# 2014-15

## Annual Report

**20 MICRONS NANO MINERALS LIMITED**

Sub Microns to Nano Technology

20 MICRONS
nano
20 MICRONS
NANO MINERALS
LIMITED

# 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. Ram A. Devidayal - *Director*

**Audit Committee of Directors**
Mr. Ram A. Devidayal - Chairman
Mr. Chandresh S. Parikh
Mr. Sudhir R. Parikh

**Company Secretary**
Ms. Raina Shah [*upto 24.05.2014*]
Mr. Vithaldas D. Talati [*w.e.f. 06.08.2014*]

**Statutory Auditors**
M/s. N.C. Vaishnav & 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 22nd ANNUAL GENERAL MEETING of the Shareholders of **20 Microns Nano Minerals Limited** will be held on Thursday, the 24th day of September, 2015 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, 2015 and the Audited Profit and Loss Account of the Company for the year ended 31st March, 2015 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Rajesh C. Parikh, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Atil C. Parikh, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s. K.M. Swadia & Company, Chartered Accountants, Vadodara bearing Firm Registration No. 110740W with the Institute of Chartered Accountants of India, as Statutory Auditors of the Company, in place of M/s. N.C. Vaishnav & Co., Chartered Accountants, Vadodara, who expressed their desire to retire and not to be re-appointed, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be fixed and determined by the Board of Directors.

**By Order of the Board of Directors**

**Place : Waghodia, Dist. : Vadodara**
**Date : 07.08.2015**

**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.

# BOARD'S REPORT

To The Members,

Your Directors have pleasure in submitting 22nd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2015.

**1. FINANCIAL RESULTS**

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

(Amount in ₹)

| Particulars | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|---|---|
| Net Sales /Income from Business Operations | 25,80,50,321 | 20,68,69,300 |
| Other Income | 1,31,14,369 | 1,75,00,780 |
| Total Income | 27,11,64,690 | 22,43,70,080 |
| Total Expenses Before Interest & Depreciation | 22,93,01,821 | 18,52,68,395 |
| Profit before Interest & Depreciation | 4,18,62,869 | 3,91,01,685 |
| Less Interest | 1,62,05,122 | 1,92,72,961 |
| Profit before Depreciation | 2,56,57,747 | 1,98,28,724 |
| Less Depreciation | 1,08,32,006 | 81,12,114 |
| Profit after depreciation and Interest | 1,48,25,741 | 1,17,16,610 |
| Less Exceptional Item | – | 1,19,30,296 |
| Profit Before Tax | 1,48,25,741 | (-)213,686 |
| Less Current Income Tax | 31,61,055 | – |
| Less Previous year adjustment of Income Tax | (-)12,07,503 | (-)11,786 |
| Less Deferred Tax | (-)9,08,032 | 14,70,354 |
| Less Mat Credit Entitlement | (-)14,54,910 | |
| Net Profit after Tax | 1,52,35,131 | (-)1672,254 |
| Dividend (including Interim if any and final ) | – | – |
| Net Profit after dividend and Tax | 1,52,35,131 | (-)1672,254 |
| Amount transfered to General Reserve | 1,52,35,131 | (-)1672,254 |
| Balance carried to Balance Sheet | 2,59,48,001 | 1,08,56,841 |
| Earning per share (Basic) | 2.52 | (-)0.28 |
| Earning per Share(Diluted) | 2.47 | (-)0.25 |

**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 year.

**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 3706 MTS as against 2723 MTS of previous year which shows growth by 36%.

**Outsource Material:**

During the year, your company has outsourced 13045.5 MTS as against 4969 MTS of previous year.

**Mining Material:**

During the year, your company has excavated 52626 MTS of minerals as against 39873 MTS of previous year which shows growth by 32% in mining activity.

**Sales & Marketing:**

During the year, Sales Volume was 85269.35 MTS as against 28797 MTS of previous year which shows growth in sales by 196%.

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.

**Finance:**

During the year, Bankers of the Company i.e. IDBI Bank Ltd. has increased working capital limit by ₹ 85 Lacs, by which your company was able to manage higher business volume.

**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 remark 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 Five (05) 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.

As on 31.03.2015, Fixed Deposits from Shareholders stood at the total of ₹ 112.22 Lacs. No deposits are due for repayment on or before 31.03.2015.

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

The deposits accepted upto the 31st March, 2014 pursuant to Companies Act, 1956 and interest thereon will be repaid to the depositors on the date of maturity of respective deposits. In this regard, the Company has filed petition with Company Law Board praying to allow the repayment as per maturity of respective deposit only. Matter is pending before Company law Board. The details of outstanding amount of unsecured deposits accepted by the Company upto 31st March, 2014 and interest thereon, as per the then scheme of the Company, pursuant to Companies Act, 1956 is as under –

(Amount in ₹)

| | | Number of Depositors | Deposit | Interest |
|---|---|---|---|---|
| (a) | From Share Holders | 3 | 1300000 | 277725 |
| (b) | From Public | 37 | 1869000 | 107321 |
| | **TOTAL** | **40** | **3169000** | **385046** |

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. Rajesh C. Parikh and Mr. Atil C. Parikh, Directors of the Company retire at this Annual General Meeting and being eligible, offer themselves 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**

M/s. N.C. Vaishnav & Co. which have been acting as the Statutory Auditors of the company since 2013-14 expressed their desire to retire as the Statutory Auditors keeping in view the trend of good Corporate Governance.

Your Directors therefore propose to appoint M/s. K.M. Swadia & Co., Chartered Accountants, Vadodara as the Statutory Auditors of the Company in their place. M/s. K.M. Swadia & Co. have consented to act as the Statutory Auditors of the Company. 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.

**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. 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 Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Place : Waghodia, Vadodara**
**Date : 7th August, 2015**

**Chandresh S. Parikh**
**Chairman**

## BOARD'S REPORT [Contd.]

**Annexure - A**

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

**Conservation of Energy:-**

During year 2015, your company has adopted energy conservation steps and has also discontinued production of high energy consuming products.

We used 333510 electricity units during the year as compared to 538372 units in previous year. We have also used 25381 SCM Gas during the year compared to 217748 SCM in previous year.

**Technology Absorption:-**

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

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

- The German Technology of sub micron grinding was absorbed and put in use. Full integrated high volume mechanized plant installed at Alwar Plant came into good effect showing saving compared to current less mechanized plants.
- Development of cost effective product for various industries.
- By applying best excavation techniques company extracted high purity reserve with a minimum of impurities.

Expenditure incurred on research and development is ₹ 34.14 Lacs. (Previous year ₹ 43.41 Lacs)

**Foreign Exchange Earning and Outgo**

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

**Total Foreign Exchange used and earned**:

i. Foreign Exchange Earned: ₹ 266.03 Lacs (Previous year ₹ 271.23 Lacs)

ii. Foreign Exchange Used: ₹ 95.05 Lacs (Previous year ₹ 114.68 Lacs)

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

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

**(Chandresh 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, 2015, which were not at arm's length basis.

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

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

| Name of Related Party | Nature of relationship | Type of Transaction | Duration of Contract | Salient Terms* | Amount (₹ in Lacs) |
|---|---|---|---|---|---|
| 20 Microns Ltd. | Holding Company Material | Purchases of | Non Applicable | Non Applicable | 335.33 |
| 20 Microns Ltd. | Holding Company | Rent paid | Non Applicable | Non Applicable | 4.06 |
| 20 Microns Ltd. | Holding Company | Advance Received | Non Applicable | Non Applicable | - |
| 20 Microns Ltd. | Holding Company | Purchase of Fixed Asset | Non Applicable | Non Applicable | 6.99 |
| 20 Microns Ltd. | Holding Company | Sale of material | Non Applicable | Non Applicable | 228.29 |
| 20 Microns Ltd. | Holding Company | Rent Received | Non Applicable | Non Applicable | 52.40 |
| 20 Microns Ltd. | Holding Company | Sale of Fixed Asset | Non Applicable | Non Applicable | 38.72 |
| 20 Microns Ltd. | Holding Company | Product development Sale | Non Applicable | Non Applicable | 41.95 |
| 20 Microns Ltd. | Holding Company | Reimbursement of Expenses paid | Non Applicable | Non Applicable | 4.68 |
| DMC Ltd. | Related Party | Interest Received | Non Applicable | Non Applicable | 8.79 |
| DMC Ltd. | Related Party | Rent Paid | Non Applicable | Non Applicable | 5.06 |

* Appropriate approvals have been taken for related party transactions.

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

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

**(Chandresh Parikh)**
**Chairman**

**(Rajesh C. Parikh)**
**Director**

## 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 the Company | 20 Microns Nano Minerals Limited |
| 4. | Category / Sub-Category of the Company | Public Company Limited by Shares |
| 5. | Address of the Registered office and contact details | Plot No. 157, Village: Mamuara, BHUJ, Dist. Kutch, Gujarat<br>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:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | Wax | 24242 | 33% |
| 2 | Calcium carbonate/Dolomite/Chalk/Marble Powder | 25262000 | 27% |
| 3 | Bentonite | 14108 | 18% |
| 4 | China Clay | 25070002 | 12% |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

| Sr. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/SUBSIDIARY /ASSOCIATE | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | 20 Microns Ltd.<br>9/10, GIDC Industrial Estate,<br>Waghodia - 391760<br>Dist. Vadodara | L99999GJ1987PLC009768 | Holding | 99.17% | 2(87) |

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

***i) Category-wise Share Holding***

| Category of Shareholders | No. of Shares held at the beginning of the 2014-15 | | | | No. of Shares held at the end of the 2014-15 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. SHAREHOLDING OF PROMOTER ANDPROMOTER GROUP** | | | | | | | | | |
| 1. INDIAN | | | | | | | | | |
| a. INDIVIDUALS/ HINDU UNDIVIDED FAMILY | 0 | 28480 | 28480 | 0.47 | 0 | 28480 | 28480 | 0.47 | 0 |
| b. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. BODIES CORPORATE | 0 | 6000000 | 6000000 | 99.17 | 0 | 6000000 | 99.17 | 6000000 | 0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| d. FINANCIAL INSTITUTIONS/ BANKS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. ANY OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB - TOTAL(A)(1)** | 0 | 6028480 | 6028480 | 99.64 | 0 | 6028480 | 99.64 | 6028480 | 0 |
| 2. FOREIGN | | | | | | | | | |
| a. INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. BODIES CORPORATE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. INSTITUTIONS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. ANY OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB - TOTAL (A)(2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)** | 0 | 6028480 | 6028480 | 99.64 | 0 | 6028480 | 99.64 | 6028480 | 6028480 |
| **B. PUBLIC SHAREHOLDING** | | | | | | | | | |
| 1. INSTITUTIONS | | | | | | | | | |
| a. MUTUAL FUNDS/ UTI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. FINANCIAL INSTITUTIONS/ BANKS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. VENTURE CAPITAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. INSURANCE COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f. FOREIGN INSTITUTIONAL INVESTORS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g. FOREIGN VENTURECAPITAL INVESTORS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h. QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i. ANY OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB - TOTAL(B)(1)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| 2. NON-INSTITUTIONS | | | | | | | | | |
| a. BODIES CORPORATE | 0 | 21481 | 21481 | 0.36 | 0 | 21456 | 0.35 | 21456 | 0.001 |
| b. INDIVIDUALS - | | | | | | | | | |
| I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH | 0 | 59 | 59 | 0.001 | 0 | 84 | 84 | 0.001 | 0 |

## BOARD'S REPORT [Contd.]

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. ANY OTHER | | | | | | | | | |
| CLEARING MEMBERS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HINDU UNDIVIDED FAMILIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NON RESIDENT INDIANS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TRUSTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB - TOTAL(B)(2)** | **0** | **21540** | **21540** | **0.36** | **0** | **21540** | **21540** | **0.36** | **0** |
| **TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)** | **0** | **21540** | **21540** | **0.36** | **0** | **21540** | **21540** | **0.36** | **0** |
| **TOTAL (A)+(B)** | **0** | **6050020** | **6050020** | **100** | **0** | **6050020** | **6050020** | **100** | 0 |
| **C. SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED** | | | | | | | | | |
| Promoter and Promoter Group | **0** | **0** | 0 | **0** | **0** | **0** | 0 | **0** | 0 |
| Public | **0** | **0** | 0 | **0** | **0** | **0** | 0 | **0** | 0 |
| **TOTAL CUSTODIAN (C)** | **0** | **0** | 0 | **0** | **0** | **0** | 0 | **0** | 0 |
| **GRAND TOTAL (A)+(B)+(C)** | **0** | **6050020** | **6050020** | **100** | **0** | **6050020** | **6050020** | **100** | 0 |

**(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 | 99.17 | 0 | 0 |
| 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 | 28450 | 0.47 | 0 | 0 |
| 5 | Sudhir R. Parikh | 10 | 0.00 | 0 | 10 | 0.00 | 0 | 0 |

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

During the year under consideration, there was no change in shareholding of the Promoters of the Company.

## BOARD'S REPORT [Contd.]

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

| Sr. No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Eriez Finance & Investment Limited<br>At the beginning of the year 01-Apr-2014<br>At the end of the year 31-Mar-2015 | <br>21481<br>21456 | <br>0.36<br>0.35 | <br>21481<br>21456 | <br>0.36<br>0.35 |
| 2 | Nirakar H. Desai JT with Krupa H. Desai | 10 | 0.00 | 10 | 0.00 |
| 3 | Peshank Patel | 10 | 0.00 | 10 | 0.00 |
| 4 | Himanshu Amin | 10 | 0.00 | 10 | 0.00 |
| 5 | Vidya K. Doshi | 1 | 0.00 | 1 | 0.00 |
| 6 | Awadh Bihari Singh | 1 | 0.00 | 1 | 0.00 |
| 7 | Sharayu D. Haridas JT with Arvind G. Vijapuri | 1 | 0.00 | 1 | 0.00 |
| 8 | Mitsoon N. Patel JT with Jayshreeben N. Patel | 1 | 0.00 | 1 | 0.00 |
| 9 | Dilip N. Patel JT with Jayshreeben N. Patel | 1 | 0.00 | 1 | 0.00 |
| 10 | Ilaben H. Mehta JT with Amla S. Mehta | 1 | 0.00 | 1 | 0.00 |
| 11 | Kusumben R. Shah JT with Niti S. Shah | 1 | 0.00 | 1 | 0.00 |
| 12 | Kunjlata A. Desai JT with Arvindbhai Desai | 1 | 0.00 | 1 | 0.00 |
| 13 | Nalini Ogale | 1 | 0.00 | 1 | 0.00 |
| 14 | Anitaben Ashokbhai Rana JT with Vaishali Kanubhai Rana | 1 | 0.00 | 1 | 0.00 |
| 15 | Savitaben Kantilal Chauhan JT with Chirag Kantilal Chauhan | 1 | 0.00 | 1 | 0.00 |
| 16 | Bhaskaracharya K. Karmakar JT with Kumudini B. Karmakar | 1 | 0.00 | 1 | 0.00 |
| 17 | Jayaben A. Desai JT with Dvijena A. Desai | 1 | 0.00 | 1 | 0.00 |
| 18 | Amita Suhas Falnikar | 1 | 0.00 | 1 | 0.00 |
| 19 | Chavan Jagadishbhai G. JT with Chavan Vaishali G. | 1 | 0.00 | 1 | 0.00 |
| 20 | Prakashkumar N. Shah JT with Bhanuben P. Shah | 1 | 0.00 | 1 | 0.00 |
| 21 | Harish Eknath Salunke JT with Pratima H. Salunke & Mitesh H. Salunke | 1 | 0.00 | 1 | 0.00 |
| 22 | Pushaben C. Soni JT with Bhartiben C. Soni & Shantaben C. Soni | 1 | 0.00 | 1 | 0.00 |
| 23 | Shreerang D. Kanade JT with Smita S. Kanade | 1 | 0.00 | 1 | 0.00 |
| 24 | Shankar Ratilal Rana | 1 | 0.00 | 1 | 0.00 |
| 25 | Chandrakala N. Khichi JT with N.S. Khichi | 1 | 0.00 | 1 | 0.00 |
| 26 | Kachhiya Harish N. | 1 | 0.00 | 1 | 0.00 |
| 27 | Daya K. Marathe | 1 | 0.00 | 1 | 0.00 |
| 28 | Jayaben Dilipbhai Raval | 1 | 0.00 | 1 | 0.00 |
| 29 | Kanjibhai Naranbhai Darad | 1 | 0.00 | 1 | 0.00 |
| 30 | Umaben Lalitbhai Rana | 1 | 0.00 | 1 | 0.00 |
| 31 | Vasant Krishnarao Chaudhari | 1 | 0.00 | 1 | 0.00 |
| 32 | Ilaben Arvindbhai Rana | 1 | 0.00 | 1 | 0.00 |
| 33 | Manorama V. Shah | 1 | 0.00 | 1 | 0.00 |

## BOARD'S REPORT [Contd.]

***(v) Shareholding of Directors and Key Managerial Personnel:***

| | | Shareholding at the beginning of the year | | | | Cumulative Shareholding during the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of Directors and KMP | No. of shares | % of total shares of the company | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc): | No of shares increase /decrease | 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 | NA | NA | NA | 28450 | 0.47 |
| 4 | Mr. Sudhir R. Parikh | 10 | 0 | NO | NA | NA | NA | 10 | 0 |
| 5 | Mr. Ram Devidayal | 0 | 0 | NO | NA | NA | NA | 0 | 0 |
| 6 | Mr. V.D. Talati | 0 | 0 | NO | NA | NA | NA | 0 | 0 |

**V. INDEBTEDNESS**

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 6,86,55,324 | 3,51,73,668 | 2,53,79,000 | 12,92,07,992 |
| ii) Interest due but not paid | | | | - |
| iii) Interest accrued but not due | 0.00 | 13,79,729 | 13,13,469 | 26,93,198 |
| **Total (i+ii+iii)** | 6,86,55,324 | 3,65,53,397 | 2,66,92,469 | 13,19,01,190 |
| **Change in Indebtedness during the financial year** | | | | |
| • Addition | | | | - |
| • Reduction | 1,85,09,903 | 21,71,506 | 85,20,886 | 2,92,02,295 |
| **Net Change** | 1,85,09,903 | 21,71,506 | 85,20,886 | 2,92,02,295 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 5,01,45,421 | 3,30,05,515 | 1,77,96,000 | 10,09,46,936 |
| 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)** | 5,01,45,421 | 3,43,81,891 | 1,81,71,583 | 10,26,98,895 |

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

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

| Sr. No. | Particulars of Remuneration | Name of Director / KMP | | | | Total Amount (₹ in lacs) |
|---|---|---|---|---|---|---|
| | | Mr. Chandresh Parikh | Mr. Rajesh Parikh | Mr. Atil Parikh | Mr. Sudhir Parikh | |
| 1 | Gross salary | 0 | 0 | 0 | 0 | 0 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | (b) Value of perquisites u/s17(2) Income-tax Act, 1961* Car | 0 | 0 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - |
| | - as % of profit | - | - | - | - | - |
| | - others, specify… | - | - | - | - | - |
| 5 | Others, please specify Provident Fund | | | | | |
| | Total (A) | 0 | 0 | 0 | 0 | 0 |
| | Ceiling as per the Act | Since the company has not appointed any wholetime Director, not applicable | | | | |

**B. REMUNERATION TO OTHER DIRECTORS:**

| | **Particulars of Remuneration** | **Mr. Ram Devidayal** | **Total Amount** |
|---|---|---|---|
| **1.** | **Independent Directors** | | |
| | Fee for attending board / committee meetings | 24000 | 24000 |
| | Commission | 0 | 0 |
| | Others, please specify | 0 | 0 |
| | Total (1) | 24,000 | 24,000 |
| **2.** | **Other Non-Executive Directors** | | |
| | Fee for attending board / committee meetings | 0 | 0 |
| | Commission | 0 | 0 |
| | Others, please specify | 0 | 0 |
| | Total (2) | 0 | 0 |
| | Total (B)=(1+2) | 24,000 | 24,000 |
| | Total Managerial Remuneration | 24,000 | 24,000 |
| | Overall Ceiling as per the Act | Since the company has not appointed any wholetime Director, not applicable | |

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

| Sr. No. | Particulars of Remuneration | Name of Director / KMP | | Total Amount |
|---|---|---|---|---|
| | | Ms. Raina Sur – CS (upto 31.05.2014) | Mr. V. D. Talati – CS (w.e.f. 06.08.2014) | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0.2 | 0.7 | 0.9 |
| | (b) Value of perquisites u/s17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) 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 | Others, please specify Provident Fund | 0 | 0 | 0 |
| | Total | 0.2 | 0.7 | 0.9 |

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

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

## MANAGEMENT DISCUSSIONS & ANALYSIS

The analysis of the performance for the year 2014-15 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 ₹ 25.80 Crores as against ₹ 20.68 Crores of the previous year and incurred Net Profit after tax ₹ 1.52 Crores as against Net loss of ₹ 0.16 Crores of the previous fiscal.

### APPLICATION WISE BUSINESS OUTLOOK

During year 2014-15 company has restructured their product range and concentrated on sales of value added product, which has resulted in addition of financial strength and over come from making loss. The team of 20 Microns Nano is always on the look out to develop new products for different applications like Plastics, Rubber, Paint, Ceramic and construction industries. In the year 2014-15 product development team has made exceptional work on sales of Hydroxygel product and as a result during last quarter company got good contribution and added value to financial strength. Siliceous Earth usage in filtration application has also streamlined and as of that sales has gone up and it has made strong base for future sales of product.

#### Plastics and Rubber Application

Sales team has done tremendous work on increment of sales of Value added products like Vapor Oxol, Fast Flow P, Pol Lub Series etc. Development of said grades 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.

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.

In Rubber application Vaporlink, Vapor Oxol and Vaporsil has started gaining sales quantum which are value added products, Vaporlink partially replaces Carbon Black, 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.

#### International Market

Overseas Market is highly competitive and product placement is very difficult. However exceptional efforts of product development team has resulted good presence of 20 Microns Nano in middle east and Indian sub continent.

In the year 2014-15, Products like Fast Flow-P, Polaid series, etc has shown remarkable growth 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, UAE, Kenya, Nigeria and Sri Lanka. Company also expect to double their export sales in year 2014-15 by adding some more New Products to its Basket.

#### Paints and Ink

R &D department has improved performance of its existing Hydroxygel product range and as a results during last quarter sales has picked up well and contributed value addition to 20 Microns Nano's financial strength to recover from losses of previous year. Other grades of Organoclay like Riobent-27, Riobent SD, Which would be the current interest of Paint and Ink manufacturer. Initial trials are encouraging and company is anticipating more sales contributions from these grades for the growth. Recently company has started manufacturing and processing aids of new additional products like Poldispers-P for powder coating applications which also contribute to increase sales turnover of the company.

#### Filteration Application

Company has grown to supply Active Silica and Filter Aids which will play a dominant role to raise its turnover by considerable amount.

#### Construction and Piling

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.

#### Iron Ore Pelletisation,

Company has knock off the substantial market. The performance of our product has been tried, tested and appreciated by all the major pellet plants in India. In near future our company is targeting for bulk supplies some of the biggest pellet plants in India.

### RESEARCH & DEVELOPMENT

The world leader in mineral-based specialties for industry, 20 Microns Nano Minerals believes in systematic activity combining

Basic and Applied research, and aimed at discovering solutions to problems or creating new goods and knowledge and improvements of existing products to a value added product.

We strongly believe in "*Scientific breakthroughs are most likely to occur when scientists are free to tackle problems from different angles and in different ways*".

Over the past few years we have continuously improved the organizational and technological framework for cooperation between our Research and Manufacturing Divisions. Rapidly increasing importance in business as level of competition, production processes and methods, we at 20 Microns R&D are being driven by marketing team and technical team correlation, and keep an eagle eye on competitors and customers in order to keep pace with modern trends and analyze the needs, demands and desires of our customers.

We have better integrated science and business, which meant transforming our approach to be more collaborative, more focused, and, we believe, more useful to customers in their end uses.

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

- Hydroxylgel 50F & 90F
- Hydroxylgel XGB
- Ceraplus 90
- Pollub 250

**MINING AT GLANCE**

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

**Year 2014-15**

| Sr. No. | Details of Mines | Approx. Reserves (in Lacs Tons) | Approx. Value of the Reserves# (₹ In Lacs) |
|---|---|---|---|
| 1. | Limestone/Dolomite Mines, Anantapur, Andhra Pradesh, Area – 6 Hector*. | 9.10 | 1821.22 |
| 2. | Nadappa China Clay Mine, Nr. Village Nadappa, Taluka Bhuj, Dist. Kutch, Gujarat. Area – 7.30 ha. | 13.42** | 1945.90 |
| | **TOTAL** | **22.52** | **3767.12** |

**# - 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**

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

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

# REPORT ON CORPORATE GOVERNANCE

## REPORT ON CORPORATE GOVERNANCE

As you are aware, your Company has implemented some of the significant provisions of Clause 49 of the Listing Agreement, 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, 2015, are given below:-

| Names 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 | - | - |
| Mr. Rajesh C. Parikh | Director | 1 | 1 | - |
| Mr. Atil C. Parikh | Director | 1 | - | - |
| Mr. Sudhir R. Parikh | Director | 1 | 1 | - |
| Mr. Ram 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 31.03.2015, the Board met 5 (Five) times the dates of which are as under:

| Sr. No. | Date of Meetings | Board Strength | No. of Directors present |
|---|---|---|---|
| 1 | 10.04.2014 | 5 | 4 |
| 2 | 24.05.2014 | 5 | 4 |
| 3 | 06.08.2014 | 5 | 5 |
| 4 | 12.11.2014 | 5 | 4 |
| 5 | 11.02.2015 | 5 | 5 |

**B. Attendance of Directors at**

1) Board Meetings and

2) Annual General Meeting

| Names of Directors | No. of Board meetings attended | Attendance at last AGM |
|---|---|---|
| Mr. Chandresh S. Parikh | 5 | YES |
| Mr. Rajesh C. Parikh | 3 | YES |
| Mr. Atil C. Parikh | 4 | YES |
| Mr. Sudhir R. Parikh | 5 | YES |
| Mr. Ram Devidayal | 5 | YES |

**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. Ram Devidayal | 57,000 |

**DIRECTOR'S SHAREHOLDING**

**SHAREHOLDING OF THE DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 2015:**

| NAME OF DIRECTORS | NO. OF SHARES HELD IN THE COMPANY SINGLY AND / OR JOINTLY | PERCENTAGE OF HOLDING |
|---|---|---|
| Mr. Chandresh S. Parikh | 10 | 0.00% |
| Mr. Rajesh C. Parikh | 10 | 0.00% |
| Mr. Atil C. Parikh | 28450 | 0.47% |
| Mr. Sudhir R. Parikh | 10 | 0.00% |
| Mr. Ram Devidayal | NIL | NIL |

**Appointment/Re-appointment of Directors**

Mr. Rajesh C. Parikh and Mr. Atil C. Parikh, Directors of the Company will retire by rotation at the ensuing Annual General Meeting who are 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. He looks after the Accounts, Finance, Banking and Administration of our Company.

## REPORT ON CORPORATE GOVERNANCE [Contd.]

**Mr. Ram 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 November, 2010 |
| Finance Committee | 11th November, 2010 |
| Management Committee | 11th November, 2010 |
| Projects Committee | 11th November, 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 Clause 49 of the Listing Agreement of Stock Exchanges 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, 2015, comprised of the following members:

1. Mr. Ram A. Devidayal - Chairman
2. Mr. Chandresh S. Parikh
3. Mr. Sudhir R. Parikh

A. During the financial year ended 31.03.2015, 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 | 24.05.2014 | 3 | 3 |
| 2 | 06.08.2014 | 3 | 3 |
| 3 | 12.11.2014 | 3 | 3 |
| 4 | 11.02.2015 | 3 | 3 |

**Attendance at the Committee Meetings:**

| Name of Directors | Category | No of Meetings attended |
|---|---|---|
| Mr. Ram A. Devidayal | Independent Director | 4 |
| Mr. Chandresh S. Parikh | Non - Executive Director | 4 |
| Mr. Sudhir R. Parikh | Non - Executive Director | 4 |

**Terms of Reference**

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

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

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

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

  The role of the Committee shall be as under:

  - 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.

## 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:

| FinancialYear | Date | Location | Time | No. of Special Resolutions passed |
|---|---|---|---|---|
| 2013-14 | 11.09.2014 | Bunglow No. 20, Shivkrupanagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, BHUJ. | 11.00.AM | 1. To approve creation of charge/security over the assets/undertaking of the Company.<br>2. To borrow money in excess of paid up capital & free reserves of the company. |
| 2012-13 | 26.09.2013 | Bunglow No. 20, Shivkrupanagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, BHUJ. | 11.00.AM | NIL |
| 2011-12 | 07.08.2012 | Bunglow No. 20, Shivkrupanagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, BHUJ. | 11.00.AM | NIL |

During the year 2014-15, one Extra – ordinary General Meeting was held on 22.05.2014 to pass a special resolution of approval of unsecured fixed deposit scheme of the company.

**4. GENERAL SHAREHOLDERS' INFORMATION:**

| | |
|---|---|
| Registered Office | Plot No. 157, MAMUARA, Tal. : Bhuj, Dist.: Kutch |
| Annual General Meeting | Day & Date : Thursday, the 24th day of September, 2015<br>Time : 11.00 am<br>Venue : Bunglow No. 20, Shivkrupanagar, Nr. Mandavi Octroi Naka, Bh. Kutch Yuvak Mandal, Mandavi Road, Bhuj |

**5. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015**

| Category | Total shares | % to total |
|---|---|---|
| Directors | 28,470 | 00.47 |
| Bodies corporate | 60,21,456 | 99.53 |
| Others | 94 | —— |
| Total | 60,50,020 | 100.00 |

**6. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015**

| Range of shares | Shareholders | | Shares | |
|---|---|---|---|---|
| | No. of Shareholders | % | No. of Shares | % |
| 01 to 5000 | 60 | 95.24 | 114 | 0.00 |
| 5001 to 10000 | 0 | 0.00 | 0 | 0.00 |
| 10001 to 20000 | 0 | 0.00 | 0 | 0.00 |
| 20001 to 30000 | 2 | 3.17 | 49,906 | 0.83 |
| 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 | 1 | 1.59 | 60,00,000 | 99.17 |
| Total | 63 | 100.00 | 60,50,020 | 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 : 07.08.2015

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**, which comprises the Balance Sheet as at 31st March, 2015, 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 Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**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, 2015, and its profit ~~/loss~~ and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITORS' REPORT [Contd.]

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 to the financial statements;

ii. The Company does not have any long term contracts including derivative contracts, hence provision, as required under the applicable law or accounting standard, for material foreseeable losses has not been made.

iii. The company is not required to transfer any amount to Investors Education Funds, as required by the provisions of sub section (2) of Section 125 of the Companies Act, 2013 and there is no delay on this account

**For N. C. Vaishnav & Co.**
**Chartered Accountants**
**FRN – 112712W**
**CA. Jayesh Mehta**
**Partner**
**M. No. 037267**

**Place : Vadodara**
**Date : --------**

## INDEPENDENT AUDITORS' REPORT

**The Annexure I referred to in our Report of even date to the members of 20 Microns Nano Minerals Limited for the year ended on March 31, 2015. We report that:**

1. In respect of its Fixed Assets:
   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;
2. In respect of its inventories:
   a. As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals;
   b. In our opinion and according to the information and explanations given to us, the procedures for physical verification of the inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
   c. In our opinion and according to information and explanations given to us, the Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks.
3. According to information and explanations given to us in respect of loans, secured or unsecured, granted to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 :
   a. The Company has granted unsecured loans to one company (Previous Year: Two companies) listed in the Register maintained under Section 189 of the Companies Act, 2013. Maximum amount outstanding during the year was ₹ 79,31,219/- (Previous Year: ₹ 90,68,457/-) and year-end balance is ₹ 79,31,219/- (Previous Year : ₹ 81,21,191/-)
   b. 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) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
5. The company has accepted Deposits as per the provision of Section 58A of the companies act 1956 read with rules framed there under. As per the provisions of section 73(1) of The Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules 2014, it is not eligible to accept deposit from public after April 1,2014. Under provisions of section 74(1) (b), the Company is under an obligation to repay deposit on its original maturity or before March 31, 2015 whichever is earlier. We are informed that the Company has applied to Company Law Board under section 74(2) requesting it to permit the company to repay deposits on its maturity as per original terms of acceptance. Matter is pending before Company law Board
6. 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.
7. 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 yearend for a period of more than six months from the date they have became payable;
   b. The details of disputed amounts payable in respect of income tax or sales tax or wealth tax or service tax or duties of customs or value added tax or cess which have not been deposited, are given below:

| Act under which amount is due and authority before which matter is being disputed | Nature of dues | Amount (₹) | Period to which it relates |
|---|---|---|---|
| Income Tax Act,1961- Before Commissioner of Income Tax (Appeals) | Income Tax | 61,330 | A.Y. 2012-13 |
| Gujarat Value Added Tax Act, 2003- Commissioner of Commercial Tax | Sales Tax And Value Added Tax | 24,75,473 | F.Y. 2010-11 |

   c. According to information and explanation given to us, the company is not required to transfer any amounts to Investor Education and Protection Fund in accordance with the provisions of the Act.

## INDEPENDENT AUDITORS' REPORT [Contd.]

8. In our opinion and according to information and explanations given to us, the Company neither has any accumulated losses as at the yearend nor has incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
9. 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.
10. Based on our examination of documents and records maintained by the company, and according to the information and explanation given to us, we are of the opinion that company has not given any guarantee for loan taken by others from bank or financial institutions.
11. To the best of our knowledge and belief and according to the information and explanations given to us, we report that the company has not availed any fresh term loans during the year. However, the term loans outstanding at the beginning of the year were applied for the purposes for which they were taken.
12. 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.

**For N. C. Vaishnav & Co.**
**Chartered Accountants**
**FRN – 112712W**
**CA. Jayesh Mehta**
**Partner**
**M. No. 037267**

**Place : Vadodara**
**Date : 27th May, 2015**

## BALANCE SHEET AS AT MARCH 31ST, 2015

(Amount in ₹)

| | Particulars | Note No. | As At 31, March 2015 | As At 31, March 2014 |
|---|---|---|---|---|
| I. | **EQUITY AND LIABILITIES** | | | |
| (1) | **Shareholders' Funds** | | | |
| (a) | Share Capital | 2 | 6,05,00,200 | 6,05,00,200 |
| (b) | Reserves and Surplus | 3 | 2,59,48,001 | 1,08,56,841 |
| (2) | **Non-Current Liabilities** | | | |
| (a) | Long-term borrowings | 4 | 1,61,46,339 | 6,27,30,198 |
| (b) | Deferred tax liabilities (Net) | 5 | 1,20,63,110 | 1,29,71,142 |
| (c) | Other Long term liabilities | 6 | 75,252 | 1,06,656 |
| (3) | **Current Liabilities** | | | |
| (a) | Short-term borrowings | 7 | 5,11,14,073 | 5,79,31,298 |
| (b) | Trade payables | 8 | 3,28,75,308 | 2,74,26,758 |
| (c) | Other current liabilities | 9 | 6,11,14,810 | 3,51,04,362 |
| (d) | Short-term provisions | 10 | 15,000 | 14,826 |
| | **TOTAL** | | **25,98,52,093** | **26,76,42,281** |
| II. | **ASSETS** | | | |
| (1) | **Non-current assets** | | | |
| (a) | Fixed assets | 11 | | |
| (i) | Tangible assets | | 9,79,57,930 | 10,70,87,401 |
| (ii) | Intangible assets | | 39,51,036 | 71,39,759 |
| (iii) | Intangible assets under development | | 5,24,040 | 7,77,787 |
| (b) | Non-current investments | 12 | 23,000 | 23,000 |
| (c) | Long term loans and advances | 13 | 1,75,40,884 | 1,41,85,795 |
| (d) | Other non-current assets | 14 | 4,41,969 | 3,59,241 |
| (2) | **Current assets** | | | |
| (a) | Inventories | 15 | 2,64,17,323 | 2,98,21,377 |
| (b) | Trade receivables | 16 | 4,03,41,717 | 4,11,30,395 |
| (c) | Cash and bank balances | 17 | 43,95,264 | 36,01,010 |
| (d) | Short-term loans and advances | 18 | 6,74,94,707 | 6,25,63,267 |
| (e) | Other current assets | 19 | 7,64,223 | 9,53,249 |
| | **TOTAL** | | **25,98,52,093** | **26,76,42,281** |
| | See accompanying notes forming part of the Financial Statements | 1-46 | | |

As per our report of even date attached

**For N C Vaishnav & Co.**
FRN - 112712W
Chartered Accountants

**CA. Jayesh Mehta**
Partner
M. No. - 37267
Place : Vadodara
Date : 27th May 2015

**For 20 Microns Nano Minerals Limited**

**Chandresh S.Parikh**
Director
DIN-00041584

**V.D. Talati**
Company Secretary

Place : Vadodara
Date : 27th May 2015

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2015

(Amount in ₹)

| | Particulars | Note No. | For the Year Ended 31 March, 2015 | For the Year Ended 31 March, 2014 |
|---|---|---|---|---|
| I. | **Revenue from operations** | 20 | 25,80,50,321 | 20,68,69,300 |
| II. | **Other income** | 21 | 1,31,14,369 | 1,75,00,780 |
| III. | **Total Revenue (I +II)** | | **27,11,64,690** | **22,43,70,080** |
| IV. | **EXPENSES** | | | |
| | Cost of materials consumed | 22 | 13,26,97,522 | 10,28,67,575 |
| | Purchase of Stock-in-Trade | 23 | 4,96,86,307 | 2,10,86,826 |
| | Changes in inventories of Finished Goods and Stock-in-Trade | 24 | 4,50,261 | 47,65,537 |
| | Other Manufacturing Expenses | 25 | 79,37,590 | 2,07,99,967 |
| | Employee benefit expense | 26 | 89,21,672 | 1,00,07,979 |
| | Financial costs | 27 | 1,62,05,122 | 1,92,72,961 |
| | Depreciation and amortization expense | 11 | 1,08,32,006 | 81,12,114 |
| | Other expenses | 28 | 2,96,08,469 | 2,57,40,511 |
| | **Total Expenses** | | **25,63,38,949** | **21,26,53,470** |
| V. | **Profit before exceptional and extra ordinary items and tax (III-IV)** | | **14,825,741** | **1,17,16,610** |
| VI. | Exceptional Item | | - | 1,19,30,296 |
| VII. | **Profit before tax (V-VI)** | | **14,825,741** | **(213,686)** |
| VIII. | **Tax expense:** | | | |
| | (1) Current tax | | 31,61,055 | - |
| | (2) Deferred tax | | (908,032) | 14,70,354 |
| | (3) Mat Credit Entitlement | | (1,454,910) | - |
| | (4) Taxation adjustments for earlier years | | (1,207,503) | (11,786) |
| IX. | **Profit/(Loss) for the period (VII-VIII)** | | **15,235,131** | **(1,672,254)** |
| X. | **Earnings per equity share:** | | | |
| | (a) Basic Earning per share | | **2.52** | (0.28) |
| | (b) Diluted Earning per share | | **2.47** | (0.25) |
| | See accompanying notes forming part of the Financial Statements | 1-46 | | |

As per our report of even date attached

**For N C Vaishnav & Co.**
FRN - 112712W
Chartered Accountants

**CA. Jayesh Mehta**
Partner
M. No. - 37267
Place : Vadodara
Date : 27th May 2015

**For 20 Microns Nano Minerals Limited**

**Chandresh S.Parikh**
Director
DIN-00041584

**V.D. Talati**
Company Secretary

Place : Vadodara
Date : 27th May 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

| | Particulars | for the year ended 31, March 2015 | for the year ended 31, March 2014 |
|---|---|---|---|
| A. | **Cash Flow from Operating Activities** | | |
| | Net Profit before tax and after Extra Ordinary Items | 14,825,741 | (213,686) |
| | **Adjusted for** | | |
| | Transfer To reserve | (143,971) | - |
| | Provision for Doubtful Debts Written Back | (442,135) | (463,746) |
| | Profit on Sale of Assets (Net) | (229,409) | (1,468,177) |
| | Remission of Credit balances | (427,484) | (299,450) |
| | Remission of Debit Balances | 627,402 | 28,500 |
| | Depreciation and Amortization | 10,832,006 | 8,112,114 |
| | Bad debts written off | 403,685 | 265,972 |
| | Provision for Doubtful Debts | 1,104,903 | 531,509 |
| | Share issue expense written off | 160,000 | 160,000 |
| | Interest Received | (6,200,982) | (7,425,554) |
| | Interest Paid | 16,205,122 | 19,272,961 |
| | Operating Profit before working capital changes and extra ordinary items | **36,714,878** | **18,500,442** |
| | **Adjusted for** | | |
| | Increase/(Decrease) in Trade Payable | 5,876,034 | (7,779,675) |
| | Increase/(Decrease) in Other liabilities | 1,780,429 | (4,421,861) |
| | (Increase)/Decrease in Trade receivables | (905,177) | 2,931,588 |
| | (Increase)/Decrease in loans/advances and other current assets | (1,473,500) | (1,168,285) |
| | (Increase)/Decrease in Inventories | 3,404,055 | 2,210,811 |
| | Cash Generated from Operation | **45,396,719** | **10,273,021** |
| | Direct Taxes paid | 3,161,055 | 2,500,640 |
| | Cash Flow Before extra ordinary items | **42,235,664** | **7,772,381** |
| | Net Cash Inflow / (Outflow) in the course of Operating Activities | **42,235,664** | **12,773,661** |
| B. | **Cash Flow from Investing Activities** | | |
| | Proceeds from Sale of Fixed Assets (incl. sale of CWIP) | 3,650,013 | 39,471,670 |
| | Purchase of Fixed Assets (Including Additions to CWIP) | (1,680,668) | (14,091,386) |
| | Interest Received | 1,154,115 | 1,843,920 |
| | Net Cash Inflow/(outflow) in the course of investing activities | **3,123,460** | **27,224,204** |
| C. | **Cash Flow from Financing Activities** | | |
| | Proceeds from Borrowings - Unsecured | | |
| | Other borrowings | - | 4,700,000.00 |
| | Issue of Deposits | - | 111,000 |
| | Issue of Deposits | - | 3,229,000 |
| | Proceeds from Borrowings - Secured | 536,775 | |

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015 [CONTD.]

(Amount in ₹)

| Particulars | for the year ended 31, March 2015 | for the year ended 31, March 2014 |
|---|---|---|
| Repayment of Borrowings - Secured | (19,017,650) | (23,090,137) |
| Repayment of Borrowings - Unsecured | (9,780,181) | (5,865,828) |
| Interest Paid | (17,146,361) | (19,319,995) |
| Net Cash Inflow/(outflow) in the course of financing activities | **(45,407,417)** | **(40,235,960)** |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (48,292) | (238,095) |
| Cash and cash equivalents - opening balance | **265,499** | 503,594 |
| Cash and cash equivalents - closing balance | **217,207** | **265,499** |
| **Notes:** | | |
| 1. Cash ad Cash Equivalents comprise of: | | |
| Cash on hand | - | 6,904 |
| Balance with scheduled banks | | |
| - Current Accounts | 217,207 | 258,595 |
| - Deposit Accounts | - | - |
| | **217,207** | **265,499** |
| 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 N C Vaishnav & Co.**
FRN - 112712W
Chartered Accountants

**CA. Jayesh Mehta**
Partner
M. No. - 37267
Place : Vadodara
Date : 27th May 2015

**For 20 Microns Nano Minerals Limited**

**Chandresh S.Parikh**
Director
DIN-00041584

**V.D. Talati**
Company Secretary

Place : Vadodara
Date : 27th May 2015

# 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 Acccounting 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.

Where the remaining useful life of an asset as on 31st March 2014 is Nil, as per the provisions of Schedule II of Companies Act, 2013, the carrying amount of the asset after retaining the residual value has been recognised in the opening balance of the retained earnings.

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.

**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) Product Development Income

The company derives its Product Development Income from process research and development. The income is based on a 'cost plus' model. Revenue from such services is recognised when the service is performed in accordance with the agreement / understanding and invoice for the same is raised to the party for which services are provided.

(c) Interest Income:

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

(d) Other Income:

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

(e) 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 whicever 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 capicity. 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 transcation. 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

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, 2015

(Amount in ₹)

| | As At 31 March, 2015 | As At 31 March, 2014 |
|---|---|---|
| **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 :** | | |
| 60,50,020 Equity Shares of ₹ 10/- each fully paid up | 6,05,00,200 | 6,05,00,200 |

**(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :**

| Particulars | As At 31 March, 2015 | | As At 31 March, 2014 | |
|---|---|---|---|---|
| | No. of Shares | Share Capital ₹ | No. of Shares | Share Capital ₹ |
| At the beginning of the period | **60,50,020** | **6,05,00,200** | 60,50,020 | 6,05,00,200 |
| Issued during the period | **-** | **-** | - | - |
| **Outstanding at the end of the period** | **60,50,020** | **6,05,00,200** | 60,50,020 | 6,05,00,200 |

**(c) Shares held by holding company is as under:**

| Particulars | As At 31 March, 2015 | | As At 31 March, 2014 | |
|---|---|---|---|---|
| | No. of Shares | Extent of Holding | No. of Shares | Extent of Holding |
| 20 Microns Limited | **60,00,000** | **99.17%** | 60,00,000 | 99.17% |

**(d) Shares in the company held by shareholders holding more than 5% are as under:**

| Particulars | As At 31 March, 2015 | | As At 31 March, 2014 | |
|---|---|---|---|---|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| 20 Microns Limited | **60,00,000** | **99.17%** | 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, 2015 | As At 31 March, 2014 |
|---|---|---|
| **(a) Debenture Redemption Reserve** | | |
| Balance as per last audited financial statements | **-** | - |
| Add: Transferred from surplus in the statement of 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 | **1,08,56,841** | 1,25,29,095 |
| Add: Net Profit/(Loss) for the current year | **1,52,35,131** | -1672,254 |
| **Less : Appropriations** | | |
| Previous year Depreciation Adjustment | **1,43,971** | - |
| Transfer to Debenture Redemption Reserve | **67,35,000** | - |
| **Closing Balance** | **1,92,13,001** | 1,08,56,841 |
| **Net surplus / (deficit) in the profit and loss statement** | **2,59,48,001** | 1,08,56,841 |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015 [Contd.]

(Amount in ₹)

| | | As At 31 March, 2015 | As At 31 March, 2014 |
|---|---|---|---|
| **4.** | **Long-term borrowings** | | |
| | **Secured** | | |
| | **(a) Term Loans from Banks** | | |
| | **i. IDBI -Term Loans** | **63,33,348** | 2,53,33,344 |
| | (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 16 installments are outstanding. | | |
| | **ii. Vehicle Loans** | **-** | 46,682 |
| | (Secured by hypothecation of individual vehicles financed) | | |
| | **(AXIS Bank Ltd :** Loan facility availed for an amount of ₹ 4,84,000/- with Interest Rate of 11% p.a. (on a monthly reducing basis). Repayment starts from the 15th July 2012 divided into 36 Equated Monthly instalment (EMI) each amounting to ₹ 15846/- with interest and principal. As on the date of Balance Sheet 3 instalments are due.) | | |
| | **Unsecured** | | |
| | **(b) Optional Convertible Debentures** | | |
| | **Series I:** | **-** | 1,41,75,000 |
| | 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 in to Equity Shares. Each Debenture of ₹ 15 shall be converted into 1 Equity Share of ₹ 10 at a premium of ₹ 5. | | |
| | **Series II:** | **-** | 1,27,65,000 |
| | 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 in to 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** | 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. | | |

(Amount in ₹)

| | | As At 31 March, 2015 | As At 31 March, 2014 |
|---|---|---|---|
| | **(d) Deposits** | | |
| | Deposits from Public & Members | **57,89,000** | 41,89,000 |
| | Scheme (A) Monthly income plan for a period of 12 months to 36 months with interest rate of 10% to 11% depending on holding period. | | |
| | Scheme (B) Half yearly income plan for a period of 12 months to 36 months with interest rate of 10.5% to 11.50% depending on holding period. | | |
| | Scheme (C) Cumulative deposit plan for a period of 12 months to 36 months with interest rate of 10.92% to 13.50% depending on holding period. | | |
| | **(f) Vehicle Loans** | | |
| | Loan from Kotak Mahindra Prime Ltd | **7,23,991** | 29,21,172 |
| | **Total** | **1,61,46,339** | 6,27,30,198 |
| **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 | **1,27,34,099** | 1,34,65,017 |
| | **Total (a)** | **1,27,34,099** | 1,34,65,017 |
| | **Deferred Tax Assets (DTA)** | | |
| | On account of timing differences relating to | | |
| | (i) Disallowances under Income-tax Act under section 43B | **4,635** | 32,318 |
| | (ii) Provision for bad and doubtful debts | **6,66,353** | 4,61,558 |
| | **Total (b)** | **6,70,988** | 4,93,875 |
| | **Total (a-b)** | **1,20,63,110** | 1,29,71,142 |
| **6.** | **Other Long term liabilities** | | |
| | Interest accrued but not due | **75,252** | 1,06,656 |
| | **Total** | **75,252** | 1,06,656 |
| **7.** | **Short-term borrowings** | | |
| | **Secured (Repayable on demand)** | | |
| | **(a) Working Capital Loan from IDBI Bank** | **4,19,12,073** | 4,13,75,298 |
| | (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 | **92,02,000** | 1,65,56,000 |
| | 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 10 to 11%. | | |
| | Scheme (D) Non Cumulative deposit plan for a period 6 months with an interest rate of 10% | | |
| | **Total** | **5,11,14,073** | 5,79,31,298 |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015 [Contd.]

(Amount in ₹)

| | | As At 31 March, 2015 | As At 31 March, 2014 |
|---|---|---|---|
| **8.** | **Trade payables** | | |
| | Dues to Micro and Small Enterprises (refer note no. 41) | | |
| | H.D. Enterprise | **4,25,250** | 9,74,174 |
| | Krishna Microns | **1,60,370** | - |
| | Other Trade payables | **32,289,688** | 2,64,52,584 |
| | **Total** | **3,28,75,308** | 2,74,26,758 |
| **9.** | **Other current liabilities** | | |
| | Current maturities of long-term debt (refer Note No. 4) | | |
| | - Term loan From IDBI Bank Ltd | **1,90,00,000** | 1,90,00,000 |
| | - Optional Convertible Debentures-Series I | **1,41,75,000** | - |
| | - Optional Convertible Debentures-Series II | **1,27,65,000** | - |
| | - Vehicle Loans | **20,41,524** | 20,12,496 |
| | - Deposits from Public & Members | **28,05,000** | 46,34,000 |
| | Interest accrued but not due | **16,76,707** | 25,86,542 |
| | Advance from Customers | **20,56,408** | 3,57,127 |
| | Duties & Taxes Payable | **39,25,511** | 29,79,495 |
| | Expenses Payable | **22,69,875** | 23,70,346 |
| | Trade payables for Capital Goods | **1,40,945** | 80,890 |
| | Other payables | **2,58,841** | 10,83,466 |
| | **Total** | **6,11,14,810** | 3,51,04,362 |
| **10.** | **Short-term provisions** | | |
| | Provision for Leave Encashment | **15,000** | 14,826 |
| | **Total** | **15,000** | 14,826 |

**11. Fixed Assets** (Amount in ₹)

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At April 01, 2014 | Additions During Year | Deletions/ Adjustments | As at March 31, 2015 | As at April 01, 2014 | Additions During Year | Deletions/ Adjustments | As at March 31, 2015 | As at March 31, 2015 | As At March 31, 2014 |
| **(A) Tangible Assets** | | | | | | | | | | |
| Freehold Land | 6,98,500 | - | - | 6,98,500 | - | - | - | - | **6,98,500** | 6,98,500 |
| Leasehold Land (refer note 37) | 1,36,12,767 | - | - | 1,36,12,767 | 23,43,725 | 6,46,607 | - | 29,90,332 | **1,06,22,435** | 1,12,69,042 |
| Factory Building (refer note 37) | 1,93,48,138 | 1,54,000 | - | 1,95,02,138 | 17,55,476 | 6,10,399 | - | 23,65,875 | **1,71,36,263** | 1,75,92,662 |
| Office Building | 79,20,844 | - | - | 79,20,844 | 4,48,411 | 1,35,239 | - | 5,83,650 | **73,37,194** | 74,72,433 |
| Plant & Machinery (refer note 37) | 6,49,52,778 | 12,76,970 | 34,13,789 | 6,28,15,959 | 65,68,921 | 37,37,724 | 3,93,155 | 99,13,490 | **5,29,02,469** | 5,83,83,857 |
| Computer | 11,36,469 | - | - | 11,36,469 | 5,86,168 | 2,17,776 | (143,971) | 9,47,915 | **1,88,554** | 5,50,301 |
| Office Equipments | 15,92,598 | - | - | 15,92,598 | 2,07,548 | 6,80,370 | - | 8,87,918 | **7,04,680** | 13,85,050 |
| Furniture & Fittings | 84,02,242 | - | 0 | 84,02,242 | 12,57,888 | 8,83,969 | - | 21,41,857 | **62,60,385** | 71,44,354 |
| Vehicle | 36,65,583 | - | 45,018 | 36,20,565 | 10,74,381 | 4,81,501 | 42,767.00 | 15,13,115 | **21,07,450** | 25,91,202 |
| Total (A) | **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** |
| Previous Year | 14,65,81,734 | 1,53,44,045 | 4,05,95,859 | 12,13,29,920 | 1,18,88,903 | 59,59,845 | 36,06,229 | 1,42,42,519 | **10,70,87,401** | 13,46,92,831 |
| **(B) Intangible Assets** | | | | | | | | | | |
| Product Development | 1,82,24,435 | 2,49,698 | 1,22,33,367 | 62,40,766 | 1,25,41,396 | 30,82,390 | 12,233,367 | 33,90,419 | **28,50,347** | 56,83,039 |
| Web Site Development Charges | 85,000 | - | 85,000 | - | 68,000 | 17,000 | 85,000 | - | **-** | 17,000 |
| Mining Development Expenses | 16,95,154 | - | - | 16,95,154 | 255,434.29 | 3,39,031 | - | 5,94,465 | **11,00,689** | 1,439,720 |
| Total (B) | **2,00,04,589** | **2,49,698** | **1,23,18,367** | **79,35,920** | **1,28,64,830** | **34,38,421** | **12,318,367** | **39,84,884** | **39,51,036** | **71,39,759** |
| Previous Year | 1,79,67,155 | 20,37,434 | - | 2,00,04,589 | 1,07,12,561 | 21,52,269 | - | 1,28,64,830 | **71,39,759** | 72,54,594 |
| Total (A+B) | **14,13,34,509** | **1,680,668** | **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** |
| Previous Year | 16,45,48,889 | 1,73,81,479 | 4,05,95,859 | 14,13,34,509 | 2,26,01,464 | 81,12,114 | 36,06,229 | 2,71,07,349 | **11,42,27,160** | 14,19,47,425 |
| **(C) Intangible Assets under Development** | | | | | | | | | **5,24,040** | 7,77,787 |

**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, 2015 [Contd.]

(Amount in ₹)

| | | As At 31 March, 2015 | As At 31 March, 2014 |
|---|---|---|---|
| 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 | **1,75,40,884** | 1,41,85,795 |
| | **Total** | **1,75,40,884** | 1,41,85,795 |
| 14. | **Other non-current assets** | | (Amount in ₹) |
| | Interest Accrued but not due | **1,80,988** | 1,63,964 |
| | **Non Current Bank Balances :** | | |
| | Fixed Deposits | **2,44,126** | 1,30,827 |
| | (Statutory liquid reserve maintained under section 73 of Companies Act, 2013) | | |
| | Balance held as margin money against guarantee and Letter of Credit | **16,855** | 64,450 |
| | Unamortized expenses | **-** | - |
| | **Total** | **4,41,969** | 3,59,241 |
| 15. | **Inventories** | | (Amount in ₹) |
| | **A. Classification of Inventories :** | | |
| | Raw Materials | **1,39,70,739** | 1,69,83,615 |
| | Finished Goods | **75,57,056** | 64,99,043 |
| | Stores and Spares | **3,98,849** | 3,39,767 |
| | Stock-in-Trade | **44,90,679** | 59,98,952 |
| | **Total** | **2,64,17,323** | 2,98,21,377 |
| | 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 | **1,22,35,966** | 1,01,51,999 |
| | - Mined Minerals | **17,34,773** | 68,31,615 |
| | Finished goods consist of Processed Minerals | **75,57,056** | 64,99,043 |
| | Traded Goods consist of processed minerals | **44,90,679** | 59,98,952 |
| | **Total** | **2,60,18,474** | 2,94,81,610 |

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015 [Contd.]

(Amount in ₹)

| | | As At 31 March, 2015 | As At 31 March, 2014 |
|---|---|---|---|
| 16. | **Trade receivables** | | (Amount in ₹) |
| | **Trade Receivables overdue for a period more than 6 months** | | |
| | Unsecured considered good | **2,76,252** | 4,09,913 |
| | Considered doubtful | **21,56,483** | 14,93,715 |
| | Less : Provision for doubtful debts | **21,56,483** | 14,93,715 |
| | | **2,76,252** | 4,09,913 |
| | **Others** | | |
| | Unsecured considered good | **4,00,65,465** | 4,07,20,481 |
| | **Total** | **4,03,41,717** | 4,11,30,395 |
| 17. | **Cash and bank balances** | | (Amount in ₹) |
| | **Cash and Cash Equivalents** | | |
| | Balances with Banks | **2,17,207** | 2,58,595 |
| | Cash on Hand | **-** | 6,904 |
| | **Other Bank Balances** | | |
| | Fixed Deposits | **34,11,267** | 32,48,315 |
| | (Statutory liquid reserve maintained under section 73 of Companies Act, 2013) | | |
| | Balance held as margin money against guarantee and Letter of Credit | **7,66,791** | 87,196 |
| | **Total** | **43,95,265** | 36,01,010 |
| 18. | **Short-term loans and advances** | | (Amount in ₹) |
| | **(Unsecured, Considered Good)** | | |
| | Loans and advances to related parties | **83,94,294** | 85,39,764 |
| | Balance with Government Authorities | **23,63,565** | 43,36,809 |
| | Advance payment of Tax (Net of provisions) | **49,75,927** | 54,90,630 |
| | MAT Credit Entitlement | **41,16,176** | 14,53,763 |
| | Advances to Suppliers | **24,05,988** | 11,93,819 |
| | Security Deposits | **90,000** | 5,00,700 |
| | Advances to employees | **8,000** | 40,700 |
| | Inter Corporate Deposits | **4,51,40,757** | 4,10,07,082 |
| | **Total** | **6,74,94,708** | 6,25,63,267 |

**Loans and Advances to Related Party consists of following:** (Amount in ₹)

| Name of the Party | Relationship | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|---|
| DMC Limited | Enterprise over which significant influence exercised by Key Management Personnel | **83,94,294** | 74,94,245 |

| | | | |
|---|---|---|---|
| 19. | **Other current assets** | | (Amount in ₹) |
| | Prepaid Expenses | **2,08,823** | 1,21,591 |
| | Provision for Gratuity | **2,47,060** | 3,63,318 |
| | Provident Fund (Paid under protest) | **2,98,340** | 2,98,340 |
| | 20 Nano Group Gratuity | **10,000** | 10,000 |
| | Unamortized expenses | **-** | 1,60,000 |
| | **Total** | **7,64,223** | 9,53,249 |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015 [Contd.]

(Amount in ₹)

| | Particulars | For the Year ended on March 31, 2015 | For the Year ended on March 31, 2014 |
|---|---|---|---|
| 20. | **Revenue from operations** | | (Amount in ₹) |
| | **Sale of Products :** | | |
| | Sale of Products - Domestic | 24,55,35,811 | 18,71,57,061 |
| | Sale of Products - Export | 2,66,02,684 | 2,71,23,462 |
| | | 27,21,38,496 | 21,42,80,524 |
| | Less : Excise Duty | 17,821,975 | 1,76,53,224 |
| | | **25,43,16,521** | 19,66,27,300 |
| | **Revenue from Services Rendered :** | | |
| | Product Development Income | 37,33,800 | 52,42,000 |
| | Professional and Consultancy Services | - | 50,00,000 |
| | | 37,33,800 | 1,02,42,000 |
| | **Total** | **25,80,50,321** | 20,68,69,300 |
| | **Details of Sales :** | | |
| | a. Processed Minerals | 18,83,07,666 | 17,36,98,262 |
| | b. Traded Goods- Minerals | 6,60,08,855 | 2,29,29,038 |
| | **Total** | **25,43,16,521** | 19,66,27,300 |
| 21. | **Other income** | | |
| | Interest Received | 62,00,982 | 74,25,554 |
| | Remission of Credit Balances | 4,27,484 | 2,99,450 |
| | Insurance Claim Received | - | 67,191 |
| | Provision for Doubtful Debts Written Back | 4,42,135 | 4,63,746 |
| | Foreign Exchange Gain (Net) | 3,29,334 | - |
| | Profit on Sale of Assets (Net) | 2,29,409 | 14,68,177 |
| | Rent Income | 53,60,000 | 78,60,000 |
| | Prior period items | | |
| | Prior period income | 5,765 | 6,670 |
| | less - Prior period expense | - | 2,03,057 |
| | Prior period items (net) | 5,765 | (196,387) |
| | Other Non-operating Income | 1,19,261 | 1,13,048 |
| | **Total** | **1,31,14,369** | 1,75,00,780 |
| 22. | **Cost of materials consumed** | | |
| | **(a) Raw Materials and Packing Materials :** | | |
| | Inventories at the beginning of the period | 1,01,51,999 | 1,11,47,757 |
| | Add : Purchases (incl. direct expenses) | 12,08,41,060 | 9,82,14,058 |
| | | 13,09,93,059 | 10,93,61,815 |
| | Less : Inventories at the end of the period | 1,22,35,966 | 1,01,51,999 |
| | **Total (a)** | **11,87,57,093** | 9,92,09,815 |

(Amount in ₹)

| Particulars | For the Year ended on March 31, 2015 | For the Year ended on March 31, 2014 |
|---|---|---|
| **(b) Mining Material** | | |
| Inventories at the beginning of the period | 68,31,615 | 30,70,326 |
| Add : Cost of extraction | 88,43,587 | 74,19,049 |
| | 1,56,75,202 | 1,04,89,375 |
| Less : Inventories at the end of the period | 17,34,773 | 68,31,615 |
| **Total (b)** | **1,39,40,429** | 36,57,760 |
| **Total (a) + (b)** | **13,26,97,522** | 10,28,67,575 |
| **Details of Consumption of Materials:** | | |
| Minerals | 6,76,05,305 | 4,38,67,533 |
| Packing Material & Others | 20,31,890 | 20,40,882 |
| Additives | 4,91,19,898 | 5,33,01,400 |
| Mining Materials | 1,39,40,429 | 36,57,760 |
| **Total** | **13,26,97,522** | 10,28,67,575 |
| **23. Purchase of Stock-in-Trade** | | |
| Purchase of Minerals | 4,96,86,307 | 2,10,86,826 |
| **Total** | **4,96,86,307** | 2,10,86,826 |
| **24. Changes in inventories of Finished Goods and Stock-in-Trade** | | |
| **Inventories at the end of the period** | | |
| Finished goods | 75,57,056 | 64,99,043 |
| Stock-in-trade | 44,90,679 | 59,98,952 |
| **Total (A)** | **1,20,47,734** | 1,24,97,995 |
| Less : | | |
| **Inventories at the beginning of the period** | | |
| Finished goods | 64,99,043 | 1,68,73,023 |
| Stock-in-trade | 59,98,952 | 3,90,509 |
| **Total (B)** | **1,24,97,995** | 1,72,63,532 |
| **(Increase) / decrease in inventory of finished goods and traded goods (B-A)** | **4,50,261** | 47,65,537 |
| **25. Other Manufacturing Expenses** | | |
| Consumption of Stores and spare parts | 5,83,311 | 7,96,616 |
| Power and fuel | 41,17,222 | 1,35,09,383 |
| Rent | 9,52,350 | 24,57,979 |
| Repairs to Buildings | 11,000 | 2,27,200 |
| Repairs to Plant and Machinery | 7,05,741 | 22,45,181 |
| Other manufacturing and Factory Expenses | 15,67,965 | 15,63,607 |
| **Total** | **79,37,590** | 2,07,99,967 |
| **26. Employee benefit expense** | | |
| Salaries and Wages | 85,72,660 | 95,79,633 |
| Contribution to Provident and Other funds | 2,45,800 | 2,42,578 |
| Staff welfare expenses | 1,03,212 | 1,85,768 |
| **Total** | **89,21,672** | 1,00,07,979 |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015 [Contd.]

(Amount in ₹)

| | Particulars | For the Year ended on March 31, 2015 | For the Year ended on March 31, 2014 |
|---|---|---|---|
| **27.** | **Financial costs** | | |
| | Interest to | | |
| | - Bank | 94,23,704 | 1,21,76,880 |
| | - Others | 61,70,532 | 66,28,254 |
| | Other Finance Costs | 6,10,886 | 4,67,827 |
| | **Total** | **1,62,05,122** | 1,92,72,961 |
| **28.** | **Other expenses** | | |
| | **(a) Administrative and Other Expenses** | | |
| | Auditors Remuneration (refer note no. 32) | 1,00,000 | 1,12,360 |
| | Share Issue Expenses Written Off | 1,60,000 | 1,60,000 |
| | Bad Debts | 4,03,685 | 2,65,972 |
| | Company's Professional Tax | 2,400 | 2,400 |
| | Directors sitting fees | 57,000 | 35,000 |
| | Foreign Exchange Loss (Net) | - | 124,158 |
| | Insurance | 3,86,470 | 5,19,090 |
| | Legal, License & Renewal Expenses | 1,42,107 | 41,302 |
| | Office Electric Expenses | 1,42,419 | 1,31,289 |
| | Office Expenses | 12,270 | 94,717 |
| | Pooja or Temple Expenses | 67,585 | 89,969 |
| | Printing and Stationery | 1,31,175 | 1,20,221 |
| | Professional Fees | 7,05,851 | 24,48,923 |
| | Provision for Bad Debts | 11,04,903 | 5,31,509 |
| | Remission of Debit Balance | 6,27,402 | 28,500 |
| | Travelling & Conveyance | 23,10,042 | 19,32,492 |
| | Vehicle Running & Maintenance | 4,25,214 | 4,89,384 |
| | Miscellaneous Expenses | 3,89,769 | 5,60,210 |
| | **(b) Research and Development Expenses** | **31,64,161** | 43,01,741 |
| | **(c) Marketing, Selling & Distribution Expenses :** | | |
| | Discount and Commission | 9,94,566 | 11,11,725 |
| | Sales Promotion Expenses | 16,07,045 | 12,12,624 |
| | Sales Exhibition Expenses | 1,69,850 | - |
| | Godown Expenses | 5,16,569 | 8,61,641 |
| | Export Expenses | 10,61,600 | 10,79,691 |
| | Freight outward- Export Sales | 13,16,581 | 17,83,234 |
| | Other Selling Expenses | 3,38,096 | 2,56,917 |
| | Freight outward- Local sales | 1,32,71,708 | 74,45,445 |
| | **Total** | **2,96,08,469** | 2,57,40,511 |

(Amount in ₹)

| Particulars | For the Year ended on March 31, 2015 | For the Year ended on March 31, 2014 |
|---|---|---|

**29. Income Tax Adjustment**

The company has made an adjustment of Income Tax of earliers years amounting to ₹ 12,07,503. This adjustment is made to reconcile the difference between available MAT credit as per books and as per Income Tax Department which arose as a result of judicial proceedings.

**30. Prior Period Items (Net) :** (Amount in ₹)

| | | |
|---|---|---|
| **Prior Period Expenses** | | |
| Water Charges | - | 8,520 |
| Discount Expenses | - | 1,54,500 |
| Professional Fees | - | 38,118 |
| Telephone and Telex Expenses | - | 1,000 |
| Office Expenses | - | 919 |
| **Less : Prior period Income** | - | 2,03,057 |
| Interest Received | **5,765** | 6,670 |
| **Total** | **(5,765)** | 1,96,387 |

**31. Contingent liabilities not provided for:** (Amount in ₹)

| | | |
|---|---|---|
| Bank Guarantees | **19,30,146** | 6,10,500 |
| Capital contract remaining to be executed (net of advances) (as estimated by management) | **1,66,95,981** | 2,08,74,611 |
| Provident Fund Liability (Old dues) | **2,98,340** | 2,98,340 |
| Demand of Income Tax | **61,330** | - |
| Demand of Sales Tax, Value Added Tax and Central Sales Tax | **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 | **53,13,569** | 51,20,615 |
| **Total** | **2,67,74,839** | 2,69,04,066 |

**32. 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 |

**33. Consumption of Imported and Indigenous Raw Material, Packing Material and Stores & Spares:**

| Particulars | For FY 2014-15 | | For FY 2013-14 | |
|---|---|---|---|---|
| | **Amount in ₹** | **%** | Amount in ₹ | % |
| **Raw Materials & Packing Materials:** | | | | |
| Indigenous | **12,07,92,295** | **91.03%** | 9,18,51,536 | 89.29% |
| Imported | **1,19,05,227** | **8.97%** | 1,10,16,039 | 10.71% |
| **Total** | **13,26,97,522** | **100.00%** | 10,28,67,575 | 100.00% |
| **Stores and Spares:** | | | | |
| Indigenous | **3,84,538** | **65.92%** | 6,39,049 | 80.22% |
| Imported | **1,98,773** | **34.08%** | 1,57,567 | 19.78% |
| **Total** | **5,83,311** | **100.00%** | 7,96,616 | 100.00% |

**34. CIF Value of Imports:** (Amount in ₹)

| | | |
|---|---|---|
| Raw Materials | **93,06,244** | 1,01,41,174 |
| **Total** | **93,06,244** | 1,01,41,174 |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015 [Contd.]

(Amount in ₹)

| | Particulars | For the Year ended on March 31, 2015 | For the Year ended on March 31, 2014 |
|---|---|---|---|
| **35.** | **Expenditure in Foreign Currency:** | | |
| | Travelling Expenses | - | - |
| | Analysis Charges | - | 10,94,531 |
| | Export Sales Commission | - | 75,000 |
| | **Total** | - | 11,69,531 |
| **36.** | **Earnings in Foreign Exchange:** | | |
| | Exports-FOB | **2,53,30,147** | 2,54,53,236 |
| | Freight & Insurance | **12,72,537** | 16,70,226 |
| | **Total** | **2,66,02,684** | 2,71,23,462 |

**37. 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 | 89,29,910 |
| Plant & Machinery | 2,15,97,568 | 2,17,23,932 |
| | **4,35,94,245** | 4,35,66,609 |
| **Accumulated Depreciation** | | |
| Land | 28,36,562 | 22,23,205 |
| Factory Building | 13,71,721 | 10,90,014 |
| Plant & Machinery | 38,59,403 | 29,66,919 |
| | **80,67,686** | 62,80,138 |
| **Depreciation for the Year** | | |
| Land | 1,00,76,205 | 1,06,89,562 |
| Factory Building | 77,12,189 | 78,39,896 |
| Plant & Machinery | 1,77,38,165 | 1,87,57,013 |
| | **3,55,26,559** | 3,72,86,471 |

**38.** 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 | **1,52,35,131** | (1,672,254) |
| Weighted Average number of Equity Shares outstanding (in Nos.) | **60,50,020** | 60,50,020 |
| Nominal Value per Share (Amount in ₹) | **10** | 10 |
| Basic Earning Per Share (Amount in ₹) | **2.52** | (0.28) |
| Diluted Earning Per Share (Amount in ₹) | **2.47** | (0.25) |

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015 [Contd.]

(Amount in ₹)

| Particulars | For the Year ended on March 31, 2015 | For the Year ended on March 31, 2014 |
|---|---|---|

**39. 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 |
| DMC Limited | Enterprise over which significant influence exercised by Key Management Personnel |
| Eriez Finance & Investment Ltd | Enterprise over which significant influence exercised by Key Management Personnel |

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

| Nature of Transactions | Key Management Personnel | Relative of Key Management Personnel | Holding Company | Enterprise over which significant influence exercised by Key Management Personnel | Total |
|---|---|---|---|---|---|
| **Transactions during the year** | | | | | |
| Sales of Materials | **-** | **-** | **22,829,513** | | |
| | - | - | (30,975,696) | - | |
| Product Development Income | **-** | **-** | **4,195,295** | **-** | |
| | - | - | (5,889,908) | - | |
| Sale of Fixed Assets | **-** | **-** | **3,871,827** | **-** | |
| | - | - | (43,146,019) | **-** | |
| Service Received | **-** | **-** | **-** | | |
| | - | - | - | (2,022,480) | |
| Rent Paid | **-** | **-** | **406,019** | **505,620** | |
| | - | - | (97,755) | (1,619,160) | |
| Rent Received | **-** | **-** | **5,239,896** | **-** | |
| | - | - | (5,239,896) | **-** | |
| Purchase of Goods | **-** | **-** | **33,533,276** | **-** | |
| | - | - | (24,806,950) | (302,863) | |
| Purchase of Fixed Assets | **-** | **-** | **699,387** | **-** | |
| | - | - | (257,295) | (97,774) | |
| Reimbursement of Expenses Paid (Net) | | | **468,273** | **-** | |
| | - | - | (2,701,318) | - | |
| Reimbursement of Expenses Received (Net) | - | - | **-** | **-** | |
| | - | - | - | (188,717) | |
| Interest Received | **-** | **-** | **-** | **878,753** | |
| | - | - | - | (1,166,345) | |
| **Balance as on March 31 :** | | | | | |
| Trade Payables | **-** | **-** | **(466,295)** | **-** | |
| | - | - | - | (319,974) | |
| Trade Receivables | **-** | **-** | **-** | **8,394,294** | |
| | - | - | (12,634,390) | (8,539,764) | |

Figures in bracket indicate previous year figures.

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015 [Contd.]

(Amount in ₹)

| Particulars | For the Year ended on March 31, 2015 | For the Year ended on March 31, 2014 |
|---|---|---|

**40. Employee Benefits**

i) Defined contribution plans

The Company has recognized **₹ 2,45,800/-** (Previous Year ₹ 2,42,578/-) 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, 2015 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2015:

(Amount in ₹)

| Particulars | Gratuity Funded As at March 31, 2015 | Gratuity Funded As at March 31, 2014 |
|---|---|---|
| **Reconciliation in present value of obligations (PVO) – defined benefit obligation :** | | |
| Current Service Cost | **67,702** | **62,055** |
| Interest Cost | **17,061** | **31,403** |
| Actuarial (gain) / losses | **80,289** | **(288,105)** |
| Benefits paid | **(34,933)** | |
| PVO at the beginning of the year | **188,311** | **382,958** |
| PVO at end of the year | **318,430** | **188,311** |
| **Reconciliation of the fair value of plan assets :** | | |
| Expected return on plan assets | **51,156** | **45,547** |
| Adjustment of Opening Fund | **-** | **-** |
| Actuarial gain/(losses) | **(2,362)** | **-** |
| Contributions by the employer | **-** | **-** |
| Benefits paid | **(34,933)** | |
| Fair value of plan assets at beginning of the year | **551,629** | **506,082** |
| Fair value of plan assets at end of the year | **565,490** | **551,629** |
| **Reconciliation of PVO and fair value of plan assets:** | | |
| PVO at end of period | **318,430** | **188,311** |
| Fair Value of planned assets at end of year | **565,490** | **551,629** |
| Net (asset)/liability recognized in the balance sheet | **(247,060)** | **(363,318)** |
| **Net cost for the year ended:** | | |
| Current Service cost | **67,702** | **62,055** |
| Adjustment of the Opening Fund | **-** | **-** |
| Interest cost | **17,061** | **31,403** |
| Expected return on plan assets | **(51,156)** | **(45,547)** |
| Actuarial (gain) / losses | **82,651** | **(288,105)** |
| Net cost | **116,258** | **(240,194)** |
| **Assumption used in accounting for the gratuity plan:** | | |
| Discount rate (%) | **7.80%** | **9.10%** |
| Salary escalation rate (%) | **6.00%** | **6.00%** |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2015 [Contd.]

**(Amount in ₹)**

| Particulars | For the Year ended on March 31, 2015 | For the Year ended on March 31, 2014 |
|---|---|---|

Experience adjustments:

| Particulars | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|
| Experience adjustments on account of plan liabilities | (31,441) | 264,110 | 127,487 | 47,938 | 3,47,219 |
| Experience adjustments on account of plan assets | (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.

**41.** 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 ₹ 20,88,494/- (Previous Year ₹ 12,09,346/-). Payment made to suppliers beyond the due date during the year was ₹ 63,50,916/- (Previous Year ₹ 90,96,204/-). 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 ₹ 64,868/- (Previous Year ₹ 44,378/-) 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.

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

**(Amount in ₹)**

| | | |
|---|---|---|
| Revenue Expenditure | **3,164,161** | 4,301,741 |
| Capital Expenditure | **249,698** | - |
| Intangible Assets under Development (Refer Note below) | **-** | - |
| **Total** | **3,413,859** | 4,301,741 |

*Note : Intangible assets under development amounting to ₹253747/- as on March 31, 2014 has been charged to revenue in FY 14.15*

**43.** The operations of the Company are limited to one segment, namely, Micronized Minerals.

**44.** 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.

**45.** Balances of trade Receivable and trade Payable are subject to confirmation, reconciliation and consequential adjustment, if any.

**46.** Previous year figures have been regrouped, re-arranged or reclassified, wherever necessary to conform to this year's classification.

As per our report of even date attached

**For N C Vaishnav & Co.**
FRN - 112712W
Chartered Accountants

**CA. Jayesh Mehta**
Partner
M. No. - 37267
Place : Vadodara
Date : 27th May 2015

**For 20 Microns Nano Minerals Limited**

**Chandresh S.Parikh**
Director
DIN-00041584

**V.D. Talati**
Company Secretary

Place : Vadodara
Date : 27th May 2015

## NOTES

## NOTES

## NOTES

20 MICRONS
nano
20 MICRONS
NANO MINERALS
LIMITED

**Registered Office** : Plot No. 157, Vill : Mamuara, Ta. : Bhuj, Dist. : Kutchh-370001.
CIN : UI5543GJ1993PLC020540 • www.20nano.com.

## ATTENDANCE SLIP

## 22nd 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 **22nd Annual General Meeting** of the Company, to be held on the **Thursday, 24th September, 2015** 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]/Proxy | |
| Registered Address | |
| E-Mail ID | |
| Folio No./Client ID | |
| DP ID | |

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 22nd Annual General Meeting of the Company to be held on Thursday, the 24th September, 2015 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 31.03.2015 | For / Against |
| 2 | Re-appointment of Mr. Rajesh C. Parikh | For / Against |
| 3 | Re-appointment of Mr. Atil C. Parikh | For / Against |
| 4 | Appointment of M/s. K.M. Swadia & Co., Chartered Accountants, Vadodara as an Independent Auditors and fixing their remuneration. | For / Against |

Signed this ..... day of September, 2015

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

Signature of Shareholder

**Note:** This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of attorney, if any, under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting. For the resolutions, explanatory statement and notes, please refer the Notice of the 22nd 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

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