for the period of delay other than (3) above	-	-
9 OTHER CURRENT LIABILITIES		
Employee Benefits Payable	173.57	131.41
Current Maturities Of Long Term Borrowings		
Secured Term Loans From Banks	1028.45	1072.60
Deposit From Public/Members	291.80	409.38
Deposit From Related Parties (Refer Note No. 33)	5.00	5.25
Amounts Due To Banks In Current Account	45.77	4.62
Interest Accrued But Not Due	143.73	215.85
Unclaimed Dividends	1.82	1.82
Unclaimed Matured Deposits and Interest accrued thereon	11.56	25.98
Advance From Customers	104.49	46.55
Statutory Dues	67.81	198.22
Other Payables	554.90	489.43
Total	2428.90	2601.12
10 SHORT TERM PROVISIONS		
a Provision For Employee Benefits		
Leave Encashment	3.15	4.86
Gratuity Provision	.67	-
b Others		
Provision for Income Tax	23.42	2.15
Excise On Finished Goods	70.73	82.95
Total	97.96	89.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

11 Fixed Assets										(₹ in Lacs)	
Particulars	Gross Block			Depreciation / Amortisation			Net Block				
	As At April 01, 2016	Additions During Year	On Sale/ Adjustments	As At March 31, 2017	Upto April 01, 2016	Provided During Year	On Sale/ Adjustments	Up To March 31, 2017	As At March 31, 2017	As At March 31, 2016	
(A) Tangible Assets											
Freehold Land	255.59	-	-	255.59	4.04	-	-	4.04	251.55	251.55	
Leasehold Land	497.63	21.20	-	518.83	213.62	37.37	-	251.00	267.84	284.01	
Office Building	194.09	10.27	-	204.36	45.28	4.18	-	49.46	154.90	148.81	
Leasehold Office Building	80.56	-	-	80.56	39.48	7.52	-	47.00	33.56	41.08	
Factory Building	3804.09	214.81	-	4018.90	772.18	117.93	-	890.11	3128.79	3031.91	
Plant And Machinery	16614.64	415.14	(36.25)	16993.53	5873.03	668.28	(22.74)	6518.57	10474.96	10741.61	
Vehicles	473.31	136.93	(69.90)	540.34	264.34	60.31	(49.11)	275.54	264.80	208.97	
Computer Software	166.86	29.15	(2.33)	193.67	145.52	11.09	(1.94)	154.68	39.00	21.33	
Furniture and Office Equipments	434.16	16.94	(2.18)	448.92	258.03	37.96	(1.65)	294.33	154.58	176.13	
Total	22520.93	844.43	(110.65)	23254.71	7615.53	944.64	(75.44)	8484.73	14769.98	14905.41	
Previous year	21715.64	998.06	(192.77)	22520.93	6725.81	944.65	(54.93)	7615.53	14905.41	14989.84	
(B) Intangible Assets											
Product Development	236.62	-	-	236.62	189.12	28.88	-	218.00	18.63	47.51	
Process Know How	179.70	-	(20.98)	158.72	46.46	33.76	(20.98)	59.24	99.48	133.24	
Computer Software	192.46	-	-	192.46	169.17	11.20	-	180.37	12.09	23.29	
(SAP Expenses)	16.95	-	-	16.95	9.33	3.39	-	12.73	4.23	7.62	
Mining Right	-	-	-	-	-	-	-	-	-	-	
Web Site Development	-	-	-	-	-	-	-	-	-	-	
Total	625.74	-	(20.98)	604.76	414.08	77.23	(20.98)	470.34	134.42	211.65	
Previous year	478.83	146.91	-	625.74	336.83	77.25	-	414.08	211.65	142.00	
(C) Capital Work In Progress	683.96	403.89									
(D) Intangible Assets Under Development	27.04	27.04									
Total ₹	23146.67	844.43	(131.63)	23859.47	8029.61	1021.87	(96.42)	8955.06	15615.41	15548.00	
Previous Year	22194.47	1144.97	(192.77)	23146.67	7062.64	1021.90	(54.93)	8029.61	15548.00	15827.47	

Notes:

- Pursuant to Accounting Standard AS-28, 'Impairment of Assets', there is no impairment of Assets.
- Addition to Plant & Machineries includes spares amounting to Rs 26.52 Lacs which has been reclassified from Inventory of spares to Plant & Machineries Pursuant to amended Accounting standard AS-10, 'Property, Plant & Equipment' as per Accounting Standards Amendment Rules, 2006.
- The Company has taken an office building on finance lease, having aggregate cost of ₹ 75 Lacs during the financial year 2010-11. The period of lease is for 10 years with rights of ownership of assets to be transferred to company at the end of lease period. The Company has paid in advance at the inception of the lease, the lease rental payment agreed for the lease period. In view of the same there is no outstanding liability of rental payments to be made by the company over the lease period and consequently there is no interest cost attached to it.
- Addition during the year includes interest, finance charges and Project Department Salary amounting to Nil (Previous Year: ₹ 90.13 lacs) capitalised required by Accounting Standard AS-16 'Borrowing Cost'
- CWIP includes interest and finance charges amounting to ₹ 90.56 lacs (Previous Year: ₹ 90.56 lacs) as required by Accounting Standard-16 'Borrowing Cost'.
- The company has given on operating lease following assets of Tirunveli unit to its wholly owned subsidiary :

Block Of Assets		As At March 31, 2017	
		Gross Block	Net Block
Factory Building		14.44	11.55
Plant And Machinery		348.54	234.74
Vehicles		20.38	8.57
Furniture		.38	.20
Computer & Software		.17	-
Office Equipments		1.06	.21
Total		384.97	255.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

		(₹ In Lacs)
	As at 31 March, 2017	As at 31 March, 2016
12 NON CURRENT INVESTMENTS		
Non-Trade Investments		
In Unquoted Fully Paid Up Shares		
6,80,000 Equity Shares (Previous year : 6,80,000) of Eriez Finance and Investment Limited	68.00	68.00
Other Investment		
National Savings Certificate	1.12	1.12
Total	69.12	69.12
13 LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advance To Suppliers Of Capital Goods	1368.98	810.18
Loans & Advance to Employees	11.44	13.96
Security Deposit	262.91	254.33
Balance With Gratuity Fund	27.62	9.20
Tax paid underprotest	7.75	5.65
Mat Credit Entitlement	785.57	429.70
Total	2464.27	1523.03
14 OTHER NON CURRENT ASSETS		
Mine Development charges	20.99	36.85
Total	20.99	36.85
15 INVENTORIES		
(Valued at lower of cost or net realisable value)		
Raw Materials	4053.62	4056.74
Finished Goods	1886.75	2246.71
Stores And Spares	700.00	543.82
Stock-In-Trade	14.33	30.37
Goods In Transit (Raw Material)	101.92	143.39
Total	6756.61	7021.02
16 TRADE RECEIVABLES (UNSECURED)		
a. Debts Outstanding for a Period Exceeding Six Months		
From Due Date Of Repayment:		
Considered Good	188.03	199.66
Considered Doubtful	197.68	164.50
	385.71	364.15
Less : Provision For Doubtful Debts	(197.68)	(164.50)
	188.03	199.65
b. Other Debts - Considered Good	6115.42	5398.05
Total	6303.46	5597.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

	(₹ In Lacs)	
	As at 31 March, 2017	As at 31 March, 2016
17 CASH AND BANK BALANCES		
a. Cash and Cash Equivalents		
Cash On Hand	15.78	10.57
In Current Account	680.79	417.94
	696.57	428.50
b. Other balances		
In Deposit Account (Liquid Asset) *	297.12	256.60
In Deposit Account (LC & BG Margin Money) *	215.16	253.16
In Unpaid Dividend Account #	1.82	1.82
	514.11	511.58
*The above includes deposits of lacs ₹ 192.50 Lacs (previous year: ₹ 37.90lacs) due for maturity after 1 year.		
# balance held in unpaid dividend account are restricted amounts and not available for use.		
Total	1210.67	940.08
18 SHORT TERM LOAN AND ADVANCES		
(Unsecured, Considered Good)		
Balances With Tax Authorities	185.29	113.59
Advance Payment Of Income Tax	196.94	29.96
(Net of Provision ₹ 1599.59 ; Previous Year ₹ 1136.01 lacs)		
Loan & Advance To Employees	39.22	18.94
Advances To Suppliers	1310.03	2188.30
Deposits	65.30	39.47
Prepaid Expenses	79.53	67.97
Inter Corporate Deposits	133.82	128.10
Others	2.44	3.37
Total	2012.57	2589.70
19 OTHER CURRENT ASSETS		
Insurance Claim Receivable	12.62	3.07
Income Accrued But Not Due On Deposits	31.71	47.50
Total	44.33	50.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

		(₹ In Lacs)
	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
20 REVENUE FROM OPERATIONS		
Sale of Products		
Domestic	34875.27	32951.60
Export	6163.07	4499.12
	41038.34	37450.72
Less : Excise Duty	1557.17	1510.25
	39481.17	35940.47
Other Operating Revenues	19.54	14.97
Total	39500.71	35955.44
20.1 Details of Other Operating Revenues are as under :		
Scrap Sales	2.51	1.02
Miscellaneous Income	-	13.87
Export Incentives	17.03	.08
Total	19.54	14.97
21 OTHER INCOME		
Interest	77.04	112.25
Gain On Sales of Tangible Assets (Net)	-	83.36
Gain On Foreign Currency Transaction (Net)	10.54	3.58
Provision Written Back	22.50	22.50
Liability No Longer Required Written Back	17.07	30.52
Rent	3.36	52.19
Other Non-Operating Income	55.42	73.10
Total	185.91	377.49
22 COST OF MATERIALS CONSUMED		
Opening Stock of Materials	4056.74	3920.52
Add : Purchases	18215.98	17428.16
	22272.72	21348.68
Less : Goods in Transit	101.92	143.39
Less : Closing Stock of Materials	4053.62	4056.74
Total Cost of Material consumed	18117.18	17148.56
23 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE		
Opening stock of Finished Goods & Stock In Trade	2277.08	2176.15
Less : Closing stock of Finished Goods & Stock In Trade	1901.08	2277.08
Changes in Inventories of Finished Goods & Stock In Trade	376.00	(100.93)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

		(₹ In Lacs)
	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
24 EMPLOYEE BENEFIT EXPENSES		
Salary ,Wages, Incentive & Bonus	3133.90	2790.86
Managerial Remuneration	150.61	140.96
Company's Contribution To Provident & Other Funds	230.48	220.52
Staff Welfare Expenses	127.47	119.36
Total	3642.45	3271.70
25 FINANCE COSTS		
Interest on Term Loans	875.00	910.59
Interest On Working Capital Loans	1104.61	1125.91
Other Interest	257.90	277.52
Other Borrowing Costs	118.90	207.79
Total	2356.41	2521.80
26 OTHER EXPENSES		
26.1 Manufacturing Expenses		
Consumption of Stores and Spare Parts	431.07	535.01
Power & Fuel	3927.01	3537.81
Rent	74.02	96.40
Repairs :		
Buildings	18.41	19.33
Plant and Machinery	247.64	260.19
Other Manufacturing & Factory Expenses	317.79	223.91
Total	5015.94	4672.65
26.2 Administrative & Other Expenses		
Rent	26.95	20.92
Rates and Taxes	126.54	120.92
Insurance	76.37	86.84
Post, Telephone & Courier	110.07	106.85
Printing And Stationary Expenses	35.10	29.84
Legal, Licences And Renewal Expenses	14.47	12.07
Software And Computer Maintenance	36.13	28.22
Travelling & Conveyance	172.69	140.00
Vehicle Running & Maintenance	73.23	66.22
Professional Fees	130.52	149.37
Auditors Remuneration	13.03	12.33
Directors Sitting Fees	11.09	6.38
Loss On Sale/ Discarded Of Assets (Net)	19.07	.49
Loss on Foreign Currency Transactions	26.41	-
Donation	.65	4.29
CSR expenditure	5.10	1.85
Sundry balances written off	5.77	49.42
Bad Debts	-	-
Royalty paid	4.74	3.65
Share Issue Expenses Write Off	-	-
Misc. Expenses	179.22	77.92
Total	1067.16	917.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

		(₹ In Lacs)
	For the Year Ended 31 March, 2017	For the Year Ended 31 March, 2016
26.3 Marketing, Selling & Distribution Expenses :		
SELLING EXPENSES		
Travelling Expenses	307.57	337.47
Rebate and Discount	101.81	155.92
Sales Commission	101.20	59.59
Bad Debts Written Off	-	7.51
Provision for Bad debts	33.59	67.78
Rent	139.44	140.28
Other Selling Expenses	228.44	210.94
	912.05	979.49
DISTRIBUTION EXPENSES		
Freight and Logistic Expenses (Domestic)	3686.91	3649.37
Freight and Logistic Expenses (Export)	963.49	659.96
Service Tax	178.70	140.39
	4829.10	4449.72
Total	11824.26	11019.45

27. The Consolidated financial statements of 20 Microns Limited includes audited financial statements of 20 Microns Nano Limited and 20 Microns FZE and unaudited financial statement of 20 Microns SDN BHD. The audited financial statement of 20 microns FZE has been prepared in accordance with the international financial reporting standards (IFRS) and The financial statement of 20 Microns SDN BHD has been prepared in accordance with Financial Reporting Standard of Malaysia certified by the management. Differences in accounting policies of the Company and Subsidiary are not material.

28. Contingent Liabilities and Commitments:

(To the extent not provided for)

28.1 In the case of Company:

A) Contingent Liabilities

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

Claims note acknowledged as debt as on the balance sheet date ₹ 641.87 lacs (Previous Year ₹ Nil)

- During the year, the Company has received the Notice from the Hon'ble High Court of Gujarat intimating that one of the supplier had filed a winding-up petition against the Company for non-payment of outstanding dues of the supplier of ₹ 541.98lacs The company has filed a response with the Hon'ble High Court of Gujarat stating that the outstanding dues were not paid due to unresolved issues with the supplier for shortfall in material dispatch, default in payment of cost & freight to shipper, detention charges, default towards issuance of telex/bill of lading, etc., and the matter is subjudicial. The company is carrying provision for the amount of ₹ 319.24lacs claimed by the supplier.
- The Company has received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch whereby a penalty of ₹ 419.13 lacs is levied on the Company. Company has filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority, vide its order dated 17th September, 2016 has given Interim Stay against the aforesaid order issued by Geology and Mining Department, Bhuj, Kutch and further ordered to resume mining activity. The matter is pending for hearing before appellate authority.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

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

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2017	March 31, 2016
1	Demand of Sales Tax, Value Added Tax and Central Sales Tax (Net of ₹ 4.50 lacs deposited under protest (P.Y. of ₹ 4.50 lacs) – Refer note below)	99.30	10.76
2	Demand of Income Tax	32.07	45.13
3	Labour Disputed Cases	94.00	NIL

In respect of assessment pending at various forums for various Assessment Years, the amount of contingent liability in respect of VAT is not quantifiable

(iii) Guarantees and Letter of Credits:

- Company has given guarantee of ₹ 1,225.00lacs (Previous Year ₹ 1,225.00 Lacs) on behalf of Indian subsidiary company.
- Guarantee given by Company's Bankers in normal course of business ₹ 290.65lacs (Previous Year ₹ 251.88lacs).
- Inland / Foreign Letter of Credit issued by Bank ₹ Nil lacs (Previous Year ₹ 516.41 lacs).

B) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to ₹ 6.96Lacs (Net of Advances of ₹ 1360.94lacs) [Previous Year ₹ 27.97Lacs (Net of Advances of ₹ 792.46lacs)].

28.2 In the case of Indian Subsidiary:

- A) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) ₹ NilLacs (Previous Year ₹ 97.89Lacs).

B) Claims against the company not acknowledged as debt:

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2017	March 31, 2016
1	Demand of Sales Tax, Value Added Tax and Central Sales Tax	24.75	24.75
2	Demand of Income Tax	0.74	0.65
3	Provident Fund	-	2.98

- C) Contingent Liabilities not provided for on account of bank guarantee of ₹ 3.68Lacs (Previous Year ₹ 5.68Lacs).

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. Balances of Trade Receivable and Trade Payables are subject to confirmation, reconciliation and consequential adjustments, if any.

30. Prior period adjustments:

- A) Prior Period Expenses under various heads is as under:

(₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Administrative & Other Expenses	0.27	0.85
Manufacturing Expenses	0.60	0.40
Selling & Distribution Expenses	6.58	0.03
Personal Expenses	0.04	-
Total	7.50	1.28

- B) Prior Period Income under various is as under:

(₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Import Duty of Previous Year	-	22.84
Others	-	1.50
Total	-	24.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

31. Employee Benefits :

31.1 In the case of Company:

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

A) Defined Contribution Plans: (₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Employer's contribution to Provident Fund	130.66	126.10

B) Defined Benefit Plan:

B1) Reconciliation of opening and closing balances of present value of obligations (₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Present Value of Obligation as at the beginning of the year	410.44	343.61
Interest Cost	30.67	26.36
Current Service Cost	34.87	30.97
Actuarial (gain) / Loss on obligations	57.48	53.04
Benefits paid	(17.31)	(43.54)
Present value of Obligation as at the end of the year	516.16	410.44

B2) Changes in the Fair Value of Plan Assets (₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Fair Value of Plan Assets at the beginning of the year	418.51	312.41
Expected Return on Plan Assets	33.24	29.09
Contributions	105.00	120.00
Actuarial Gain / (loss) on Plan Assets	4.34	0.54
Benefit paid	(17.31)	(43.54)
Fair Value of Plan Assets at the end of the year	543.77	418.51

B3) The amount recognized in balance sheet (₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Present Value of Obligations as at the end of the year	516.16	410.44
Fair value of plan Assets as at the end of the year	543.77	418.51
Net Asset / (Liability) recognized in Balance sheet	27.62	8.07

B4) Amount recognized in the Statement of Profit and Loss (₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Current Service Cost	34.87	30.97
Interest Cost	30.67	26.36
Expected Return on Plan Assets	(33.24)	(29.09)
Net actuarial (gain) / loss recognized in the year	53.14	52.49
Expenses Recognized in the Statement of Profit & Loss	85.45	80.73

B5) Assumptions

Particulars	March 31, 2017	March 31, 2016
Mortality Table (LIC)	2006-08 Indian Assured Lives Mortality	2006-08 Indian Assured Lives Mortality
Discount Rate	7.10%	7.85%
Rate of increase in Compensation Levels	7.50%	6.50%
Rate of Return on Plan Assets	7.10%	7.90%

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

B6) Amount pertaining to plan is as follows

(₹ in Lacs)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of defined value obligations	516.16	410.44	343.61	259.39	227.98
Fair value of plan assets	543.77	418.51	312.41	252.84	239.78
Surplus / (deficit) in plan	27.62	8.07	(31.20)	(6.57)	11.80
Experience adjustments					
on plan assets (Loss) / Gain	(4.34)	0.54	(1.03)	(.54)	(.41)
on plan liabilities (Gain) / Loss	57.48	53.04	63.52	30.53	10.61

B7) Investment Details:

Particulars	March 31, 2017	March 31, 2016
Insurance Policies	100%	100%

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

31.2 In the case of Indian Subsidiary:

- A) **Defined contribution plans:** The Company has recognized ₹ 6.84Lacs (Previous Year ₹ 5.26Lacs) for Provident Fund Contribution as expenses under the defined contribution plan in the Statement of Profit & Loss.
- B) **Defined benefit plan:** The Company recognizes the liability towards the gratuity at each balance sheet date. The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2017 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, 2017.

(₹ in Lacs)

Sr.No.	Particulars	March 31, 2017	March 31, 2016
I	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost	1.59	1.38
	Interest Cost	0.35	0.25
	Actuarial (gain) / losses	0.31-	0.19(0.46)
	PVO at the beginning of the year	4.54	3.18
	PVO at end of the year	6.79	4.54
II	Reconciliation of the fair value of plan assets :		
	Expected return on plan assets	0.51	0.55
	Adjustment of Opening Fund	-	-
	Actuarial gain/(losses)	(0.06)	(0.08)
	Contributions by the employer	-	-(0.46)
	Benefits Paid	-	-
	Fair value of plan assets at beginning of the year	5.67	5.65
	Fair value of plan assets at end of the year	6.12	5.67
III	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of period	6.79	4.54
	Fair Value of planned assets at end of year	6.12	5.67
	Net asset/(liability) recognized in the balance sheet	0.67	(1.13)
IV	Net cost for the year ended:		
	Current Service cost	1.59	1.38
	Adjustment of the Opening Fund	-	-
	Interest cost	0.35	0.25
	Expected return on plan assets	(0.51)	(0.55)
	Actuarial (gain) / losses	0.37	0.27
	Net cost	1.80	1.34
V	Assumption used in accounting for the gratuity plan:		
	Discount Rate (%)	7.90%	7.90%
	Salary Escalation Rate (%)	6.00%	6.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

D) Experience adjustments:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Experience adjustments on account of plan liabilities	(0.31)	(0.24)	(0.31)	2.64	1.27
Experience adjustments on account of plan assets	(0.06)	(0.08)	(0.02)	.*	0.02

* 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.

32. RESEARCH AND DEVELOPMENT EXPENDITURE

The company has incurred expenses during the year for research and development of product of the company. The breakup of reserach and development expenses grouped under various head are as under :

(₹ in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue expenditure		
Employee benefit expenses	65.20	-
Other expenses	45.25	-
Total	110.45	-

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

(₹ in Lacs)

Name of the Related Party	Nature of Relationship	Nature of Transactions	2016-17	2015-16
20 Microns Foundation trust	Significant Influence Exercised by Key Managerial Personnel	a) Expenses : Donation paid	5.10	1.85
Shri C. S. Parikh	Key Management Personnel	a) Expenses : Remuneration paid Interest on Deposit Interest on Debenture b) Others : Deposit Received / Renewed Deposit Paid During the Year Deposit Outstanding	61.89 4.01 - 25.00 25.00 35.00	51.94 2.02 1.65 35.00 10.00 35.00
Shri R. C. Parikh	Key Management Personnel	a) Expenses : Remuneration paid	53.49	44.78
Shri. A. C. Parikh	Key Management Personnel	a) Expenses : Remuneration paid Interest on Deposit b) Others : Deposit Outstanding	43.83 0.71 5.00	36.65 0.63 5.00
Shri S. R. Parikh	Key Management Personnel	a) Expenses : Interest on Deposit b) Others : Deposit Paid	- -	0.28 6.50
Smt A.K. Muley	Key Management Personnel	a) Expenses : Remuneration paid Interest on deposit b) Others : Deposit Received/Renewed Deposit Outstanding	9.52 0.04 1.3 1.3	7.65 - - 1.3

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

Name of the Related Party	Nature of Relationship	Nature of Transactions	2016-17	2015-16
Mr N R Patel CFO W.E.F 08/08/2016	Key Management Personnel	a) Expenses : Remuneration paid	16.88	-
Shri B. V. Kanani (Ceases to be KMP w.e.f. 01.03.2016)	Key Management Personnel	a) Expenses : Remuneration paid	-	33.23
Shri S. R. Parikh (HUF)	Relative to Key Management Personnel	a) Expenses : Interest on Deposit b) Others : Deposit Paid Deposit Outstanding	0.69 4.75 10.00	0.75 1.00 4.75
Shri L. R. Parikh	Relative to Key Management Personnel	a) Expenses : Professional Fees Paid Reimbursement of expenses paid Others : Deposit Received/Renewed Interest Deposit Outstanding	3.38 0.32 25.00 1.46 25.00	8.38 1.01 - - -
Smt. I. C. Parikh	Relative to Key Management Personnel	a) Expenses : Interest on Deposit b) Others : Deposit Paid Deposit Received / Renewed Deposit Outstanding	1.97 - - 15.50	2.75 27.00 15.50 15.50
Smt. S. R. Parikh	Relative to Key Management Personnel	a) Expenses : Interest on Deposit b) Others : Deposit Received / Renewed Deposit Outstanding	0.13 - 1.00	0.13 1.00 1.00
Smt. P. A. Parikh	Relative to Key Management Personnel	a) Expenses : Interest on Deposit b) Others : Deposit Received / Renewed Deposit Paid Deposit outstanding	0.63 - - 5.00	0.53 5.00 4.00 5.00
Smt D. S. Parikh	Relative to Key Management Personnel	a) Expenses : Remuneration paid Interest on Deposit b) Others : Deposit Paid Deposit Outstanding	- 0.04 0.50 -	- 0.16 1.50 0.50

Notes :

- Following are the List of Independent Directors with whom no transactions has been occurred during the Financial Year 2016-17 other than payment of Sitting Fees :-
 - Mr. Pravinchandra M. Shah
 - Mr. Ram A. Devidayal
 - Mr. Atul H. Patel
 - Mrs. DarshaKikani
 - Mr. Ajay I. Ranka.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

34. Deferred Taxation:

34.1 In the case of Company:

(₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Deferred Tax Liabilities on account of:		
Product Development Expenses	17.06	26.60
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 2013	2102.04	1947.64
Provision for Gratuity liability	9.13	2.67
Total (a)	2128.23	1976.91
Deferred Tax Assets on account of:		
Unabsorbed losses and Depreciation	16.14	511.99
Disallowances u/s 43 B	42.33	86.72
Provision for Bad and Doubtful Debts	54.02	46.67
Total (b)	112.49	645.37
Net Deferred Tax Liabilities (a)-(b)	2015.74	1331.54

34.2 In the case of Indian Subsidiary:

(₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Deferred Tax Liabilities on account of:		
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 2013	167.33	171.36
Disallowances u/s 43 B	(8.98)	(7.32)
Net Deferred Tax Liabilities	158.35	164.04

34.3 In the case of 20 Microns SDN (Foreign Subsidiary):

(₹ in Lacs)

Particulars	March 31, 2017	March 31, 2016
Deferred Tax Liabilities on account of:		
Plant & Equipment-Capital Allowance	0.08	0.10
Net Deferred Tax Liabilities	0.08	0.10

35. Leases

- A) Group has obtained several premises and plant machinery for its business operations under leave and license agreements. These are generally not non-cancelable lease and are renewable on mutual consent on mutually agreeable terms. Lease payments are recognized as rent expenses in the statement of profit and loss.
- B) Group has given several premises and plant and machinery on operating lease for period ranging from 11 months to 60 months. The lease rent is recognized as rent income in the statement of profit and loss.

36. Basic and Diluted Earnings Per Share:

Particulars	2016-17	2015-16	
	Basic & Diluted	Basic	Diluted
Profit / (Loss) attributable to Shareholders (₹ in Lacs)	1540.61	1098.80	1098.80
Weighted average no. of Equity shares outstanding during the year (See Note Below)	3,52,86,502	3,50,33,365	3,52,86,502
Nominal Value of Equity Shares (₹)	5/-	5/-	5/-
Basic and diluted earnings / (loss) per share (₹)	4.37	3.14	3.11

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2017 [Contd.]

37. Forward Contracts

In the case of Company

- A) The Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Company's overall strategy. The Company does not use forward covers for speculative purposes.
- B) Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.
- C) The outstanding forward contracts as at March 31, 2017 is NIL (Previous Year NIL) in respect of hedging currency related risk.
38. The Group operates only in one business segment namely Micronized Minerals. In view of this, no separate Disclosure is required under AS -17.
39. During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in Lacs)			
Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08/11/.2016	32.33	.32	32.64
(+) Permitted Receipt		13.51	13.51
(-) Permitted Payments	10.42	5.19	15.60
(-) Amount deposited in Banks	21.91	.22	22.13
Closing cash in hand as on 30/12/.2016	-	8.42	8.42

40. Additional information as required in terms of Schedule III to the Companies Act, 2013 is as under :

Name of the entity in the Group		Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)	
		As % of consolidated net assets	₹ In lacs	As % of consolidated Profit	₹ In lacs
Parent : 20 Microns Limited		79.09%	8141.56	81.52%	1263.14
Subsidiaries :					
Indian	20 Microns Nano Minerals Limited	17.41%	1792.57	10.06%	155.92
Foreign	20 Microns FZE	1.03%	105.70	2.95%	45.76
	20 Microns SDN BHD	1.81%	186.55	4.89%	75.79
Minority Interest in subsidiaries		0.65%	67.35	0.57%	8.84
Joint Ventures		Not Applicable			
Total		100.00%	10293.74	100.00%	1549.45

41. The figures of the previous year have been regrouped / reclassified, where necessary, to conform with the current year's classification.

As per our audit report of even date attached

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

G. R. Parmar
Partner
Membership No. : 121462

C. S. Parikh
Executive Chairman
DIN # 00041584

For and on behalf of Board of Directors

P. M. Shah
Independent
Director
DIN # 00017558

N. R. Patel
Chief Financial
Officer

Anuja K. Muley
Company
Secretary
A21243

May 25, 2017
Waghodia, Vadodara

May 25, 2017
Waghodia, Vadodara



Regd. Office : 9-10, GIDC Industrial Estate, WAGHODIA – 391 760. Dist. : Vadodara.

CIN : L99999GJ1987PLC009768

Phone : +91 2668 – 292297 • **Fax :** +91 2668 - 264003

E-mail : co_secretary@20microns.com • **Website :** www.20microns.com

ATTENDANCE SLIP
30th Annual General Meeting

Regd. Folio/DP & Client No.	
No. of Shares Held	

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 30th Annual General Meeting of the Shareholders of the Company at the Conference Room of 347, GIDC Industrial Estate, WAGHODIA - 391 760. Dist. : Vadodara at 3.00 pm on Friday the 22nd September, 2017.

Name of Member/Proxy : _____

Signature of Member/Proxy : _____

Note :

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorised Representatives of Corporate Members shall produce proper authorization issued in their favour.



Regd. Office : 9-10, GIDC Industrial Estate, WAGHODIA – 391 760. Dist. : Vadodara.

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member[s]/Proxy _____

Registered Address _____

E-Mail ID _____

Folio No./Client ID _____

DP ID _____

I/We, being the Member[s] holding _____ shares of the above-named Company, hereby appoint -

1. Name : _____

Address : _____

E-Mail-ID : _____ Signature _____ or failing him

2. Name : _____

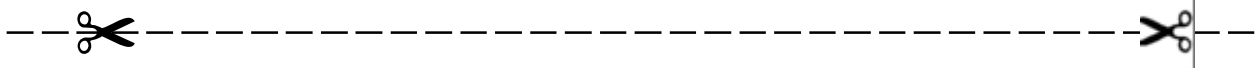
Address : _____

E-Mail-ID : _____ Signature _____ or failing him

3. Name : _____

Address : _____

E-Mail-ID : _____ Signature _____



as my/or proxy to attend and vote on a poll for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held on Friday, the 22nd September, 2017 at the Conference Room of 347, GIDC Industrial Estate, WAGHODIA - 391 760. Dist. : Vadodara and at any adjournment[s] thereof in respect of the following resolution[s] as are indicated below :

Sr. No.	ORDINARY BUSINESS	Tick Appropriately
1	Adoption of Financial Statements for the year ended 31.03.2017	For / Against
2	Re-appointment of Mr. Rajesh C. Parikh	For / Against
3	Appointment of Statutory Auditors of the Company as an Independent Auditors and fixing their remuneration.	For / Against
	SPECIAL BUSINESS	
4	Ratification of remuneration of Cost Auditors	For / Against
5	Regularization of Additional Director, Mrs. Sejal Rajesh Parikh	For / Against
6	Approval of Related Party Transactions	For / Against
7	Adoption of New Set of Articles of Association	For / Against
8	Revision in the Rates of Interest of Unsecured Fixed Deposits being accepted by the Company	For / Against
9	Payment of Commission to Mr. Ramkisan Devidayal, Non - Executive Independent Director of the Company	For / Against
10	Payment of Commission to Mr. Atul Patel, Non - Executive Independent Director of the Company	For / Against
11	Payment of Commission to Mr. Pravinchandra Shah, Non - Executive Independent Director of the Company	For / Against
12	Payment of Commission to Dr. Ajay Ranka, Non - Executive Independent Director of the Company	For / Against

Signed this _____ day of September, 2017

Affix ₹ 1
Revenue
Stamp

Signature of Shareholder _____

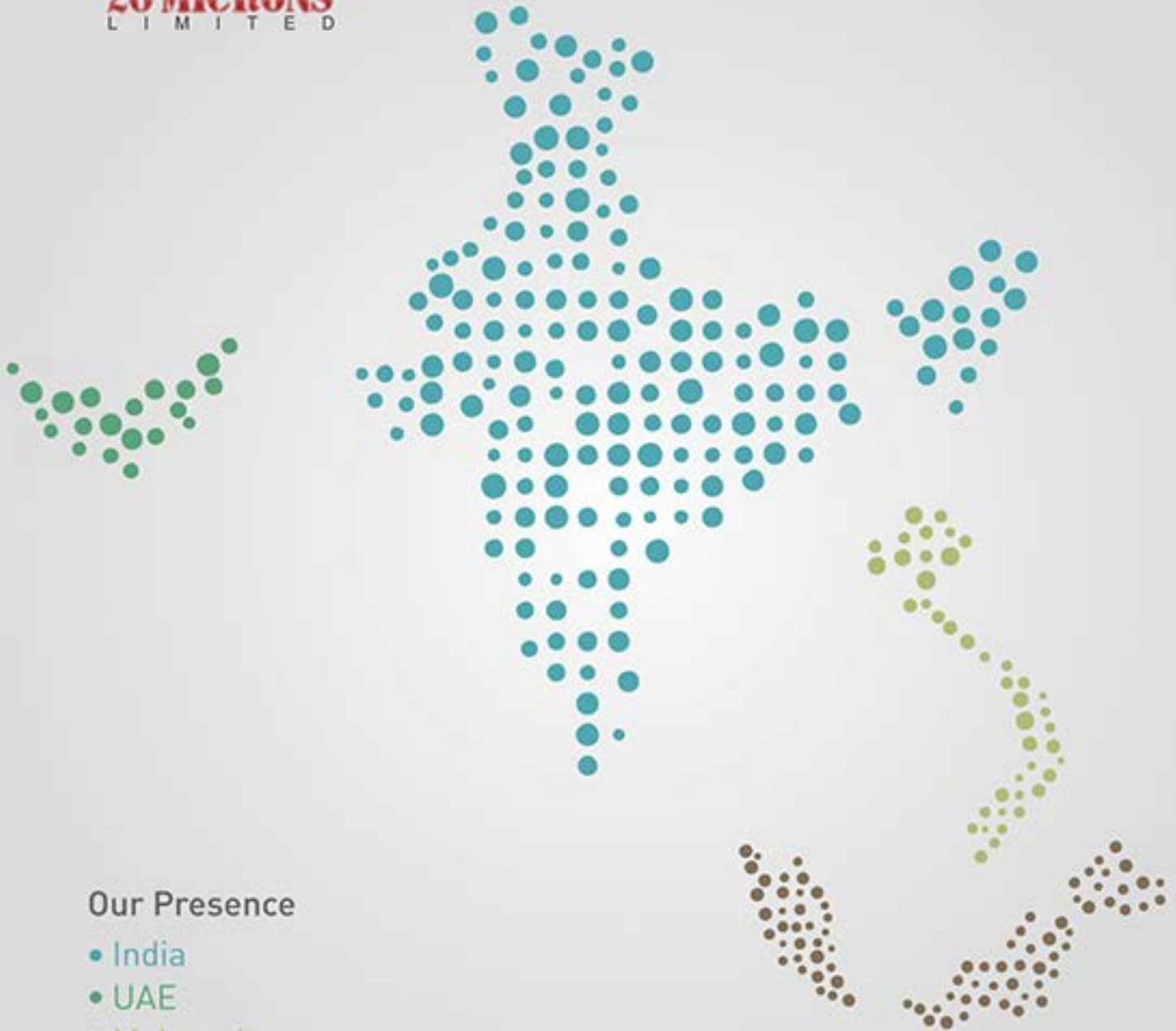
Note : This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by **it shall be deposited at the Registered Office of the Company** along with the power of attorney, if any, under which the Proxy Form is signed, **not less than 48 hours before the time for holding the meeting.** For the resolutions, explanatory statement and notes, please refer the Notice of the 30th Annual General Meeting.

NOTE

[illegible]

NOTE

[illegible]



Our Presence

- India
- UAE
- Malaysia
- Vietnam



expanding global footprint



Commitment towards innovation & growth

20 MICRONS[®]
LIMITED

CIN: L99999GJ1987PLC009768

9/10, GIDC, Waghodia, Dist. Vadodara, India.
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