

Annual Report



20 MICRONS NANO MINERALS LIMITED
Sub Microns to Nano Technology

2015-2016

Corporate Information

Board of Directors

Mr. Chandresh S. Parikh	- Chairman - Director
Mr. Rajesh C. Parikh	- Director
Mr. Atil C. Parikh	- Director
Mr. Sudhir R. Parikh	- Director
Mr. Ramkishan A. Devidayal	- Director

Audit Committee of Directors

Mr. Ramkishan A. Devidayal	- Chairman
Mr. Chandresh S. Parikh	
Mr. Rajesh C. Parikh	
Mr. Sudhir R. Parikh	

Company Secretary

Mr. Vithaldas D. Talati
[upto 02.09.2015]
Ms. Swati Sharda
[w.e.f. 15.02.2016]

Statutory Auditors

M/s. K.M. Swadia & Co.
Vadodara.

Bankers / Financial Institutions

IDBI Bank Limited

Website

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

Registered Office

Plot # 157, Village : MAMUARA
Tal. : Bhuj, Dist. : Kutchh.
Gujarat, India.

Head Office

9-10, GIDC Industrial Estate,
WAGHODIA – 391 760.
Dist. : Vadodara.
Gujarat, India.
Tele : +91 2668 292297
Fax : +91 2668 264003

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NOTICE FOR THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd ANNUAL GENERAL MEETING of the Shareholders of **20 Microns Nano Minerals Limited** will be held on Thursday, the 22nd day of September, 2016 at 11.00 a.m. at Bunglow No. 20, Shivkrupa Nagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, BHUJ, to transact the following business:

ORDINARY BUSINESS:

- 1** To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Audited Profit and Loss Account of the Company for the year ended 31st March, 2016 together with Directors' Report and Auditors' Report thereon.
- 2** To appoint a Director in place of Mr. Sudhir R. Parikh [DIN : 00041649], who retires by rotation, and being eligible, offers himself for re-appointment.
- 3** Appointment of Statutory Auditors.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. K.M. Swadia & Company, Chartered Accountants, Vadodara (Firm Registration No. 110740W), the retiring Statutory Auditors of the Company, who hold office up to the date of this Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

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

SPECIAL BUSINESS

Item : 4

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

To issue equity shares of the Company on a preferential basis :

"RESOLVED THAT subject to all necessary approval(s) and in accordance with the provisions of Sections 23, 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), read with the rules made thereunder, and such other applicable statutes, notifications, clarifications, circulars, regulations, and guidelines (including any amendment thereto or re-enactment thereof) issued by the Government of India (the "GOI"), the Reserve Bank of India (the "RBI"), the Foreign Investment Promotion Board (the "FIPB"), the Securities and Exchange Board of India (the "SEBI") and any other appropriate authorities, institutions or bodies, as may be applicable and the Memorandum of Association and Articles of Association of the Company, and subject to all such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, FIPB, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary or desirable, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/or sanctions (hereinafter singly or collectively referred to as "the requisite approvals") which may be agreed to by the Board (or any Committee(s), constituted or hereafter constituted by the Board in this behalf), *approval of the Members is accorded* to create, offer, issue and allot upto 25,00,000 (Twenty Five Lacs) Equity Shares on a preferential basis to the Company's Holding Company viz. 20 Microns Limited of the face value of Rs. 10/- each at a premium of Rs. 14.00/- per share on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter to be referred to as the Board which shall be deemed to include any duly constituted/authorised Committee thereof) at the time of the issue and/or allotment."

"RESERVED FURTHER THAT the fresh equity shares to be allotted as stated above shall rank pari passu in all respects with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors/Committee thereof be and is hereby authorized, on behalf of the Company, to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Equity Shares."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate any or all the powers conferred upon it by this Resolution, to any Committee formed thereof, or to any individual so authorized by the Board."

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NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

Item : 5

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

To increase the Authorized Share Capital and amend the Memorandum of Association of the Company consequentially.

"RESOLVED THAT pursuant to the provisions of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 10,00,00,000 (Rupees Ten Crore) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each to Rs. 20,00,00,000 (Rupees Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- each by creation of additional 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be altered in the following manner i.e. existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new clause as Clause V:

V. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of face value of Rs. 10/- (Rupees Ten) each."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include a Committee thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors

**Place: Waghodia, Dist. : Vadodara.
Date : 08.08.2016**

**Chandresh S. Parikh
Director**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.**

3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.

4. Members/Proxies should bring duly filled in and signed Attendance Slip sent herewith for attending the Meeting.

5. Explanatory statement pursuant to SECTION 102 OF THE COMPANIES ACT, 2013 in respect of the Items stated in the Notice is annexed herewith.

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

Item : 4:

In order to meet the increasing demand of Industrial Minerals, the Board of Directors has been reviewing Strategies and Policies for expansion of operational and up-gradation of the manufacturing activities mainly for the enhancement of quality of products as well as catering consistent growing demands not only for industrial minerals but also of specialized chemical products. It is therefore, proposed that the requirement be partly funded through preferential allotment of Equity Shares to the Company's Holding Company viz. 20 Microns Limited.

NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

In terms of the provisions of Sections 42, 62 and 64 of the Companies Act, 2013, approval of shareholders is required in General Meeting by way of Special Resolution for issue of equity shares on a preferential basis as stated above. Hence, the resolution at item 4 is placed before the shareholders. Your Directors recommend the resolution for your approval.

The following disclosure for preferential issue is made in terms of the companies Act, 2013 and the companies [issue of share capital & Debenture] Rules, 2014.

1. Objects of the Issue:

The Company is presently engaged into manufacturing and trading of Non-metallic Industrial Minerals, which makes the business of the Company volume driven. The Company has been consistently utilizing all the manufacturing facilities across 8 plants at at the optimal capacity levels. There is a huge demand for industrial mineral products in the Indian as well as in Global market and in order to meet the said demand, apart from the optimum utilization of manufacturing capacities, the Company is required to depend on third party manufacturers for manufacturing of certain products of the Company.

2. The total number of shares to be issued :

25,00,000 Equity Shares.

3. The Price at which the allotment is proposed:

Rs. 24/- per share [including premium of Rs. 14/- per share].

4. Basis on which the price has been arrived at along with report of the registered valuer.

The Company has obtained a certificate from an Independent Chartered Accountant viz. M/s. Manish K. Shah & Co., Chartered Accountants, about the price arrived at and that the said preferential issue is in accordance with the requirements contained in the Regulations/Guidelines and the said Certificate will be placed before the Annual General Meeting. The Memorandum & Articles of Association of the Company, Auditors Certificate and other documents referred to in the proposed resolution and in the Explanatory Statement are opened for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 am to 4.00 pm upto the date of the AGM.

5. Relevant date with reference to which the price has been arrived at :

Not Applicable.

6. The class of person[s] to whom the allotment is proposed to be made :

The existing Promoter / Member which is the Holding Company viz. M/s. 20 Microns Limited.

7. The proposal of the promoters /directors/ key managerial personnel to subscribe to the offer:

Except The Promoter, M/s. 20 Microns Limited, none of the Promoters / Directors / Key Managerial Personnel intend to subscribe to this offer

8. The time within which the preferential issue shall be completed:

The Board proposes to allot the Equity Shares within a period of 12 months from the date of passing of the resolution by the shareholders.

9. The name[s] of the proposed allottees and the percentage of post preferential offer capital that may be held by them :

Proposed Allottees	PAN of Proposed Allottee	Pre-Issue Equity Holding	%	Number of shares to be allotted	Post Issue Holding	%
20 Microns Limited	AAACZ0580B	6000000	92.74	25,00,000	85,00,000	94.76

10. Change in Control:

There is no change in the management of the Company pursuant to the preferential issue.

11. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities and price :

Not Applicable.

12. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer :

Not Applicable.

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NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

13. The pre and post issue shareholding pattern of the Company :

Category Code	Category of Shareholder	Pre-Issue Holding		Post-Issue Holding	
		No. of Shares	%	No. of Shares	%
(A)	Promoter and Promoter Group				
1.	India				
(a)	Individuals / Hindu Undivided Family	2,28,480	3.53	2,28,480	2.55
(b)	Bodies Corporate	60,00,000	92.73	85,00,000	94.76
	Total (A)	62,28,480	96.26	87,28,480	97.31
(B)	Public Shareholding				
B1	Institutions				
B2	Non-Institutions :				
(a)	Bodies Corporate	21,456	0.33	21,456	0.24
(b)	Individuals :	84	0.01	84	0.00
I	Individuals Shareholders Holding Nominal Share Capital upto Rs. 1 Lac	0	0	0	0
II	Individuals Shareholders Holding Nominal Share Capital in excess Rs. 1 Lac	0	0	0	0
(c-i)	Clearing Members	0	0	0	0
(c-ii)	Hindu Undivided Families	0	0	0	0
(c-iii)	Non Resident Indians	2,20,000	3.40	2,20,000	2.45
(c-iv)	Trusts	0	0	0	0
	Total (B)	2,41,540	3.74	2,41,540	2.69
	GRAND Total (A) + (B)	64,70,020	100.00	89,70,020	100.00

None of the Promoters/ Directors and/or Key Managerial Personnel may be considered to be concerned or interested in the above resolution.

Item 5 :

Since with the above preferential issue of Equity Shares, the Authorised share capital of Rs. 10 Crore shall be exhausted and in order to keep for cushion for such issues in future, it is also proposed to increase the existing Authorised Share Capital of the Company of RS. 10 Crore to Rs. 20 Crore and also amend the Memorandum of Association of the Company to that effect.

In terms of the provisions of Sections 61 read with 64 of the Companies Act, 2013, approval of shareholders is required in General Meeting by way of Ordinary Resolution for issue of equity shares on a preferential basis as stated above. Hence, the resolution at item 5 is placed before the shareholders. Your Directors recommend the resolution for your approval.

By Order of the Board of Directors

Place: Waghodia, Dist. : Vadodara.
Date : 08.08.2016

Chandresh S. Parikh
Director

BOARD'S REPORT

To the Members,

Your Directors have pleasure in submitting 23rd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

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

(Amount in Rupees)

Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Net Sales/Income from Business Operations	23,90,64,845	25,80,50,321
Other Income	1,11,13,962	1,31,14,369
Total Income	25,01,78,807	27,11,64,690
Total Expenses Before Interest & Depreciation	21,35,06,010	22,93,01,821
Profit Before Interest & Depreciation	3,66,72,797	4,18,62,869
Less : Interest	1,27,73,808	1,62,05,122
Profit Before Depreciation	2,38,98,989	2,56,57,747
Less : Depreciation	89,26,494	1,08,32,006
Profit after Depreciation & Interest	1,49,72,495	1,48,25,741
Less : Exceptional Item	-	-
Profit Before Tax	1,49,72,495	1,48,25,741
Less Current Income Tax	30,31,203	31,61,055
Less : Previous Year Adjustment of Income Tax	-	-12,07,503
Less : Deferred Tax	43,40,887	-9,08,032
Less : Mat Credit Entitlement	-24,32,277	-14,54,910
Net Profit after Tax	1,00,32,682	1,52,35,131
Earning per Share (Basic)	1.62	2.52
Earning per Share (Diluted)	1.61	2.47

2. DIVIDEND

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

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last years.

4. REVIEW OF BUSINESS OPERATIONS

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

Manufacturing:

During the year, your company has achieved production of finished goods of 8798.70 MTS as against 3706 MTS of previous year which shows growth by 137 %.

Out source Material:

During the year, your company has outsourced 4703.5 MTS as against 13045.5 MTS of previous year.

Mining Material:

During the year, your company has excavated 68921 MTS of minerals as against 52626 MTS of previous year which shows growth by 31% in mining activity.

Sales & Marketing:

During the year, Sales Volume was 88520.761 MTS as against 85269.35 MTS of previous year which shows growth in sales by 3.81%. On Marketing front, your Company is taking various strategic steps to introduce new products for various applications and the company expects to generate higher sales volumes in the years to come.

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BOARD'S REPORT [Contd.]

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

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

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

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

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

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

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

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

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

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.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 186 is furnished in Annexure B and is attached to this report.

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

There was no qualification, reservation or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

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

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

13. ANNUAL RETURN

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

14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had conducted Six (06) Board meetings during the financial year under review.

15. DIRECTORS RESPONSIBILITY STATEMENT

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

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

BOARD'S REPORT [Contd.]

- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

17. DEPOSITS

The Company has started accepting the deposits only from the shareholders of the company pursuant to the provisions of Companies Act, 2013 and Rules made thereunder. The said Scheme was approved by you at your Extra-ordinary General Meeting held on 22nd May, 2014 and subsequently amended on 25th May, 2015.

As on 31.03.2016, Fixed Deposits from Shareholders stood at the total of Rs. 168.32 Lacs. Deposits amounting to Rs. 3 Lacs are due for repayment on or before 31.03.2016.

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 was to 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 vide its order no. C.A. NO.38/74(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 Rs. 29.09 Lacs, on or before 20.07.2016 along with the interest due thereon. The Company had repaid Rs. 14.05 Lacs deposits along with the interest thereon during FY 2015-16.

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

(Amount in Rupees)

		Number of Depositors	Deposit	Interest
(a)	From Share Holders	-	-	-
(b)	From Public	27	14,89,000	1,28,252
	TOTAL	27	14,89,000	1,28,252

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

18. DIRECTORS

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

19. DECLARATION OF INDEPENDENT DIRECTORS

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

20. STATUTORY AUDITORS

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

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BOARD'S REPORT [Contd.]

21. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company. Though, the Company has constituted Audit Committee consists of the following members

- a. Mr. Ram Devidayal, Chairman
- b. Mr. Chandresh S. Parikh
- c. Mr. Rajesh C. Parikh
- d. Mr. Sudhir R. Parikh

The above composition of the Audit Committee consists of independent Director viz., Mr Ram Devidyal.

22. SHARES

a. BUY BACK OF SECURITIES

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

b. SWEAT EQUITY

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

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

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

23. ACKNOWLEDGEMENTS

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 23.05.2016
Place: Waghodia, Vadodara

Chandresh S. Parikh
Chairman

Annexure A: 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:

Electricity Audits carried by professional Energy Auditors at Tirunelveli plant carried out to control harmonics level effecting in excess power consumption and accordingly the necessary process was implemented.

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

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

(B) Technology absorption-

(i) the efforts made towards technology absorption; - 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 Rs. 118.57 Lacs. (Previous year Rs. 34.14 Lacs)

Foreign Exchange Earning and Outgo

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

BOARD'S REPORT [Contd.]

Total Foreign Exchange used and earned:

Foreign Exchange Earned: Rs. 173.04 Lacs (Previous year Rs. 266.03 Lacs)

Foreign Exchange Used: Rs. 303.53 Lacs (Previous year Rs. 95.05 Lacs)

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

Place: Waghodia, Vadodara

Date: 23.05. 2016

(Chandresh S. Parikh)

Chairman

(Rajesh C. Parikh)

Director

Annexure B - 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, 2016, 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, 2016 are as follows-

Name of Related Party	Nature of Relationship	Type of Transaction	Duration of Contract	Salient Terms*	Amount (Rupees in Lac)
20 Microns Ltd.	Holding Company	Purchase of Material	Not Applicable	Not Applicable	539.64
20 Microns Ltd.	Holding Company	Rent Paid	Not Applicable	Not Applicable	158.46
20 Microns Ltd.	Holding Company	Royalty Paid	Not Applicable	Not Applicable	52.12
20 Microns Ltd.	Holding Company	Sale of Material	Not Applicable	Not Applicable	131.10
20 Microns Ltd.	Holding Company	Rent Received	Not Applicable	Not Applicable	52.69
20 Microns Ltd.	Holding Company	Reimbursement of Expenses Paid	Not Applicable	Not Applicable	5.04

* Appropriate approvals have been taken for related party transactions.

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

(Chandresh S. Parikh)

Chairman

(Rajesh C. Parikh)

Director

Place: Waghodia, Vadodara

Date: 23.05.2016

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BOARD'S REPORT [Contd.]

Annexure C: Extract of Annual Return

Form No. MGT - 9

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U15543GJ1993PLC020540
2.	Registration Date	28.10.1993
3.	Name of Company	20 Microns Nano Minerals Limited
4.	Category/Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered Office and Contact Detail	Plot No. 157, Village : Mamuara, Bhuj, Dist. Kutch, Gujarat. Phone No. - 02832324471
6.	Listed Company	No
7.	Name, Address and Contact Details of Registrar and Transfer Agent	In-house

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name & Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	Minerals / Clay	08108	36%
2.	Wax	24242	28%
3.	Hydrogel	08919	15%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	20 Microns Ltd. 9/10, GIDC Industrial Estate, Waghodia-391760. Dist. Vadodara	L99999GJ1987PLC009768	Holding	92.74%	2(87)

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

I) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. Shares held at the beginning of the 2015-2016				No. of Shares held at the end of the 2015-16				% Change during the year
		Total	Demat	Physical	% of Total Shares	Total	Demat	Physical	% of Total Shares	
A.	SHARE HOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	Individuals/Hindu Undivided Family	28480	-	28480	0.47	228478	-	228478	3.53	-3.06

BOARD'S REPORT [Contd.]

b.	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	6000000	-	6000000	99.17	6000000	-	6000000	92.74	6.43
d.	Financial Institutions/ Bank	-	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A)(1)		6028480	-	6028480	99.64	6228478	-	6228478	96.27	3.37
2.	FOREIGN									
a.	Individual (Non Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b.	Bodies Corporate	-	-	-	-	-	-	-	-	-
c.	Institutions	-	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-	-
TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP(A)= (A)(1)+(A)(2)		6028480	-	6028480	99.64	6228478	-	6228478	96.27	3.37
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b.	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
c.	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
d.	Venture Capital Fund	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h.	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
I.	Any Other	-	-	-	-	-	-	-	-	-
SUB-TOTAL(B)(1)		-	-	-	-	-	-	-	-	-

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BOARD'S REPORT [Contd.]

2. NON INSTITUTIONS										
a.	Bodies Corporate	21456	0	21456	0.35	21442	-	21442	0.33	0.02
b.	Individuals - I. Individual Share Holders Holding Nominal Share Capital upto Rs. 1 Lakh	84	0	84	0.001	100	-	100	0.002	-0.001
	II. Individual Share Holders Holding Nominal Share Capital in Excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c.	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
d.	Any Other	-	-	-	-	-	-	-	-	-
	Clearing Members	-	-	-	-	-	-	-	-	-
	Hindu Undivided Family	-	-	-	-	-	-	-	-	-
	Non Resident Indians	-	-	-	-	-	-	-	-	-
	Trusts	-	-	-	-	220000	-	220000	3.4	-3.4
SUB-TOTAL(B)(2)		21540	-	21540	0.36	241542	-	241542	3.73	-3.37
TOTAL PUBLIC SHARE HOLDING (B)=(B)(1)+(B)(2)		21540	-	21540	0.36	241542	-	241542	3.73	-3.37
TOTAL (A)+(B)		6050020	0	6050020	100	6470020	-	6470020	100	00
C. SHARE HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED										
	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
Total Custodian (C)		-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		6050020	0	6050020	100	6470020	-	6470020	100	00

(II) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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.	20 Microns Ltd.	6000000	99.17	0	6000000	92.74	0	6.43
2.	Chandresh S. Parikh	10	0.00	0	10	0.00	0	0
3.	Rajesh C. Parikh	10	0.00	0	10	0.00	0	0
4.	Atil C. Parikh	28450	0.47	0	28448	0.44	0	0.03
5.	Sudhir R. Parikh	10	0.00	0	10	0.00	0	0
6.	Chandresh S. Parikh	0	0.00	0	200000	3.09	0	3.09

BOARD'S REPORT [Contd.]

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

Sr. No.	Name of Shareholder	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.	Atil C. Parikh	28450	0.47	28448	0.44
2.	Chandresh S. Parish	00	00	200000	3.09

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

Sr. No.	Name of Shareholder	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.	Narendra M. Patel	0	0.00	220000	3.4
2.	Eriez Finance & Investment Limited				
	At the beginning of the year 01-Apr-2014	21481	0.36	21481	0.36
	At the end of the year 31-Mar-2015	21442	0.33	21442	0.33
3.	Nirakar H. Desai JT with Krupa H. Desai	10	0.00	10	0.0
4.	Peshank Patel	10	0.00	10	0.0
5.	Himanshu Amin	10	0.00	10	0.0
6.	Vidya K. Doshi	1	0.00	1	0.0
7.	Awadh Bihari Singh	1	0.00	1	0.0
8.	Sharayu D. Haridas JT with Arvind G. Vijapuri	1	0.00	1	0.0
9.	Mitsoon N. Patel JT with Jayshreeben N. Patel	1	0.00	1	0.0
10.	Dilip N. Patel JT with Jayshreeben N. Patel	1	0.00	1	0.0
11.	Ilaben S. Mehta JT with Amla S. Mehta	1	0.00	1	0.0
12.	Kusumben R. Shah JT with Niti S. Shah	1	0.00	1	0.0
13.	Kunjilata A. Desai JT with Arvindbhai Desai	1	0.00	1	0.0
14.	Nalini Ogale	1	0.00	1	0.0
15.	Anitaben Ashokbhai Rana JT with Vaishali Kanubhai Rana	1	0.00	1	0.0
16.	Savitaben Kantilal Chauhan JT with Chirag Kantilal Chauhan	1	0.00	1	0.0
17.	Bhaskaracharya K. Karmakar JT with Kumudini B. Karmakar	1	0.00	1	0.0
18.	Jayaben A. Desai JT with Dvijena A. Desai	1	0.00	1	0.0
19.	Amita Suhas Falnikar	1	0.00	1	0.0

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BOARD'S REPORT [Contd.]

20.	Chavan Jagadishbhai G. JT with Chavan Vaishali G.	1	0.00	1	0.0
21.	Prakashkumar N. Shah JT with Bhanuben P. Shah	1	0.00	1	0.0
22.	Harish Eknath Salunke JT with Pratima H. Salunke & Mitesh H. Salunke	1	0.00	1	0.0
23.	Pushaben C. Soni JT with Bhartiben C. Soni & Shantaben C. Soni	1	0.00	1	0.0
24.	Shreerang D. Kanade JT with Smita S. Kanade	1	0.00	1	0.0
25.	Shankar Ratilal Rana	1	0.00	1	0.0
26.	Chandrakala N. Khichi JT with N.S. Khichi	1	0.00	1	0.0
27.	Kachhiya Harish N.	1	0.00	1	0.0
28.	Daya K. Marathe	1	0.00	1	0.0
29.	Jayaben Dilipbhai Raval	1	0.00	1	0.0
30.	Kanjibhai Naranbhai Darad	1	0.00	1	0.0
31.	Umaben Lalitbhai Rana	1	0.00	1	0.0
32.	Vasant Krishnarao Chaudhari	1	0.00	1	0.0
33.	Ilaben Arvindbhai Rana	1	0.00	1	0.0
34.	Manorama V. Shah	1	0.00	1	0.0
35.	Indira A. Shah	0	0.00	1	0.0
36.	Ravi B. Shah	0	0.00	1	0.0
37.	Mihir A. Shah	0	0.00	1	0.0
38.	Kamala B. Landge	0	0.00	1	0.0
39.	Dhanashri Chavan	0	0.00	1	0.0
40.	Kishori Nashikkar	0	0.00	1	0.0
41.	Vasantben Rajput	0	0.00	1	0.0
42.	Kanjibhai Darad	0	0.00	1	0.0
43.	Dhiran Patel	0	0.00	1	0.0
44.	Kumud Cholkar	0	0.00	1	0.0
45.	Sheela Panchal	0	0.00	1	0.0
46.	Truptiben Upadhyay	0	0.00	1	0.0
47.	Ravindra Mistry	0	0.00	1	0.0
48.	Vinod Soni	0	0.00	1	0.0
49.	Indiradevi Gupta	0	0.00	1	0.0
50.	Alkesh Patel	0	0.00	1	0.0
51.	Pratibha Shinde	0	0.00	1	0.0
52.	Narendra Bumia	0	0.00	1	0.0
53.	Narendra Patel	0	0.00	1	0.0
54.	Meenaben Rana	0	0.00	1	0.0
55.	Shailja Paranjape	0	0.00	1	0.0

BOARD'S REPORT [Contd.]

56.	Pushpavati Pancholi	0	0.00	1	0.0
57.	Shrikant Nassikar	0	0.00	1	0.0
58.	Deependra Gaekwad	0	0.00	1	0.0
59.	Jadav Padmaben	0	0.00	1	0.0
60.	Swaranajit Virarjunkumar	0	0.00	1	0.0
61.	Vijayalaxmi Hukla	0	0.00	1	0.0
62.	Taraben Joshi	0	0.00	1	0.0
63.	Arvind Rana	0	0.00	1	0.0
64.	Pratima Puranik	0	0.00	1	0.0
65.	Amita Shukla	0	0.00	1	0.0
66.	Rakshit Chhaya	0	0.00	1	0.0
67.	Meenakshi Bhaosale	0	0.00	1	0.0
68.	Mahendra Shah	0	0.00	1	0.0
69.	Suvarna Kanade	0	0.00	1	0.0
70.	Narsinhbhai Rana	0	0.00	1	0.0
71.	Rekha Contractor	0	0.00	1	0.0
72.	Zankhana Patel	0	0.00	1	0.0
73.	Vinodkumar Bhuvir	0	0.00	1	0.0
74.	Niketa Bhave	0	0.00	1	0.0
75.	Priti Gupta	0	0.00	1	0.0

(V) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name of Director & KMP	Shareholding at the beginning of the Year		Datewise 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	10	0	NO	NA	NA	NA	10	0
2.	Mr. Rajesh C. Parikh	10	0	NO	NA	NA	NA	10	0
3.	Mr. Atil C. Parikh	28450	0.47	NO	2	28448	0.44	28448	0.44
4.	Mr. Sudhir R. Parikh	10	0	NO	NA	NA	NA	10	0
5.	Mr. Ramkishan A. Devidayal	10	0	NO	NA	NA	NA	10	0

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BOARD'S REPORT [Contd.]

6.	Mr. Vithaldas D. Talati (upto 02.09.2015)	0	0	NO	NA	NA	NA	0	0
7.	Swati Sharda (w.e.f. 15.02.2016)	0	0	NO	NA	NA	NA	0	0

(VI) INDEBTEDNESS

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

(Amount in Rupees)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
--	----------------------------------	-----------------	----------	--------------------

Indebtedness at the beginning of the financial year				
I) Principal Amount	6,72,45,421	3,30,05,515	1,77,96,000	11,80,46,936
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	13,76,376	3,75,583	17,51,959
Total (I+II+III)	6,72,45,421	3,43,81,891	1,81,71,583	11,97,98,895

Change in Indebtedness during the financial Year				
Addition	1,10,38,422	50,00,000	7,81,512	1,68,19,934
Reduction	1,92,43,346	3,53,62,744	-	5,46,06,090
Net Change	-82,04,924	-3,03,62,744	7,81,512	-3,77,86,156

Indebtedness at the end of the financial year				
I) Principal Amount	5,90,40,497	40,19,147	1,83,21,000	8,13,80,644
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	-	6,32,095	6,32,095
Total (I+II+III)	5,90,40,497	40,19,147	1,89,53,095	8,20,12,739

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Company has not appointed any Managing Director, Whole Time Director or Manager in this F.Y.

B. REMUNERATION TO OTHER DIRECTORS :

(Amount in Rupees)

Particular of Remuneration	Mr. Ramkishan A. Devidayal	Total Amount
1. Independent Directors		
Fee for attending board / committee meeting	55000	55000
Commission	0	0
Others, please specify	0	0

BOARD'S REPORT [Contd.]

Total (1)	55000	55000
2. Other Non-Executive Directors		
Fee for attending board / committee meeting	0	0
Commission	0	0
Other	0	0
Total (2)	0	0
Total (B) = (1)+(2)	55000	55000
Total Managerial Remuneration	55000	55000
Overall Ceiling as per the Act.	Since the company has not appointed any whole time Director, NA	

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

Sr. No.	Particular of Remuneration	Name of Director / KMP		Total Amount (Rs.)
		Mr. V.D. Talati - CS (upto 02.09.2015)	Ms. Swati Sharda - CS (w.e.f. 15.02.2016)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45290	22951	68241
	(b) Value of perquisites u/s 17(2) Income-tax of the Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5.	Other please specify Provident Fund	0	1784	1784
	Total	45290	24735	70025

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016

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MANAGEMENT DISCUSSIONS & ANALYSIS

The analysis of the performance for the year 2015-16 along with future outlook is presented herein by the Management of the Company, based on the assessment of the current business practices which may vary due to future economic and other developments globally.

REVIEW OF FINANCIAL PERFORMANCE

The Revenue achieved during the year from Sale of Products is Rs. 2390.65 Lacs as against Rs. 2580.50 Lacs of the previous year and incurred Net Profit after tax Rs. 100.33 Lacs as against Net Profit of Rs. 152.35 Lacs of the previous fiscal.

BUSINESS OUTLOOK

20 Microns Nano is always on the look out to develop new products for different applications like Plastics, Rubber, Paint, Ceramic and construction industries. During 2014-15 correction has taken place and concentrated more on value added which has resulted in addition of financial strength and over come from making loss. Customized Product development like Hydrogel for major customer has shown offtake and added value to companies growth.

Research and development team in the company is inventing value added products and improving existing products continuously for the better growth of the company. Vapor Oxol series is the best example where shelf life of the products has been increasing and now product became of international standard. This development will help company to increase market share in the field of desiccant and domestic polymer processors will start using Vapor Oxol and restrict their imports.

Sales team has done exceptional work on increase of sales of Value added products like Wax and other lubricant. Development of this product has good potentiality in the commodity master batch segment which is growing very fast in domestic market. Company is also planning to add various grades which can be used in plastics applications like Anti Block. Initial trial results at customer end is very good and can be an import substitute for polymer applications which will contribute very good value addition.

In Rubber application Vaporlink, Vaporsil and new grade of Wax has started increase in sales which are value added products, Vaporlink partially replaces Carbon Black. The Company has also concentrated on Zincomer and Fastflow-S which also capturing sales quantum very fast and it would effectively add to increase company's turnover in Plastics and Rubber applications.

From the beginning of the year 2016, Products like Fast Flow-P, Polaid series, etc has shown remarkable increase in overseas market and having very good response which will help to increase future export sales of the company. Company has started exporting their products in few countries like, Saudi Arabia, UAE and Sri Lanka. Company also expect to increase their export sales in year 2015-16 by adding some more New Products to its Basket. Company has grown to supply Active Silica and Filter Aids which will play a dominant role to raise its turnover by considerable amount.

Company has good apprehension and considerable market in India. Our product are approved and is being used in many major projects in India such as Metro Projects, Road Projects, Power Plants, Ports & Jetties and many more. The performance of our product has been appreciated by the major Piling companies of India.

RESEARCH & DEVELOPMENT

20 Microns Nano Minerals is a future oriented organization dedicated to designing substituted products for imported

MANAGEMENT DISCUSSIONS & ANALYSIS [Contd.]

products. It also aims to upgrade the existing products to provide more efficient and cost effective products to consumer. The constant engagement in the AAR (after action reviews) is the basis of delivering solutions to practical problems faced by the customer.

Industrial association, academic relations and alliance, pilot scale testing, joint testing helps us to maintain and expand our customer base. The continuous development requires continuous supply of raw material which is a challenge in this era. With the strategic research agenda in coordination with industry, academics and geological survey can help an eco-efficient and sustainable supply of raw material in the long run.

Innovative Products Developed during the year 2015 – 16:

- 1.Vaporsil 90 G
- 2.Microngel 90 C
- 3.Polaid TP
- 4.Flowaid and Flowaid Plus
- 5.Rubaid T Plus
- 6.Micronized Wax
- 7.Micronized Wax Emulsion
- 8.Micron FerroX NRL
- 9.Micron FerroX SYN
- 10.Cerawhite HMR

MINING AT GLANCE

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

Status as on 31.03.2016

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves# (Rs. in Lacs)
1	Nadappa China Clay Mine, Nr. Village Nadappa, Taluka Bhuj, Dist. Kutch, Gujarat Area - 7.30 ha	12.67*	1837.15
	Total	12.67	1837.15

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

* - Figure as per UNFC code

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REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

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

Company's Philosophy on Governance

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

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

1. BOARD OF DIRECTORS

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st March, 2016, are given below:-

Name of Directors	Category of Directors	No. of other Directorship	Committee Membership/ * Chairmanship	
			Committee Membership	Committee Chairmanship
NON EXECUTIVE DIRECTOR (S)				
Mr. Chandresh S. Parikh	Chairman & Director	1	1	-
Mr. Rajesh C. Parikh	Director	1	1	-
Mr. Atil C. Parikh	Director	1	-	-
Mr. Sudhir R. Parikh	Director	1	1	-
Mr. Ramkishan A. Devidayal	Director	5	3	2

* Audit Committee and Stakeholder Relationship Committee considered

BOARD MEETINGS AND PROCEDURE

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

A. During the financial year ended 31.03.2016, the Board met 6 (Six) times the dates of which are as under:

Sr. No.	Board Meetings Date	Board Strength	No. of Directors Present
1	27.05.2015	5	3
2	07.08.2015	5	4
3	07.11.2015	5	4
4	18.12.2015	5	4
5	09.01.2016	5	3
6	10.02.2016	5	3

B. Attendance of Directors at

- 1). Board Meetings and
- 2). Annual General Meeting.

Name of Directors	No. of Board Meeting Attended	Attendance at Last AGM
Mr. Chandresh S. Parikh	6	YES
Mr. Rajesh C. Parikh	6	YES
Mr. Atil C. Parikh	3	YES
Mr. Sudhir R. Parikh	1	NO
Mr. Ramkishan A. Devidayal	5	YES

REPORT ON CORPORATE GOVERNANCE [Contd.]

C. SITTING FEES TO THE DIRECTORS

The details of sitting fees paid to the Directors are as under:

Name of Directors	SITTING FEES [₹]
Mr. Chandresh S. Parikh	NIL
Mr. Rajesh C. Parikh	NIL
Mr. Atil C. Parikh	NIL
Mr. Sudhir R. Parikh	NIL
Mr. Ramkishan A. Devidayal	55,000

SHAREHOLDING OF THE DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 2016:

NAME OF DIRECTORS	NO. OF SHARESES HELD IN THE COMPANY SINGLY AND/OR JOINTLY	PERCENTAGE OF HOLDING
Mr. Chandresh S. Parikh	200010	3.09%
Mr. Rajesh C. Parikh	10	0.00%
Mr. Atil C. Parikh	28448	0.44%
Mr. Sudhir R. Parikh	10	0.00%
Mr. Ramkishan A. Devidayal	NIL	NIL

Appointment/ Re-appointment of Directors

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

Profile of Directors

The brief profile of each Director is given below:

Mr. Chandresh S. Parikh, our Chairman and Director, holds a Degree in Master of Science (Chemistry). He has played a very important role in the turnaround of the Company and has over 40 years of experience, in India and abroad, in various fields such as product development & commercialization of products developed through R & D etc. He started his career as R&D Chemist in the year 1968 with Suhrid Geigy Limited; Vadodara till 1972. Thereafter he joined in as a Chief Chemist with General Foam Products, Mombassa, Kenya in 1972 and continued with them till 1975. Thereafter he held Senior Executive positions as Technical Director and Executive Director in Banco Products (T) Ltd., Dar Es Salaam from 1975-82. As Technical Director he was in charge of Production and technical matters and as an Executive Director he was in overall charge and management of the affairs of that Company. He was a Managing Director in Aerofoam (Nigeria) Ltd., Lagoa, Nigeria during 1982-88.

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

Mr. Atil C. Parikh, 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 the Holding Company as the Managing Director- 20 Microns Limited.

Mr. Sudhir R. Parikh, Fellow Chartered Accountant, is the Director of our Company. He joined M/s. Lovelock & Lewes, an audit firm for a period of 1½ years. Subsequently, he held a senior executive position as Manager Accounts in Asian Dehydrates Limited in the year 1977, Nasik. He then joined as a Chief Accountant in M. H. Spinning & Mfg Co. Ltd., Ahmedabad in the year 1978. He was also an Executive Director in Banco Products (T) Ltd., Dar- E- Salaam, Tanzania and a Director in United Foam Private Limited, Waghodia. He has gathered good experience in Accounting, Finance, Taxation and Management.

REPORT ON CORPORATE GOVERNANCE [Contd.]

Mr. Ramkishan A. Devidayal holds Master's degree in Commerce & Management.

He has rich & extensive experience in the fields of Agrochemicals of about 35 years of which 20 years in the Senior – 1st Line Management of the Companies to which he has been associated as Director.

He is the Vice Chairman of Baroda Citizen Council & involved in Social activities of many NGOs. He has also been actively attached with various Associations, since last over a Decade, like Chamber of Commerce in Vadodara; Federations of Gujarat Industries; Gujarat Pesticides Formulators; etc. He has travelled widely round the Globe and participated in various International Seminars and led delegations several times. He does not hold any shares of the Company.

D. Agenda :

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (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 and Committees for the information of the Board. Additional agenda items in the form of "Any Other Agenda" are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification / approval.

E. Invitees & Proceedings :

Apart from the Board members, the Company Secretary is invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board.

F. Post Meeting Action :

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

G. Support and Role of Company Secretary :

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

2. COMMITTEES OF THE BOARD

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

Committee of Directors	Constituted on
Audit Committee	11th Novemeber, 2010
Finance Committee	11th Novemeber, 2010
Management Committee	11th Novemeber, 2010
Projects Committee	11th Novemeber, 2010

AUDIT COMMITTEE

Composition

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

The Committee, as on 31st March, 2016, comprised of the following members:

- 1.Mr. Ramkishan A. Devidayal -Chairman
- 2.Mr. Chandresh S. Parikh
- 3.Mr. Rajesh C. Parikh
- 4.Mr. Sudhir R. Parikh

REPORT ON CORPORATE GOVERNANCE [Contd.]

A. During the financial year ended 31.03.2016, the Committee met 4 (Four) times the dates of which are as under:

Sr. No.	Date of Meetings	Committee Strength	No. of Committee Members Present
1	27.05.2015	4	2
2	07.08.2015	4	3
3	07.11.2015	4	3
4	10.02.2016	4	3

Attendance at the Committee Meetings:

Name of Directors	Category	No. Of Meeting Attended
Mr. Ramkishan A. Devidayal	Independent Director	3
Mr. Chandresh S. Parikh	Non - Executive Director	4
Mr. Rajesh C. Parikh	Non - Executive Director	4
Mr. Sudhir R. Parikh	Non - Executive Director	0

Terms of Reference

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

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

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

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
 - The Audit Committee Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.
- e of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

The role of the Committee shall be as under:

- To hold discussions with the Auditors periodically about internal control systems, the scope of the audit including the observations of the Auditors and review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- To investigate into any matter in relation to the items specified under Section 177 of the Companies Act, 2013 and for the purpose, to have full access to the information contained in the records of the Company and external professional advice, if necessary.
- To seek external professional advice, if necessary.
- To make recommendations over various financial matters including matters relating to financial management and audit report.
- To direct the Chairman of the Audit Committee for providing clarifications on matters relating to audit.
- The Chairman of the Audit Committee shall be elected by its members from amongst themselves."
- To Review
 - with Management and the External Auditors the results of the Audit, including difficulties, if any, encountered and qualifications in their Reports. This will include restrictions on the scope of the Independent Auditors activities or access to requested information and any significant disagreements with Management.
 - Complex or unusual material transactions that involve a high degree of judgmental decision making.
 - Related party transactions, in the ordinary course of business or not, and Management justification for the same.
 - Utilization of funds raised through public and/or other issues etc.
 - Reasons for substantial defaults in the payments to the shareholders, creditors etc.
 - Retain Independent Counsel, accountants, or other advisors to conduct Independent investigation etc.

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REPORT ON CORPORATE GOVERNANCE [Contd.]

- Effectiveness of Internal Control System.
- Understand scope of External Auditors' review on the control system, recommendations etc.
- Appointment, removal, compensation and oversee the work of the accounting firm employed by the organization to conduct the statutory external audits.
- Approval of all permitted non – audit services performed by the Company's external audit firm.
- Discussions with the Management on the Company's major policies with respect to risk assessment and management.

FUNCTIONAL COMMITTEES

In addition to the above, the Board of Directors of the Company has constituted:

- Finance Committee of Directors
- Management Committee of Directors &
- Project Committee of Directors

from amongst the Directors.

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

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

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

3. GENERAL MEETINGS

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

Financial Year	Date	Location	Time	No. of Special Resolutions Passed
2014-15	24.09.2015	Bungalow No. 20, Shivkrupanagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, Bhuj.	11.00 A.M.	NIL
2013-14	11.09.2014	Bungalow No. 20, Shivkrupanagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, Bhuj.	11.00 A.M.	1. To Approve Creation of Charge/security over the assets/undertaking of the company. 2. To borrow money in excess of paid up capital & free reserves of the company
2012-13	26.09.2013	Bungalow No. 20, Shivkrupanagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, Bhuj.	11.00 A.M.	NIL

During the year 2015-16, one Extra – ordinary General Meeting was held on 25.05.2015 to pass a special resolution of approval of modification in unsecured fixed deposit scheme of the company relating to interest rates.

4. GENERAL SHAREHOLDERS' INFORMATION:

Registered Office	Plot No. 157, MAMUARA, Tal. : Bhuj, Dist.: Kutch
Annual General Meeting	Day & Date : Thursday, the 22nd day of September, 2016 Time : 11:00am Venue : Bungalow No.20, Shivkrupanagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, Bhuj.

REPORT ON CORPORATE GOVERNANCE [Contd.]

5. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2016

Category	Total Shares	% to Total
Directors	228478	3.53
Bodies Corporate	6021442	93.07
Others	100	0.002
NRI	220000	3.4
Total	6470020	100.00

6. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

Range of Shares	Share Holders		Shares	
	No. of Share Holders	%	No. of Shares	%
01 to 5000	76	93.83	130	0.00
5001 to 10000	0	0.00	0	0.00
10001 to 20000	0	0.00	0	0.00
20001 to 30000	2	2.47	49890	0.77
30001 to 40000	0	0.00	0	0.00
40001 to 50000	0	0.00	0	0.00
50001 to 100000	0	0.00	0	0.00
100001 & Above	3	3.70	6420000	99.23
Total	81	100.00	6470020	100.00

7. INVESTORS CORRESPONDENCE

For any assistance regarding share transfers, transmission, change of address and any other query relating to the shares of the Company, please write to:

To
The Company Secretary
20 Microns Nano Minerals Limited
9/10, GIDC Industrial Estate, Waghodia - 391 760.
Dist.: Vadodara. Gujarat, India

Place: Waghodia, Dist.: Vadodara

Date: 23.05.2016

Chandresh S. Parikh
Chairman

INDEPENDENT AUDITORS' REPORT

To the Members of 20 Microns Nano Minerals Limited.

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **20 Microns Nano Minerals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 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 financial statements.

INDEPENDENT AUDITORS' REPORT [Contd.]

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016, 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 (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the 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 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, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 financial statements - Refer Note 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K. M. Swadia and Company
Chartered Accountants
Firm's Registration No. 110740W
Pravin Panchiwala
Partner
Membership No. 127406

Place: Vadodara
Date: May 23, 2016

INDEPENDENT AUDITORS' REPORT [Contd.]

Annexure – A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of **20 Microns Nano Minerals limited** ("the Company") for the year ended on March 31, 2016. We report that:

- i.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation thereof;
 - b. The Company has physically verified a major portion of Fixed Assets during the year. In our opinion, the frequency of verification of the Fixed Assets by the management is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given, no material discrepancies were noticed on such verification;
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to information and explanations given to us in respect of loans, secured or unsecured, the Company has not granted unsecured loans during the year to party (Previous Year: One Company) listed in the Register maintained under Section 189 of the Companies Act, 2013. Maximum amount outstanding during the year was ` 84,57,511/- (Previous Year: ` 79,31,219/-) and year-end balance was ` Nil (Previous Year : ` 79,31,219/-). According to the information and explanations given to us, the terms and conditions of the loans granted by the company do not stipulate for repayment of principal and interest, therefore, the provisions of Para 3 (iii) (a) to (c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us in respect of loans, Investments, guarantees and securities, the company has complied with the provisions of the section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanation given to us, in respect of deposits accepted during the year are in compliance with the provisions of section 73 to 76 and other provisions of the companies act and the rules framed there under.
During the year Company Law Board has granted extension of time limit for repayment of deposits accepted by the Company prior to commencement of the Companies Act. As per the order, no compliance is required to be made by the Company.
- vi. According to the information and explanation given to us, the company is not required to maintain cost records in accordance with the provision of subsection (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and amendment therein from time to time.
- vii. According to information and explanations given to us, in respect of the statutory dues:
 - a. The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax cess and any other statutory dues applicable to it. There are no arrears outstanding in case of any of the statutory dues as at the year end for a period of more than six months from the date they have become payable;
 - b. The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

INDEPENDENT AUDITORS' REPORT [Contd.]

Act under which amount is due and authority before which matter is being disputed	Nature of dues	Amount (₹)	Period to which it relates
Income Tax Act, 1961 - Before Commissioner of Income Tax (Appeals)	Income Tax	65,123	A.Y. 2012-2013
Gujarat Value Added Tax Act, 2003 - Commissioner of Commercial Tax	Sales Tax and Value Added Tax	24,75,473	A.Y. 2010-2011

- i. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks or financial institutions or debenture holders during the year under audit.
- ii. To the best of our knowledge and belief and according to the information and explanations given to us, we report that term loans were applied for the purposes for which those are raised.
- iii. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- iv. In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 197 read with schedule 5 to the Companies Act with respect to managerial remuneration.
- v. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and therefore, provision of clause (xii) of the order is not applicable to the Company.
- vi. In our opinion and according to information and explanation given to us, we report that transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- vii. In our opinion and according to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore said clause is not applicable. However the company had converted optionally convertible debenture into equity shares during the year.
- viii. In our opinion and according to information and explanation given to us, the company has not entered into any non cash transactions with directors or persons connected with him. Therefore, the provisions of clause (XV) of the order are not applicable to the Company.
- ix. According to the information and explanation given to us, the company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For K. M. Swadia and Company
Chartered Accountants
Firm's Registration No. 110740W
Pravin Panchiwala
Partner
Membership No. 127406
Place: Vadodara
Date: May 23, 2016

INDEPENDENT AUDITORS' REPORT [Contd.]

Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of 20 Microns Nano Minerals limited ("the Company") as of March 31, 2016 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT [Contd.]

Meaning of Internal Financial Controls over Financial Reporting

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

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 March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. M. Swadia and Company
Chartered Accountants
Firm's Registration No. 110740W
Pravin Panchiwala
Partner
Membership No. 127406
Place: Vadodara
Date: May 23, 2016

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BALANCE SHEET AS AT MARCH 31ST, 2016

		(Amount in ₹)	
Particulars	Note No.	As At 31, March 2016	As At 31, March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	6,47,00,200	6,05,00,200
(b) Reserves and Surplus	3	3,80,80,683	2,59,48,001
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	1,48,18,252	1,61,46,339
(b) Deferred tax liabilities (Net)	5	1,64,03,997	1,20,63,110
(c) Other Long term liabilities	6	1,19,702	75,252
(3) Current Liabilities			
(a) Short-term borrowings	7	5,53,40,723	5,11,14,073
(b) Trade payables	8	7,11,06,322	3,28,75,308
(c) Other current liabilities	9	1,99,22,718	6,11,14,810
(d) Short-term provisions	10	35,848	15,000
TOTAL		28,05,28,446	25,98,52,093
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		11,47,15,095	9,79,57,930
(ii) Intangible assets		1,40,85,871	39,51,036
(iii) Capital work-in-progress		1,81,01,864	5,24,040
(iv) Intangible assets under development		5,24,040	-
(b) Non-current investments	12	23,000	23,000
(c) Long term loans and advances	13	9,67,620	1,75,40,884
(d) Other non-current assets	14	1,87,893	4,41,969
(2) Current assets			
(a) Inventories	15	6,06,49,722	2,64,17,323
(b) Trade receivables	16	4,04,36,042	4,03,41,717
(c) Cash and bank balances	17	24,18,442	43,95,265
(d) Short-term loans and advances	18	2,72,00,596	6,74,94,707
(e) Other current assets	19	12,18,260	7,64,223
TOTAL		28,05,28,446	25,98,52,093
See accompanying notes forming part of the Financial Statement	1-44		

As per our report of even date attached

For K M Swadia & Co.

FRN - 110740W

Chartered Accountants

CA. Pravin Panchiwala

Partner

M. No. - 127406

Place : Vadodara

Date : 23rd May 2016

For 20 Microns Nano Minerals Limited

Chandresh S.Parikh

Director

DIN-00041584

Place : Vadodara

Date : 23rd May 2016

Rajesh C. Parikh

Director

DIN-00041610

Swati Sharda

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
ON MARCH 31ST, 2016**



		(Amount in ₹)	
Particulars	Note No.	For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
I. Revenue from operations	20	23,90,64,845	25,80,50,321
II. Other income	21	1,11,13,962	1,31,14,369
III. Total Revenue (I + II)		25,01,78,807	27,11,64,690
IV. EXPENSES			
Cost of materials consumed	22	13,20,99,313	13,26,97,522
Purchase of Stock-in-Trade	23	1,58,34,192	4,96,86,307
Changes in inventories of Finished Goods and Stock-in-Trade	24	(18,20,381)	4,50,261
Other Manufacturing Expenses	25	2,20,81,629	79,37,590
Employee benefit expense	26	1,79,32,048	89,21,672
Financial costs	27	1,27,73,808	1,62,05,122
Depreciation and amortization expense	11	89,26,494	1,08,32,006
Other expenses	28	2,73,79,208	2,96,08,469
Total Expenses		23,52,06,312	25,63,38,949
V. Profit before exceptional and extra ordinary items and tax (III-IV)		1,49,72,495	1,48,25,741
VI. Exceptional Item		-	-
VII. Profit before tax (V-VI)		1,49,72,495	1,48,25,741
VIII. Tax expense:			
(1) Current tax		30,31,203	31,61,055
(2) Deferred tax		43,40,887	(9,08,032)
(3) Mat Credit Entitlement		(24,32,277)	(1,454,910)
(4) Taxation adjustments for earlier years		-	(1,207,503)
IX. Profit/(Loss) for the period (VII-VIII)		1,00,32,682	1,52,35,131
X. Earnings per equity share:			
(a) Basic Earning per share		1.62	2.52
(b) Diluted Earning per share		1.61	2.47
See accompanying notes forming part of the Financial Statements	1-44		

As per our report of even date attached

For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406
Place : Vadodara
Date : 23rd May 2016

For 20 Microns Nano Minerals Limited

Chandresh S.Parikh
Director
DIN-00041584
Place : Vadodara
Date : 23rd May 2016

Rajesh C. Parikh
Director
DIN-00041610
Swati Sharda
Company Secretary

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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016

Particulars	(Amount in ₹)	
	for the year ended 31, March 2016	for the year ended 31, March 2015
A. Cash Flow from Operating Activities		
Net Profit before tax and after Extra Ordinary Items	1,49,72,495	1,48,25,741
Adjusted for		
Transfer To reserve	-	(1,43,971)
Provision for Doubtful Debts Written Back	-	(4,42,135)
Profit on Sale of Assets (Net)	-	(2,29,409)
Loss on Sale of Assets (Net)	1,22,174	-
Remission of Credit balances	(7,64,277)	(4,27,484)
Remission of Debit Balances	1,60,291	6,27,402
Depreciation and Amortization	89,26,494	1,08,32,006
Bad debts written off	2,27,316	4,03,685
Provision for Doubtful Debts	1,77,650	11,04,903
Share issue expense written off	-	1,60,000
Interest Received	(48,20,956)	(62,00,982)
Interest Paid	1,27,73,808	1,62,05,122
Operating Profit before working capital changes and extra ordinary items	3,17,74,994	3,67,14,878
Adjusted for		
Increase/(Decrease) in Trade Payable	3,89,95,292	58,76,034
Increase/(Decrease) in Other liabilities	(4,42,076)	17,80,429
(Increase)/Decrease in Trade receivables	(6,59,582)	(9,05,177)
(Increase)/Decrease in loans/advances and other current assets	4,43,03,162	(19,88,203)
(Increase)/Decrease in Inventories	(3,42,32,399)	34,04,055
Cash Generated from Operation	7,97,39,392	4,48,82,016
Direct Taxes paid	(5,18,638)	26,46,352
Cash Flow Before extra ordinary items	8,02,58,030	4,22,35,664
Net Cash Inflow / (Outflow) in the course of Operating Activities	8,02,58,030	4,22,35,664
B. Cash Flow from Investing Activities		
Proceeds from Sale of Fixed Assets (incl. sale of CWIP)	1,45,000	36,50,013
Purchase of Fixed Assets (Including Additions to CWIP)	(5,41,87,532)	(16,80,668)
Interest Received	1,81,21,284	11,54,115
Net Cash Inflow/(outflow) in the course of investing activities	(3,59,21,248)	31,23,460
C. Cash Flow from Financing Activities		
Borrowings (Net) Long Term		
Proceeds from Borrowings - Secured	1,10,38,422	-
Conversion of debenture in equity shares	63,00,000	-

**CASH FLOW STATEMENT FOR THE YEAR
ENDED MARCH 31st, 2016 [CONTD.]**

(Amount in ₹)		
Particulars	for the year ended 31, March 2016	for the year ended 31, March 2015
Proceeds from Borrowing - Unsecured		
Other Borrowing	50,00,000	-
Proceeds from Borrowing - Secured	(2,43,350)	5,36,775
Repayment of Borrowing - Secured	(1,89,99,996)	(1,90,17,650)
Repayment of Borrowing - Unsecured (Incl. Conversion of debentures in equity Shares Amount in to Rs. 63,00,000)	(3,34,61,368)	(97,80,181)
Borrowing (Net) Short Term	-	-
Interest Paid	(1,38,93,672)	(1,71,46,361)
Net Cash Inflow / (Outflow) in the course of financing activities	<u>(4,42,59,964)</u>	<u>(4,54,07,417)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	76,818	(48,292)
Cash and cash equivalents - opening balance	<u>2,17,207</u>	<u>2,65,499</u>
Cash and cash equivalents - closing balance	2,94,024	2,17,207
Notes:		
1. Cash and Cash Equivalents comprise of:		
Cash on hand	8,670	-
Balance with scheduled banks		
- Current Accounts	2,85,354	2,17,207
- Deposit Accounts	-	-
	<u>2,94,024</u>	<u>2,17,207</u>
2. Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statement".		

As per our report of even date attached

For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406
Place : Vadodara
Date : 23rd May 2016

For 20 Microns Nano Minerals Limited

Chandresh S.Parikh
Director
DIN-00041584
Place : Vadodara
Date : 23rd May 2016

Rajesh C. Parikh
Director
DIN-00041610
Swati Sharda
Company Secretary

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT

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 (Indian Accounting Standards) Rules, 2015 as per Section 2(2) of the Companies Act, 2013 and other relevant provisions of the Act. The accounting policies have been consistently applied by the company and are consistent with those used in the previous years. The reporting currency is INR and amounts are rounded off to the nearest decimals thereof.

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 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 same are known / materialized.

c. Fixed Assets

Fixed Assets are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation and impairment losses recognised, if any, until the date of the Balance Sheet. Direct costs are capitalized until the assets are ready for use and include financial cost relating to any borrowing attributable to acquisition. Capital work in progress includes the cost of fixed assets that are not yet ready for the intended use.

d. Intangible Assets

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.

e. Depreciation/Amortization

Depreciation is provided on Straight Line method in accordance the provisions of Schedule II of the Companies Act, 2013. Where during the financial year, any addition has been made to an asset, or where any asset has been sold or, discarded or demolished or destroyed, the depreciation on such assets has been calculated on pro rata basis from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.

Intangible assets are amortised on Straight Line Method from the date they are available for use, over the useful lives of the assets not exceeding five years, as estimated by the Management.

f. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount in subsequent period.

g. 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.

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT [CONTD.]

h. Revenue Recognition

(a) Sales:

Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of goods are transferred by the Company to the buyer. Sales figures are inclusive of Excise Duty and freight in case of landed rates, but are net of sales returns, sales tax and rate difference adjustments.

- i) Domestic sales are recognised as on the date of dispatch of goods.
- ii) Export sales are recognised as on the date of raising of export invoice.

(b) Interest Income:

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

© Other Income:

Other income is recognized on accrual basis except when realization of such income is uncertain.

(d) Insurance and other claims are recognized only when collection thereof is reasonably certain.

i. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

j. Leases

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.

Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

Lease details are disclosed in the Notes to Financial Statements (refer note no. 37).

k. Inventories

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

l. Investments

Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

m. Foreign Exchange Transactions

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rates between the reporting currency and the foreign currency at the date of transaction. Foreign currency monetary items outstanding as on the balance sheet date are revalued at the exchange rate prevailing on the Balance Sheet Date (RBI exchange Rate) and the gain/loss is recognised in the Statement of Profit and Loss.

n. Employee benefits

i. Post-employment benefits:

a. Defined Contribution plan

Company's contribution paid/payable for the year to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss.

b. Defined Benefit plan

Company's liabilities towards defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT [CONTD.]

occurrence of such gains and losses. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets.

ii. Short-term employee benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services.

iii. Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

o. Taxes on Income

Provision for current tax is made on the basis of estimated tax payable for the year as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing differences between taxable income and accounting income that are measured at relevant enacted tax rates. At each balance sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

p. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions excluding retirement benefits are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liability are disclosed in the Notes to Financial Statements (refer note no. 31). Contingent assets are neither recognized nor disclosed in the financial statement.

**NOTES TO FINANCIAL STATEMENT FOR THE
YEAR ENDED MARCH 31st, 2016**

		(Amount in ₹)	
Particulars	As At 31st March, 2016	As At 31st March, 2015	
2. Share Capital			
(a) Share capital consists of the following:			
Authorised :			
1,00,00,000 Equity Shares of ₹ 10/- each	10,00,00,000	10,00,00,000	
Issued, Subscribed and Fully Paid-up Equity Shares :			
64,70,020 Equity Shares of ₹ 10/- each fully paid up (Previous Year 60,50,020 Equity Shares)	6,47,00,200	6,05,00,200	
(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :			
	As At 31 March, 2016	As At 31 March, 2015	
Particulars	No. of Shares	Share Capital ₹	No. of Shares
At the beginning of the period	60,50,020	6,05,00,200	60,50,020
Issued during the period OCD Conversion	4,20,000	42,00,000	-
Outstanding at the end of the period	64,70,020	6,47,00,200	60,50,020
(c) Shares held by holding company is as under:			
	As At 31 March, 2016	As At 31 March, 2015	
Particulars	No. of Shares	Extent of Holding	No. of Shares
20 Microns Limited	60,00,000	92.74%	60,00,000
			99.17%
(d) Shares in the company held by shareholders holding more than 5% are as under:			
	As At 31 March, 2016	As At 31 March, 2015	
Particulars	No. of Shares	% of Holding	No. of Shares
20 Microns Limited	60,00,000	92.74%	60,00,000
			99.17%
(e) Right, preferences and restrictions attached to shares			
Every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held for all matter submitted to vote in a shareholders meeting of the company. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion of the number of shares held to the total equity shares outstanding as on that date.			
3. Reserves and Surplus			(Amount in ₹)
	As At 31 March, 2016	As At 31 March, 2015	
(a) Debenture Redemption Reserve			
Balance as per last audited financial statements	67,35,000	-	
Add: Transferred from surplus in the statement of Profit & Loss	-	67,35,000	
Less: Transferred to surplus in the Profit & Loss	67,35,000	-	
Closing Balance	-	67,35,000	
(b) Surplus in the Profit and Loss Statement			
Balance as per last audited financial statements	1,92,13,001	1,08,56,841	
Add: Net Profit/(Loss) for the current year	1,00,32,682	1,52,35,131	
Add: Net Profit/(Loss) for the current year	67,35,000	-	
Less : Appropriations			
Previous year Depreciation Adjustment	-	1,43,971	

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016 [CONTD.]

		(Amount in ₹)
Particulars	As At 31st March, 2016	As At 31st March, 2015
Transfer to Debenture Redemption Reserve	-	67,35,000
Closing Balance	3,59,80,683	1,92,13,001
(c) Security Premium		
Share Premium	21,00,000	-
Net surplus / (deficit) in the profit and loss statement	3,80,80,683	2,59,48,001
4. Long-term borrowings		
<u>Secured</u>		
(a) Term Loans from Banks		
i. IDBI -Term Loans	92,88,422	63,33,348
(Term Loan is secured by way of First charge on all present and future fixed assets at Plot number 9, 10, 11 and 336 of Waghodia of the Company, Second charge on all present and future current assets of the Company and Corporate Guarantee of 20 Microns Ltd.)		
Rate of interest is 1% lower than Benchmark Prime Lending Rate. Repayment of this loan is with initial moratorium of 21 months from the date of first disbursement in 60 monthly installments of ₹ 15,83,333/- commencing from 1st August, 2011. As on date of Balance Sheet 4 installments are outstanding.		
ii. IDBI - Term Loan (150 Lacs)	-	-
(Term Loan is secured by way of Exclusive charge on equipment purchased/ to be purchased out of Term Loan From IDBI Bank, Second charge on all present and future current assets of the company and Corporate Guarantee of 20 Microns Ltd.)		
Rate of Interest is 1% lower than Benchmark Prime Lending Rate. Repayment of this loan is with initial moratorium of 6 months from the date of first disbursement in 60 monthly installments of ₹ 2,50,000/- commencing from 1st September, 2016. As on date of Balance Sheet 60 installments are outstanding.		
<u>Unsecured</u>		
(b) Optional Convertible Debentures		
<u>Series I:</u>	-	-
9,45,000, 11% Optionally Convertible Debentures (OCD) of ₹ 15/- each have been allotted on 1st October, 2012 and are to be redeemed at the end of three years (due date) from the date of allotment. On the date of redemption, at the option of debenture holders, OCD shall either be redeemed or be converted into Equity Shares in part or in full. Debenture holders opting for redemption shall intimate such option 60 days before the due date or debentures shall be presumed to have been converted into Equity Shares. Each Debenture of ₹ 15 shall be converted into 1 Equity Share of ₹ 10 at a premium of ₹ 5.		

**NOTES TO FINANCIAL STATEMENT FOR THE
YEAR ENDED MARCH 31st, 2016 [CONTD.]**

		(Amount in ₹)	
Particulars	As At 31st March, 2016	As At 31st March, 2015	
Series II:	-	-	
8,51,000, 11% Optionally Convertible Debentures (OCD) of ₹ 15/- each have been allotted on 4th October, 2012 and are to be redeemed at the end of three years (due date) from the date of allotment. On the date of redemption, at the option of debenture holders, OCD shall either be redeemed or be converted into Equity Shares in part or in full. Debenture holders opting for redemption shall intimate such option 60 days before the due date or debentures shall be presumed to have been converted into Equity Shares. Each Debenture of ₹ 15 shall be converted into 1 Equity Share of ₹ 10 at a premium of ₹ 5.			
(c) Fully Convertible Debentures	-	33,00,000	
2,20,000, 11% Fully Convertible Debentures (FCD) of ₹ 15/- each have been allotted on 17th January, 2013 and are to be converted into Equity Shares at the end of three years from the date of allotment. On the date of redemption, each Debenture of ₹ 15 shall be converted into 1 Equity Share of ₹ 10 at a premium of ₹ 5.			
(d) Deposits			
Deposits from Public & Members	31,60,000	57,89,000	
Scheme (A) Monthly income plan for a period of 12 months to 36 months with interest rate of 10.25% to 11.50% depending on holding period.			
Scheme (B) Half yearly income plan for a period of 12 months to 36 months with interest rate of 10.75% to 12.00% depending on holding period.			
Scheme (C) Cumulative deposit plan for a period of 12 months to 36 months with interest rate of 11.04% to 13.95% depending on holding period.			
(f) Vehicle Loans			
Loan from Kotak Mahindra Prime Ltd	23,69,830	7,23,991	
Total	1,48,18,252	1,61,46,339	
5. Deferred tax liabilities (Net)			
Deferred Tax Liability (DTL)			
On account of timing differences relating to			
(i) Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 2013	1,71,36,321	1,27,34,099	
Total (a)	1,71,36,321	1,27,34,099	
Deferred Tax Assets (DTA)			
On account of timing differences relating to			
(i) Disallowances under Income-tax Act under section 43B	11,077	4,635	
(ii) Provision for bad and doubtful debts	7,21,247	6,66,353	
Total (b)	7,32,324	6,70,988	
Total (a-b)	1,64,03,997	1,20,63,110	

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016 [CONTD.]

		(Amount in ₹)
Particulars	As At 31st March, 2016	As At 31st March, 2015
6. Other Long term liabilities		
Interest accrued but not due	1,19,702	75,252
Total	1,19,702	75,252
7. Short-term borrowings		
Secured (Repayable on demand)		
(a) Working Capital Loan from IDBI Bank	4,16,68,723	4,19,12,073
(Working Capital Loan is secured by way of first charge on all present and future current assets of the Company, Second charge on all present and future fixed assets at Plot number 9, 10, 11 and 336 of GIDC, Waghodia, Dist-Baroda and corporate Guarantee of 20 Microns Ltd)		
Unsecured		
(b) Deposits		
Deposits from Public & Members	1,36,72,000	92,02,000
Deposits of Scheme (A) to (C) as shown above in Note - 4 (d) for which initial holding period is one year are termed as short term borrowings. The rate of interest is ranging 10 to 14%.		
Total	5,53,40,723	5,11,14,073
8. Trade payables		
Dues to Micro and Small Enterprises (refer note no. 41)		
H.D. Enterprise	5,45,028	4,25,250
Krishna Microns	3,49,860	1,60,370
Other Trade payables	7,02,11,434	3,22,89,688
Total	7,11,06,322	3,28,75,308
9. Other current liabilities		
Current maturities of long-term debt (refer Note No. 4)		
- Term loan From IDBI Bank Ltd	80,83,352	1,90,00,000
- Optional Convertible Debentures-Series I	-	1,41,75,000
- Optional Convertible Debentures-Series II	-	1,27,65,000
- Vehicle Loans	16,49,317	20,41,524
- Deposits from Public & Members	14,89,000	28,05,000
Interest accrued but not due	5,12,393	16,76,707
Advance from Customers	1,14,956	20,56,408
Duties & Taxes Payable	36,56,145	39,25,511
Expenses Payable	28,63,310	22,69,875
Trade payables for Capital Goods	12,45,617	1,40,945
Other payables	3,08,628	2,58,841
Total	1,99,22,718	6,11,14,810

**NOTES TO FINANCIAL STATEMENT FOR THE
YEAR ENDED MARCH 31st, 2016 [CONTD.]**



Particulars	(Amount in ₹)	
	As At 31st March, 2016	As At 31st March, 2015
10. Short-term provisions		
Provision for Leave Encashment	<u>35,848</u>	<u>15,000</u>
Total	<u><u>35,848</u></u>	<u><u>15,000</u></u>

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016 [CONTD.]

11. Fixed Assets	Particulars	(Amount in ₹)									
		Gross Block					Depreciation Block				
		As At April 01, 2015	Additions During Year	Deletions/ Adjustments	As at March 31, 2016	As at April 01, 2015	Additions During Year	Deletions/ Adjustments	As at March 31, 2016	As at March 31, 2016	As At March 31, 2015
(A) Tangible Assets											
	Freehold Land	6,98,500	-	-	6,98,500	-	-	-	-	6,98,500	6,98,500
	Leasehold Land (refer note 35)	1,36,12,767	-	-	1,36,12,767	29,90,322	6,46,607	-	36,36,939	99,75,828	1,06,22,435
	Factory Building (refer note 35)	1,95,02,138	-	-	1,95,02,138	23,65,875	6,14,222	-	29,80,097	1,65,22,041	1,71,36,263
	Office Building	79,20,844	-	-	79,20,844	5,83,650	1,35,239	-	7,18,889	72,01,955	73,37,194
	Plant & Machinery (refer note 35)	6,28,15,959	2,43,19,922	-	8,71,35,881	99,13,490	41,59,804	-	1,40,73,294	7,30,62,587	5,29,02,469
	Computer	11,36,469	36,114	-	11,72,583	9,47,915	93,253	-	10,41,168	1,31,415	1,88,554
	Office Equipments	15,92,598	-	-	15,92,598	8,87,918	3,74,276	-	12,62,194	3,30,404	7,04,680
	Furniture & Fittings	84,02,242	-	-	84,02,242	21,41,857	8,83,819	-	30,25,676	53,76,566	62,60,385
	Vehicle	36,20,565	-	5,67,145	30,53,420	15,13,115	4,24,477	2,99,971	16,37,621	14,15,799	21,07,450
	Total (A)	11,93,02,083	2,43,56,036	5,67,145	14,30,90,974	2,13,44,153	73,31,697	2,99,971	2,83,75,879	11,47,15,095	9,79,57,930
	Previous Year	12,13,29,920	14,30,970	34,58,807	11,93,02,083	1,42,42,519	73,93,585	2,91,951	2,13,44,153	9,79,57,930	10,70,87,401
(B) Intangible Assets											
	Product Development	62,40,766	1,17,29,632	-	1,79,70,398	33,90,419	12,55,766	-	46,46,185	1,33,24,214	28,50,347
	Web Site Development Charges	-	-	-	-	-	-	-	-	-	-
	Mining Development Expenses	16,95,154	-	-	16,95,154	5,94,465	3,39,031	-	9,33,496	7,61,658	11,00,689
	Total (B)	79,35,920	1,17,29,632	-	1,96,65,552	39,84,884	15,94,797	-	55,79,681	1,40,85,871	39,51,036
	Previous Year	2,00,04,589	2,49,698	1,23,18,367	79,35,920	1,28,64,830	34,38,421	1,23,18,367	39,84,884	39,51,036	71,39,759
	Total (A+B)	12,72,38,003	3,60,85,668	5,67,145	16,27,56,526	2,53,29,037	89,26,494	2,99,971	3,39,55,559	12,88,00,966	10,19,08,966
	Previous Year	14,13,34,509	16,80,688	1,57,77,174	12,72,38,003	2,71,07,349	1,08,32,006	1,26,10,318	2,53,29,037	10,19,08,966	11,42,27,160
(C) Capital Work in Process											
										1,81,01,864	-
(D) Intangible Assets under Development refer note (1) below											
										5,24,040	5,24,040

Note :

- (1) Payment made in respect of acquiring Mining Lease Rights are included under Intangible Assets under Development.
- (2) Product Development is in respect of expenditure incurred for in house development of product and is recognized as intangible asset in accordance with criteria laid down in Accounting Standard (AS-26) "Intangible Assets".

**NOTES TO FINANCIAL STATEMENT FOR THE
YEAR ENDED MARCH 31st, 2016 [CONTD.]**

		(Amount in ₹)
Particulars	As At 31st March, 2016	As At 31st March, 2015
12. Non-current investments		(Amount in ₹)
Other Investment (Unquoted)		
Investments in Government or Trust securities	23,000	23,000
National Savings Certificate (Lodged with Sales tax Authorities)		
Total	23,000	23,000
Aggregate amount of unquoted Investments	23,000	23,000
13. Long term loans and advances		(Amount in ₹)
Unsecured, considered good		
Capital Advances	9,67,620	1,75,40,884
Total	9,67,620	1,75,40,884
14. Other non-current assets		(Amount in ₹)
Interest Accrued but not due	1,62,311	1,80,988
Non Current Bank Balances :		
Fixed Deposits	-	2,44,126
(Statutory liquid reserve maintained under section 73 of Companies Act, 2013)		
Balance held as margin money against guarantee and Letter of Credit	25,582	16,855
Total	1,87,893	4,41,969
15. Inventories		(Amount in ₹)
A. Classification of Inventories :		
Raw Materials	4,24,37,098	1,39,70,739
Finished Goods	1,08,31,320	75,57,056
Stores and Spares	43,44,509	3,98,849
Stock-in-Trade	30,36,795	44,90,679
Total	6,06,49,722	2,64,17,323
Refer note 1(k) of Significant Accounting Policies for Basis of valuation		
B. Inventory details have been classified under broad heads as follows:		(Amount in ₹)
Raw Material Consist of		
- Minerals	4,04,74,279	1,22,35,966
- Mined Minerals	19,62,819	17,34,773
Finished goods consist of Processed Minerals	1,08,31,320	75,57,056
Traded Goods consist of processed minerals	30,36,795	44,90,679
Total	5,63,05,213	2,60,18,474

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016 [CONTD.]

		(Amount in ₹)
Particulars	As At 31st March, 2016	As At 31st March, 2015
16. Trade receivables		(Amount in ₹)
Trade Receivables overdue for a period more than 6 months		
Unsecured considered good	14,53,767	2,76,252
Considered doubtful	23,34,133	21,56,483
Less : Provision for doubtful debts	23,34,133	21,56,483
	<u>14,53,767</u>	<u>2,76,252</u>
Others		
Unsecured considered good	3,89,82,275	4,00,65,465
Total	<u>4,04,36,042</u>	<u>4,03,41,717</u>
17. Cash and bank balances		(Amount in ₹)
Cash and Cash Equivalents		
Balances with Banks	2,85,354	2,17,207
Cash on Hand	8,670	-
Other Bank Balances		
Fixed Deposits	21,00,000	34,11,267
(Statutory liquid reserve maintained under section 73 of Companies Act, 2013)		
Balance held as margin money against guarantee and Letter of Credit	24,418	7,66,791
Total	<u>24,18,442</u>	<u>43,95,265</u>
18. Short-term loans and advances		(Amount in ₹)
(Unsecured, Considered Good)		
Balance with Government Authorities	23,89,250	23,63,565
Advance payment of Tax (Net of provisions)	14,26,086	49,75,927
MAT Credit Entitlement	65,48,453	41,16,176
Advances to Suppliers	38,03,692	24,05,988
Security Deposits	1,70,000	90,000
Advances to employees	53,406	8,000
Inter Corporate Deposits	1,28,09,709	5,35,35,051
Total	<u>2,72,00,596</u>	<u>6,74,94,708</u>
19. Other current assets		(Amount in ₹)
Prepaid Expenses	2,21,465	2,08,823
Provision for Gratuity	1,13,455	2,47,060
Provident Fund (Paid under protest)	2,98,340	2,98,340
20 Nano Group Gratuity	20,000	10,000
Sales Tax Payment Against Appeal	5,65,000	-
Total	<u>12,18,260</u>	<u>7,64,223</u>

**NOTES TO FINANCIAL STATEMENT FOR THE
YEAR ENDED MARCH 31st, 2016 [CONTD.]**

		(Amount in ₹)
Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
20. Revenue from operations		(Amount in ₹)
Sale of Products :		
Sale of Products - Domestic	24,20,85,999	24,55,35,811
Sale of Products - Export	1,73,04,074	2,66,02,684
	25,93,90,073	27,21,38,496
Less : Excise Duty	2,03,25,228	17,821,975
	23,90,64,845	25,43,16,521
Revenue from Services Rendered :		
Product Development Income	-	37,33,800
Total	23,90,64,845	25,80,50,321
Details of Sales :		
a. Processed Minerals	21,49,52,348	18,83,07,666
b. Traded Goods- Minerals	2,41,12,497	6,60,08,855
Total	23,90,64,845	25,43,16,521
21. Other income		
Interest Received	48,20,956	62,00,982
Remission of Credit Balances	7,64,277	4,27,484
Insurance Claim Received	36,302	-
Provision for Doubtful Debts Written Back	-	4,42,135
Foreign Exchange Gain (Net)	1,31,102	3,29,334
Profit on Sale of Assets (Net)	-	2,29,409
Rent Income	48,60,000	53,60,000
Prior period items		
Prior period income	-	5,765
less - Prior period expense	-	-
Prior period items (net)	-	5,765
Other Non-operating Income	5,01,325	1,19,261
Total	1,11,13,962	1,31,14,369
22. Cost of materials consumed		
(a) Raw Materials and Packing Materials :		
Inventories at the beginning of the period	1,22,35,966	1,01,51,999
Add : Purchases (incl. direct expenses)	14,75,23,063	12,08,41,060
	15,97,59,030	13,09,93,059
Less : Inventories at the end of the period	4,04,74,279	1,22,35,966
Total (a)	11,92,84,750	11,87,57,093

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016 [CONTD.]

		(Amount in ₹)
Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
(b) Mining Material		
Inventories at the beginning of the period	17,34,773	68,31,615
Add : Cost of extraction	1,30,42,608	88,43,587
	1,47,77,381	1,56,75,202
Less : Inventories at the end of the period	19,62,819	17,34,773
Total (b)	1,28,14,563	1,39,40,429
Total (a) + (b)	13,20,99,313	13,26,97,522
Details of Consumption of Materials:		
Minerals	6,66,35,097	6,76,05,305
Packing Material & Others	22,53,767	20,31,890
Additives	5,03,95,886	4,91,19,898
Mining Materials	1,28,14,563	1,39,40,429
Total	13,20,99,313	13,26,97,522
23. Purchase of Stock-in-Trade		
Purchase of Minerals	1,58,34,192	4,96,86,307
Total	1,58,34,192	4,96,86,307
24. Changes in inventories of Finished Goods and Stock-in-Trade		
Inventories at the end of the period		
Finished goods	1,08,31,320	75,57,056
Stock-in-trade	30,36,795	44,90,679
Total (A)	1,38,68,115	1,20,47,734
Less :		
Inventories at the beginning of the period		
Finished goods	75,57,056	64,99,043
Stock-in-trade	44,90,679	59,98,952
Total (B)	1,20,47,734	1,24,97,995
(Increase) / decrease in inventory of finished goods and traded goods (B-A)	(18,20,381)	4,50,261
25. Other Manufacturing Expenses		
Consumption of Stores and spare parts	13,13,824	5,83,311
Power and fuel	1,02,79,595	41,17,222
Rent	50,98,090	9,52,350
Repairs to Buildings	68,627	11,000
Repairs to Plant and Machinery	27,45,558	7,05,741
Other manufacturing and Factory Expenses	25,75,935	15,67,965
Total	2,20,81,629	79,37,590
26. Employee benefit expense		
Salaries and Wages	1,70,97,228	85,72,660
Contribution to Provident and Other funds	5,26,332	2,45,800
Staff welfare expenses	3,08,488	1,03,212
Total	1,79,32,048	89,21,672

**NOTES TO FINANCIAL STATEMENT FOR THE
YEAR ENDED MARCH 31st, 2016 [CONTD.]**

(Amount in ₹)		
Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
27. Financial costs		
Interest to		
- Bank	72,73,924	94,23,704
- Others	47,85,000	61,70,532
Other Finance Costs	7,14,884	6,10,886
Total	1,27,73,808	1,62,05,122
28. Other expenses		
(a) Administrative and Other Expenses		
Auditors Remuneration (refer note no. 31)	1,00,000	1,00,000
Share Issue Expenses Written Off	-	1,60,000
Bad Debts	2,27,316	4,03,685
Company's Professional Tax	2,400	2,400
Directors sitting fees	68,400	57,000
Insurance	7,03,812	3,86,470
Legal, License & Renewal Expenses	1,33,772	1,42,107
Loss on sale of assets (Net)	1,22,174	-
Office Electric Expenses	4,40,554	1,42,419
Office Expenses	1,54,886	12,270
Pooja or Temple Expenses	1,36,410	67,585
Printing and Stationery	1,78,136	1,31,175
Professional Fees	13,49,586	7,05,851
Provision for Bad Debts	1,77,650	11,04,903
Remission of Debit Balance	1,60,291	6,27,402
Travelling & Conveyance	28,81,785	23,10,042
Vehicle Running & Maintenance	4,72,520	4,25,214
Royalty Paid	49,27,806	-
Miscellaneous Expenses	18,96,688	3,89,769
(b) Research and Development Expenses	1,27,242	31,64,161
(c) Marketing, Selling & Distribution Expenses :		
Discount and Commission	24,94,492	9,94,566
Sales Promotion Expenses	5,65,163	16,07,045
Sales Exhibition Expenses	485	1,69,850
Godown Expenses	5,35,205	5,16,569
Export Expenses	5,94,755	10,61,600
Freight outward- Export Sales	5,51,549	13,16,581
Other Selling Expenses	5,75,047	3,38,096
Freight outward- Local sales	78,01,084	1,32,71,708
Total	2,73,79,208	2,96,08,469

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016 [CONTD.]

		(Amount in ₹)		
Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015		
29. Prior Period Items (Net) :		(Amount in ₹)		
Prior Period Expenses				
Other Expenses	-		-	
Less : Prior period Income	-		-	
Interest Received	-		5,765	
Total	-		(5,765)	
30. Contingent liabilities not provided for:		(Amount in ₹)		
Bank Guarantees	5,68,493		19,30,146	
Capital contract remaining to be executed (net of advances) (as estimated by management)	97,89,429		1,66,95,981	
Provident Fund Liability (Old dues)	2,98,340		2,98,340	
Demand of Income Tax	65,123		61,330	
Demand of Sales Tax, Value Added Tax and Central Sales Tax	24,75,473		24,75,473	
Liability in respect of Central Sales Tax on inter-state sales made against 'C' Forms.This is on account of non-receipt of said forms at the end of the financial year 2014-15	12,66,321		53,13,569	
Total	1,44,63,179		2,67,74,839	
31. Auditors' remuneration (excluding service tax):		(Amount in ₹)		
As Auditor				
Statutory Audit Fees	1,00,000		1,00,000	
As Advisors				
For taxation matters	35,000		35,000	
Total	1,35,000		1,35,000	
32. Consumption of Imported and Indigenous Raw Material, Packing Material and Stores & Spares:				
Particulars	For FY 2015-16		For FY 2014-15	
	Amount in ₹	%	Amount in ₹	%
Raw Materials & Packing Materials:				
Indigenous	11,55,92,270	87.50%	12,07,92,295	91.03%
Imported	1,65,07,044	12.50%	1,19,05,227	8.97%
Total	13,20,99,313	100.00%	13,26,97,522	100.00%
Stores and Spares:				
Indigenous	12,22,702	93.06%	3,84,538	65.92%
Imported	91,122	6.94%	1,98,773	34.08%
Total	13,13,824	100.00%	5,83,311	100.00%
33. CIF Value of Imports:				
Raw Materials	1,72,60,926			93,06,244
Machinery Spares	91,599			-
Capital Goods	1,30,00,774			-
Total	3,03,53,299			93,06,244

**NOTES TO FINANCIAL STATEMENT FOR THE
YEAR ENDED MARCH 31st, 2016 [CONTD.]**

		(Amount in ₹)
Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
34. Earnings in Foreign Exchange:		(Amount in ₹)
Exports-FOB	1,68,61,584	2,53,30,147
Freight & Insurance	4,42,489	12,72,537
Total	1,73,04,074	2,66,02,684
35. Leases		
a Expenses		
The company has obtained part of building and Plant and Machinery for its business operations under leave and license agreement. These are generally not non-cancellable lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.		
Lease payments are recognized in the Statement of Profit and Loss as "Rent Expenses" under Note No. 25 and 28.		
b Income		
The Company has let out its Land, Factory building & Plant & Machinery under operating lease during the year. Rent income is recognised in the Statement of Profit & Loss as "Rent Income" under Note No.21.		
Gross Carrying Amount		
Land	1,29,12,767	1,29,12,767
Factory Building	90,83,910	90,83,910
Plant & Machinery	2,15,97,568	2,15,97,568
	4,35,94,245	4,35,94,245
Accumulated Depreciation		
Land	34,49,919	28,36,562
Factory Building	16,57,251	13,71,721
Plant & Machinery	47,80,784	38,59,403
	98,87,954	80,67,686
Depreciation for the Year		
Land	94,62,848	1,00,76,205
Factory Building	74,26,659	77,12,189
Plant & Machinery	1,68,16,784	1,77,38,165
	3,37,06,291	3,55,26,559
36. In accordance with Accounting Standard 20 - Earnings Per Share, the Basic and Diluted Earning Per Share (EPS) has been calculated as under:		
Net Profit/(Loss) After Tax	1,00,32,682	1,52,35,131
Weighted Average number of Equity Shares outstanding (in Nos.)	64,70,020	60,50,020
Nominal Value per Share (Amount in ₹)	10	10
Basic Earning Per Share (Amount in ₹)	1.62	2.52
Diluted Earning Per Share (Amount in ₹)	1.61	2.47

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016 [CONTD.]

37. Related Party Transactions:

Disclosures as required by Accounting Standard -18 are given below:

Name of Related Parties	Nature of Relationship
20 Microns Limited	Holding Company
Eriez Finance & Investment Ltd	Director/s of the company are members in Eriez Industries Pvt. Ltd.

The following transactions were carried out with the Related Parties in ordinary course of business.

Nature of Transactions	Holding Company	Enterprise over which significant influence exercised by Key Management Personnel	Total
Transactions during the year			
Sales of Materials	1,31,10,481	-	1,31,10,481
	(2,28,29,513)	-	(2,28,29,513)
Product Development Income	-	-	-
	(41,95,295)	-	(41,95,295)
Sale of Fixed Assets	-	-	-
	(38,71,827)	-	(38,71,827)
Service Received	-	-	-
	-	-	-
Rent Paid	1,58,46,308	-	1,58,46,308
	(4,06,019)	(5,05,620)	(9,11,639)
Rent Received	52,69,191	-	52,69,191
	(52,39,896)	-	(52,39,896)
Purchase of Goods	5,39,64,062	-	5,39,64,062
	(3,35,33,276)	-	(3,35,33,276)
Purchase of Fixed Assets	-	-	-
	(6,99,387)	-	(6,99,387)
Royalty Paid	52,11,583	-	52,11,583
	-	-	-
Reimbursement of Expenses Paid (Net)	5,04,004	-	5,04,004
	(4,68,273)	-	(4,68,273)
Reimbursement of Expenses Received (Net)	-	-	-
	-	-	-
Interest Received	-	-	-
	-	(8,78,753)	(8,78,753)
Balance as on March 31 :			
Trade Payables	3,94,65,632	-	3,94,65,632
	(4,66,295)	-	(4,66,295)
Trade Receivables	-	-	-
	-	(83,94,294)	(83,94,294)

Figures in bracket indicate previous year figures.

**NOTES TO FINANCIAL STATEMENT FOR THE
YEAR ENDED MARCH 31st, 2016 [CONTD.]**

Particulars	(Amount in ₹)	
	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015

38. Employee Benefits

i) Defined contribution plans

The Company has recognized ₹ 5,26,332/- (Previous Year ₹ 2,45,800/-) for Provident Fund Contribution as expenses under the defined contribution plan in the Statement of Profit and Loss.

ii) 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, 2016 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.

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, 2016:

Particulars	(Amount in ₹)	
	Gratuity Funded As at March 31, 2016	Gratuity Funded As at March 31, 2015
<u>Reconciliation in present value of obligations (PVO) – defined benefit obligation :</u>		
Current Service Cost	1,37,529	67,702
Interest Cost	24,748	17,061
Actuarial (gain) / losses	19,102	80,289
Benefits paid	(46,038)	(34,933)
PVO at the beginning of the year	3,18,430	1,88,311
PVO at end of the year	4,53,771	3,18,430
<u>Reconciliation of the fair value of plan assets :</u>		
Expected return on plan assets	55,394	51,156
Adjustment of Opening Fund	-	-
Actuarial gain/(losses)	(7,620)	(2,362)
Contributions by the employer	-	-
Benefits paid	(46,038)	(34,933)
Fair value of plan assets at beginning of the year	5,65,490	5,51,629
Fair value of plan assets at end of the year	5,67,226	5,65,490
<u>Reconciliation of PVO and fair value of plan assets:</u>		
PVO at end of period	4,53,771	318,430
Fair Value of planned assets at end of year	5,67,226	5,65,490
Net (asset)/liability recognized in the balance sheet	(1,13,455)	(247,060)
<u>Net cost for the year ended:</u>		
Current Service cost	1,37,529	67,702
Adjustment of the Opening Fund	-	-
Interest cost	24,748	17,061
Expected return on plan assets	(55,394)	(51,156)
Actuarial (gain) / losses	26,722	82,651
Net cost	1,33,605	116,258
<u>Assumption used in accounting for the gratuity plan:</u>		
Discount rate (%)	7.90%	7.80%
Salary escalation rate (%)	6.00%	6.00%

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016 [CONTD.]

Particulars	(Amount in ₹)				
	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015			

Experience adjustments:

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Experience adjustments on account of plan liabilities	(24,363)	(31,441)	264,110	127,487	47,938
Experience adjustments on account of plan assets	(7,620)	(2,362)	*	1,690	5,737

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.

39. Based on the information available with the company, the balance due to Micro and Small Enterprise as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is ₹ 8,94,888/- (Previous Year ₹ 20,88,494/-). Payment made to suppliers beyond the due date during the year was ₹ 50,32,382/- (Previous Year ₹ 63,50,916/-). No interest during the year has been paid to Micro and Small enterprises on delayed payments. Further interest accrued and remaining un paid at the year end ₹ 43,607/- (Previous Year ₹ 64,868/-) is not provided in the books as the management is of the opinion that in view of the terms and conditions of the contracts and based on the facts of the matter, the same is not required to be paid.

40. Particulars of Research and Development Expenditure incurred for the year are detailed as follows:

	(Amount in ₹)	
Revenue Expenditure	1,27,242	31,64,161
Capital Expenditure	1,17,29,632	2,49,698
Total	1,18,56,874	34,13,859

41. The operations of the Company are limited to one segment, namely, Micronized Minerals.
42. The value of realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.
43. Balances of trade Receivable and trade Payable are subject to confirmation, reconciliation and consequential adjustment, if any.
44. Previous year figures have been regrouped, re-arranged or reclassified, wherever necessary to conform to this year's classification.

For K M Swadia & Co.
FRN - 110740W
Chartered Accountants

CA. Pravin Panchiwala
Partner
M. No. - 127406
Place : Vadodara
Date : 23rd May 2016

For 20 Microns Nano Minerals Limited

Chandresh S.Parikh
Director
DIN-00041584
Place : Vadodara
Date : 23rd May 2016

Rajesh C. Parikh
Director
DIN-00041610
Swati Sharda
Company Secretary

NOTES

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NOTES

[illegible]

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NOTES

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Registered Office : Plot No. 157, Vill : Mamuara, Ta. : Bhuj, Dist. : Kutchh-370001.
CIN : U15543GJ1993PLC020540 • www.20nano.com.

ATTENDANCE SLIP
23rd Annual General Meeting

Regd. Folio/DP & Client No.	
No. of Shares Held	

I/We hereby certify that I/We am/are registered Member/Proxy for the registered Member of the Company and hereby record my/our presence at the **23rd Annual General Meeting** of the Company, to be held on the **Thursday, 22nd September, 2016** at 11.00 a.m. at the Banglow No. 20, Shivkrupanagar, Nr. Mandvi Octroi Naka, Bh. Kutchh Yuvak Manal, Mandvi Road, Bhuj-370 001. Dist. Kutchh-370 001.

Member's Name : _____ Proxy's Name : _____

Note :

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorised Representatives of Corporate Members shall produce proper authorization issued in their favour.



MGT - 11
PROXY FROM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of Member[s]	
Registered Address	
E-Mail ID	
Folio No.	

I/We, being the member (s) of 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 : _____, or failing him



as my/or proxy to attend and vote on a poll for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Thursday, the 22nd September, 2016 at Bunglow No. 20, Shivkrupa Nagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, BHUJ 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 31.03.2016	For / Against
2	Re-appointment of Mr. Sudhir Parikh	For / Against
3	Re-appointment of M/s. K.M. Swadia & Co., Chartered Accountants, Vadodara as an Independent Auditors and fixing their remuneration.	For / Against
4	To issue equity shares of the Company on a preferential basis.	For / Against
5	To increase the Authorized Share Capital and amend the Memorandum Association of the Company Consequentially.	For / Against

Signed this day of Sept., 2016

Signature of Shareholder

Signature of
Proxy Holder[s]
Affix Re. 1
Revenue
Stamp

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 23rd Annual General Meeting.

20 MICRONS

nano



**20 MICRONS
NANO MINERALS
LIMITED**

CIN:U15543GJ1993PLC020540

Regd. Office

Plot No. 157,
Village: Mamuara,
Tal. Bhuj, Dist. Kutch,
Gujarat, India

Head Office

9/10, GIDC Industrial Estate,
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