ANNUAL REPORT **2020-21**

20 MICRONS®
LIMITED

PERFORMANCE MINERALS	FUNCTIONAL ADDITIVES	SPECIALTY CHEMICALS	CONSTRUCTION CHEMICALS	MINERAL FERTILIZERS

SETTING SAIL FOR NEW HORIZONS

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Reporting period and scope

This report covers financial and non-financial information and activities of 20 Microns Limited ('the Company' or '20ML') during the period April 1, 2020, to March 31, 2021. The report's financial figures have been audited by M/s. J.H. Mehta & Co., Chartered Accountants, Ahmedabad.

Materiality

We cover key material aspects that have been identified through our ongoing stakeholder engagement and are addressed by various programmes or action points set by the key management personnel.

Responsiveness

Our reporting addresses a gamut of stakeholders, each having their own needs and interests. This report is one element of our interaction and communication. It reflects how we manage our operations by accounting and responding to stakeholder concerns.

Forward-Looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes, 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operations or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Tribute to

Late Chandresh S Parikh

Executive Chairman

Until 9th June 2021

WITH PROFOUND GRIEF AND SORROW, WE SHARE WITH YOU THE SAD DEMISE OF OUR CHAIRPERSON, SHRI CHANDRESH S PARIKH, WHICH HAS BEEN AN IRREPLACEABLE LOSS TO 20 MICRONS LIMITED AND THE ENTIRE GROUP COMPANIES.

Being the Chairman of 20 Microns Limited for more than three decades, since the inception of 20 Microns Limited, he constantly imbibed the best governance standards with entrepreneurship. Regarded as one of the doyens of the industry, he played a key role in shaping the specialised micro minerals industry in India.

The Board, our employees and the associates of the Company express their deep condolences and pay tribute to a great visionary. We pray for the departed soul to rest in eternal peace and love.

OVER THE LAST THREE DECADES, 20 MICRONS LIMITED HAVE FOCUSED ON FORTIFYING ITS POSITION AS A DYNAMIC AND AGILE PLAYER WITHIN ITS INDUSTRY SPACE.

We have done so by constantly broad-basing our business model where a presence across diverse geographies, products, grades and downstream customer applications has enhanced our business sustainability.

RESULT, WE EMERGED AS INDIA'S LARGEST PRODUCER OF MICRONIZED INDUSTRIAL MINERALS.

But, with time we have also realised that to stay ahead of the curve in today's highly competitive business world – we need to constantly reinvent ourselves.

The desire to go beyond convention, explore myriad opportunities, effective value-addition and efficiently execute operations drives us to aspire for new goals and new realities.

From delivering outstanding R&D capacities to designing advanced products, we strive to resonate constantly evolving market demands – eyeing new horizons to explore and constantly capitalize on growing opportunities.

SETTING SAIL FOR NEW HORIZONS. BY FOCUSING ON VALUE ADDED PRODUCTS.

WHERE 20 MICRONS LIMITED STANDS TODAY

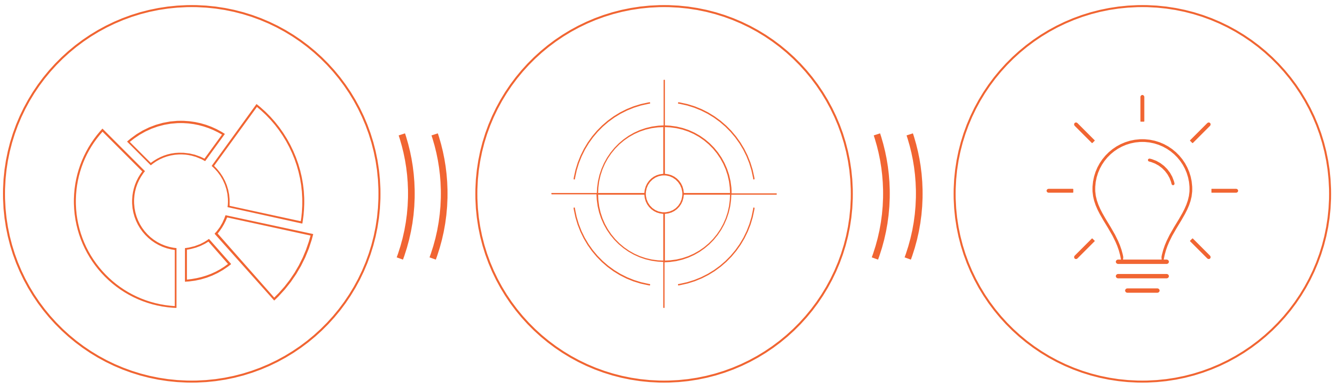
SUCCESS AT 20 MICRONS LIMITED (20ML) IS MEASURED BY MORE THAN JUST THE BOTTOM LINE WE HAVE ACHIEVED.

We believe that if we are able to execute our strategies in the right way, we can help build stronger communities and extend economic prosperity and opportunity to the people of the nation.

Thereby helping to build a stronger Nation and aid in the government's *'Make in India'* and *'Aatmanirbhar Bharat'* movement.

Over the years, we have constantly focused on effectively utilizing our Indian resources and enhancing our domestic mining and manufacturing capabilities to offset import dependency.

Our three-pronged strategy for achieving this



Diversify

- Constantly diversify into mineral based retail arms

Drive

- Focus on enhance sales of bulk supply
- Enhance capacity of satallite plants

Innovate

- Innovate constantly to optimise our procress and develop our specialized product segment

NUMBERS THAT MAKE 20ML

Non-financial

34+
Over 34 years of enriching industry experience

LARGEST
India's largest producer of micronized industrial minerals

65+
20ML exports its product to more than 65 countries across 6 continents

6
Subsidiaries

5
Mines

700+
Active and motivated workforce

9
Manufacturing units

7
State-of-the-art warehouse located across India

2
State-of-the-art R&D

Financial

Turnover, FY21

₹437.95 CR

EBIDTA, FY21

₹56.07CR

Net Profit, FY21

₹22.45 CR

Cash generated from operations, FY21

₹62.25 CR

EBIDTA Margin, FY21

12.80%

Earnings Per Share, FY21

₹6.36

Market cap, FY21

₹124.21CR

Our Vision

1. Our brand promise and our deep enrooted commitment is to build a robust, sustainable and responsible business for the long run.
2. Through adaptive improvement, we will continue to be a leader in the Industrial Minerals & Functional Additives space. We will advance these businesses through continued innovation, hard work and responsible care initiatives and to be known as the employer, supplier, neighbour and investment of choice

Our Mission

1. To provide exceptional product quality which equally matches our excellence in problem solving capabilities and technical customer services with an extensive operational network.
2. With a focus on markets and in-depth understanding of client needs, 20 Microns constantly endeavors to develop newer ultrafine industrial minerals and functional additives for the global markets by providing and enriching careers and creating shareholder value because we care about our employees, our customers and our communities.
3. To deliver performance for our shareholders, remaining innovative for our customers, building lasting relationships for our employees, partners and communities and being persistent with precise and efficient manufacturing
4. To provide integral products to our valued clients while sustaining a stable and consistent reputation through innovative intelligence. We do this in a safe and healthy work environment for our employees and adhere to all local, national and international regulations.

WHO WE ARE

Knowing 20 Microns Limited

We produce materials essential to human progress - "Touching Everyday Life"

Incorporated by the visionary Mr. Chandresh S. Parikh, 20 Microns Limited is a globally renowned manufacturing company for ultrafine industrial minerals and specialty chemicals for vast end application industry. Globally recognised for its strengths in research and development, manufacturing and quick product commercialisation, 20ML is also niche player today in the production of micronization of minerals from regular size to sub microns to nano size.

With sustainability as an unwavering core value, 20 Microns Limited has pioneered itself in the field of white industrial minerals by sustainably engineering mineral products since 1987 to enhance its value chain from mining to Nano sizing thereby providing environment friendly solutions to various industries.

With a strong R&D base, supported by a product application centre, the company has consistently upgraded its offering portfolio to foray into diverse fields with customer-centric materials and solutions.

This approach of 'innovation as tradition' has led to the incorporation of a new segment in the year 2016-17 – **'functional additives'** – that could be used by industries to enhance the performance of their end products and meet the challenges of a dynamic market.

The largest producers of white minerals in India, the products manufactured by 20ML finds application as functional filler and extenders across a wide range of industries such as paints, plastic, rubber, textiles, cosmetics, ceramics, oil & gas and agrochemicals amongst others. Today, 20 Microns Limited is India's leading producer of micronized industrial minerals, functional specialities and performance additives.

From waterproofing solutions by 20MCC to Ayurvedic supplements by 20 Microns Herbal and recently introduced organic fertilizers, 20 Microns limited is one company with a presence across diverse sectors. Every day, all over the world, millions of people enjoy products containing 20ML's ingredients.

WE ARE DRIVEN BY

Our values and commitments

Our values

20 Microns is a company that is being driven by its core values such as modesty, courtesy, integrity, and perseverance. All these values epitomize the fundamental attitude of the people at 20 Microns. These values are the most apparent expression of the company's overall corporate image and working style. All our people are committed to performing their duties keeping in mind these intrinsic values. These values are the asset that helps us serve our customers with products of unmatched quality.

Our commitment

A commitment to world-class quality acts as an element that motivates us to pursue excellence in our work. Being transparent and consistent in the business process with our clients represents our efforts to achieve our commitment. We are being governed by an ethical business code, which does not deviate our interests towards holding any equity stakes in the customers' assets. Our customers hold unequivocal trust in the business operations of 20 Microns, especially while handling any classified and critical information. The virtuous reputation of 20 Microns in the business arena has played a crucial role in garnering this faith and confidence among customers. We also hold the distinction of being a reliable and credible business partner. We strive to maintain a healthy and professional relationship that assures mutually progressive growth and benefits.

WHERE WE OPERATE

Segments

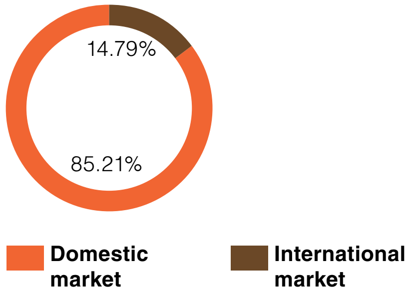
With a presence across the value chain from mining to micronizing to sub-microns to nano sizing, we focus on the manufacturing of innovative products in the field of functional fillers, extenders and specialty chemicals which finds application across a number of end user industries ranging from agrichemicals to herbal.

Markets

20ML's primary and core market is India, one of the fastest-growing economies of the world. With India being one of the fastest growing economies – backed by the nations rising and affluent middle class, it helps 20ML position itself for long-term growth through well-diversified product portfolio and strong partnerships.

We strengthened our market position by focusing on increasing our products and customized solutions portfolio, focusing on regular product innovation, enhancing our existing capabilities and indigenizing advance foreign technologies.

Further, the Company has constantly expanded its global presence through regular enhancements of our portfolio, processes and quality. The Company today exports to more than 65 countries and focuses on continuing to develop its strategic position in the key markets for which there is a strong pipeline of growth opportunities across its different product segments.



Share in total revenue*

*As of 31st March 2021.

HOW WE OPERATE

Manufacturing

20ML is one of the few manufacturers in India with a comprehensive in-house capability across the value chain (from mining, micronizing, sub-microns and nano sizing) across the key product segments of 20ML. The nine state-of-the-art manufacturing facilities of the Company are located at Gujarat, Rajasthan, Tamil Nadu & Uttarakhand.

All the manufacturing facilities of the Company are accredited with quality management system certificates for compliance with ISO 9001:2015, ISO 14001:2015 and ISO 14001:2018 among others. Also, the manufacturing facilities of the Company are strategically located close to the key customer points, enabling quick offtake of products.

Mining

The five captive mines of the Company are spread across the states of Gujarat, Rajasthan, Andhra Pradesh and Tamil Nadu with a total mining reserve of 148.47 lakh MT million tonnes.

Mining license has enabled the Company to successfully perform backward integration, thereby ensuring steady supply of raw materials for its manufacturing units at reasonable cost while creating critical entry barriers for new entrants. Best mining practices, high safety standards and trained workforce coupled with strong technological advancement, we have been able to sustainably increase our mining capabilities while being able to optimize cost successfully.

Backed by this strong mining and manufacturing capability, the Company has been successful in developing a wide range of products for different customers across different industry verticals. This provides the Company with the required flexibility to cater to changing demands in the market, thereby helping mitigate the risk of excessive dependence on any one industry.

Research and development (R&D)

R&D has been a critical enabler of growth for the Company and has also enabled it to emerge as a pioneer in terms of product innovation. The speed of technological development is so rapid and we as a company can never lose focus on our ambition to be at the technological forefront. To ensure our customers' future needs, we daily explore new technologies and innovate by regularly investing in our R&D capabilities.

To emerge as a leader in entrepreneurship and innovative thinking, we have set up two state-of-the-art R&D facilities at Waghodia (this facility comes under the subsidiary 20 Nano Microns Limited) and Vadadla, employing more than 50 personnel to undertake research, develop and experiment with new products. Further, the Company regularly collaborates with globally renowned leading overseas technology companies to keep appraised with the latest technology and innovations.

OUR DIVERSIFIED PRODUCT PORTFOLIO

With our deep market knowledge, insightful thinking and strong R&D capabilities, we have consistently launched new products that meet the varying needs of our customers and changes in the end-user industry.

Our product showcase:

Industrial Minerals

- Ground Calcium Carbonate
- Dolomite
- Hydrous Kaolin
- Calcined Kaolin
- Talc
- Natural Barytes
- Silica / Quartz
- Muscovite Mica
- Feldspar / Nepheline Syenite
- Diatomaceous & Siliceous Earth
- Bentonite & Attapulgite
- Natural Red Oxide
- Synthetic Red Oxide

Application industry

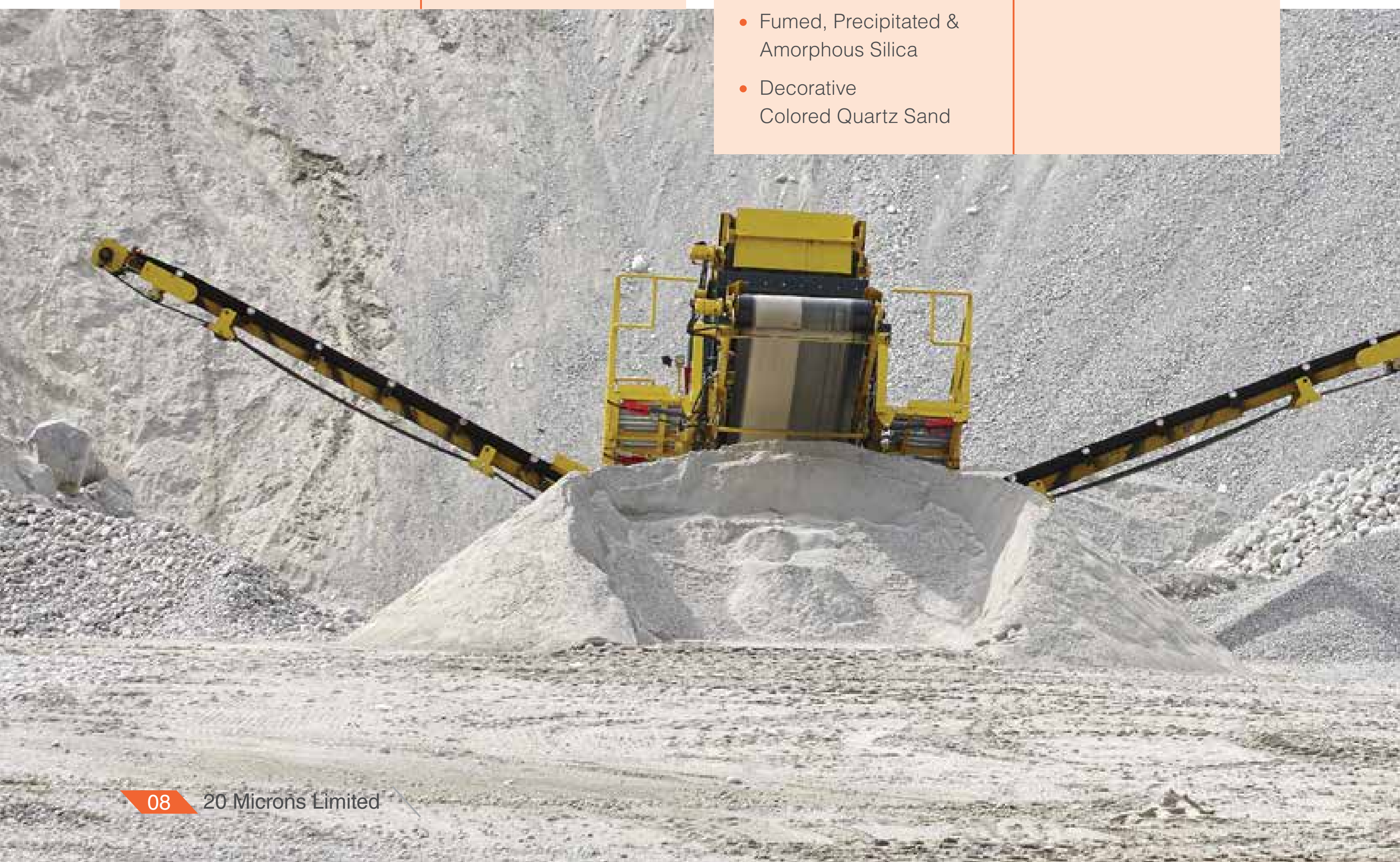
- Paints and Coatings
- Inks and Pigments
- Plastics and Polymer
- Paper
- Rubber
- Cosmetics
- Ceramics
- Adhesive and sealant
- Oil-well drilling
- Agrochemicals
- Foundry and more

Functional Additives and Specialities

- White / Buff & Colored Rutile TiO2
- White Pigment Opacifier
- Synthetic Barium Sulphate
- Micronized Wax
- Erueca Mide, Olea Mide & Processing Aid
- Antiblocking Additives
- Matting Agents
- Rheological Additives
- Inorganic Thickners
- Flame Retardants
- Calcium Oxide Desiccant
- Activators for Rubber
- High Aspect Ratio Talc
- Sub-Micron CaCO3
- Fumed, Precipitated & Amorphous Silica
- Decorative Colored Quartz Sand

Application industry

- Plastics and polymer
- Rubber
- Paints and coatings
- Inks and pigments
- Paper
- Cosmetics
- Foundry coating
- Adhesive and sealant



Key application industries


Plastics


PVC Pipes


Road painting


Paint industry

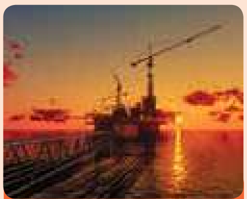

Ink & Pigments

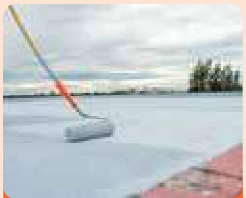

Industrial paint


Foundry


Cosmetics


Wire & cable

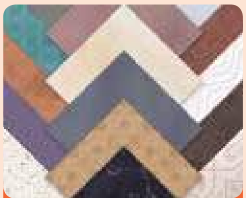

Oil & gas


Construction chemicals


Automotive components


Agro chemicals


Adhesive & Sealant

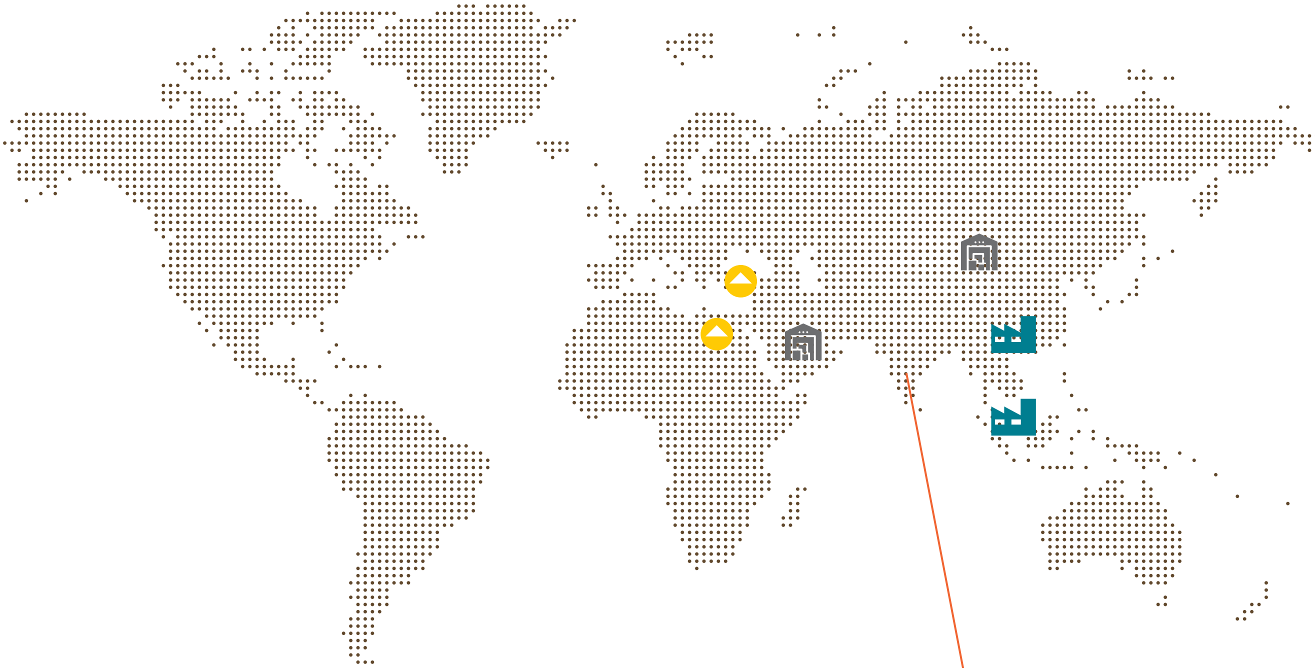

Ceramics

OUR CORPORATE STRUCTURE

20 Microns Limited

- 20 MCC Pvt. Ltd.
- 20 Microns FZE
- 20 Microns SDN. BHD.
  - 20 Microns Vietnam Limited
- 20 Microns Nano Minerals Limited
  - Silicate Minerals (I) Pvt. Ltd.

OUR GEOGRAPHICAL REACH



Headquartered in Vadodara, Gujarat, we operate through our corporate office, sales office, warehouses, manufacturing units and key sourcing points spread across India and strategic international locations. The strategic locations of our facilities enable us to remain well placed and prepared to unlock the untapped potential of the growing end-user markets across the globe.

Locations

- Head Quarter
- Corporate Office
- Manufacturing Units
- Office / Warehouse
- Sourcing Point

JOURNEY OF 20 MICRONS LIMITED

1987

20ML started its journey with the commencement of commercial production at its Waghodia facility

1990 – 1995

- Strengthened its market position with the implementation of quality management systems
- Boosted production capabilities by expanding production capacity
- Bolstered manufacturing capabilities with the commencement of second manufacturing unit at Vadadala

1996 – 2000

- Bolstered manufacturing with the commencement of new facility at Hosur (South India)
- Enhanced our portfolio by diversifying into manufacturing of Kaolin at Bhuj

2001 – 2005

Further enhanced manufacturing capabilities by setting up two new manufacturing facilities at Alwar and Tirunelveli

2006 – 2010

- Grew our international presence by establishing new territories and sales channels in some of the key markets such as the European, North American and Latin American continents
- Marked our international manufacturing presence by setting up an operation in Malaysia for Calcium Carbonate

2011 – 2015

To strengthen our presence across industries and to further strengthen our product portfolio, we established our state-of-the-art R&D Centre at Waghodia, Vadodara. Our R&D facility is being recognized and approved by DSIR, Government of India

2016 – 2020

- Enhanced portfolio by initiating the manufacture of functional additives
- Expanded Malaysia operations for Calcium Carbonate
- Boosted our manufacturing capabilities by forming a subsidiary 20Microns JSC in Vietnam focused towards the manufacturing of CaCO3
- Inked a deal with Dorfner GmBH Germany as the exclusive distributor of Hydrous Kaolin across Europe

2021

- Timely met the debt repayment obligations of our bankers despite a challenging business environment
- Enhanced our credit rating from BBB - to BBB
- Entered into JV agreement with Dorfner to further strengthen 20ML's international presence

20ML'S OPERATIONAL AND STRATEGIC HIGHLIGHTS FY21

Repaid a total of ₹23.03 crore towards its repayment obligation during the year as part of its debt restructuring strategy. Timely repayment of loans has resulted in enhancement of credit rating from BBB- to BBB by credit rating agency CRISIL.

Focused on the debottlenecking programme of the existing manufacturing units with the implementation of periodical maintenance of machineries and equipment's. Further focused on alignment of key business continuity strategies with the new strategic imperatives brought on by the pandemic.

Increased focus on supply chain to ensure timely delivery of products to customers. Focus on effective and efficient usage of fleets and trucks to ensure timely delivery. Efficiently planned delivery and procurement to ensure minimum impact of fluctuating logistics cost to the Company and its customers.

Successfully implemented different Covid-19 related protocols across 20ML's all manufacturing and mining units and offices, thereby ensuring the safety of our people. Ensured effective customer connect through regular virtual meets.

Undertook focused branding initiatives in customer centric markets. Organised regular dealer and distributor meets following the covid protocol to enhance product awareness of the newly launched products. Created a direct communication channel with clients and channel partners to ensure correct and timely dissemination of information regarding fleet availability and fluctuating logistical cost.

During the year 20 Microns Limited and Dorfner Holding GmbH & Co. KG, Germany, entered into a new Joint Venture company to be incorporated in India that will develop, market, sell and distribute Colored Quartz related products in India and other high-growth emerging markets in Asia & Africa. Thus, using the strengths of both the companies we intend to deliver operational and distribution excellence and value to our stakeholders.

We actively emphasised on innovation on raw material sourcing, product formulation and manufacturing processes during the year. This is to ensure that our production is not stalled nor do the rising raw material prices and logistical cost impact our profitability. Created an internal task force comprising of purchase and operations personnel to understand raw material criticality across the supply chain, anticipate the probable logistical risks, develop alternate raw materials sources, critically analyse the inventory levels and efficient inventory allocation from the warehouses. Finding alternate suppliers and raw materials to make the products have ensured we remained cost efficient without compromising on the quality of products.

OUR RICH CLIENTELE

& more

OUR STRATEGY

For sustainable growth

At 20 Microns Limited, since inception, our objective has been to build a growing, sustainable and cash-generative business which consistently provides returns on capital employed significantly ahead of our cost of capital. We achieve this objective by focusing on growth in our chosen markets and developing our businesses through the six priorities of our strategic framework.

Priority I

Market leading positions

How we have worked towards it?

20ML aims to be one of the leading Indian player in each of its chosen business segment. We intend to achieve this through a consistent focus on increasing our market share organically, by enhancing our penetration in the value-added segment and by emerging as a research driven business entity. These priorities both encourages growth in our existing markets and helps us rapidly build our position in the relatively unexplored business horizons and markets. Developing scale in our selected new markets is likely to create efficiencies and helps us create an encompassing portfolio thereby emerging as a one stop shop for our customers. It also allows us to grow sustainably and maintain or improve returns.

With the focus on enhancing our presence in the value-added segment, we entered new business segments such as agriculture, herbal products and construction chemicals amongst others.

Priorities for FY22

We will continue to pursue growth strategies in the value-added segment through new product development and by creating a strong brand acceptance that create leadership positions in the markets where we operate.

Priority II

Operational excellence

How we have worked towards it?

Operational focus and continuous operational improvement are integral to how we create value for our different stakeholders. We continuously benchmark our operating processes, machineries and technologies with internationally accepted standards to ensure that we both maintain and improve efficiency levels, allowing us to gain competitive advantage and deliver superior returns on capital in the short, medium and longer term.

Priorities for FY22

We would continue to focus on building efficient operations across our manufacturing and mining unit's while maintaining the flexibility and resilience that was demonstrated this year. Digital technologies are expected to play a key role in this. We would continue to focus on automation and digitalization across our manufacturing and mining processes along with other operating processes, and build our growth strategies around the same.

In addition, we would intend to build our digital capabilities around customer service improvements and new revenue-generating opportunities.

Priority III

Research and innovation

How we have worked towards it?

Fostering and supporting a culture of research and innovation is fundamental to winning in our chosen markets and in a rapidly changing and digitally enabled environment. We continuously challenge the business status quo and try to be innovative in continuously evolving our offering to existing and new customers, enhancing the value of our partnerships with key suppliers and advancing the efficiency, responsiveness and excellence of our operations. From one single product we have evolved to mark our presence in six different segments in the specialty mineral products and industrial minerals business. Our evolving new product pipeline provides us a more comprehensive and differentiated solutions offering for our customers, and is essential for strengthening our positions in core product lines and supporting our growth into new markets and geographies. Our focus on R&D empowers us with the ability to collaborate, customise, and control costs.

Priorities for FY22

We will continue to cultivate a culture of innovation and support initiatives for improvement. 20ML is focused on enhancing its presence in the value-added segment by working closely with our customers and understanding their changing needs. We intend to collaborate with international partners to scale up the proportion of our innovatively engineered products across our different end users' industries.

Priority IV

Extend our geographic footprint

How we have worked towards it?

We regularly monitor global trends in the sectors in which we operate and look to further develop our businesses into new geographic markets. As we enter new geographies in any sector, we leverage our existing capability and portfolio to benefit from local insight and relationships to create further development opportunities. We grew our international presence to 65 countries in FY21.

Priorities for FY22

Periodical enhancement of our portfolio across the different product segments is expected to provide new opportunities for organic growth for the Company. We also intend to collaborate and partner with other renowned international player in the industrial material and specialty chemical segment in the key growth markets to strengthen our international presence. The Company remains disciplined and intends to push for market demand-based offerings portfolio to emerge relevant in the new geographies.

Priority V

Financial discipline

How we have worked towards it?

While pursuing our strategic objectives, we have focused to maintain a relatively low levels of financial risk. This we have ensured by funding our growth initiatives majorly through internal accruals and by regularly paying off our external debts. We believe that this not only provides the greatest likelihood of generating value for shareholders in the long term, but also leaves the Company best placed to react quickly to new commercial opportunities as they arise.

Priorities for FY22

The maintenance of a strong balance sheet remains an integral part of the Company's strategy. It supports our partnerships with customers and suppliers while fueling our research focused product development strategy. The increasing scale coupled with product and geographic diversity of the Company will enable us to diversify our sources of funding over time.

Priority VI

Development of our people

How we have worked towards it?

Developing and investing in our employees has long been fundamental to 20ML's success. We believe our people are a key differentiator for the Company and its subsidiaries. The devolved nature of our management structure requires unique leadership capabilities and skills. We commit significant resources to ensure we attract, develop and retain our people, ensuring we leverage the strength of our diverse talent pool and experienced management team to deliver on the Company's growth strategy.

Priorities for FY22

Our people are the key driving force behind our businesses. In the light of the recent pandemic, we have realized all the more the importance of our people. As an evolving business entity, we would continue to focus building on our knowledge pool by supporting our people in every possible way, from their safety and well-being to introducing right training and skill development programs that empower them in their holistic development. These initiatives is expected to support our overall talent development approach and position us to deliver on our strategy.

OUR RESPONSE TO COVID-19 CRISIS

The impact of Covid-19 has been felt in every region and across every market we operate in, and as a result the domestic and international markets has been volatile and the outlook continues to be uncertain.

Despite the challenges, our management and our people have come together as one team to ensure that our mines and manufacturing up and running post the lockdown, our business processes functioning to its full capacity and supply chains operating were optimized to ensure regular supply of raw materials and timely delivery.

Supporting our front-line employees

- Masks and other safety equipment's provided to all employees, contractors and visitors across all our facilities
- Temperature screenings in place at all facilities
- Enhanced hand washing protocol & hand sanitizer made readily available
- Physical barriers and social distancing protocols in place
- Training protocols implemented to ensure employee and food safety. Enhanced sanitation protocols and COVID supply process established.

Supporting our office employees

- Established work from home guidance for all office employees; controlled access to offices and operated with limited people
- IT resources made 24x7 available to support uninterrupted work from home
- Suspended non-essential business travel
- Established strategic business continuity plan. Established regular supplier and customer connect through different digital channels
- Established staged return to office task force to ensure employee safety

Supporting our customers

- Formed dedicated supply chain management team to ensure efficient raw material sourcing and timely delivery across geographies
- Streamlined production schedules and meticulously planned delivery to meet the timelines
- Focused on strengthening customer partnership and collaboration to meet heightened customer need
- Proactive, transparent and clear communication with our dealers and distributors
- Dedicated marketing strategy and focused communications channel to connect with our customers

Supporting our communities

- Undertook different children education program across different states of India in association with different educational institutions
- Distribution of computers, books, study materials and stationeries to children/schools
- Conducted basic Covid-19 awareness program

CHAIRMAN'S MESSAGE

We made good progress during the year on our different business strengthening initiatives such as focusing on sourcing locally and enhancing our domestic manufacturing capabilities to keep the Company aligned with the government's vision of an "Aatmanirbhar Bharat".

Dear Shareholders,

As I write this statement, I find myself vindicated of the trust and confidence I had put in my colleagues over the years, but specially over the past year when we were put to yet another test of resilience as the raging pandemic continued to wreak havoc in people's lives and countries' economies. I was confident we would manage to stay on top of the crisis, and the confidence was fully vindicated as our colleagues across our facilities came together in the most inspiring ways to ensure that we continue to serve our customers and grow our business. The covid crisis sensitized us to the fragility of human life and health.

As companies collapsed, economies crashed, and lives perished, I would not be too pompous to claim that 20 Microns was not walking on the edge. But we cognized this reality and re-invented our approaches in keeping with the limitations Covid has imposed on us so that moderation, if not excellence per se, can help us stay relevant in the market.

Ensuring business continuity

We entered FY21 under severe uncertainty when progress came to a grinding halt due to the pandemic and the nation-wide lockdown. This impacted us also, wherein all our business units from corporate offices to manufacturing units to mining facilities remained closed for nearly 21 days. Further, social distancing norms and other covid protocols meant that we operated with limited workforce. Further, strict movement restations meant there was limited availability of transport across different mediums. This led to higher transit time along with rising transportation cost.

There is no denying the fact that while COVID-19 has challenged every individual and business entity alike, we overcame this challenge by sticking together and by being proactive in our approach. Even before the pandemic had hit our nation, we tried to anticipate the same by observing how it impacted China and took necessary measures to safe guard ourselves to the maximum extent. The top management took keen interest in ensuring that we had the requisite raw material reserve, also we meticulously planned on our client deliverables to ensure that we are not severely impacted by the pandemic or lockdown. Our vendor management

Even before the pandemic had hit our nation, we tried to anticipate the same by observing how it impacted China and took necessary measures to safe guard ourselves to the maximum extent.

and procurement team played a key role during this time, as it ensured our manufacturing units had regular supply of other key raw materials. With majority of our workforce stationed near to our manufacturing and mining hubs, it played well in our favor and we never faced any shortage of people. Keeping in mind the current situation, we strategically choose our raw material suppliers and more focused on sourcing domestically, to ensure that we are not severely impacted by the rising transportation cost and we don't loose our competitiveness in the market.

Macro-economic scenario

FY21 has been a year of unprecedented challenges and uncertainties. The COVID-19 pandemic disrupted the way of life, businesses, and the overall economic scenario not only in India but across the globe. The Indian GDP witnessed a contraction of ~ 24.4% in the first quarter of FY21. However, post the second quarter of FY21, there has been a steady recovery with the economy returning to growth in the third and fourth quarter and a sharp rebound in all end markets. For the complete FY21, the Indian economy contracted by ~7.3%. Though renewed outbreaks are posing fresh challenges, especially in India where the second wave has been devastating, the outlook for the global economy remains positive after a year of negative performance. However, the aggressive roll-out of vaccines and the renewed focus of the government on vaccination provides hope in this global battle against the pandemic.

Further, our business growth is directly dependent on some of the key sub sectors of the Indian economy such as paint and coating, printing, real estate, agriculture and automobile industry. The pandemic negatively impacted most of these industries, which in turn reflected in our performance. But with the opening up of the economy post the lockdown, most of these industries started getting back on the growth track. The automobile industry witnessed a catastrophic effect in FY21 as sales volumes were pushed back by multiple years. However, it is noteworthy that by the end of the year, the automobiles industry made a strong comeback as wholesale as well as retail volumes started gaining momentum, owing to the pent-up demand, festive and wedding season. Agriculture emerged as the only sector which is expected to have clock a positive growth in FY21. Gross Value Added (GVA) for agriculture and allied activities recorded a 3.4% growth at constant prices in FY21, lower than previous year but the best growth among all other sectors battered in the Covid-19 pandemic. The Indian real estate industry witnessed a complete white wash in the first two quarters of FY21, but the industry witnessed a flurry of activities in the post pandemic period. Stamp duty cuts announced by some state governments, unmet demand and moderation in interest rates of housing loans provided the required boost to the industry to get back on the growth track.

Going beyond numbers

As I mentioned earlier, I would not be too boastful about our company's accomplishments in a year like this. At the same time, I would not also glorify this crisis because we at 20 Microns never ceased working towards our long-term, mid-term, and short-term goals, and produced competitive results. With the adjustments and enhancements that we made to our operating model; we were able to deliver a very commendable business growth during the year. Through the extraordinary efforts of our entire team, the Company has been able to showcase robust and resilient performance to overcome seemingly unsurmountable vagaries and stay on the charted course.

During the year, we made good progress on our key strategic initiatives and achieved another year of strong business performance. Yes, indeed, the financial numbers may not be in sync, but I believe that this year and for the next few one needs

CHAIRMAN'S MESSAGE CONTD.

to look beyond the financial numbers. We made good progress during the year on our different business strengthening initiatives such as focusing on sourcing locally and enhancing our domestic manufacturing capabilities to keep the Company aligned with the government's vision of an Aatmanirbhar Bharat. As a result, we delivered or exceeded most of our stakeholder objectives. Also, we continued to focus on the delivery of the strategy, in particular through reviews of progress on key strategic priorities such as operational excellence, growing our international businesses in focused markets, growing the proportion of value-added products withing our existing portfolio and expanding our offering in India, using technology to innovate our offerings and focusing on value creation with clear actions to protect margins, generate cash and deliver on our targets.

We witnessed the export market getting cold in the initial months of the year and accordingly we recalibrated our manufacturing capabilities with a focus to control the factors which are under our control. Backed by an able team, we focused on modifying our product mix, improve our storytelling and make our customer interface more compelling that led to such strong growth in the last two quarters. We also emphasized on enhancing our branding and marketing initiatives during the year to expand our customer base in the existing markets and in new geographies. In FY20, we introduced many new products in the construction and chemicals segment and also in the fertilizers segment. But in FY21 we focused on enhancing their market presence in India and also in our international markets. We enhanced our farmer interaction during the year, to enhance the offtake of our mineral based organic fertilizer products. The other key initiatives that we undertook during the year was a few automation initiatives such as partial automation of packaging at Bhuj plant and increased storage facility of raw materials and finished products. Through we not only intend to reduce our dependency on human labour but it also helps us to reduce cost. We also undertook initiatives targeting the expansion of capacity at our Alwar

Backed by an able team, we focused on modifying our product mix, improve our storytelling and make our customer interface more compelling that led to such strong growth in the last two quarters.

plant. These efforts should translate into increasing the share of value-added products in our revenue basket.

Despite all these challenges, we recorded another year of positive topline and bottom-line growth, thanks to the strong recovery of housing, automobile, paint and agricultural industry in the last two quarters of FY21. Touching on our financial performance, in FY21 our revenue stood at ₹437.95 crore while PAT stood at ₹22.45 crore. Total cash generated from operations in FY21 stood at ₹62.25 crore.

With better operational performance, we were also able to strengthen our balance sheet, by reducing debt by more than ₹23 crore during the year and enhanced our debt equity ratio to 0.44 compared 0.64 in the previous year. This validates our commitment towards maintaining a strong balance sheet and creating long-term value for our stakeholders.

Employee well-being

As employees stood by our side boosting our confidence, we too ensured to retain majority of them to the best of our abilities. This not just means retaining the jobs, but also ensuring they do so without compromising on the loyalty and trust they have towards us. It was the spirit of our people and their willingness to rise to any challenge that was thrown their way, I believe, was central to the commendable performance of the company in this most unpredictable year. I would like to take this opportunity to thank each and every member of the 20ML family to help the Company overcome such difficult times and function as one cohesive family.

A big thanks to the employees of 20ML also for helping us sail through the difficult times. On one hand, the management ensured the safety of our entire workforce by strictly following the covid protocols for those who had come to office or manufacturing and mining units. They also ensured a smooth transition of the employees in the work from home environment while focusing on business continuity and communicating effectively with customers and addressing priority deliveries. During the year, we haven't been able to compensate our employees aptly. Keeping this in mind, in the current financial year, we have already implemented a new incentive policy as a mark of our gratitude.

Road ahead

Our core minerals and specialty chemicals business continue to be and will remain integral to 20 Microns Limited in the future, but our emerging value-added segment offers significant opportunities to deliver

future end market requirements in specific applications, in the niche segments, but where there is an opportunity to solve a problem for our customers and our markets. Moving forward, our focus would be centered around creating the market for our value-added products, this will help us access new revenue and margin streams and differentiate against our competitors.

Given the uncertainty faced by businesses across India and in the international markets, going forward, our primary focus would be to enhance our relevance to our customers across different industry and work on those factors which are under our control. For this, we would continue to innovate with our product offerings, build on our R&D capabilities, strengthen our technology quotient, accelerate growth and prepare ourselves to capitalize on the first green shoots of recovery. As we continue to work on these strategies, our aim of crossing the 1,000-crore revenue mark over the next five years still remains intact.

FY21 was dominated by the impact of the global pandemic as we worked closely with our customers, suppliers and people to overcome the unprecedented challenges that arose. Nonetheless, the way we have showcased resilience so far underscores the strong fundamentals of our business. We are making continual progress in fine-tuning our new ways of operating, within the new constraints of social distancing and protection of our people, to drive improving profitability. With the measures undertaken to strengthen our capabilities and accelerate growth, and the innovation and dedication of our people are likely to enable us to approach the year ahead with confidence and help set us sail for new horizons.

> **Moving forward, our focus would be centered around creating the market for our value-added products such as organic fertilizers and herbal solutions segment, this will help us access new revenue and margin streams and differentiate against our competitors.**

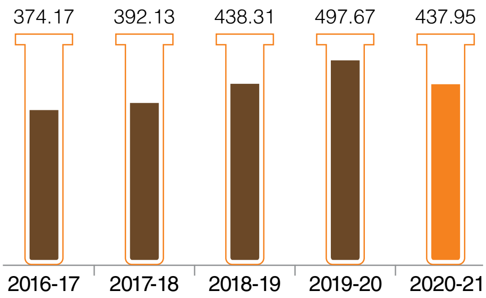
Rajesh C. Parikh

Chairman and Managing Director

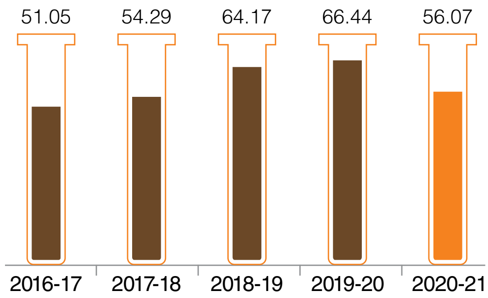
KEY PERFORMANCE INDICATORS

As we set sail for new horizons, our commitment to our stakeholders remains firm. We have consistently created value for our stakeholders while growing our business, even when the odds were against us. Result, reported excellent KPIs, year-on-year (y-o-y).

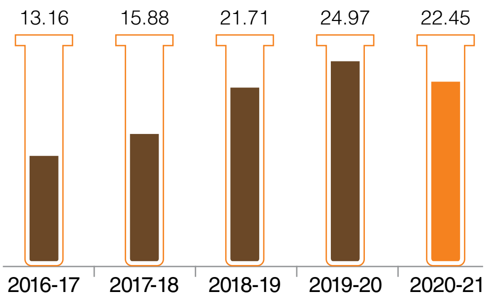
Total revenue (₹in crore)



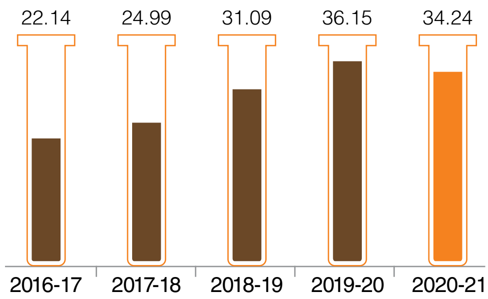
EBIDTA (₹in crore)



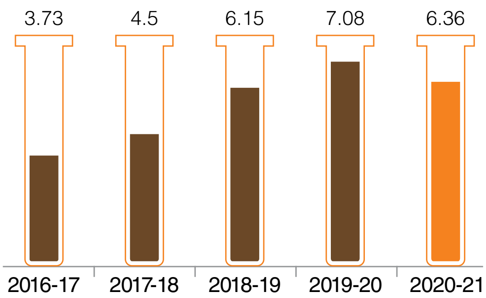
PAT (₹in crore)



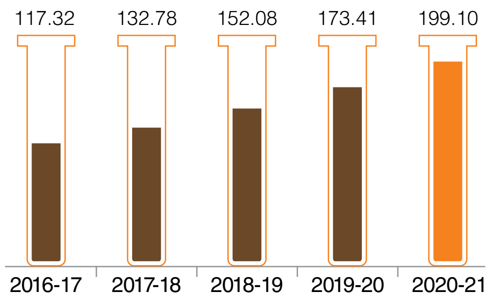
Cash profit (₹in crore)



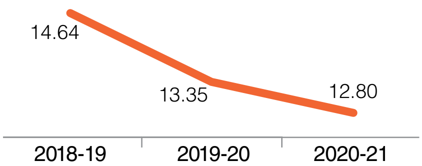
EPS (₹)



Net worth (₹in crore)



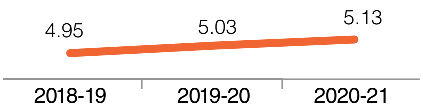
EBIDTA margin (in %)



Definition

Earnings before interest, tax, depreciation and amortization (EBITDA) is a is a profitability ratio that measures how much in earnings the company is being able to generate before interest, taxes, depreciation, and amortization, as a percentage of revenue. This measure is calculated by adjusting operating profit for special items and adding depreciation and amortization and dividing it by revenue from operations.

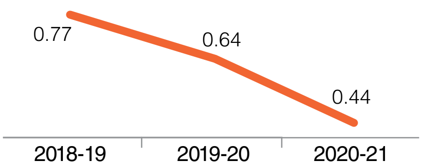
Net profit (PAT) margin (in %)



Definition

This is a measure of the profitability of a company. It is calculated as a ratio of net profit (before exceptional items) to total income.

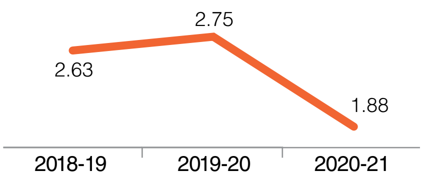
Debt equity ratio



Definition

The debt-to-equity (D/E) ratio compares the company's total liabilities to its shareholder equity and can be used to evaluate how much leverage a company is using. It is also being used to gauge the degree to which a company is financing its operations through debt versus wholly owned funds.

Interest coverage ratio



Definition

The ratio is a representation of the ability of the Company to service its debt. It is computed as a ratio of EBIT divided by finance costs.

OUR BUSINESS MODEL

Our resilient and integrated business model was tested and proven during the Covid-19 pandemic. Our wide spread product portfolio together with our strong operating culture has helped us drive competitive advantages in our markets and supports our vision to become the most respected specialty mineral and industrial minerals Company.

OUR RESOURCES

Financial capital

Over the years we consistently invested capital across our different business segments such as procurement, mining technologies, manufacturing facilities, R&D and supply chain to stay ahead of the curve.

Intellectual capital

Developing innovative and next-generation products across our different product segments has helped us remain competitive and grow year after year. We invested 4.70 crore towards R&D over the last five years to build competitive advantage and enhance future prospects.

Manufacturing capital

Manufacturing capital has played a crucial role in our success. It has helped us grow our product base sustainably and sustain additional value for our stakeholders. Our manufacturing capital is defined by its focus on optimizing our productivity. We have periodically strengthened our manufacturing capabilities from capacity, flexibility, scalability, safety, cost efficiency and sustainability aspects.

Human capital

We believe that our people help the company to deliver innovative products and solutions. We regularly invest in the development and safety of our people to solve the evolving challenges of our clients.

OUR RELATIONSHIPS

People

We are a multilocational, multiproduct and a research driven company. Together with our 700+ people, we work passionately with a growth-oriented approach and agile mindset to work towards our mission. Our dedicated people have helped us deliver the right products, safely and on time, to our customers every day.

Customers

We cater to a broad spectrum of corporate customers across a wide range of industries. We are a trusted partner for their requirement of industrial minerals and specialty chemicals to over 650+ customers across the globe

VALUES CREATED BY OUR BUSINESS MODEL

Customers

We developed innovative and differentiated products across our product categories for our customers, that anticipates future market demand and meets high quality requirements.

Shareholders

We have consistently rewarded our share holders by paying dividend regularly.

HOW WE INTEND TO SUSTAIN OUR BUSINESS MODEL

Our strategic enablers ensure we continually do things better for our customers and help us deliver our strategy.

Develop knowledge base for tomorrow

Our business model is robust and sustainable because our knowledge base is constantly refreshed as we focus on continuous learning from our experiences, understand emerging customer requirements and invest in future technologies.

Build on our capabilities

To grow 20ML's business, we intend to further diversify our products portfolio through dedicated R&D. This enables us to both sustain existing capabilities and create new ones to ensure we are prepared to tap on the new opportunities. We focused on leveraging our operational excellence tools along with our R&D capabilities to develop higher-value products on a more accelerated timeline.

Invest in our facilities

Enhanced and modernized manufacturing facilities would enable us to cater to the growing demand from our customers, save on cost, build on our portfolio, enhance quality and achieve diversification with the existing facilities. We periodically invest in our facilities to ensure we meet the changing preferences of our customers.

Building on our R&D capabilities

By investing in and developing our R&D capabilities we have extended our presence from the industrial minerals to specialty chemical segment. We have been successful in developing pioneering products in collaboration with our customers. We would continue to invest in market-leading differentiated technologies and robust R&D capabilities to build product quality and utility, thereby our products would be hard to replace or replicate with high entry barriers.

Invest in our people

As an organisation, we believe that our reputation and our achievements are centred on our people. Our future success is primarily dependent on our ability to recruit, develop, engage and retain exceptional employees. We periodically invest in our people to support their career development, wellbeing and engagement and would continue to do so.

Employees

We employed more that 700 employees across our different facilities and have facilitated them in different ways to grow.

Society

We intend to help people in the societies where we operate through various community development initiatives. Invested ₹0.80 crore in different CSR initiatives during the year.

OUR BUSINESS ENABLERS

Business Enabler I

Research and Development (R&D)

A focused research and development on product innovation (both on the existing product line and on new product development) have acted as a distinctive way to bring value to our customers, to our business and has helped us explore new avenues for sustainable revenue growth.

Recognized by the Department of Scientific and Industrial Research (DSIR) – Ministry of Science & Technology, Govt. of India, our research and development initiatives are focused towards empowering our end-user industries to find the right solutions for their requirements of tomorrow and the challenges faced today. Our state-of-the-art R&D centres are equipped with high end technical equipment's that focuses on new product development for the paint, plastic, rubber, paper, inks and agricultural industry among others.

At 20ML, we strongly believe that a strong R&D capability can help us be resilient during the tough times while allowing us with opportunity to tap new opportunities for sustaining growth. The other major focus areas for our R&D revolves around creating a sustainable future for the Company through cost effective production solution and development of value-added minerals/ products. Our R&D strategy will continue to focus on increasing efficiency, enhancing quality and strengthening business presence in key strategic growth markets.

We would continue to invest in further bolstering our R&D capabilities with a view to create a deeper understanding of our customer needs and expectations, while offering new value-added products to enhance the value proposition.

7

New product grades developed

	Product Grade
1	Hypertherm
2	Optiluster
3	Optitone
4	Delam Clay
5	Rbr Clay
6	Hyper 30
7	Hyseal 56 / 216

20+

Scientists in research and technology

Our product evolution process

Product development and rollout journey:
Average time taken 1 to 1.5 years

Research & application + Product development + Market development = Product rollout

Business Enabler II

Quality

The quality of our products has helped us sustain our competitive edge and distinguish us in a competitive domestic and international markets. A vertically-integrated business, own manufacturing facilities and own mineral source – captive mining, has enabled us to source high quality raw material and produce high quality products at a competitive price, thus offering us the ability to cater a wide range of clients – from the generic to the niche one.

We adhere to the most stringent global quality and safety standards. We sought the help of expert professionals to guide us through compliances, the testing of raw material and products, and other related compliances. We have developed in-house laboratories for testing the quality of raw materials i.e. minerals that help us ensure quality. Our state-of-the-art lab has been equipped with sophisticated instruments, enabling us to meet the stringent quality requirement of our customers. Quality certifications such as ISO 9001:2015 and ISO 14001:2015 define the quality consciousness of the Company.

In its quest for quality and excellence, during the year, we constituted a new initiative 'IMPACT' through QC process, wherein a thorough review of the raw material and newly developed products are undertaken to adhere the quality as well as our internal benchmark.

Business Enabler III

Marketing

As part of its overall growth strategy, 20ML has sought to expand its market reach through effective marketing and branding initiatives. Being a pandemic year, many regular mediums for marketing our products wasn't available to us. To mitigate this, we focused on targeted marketing during the year. It ensured that our customers are aware of our unique value proposition across our portfolio and can make the most of it.

Further we channelised our effort s to enhance our digital presence and increase our brand salience in the minds of our consumers via different digital platforms. We regularly conducted online customer and influencer meets to enhance the offtake our products.

Our mining capabilities

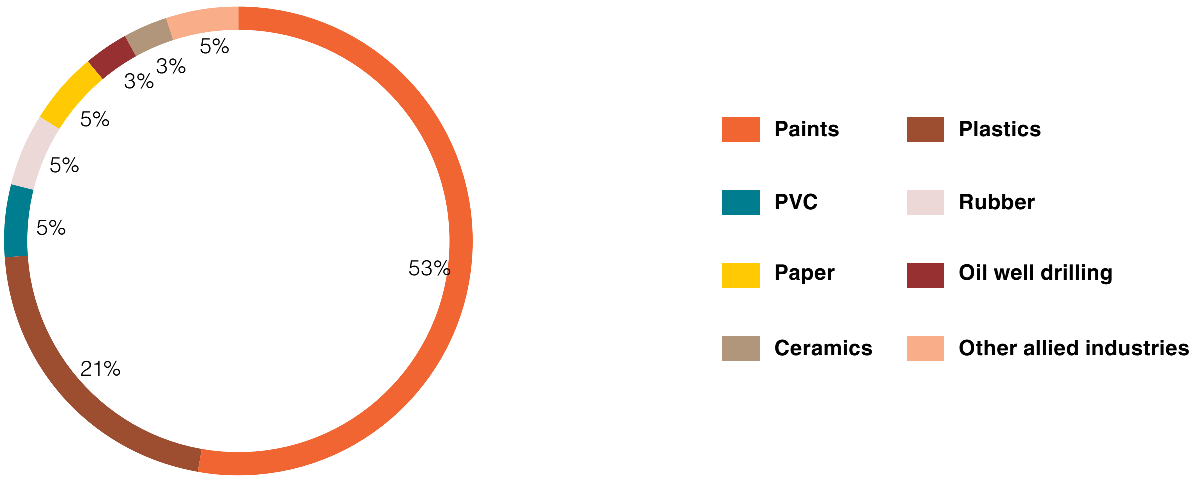
With sustainable mining operations at the core of our business, we remained resolutely focused on making our mines more efficient, safe and productive.

Across our five-mining reserve we have a total capacity of 148.17 lakh metric tons. Based on our present requirement the mines are expected to support us more than 25 years at current capacity subjected to change in government regulations.

BUSINESS SEGMENT REVIEW

Key constituents (application industry) of 20ML's revenue mix

Industry-wise Sales contribution (%)



Segment I

Paints and Coatings

Core products

Engineered Kaolin | Calcium Carbonate | Opacifiers | Matting Agent | Inorganic Rheological Modifiers | Coloured Quartz | Wax & Wax Emulsion | Mica | Talc | Silica | Barytes

Industries served

Paint | Ink | Pigments

Segmental growth drivers

- Rising population leading to growing demand for houses and home beautification. More house means higher requirement of paints
- Rising affordability has led to the steady growth of the Indian automobile industry and Indian real estate industry over the last decade

Segment II

Polymers | Paper & Rubber

Core products

Uncoated Calcium Carbonate, Coated Calcium Carbonate, Talc, Mica, Engineered Kaolin, Micronized Waxes, Opacifiers, Calcium Oxides, Barium Sulfates, Fumed Silica, Feldspar, Diatomaceous Earth, ATH

Industries Served

Polymers | Rubber | Cosmetics | Paper

Segmental growth drivers

- Growing focus on using biodegradable plastics
- With the opening up of the economy after the pandemic, the Indian automobile industry witnessed strong growth in demand in the 2nd half of FY21. Resulting in the Indian rubber chemical industry witnessing a steady growth in demand in FY21
- The Indian cosmetics industry witnessed a subdued demand in the first half of FY21 owing to nationwide lockdown and movement restrictions. But post unlocking of the economy, the Indian cosmetics and grooming industry witnessed a steady growth in the demand and is expected to touch $35 billion by 2035. The growth is expected to be aided by rising affordability, huge youth and working-class population and growing penetration of the ecommerce industry
- India's rising literacy rate and growing focus on sustainable packaging is like to drive growth of the Indian paper industry

Segment III

Allied Division

The third largest division amongst 20ML's revenue mix, the division caters to different industries such as Ceramic, Adhesive and Sealants, Construction Chemicals, Agro Chemicals, Hydrocarbon, Foundry and other verticals.

The key strategy of the division is to continuously offer new products to make our customer's products more competitive in terms of quality and also to offer competitive products against global mineral players.

Key industry updates FY21

India is the second largest producer of Ceramic products following China. Due to the recent geopolitical scenario, the industry witnessed quick upturn despite the pandemic. Hence, the demand for Indian ceramic products has increased drastically which has resulted in generating higher revenue for us during the year.

Going forward, we are focused upon manufacturing new and innovative products for Ceramics and Refractory industry at our dedicated ceramics application center. Commercial trials for the multi-functional mineral products for selective ceramics sub-applications have been completed and we have also launched a new range of products in the market for which have received positive feedback from our customers. Having established dedicated blending platforms of scalable volume for the various grades, we

are looking forward to higher sales volume in the foreseeable future in this segment.

India is a bright spot in the rising crop protection industry. Despite the pandemic, in FY21, we have maintained sales in line with the expectations. Further, we are very optimistic for future sales growth in this segment.

Indian agriculture industry has been on a growth trajectory and investments in the agrochemicals sector for developing new molecules has grown here as more Indian companies have increased their expenditures in research and innovation.

Today, India is the fourth largest producer of agro chemicals in the world and backed by favourable government policies the industry is expected witness strong growth in the years ahead.

Crop protection chemicals are highly quality-sensitive materials and on its usage depends the quality of the agricultural product.

Being an established quality and organic agro-chemicals producer, since over three decades, we have emerged as the first choice of our farmers when it comes to agro chemicals in the region of our presence. Hence, we expect a good market opportunity for our products in coming years.

In other industry segments, like Adhesive and Sealant, Construction Chemicals, Hydrocarbon, Detergent and Foundry among others, we have been working to enhance the product portfolios to enhance our offerings and services and to add more value-added products. Value-added products are likely to help 20ML to increase our global market share through deeper penetration and to strengthen the presence in existing markets.

Road ahead

As far as Allied division is concerned, it is our goal to grow our geographical footprint in international market for additional industries by exploring newer segments over the next few years. We started exploring global market with a proper strategy to identify the potential market for selective industries like Agro Chemicals, Ceramics, Construction and Hydrocarbon industries etc. for which some of our products are economically viable when it is catered from India. Domestically, eastern market is the focus area for the coming years for which initial exploration is underway. Detergent, Foundry and Cattle feed and other application is the focus for exploring in the next few years especially for the south and south west area. Further, we intend explore our opportunities in the commodity segment more aggressively in the coming years.

Our export scenario

During the year, the Company was able to match the same turnover despite the pandemic compared to its previous year. This turnover has been achieved inspite of severe constraints like rising logistics cost, limited availability of containers and restrictions across different ports, which lasted for nearly the first 6 months of the year, the consequent disruption in the export business, etc., and then the impact of COVID-19.

The Company however, strives hard to maintain and retain the confidence of the key customers and continues to supply speciality chemicals and key micronized products to its international clients. The Company continues to concentrate on product innovation, R&D and sustainability along with the introduction some high value products in key markets. The COVID-19 has impacted international markets also and full effect is yet to be seen in the months to come. The Company however is confident of facing these adversities also as it has done in the past.

Segment IV
Construction chemicals

Core products

Tigersil | Koolsil | Gypsum | Colour Floor Silica

Key application areas

Real estate | Housing industry

Segmental growth drivers

- Indian real estate industry is on a rise thanks rising number of nuclear families and rising working population
- The government announced different key initiatives and schemes which have helped in the steady growth of home ownership in India and is likely to continue providing the required impetus for growth for the nation's affordable housing segment. 'Housing for All', 'Smart cities', 'PMAY Credit-Linked Subsidy Scheme (CLSS)' and income tax benefits are some of the major schemes introduced by the government in the recent years.
- Further impetus to the industry was provided by the decisive and positive policy measures adopted by the government. Record low home loan interest rates, coupled with income tax incentives and concessional stamp duty rates, led to the rise in the demand for affordable housing and especially for first-time homeowners.

Segment V

Herbal Supplements

Core products

Karela Extract | Garlic Extract | Ashwagandha Extract | Shilajit Extract | Curcumin Extract | Pomegranate Peel Extract | Ginger Extract | Pain Kranti | Koff Kranti | Cough Syrup | Micronflax natural omega fatty acid supplement Dia-B-Micron Forte | Arthritol | Menstrostab Syrup | Herbcos tablets | Klean Kranti sanitizer

Key application industry

Healthcare

The Company markets its herbal product range under the brand 20 Microns Herbals with an aim to offer the best quality herbal supplements in India that provides innumerable benefits and cures the regular health-related problems of the people, especially during the pandemic by launching various immunity boosters and sanitizer products.

Segmental growth drivers

- Indian ayurvedic and herbal products market is increasing gaining popularity owing to the growing preference for natural and organic medicines and their benefits among the consumers
- Factors such as rising health concerns and awareness on the side-effects of western medicines is further driving the consumer preference for herbal medicines
- In India, about 80% of the rural population uses medicinal herbs or indigenous systems of medicine. It is estimated that nearly 960 plant species are used by the Indian herbal industry, and the turnover of the industry is more than ₹80 billion.

Segment VI

Agriculture and organic farming

Core products

Minfert - BLK, GBR, Geocare, Humicrons

Key application areas

Agriculture

Segmental growth drivers

- India is the second-largest populated country accounting for 18% of the total world population. With an increase in the population, the need for various agricultural products has increased significantly but our arable land has remained stagnant.
- This rise in population has prompted the farmers to adopt enhanced technologies and methods in dairy, fisheries and livestock in order to meet the diversified food needs of the people.
- Additionally, more than 50% of India's population is dependent on agricultural products which is further promoting the growth of the market.
- Large population and rising urban and rural income have added to growth in demand for agriculture products.
- Favourable weather conditions and lucrative product prices has helped the Indian agriculture industry grow sustainably even during the pandemic period

Our product USP

- Our thoughtfully designed product and solutions portfolio addresses the evolving needs of farmers that helps the farmers increase the productivity by 14% to 18%
- Helps reduce the usage of synthetic fertilizers and pesticides
- Helps enhance soil fertility
- Our products are natural mineral based products which encourages organic farming

SPREADING SMILES

The communities in which we operate are a part of our ecosystem. We measure our business success by the impact we create on the ground for people beyond our immediate operations. At 20ML, we are focused on building a more equitable society through our initiatives for a sustainable living, empowering communities, farmer education, poverty alleviation, and educational advancement.

Safety Day

Environment day

Diabetes - Kids Camp

CSR Diabetes - Site Service

Diabetes Walk

BOARD OF DIRECTORS PROFILE

Mr. Rajesh C. Parikh

Chairman & Managing Director

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

Mr. Atil C. Parikh

CEO & Managing Director

Mr. Atil C. Parikh, the CEO & Managing Director, aged 44 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, the Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he re-joined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Boards of 20 Microns Nano Minerals Limited; Silicate Minerals [I] Private Limited & 20 MCC Private Limited.

Mrs. Sejal R. Parikh

Non-Executive Woman Director

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

Mr. Ramkisan A. Devidayal

Independent Director

Mr. Ramkisan A. Devidayal holds a Master's degree in Commerce and Management. He has rich and extensive experience in the fields of Agrochemicals of about 36 years of which 20 years in the Senior – 1st Line Management of the Companies to which he has been associated as Director. He was the Vice Chairman of Baroda Citizen Council and involved in social activities of many NGOs. He has also been actively attached with various Associations, since last over a Decade, like Chamber of Commerce in Vadodara; Federations of Gujarat Industries; Gujarat Pesticides Formulators; etc. He has travelled widely round the Globe and participated in various International Seminars and led delegations several times. Mr. Ramkisan Devidayal is the Chairman of the Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholder Relationships and Share Transfer Committee of Directors of the Company.

Mr. Atul H. Patel

Independent Director

Mr. Atul H. Patel is a Graduate in Textile Engineering from VJTI, Bombay. He is a Managing Director of Tarak Chemicals Limited, Vadodara engaged in the manufacturing of Oil Field Chemicals and other Specialty Chemicals. He has been deeply involved in the activities of Industrial Association and was closely associated with Federation of Gujarat Industries [FGI, a body looking after interests of the Industries]. He had been President of FGI for 1991 and 1992. He was the President of Vadodara Industrial Employers' Union for the period 1993-95 and also a Senate member of M.S. University of Baroda. He has also been attached with Charitable Organizations and Educational Institutions, presently the Trustee of United Way of Baroda and the past Chairman of Baroda Citizen Council, a body activist in the development of Baroda City. Besides, he is the Trustee of Gyana Yagna Vidhya Mandir, Atladra – Vadodara and Nar Seva Samaj, Dist. Kheda and also the Director of the Baroda Citizen Community Co-Operative Credit Society Ltd., Vadodara. Mr. Atul Patel is Member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Dr. Ajay I. Ranka

Independent Director

Dr. Ajay I. Ranka is Ph.D. in Polymer Science and Engg. from USA besides, a Chemical Engineer. He has worked with PPG Industries, USA, as R & D Specialist. He is recognized as a top-notch scientist for outstanding pioneering work in Polymer Chemistry and Nanotechnology. He has to his credit many American, European and Indian patents. He is associated with many social, business and trade organizations and a staunch supporter of education through philanthropy. He is presently working as Managing Director of Zydex Industries Pvt. Ltd. He is member of Audit Committee of the Company.

Mr. Jaideep B. Verma

Independent Director

Mr. Jaideep B. Verma has bagged BSL, LLB degrees from Symbiosis Law College, Pune. Besides, iploma in Consumer Protection Laws from the University of Pune in 1993-94. Moreover, a Certificate Holder of Course on Patents jointly conducted by Government of Andhra Pradesh and CII. He has the Pan Gujarat Practice in District Courts, Revenue Courts, Consumer Courts, Judicial and quasi-judicial authorities, Documentation and Title Clearance work.

CORPORATE INFORMATION

(As on 10th August, 2021)

Board of Directors

Mr. Chandresh S. Parikh – Executive Chairman
[up to 09.06.2021]

Mr. Rajesh C. Parikh – *Chairman & Managing Director
*[*w.e.f. 28.06.2021]*

Mr. Atil C. Parikh – *CEO & Managing Director
*[*w.e.f. 28.06.2021]*

Mrs. Sejal R. Parikh – Director

Mr. Ramkisan A. Devidayal – Independent Director

Mr. Atul H. Patel – Independent Director

Dr. Ajay I. Ranka – Independent Director

Mr. Jaideep B. Verma – Independent Director

Chief Financial Officer

Mr. Narendra R. Patel

Company Secretary

Mrs. Anuja K. Muley *[upto 15.05.2021]*
Mrs. Komal Pandey *[w.e.f. 19.07.2021]*

Audit Committee

Mr. Ramkisan A. Devidayal – Chairman

Mr. Atul H. Patel – Member

Dr. Ajay I. Ranka – Member

Mr. Rajesh C. Parikh – Member
(w.e.f. 10.08.2021)

Nomination & Remuneration Committee

Mr. Ramkisan A. Devidayal – Chairman

Mr. Chandresh S. Parikh – Member
[upto 09.06.2021]

Mr.Rajesh C Parikh – Member
[w.e.f 10.08.2021]

Mr. Atul H. Patel – Member

Mr. Jaideep B. Verma – Member

Stakeholders' Relationship and Share Transfer Committee

Mr. Ramkisan A. Devidayal – Chairman

Mr. Rajesh C. Parikh – Member

Mr. Atil C. Parikh – Member

CSR Committee

Mr. Chandresh S. Parikh – Chairman
[upto 09.06.2021]

Mr. Rajesh C. Parikh – Chairman
[w.e.f 10.08.2021]

Mrs. Sejal R. Parikh – Member

Mr. Ramkisan A. Devidayal – Member

Statutory Auditors

M/s. J.H. Mehta & Co.,
Chartered Accountants
Ahmedabad

Bankers

State Bank of India
IDBI Bank Limited

Registered Office

9/10, GIDC Industrial Estate,
Waghodia – Dist. Vadodara – 391760
Gujarat, India
E-Mail : co_secretary@20microns.com
Tel : +91 7574806350
Fax : +91 2668 264003

Corporate Office

134-135, Hindustan Kohinoor Industrial Estate,
L. B. S. Marg, Vikhroli (W),
Mumbai, India
Tele-Fax : +91 22 25771325 / 1350 / 1333
E-Mail : corporate@20microns.com

Registrar and Share Transfer Agents

CAMEO CORPORATE SERVICES LIMITED
"Subramanian Building",
No. 1, Club House Road,
Chennai-600 002
Tel : 044 4002 0734 / 0735
Email ID : investor@cameoindia.com

Website

http://www.20microns.com

Email

co_secretary@20microns.com
investors@20microns.com

Company Identification No.

L99999GJ1987PLC009768

ISIN

INE144J01027

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting of the Shareholders of **20 Microns Limited** will be held on Tuesday, the 28th day of September, 2021 at 03.00 p.m. **through Video Conference (VC)** or **Other Audio Visual Means (OAVM)**, to transact the following business -

Ordinary Business

1. To receive, consider and adopt:

a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 including, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon and

b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 including, the Statement of Profit and Loss, together with the Report of the Auditors thereon

2. To appoint a Director in place of Mr. Atil C. Parikh (DIN 00041712), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.

Special Business

3. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2022 and in this regard, pass the following resolution as an Ordinary Resolution:

To consider and if thought fit, to pass the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹90,000 p.a plus applicable taxes and out of pocket expenses, as recommended by the Audit committee and as approved by the Board of Directors to be paid to M/s. Y.S. Thaker & Co., Cost Accountants (Registration Number 000318) appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified.

4. Re-appointment of Mr. Rajesh C. Parikh as Chairman and Managing Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment of Mr. Rajesh C. Parikh (DIN 00041610) as a Whole-time Director, designated as the Chairman & Managing Director of the Company under the Companies Act, 2013, for a period of three years, w.e.f. 01st April, 2022, whose office shall not be liable to retirement by rotation, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions more particularly set out in the Agreement to be entered into with him, detailing, inter alia, the pattern of remuneration and Commission payable to him, in accordance with the requirements of the Schedule V of the Companies Act, 2013;

"RESOLVED FURTHER THAT pursuant to Section 197(3) of the Act read with Schedule V and other applicable provisions of the Companies Act, 2013, as amended and subject to such approvals as may be necessary, in the absence or inadequacy of the Net Profit, Mr. Rajesh C. Parikh will be paid the said remuneration as minimum remuneration in compliance of provisions of Companies Act including any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

5. Re-appointment of Mr. Atil C. Parikh as CEO & Managing Director

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment of Mr. Atil C. Parikh (DIN 00041712) as the Whole-time Director, designated as CEO & Managing Director under the Companies Act, 2013, for a period of three years w.e.f. 01st April, 2022, whose office shall be liable to retire by rotation, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions more particularly set out in the Agreement to be entered into with him, detailing interalia the pattern of remuneration and Commission payable to him, in accordance with the requirements of the Schedule V of the Companies Act, 2013;

"RESOLVED FURTHER THAT pursuant to Section 197(3) of the Act read with Schedule V and other applicable provisions of the Companies Act, 2013, as amended and subject to such approvals as may be necessary, in absence or inadequacy of the Net Profit, Mr. Atil C. Parikh will be paid the said remuneration as minimum remuneration, within the ceiling limit in compliance of provisions of Companies Act,2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

6. Payment of Commission to the Non-Executive Directors

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 197 (1) (ii) (A) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Shareholders be and is hereby accorded to pay a commission up to 1% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013 to all the Non-Executive Directors of the Company for FY 2020-21 as recommended/approved by Nomination & Remuneration Committee and Board of Directors of the Company."

RESOLVED FURTHER THAT any one of Mr. Rajesh C Parikh, Chairman & Managing Director, Mr. Atil C Parikh, CEO & Managing Director, CFO & CS of the Company be and are hereby severally authorized to do such acts, deeds and things as may be considered necessary to implement this resolution."

By Order of the Board of Directors

Komal Pandey
Company Secretary & Compliance Officer
ACS: 37092

Place: Waghodia, Vadodara
Date: 10th August, 2021

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding) Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 is annexed hereto and forming part of this notice.

6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. In compliance of the aforementioned MCA and SEBI Circulars the Company has sent notice of AGM only through electronic mode only to those shareholders whose e mail addresses are registered with Company or its RTA. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.20microns.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

9. The Register of Members and Share transfer book of the Company will remain closed from Tuesday 21st September, 2021 to Tuesday 28th September, 2021 (both days inclusive).

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the RTA. Securities and Exchange Board of India has prohibited physical transfer of shares w.e.f. 01.04.2019.

11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 20th September, 2021 through email on co_secretary@20microns.com. The same will be replied by the Company suitably. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the Registered Office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.

12. Members who have not en-cashed their dividend warrants for the financial year 2012-13 onwards are advised to write to the Company immediately for claiming dividends declared by the Company.

Financial year	Date of declaration of Dividend	Dividend Payment %	Date of transfer of unpaid dividend to IEPF Account
2012-13	10.10.2013	10%	13.11.2020

13. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, it may be noted that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules. The procedure is also available on the website of the IEPF Authority at www.iepf.gov.in. Such shareholders are requested to claim their shares and unclaimed / unpaid dividend immediately.

14. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, 25th Day of September, 2021 at 10:00 A.M. and ends on Monday, 27th Day of September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 21st September,2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 21st September,2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility,** please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. The e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

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

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

   c) How to retrieve your 'initial password'?

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

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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

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

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

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

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

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

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

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

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

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

General Guidelines for shareholders

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

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

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms. Sarita Mote) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to co_secretary@20microns.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to co_secretary@20microns.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at co_secretary@20microns.com. The same will be replied by the company suitably.

JJ Gandhi & Co. Practicing Company Secretaries, Vadodara has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.

The scrutinizer shall, give their consolidated Scrutinizer report of the total votes cast in favour or against the resolutions proposed in the notice of Annual General Meeting not later than two working days from conclusion of the meeting, to the Chairman or a person authorized by him in writing who shall countersign the same.

The Results will be declared on receipt of Scrutinizer's Report at the Registered office of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.20microns.com.

By Order of the Board of Directors

Komal Pandey
Company Secretary & Compliance Officer
ACS: 37092

Place: Waghodia, Vadodara
Date: 10th August, 2021

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

Item No. 3

M/s. Y.S Thaker & Co., Cost Accountants have been reappointed as the Cost Auditors of the Company for the Financial Year 2021-22 by the Board of Directors of the Company at its meeting held on 28th June, 2021. The Board has on the recommendations of Audit committee fixed remuneration of ₹90,000/- (Rupees Ninety Thousand only) plus Govt. Levies/Taxes as applicable and out of pocket expenses at actual. XBRL conversion charges, if any, would be levied extra. In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as fixed by the Board of Directors shall be ratified by the members.

In view of the same the Board of Directors of the Company recommends passing of the proposed resolution.

None of the Directors/Key Managerial Personnel of the Company/ their relatives, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 3 of the Notice.

Item Nos. 4 & 5

It may be re-called that Mr. Rajesh C. Parikh and Mr. Atil C. Parikh were re-appointed for a period of 3 years effective from 1st April, 2019 as the Chief Executive Officer & Managing Director & Managing Director of the Company respectively by the shareholders of the Company by way of passing respective special resolutions at the Annual General Meeting held on 19.09.2018. The term of their respective offices, therefore, would expire on 31st March, 2022.

Subsequently due to death of Mr. Chandresh Parikh, Mr. Rajesh C. Parikh has been appointed as Chairman and Managing Director of the Board.

Looking to the responsibilities undertaken and contributions made by the aforesaid Managerial Personnel viz., Mr. Rajesh C. Parikh, Chairman & Managing Director and Mr. Atil C. Parikh, CEO & Managing Director of the Company in development of the Company and on account of trends of improved qualities of Management viz. business acumen, sagacity, practical wisdom and such other qualities which they developed during the tenure of their respective offices, the Board of Directors of the Company at their meeting held on 28.06.2021, re-appointed the said Managerial Personnel, subject to the approval of the Shareholders, viz.-

- Mr. Rajesh C. Parikh as the Chairman & Managing Director and
- Mr. Atil C. Parikh as the CEO & Managing Director

for a further period of 3 [three] years commencing from 01st April, 2022 on the following terms & conditions including remuneration as recommended by the Nomination & Remuneration Committee of Directors of the Company:

Mr. Rajesh C. Parikh, the Chairman & Managing Director, shall report to Board of the Company and shall look after Purchase, Sales & Production matters and such other matters as may be assigned by the Board from time to time.

Mr. Atil C. Parikh, the CEO & Managing Director, shall report to Mr. Rajesh C Parikh, the Chairman & Managing Director of the Company and shall look after Marketing, Technical Matters, Finance, HR, Legal, Secretarial matters and such other matters as may be assigned by the Chairman and Managing Director from time to time.

2. The Managerial Personnel shall devote their entire time and attention for the business & operations of the Company.

3. The Managerial Personnel will not be paid any sitting fees for attending the meetings of Board of Directors or Committees thereof.

4. As stipulated in Section 198(3) of the Companies Act, 2013 read with Schedule V, they would receive minimum remuneration in absence or inadequacy of profits.

5. If the tenure of office is determined for any reason whatsoever before the expiration of their respective term of offices, they shall be entitled to compensation for loss of office in accordance with Section 191 and Section 202 of the Companies Act,2013.

6. Managerial Personnel shall maintain secrecy during the continuance of his employment.

7. The respective appointments of the Managerial Personnel may be terminated by giving 90 [ninety] days' notice on either side or equivalent payment of salary in lieu thereof.

Necessary Agreements for re-appointments of the above Managerial Personnel will be executed after approval of the shareholders.

The re-appointments of above Managerial Personnel are completely in accordance with the norms laid down in Schedule V to the Companies Act, 2013 and therefore approval of the Central Government would not be necessary. However, as per Part II – Section II of the Schedule V, approval of the shareholders would be necessary for such re-appointments.

The accompanying notice together with Explanatory Statement is to be treated as an abstract of the terms and memorandum of interest as required under the Companies Act, 2013.

A combined statement containing therein information as required under Schedule V of the Companies Act, 2013 including abstract of the terms of remuneration is reproduced hereunder.

Your Directors commend the special resolutions at Item Nos. 4 & 5 for your approval and acceptance.

Except, Mr. Rajesh C. Parikh, Mr. Atil C. Parikh and Mrs. Sejal R. Parikh, none of the other Directors and Key Managerial Personnel and their relatives are concerned or interested in passing the special resolutions at items 4 & 5 above.

COMBINED STATEMENT CONTAINING INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION:

1. Nature of industry: Manufacturing of Micronised Minerals & Specialty Chemicals.

2. Date or expected date of commencement of commercial production: 29th June, 1987

3. Financial performance:

(₹ In Lacs)

Financial Parameters	31.03.2021	31.03.2020	31.03.2019
Total Revenue	43795.07	49766.57	43830.80
Profit before Depreciation, Interest and Tax	5606.66	6644.49	6417.21
Net Profit for the year	2245.15	2496.65	2171.28

4. Foreign investments or collaboration:

   The Company has three Subsidiaries outside India viz. 20 Microns SDN. BHD., Malaysia; 20 Microns FZE, Sharjah and 20 Microns Vietnam Company Limited,Vietnam.

II. INFORMATION ABOUT THE APPOINTEES:

1. Background details and Past Remuneration:

Mr. Rajesh C. Parikh, *designated as the Chairman & Managing Director* of the the Company, reports to the Board and looks after Production, Sales, Purchase matter and such other matters as may be assigned by the Board from time to time. Prior to this re-appointment, he was serving as the CEO & Managing Director drawing remuneration within the overall ceiling limit of ₹5.33 Lakh per month.

Mr. Atil C. Parikh, *designated as the CEO & Managing Director* of the Company, reports to the Chairman and Managing Director and looks after Marketing, Technical matters, Finance, HR, Legal & Secretarial matters and such other matters as may be assigned by the Chairman and Managing Director from time to time. Prior to this re-appointment, he was serving as the Managing Director drawing remuneration within the overall ceiling limit of ₹4.61 Lakh per month.

2. Job profile and his suitability :

Mr. Rajesh C. Parikh holds First Class Degree in Mechanical Engineering besides, Master in Business Administration. He started his career as a Trainee Engineer in Jyoti Limited for about 8 months and thereafter, associated with the Company and held, on a part time basis, few assignments for a new project to establish for China Clay. At the young age of 27, he joined the Board and was in charge of Technical Operations and Marketing of the products of the Company. His exposure to consumer industry brought in him insight for business and industry. He started taking keen interest in Administration too

Mr. Atil C. Parikh, aged 44 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, The Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he rejoined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He was later on given full charge of the CNC division overlooking all the major activities within that division.

Both the above Managerial Personnel have vision and farsightedness, acquired business acumen and developed other qualities of Management which could not only lead them to greater heights, but have the potential to put the Company on a sound footing front, year on year.

3. Award/ Recognition Received

Under the leadership of Mr. Rajesh C. Parikh and Mr. Atil C. Parikh, 20 Microns Ltd. has received recognitions and awards in the preceding years.

4. Remuneration proposed:

Abstracts of terms of Managerial Remuneration payable to the Managerial Personnel are given in the subsequent paras.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Taking into consideration, the size of the Company, the profiles of Managerial Personnel, the responsibilities shouldered by them, the proposed remuneration is commensurate with the remuneration packages being paid to managerial personnel working in the similar position in the industry.

6. Pecuniary relationship directly or indirectly with the company or relationship with the Managerial Personnel, if any

Both the above Managerial Personnel viz. Mr. Rajesh C. Parikh and Mr. Atil C. Parikh does not have any pecuniary interest in the Company other than holding their respective offices as such and as a shareholder of the Company. Mr. Rajesh C. Parikh and Mr. Atil C. Parikh are Brothers.

III. **OTHER INFORMATION:**

Reasons of loss or inadequate profits, steps taken for improvement and expected increase in productivity:

Currently the Research and Development expenses, administrative and managerial overheads of the company etc. are more. Due to high R & D expenses and other overheads / expenses, the profitability of the Company is low.

However, the Company is in process of taking necessary steps to reduce / curtail its expenses thereby increasing the profitability.

IV. **DISCLOSURE**

As required by the Companies Act, 2103 the information is provided under Corporate Governance Report and Board's Report, forming part of this Annual Report.

ABSTRACTS OF THE TERMS OF MANAGERIAL REMUNERATION PAYABLE TO THE MANAGERIAL PERSONNEL

1. **MR. RAJESH C. PARIKH**

Period: From 01st April, 2022 to 31st March, 2025.

Remuneration:

I. **Basic Salary:** ₹ 6,03,123/- per month with annual increment up to 25% in the Basic Salary as may be decided by the Nomination & Remuneration Committee and the Board of Directors of the Company from time to time.

II. **Perquisites:** 19.6% of the Basic Salary. The detailed components of the perquisites shall be worked out by the Company in consultation with Mr. Rajesh C. Parikh.

III. Company's contribution to Provident Fund, Gratuity and such other benefits as are available to other employees of the Company as per the Company's rules.

IV. He may be entitled to other benefits as may be available to senior executives.

2. **MR. ATIL C. PARIKH**

Period: From 01st April, 2022 to 31st March, 2025.

Remuneration:

I. **Basic Salary:** ₹ 5,45,080/- per month with annual increment up to 25% in the Basic Salary as may be decided by the Nomination & Remuneration Committee and the Board of Directors of the Company from time to time.

II. **Perquisites:** 19.6% of the Basic Salary. The detailed components of the perquisites shall be worked out by the Company in consultation with Mr. Atil C. Parikh.

III. Company's contribution to Provident Fund, Gratuity and such other benefits as are available to other employees of the Company as per the Company's rules.

IV. He may be entitled to other benefits as may be available to senior executives.

Re-Appointments of each of the above Managerial Personnel is for a period of 3 [three years] effective 01st April, 2022. If the tenure of their respective offices is determined by any reason whatsoever before the expiration of his term of office, they shall be entitled to compensation for loss of office in accordance with the applicable provisions of the Companies Act, 2013. The said appointments may be terminated by giving 90 [ninety] days of notice on either side or equivalent payment of salary in lieu thereof.

Subject to the overall ceiling laid down in Section 197 read with Schedule V of the Companies Act, 2013, they would be entitled to receive commission on net profits or performance linked bonus for such an amount as may be determined by the Board of Directors of the Company year after year, however, in aggregate, the Commission, salary and perquisites in any event shall not exceeds the limit laid down in said Sections of the Act.

Pursuant to Section 198(3) of the Act, read with Schedule V, as amended, and subject to such approvals as may be necessary, the salary, perquisites and other emoluments may be paid as the minimum remuneration to above Managerial Personnel in absence of or inadequacy of profit in any financial year.

Item No. 6

Though day-to-day management is delegated to Executive Chairman and Managing Directors, the Non-Executive Directors play an important role of laying down policies and providing guidelines for conduct of Company's business time and again. By the valued contributions made by the Directors through their active participation in the meetings of the Board and its Committees, the Company has been progressing over the years. The rich experience of Directors in business, management and administration has led to sound decisions. The Directors are required to devote considerable time to provide and laydown the policies and guidelines to carry on the business competitively. It is appropriate that the services being rendered by them to the Company are recognized by way of remuneration.

In accordance with the provisions of Section 197 (1) (ii) (A) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, remuneration by way of commission upto 1% of the net profits may be paid to the Directors other than the Chairman & Managing Director and CEO & Managing Director, subject to the approval of shareholders.

Except immediate relatives of Non-Executive Directors, none of the Directors, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise in the special resolution at item 6 of the Notice.

Your Directors recommend the Resolution at item no. 6 to the notice, for your approval.

By Order of the Board of Directors

Komal Pandey
Company Secretary & Compliance Officer
ACS: 37092

Place: Waghodia, Vadodara
Date: 10th August, 2021

ANNEXURE TO THE NOTICE

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

Name of the Director	**Mr. Rajesh C. Parikh**	**Mr. Atil C. Parikh**
Director Identification Number	00041610	00041712
Date of Birth	28/12/1971	04/09/1977
Nationality	Indian	Indian
Date of appointment on the Board	02/07/1998	29/01/2009
Qualification	B.E. [Mech.] & MBA [Finance]	Bachelor in Chemical Engineering & MBA (Finance)
Expertise in specific functional area	Marketing & Business Development of Products	Finance, Administration, Marketing & Operations
No of shares held in the company	17,01,714 equity shares of ₹5/- each	17,00,739 equity shares of ₹5/- each
Relation inter-se	a. Mr. Atil C. Parikh, CEO & Managing Director - **Brother** b. Mrs. Sejal R. Parikh, Non-Executive Director - **Wife**	a. Mr. Rajesh C. Parikh, Chairman & Managing Director - **Brother** b. Mrs. Sejal R. Parikh, Non-Executive Director - **Brothers Wife**
List of directorships held in other companies	1. 20 Microns Nano Minerals Ltd. 2. 20 MCC Pvt. Ltd. 3. Silicate Minerals [I] Pvt. Ltd.	1. 20 Microns Nano Minerals Ltd. 2. 20 MCC Pvt. Ltd. 3. Silicate Minerals [I] Pvt. Ltd.
Chairman/ Member in the Committees [*] of the Boards of listed companies in which he/she is a Director	1. Audit Committee of Directors - **Member** 2. Stakeholder Relationship & Share Transfer Committee of Directors - **Member**	1. Stakeholder Relationship & Share Transfer Committee of Directors - **Member**

[*] = Audit Committee & Stakeholder Relationship Committee only considered.

BOARD'S REPORT

Dear Members,

The Directors have pleasure to present their 34th Annual Report and the Audited Financial Statements for the year ended March 31, 2021.

Financial Results

The Company's standalone and consolidated financial performance for the year ended March 31, 2021 is summarized below:

[₹ in Lakhs]

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	43795.07	49766.57	48608.49	53198.23
Profit before Depreciation, Interest and Tax (PBDITA)	**5606.66**	**6644.49**	**6102.35**	**6859.60**
Interest for the year	2350.23	2011.54	2543.47	2153.17
Depreciation for the year	1178.77	1118.73	1382.99	1251.07
Profit/(Loss) before tax and Exceptional items	**2077.66**	**3514.22**	**2175.89**	**3455.36**
Exceptional items	-	-	-	-
Profit/(loss) for the year	**2077.66**	**3514.22**	**2175.89**	**3455.36**
Tax liability :-				
Current Tax	537.52	921.11	623.52	1025.58
Deferred Tax	(705.02)	96.46	(748.66)	12.17
Prior period Tax	-	-	-	-
Net Profit/(Loss) for the year	**2245.15**	**2496.65**	**2301.03**	**2,417.61**

Dividend:

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

Transfer to Reserves

The Directors do not propose to transfer any amount to reserves.

State of Company's Affairs

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

- Revenue for the FY21 was ₹43795.07 Lakhs as against ₹49766.57 Lakhs in FY20. The revenues has shown stagnation. As the company was focusing on the organic growth, value added products & robust price-mix effect in business.
- For FY21 EBIDTA was at ₹5606.66 Lakhs compared to ₹6644.49 Lakhs in FY20.
- The PAT for FY21 stood at ₹2245.15 Lakhs compared to ₹2496.65 Lakhs in FY20.
- Company's debt-equity ratio came down to 0.44 in 2021 from 0.64 in 2020.
- Net Worth of the Company is increased to ₹19910.21 Lakhs as on March 31, 2021 as compared to ₹17340.66 Lakhs as on March 31, 2020.
- Due to outbreak of COVID-19 pandemic globally and consequent lockdown imposed by the Government of India from March 25, 2020 to curb its wide spread, a massive economic disruption and social distress has been witnessed in India. With the opening of domestic and international market post lockdown, business started improving in a slow and gradual manner. Though there was no significant impact on the business of the Company for FY21 but considering the wide spread and varying degree of intensity of pandemic across the countries where 20ML operates, the economic impact during FY21 seems evident across the industry. The management is meticulously analyzing the situation and getting adequately prepared to emerge stronger in the longer term.

Investors Education and Protection Fund

During the year, dividend amounting to ₹39,140.00 that had not been claimed by the shareholders for the financial year 2012-2013 was transferred to the Investor Education and Protection Fund as required under Section 124 and 125 of the Companies Act, 2013. Shareholders are required to lodge their claims with the Registrar, Cameo Corporate Services Ltd., for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31.03.2021 on the website of the Company, at web link - **https://www.20microns.com/unpaid-dividend-deposit/**.

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

No material changes affecting financial position of the Company occurred between the end of the financial year and the date of report.

Corporate Governance Report and Management Discussions & Analysis

As required by Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Report on Corporate Governance is given as a part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

A detailed report on Management Discussions and Analysis forms an integral part of this report and also covers the consolidated operations and nature of our business.

Fixed Deposits

The Company has started accepting the unsecured fixed deposits only from the shareholders of the company pursuant to the provisions of Companies Act, 2013 and Rules made thereunder. The said Scheme was approved by you at your Extra-ordinary General Meeting held on 24th May, 2014 and amended in Annual General Meetings held on 23rd September, 2016 and 22nd September, 2017.

As on 31.03.2021, outstanding Unsecured Fixed Deposits from Shareholders was ₹3195.20 Lakhs. Deposits amounting to ₹1804.12 Lakhs are due for repayment on or before 31.03.2022.

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

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.

Subsidiaries, Joint Ventures & Associates

Pursuant to Section 129(3) of the Companies Act, 2013 ("Act"), the consolidated financial statements of the Company and its subsidiaries, prepared in accordance with the relevant Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of this Annual Report. Pursuant to the provisions of the said section, a statement containing the salient features of the financial statements of the Company's subsidiaries, in Form AOC-1 is given in Annexure-A

Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements of the Company and the relevant consolidated financial statements and separate audited financial statements along with other relevant documents, in respect of subsidiaries, are available on the website of the Company www.20microns.com with web link https://www.20microns.com/annual-reports-of-all-subsidiaries/. These documents will also be available for inspection through electronic mode. During the FY 2020-21, the company is not having any associates and joint venture company.

Performance Highlights of Subsidiaries

As on 31.03.2021, the Company had 6 [Six] Subsidiaries including one step-down subsidiary viz. 20 Microns Nano Minerals Limited [20 M NANO]; 20 Microns SDN. BHD [20MSB], 20 Microns FZE [20MFZE], 20 Microns Vietnam Company Ltd [20M Vietnam] 20 MCC Pvt. Ltd. [20MCC] and Silicate Minerels (I) Pvt Ltd. (SMIPL).

During the year under review, 20 Microns Nano Minerals Limited reported consolidated revenue from operations of ₹5835.59 Lakhs and earned consolidated Net Profit of ₹137.64 Lakhs. 20M Sdn. Bhd. reported total Revenue of ₹250.15 Lakhs and Net loss of ₹(7.29) Lakhs while 20MFZE reported total Revenue of ₹413.09 Lakhs and the Net Profit of ₹34.28 Lakhs. 20M Vietnam reported the Gross Revenue of ₹341.87 Lakhs and Net Loss of ₹(9.86) Lakhs and SMIPL reported total revenue of ₹11.39 Lakhs and net loss of ₹(20.22) Lakhs. 20MCC Private Limited reported Total Revenue of ₹185.15 Lakhs and Net Loss of ₹(114.51) Lakhs.

Companies which have become or ceased to be Subsidiaries, Associates and Joint Ventures

During the FY 2020-21, no company ceased as subsidiary or associate or joint venture of the company. For further analysis on the consolidated performance, attention is invited to the notes to the consolidated financial statements.

Particulars of Employees

The information as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure B which forms part of this report. Pursuant to Section 197(14) of the Act, the details of remuneration received by the Managing Directors and Company Secretary from the Company's subsidiary company during FY 2020-21 are also given in Annexure B attached to this report. None of the employees listed in the said Annexure B are related to any Director of the Company.

The statement containing particulars of employees as required under section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request by the shareholders.

In terms of Section 136 of the Companies Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by members at the Registered office of the Company during business hours on working days of the Company upto the ensuing Annual General Meeting.

Related Party Transactions

There are no material related party transactions made by the Company during the year that required shareholders' approval under Regulation 23(4) of the Listing Regulations or Section 188 of the Act. All related party transactions are reported to the Audit Committee. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are planned and / or repetitive in nature.

Policy for determining material related party is available at link https://www.20microns.com/wp-content/uploads/2019/12/20ML_Material-Related-Party-Transaction-Policy.pdf

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

Annual Return

The Annual Return for the Financial Year 2020-21 in prescribed Form No. MGT-7, as required under Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is placed on the Company's Website at web link: https://www.20microns.com/wp-content/uploads/2021/08/Form_MGT_7.pdf

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

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

Corporate Social Responsibility

In compliance with Section 135 of the Act, the Company has undertaken CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII to the Act.

The Board has framed a CSR Policy for the Company, on the recommendations of the CSR Committee. The Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules, 2014, including a brief outline of the Company's CSR Policy, total amount to be spent under CSR for the financial year and details of amount spent on CSR during the year is set out at Annexure – E forming part of this Report.

We have 105 numbers of Juvenile Diabetic patients and all are constantly under the watch of us. They are taken to most reputed senior doctors for advice and now they are settled with comfortable life. We have started recruiting/accommodating such patients in doing work with our activity to reduce their fear of diabetes.

Every day JDP (Juvenile Diabetic Patients Type – 1) are coming to our center for support to have insulin, Glucometer & Testing Strips, calibration of Glucometer, requirement of Syringe, Insulin Pen and needle for insulin Pen. We have arranged experienced specialized different doctors, on daily basis, for 2 to 3 hours to take care of JDP's and Type – 2 Diabetic patients. In case of critical cases, we take away the patient with well-known Dialectologists / Endocrinologists of Vadodara and take advice and treatment at no cost. We have organized three times Free Eye Checkup Camp for Type-1 diabetic patients. On 21st November, 2020 on the eve of World Diabetics Day company has organized Online Diabetics awareness program with the Juvenile Diabetics Patients. In the FY 2020-2021 Company has provided to 737 Juvenile Diabetics patients free Insulin, Glucometers, Testing Strips and doctor consultation.

Risk Management Implementation

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

A range of responsibilities from strategy to the operations is specified. A strong independent internal audit function at the corporate level carries out risk focused audits across all businesses enabling identification of areas where risk managements processes may need to be improved. The Board reviews internal audit findings and provides strategic guidance on internal control, monitors internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented. The combination of policies and procedures adequately addresses the various risks associated with your company's businesses.

Internal Finance Control System Adequacy

The Company has established proper and adequate system of internal control to ensure that all resources are put to optimum use and are well protected against loss and all transactions are authorized, recorded and reported correctly and there is proper adherence to policies and guidelines, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures, processes in terms of efficiencies and effectiveness. The Company's internal control systems are supplemented by an extensive program of internal audit by an independent firm.

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

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

Vigil Mechanism / Whistle Blower Policy

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy has been approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The Whistle Blower Policy of the Company provides a mechanism for employees / Board Members and others to raise good faith concerns about violation of any applicable law/ Code of Conduct of the Company, gross wastage or misappropriation of funds, substantial or specific danger to public health and safety, abuse of authority or unethical behavior and to protect the individuals who take such actions from retaliation or any threat of retaliation and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. During the financial year under review, the Company has not received any complaints against any employees/Board Members.

The policy of vigil mechanism may be accessed on the Company's web link - https://www.20microns.com/wp-content/uploads/2018/02/Vigilence-policy.pdf

Prevention of Sexual Harassment at Workplace

The Company has adopted a policy with the name "Policy on Prevention of Sexual Harassment at Workplace". The policy is applicable for all employees of the organization, which includes corporate office, branches, depots and manufacturing locations etc.

A Complaint Committee has also been set up to redress complaints received on sexual harassment as well as other forms of verbal, physical, written or visual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment.

The policy of Prevention of Sexual Harassment at Workplace may be accessed on the Company's web link - https://www.20microns.com/wp-content/uploads/2018/06/Policy-on-Prevention-of-Sexual-Harrasment-at-Work-Place.pdf

Industrial Relations

During the year under review, industrial relations remained harmonious at all our offices and establishments.

General Shareholders Information

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

Secretarial Standards

Your company has complied with the provisions of Secretarial Standards issued by Institute of Company Secretaries of India.

Particulars of Loan, Guarantees or Investments

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

Selection and Procedure for Nomination and Appointment of Directors

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC makes recommendations to the Board in regard to appointment of new Directors and Key Managerial Personnel ("KMP") and senior management employees. The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required.

Criteria for determining qualifications, positive attributes and independence of a Director

In terms of the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing obligation and disclosure Requirements) Regulations, 2015, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- **Qualifications** - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

- **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

- **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Companies Act,2013 the Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Regulations and Obligations Requirement)Regulation, 2015.

Evaluation of Board of Directors

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Act and the Listing Regulations, 2015.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

Remuneration Policy

Pursuant to the provisions of Section 178(3) of the Act and Regulation 19 of the Listing Regulations, 2015, the NRC has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management and other employees. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. While formulating this policy, the NRC has considered the factors laid down in Section 178(4) of the Act which are as under:

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- Remuneration to Directors, KMP and Senior Management Employees involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Remuneration Policy of the Company is available at link https://www.20microns.com/wp-content/uploads/2019/12/20ML_Nomination-RemunerationPolicy_2019-.pdf

Remuneration for Independent Directors and Non-Executive-Non-Independent Directors

The Non-Executive Directors, including Independent Directors, are paid sitting fees for attending the meetings of the Board and committees of the Board. As per the Policy, the overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company including considering the challenges faced by the Company and its future growth imperatives. The remuneration should also be reflective of the size of the Company, complexity of the business and the Company's capacity to pay the remuneration.

Within the ceiling of 1% of net profits of the Company, computed under the applicable provisions of the Act, the Non-Executive Directors including Independent Directors were also paid a commission, the amount whereof was recommended by the NRC and approved by the Board during FY 2020-21 subject to approval of shareholders in the ensuing Annual General Meeting.

The basis of determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman or member of the Board / Committees and overall contribution as well as time spent on operational matters other than at the meetings.

Board of Directors and meetings

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation.

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. Intimation of Board Meeting date would be given in advance to help them plan their schedule and ensure meaningful participation in the meetings. Only in case of special and urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Board Committee meetings at shorter notice, as permitted by law.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to take an informed decision. The Board of Directors had held five meetings during FY 2020-21. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations, 2015.

Directors and Key Managerial Personnel

Due to the sad and sudden demise of Mr. Chandresh S Parikh Executive-Chairman of the Company on 09.06.2021, Company in its Board Meeting held on 28.06.2021 has designated Mr. Rajesh C Parikh as Chairman and Managing Director and Mr. Atil C Parikh as CEO & Managing Director. The Board mourns the sad demise of Mr. Chandresh S. Parikh and taken on record the valuable contribution given by him during his tenure.

In accordance with the Articles of association of the Company, Mr. Atil C. Parikh, CEO & MD, retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his appointment.

The Board has taken note of sudden and sad demise of Mrs. Anuja Muley the Company Secretary & Key Managerial Personnel of the company on 15.05.2021 and appraised her contribution towards the Company. Accordingly Mrs. Komal Pandey has been appointed as Company Secretary & Compliance Officer w.e.f 19.07.2021.

Mr. Rajesh C. Parikh and Mr. Atil C. Parikh were re-appointed for a period of 3 years effective from 1st April, 2019 as the Chief Executive Officer & Managing Director & Managing Director of the Company by the shareholders of the Company by way of passing respective special resolutions at the Annual General Meeting held on 19.09.2018. The term of their respective offices, therefore, would expire on 31st March, 2022.In this regard there reappointment based on the recommendation by the NRC has been approved by the Board in its meeting held on 28.06.2021.

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

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

The composition of the Board, meetings of the Board held during the year and the attendance of the Directors thereat have been mentioned in the Report on Corporate Governance which forms part of this Annual Report.

Independent Directors' Declaration

Our definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of the Listing Regulations, 2015 and Section 149(6) of the Act and rules framed thereunder. The Independent Directors have also submitted a declaration that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence, pursuant to Regulation 25 of the Listing Regulations, 2015.

Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent as on March 31, 2021:

1) Mr. Ramkisan A. Devidayal
2) Mr. Atul H. Patel
3) Dr. Ajay I. Ranka
4) Mr. Jaideep B. Verma

Committees of the Board

The Company has four Board Committees as on March 31, 2021:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders Relationship & Share Transfer Committee
4) CSR Committee

Details of all the committees along with their main terms, composition and meetings held during the year under review are provided in the Report on Corporate Governance, a part of this Annual Report.

Board Diversity

The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage.

Familiarization Programme for Independent Directors

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgment on matters of strategy, risk management, controls and business performance.

At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director, inter alia, explaining the role, duties and responsibilities of the Director.

The Director is also explained in detail the compliances required from him / her under the Act, SEBI Regulations and other relevant regulations. By way of an introduction to the Company, presentations are also made to the newly appointed Independent Director on relevant information like overview of the Company's businesses, market and business environment, growth and performance, organisational set up of the Company, governance and internal control processes.

Ongoing familiarisation program aims to provide insights into the Company and the business environment to enable all the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company. The details for familiarisation program for the Independent Directors are put up on the website of the Company. As required under Regulation 46(2)(i) of the Listing Regulations, 2015, the details of familiarisation programmes conducted during FY 2020-21 is also put on the Company's website and the same can be accessed at the link : https://www.20microns.com/wp-content/uploads/2019/04/20ML_Familiarization-Programme.pdf

Significant and material orders passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators or Courts or Tribunal impacting the going concern status and Company's operations in future.

Auditors

A. Statutory Auditors

The Company's Auditors, M/s. J.H. Mehta & Co., Chartered Accountants, have been appointed for a period of 5 [five] years from the 30th AGM till the 35th AGM. Pursuant to the provisions of Companies (Amendment) Act, 2017, requirement of ratification of appointment of auditors to be made by shareholders in each subsequent annual general meetings, has been omitted and the said provisions are came into effect by MCA Notification dated 07th May, 2018. M/s. J.H. Mehta & Co., Chartered Accountants has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY 2021-22. In terms of the Listing Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. The Statutory Auditors' Report for FY 2020-21 on the financial statement of the Company forms part of this Annual Report.

The Statutory Auditors' report on the financial statements for FY 2020-2021 does not contain any qualifications, reservations or adverse remarks or disclaimer.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso to Section 143(12) of the Act

B. Internal Auditors

The Company has re-appointed M/s. Lalit R. Mehta & Associates, Chartered Accountants, Vadodara as the Internal Auditors of the Company for the F.Y. 2021-22.

C. Cost Auditors

Your Board has re-appointed M/s. Y. S. Thaker & Co, Cost Accountants in Practice as Cost Auditors of the Company for conducting cost audit for the FY 2021-22. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2021-22 is provided in the Notice to the ensuing Annual General Meeting.

Cost Records

The Cost accounts and records as required to be maintained under Section 148 (1) of Act are duly made and maintained by the Company.

D. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has reappointed M/s. J.J. Gandhi and Co., Company Secretaries, as the Secretarial Auditor of the Company for the year 2021-22 to conduct secretarial audit and to ensure compliance by the Company with various Acts applicable to the Company. The Secretarial Audit Report for the financial year 2020-21 issued by M/s. J.J. Gandhi and Co. is annexed to this Report. There are no qualifications, observations or adverse remark or disclaimer in the said report.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the FY 2020-2021.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, Your Directors hereby confirm that:

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

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

f) adequate systems and processes, commensurate with the size of the Company and the nature of its business, have been put in place by the Company, to ensure compliance with the provisions of all applicable laws as per the Company's Global Statutory Compliance Policy and that such systems and processes are operating effectively.

Green Initiative

Electronic copy of the Annual Report for FY 2021 and the Notice of the ensuing AGM is being sent to all shareholders whose email addresses are available in records of the company and registered with Company's Registrar and Share Transfer Agent. As per the General Circular No. 20/2020 of Ministry of Corporate Affairs dated May 5, 2020, shareholders holding shares in demat form are requested to update their email addresses with their Depository Participant(s) and for shareholders holding shares in physical form, should get their email registered with Cameo Corporate Services Ltd., Company's Registrar and Share Transfer Agent.

Acknowledgement

The Directors wish to convey their deep appreciation to all the employees, bankers, customers, vendors, investors, and consultants/advisors of the Company for their sincere and dedicated services as well as their collective contribution to the Company's performance.

The Directors also thank the Government of India, Governments of various States in India, Governments of various Countries and concerned Government departments for their cooperation.

For and on behalf of the Board of Directors

Rajesh C. Parikh
Chairman & Managing Director

Place : Waghodia, Vadodara
Date: 10th August, 2021

Annexure A

FORM AOC- 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014). Statement containing salient features of the financial statement of subsidiaries companies or associate companies or joint venture.

PART A - Subsidiaries

(₹ In Lakhs)

Sr. No.	Particulars	20 Microns Nano Minerals Limited (Consolidated)	20 Microns FZE	20 Microns SDN BHD	20 Microns Vietnam Company Ltd	20 MCC Pvt. Ltd.
1	The date since when subsidiary was acquired	03.02.2010	07.02.2011	25.02.2008	04.07.2017	21.08.2018
2	Share Capital	897	29.88	89.02	138.81	25.05
3	Reserve and surplus	2190.4	179.39	179.4	16.76	-130.26
4	Total Assets	6464.94	260.97	281.9	303.6	565.66
5	Total Liabilities	3377.54	51.7	13.47	148.03	670.86
6	Details of Investment (Except in case of investment in Subsidiaries)	–	–	113.55	–	181.83
7	Turnover	5835.59	413.09	250.15	341.86	179.54
8	Profit before taxation	208.68	34.28	-7.01	-9.59	-143.73
9	Provision for taxation	71.04	--	0.27	0.27	-29.23
10	Profit after taxation	137.64	34.28	-7.28	-9.86	-114.51
11	Proposed dividend	–	–	–	–	–

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

The Company is not having any Associate Company or Joint Venture Company as on 31st March, 2021.

For and on behalf of the Board

(Rajesh C. Parikh)
Chairman & Managing Director
(DIN:00041610)

(Atil C Parikh)
CEO & Managing Director
(DIN: 00041712)

Place: Waghodia, Vadodara
Date: 10th August, 2021

Annexure B

Particulars of Employees

1. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(i) The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2020-21

and

(ii) The ercentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP* for Financial Year 2020-21 (₹ in Lakh)	% increase in Remuneration for the Financial Year 2021-22	Ratio of Remuneration of each Director/KMP to the Median Remuneration of Employees
1	*Mr. Chandresh S. Parikh Executive Chairman (*Upto 09.06.2021)	55.28	12	6.56
2	Mr. Rajesh C. Parikh Chairman & Managing Director	64.02	12	5.66
3	Mr. Atil C. Parikh CEO & Managing Director	55.31	12	6.55
4	Mrs. Sejal R. Parikh Non-Executive Director	-	-	-
5	Mr. Ramkisan A. Devidayal Non-Executive Independent Director	-	-	-
6	Mr. Atul H. Patel Non-Executive Independent Director	-	-	-
7	Dr. Ajay I. Ranka Non-Executive Independent Director	-	-	-
8	Mr. Jaideep B. Verma Non-Executive Independent Director	-	-	-
9	Mr. Narendrakumar R. Patel Chief Financial Officer	28.73	12	12.62
10	Mrs. Anuja K. Muley Company Secretary (upto 15.05.2021)	10.54	12	34.39

**Remuneration paid to Executive Directors and KMP does not include Incentive and Commission paid during the year*

The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the Board of Directors and Shareholders. The details of remuneration of Independent Directors are provided in the Corporate Governance Report

Remuneration for the purpose of the computation above, in the case of Executive Chairman & MD, CEO & MD, is considered as the income earned during the financial year 2020-21 considering contribution to provident fund.

The Median Remuneration of Employee (MRE) including Whole Time Directors (WTDs) was ₹3.62 Lakhs in fiscal 2021. There was decrease in MRE (including WTDs) in fiscal 2021, as compared to fiscal 2020 is -2.82%.

The number of permanent employees on the rolls of the Company as of March 31, 2021 and March 31, 2020 was 329 and 403 respectively. The rise in remuneration is made as per Remuneration Policy of the Company. During the fiscal 2020-21, no employee received remuneration in excess of the highest-paid director.

During the FY 2020-21, the Non-Executive Independent Directors had been paid the Commission, within the limit as specified in the provisions of Companies Act, 2013.

2. **Pursuant to the provisions of Section 197(12) and Section 204 of the Companies Act, 2013, following Key Managerial Personnel were appointed in subsidiary companies, details of their remuneration is as under –**

(₹ In Lakhs)

Sr. No.	Name of KMP	Name of Subsidiary Company	Position	Remuneration received during FY 2020-21
1	Mr. Rajesh C. Parikh	20 MCC Pvt. Ltd.	CEO & MD	12.00
2	Mr. Atil C. Parikh	20 Microns Nano Minerals Ltd.	MD	10.50
3	Mr. N.R. Patel	20 Microns Nano Minerals Ltd.	CFO	NIL
4	*Mrs. Anuja K. Muley (*Upto 15.05.2021)	20 Microns Nano Minerals Ltd.	CS	4.23

For and on behalf of the Board

(Rajesh C. Parikh)
Chairman & Managing Director
(DIN:00041610)

(Atil C Parikh)
CEO & Managing Director
(DIN: 00041712)

Place: Waghodia, Vadodara
Date: 10th August, 2021

Annexure C

Particulars of Transactions made with related parties

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

AOC-2

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

Details of transactions not at arm's length basis

There were no transactions entered into during the year ended March 31, 2021, 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, 2021 are as follows-

Name of Related Party	Nature of relationship	Type of Transaction	Duration of Contract	Salient Terms	Amount (₹ In Lakhs)
20 Microns Nano Minerals Ltd.	Subsidiary	Sales of Material	Not Applicable	Not Applicable	1106.02
		Purchase of material	Not Applicable	Not Applicable	753.72
		Royalty Received	Not Applicable	Not Applicable	183.09
		Manpower Services Received	Not Applicable	Not Applicable	88.42
		Job work Charges Received	Not Applicable	Not Applicable	8.12
		Job work Charges Paid	Not Applicable	Not Applicable	32.15
		Reimbursement of Expenses Paid (Net)	Not Applicable	Not Applicable	Nil
		Reimbursement of Expenses received (Net)	Not Applicable	Not Applicable	Nil
		Rent Received	Not Applicable	Not Applicable	429.37
		Manpower Services Payable	Not Applicable	Not Applicable	20.15
		Rent Paid	Not Applicable	Not Applicable	86.59
		Sale of Fixed Asset	Not Applicable	Not Applicable	Nil
		Purchase of Fixed Asset	Not Applicable	Not Applicable	134.62
Silicate Minerals (I) Pvt. Ltd.	Stepdown Subsidiary	Sales of Material	Not Applicable	Not Applicable	Nil
		Purchase of material	Not Applicable	Not Applicable	0.44
		Rent Received	Not Applicable	Not Applicable	16.27
20 MCC Pvt. Ltd.	Subsidiary	Sale of Material	Not Applicable	Not Applicable	11.85
		Sale of Fixed Asset	Not Applicable	Not Applicable	Nil
		Reimbursement of Expenses received (Net)	Not Applicable	Not Applicable	Nil
		Job Work Charges Received	Not Applicable	Not Applicable	25.52
		Purchase of material	Not Applicable	Not Applicable	35.13
		Rent Received	Not Applicable	Not Applicable	8.85
Mr. Chandresh S. Parikh (Upto 09.06.2021)	Director	Remuneration Paid	Not Applicable	Not Applicable	55.28
		Interest on Deposit Paid	Not Applicable	Not Applicable	8.33
		Deposits received/renewed	Not Applicable	Not Applicable	70.00
		Deposits Paid	Not Applicable	Not Applicable	50.00
Mr. Rajesh C. Parikh	Director	Remuneration Paid	Not Applicable	Not Applicable	64.02
Mr. Atil C. Parikh	Director	Remuneration Paid	Not Applicable	Not Applicable	55.31
		Interest on Deposit Paid	Not Applicable	Not Applicable	0.54
		Deposits received/renewed	Not Applicable	Not Applicable	5.00
		Deposits Paid	Not Applicable	Not Applicable	5.00

Name of Related Party	Nature of relationship	Type of Transaction	Duration of Contract	Salient Terms	Amount (₹ In Lakhs)
Mrs. Ilaben C. Parikh	Relative of Director	Deposits received/renewed	Not Applicable	Not Applicable	Nil
		Interest on Deposit Paid	Not Applicable	Not Applicable	1.89
Mrs. Sejal R Parikh	Director	Guest House Rent Paid	Not Applicable	Not Applicable	8.93
		Deposit Received/Renewed	Not Applicable	Not Applicable	Nil
		Interest on Deposit paid	Not Applicable	Not Applicable	0.12
Mrs. Purvi A. Parikh	Relative of Director	Deposit Received/Renewed	Not Applicable	Not Applicable	Nil
		Interest on Deposit paid	Not Applicable	Not Applicable	0.60
Mr. N. R. Patel	KMP	Remuneration Paid	Not Applicable	Not Applicable	28.73
Mrs. Anuja K. Muley (Upto 15.05.2021)	KMP	Remuneration Paid	Not Applicable	Not Applicable	10.54
		Deposit Received/Renewed	Not Applicable	Not Applicable	Nil
		Interest on Deposit paid	Not Applicable	Not Applicable	0.14
20 Microns Foundation	Entity over which significant influence exists	Contribution towards CSR	Not Applicable	Not Applicable	44.85

a. From 01.04.20 to 31.03.21 every transaction is approved by Audit committee and Board on quarterly/yearly basis

b. The Company has not given loan or advance in the nature of loan to any of its subsidiaries.

For and on behalf of the Board

(Rajesh C. Parikh)
Chairman & Managing Director
(DIN:00041610)

(Atil C Parikh)
CEO & Managing Director
(DIN: 00041712)

Place: Waghodia, Vadodara
Date: 10th August, 2021

Annexure D

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

Particulars pursuant to the Companies (Accounts) Rules, 2014

A) Conservation of Energy-

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

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

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

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

(B) Technology absorption-

(i) the efforts made towards technology absorption - NIL

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

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

(a) the details of technology imported –

- The new generation superfine roller mill has breakthrough technology for grinding various minerals compare to typical mineral grinding equipment. It has increased grinding efficiency in operation.

(b) the year of import - During year 2020-2021

(c) whether the technology been fully absorbed - YES

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

Expenditure incurred on research and development is ₹96.79 Lakhs.

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: ₹5692.71 Lakhs

ii. Foreign Exchange Used: ₹5596.07 Lakhs

For and on behalf of the Board

	(Rajesh C. Parikh)	**(Atil C Parikh)**
Place: Waghodia, Vadodara	Chairman & Managing Director	CEO & Managing Director
Date: 10th August, 2021	(DIN:00041610)	(DIN: 00041712)

Annexure E

Annual Report on Corporate Social Responsibility (CSR) Activities 2020-21

1. Brief outline on CSR Policy of the Company:

20 Microns Ltd. recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavours to make CSR a key business process for sustainable development.

20 Microns is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our company is committed towards aligning with nature and has adopted eco-friendly practices. We set up 20 Microns Foundation Trust in 2001. This was done to focus on our CSR initiatives, long before the provision of the Companies Act, 2013, stating that the CSR activities undertaken by the Company has to be through a registered trust, came into force. The Company has also practice to carry out CSR by giving donation to other Trusts for the activities covered under Schedule VII of Companies Act, 2013

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	*Mr. Chandresh S Parikh (*Upto 09.06.2021)	Executive Director-Chairman of the Committee	2	1
2	Mr. Ramkisan Devidayal	Independent Director-Member of the Committee	2	2
3	Mrs. Sejal R Parikh	Non-Executive Director-Member of the committee	2	2
4	Mr. Rajesh C Parikh (w.e.f 28.06.2021)	Chairman & Managing Director-Chairman of the Committee	1	NA

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: **https://www.20microns.com/corporate-governance-investor/**

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

6. Average net profit of the company as per section 135(5) (calculated for 3 preceding financial years i.e. FY 2017-18, FY 2018-19 and FY 2019-20): **₹3265.92 Lakhs**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹65.32 Lakhs**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

   (c) Amount required to be set off for the financial year, if any: NIL

   (d) Total CSR obligation for the financial year (7a+7b- 7c).: ₹65.32 Lakh

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
79.42 Lakh	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocate for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation- Direct (Yes /No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
NA												

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation – Direct (Yes/No).	Mode of implementation –Through implementing agency.	
				State	District			Name	CSR Registration Number
1	Community Healthcare	Promoting health care including preventive health care	Yes	Gujarat	Vadodara	79.42 Lakh	No	20 Microns Foundation	CSR00002755

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹79.42 Lakh

(g) Excess amount for set off, if any:

S. No.	Particulars	Amount (in Lakhs)
1	Two percent of average net profit of the company as per section 135(5)	65.32
2	Total amount spent for the Financial Year	79.42
3	Excess amount spent for the financial year [(ii)-(i)]	14.10
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	14.10

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project -Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL

    (asset-wise details): Not Applicable

    (a) Date of creation or acquisition of the capital asset(s).NIL

    (b) Amount of CSR spent for creation or acquisition of capital asset: NIL

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NIL

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).:NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: NIL

For and on behalf of the Board

(Rajesh C. Parikh)
Chairman & Managing Director
Chairman – CSR Committee

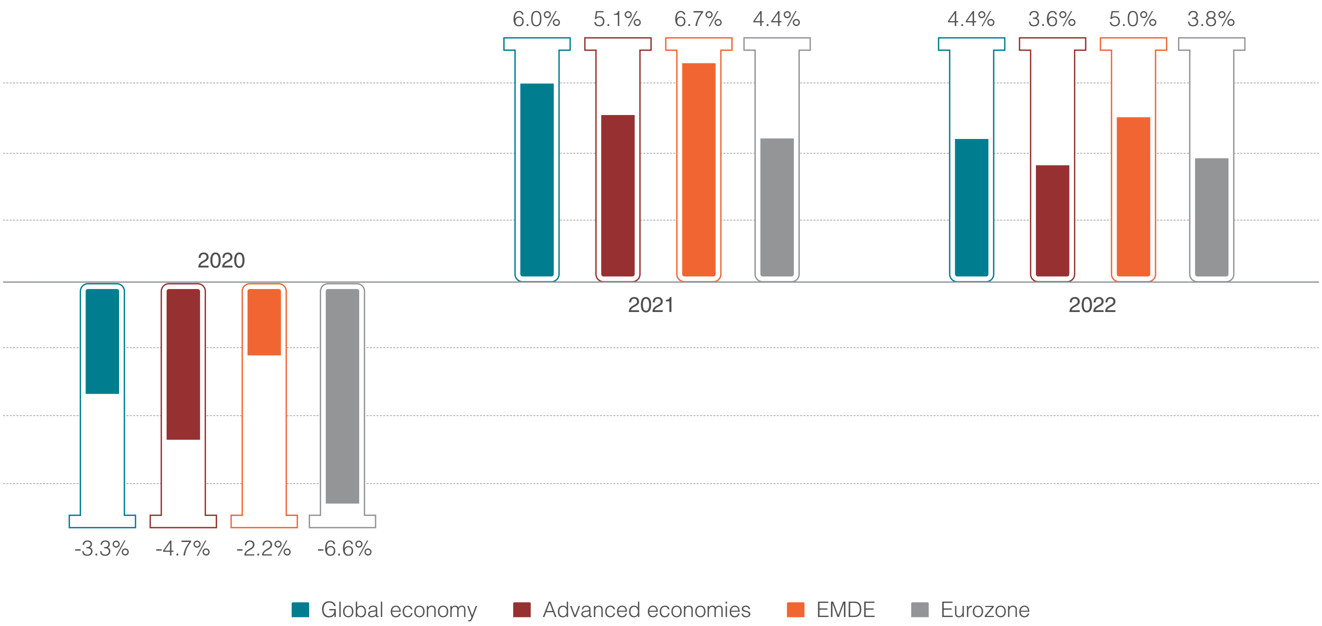
Place: Waghodia, Vadodara
Date: 10th August, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy overview

2021 witnessed the global economy on the path of recovery led by robust economic growth in China and the United States. In 2020, the Covid-19 induced pandemic had created a havoc across the global economy, resulting in a contraction of the global economy in 2020. According to the International Monetary Fund (IMF), the global economy is expected to have contracted by nearly 4.3% in 2020, an outcome "far worse" than the 2009 global financial crisis. However, post the devastating health and economic crisis caused by COVID-19, the global economic growth prospects have improved substantially against the backdrop of rapid vaccination rollouts in a some of the large and key global economies. In 2021, the global economy is now projected to expand by more than 5%. A stronger growth outlook for China and the USA, two of the largest global economies, underpins the upward revision. The United States, with rapid vaccinations, additional fiscal stimulus and the reopening of the economy, is projected to grow by 6.2% in 2021 – the fastest rate of growth since 1966. Buoyed by a strong recovery in exports and robust domestic demand, China is expected to grow by 8.2% in 2021.

Global economic growth forecasts (%)



(Source: https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021) [EMDE – emerging markets and developed economies]

Partial easing of stringent lockdowns, during the latter half of 2020 and early 2021, instigated the resumption of business activities and goods trading witnessed slow improvement. However, the services sector remained anemic as some of core sectors like tourism and hospitality industry faced a tragic burn down with the various restrictive measures adopted by different countries. One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns. But, on the positive side, mass vaccination program across geographies has helped lift the sentiment.

Outlook

Recent progress on coronavirus vaccines has brightened the global economic outlook, but according to some economists a potentially slow rollout of vaccines across developing and emerging economies and the ability of the economies to manage the second wave would be a key factor in determining the return of activity to pre-pandemic levels. According to IMF, after witness the worst year since the World War II, the global economy is like to stage a commendable growth in 2021. The global economy is expected to expand 5.6% in 2021, the fastest post-recession pace in 80 years. largely on strong rebounds. This is likely to happen on the back of steady spread of the Covid-19 vaccines which is to power a stronger global economic recovery in 2021 and strong economic rebound from a few major economies.

Timely and universal access to COVID-19 vaccines will remain critical for ensuring broad-based and inclusive recovery of the world economy, including resumption of business activities in some of the key sectors such as tourism and hospitality. Widespread vaccinations will help to create herd immunity and allow reopening and resumption of economic activities. But the stark and growing disparity in vaccination coverage between countries – and growing vaccine nationalism – will severely undermine global recovery efforts. Beyond progress on vaccines, underlying economic structure and sector dependency will determine the strength and pace of recovery.

Against the backdrop of an improved global outlook and strong demand from China, international commodity prices have trended higher, which will provide some support to recovery of the commodity-exporting countries. Additional fiscal stimulus measures in the United States, which include large infrastructure plans, will also likely boost the demand for some commodities. However, the recovery in many countries is being held back by a resurgence of COVID-19 cases and lagging vaccination progress, as well as the withdrawal of policy support in some instances.

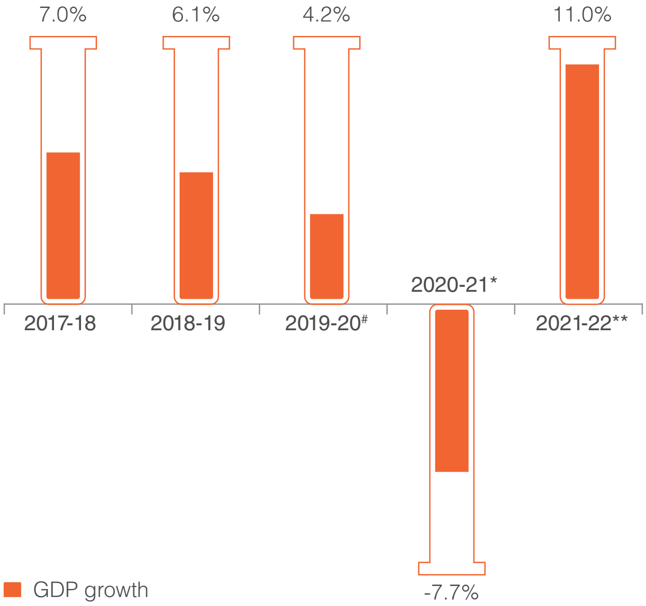
Indian economy review

After recording the deepest GDP contraction among G20 economies in the second quarter of 2020, the Indian economy showed great resilience by growing positively in the last two quarters of FY21. The year 2020 saw unprecedented disruptions to lives and livelihood all across the world and India was no exception. India also emerged as the second most resilient economy after Germany in 2021 exhibiting a strong "economic resurgence" to the global economic turmoil caused by the COVID-19 pandemic.

As the nation continued its fight against the novel virus and wade through the pandemic-induced challenges, the economy and the constituent industries had their fair share of learnings along the way. The impact of the pandemic and lockdown was disproportionately felt across industries. While industries such as hospitality and manufacturing were impacted immediately, the impact on the financial sector was felt with a lag, as is evident from the quarterly GDP numbers.

However, with the phased unlocking of the economic activities, easing of movement restrictions, pent-up and festive demand, and the revival of several infrastructure projects led to the slow recovery of the economy in the latter half of FY21. As anticipated, while the lockdown resulted in a 23.9% contraction in GDP in Q1, the recovery has been a V-shaped one as seen in the 7.5% decline in Q2 and then a steady recovery across all key economic indicators in the second half of FY21. According to the government's Economic Survey 2020-21, India's GDP is expected to shrink by 7.7% in FY21 - a robust sequential growth of 23.9% in H2, FY21 over H1, FY21.

India's GDP growth (at constant prices)

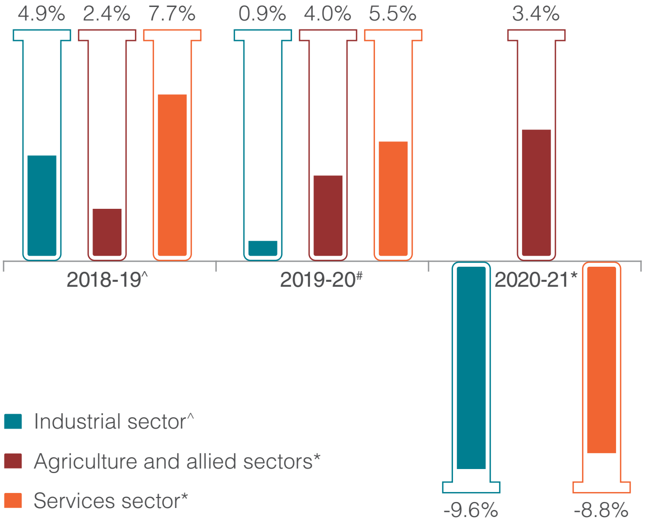


(Source: https://www.thehindu.com/business/Economy/indias-real-gdp-estimated-to-contract-by-77-in-2020-21/article33521311.ece)

*[Note: #Provisional estimates, *1st Advance Estimate, **Projected]*

As anticipated, while the lockdown resulted in a 23.9% contraction in GDP in Q1, the recovery has been a V-shaped one as seen in the 7.5% decline in Q2 and then a steady recovery across all key economic indicators in the second half of FY21. According to the government's Economic Survey 2020-21, India's GDP is expected to shrink by 7.7% in FY21 - a robust sequential growth of 23.9% in H2, FY21 over H1, FY21.

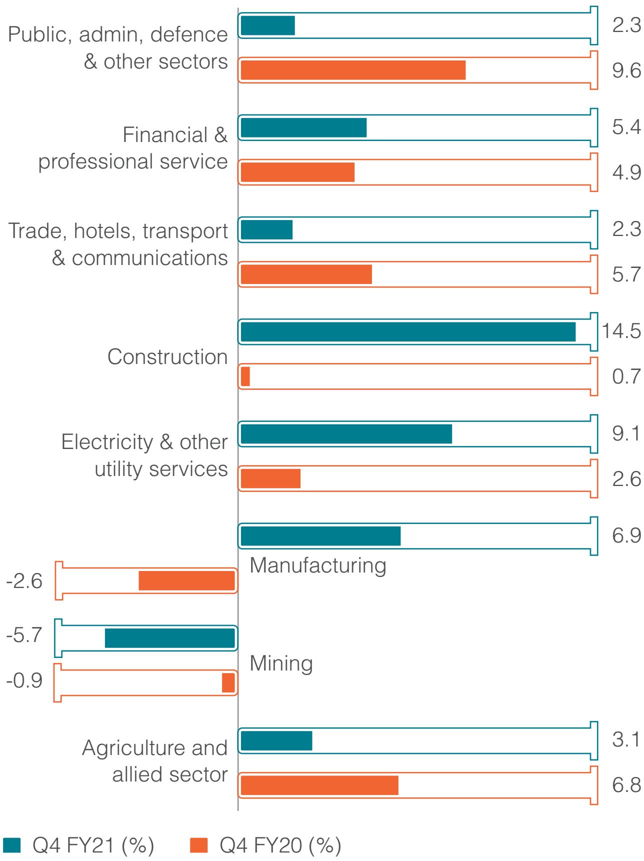
Growth of different Indian sectors



(Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1693232)

*[Note: *Growth rate of GVA at basic prices in %*
^1st Advance Estimate
#Projected]

Quarterly estimates of GVA at basic prices for Jan to March quarter (Q4 FY21 vs Q4 FY20)



(Source: https://www.business-standard.com/article/economy-policy/demand-pushes-up-construction-and-manufacturing-sectors-in-q4fy21-experts-121053101385_1.html)

Impact of COVID-19 and the lockdown in some of the key Indian industries

Automotive industry: Sudden closure of factories leading to unprecedented supply chain disruptions and a collapse in demand acted as a double whammy for the industry. The micro, small, and medium enterprises (MSMEs) such as component manufacturers, dealers, and vehicle financing institutions were among the hardest hit. The industry, however, responded to the crisis through innovative ways, such as digitized and subscribed services, contactless sales, and doorstep delivery/pick-up to reach out to customers. Many firms are activating secondary supplier relationships and securing additional critical inventory and capacity while diversifying sources of import supply beyond China. To improve profits, several organized players are now entering the growing used-car market, which is predominantly dominated by the unorganized sector.

Outlook: With the support of various government schemes and pent-up demand, the sector has somewhat rebounded. However, growth and jobs are expected to remain capped till the pandemic is over.

Trade, hotels, travel, and tourism: Hospitality was probably one of the first few industries hit by the pandemic. Social distancing norms and mobility restrictions led to fewer travels and leisure activities even before the lockdown. Known for creating direct and indirect jobs and the promotion of regional economic and product development, this labour-intensive industry witnessed a sharp reduction in wages and job opportunities. Despite credit support and government schemes to several MSMEs in this sector, the rebound has been muted because of continued mobility restrictions and health anxieties among consumers. However, the sector has found mature ways to deal with the pandemic. Several hotels made their venues available for hospital beds and front-line health professionals. Businesses adopted new models and concepts to survive, such as packages targeted at staycation and innovative delivery concepts.

Outlook: The path to profitability may be far off as long as the pandemic persists. The sector's revival will not only depend on domestic mobility but also on restrictions across international borders. This, in turn, will depend on synchronized efforts by world economies to curb the spread of infection, the success of which has been limited so far.

Retail industry for essential and nonessentials: Demand for essential goods remained strong while that of discretionary and nonessential goods declined. However, both these segments of the retail industry witnessed a perceivable tilt toward e-commerce services to cater to new shopping habits. With consumers preferring more online transactions to reduce exposure to infection, the retail and FMCG industries have been rethinking their business priorities and strategies to build a flexible distribution network and improve supply chains.

Outlook: The industry will likely see increasing digitization, use of online services and data analytics, and alliances across manufacturers, distributors, promoters, and product developers to differentiate customer experiences, improve margins, and survive the competition.

Pharmaceuticals and health sector: COVID-19 revealed the inadequacy of public health systems and infrastructure in addition to creating a shortage of well-trained health workers. With the support of government spending, however, the sector has ramped up health facilities such as ICU beds, ventilators, and testing capacities. The pandemic has presented an opportunity to shift to the digital medium and improve profitability with better technologies. For instance, trends such as telemedicine and the use of big data for maintaining health records are gaining momentum. Post–COVID-19, India aims to diversify sources or actively produce active pharmaceutical ingredients (APIs) and key starting materials, and reduce dependence on China for imports. Besides, India is likely to play a major role in vaccinating the world. With several vaccines queuing up for release soon, the industry has been increasing investment and building up capacity to meet the global demand.

Outlook: The health sector and pharmaceutical industry will likely see increased investments as the government focuses more on improving and expanding the reach of existing health care systems and ramping up the upcoming vaccination process, while pharma companies step up new production lines for affordable vaccines.

Technology and telecom: These two industries have played a very important role in responding to the challenges posed by the pandemic. Sectors such as e-commerce, fintech, food-tech, health-tech, and ed-tech have helped the country to deal with lockdowns, movement restrictions, and social distancing in ways that were unimaginable a few years back. From enabling virtual communication and manufacturing ventilators for use in hospitals and homes to bolstering cybersecurity for industries that are going digital, innovations by technology and broadband services companies have helped meet rapidly changing consumer and industry demand.

Outlook: Rising demand for digitization, automation and artificial intelligence, virtual communication, and reliable internet services will likely result in the robust growth of these industries.

Some of the unique trends witnessed by economy during the pandemic ridden year was manufacturing sector's resilience, rural demand cushioning overall economic activity and structural consumption shifts in booming digital transactions. Agricultural sector emerged as a big saviour for the economy during the year and helped cushion the shock of the COVID-19 pandemic on the Indian economy in FY21 with a growth of 3.4%. A series of progressive reforms undertaken by the government have contributed towards nourishing the nation's vibrant agricultural sector, which emerged as a silver lining to India's growth story of FY 2020-21.

However, with the economic activity gaining momentum with the start of the phased unlocking of economic activities and rollout of coronavirus vaccines, the Indian economy is showing decisive signs of a 'V-shaped' recovery in 2021 with the return of consumer confidence, robust financial markets, and an uptick in manufacturing and exports activities. According to some of the globally renowned forecasting agencies, the Indian economy is expected to clock a growth rate of 10.2% for the calendar year 2021 thanks to the receding COVID-19 risks with rising vaccination rate and favourable monetary policy from the government.

Rising FDI investment in India

Despite the havoc created by the Covid-19 induced pandemic, the Indian economy recorded a total foreign direct investment (FDI) of $81.72 billion in FY21 – the highest ever and 10% more than what was received in the previous year. This showcased the confidence of foreign investors on the Indian economy and its ability to make a strong recovery. The boost in FDI inflow in the year ending on March 2021 comes in the backdrop of a series of policy steps taken to improve ease of doing business and to attract investments into domestic manufacturing capacity and an ambitious infrastructure project pipeline.

Growing importance of India's Micro, Small and Medium Enterprises (MSME) sector

The Indian MSME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades and has also contributed significantly in India's recovery post the pandemic. Over the years, the Indian MSME sector contributed significantly in the economic and social development of the nation by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost.

With nearly 6.3 crore MSMEs, the Indian MSMEs sector contributed about 29% towards the GDP through its national and international trade. The number of registered MSMEs in India grew 18.5% Y-o-Y to reach 25.13 lakh (2.5 million) units in 2020 from 21.21 lakh (2.1 million) units in 2019. However, 2020 witnessed the Indian MSME sector also struggling as owing to the lockdown the sector wasn't able to earn enough, resulting into them being unable to pay back their creditors. With the Indian MSME sector on the path of recovery from the devastating impact of the first wave, the World Bank also extended its hand of support by approving a $500 million financial aid program to support India's nationwide initiative to revitalize the MSME sector.

In light of such a difficult situation, the government of Indian came up with different policy measures such as liquidity support, easier compliance norms and tax relief on online transactions to help the Indian MSME sector survive the challenge. Some of the key budget initiatives taken by the government to boost the Indian MSME sector are mentioned below.

FY22 Budget allocation for the MSME sector

- Budget Allocation for FY 2021-22 for the MSME more than doubled to ₹15,700 crore vis a vis ₹7,572 crore in 2020-21
- ₹10,000 crore corpus for provision of guarantee for borrowings - a huge relief to the sector

- Provisions for earlier announced Atma Nirbhar schemes (viz. Credit Guarantee Scheme for Subordinate Debt to MSMEs and Fund of Funds) to provide much needed financial succour and accessibility

- Collateral-free loans: A four-year loan with payments starting after 12 months was made available to MSMEs with a turnover of up to ₹100 crore and an outstanding loan of up to ₹25 crore. The borrowing limit was 20% of their total outstanding credit. The government allocated ₹3 lakh crore for this scheme. As of December, loans worth ₹2,05,563 crore had been disbursed to 81 lakh accounts.

- Partial credit guarantee: A further ₹20,000 crore was set aside to allow banks to lend to MSMEs that were unable to repay existing loans. Should the MSME fail to repay the loan, the government would stand guarantee for a portion of it. This scheme is expected to benefit more than 2 lakh MSMEs.

- Fund of funds: Another initiative from the government is the creation of a ₹50,000 crore fund to help struggling MSMEs with the potential to grow. The government intends to contribute ₹10,000 crore to the fund and the rest is expected to be sourced from the nation's key financial institutions such as the State Bank of India and Life Insurance Corporation.

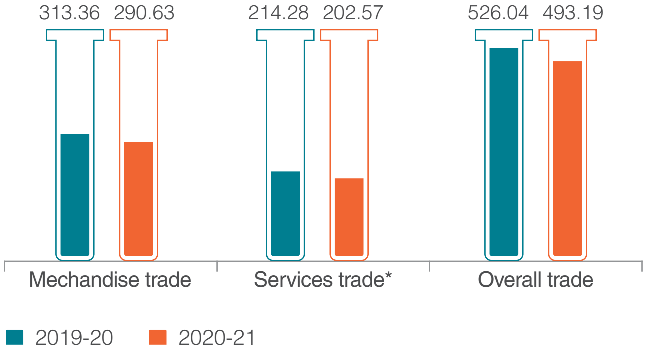
- Production linked incentive (PLI) scheme: The government in its budget announced an outlay of ₹1.97 lakh crore for the Production-Linked Incentive (PLI) scheme for 13 identified sectors. The scheme, which was introduced with an aim to boost domestic manufacturing under the government's Atmanirbhar Bharat initiative. The proposed PLI scheme will be implemented in the financial limit of ₹12,195 crore over five years, of which ₹1,000 crore will be allocated to the MSME category.

Indian export scenario

Despite the challenges thrown by the pandemic, the overall Indian export scenario fared pretty well in FY21. India's overall exports, including merchandise and services, in April-March 2020-21 are estimated to be $493.19 billion, down 6.66% as compared to the same period in FY20. India's exports grew the fastest in March with total outbound shipments rising 60.29%, far higher than 0.65% growth in February, with March becoming the fourth consecutive month of growth in FY21.

The country has large reserves of iron ore, bauxite, chromium, manganese ore, baryte, rare earth and mineral salts. The country produces 95 minerals 4 fuel-related minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals

Indian export scenario, FY20 vs FY21 (in USD billion)



(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=1712051)

*[*the latest data for services sector released by RBI is for February 2021. The data for March 2021 is an estimation, which will be revised based on RBI's subsequent release]*

Outlook

As India continues to grapple with the pandemic stepping into the new year brings in new ray of hope for the economy and its people. With the rollout of Covid-19 vaccine, India may have turned toward the road to recovery but still in need of an encompassing plan to return on the growth track. Lower infection and fatality rates, and the possibility of widespread vaccine deployment are expected to improve consumer and business confidence. Further impetus to the economy is being provided by the pent-up demand for more elastic discretionary goods. This is likely to be driven by the top 10 income percentile of the population that could not spend because of mobility restrictions and may spur private investment that has been contracting for five consecutive quarters now. According to the International Monetary Fund, the Indian economy is expected to stage a rebound in FY22 and is likely to grow at 11.5%.

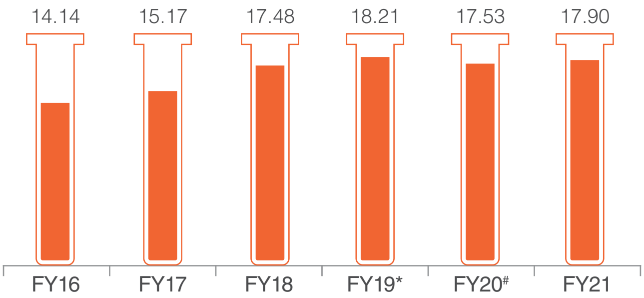
Indian mining industry

One of the core sectors and growth driver of the Indian economy, the Indian mining industry provides key materials needed for the country's infrastructure development and is also the backbone of many key Indian sectors. India is home to 1,531 operating mines. The country has large reserves of iron ore, bauxite, chromium, manganese ore, baryte, rare earth and mineral salts. The country produces 95 minerals 4 fuel-related minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals (including building and other minerals).

The mining sector is next only to agriculture in terms of generating employment. The sector directly and indirectly employs about 1.1 crore people and sustains the livelihood of about 5.5 crore people in the country. The importance of the industry in the Indian economy can be showcased by the fact that one direct job in the sector creates 10 indirect jobs. Similarly, 1% growth in mining results in a 1.5% growth in industrial production. Its importance grows manifold when we consider other allied sectors that depend on it for their survival and existence. Sectors such as steel, aluminium, commercial vehicles, rail transportation, ports, shipping, power generation, etc, are closely linked to the mining sector. Therefore, a boost to the mining sector is expected to boost the allied sectors as well, which, together, will brighten the economic horizon of the nation. With a sector having such far-reaching significance in generation of employment opportunities, the current government envisions increasing its contribution from 1.75% of GDP currently to 2.5% of GDP, with an aim to increase the mineral production output by 200% in the next seven years. India has the same mineral potential as South Africa and Australia. It produces 95 types of minerals but despite this huge mineral potential, the mining sector of India still remains underexplored. Currently the Indian mining sector contributes around 1.75% of the GDP, but much less compared to other developing nations such as South Africa and Australia where mining contributes around 7% and 7.5% of the GDP respectively.

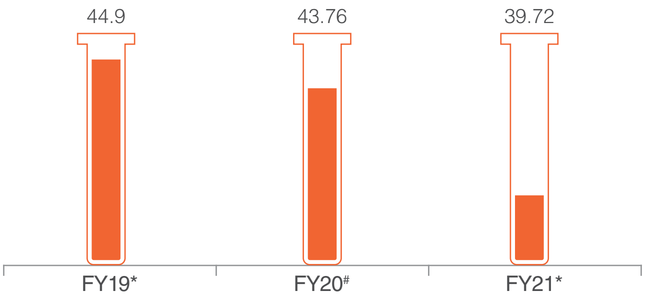
The country's mineral mining sector has remained choked for several decades owing to the different policy measures. Despite huge mineral potential, India had so far been underexplored with mining being carried out only on 0.25% of the land, whereas over 17% of the national land has mineral reserves. The sector had also underperformed in attracting investments. While mineral production stands at ₹1.25 lakh crore annually, its import is a whopping ₹2.5 lakh crore. India has explored only 10% of its Obvious Geological Potential (OGP) so far, only 5% of OGP is being used by India for mining.

India's mineral production (in USD billion)



*(Source: https://www.ibef.org/download/Metals-and-Mining-May-2021.pdf) [*Provisional | #Estimate]*

Gross Value Added (GVA) by the Indian mining and quarrying industry (in USD billion)



*(Source: https://www.ibef.org/download/Metals-and-Mining-May-2021.pdf) [*2nd revised estimate | #1st revised estimate]*

However, with the recent focus on the part of the government to boost the Indian mining sectors, several reform measures have been undertaken by the government. With India aiming to become a $5 trillion economy by 2025 would require almost doubling the size of India's economy over the next five years – and it's a target that the mining industry must play a key role in this growth. Keeping this in mind, the government recently introduced an array of reforms such as the Mines and Minerals (Development and Regulation) Amendment Act, 2021. Through this act the government aims to amplify an objective to abundantly utilise the potential and capacity of the mineral sector so as to intensify employment opportunities and investment in the mining sector including coal. The consequential intention also includes increasing the revenue to the States along with the flow in production as well as time bound operationalisation of mines including sustaining endurance in mining operations after change of lessee, increasing the pace of exploration and auction of mineral resources.

Key objectives of the Mines and Minerals (Development and Regulation) Amendment Act

Transparency in the auction process: The bill passed is aimed at bringing more transparency in the auction processes of the mines.

Enhancing employment: The major objective of the amendment is to generate employment in the mining sector and enhance the contribution of the mining sector in the total GDP of the country. The Ministry of Mines expects an increment of about 55 lakh direct and indirect employment to be generated due to the reforms.

Attract private investment (both domestic and foreign investment): The government, through this amendment, intends to attract domestic as well as foreign investment in the mining sector plus involvement of safe and effective technology in the sector. Further, the government has permitted 100% FDI under automatic route for sale of coal, for coal mining activities including associated processing infrastructure.

Transfer of statutory permissions: Through this bill the Government aims to provide all clearances and licences granted shall continue till the reserves have been mined and post the expiry or termination of the lease, will be transferred to the next successful bidder. This is likely to help attract investors as under the previous regime, the new lessee had pre-embedded clearances for only two years, making it difficult to get fresh clearances within this time period.

Growth drivers of the Indian mining sector

- Rise in infrastructure development and automotive production is expected to drive the growth of the metals and mining industry.
- Single-stage seamless composite exploration cum mining cum production regime will transform the stagnant exploration sector attracting private investments and best of global technologies.

- Commercial mining regime with no demarcation of captive and non-captive will promote the competitiveness of the mineral block auctions, further enhancing the transparency of the system.

- The flurry of reforms proposed by the government include amending two provisions in the MMDR Act that would free up around 500 potential mining sites that have been rendered inaccessible by existing regulatory frameworks.

Outlook

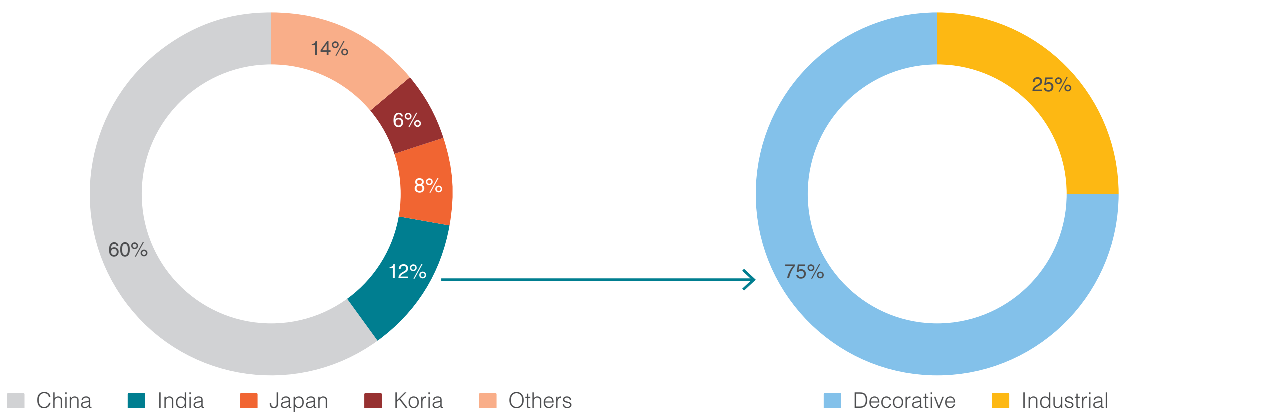
The rapid spread of Covid-19 and the subsequent lockdown had disrupted operations across industries, and mining sector was no exception. However, with the initiatives taken by the government to reinvent the Indian mining sector, the mining sector in India is poised for robust growth in year head, on the back of rising demand from end-use sectors and fresh investments announced by the mining companies. The suggested improvement in the grant of mineral concessions and better coordination between government agencies are few steps that can help the Indian mining industry to get back on its growth track. The reforms initiated by the Government are aimed to impact the sector which is considered new horizons of growth, with the aim to unleash new investment, boost production and create jobs.

Indian paint and coating industry

Valued at around US$ 7.1 billion as on FY20, the Indian paint and coating industry is the second largest market in the APAC region and is more than 100 years old. Largely divided into two segments decorative and industrial paint segment, the Indian paint market is being dominated by the decorative paints segment. Decorative paints include exterior wall paints, interior wall paints, wood finishes, enamel and ancillary products such as primers and putties, while industrial paints include automotive coatings, powder coatings and protective coatings. The Decorative segment accounts for the majority share of the paint industry's value which is ~75%. The industrial paint segment constitutes the balance 25% of the Indian paint market and includes a broad array of segments like automotive coatings, marine coatings, packaging coatings, powder coatings, protective coatings and other general industrial coatings. Of the two segments, the industrial paints segment mainly comprises organised players whereas the decorative paints segment involves unorganised players too as the decorative paints segment is not significantly dependent on technology.

APAC paint industry

Indian paint industry constituents

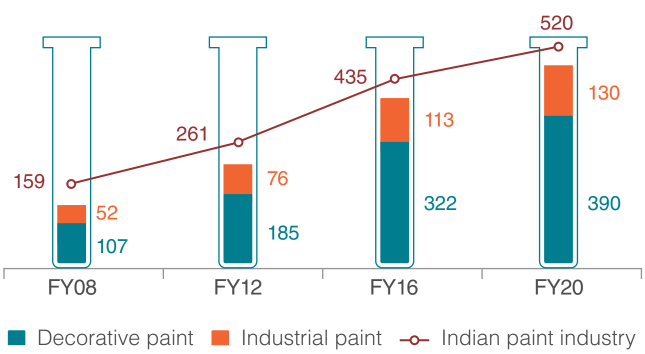


(Source: Paint industry report, January 2021, Care Ratings)

Industrial

Over the years, the Indian decorative paint industry has showcased strong growth and has grown at a CAGR of 11.4% since FY08 against the industrial segment, which has grown at a CAGR of 7.9% during the same period. Thanks to the strong growth of the decorative segment, the overall paint industry has grown at a CAGR of 10.4% since FY08. The Indian paint industry has been witnessing a gradual shift in the preferences of people from the traditional whitewash to high quality paints like emulsions and enamel paints, which is providing the basic stability for growth of Indian paint industry. Moreover, rise in disposable income of the average middle class coupled with increasing investment on education; urbanization; development of the rural market; and various launches of many innovative products, like friendly, odour free, and dust & water-resistant paints, are major drivers that are propelling the growth of the paint market in India.

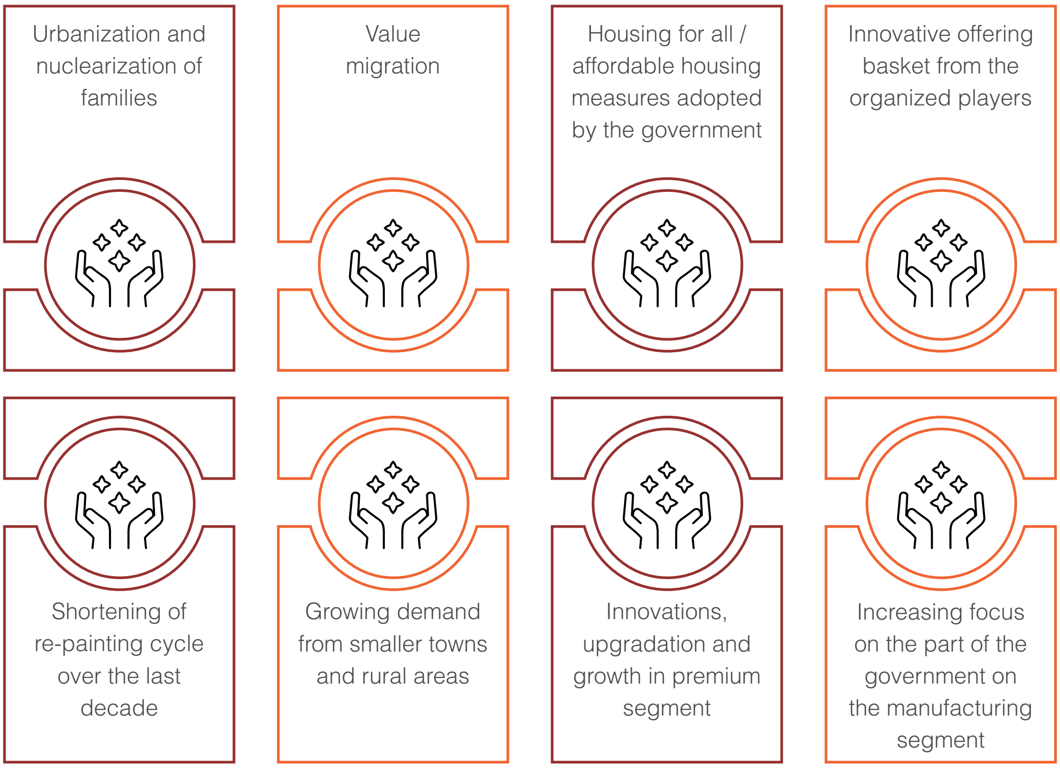
Steady growth of the Indian paint industry (₹ in billion)



(Source: https://images.assettype.com/bloombergquint/2020-09/162fc669-fb6f-4001-ae74-26c54252da3d/Nirmal_Bang_Paint_Sector_Update_010920.pdf)

The key factors contributing to the growth of the decorative paint industry are rapid scale of urbanization and increase in nuclearization of families, rising disposable income, reduction in repainting cycle, government boost for housing, upgradation and growth of top-end products and slowdown in the auto industry and infrastructure development in the recent years. Growth of the industrial paint segment can be largely attributed to the growth of the Indian automotive sector. The auto sector has been the leading consumer of industrial paints with 40-50% of the demand coming from the auto sector. The small unorganised paint manufacturers primarily catering to the lower end of the price points, maintain a sizeable 30-35% share in the overall paint industry in India.

Growth drivers for the Indian paint industry



Outlook

India's per capita consumption of paints has increased at a CAGR of 7.0% over the years, from 2.6 kgs in FY12 to 4.1 kgs in FY19. However, this is still well below the global average of ~13-15 kgs per capita consumption, despite the huge size of the market. Thus, there is immense headroom for the domestic market to grow in the long term given that structural drivers of the industry and economy aiming to emerge as a $5 trillion economy. With the Covid-19 related discussions, the paints industry was on a recovery mode for most of FY21 and the recovery is likely to gain momentum in FY22, if not disrupted by Covid-19 again. The companies reported strong volume growth in FY21 in decorative paints on a sequential basis, which can be attributed to the recovery in passenger vehicles and two-wheelers demand, along with a seasonal demand from households owing to festivities. Further, good rains helped the agrarian sector in terms of demand for agricultural machinery like tractors. The repainting cycle in households have shortened over the years due to the growth in nuclear families.

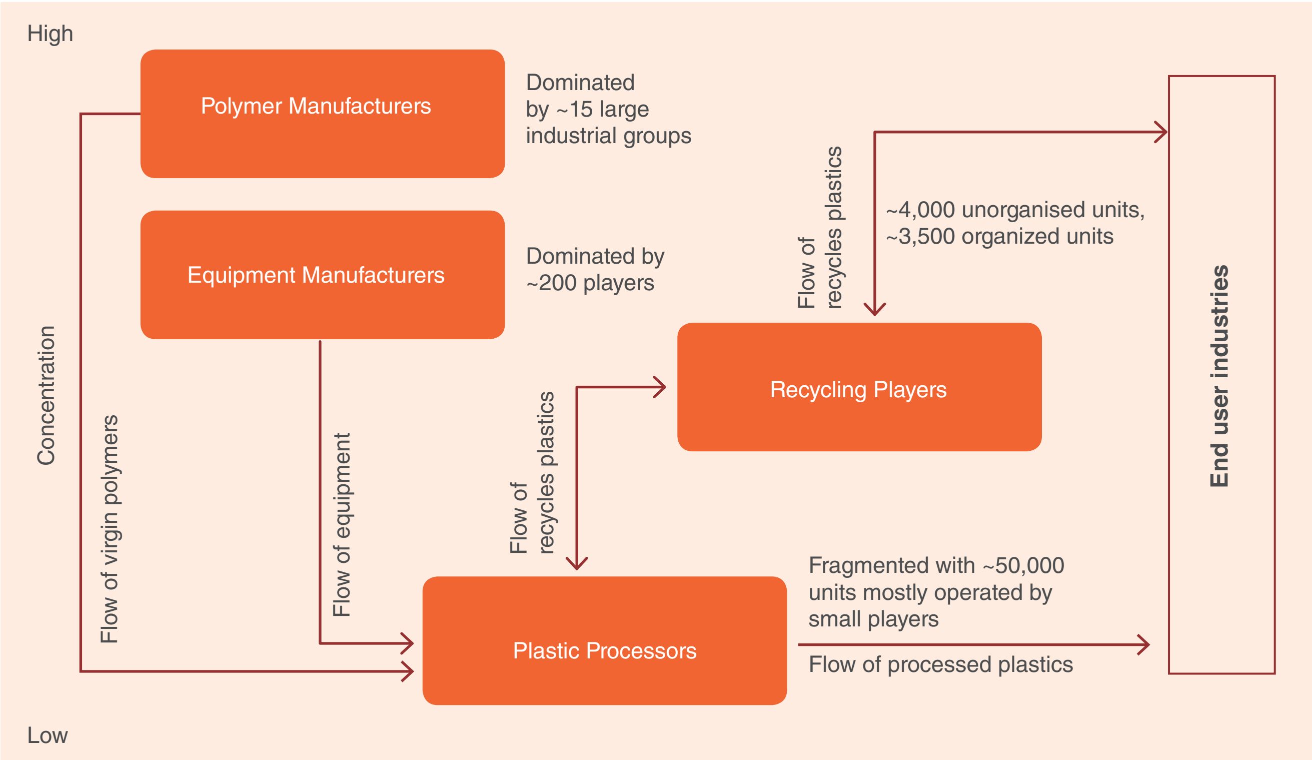
With the steady rise in the governments vaccination program, the industry expects the economy to slowly return to normalcy in FY22 and FY23. Owing to this, the Indian paints industry is expected to grow steadily in the short and medium term on the back of strong growth in the Indian economy and is expected to expand at a CAGR of 8.6% till 2024. India's young population represents a huge opportunity with a rapidly increasing middle class and overall population. By 2030, Indian middle class is expected to have the second largest share in global consumption at 17% which could drive demand for the paint industry. Further impetus to the industry is expected to be provided by the growing demand from the construction industry, coupled with rising infrastructure activities, will also drive the demand for the paints industry. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25% by 2022 from existing 16%. The manufacturing sector also has the potential to reach US$ 1 trillion by 2025. These factors are expected to significantly boost industrial paint consumption.

Indian plastic industry

India is recognised across the globe as the plastic hub of the world because of its low production cost and huge plastic demand. India is one of the largest producers of plastic in the world and had emerged as the 3rd largest plastic manufacturer in 2020. Employing more than 4 million people, the Indian plastics industry today constitutes of more than 2,000 plastic exporters, over 7,000 recycling units and more than 30,000 manufacturing units, with majority being small or medium sized enterprises. Cheap labour, easy availability and low cost of raw materials and weak currency have led to the rapid growth of the Indian plastics industry over the last few decades.

Plastic industry produces many varieties of plastic in the country ranging from raw materials, laminates, plastic-moulded extruded goods, leather cloth and sheeting, polyester films, moulded/soft luggage items, writing instruments, plastic woven sacks and bags, fishnets, polyvinyl chloride (PVC), packaging, consumer goods, sanitary fittings, tarpaulins, electrical accessories, travel ware, laboratory/medical surgical ware and others. The Indian plastics industry has been developing fast with market growth and diversification in recent years. In FY 2020, plastics export of India stood at US$ 7.045 billion with the highest contribution from plastic raw materials at US$ 2.91 billion, followed by plastic sheets, films and plates at US$ 1.22 billion, and packaging materials at US$ 722.47 million. The total plastic and linoleum export during April 2020 to February 2021 was US$ 6.73 billion and for the month of February 2021, it was US$ 630.94 million.

PET is one of the key subsegment of Indian plastics industry and is produced in India on massive capacity, and majority of the demand in the country is satisfied by domestic production. PET resin demand is expected to grow at a CAGR of 6.75% over the next few years. India's demand for PET in the packaging of food and beverages has witnessed a further increase during the pandemic, boosted by the higher awareness of hygiene and enhanced procurement of disposable and packaged items for reducing the chances of virus infection.



Growth drivers for the Indian plastics industry

- As the healthcare and pharmaceutical sectors are expected to expand due to increasing demand for medical devices, PET medical packaging is forecast to surge in the near future.
- With the rising focus of the government on the improving the sewerage and water distribution system of the country, the demand for the PVC products is likely to grow at a CAGR of 6.81% over the next decade. Pipe grade PVC accounts for over 40% of the overall demand as it is used in the production of water-distribution and underground irrigation pipes.
- Packaging is another strong-growing application industry in India. The end-user sectors where plastic bottles and jars are mostly used in the country include food and beverages, cosmetics, personal care and pharmaceuticals.
- India is one of the largest producers of commodities like food grains (220 million MT), sugar (20 million MT), milk (180 million MT), and fruits and vegetables (150 million MT). Due to varied crop pattern, plastic packaging is preferred and widely used for safe and hygienic storage, transportation and distribution, and wastage protection. This is likely to drive demand for plastics.
- With increased focus on sustainable plastic packing, the demand for recyclable plastic is expected to grow exponentially in the years ahead.

Key concerns for the industry

India generates 25,940 tonnes of Plastic Waste every day. The Indian government has also set an ambitious target of eliminating single-use plastics which are commonly used for packaging by 2022. Several states in India have already banned single-use plastics, this likely to dampen the demand for plastics in India.

Indian chemicals industry

India has one of the largest global chemical markets, and is ranked sixth in the world and fourth in Asia in terms of global sale of chemicals. India accounts for 2.5% of the world's global chemical sales. More than 80,000 chemicals are manufactured in the country and are consumed in diverse end-use sectors including textiles, automotive, agriculture, packaging, pharmaceuticals, healthcare, construction, and electrical and electronics. The chemical industry touches every nook and cranny of the country's economy and therefore plays an important role in shaping the lives of individuals and India's overall chemical output. The Indian chemical industry is fragmented with large, medium and small companies manufacturing major petrochemicals, alkali chemicals, inorganic chemicals, organic chemicals, pesticides, dyes and pigments and other chemicals. Majorly Valued at around USD 212.8 billion in FY21, the Indian chemical industry is expected to reach US$ 304 billion by 2025 after growing at a CAGR of 9.3%, driven by rising demand in the end-user segments for specialty chemicals and petrochemicals segment. In terms of demand, the industry has grown at approximately 1.3 times the country's average GDP growth in the last five years and shows a strong linkage with its GDP.

Key numbers highlighting the importance of the Indian chemicals industry (ICI)

80,000+
Number of products, which are inevitable part of our daily life, where chemicals find application

2 million +
Number of people directly employed by the industry

~2.5%
Indian chemical industry's contribution to global chemical sales

16%
ICI's share in global dye production

3rd largest
Consumer of polymers globally

4th largest
Producer of agrochemicals globally

2nd largest
Manufacturer and exporter of dyes

7.87%
Indian chemical industry's weightage on IIP

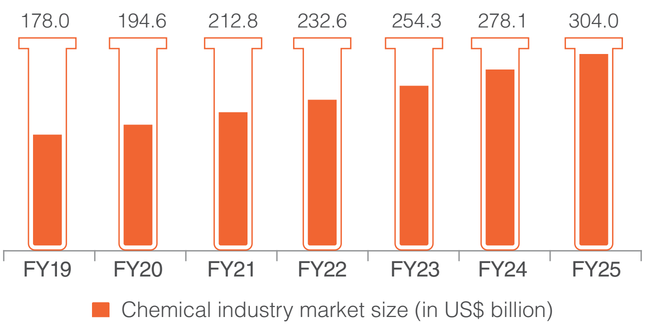
~1.4%
Indian chemical industry's contribution to the national GVA

8.8%
Indian chemical industry's contribution to the national manufacturing GVA

2.1%
Indian chemical industry's contribution to the national's total FDI Inflow

11.3%
Indian chemical industry's contribution to India's overall exports

India's growing chemical industry



(Source: https://www.ibef.org/download/Chemicals-May-2021.pdf)

Majorly de-licensed, except for a few hazardous chemicals, speciality chemicals constitute ~22% of the total chemicals and petrochemicals market in India. The specialty chemicals segment has grown at an impressive rate of approximately 11.7% in terms of value in the last five years and demand for specialty chemicals is expected to grow at a CAGR of 12% over the next few years. Specialty chemicals account for a major share of more than 50% of chemical exports, dominated by agrochemicals, dyes and pigments, among others. The petrochemical demand is expected to grow at 7.5% CAGR till FY23, while the polymer demand is expected to grow at 8%. The agrochemicals market in India are expected to grow at 8% CAGR reaching US$ 3.7 billion by FY22 and US$ 4.7 billion by FY25.

Key constituents of the Indian chemical industry

Bulk chemicals	Petrochemicals & polymers	Fertilisers	Specialty chemicals	Agrochemicals
These are groups of chemicals, which are manufactured on a large scale and further divided into organic, inorganic and alkali chemicals	These chemicals are derivative of several chemical compounds such as hydrocarbons, which are derived from crude oil or natural gas	These provide nutrients for plant growth; are divided into organic/inorganic and natural/ synthetic. Further, these can be broadly classified into phosphate, potassium and nitrogenous	These are derivatives of basic chemicals that are manufactured for specific end-use solutions. The characteristics of these chemicals include high value, high R&D and low volume	These chemicals are used to protect crops against insects and pests and include fungicides, herbicides, and insecticides, among others. These chemicals can be applied in water irrigation, seeds, soils and crops

COVID-19 has severely affected the Indian chemical industry and disrupted supply chains and the demand for chemicals. Consequently, it is expected to show a downturn in FY21 while still adapting to the shock expected in India's GDP. With the IIP of chemical and chemical products manufacturing being on the verge of attaining the pre-COVID index, the chemical industry is expected to witness a V-shaped recovery by FY22 by adapting to India's GDP growth trend. Further impetus to the industry is expected to be provided by government initiatives and the growth in the consumer base, changes in lifestyle, increase in disposable incomes and focus on healthcare and hygiene.

However, the COVID-19 pandemic had a positive impact on the demand for flavours and fragrances, personal care chemicals, nutraceutical ingredients and surfactants as a result of increased consumption of hygiene products, packaged foods, energy drinks and nutraceuticals during the lockdown period. The pandemic had a neutral or negative impact on the demand for other products such as polymer additives, paints and coatings, dyes and pigments, water treatment chemicals, and textile and construction chemicals due to the lockdown. Since most of the major end-user industries remained closed during the lockdown period, it had a negative impact on the Indian chemicals industry. The segment has immense growth potential due to the increasing demand from construction, automotive, packaging, water treatment, home and personal care, food processing, nutraceuticals and other demand-driven sectors.

Keeping in mind the pandemic, the Government has taken several progressive steps, such as the economic stimulus package, Production Linked Incentive (PLI) Scheme, tax and labour reforms, setting up of the National Infrastructure Pipeline (NIP) and various chemical industry specific policies and schemes, including its public procurement policy, mandatory BIS standards, skill development programmes and renewal of the PCPIR policy. Further with the government aiming to make India the global manufacturing hub, the demand of chemicals is expected to increase substantially in the years ahead. Further, a strong network of 200 national laboratories and 1,300 R&D centres provides a strong base to the Indian chemical industry to drive innovations and sustainable growth.

Key trends that are likely to drive growth for the Indian chemical industry

Shift in customers' preferences: Customers are increasingly getting interested in environmentally friendly and socially responsible products and services. Moreover, they are becoming conscious of health and hygiene and are demanding milder and safer products with pure ingredients.

Increasing per capita consumption: The current per capita consumption of chemical products in India is about one-tenth of the global average and is expected to double by 2025. Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India's specialty chemicals market.

Digitalisation and Industry 4.0: Digitalisation offers competitive advantages through improved horizontal and vertical integration, a new definition of operations management, and innovation and new digital business models. Chemical companies are implementing digitalisation initiatives and tools in their supply chains, demand planning and pricing strategies.

Increasing M&A and investment-related activity: Downstream value-added opportunities, the continued strength of specialty chemicals and realignment of portfolios are the key drivers of strong M&A and investment activities. Global oil and gas majors and leading chemical companies are looking for downstream opportunities in India and other high-growth economies. The trend has already begun with Saudi Aramco, Total and BASF showing their interest in the Indian chemical industry.

Shifting operations from China: Consolidation in the industry, environmental reforms and tightened financing is changing the structure of China's chemical industry, resulting in uncertainty for companies' dependent on the country for their supply of raw material. In addition, the COVID-19 outbreak has compelled companies to move their supplier base and look for alternative locations such as India that offer the advantage on low-cost labour and favourable investment policies.

Innovation and sustainability: Adding value by balancing the economic, social and environmental impact of the pandemic is becoming an overarching management principle in the chemical industry value chain. Chemical companies are incorporating sustainability and green-chemistry initiatives by constantly improving products, technology and processes, and working closely with customers and suppliers across their value chains.

Increasing investments and spending: PCPIRs are expected to attract investments worth ₹7.63 lakh crore (US$ 104.36 billion). Indian chemical companies spend ~1% of their revenue on R&D. An investment of ₹8 lakh crore (US$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025.

Policy support: The government plans to introduce production-linked incentive (PLI) scheme to promote domestic manufacturing of agrochemicals. In the Union Budget of 2021-22, the government allocated ₹233.14 crore (US$ 32.2 million) to the Department of Chemicals and Petrochemicals. The government also allowed 100% FDI in the chemical sector under automatic route with exception to few hazardous chemicals

Outlook

Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments. All these factors, along with the key policy support from the government, the India chemical industry is poised for strong growth in the years ahead.

Company Overview

Established in 1987, 20 Microns Limited (20ML) over the years has established its presence in the Indian extenders and speciality chemicals segment. Predominantly engaged in the trading of calcium carbonate, 20ML today is India's largest producer of white minerals offering a wide range innovative products across different end user application industry such as paint, powder, coating, plastic, rubber, paper, textiles and sealants industry among others. Backed by nine captive mines, nine state-of-the-art manufacturing facilities and two R&D centres, the company's white minerals help the Company cater to a cross section of industry across the globe. With the best manufacturing practices and ultra-modern R&D centers the international business forms one-fourth of the company's business with a strong presence in more than 65 countries across Europe Africa Australia and Asia Pacific.

Key strategic priorities for the Company

- **Grow and strengthen network advantage**
- **Deliver operational and organisational efficiencies**
- **Disciplined allocation of capital and improved cash flow generation**
- **Innovate offerings and services to create new value**
- **Build a talented workforce**

Business division

Finance review

Basis of preparation

The financial statements of the Company were prepared in accordance with generally accepted accounting principles (GAAP) in India

Financial performance review, 2020-21

Particulars	2020-21 (₹ in crores)	2019-20 (₹ in crores)	Y-o-Y growth
Operating revenue	432.38	490.05	(11.8)%
PBT	20.78	35.14	(40.9)%
PAT	22.45	24.97	(10.1)%
Cash profit	34.24	36.15	(5.3)%
EPS (₹)	6.36	7.08	(10.2)%
Debt equity Ratio (times)	0.44	0.64	(30.9)%
Interest Coverage Ratio (times)	1.88	2.75	(31.4)%
Current Ratio (times)	1.21	1.17	3.9%
Debtors Turnover (times)	5.31	6.11	(13.1)%
EBITDA Margin	12.80%	13.35%	(55) bps
PAT Margin	5.13%	5.03%	10 bps
Return on Net worth	11.28%	14.40%	(312) bps

Total revenue: The total income from operations for the Company has decreased by 11.8% to ₹432.38 crores in 2020-21 from ₹490.05 crores in 2019-20.

Other income: Other income decreased to ₹5.57 crores for 2020-21 from ₹7.61 crores in 2019-20, a decreased of 27%.

EBIDTA: EBIDTA (including other income) for 2020-21 was ₹56.07 crores as compared to ₹66.44 crores for 2019-20, a decrease of 16%. The EBIDTA margins slightly lower at 12.80% in 2020-21 from 13.35% in 2019-20

Costs & Expenses

Employee costs: Manpower cost for 2020-21 stood at ₹30.76 crores compared to ₹40.99 crores in 2019-20. In terms of percentage of turnover, it reduced to 7.02% as compared to 8.24% in the previous year.

Other expenses: Other expenses for 2020-21 stood at ₹123.19 crores compared to ₹122.66 crores in 2019-20. As a percentage of turnover, it increased to 28.13% in 2020-21 as compared to 24.64% in 2019-20.

Other expenses mainly include manufacturing expenses, selling & distribution expenses and general & administrative expenses such as communications, security, insurance, information technology expenses, sundry expenses, rates and taxes, and professional and legal charges among others.

Interest expenses: Interest expenses for the year 2020-21 increased to ₹23.50 crores from ₹20.12 crores in 2019-20, an increase of 16% in interest cost.

Depreciation: Depreciation cost as a percentage of turnover has marginally increased to 2.69% in 2020-21 to 2.25% in 2019-20.

Analysis of Balance Sheet

Net worth: The net worth of the Company has increased from ₹173.41 crores as on March 31, 2020 to ₹199.10 crores as on March 31, 2021

Borrowings: The total non-current borrowing has decreased from ₹36.35 crores as on March 31, 2020 to ₹21.78 crores as on March 31, 2021. The debt-equity ratio is at 0.44 as on March 31, 2021, which was 0.64 as on March 31, 2020.

Cash and bank balance: Cash and bank balance decreased from ₹7.50 crores as of 31 March 2020 to ₹6.63 crores as of 31 March 2021

Capital expenditure: During 2020-21, the Company has capitalized additional fixed assets of ₹10.17 crores. Major funding of the capital expenditure was made from the Internal Accrual.

Current assets & liabilities: The Company's current assets primarily consist of debtors, inventories, cash and bank balances and loans and advances. Total current assets as on March 31, 2021 were ₹191.41 crores as against ₹187.21 crores as on March 31, 2020.

The Company's current liabilities primarily consist of short-term borrowings, trade payables, short term provisions and other current liabilities. Total current liabilities as on March 31, 2021 was ₹157.78 crores as against ₹160.31 crores as on March 31, 2020.

Current ratio: The current ratio stood at 1.21 as at March 31, 2021 compared to 1.17 as on March 31, 2020.

Risk management

The Company is subject to many risks and uncertainties that may affect its financial performance. The business, results of operations or financial conditions of the Company could be adversely affected by the risks described below. These are not the only risks the Company faces. Additional risks and uncertainties not presently known to the Company or considered immaterial may also impair its business and operations.

Risk Management Process

Risk identification and assessment	Risk prioritization	Risk mitigation	Risk transfer	Risk review
Evaluation of risk and assessment as per the Company's risk appetite	• Categorisation and recording of risks • Segregate risk to manage and mitigate	Development of action plans to mitigate risk	• Road map for risk transfer • Review cost of risk transfer • Transfer risk	• Evaluate implementation status • Recommendations • Management report and validation

Key risk	Potential impact	Mitigation measures
Industry risk	Slowdown in the end-user industry can deplete the profitability of the Company	• Products developed by 20ML finds application across a number of end user industries, therefore slowdown in any one of the industries is likely not to impact the performance of the Company in any major way.
Fluctuating fuel price risk	Fluctuating fuel prices may impact profitability and operations	• Critical delivery planning of the products to key customer locations has helped minimize the logistics cost. • Operates with contractual trucking agreement to minimize the impact of fuel price fluctuations • Moved closer to key customer markets to lower logistics cost.
Foreign currency risk	• Exchange rate risk and foreign currency risk • Strengthening of foreign currencies may impact profitability • Increased cost of borrowing and hedging	• Enters into hedging contracts and forward contracts to mitigate risks. • Enters into forward foreign exchange contracts to manage the risk associated with anticipated future business transactions denominated in foreign currencies
Debt risk	• Inability to secure capex funding at competitive rates could jeopardize the Company's growth plans..	• The Company reduced its long-term debt by ₹23.03 crore during the financial year and improved its debt-equity ratio from 0.64 in FY20 to 0.44 in FY21. This not only enhanced the Company's credit rating but also allowed it to access loans at cheaper rates.
Raw-material risk	• Significant increase in the cost or shortage of raw materials could affect operations	• Over the years, 20ML has established a reputation of being a cost-competitive player. Its plants are located within a short distance of the mines and other raw material sources, providing the Company with an uninterrupted supply of raw materials and lowering freight costs.

Key risk	Potential impact	Mitigation measures
People risk	• Loss of key personnel and skills shortage • Reputational damage • Disruptions to operations	• Innovative employee retention strategy such as health insurance policy and regular recognition programs • Well-structured incentive scheme and remuneration policy • Maintains an optimum balance of experience and enthusiasm • Safe and healthy work environment
Competition risk	• Loss of business • Loss of reputation • Reduced market share	• Established player in the industry with multi-decadal experience • Cohesive product portfolio serving customers across India and in international markets

Internal control system and adequacy

The Company has in place strong internal control procedures commensurate with its size and operations. The Company believes that safeguarding of assets and business efficiency can be prolonged by exercising adequate internal controls and standardizing operational processes. The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organizational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities.

The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees.

Human resource

We believe that our intellectual capital is the true asset of our business and losing them could have a material adverse effect on the Company's performance. At 20ML, we believe that to ensure skill development and to be able to face up to major challenges, we need teams who deliver and who are motivated. Our human capital is our greatest tool for shaping the future of the Company and is also critical for our smooth functioning. Discovering talented people and retaining them is the key aim of our HR policy.

Our people are our greatest strength as a company and the bedrock of our organization. That's why our highest priority is to provide a rewarding workplace that's safe, welcoming, and supportive of professional development. Our company enjoys the support of committed and well satisfied human capital. Compensation packages offered by the Company, best of class methods in terms of recruitment, training, motivation, and performance appraisal, attract and retain the best in talent. As of 31st March 2021, the total workforce of 20ML is well over 700 employees.

Cautionary statement

The statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

REPORT ON CORPORATE GOVERNANCE

Compliance of the Corporate Governance Code is given below which forms part of the Board's Report for the year 2020-2021:

Corporate Governance

Company's Philosophy on Corporate Governance:

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Board of Directors

Composition

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

The strength of Board as on March 31, 2021 is 8 [Eight] Directors. Due to the sad and sudden demise of Mr. Chandresh S. Parikh, the Executive Chairman of the Company on 09.06.2021, the strength of the Board has been reduced to 7 [Seven] Directors. After the sad demise of Mr. Chandresh S. Parikh, Executive Chairman on 09.06.2021 , Board in its meeting held on 28.06.2021 has designated Mr. Rajesh C. Parikh as Chairman and Managing Director and Mr. Atil C. Parikh as CEO & Managing Director.

The Board comprises of Executive and Non-Executive Directors. The Chairman & Managing Director, CEO & Managing Director are the two Executive Directors. There are Five Non-Executive Directors, of which four Directors are Independent Directors. The Board also consists of one Woman Non-Executive Non-Independent Director. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board confirms that the Independent Directors fulfill the conditions as specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

Mr. Rajesh C. Parikh, Chairman and Managing Director, Mr. Atil C. Parikh, CEO & Managing Director and Mrs. Sejal R. Parikh, Non-Executive Director, are the relatives of each other. Other than aforesaid Directors, none of the Directors have any inter-se relations among themselves and any employees of the Company.

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

Appointment/ Re-Appointment of Directors

Mr. Atil C. Parikh, CEO & MD of the Company will retire by rotation at the ensuing Annual General Meeting who is eligible for re-appointment.

Profile of Directors

The brief profile of each Director as on date of approval of report is given below:

Mr. Rajesh C. Parikh has graduated with First Class Degree in Bachelor of Mechanical Engineering. He has also completed the Masters in Business Administration in Finance Stream. He is the **Chairman and Managing Director** of our Company. He started his career with Jyoti Limited, a Vadodara based Engineering Company, in the year 1994 as a Trainee Engineer and thereafter he was associated with the Company and held, on part time basis, few assignments for a new project to be established for China Clay. At the age of 27 he joined the Board and was in-charge of Technical matters and Marketing of the product of the Company. His exposure to the consuming industries brought in him insight for business and industry. He holds 17,01,714 Equity Shares representing 4.82% of the paid-up Capital of the Company.

Mr. Atil C. Parikh, the **CEO & Managing Director,** aged 44 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, the Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for

2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he re-joined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Boards of 20 Microns Nano Minerals Limited; Silicate Minerals [I] Private Limited & 20 MCC Private Limited. He holds 17,00,739 Equity Shares representing 4.82% of the paid-up Capital of the Company.

Mrs. Sejal R. Parikh, the **Non-Executive Woman Director,** holds a Bachelor degree in Production Engineering besides Post Graduation Diploma in Business Administration. She had worked for 2 years as the Trainee Engineer in Planning Department of GMM Pfaudler Limited, Vallabh Vidhyanagar, the Glass lined Equipment manufacturing company. She was also a part of projects related to Heritage Preservation of Vadodara in Maharaja Sayajirao University. She is holding 11,00,000 (3.12%) shares as a joint holder.

Mr. Ramkisan A. Devidayal, the **Independent Director,** holds Master's degree in Commerce and Management. He has rich and extensive experience in the fields of Agrochemicals of about 36 years of which 20 years in the Senior – 1st Line Management of the Companies to which he has been associated as Director. He was the Vice Chairman of Baroda Citizen Council and involved in Social activities of many NGOs. He has also been actively attached with various Associations, since last over a Decade, like Chamber of Commerce in Vadodara; Federations of Gujarat Industries; Gujarat Pesticides Formulators; etc. He has travelled widely round the Globe and participated in various International Seminars and led delegations several times. Mr. Ramkisan Devidayal is the Chairman of the Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholder Relationships and Share Transfer Committee of Directors of the Company. He holds 120000 Equity Shares representing 0.34% of the paid-up Capital of the Company.

Mr. Atul H. Patel, the **Independent Director,** is Graduate in Textile Engineering from VJTI, Bombay. He is a Managing Director of TARAK CHEMICALS LIMITED, Vadodara engaged in the manufacturing of Oil Field Chemicals and other Specialty Chemicals. He has been deeply involved in the activities of Industrial Association and was closely associated with Federation of Gujarat Industries [FGI, a body looking after interests of the Industries]. He had been President of FGI for 1991 and 1992. He was the President of Vadodara Industrial Employers' Union for the period 1993-95 and also a Senate member of M.S. University of Baroda. He has also been attached with Charitable Organizations and Educational Institutions, presently the Trustee of United Way of Baroda and the past Chairman of Baroda Citizen Council, a body activist in the development of Baroda City. Besides, he is the Trustee of Gyana Yagna Vidhya Mandir, Atladra – Vadodara and Nar Seva Samaj, Dist. Kheda and also the Director of the Baroda Citizen Community Co – Operative Credit Society Ltd., Vadodara. Mr. Atul Patel is Member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. He holds 1,18,912 Equity Shares representing 0.34% of the paid-up Capital of the Company.

Dr. Ajay I. Ranka, the **Independent Director,** is Ph.D. in Polymer Science and Engg. from USA besides, a Chemical Engineer. He has worked with PPG Industries, USA, as R & D Specialist. He is recognized as a top notch scientist for outstanding pioneering work in Polymer Chemistry and Nanotechnology. He has to his credit many American, European and Indian patents. He is associated with many social, business and trade organizations and a staunch supporter of education through philanthropy. He is presently working as Managing Director of Zydex Industries Pvt. Ltd. He is member of Audit Committee of the Company. He holds 1,88,658 Equity Shares representing 0.53% of the paid-up Capital of the Company.

Mr. Jaideep B. Verma, the **Independent Director,** has bagged BSL, LLB degrees from Symbiosis Law College, Pune. Besides, Diploma in Consumer Protection Laws from the University of Pune in 1993-94. Moreover, a Certificate Holder of Course on Patents jointly conducted by Government of Andhra Pradesh and CII. He has the Pan Gujarat Practice in District Courts, Revenue Courts, Consumer Courts, Judicial and quasi judicial authorities, Documentation and Title Clearance work. Mr. Verma is

- Ex-Senior Associate with M/s. Crawford Bayley & Company, Solicitors, Mumbai
- Ex – Director of C-SAM (India) Pvt Ltd, a Telecom Software Company of Mr. Sam Pitroda and had been actively working and instrumental to advise on all legal aspects and setting up of the same.
- Ex-Part time Lecturer, Paper setter and Examiner with the Department of Law and Department of Commerce, M.S. University, Baroda.
- Ex-Director (Public Interest) on the Vadodara Stock Exchange appointed by SEBI.
- Expert in Arbitration, Cyber Crime, IPR and Corporate Laws & was appointed Arbitrator for The Vadodara Stock Exchange, Vadodara.
- Appointed as Chairman of the Default Committee of the Vadodara Stock Exchange, Vadodara.
- Appointed as Panel Member of Investor Grievance Resolution Panel by The National Stock Exchange of India.

He is member of Nomination and Remuneration Committee of Directors of the Company. He does not hold any shares of the Company.

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

Meetings:

The Board generally meets 4 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. During the year ended on March 31, 2021, the Board of Directors had 05 Meetings. The last Annual General Meeting (AGM) was held on 25.09.2020. The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2021 and at the last AGM is as under:-

Name of Director	AGM	Board Meetings					% of attendance
	25.09.2020	08.06.2020	13.08.2020	11.11.2020	23.12.2020	12.02.2021	
Mr. Chandresh S. Parikh [upto 09.06.2021]	Y	Y	Y	Y	Y	Y	100
Mr. Rajesh C. Parikh	Y	Y	Y	Y	Y	Y	100
Mr. Atil C. Parikh	Y	Y	Y	Y	Y	Y	100
Mrs. Sejal R. Parikh	Y	Y	Y	Y	Y	Y	10
Mr. Ramkisan A. Devidayal	Y	Y	Y	Y	Y	Y	100
Mr. Atul H. Patel	Y	Y	Y	Y	Y	Y	100
Dr. Ajay I. Ranka	Y	Y	Y	Y	Y	Y	100
Mr. Jaideep B. Verma	Y	Y	Y	Y	Y	Y	100

Y – Attended

Matrix of Skill/Expertise/Competencies of the Board of Directors

In terms of the requirements of the SEBI Listing Regulations, the Board has identified and approved the list of core skills/ expertise/ competencies as required in the context of Company's business(es) and sector(s) for it to function effectively. Broadly, the essential skill sets identified by the Board are categorised as under:

a. Strategy & Planning
b. Research & Development
c. Operations & Technology
d. Promotion & Marketing
e. International Exposure
f. Finance, Accounts & Audit
g. Governance, Legal, Risk & Compliance

Sr. No.	Name of Director	Strategy & Planning	Research & Development	Operations & Technology	Promotion & Marketing	International Exposure	Finance, Accounts & Audit	Governance, Legal, Risk & Compliance
1	Mr. Chandresh S. Parikh [upto 09.06.2021]	Expert	Expert	Expert	Expert	Expert	Expert	Expert
2	Mr. Rajesh C. Parikh	Expert	Expert	Expert	Expert	Expert	Expert	Expert
3	Mr. Atil C. Parikh	Expert	Expert	Expert	Expert	Expert	Expert	Expert
4	Mrs. Sejal R. Parikh	Expert	Proficient	Proficient	Proficient	Proficient	Expert	Expert
5	Mr. Ramkisan Devidayal	Expert	Proficient	Proficient	Expert	Proficient	Expert	Expert
6	Mr. Atul H. Patel	Expert	Proficient	Expert	Expert	Expert	Expert	Proficient
7	Dr. Ajay I. Ranka	Expert	Expert	Expert	Proficient	Expert	Expert	Proficient
8	Mr. Jaideep B. Verma	Expert	Proficient	Proficient	Proficient	Proficient	Expert	Expert

The identified skills / competences are broad-based and marking of 'Proficient' against a particular member does not necessarily mean the member does not possess the corresponding skills / competences.

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 12th February, 2021 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole and also reviewed performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Agenda:

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

Invitees and Proceedings:

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

Post Meeting Action:

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

Support and Role of Company Secretary:

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

Other Directorships etc.:

None of the Directors is a Director in more than 15 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Directors acts as a member of more than 10 committees or acts as a Chairman of more than 5 Committees across all Public Limited Companies in which he/she is a Director.

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on March 31, 2021, are given below:-

Name of Directors	Directorships and Chairman/Membership of Committees [*] in Indian Public Company				
	Name of the listed entities where Directors are on Board		No. of Directorship in Public Co. including 20ML	Committee* Membership in Public Companies (whether listed or not)	Committee* Chairmanship in Public Companies (whether listed or not)
	Name of Company	Category			
Mr. Chandresh S. Parikh [upto 09.06.2021]	20 Microns Ltd.	Executive Chairman	2	1	-
Mr. Rajesh C. Parikh [* w.e.f. 28.06.2021]	20 Microns Ltd.	*Chairman & MD	2	1	-
Mr. Atil C. Parikh [* w.e.f. 28.06.2021]	20 Microns Ltd.	*CEO & Managing Director	2	1	-
Mrs. Sejal R. Parikh	20 Microns Ltd.	Non-Executive Non-Independent Director	1	-	-
Mr. Ramkisan A. Devidayal	20 Microns Ltd.	Independent Director	8	2	5
	Banco Products (India) Ltd.	Independent Director			
	Munjal Auto Ltd.	Independent Director			
Mr. Atul H. Patel	20 Microns Ltd.	Independent Director	6	2	-
	Paushak Ltd.	Independent Director			
Dr. Ajay I. Ranka	20 Microns Ltd.	Independent Director	1	1	-
Mr. Jaideep B. Verma	20 Microns Ltd.	Independent Director	1	-	-

** Audit Committee and Stakeholder Relationship Committee considered*

Induction and Training of Board Members:

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

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

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

The queries/questions raised by the Independent Directors were replied and satisfied accordingly. The details of such familiarization programme for Independent Directors are posted on the website of the company www.20microns.com

Code of Conduct:

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

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

Prevention of Insider Trading Code:

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

The trading window is closed in compliance of the SEBI (PIT) Regulations as amended from time to time and on occurrence of any material events as per the code. The Company has appointed Mrs. Komal Pandey, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

Formal letter of appointment to the Independent Directors

The company has issued formal letters of appointment or reappointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties. The terms and conditions of appointment of Independent Directors have been hosted on the website of the Company and can be accessed at company's website www.20microns.com.

Evaluation of the Board's Performance:

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

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

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

Audit Committee of Directors

Composition:-

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

Meetings:-

The Audit Committee had 4 meetings during the year 2020-21, specifically on 08.06.2020, 13.08.2020, 11.11.2020 and 12.02.2021. The attendance of each committee member was as under:-

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

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

Invitees / Participants:-

1. The Whole-time Directors of the Company are the permanent invitees to all Audit Committee Meetings.
2. The Statutory Auditors have attended all the Audit Committee meetings held during the year.
3. The Business Heads and the CFO also attends all the Committee meetings to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc.

Terms of Reference:-

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

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

(1) oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) recommendation for appointment, remuneration and terms of appointment of auditors

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

  (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

  (b) changes, if any, in accounting policies and practices and reasons for the same;

  (c) major accounting entries involving estimates based on the exercise of judgment by management;

  (d) significant adjustments made in the financial statements arising out of audit findings;

  (e) compliance with listing and other legal requirements relating to financial statements;

  (f) disclosure of any related party transactions;

  (g) modified opinion(s) in the draft audit report;

(5) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval or any subsequent modification of transactions with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) discussion with internal auditors of any significant findings and follow up there on;

(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) to review the functioning of the whistle blower mechanism;

(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(21) To review following –

  (1) Management discussion and analysis of financial condition and results of operations;

  (2) statement of significant related party transactions, submitted by management;

  (3) management letters/letters of internal control weaknesses issued by the statutory auditors;

  (4) internal audit reports relating to internal control weaknesses;

  (5) the appointment, removal and terms of remuneration of the chief internal auditor

  (6 statement of deviations

    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s)

    (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice.

(22) Carrying out any other function as added in the terms of reference of the audit committee, by the Regulatory Authorities, from time to time

Nomination and Remuneration Committee of Directors

Composition and Attendance at the Meeting

The Nomination and Remuneration Committee comprises of the members as stated below. The Committee during the year ended on March 31, 2021 had one meeting on 29.05.2020. The attendance of the members was as under:-

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Ramkisan A. Devidayal - Independent Director(Chairman of the Committee)	1 of 1
2	Mr. Atul H. Patel - Independent Director	1 of 1
3	*Mr. Chandresh S. Parikh - Executive Chairman(*Upto 09.06.2021)	1 of 1
4	**Mr. Rajesh C Parikh-Chairman & Managing Director (**w.e.f 10.08.2021)	
5	Mr. Jaideep B. Verma – Independent Director	1 of 1

Terms of Reference of the Nomination and Remuneration Committee:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

(3) devising a policy on diversity of Board of Directors;

(4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

(5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

(6) recommend to the Board, all remuneration, in whatever form, payable to senior management.

Remuneration Policy

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

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

[₹ In Lakhs]

Names of Directors	Basic	HRA	Medical	PF	Incentive	Commission	TOTAL
Executive Directors:							
Mr. Chandresh S. Parikh	47,58,170	0	2,18,097	5,51,920	-	0	55,28,187
Mr. Rajesh C. Parikh	36,34,540	5,43,231	1,66,587	4,21,586	16,35,430	0	64,01,374
Mr. Atil C. Parikh	29,72,917	4,44,345	1,36,266	3,44,840	16,32,570	0	55,30,938

The Non-Executive Independent Directors had been paid the sitting fees for attending the Board and Committee Meetings and also recommended to pay Commission for the year subject to approval of shareholders in the ensuing Annual General Meeting, within the limit as specified in the provisions of Companies Act, 2013 which is as under –

(₹ In Lakhs)

Non-Executive Directors	Sitting fees	Commission Paid
Mrs. Sejal R. Parikh	1.20	1.75
Mr. Ramkisan A. Devidayal	2.60	3.50
Mr. Atul H. Patel	2.30	1.75
Dr. Ajay I. Ranka	2.15	1.75
Mr. Jaideep B. Verma	1.30	1.75

During the Financial Year 2020-21, in view of the remarkable and satisfactory performance of the Company of the III Quarters of 2020-21, despite of global constraints due to pandemic, upon recommendation of the Nomination & Remuneration Committee of Directors followed by the approval of the Board of Directors vide their respective Circular Resolutions passed on 13.03.2021, Mr. Rajesh Parikh & Mr. Atil Parikh, the Whole-time Directors have been paid of incentive for the year 2020-21 for an amount of ₹16,35,430 and ₹16,32,570.

Executive Directors of the Company were paid no Commission on quarterly profit after tax at the rate mentioned in the agreement entered into with them at the time of their reappointment, respectively.

The Company has entered into service agreements with respective Executive Directors for period of 03 years effective from 01.04.2019. Notice period according to said service agreement was 90 days from either side or equivalent payment of salary in lieu thereof.

During the year, the company has not issued stock option to any Directors of the company.

Directors' Shareholding

Shareholding of the Directors in the company as on March 31, 2021:

Names of Directors	No. of shares held in the Company*	Percentage of holding
Mr. Chandresh S. Parikh	37,90,728	10.74
Mr. Rajesh C. Parikh	17,01,714	4.82
Mr. Atil C. Parikh	17,00,739	4.82
Mrs. Sejal R. Parikh	Nil	Nil
Mr. Ramkisan A. Devidayal	1,20,000	0.34
Mr. Atul H. Patel	1,18,912	0.34
Dr. Ajay I. Ranka	1,88,658	0.53
Mr. Jaideep B. Verma	Nil	NIL

In terms of Article 152 of the Articles of Association of the company, the Directors are not required to hold any qualification shares.

Remuneration to Key Managerial Personnel, Senior Management and other employees contained a balance between fixed and variable pay reflecting short and long term performance objectives of the employees in line with the working of the Company and its goals. For Directors, the Performance Pay will be linked to achievement of Business Plans.

Stakeholder Relationship and Share Transfer Committee

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

The Committee consists of the members as stated below. During the year ended on March 31, 2021, this Committee had 01 meeting on 12.02.2021 which was attended by the members as under:-

Sr. No.	Name of Committee Members	No. of Meetings held/ attended
1	Mr. Ramkisan A. Devidayal Chairman-Independent Director	1 of 1
2	Mr. Rajesh C. Parikh, Member – Executive Director	1 of 1
3	Mr. Atil C. Parikh – Member – Executive Director	1 of 1

Mrs. Anuja Muley, Company Secretary was designated as the "Compliance Officer" who oversees the redressal of the investors' grievances upto 15.05.2021 and ceased to be as such due to death. The Board of Directors of the Company in its Meeting held on 28.06.2021, appointed Mrs. Komal Pandey as the Company Secretary & Compliance Officer of the Company, who joined her duties w.e.f. 19.07.2021 as such.

Terms of Reference of Stakeholders Relationship and Share Transfer Committee

(1) Resolving the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

The Company has not received any grievance directly or through Registrar and Transfer Agents.

Status of Investors Complaints

During the period under review, the Company has not received any complaint from any shareholder and the company has reported on quarterly basis to BSE and NSE to that effect.

CSR Committee of Directors

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee was headed by Mr. Chandresh Parikh, Executive Chairman of the company upto 09.06.2021 and consists of the members as stated below. During the year ended on March 31, 2021, one Committee Meeting was held on 28.05.2020. The CSR Committee, as on March 31, 2021, comprised of the following members:

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Chandresh S. Parikh – Executive Chairman [upto 09.06.2021]	1 of 1
2	Mr. Rajesh C. Parikh – Chairman - Executive Director [w.e.f. 10.08.2021]	N.A.
3	Mrs. Sejal R. Parikh – Member Non-Executive Woman Director	1 of 1
4	Mr. Ramkisan Devidayal – Member Independent Director	1 of 1

Independent Directors:

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors of the Company have been appointed for a period of 5 years.

Pursuant to Schedule IV to the Companies Act, every Independent Director has been issued a letter of appointment containing the terms and conditions of his appointment. The terms and conditions of appointment have been posted on the website of the Company at www.20microns.com

Separate meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, one separate meeting of the Independent Directors was held during the year on 12th February, 2020, without the attendance of non-independent Directors and members of management, inter alia to:

a. Review the performance of the non-independent Directors and the Board as a whole;

b. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors;

c. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Policies/Codes

a. Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee reported to the Audit Committee in this regard. The policy of vigil mechanism may be accessed on the Company's website https://www.20microns.com/wp-content/uploads/2018/02/Vigilence-policy.pdf

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review, no sexual Harassment Complaint has been received by the Company. The policy of Sexual Harassment at workplace may be accessed at the web-link - https://www.20microns.com/wp-content/uploads/2018/06/Policy-on-Prevention-of-Sexual-Harrasment-at-Work-Place.pdf

General Body Meetings

(i) Annual General Meeting (AGM):

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

Financial Year	Date	Location	Time	No. of Special Resolutions passed
2019-2020	25.09.2020	Video Conference (VC) or Other Audio Visual Means (OAVM) in the Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara	3.00 p.m	01
2018-19	13.08.2019	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara	3.00 p.m.	06
2017-18	19.09.2018	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara	3.00 p.m.	05

(ii) Extra Ordinary General Meetings:

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

(iii) Postal Ballot:

During the year, the Company did not propose any resolution for approval of members through Postal Ballot. It is not proposed to conduct any Special resolution through Postal Ballot as on date.

Management review and responsibility

- Formal evaluation of officers

  The nomination and remuneration Committee of the Board approves the compensation and benefits for all Sr. Management Employees.

- Board interaction with clients, employees, institutional investors, the government and the media. The Executive Chairman and the MDs represent the Company in interactions with investors, the media and various government authorities.
- We have an integrated approach to managing risks inherent in various aspects of our business
- A detailed report on our Management's discussion and analysis forms part of this Annual Report.

Disclosures

1. Transactions with related parties, as per requirements of Indian Accounting Standard [Ind AS] 24, are disclosed in notes to accounts annexed to the financial statements.

2. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Ind AS 24 has been made in the Annual Report. The Company has identified that there are no materially significant transactions with the related parties pursuant to the material related party transaction policy formulated by the Company. The said policy is available at web-link - https://www.20microns.com/wp-content/uploads/2019/12/20ML_Material-Related-Party-Transaction-Policy.pdf

3. The Company has followed all relevant Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

4. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

5. No penalties or strictures have been imposed on the Company by Stock Exchange or any statutory authority on any matter related to capital markets during the last three years .

6. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management. The Company has complied with all the mandatory requirements of the listing regulations in respect of Corporate Governance.

7. As on 31.03.2021, the Company has a material unlisted subsidiary company viz. 20 Microns Nano Minerals Ltd. as defined in Regulation 16(1)(c) of the Listing Regulation, 2015. The Company has framed a policy for determining "material subsidiary" and the same is disclosed on the Company's website at www.20microns.com

8. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated in Section 149(7) of the Companies Act, 2013.

The Company has received Certificate from Devesh R. Desai and Co., Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory Authority. The certificate forms part of this report.

TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/ NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART:

S. No	Particulars	Fees for the year (2020-2021) [₹ In Lakhs]					
		20 Microns Limited	20 Microns Nano Minerals Limited	20 FZE	20 SDN	20 MCC Pvt. Ltd.	20 Microns Vietnam Company Ltd.
1.	Audit Fees	8.70	2.50	1.43	1.42	0.20	0.80
2.	In Other Capacity	0.71	-	-	0.19	0.65	-
3.	Out of Pocket Expense	0.08	-	-	-	-	-

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements (Regulations), 2015.

Plant locations

As on 31st March 2021, manufacturing units are 9 (nine).

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

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

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

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

Certificate

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

Means of Communication

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

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

Secretarial Audit

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

General Shareholders' Information

Annual General Meeting:

Day and Date : Tuesday, 28th September, 2021

Time : 3.00 p.m.

Venue : Meeting is to be conducted t**hrough Video Conference (VC)** or **Other Audio Visual Means (OAVM)** The venue of the meeting shall be deemed to be at the Conference Room, 347, GIDC Industrial Estate, Waghodia – 391 760, Dist. Vadodara

Financial Calendar:

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

First quarterly results*	:	on or before 14th August, 2020
Second quarterly / Half yearly results*	:	on or before 14th November, 2020
Third quarterly results*	:	on or before 14th February, 2021
Fourth quarterly/Annual results*	:	on or before 30th May, 2021
Annual General Meeting for the year ending on 31st March, 2021	:	on or before 30th September 2021

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

Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, 21st September, 2021 till Tuesday, 28th September, 2021 (both days inclusive) for the purpose of 34th Annual General Meeting.

Listing of Shares and Other Securities:

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

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 533022

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

Demat – ISIN Number for NSDL & CDSL: INE144J01027

Listing Fees:

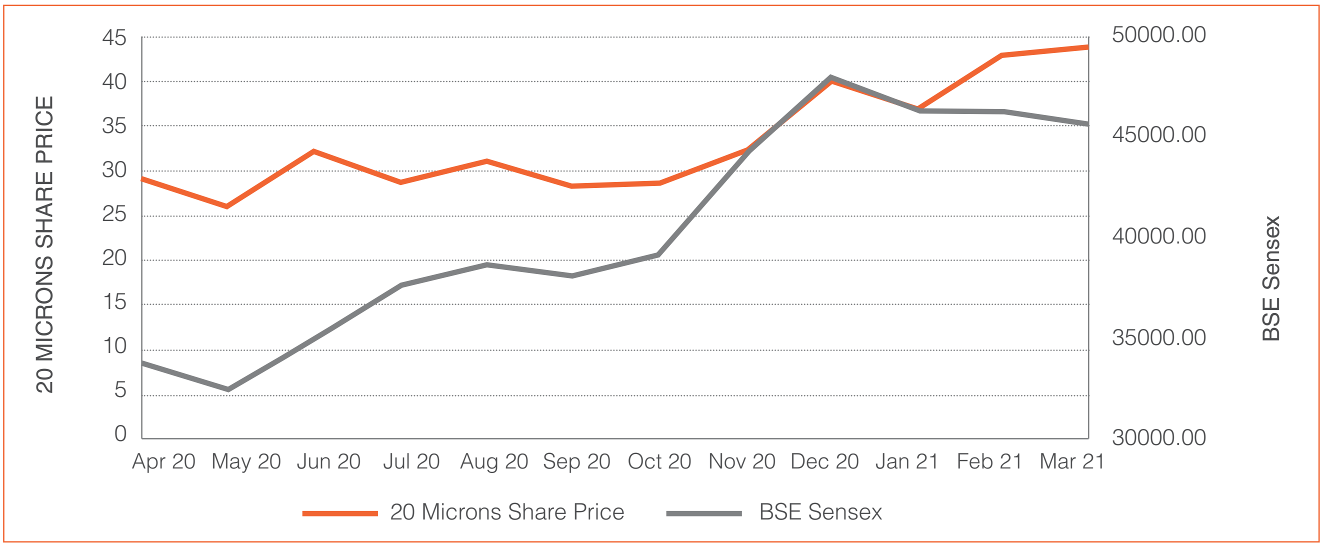
The Company has paid listing fees up to 31st March, 2022 to the Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. where Company's shares are listed.

Market Price Data

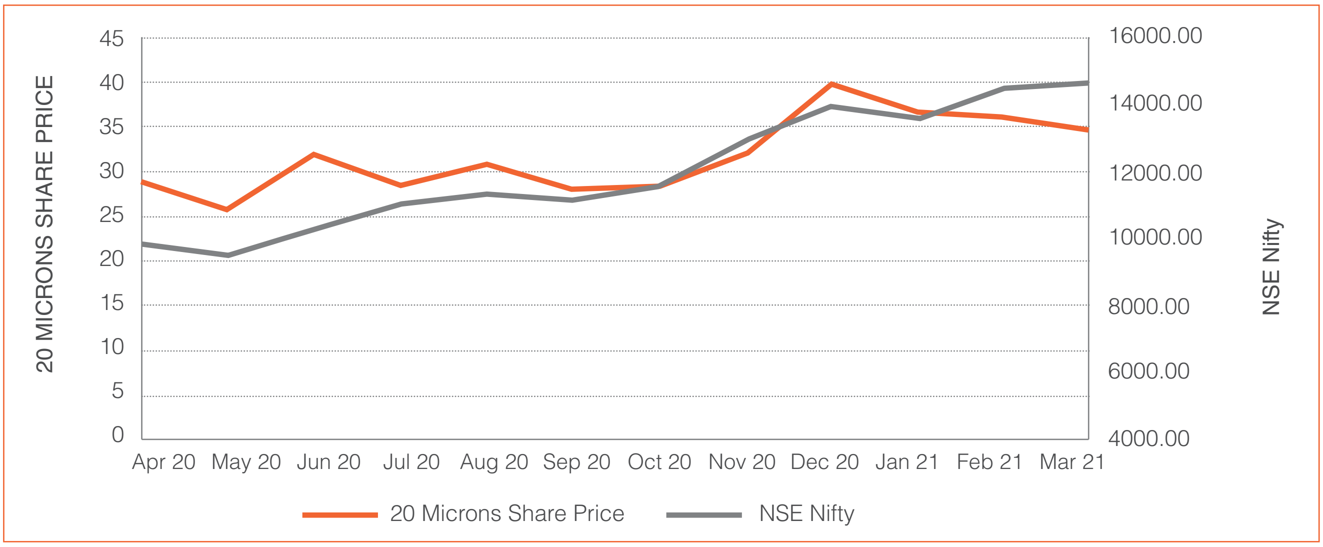
The monthly high and low prices of the shares of the company as quoted on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the FY 2020-21 are given hereunder:

Month	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
Apr-20	33.90	23.00	29.00	33.50	23.20	29.05
May-20	32.40	24.10	26.00	29.00	24.60	26.15
Jun-20	39.15	26.45	32.30	36.40	26.05	32.40
Jul-20	34.70	28.50	28.60	34.50	28.50	28.60
Aug-20	36.55	28.00	30.95	36.50	28.35	30.95
Sep-20	32.50	25.30	28.10	31.40	25.35	28.25
Oct-20	30.20	24.50	28.35	30.00	26.05	28.40
Nov-20	34.40	26.70	32.00	34.40	27.35	32.10
Dec-20	42.85	32.05	40.20	43.80	31.75	40.20
Jan-21	42.20	36.15	36.65	42.00	36.10	36.65
Feb-21	43.70	35.90	36.55	40.00	35.50	36.45
Mar-21	39.40	33.10	35.20	39.65	28.20	35.15

20 Microns Share Price Movement v/s BSE Sensex



20 Microns Share Price Movement v/s NSE Nifty



The securities of the Company have never been suspended from trading.

Registrars & Share Transfer Agents:

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

CAMEO CORPORATE SERVICES LIMITED
SUBRAMANIAN BUILDING, NO. 1, CLUB HOUSE ROAD,
CHENNAI – 600 002.
TELE FAX: +91 044 4002 0734 / 0735
EMAIL : investor@cameoindia.com

Share Transfer System

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

As directed by the SEBI's Circular, Share Transfers in Physical mode has been discontinued w.e.f. 01.04.2019.

Distribution of Shareholding

The distribution of shareholding of the company as on March 31, 2021 is as follows:

Holding		No. of holders	% of Total holders	Total Shares	Total Amount (₹)	% of Total Amount
5	5000	11117	89.7473	2306895	11534475	6.5376
5001	10000	579	4.6742	908192	4540960	2.5737
10001	20000	323	2.6075	962785	4813925	2.7284
20001	30000	145	1.1705	721568	3607840	2.0448
30001	40000	49	0.3955	338522	1692610	0.9593
40001	50000	44	0.3552	411248	2056240	1.1654
50001	100000	56	0.4520	790965	3954825	2.2415
100001	And Above	74	0.5974	28846327	144231635	81.7488
	Total	**12387**	**100.0000**	**35286502**	**176432510**	**100.0000**

Shareholding Pattern:

The shareholding of different categories of the shareholders as on March 31, 2021 is given below:-

S No.	Client Type	No. of Shares	% of Holdings
1	Corporate Body	5975890	16.94
2	Directors & their Relatives	559590	1.59
3	Resident	10648062	30.18
4	NRI	1557040	4.41
5	Clearing Member	82679	0.23
6	Trusts	206	0.00
7	Financial Institutions/Bank	202	0.00
8	Employees	7686	0.02
9	Hindu Undivided Family	621398	1.76
10	IEPF	14730	0.04
11	Total	35286502	100.00
	Total	**35286502**	**100.00**

Dematerialization of Shares:

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar and Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of shareholder.

About 99.64% of total equity share capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2021. The Promoter holding is 44.83% as against Non-Promoter holding of 55.17%.

Foreign Exchange Risk

The Company has a policy in place to protect its interests from risks arising out of market volatility. Based on continuous monitoring and market intelligence the sales, procurement and finance team take appropriate strategy to deal with market volatility.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:

During the year under review, the Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments. There is no outstanding GDRs/ADRs/Warrants as on 31.03.2021.

CRICIL Rating

Credit Rating Agency viz. Crisil (an S & P global Company). given the company BBB (Stable) rating during the year.

Reconciliation of Share Capital Audit:

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

Investors Correspondence

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

Mrs. Komal Pandey
Company Secretary and Compliance Officer
20 Microns Limited
9/10, GIDC Industrial Estate,
Waghodia – 391760. Dist. Vadodara, Gujarat, India
Tel : +91 75748 06350 Fax: +91 2668 264003
Email: investors@20microns.com

Registered Office:
9/10, GIDC INDUSTRIAL ESTATE,
WAGHODIA – 391760
DIST. VADODARA
GUJARAT, INDIA
TEL: +91-7574806350
FAX: +91-2668-264003

Subsidiary Companies

As per the consolidated turnover of the Company as on 31.03.2021 20 Microns Nano Minerals has become material subsidiary of the Company. The policy for determining material subsidiaries is posted on website of the Company. Link of the same is as below https://www.20microns.com/wp-content/uploads/2019/12/20ML_Material-Subsidiaries.pdf

Unclaimed Dividend

During the year, dividend amounting to ₹39,140.00 that had not been claimed by the shareholders for the financial year 2012-2013 was transferred to the credit of Investor Education and Protection Fund as required under Section 124 and 125 of the Companies Act, 2013. Shareholders are required to lodge their claims with the Registrar, Cameo Corporate Services Ltd., for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31.03.2021 on the website of the Company, at web link - https://www.20microns.com/unpaid-dividend-deposit/.

Other Disclosures:

1. The Company does not have any commodity price risks and commodity hedging activities
2. The Company has not raised fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations, 2015
3. The Board has accepted all recommendations of the Committee which is mandatorily required

Place: Waghodia, Vadodara
Date: 10th August, 2021

Rajesh C. Parikh
Chairman & Managing Director

Annexure-I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
20 Microns Limited
9/10, GIDC Industrial Estate,
Waghodia, Dist: Vadodara,
Gujarat-391750, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 20 Microns Limited having CIN L99999GJ1987PLC009768 and having registered office at 9-10, G.I.D.C. Industrial Estate, Waghodia-391760, Dist.: Vadodara, Gujarat, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S No.	Name of Director	DIN	Date of Appointment in Company*
1	CHANDRESH S PARIKH (Upto 09.06.2021)	00041584	29.03.1988
2	RAJESH CHANDRESH PARIKH	00041610	01.04.2013
3	ATIL CHANDRESH PARIKH	00041712	29.01.2009
4	SEJAL RAJESH PARIKH	00140489	04.05.2017
5	RAMKISAN AMIRCHAND DEVIDAYAL	00238853	13.10.2007
6	AJAY ISHWARLAL RANKA	01676073	27.09.2014
7	ATULBHAI HARIBHAI PATEL	00009587	27.08.2009
8	JAIDEEP BHANUSHANKAR VERMA	00323385	28.05.2019

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Deresh R. Desai
ACS # 11332 and CP # 7484
UDIN # A011332C00086276

Place: Vadodara
Date: 1th September, 2021

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

The Board of Directors
20 Microns Limited

Dear Members of the Board,

1. We have reviewed Audited Financial statements and the cash flow statement of 20 Microns Limited for the year ended 31st March, 2021 and that to the best of our knowledge and belief :

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.

2. To the best of our knowledge and information, no transactions are entered into by the Company during the year ended 31st March, 2021, which are fraudulent, illegal and violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting. In order to evaluate the effectiveness of internal control systems, pertaining to financial reporting and for risk management we have established internal framework to carry out independent study at regular intervals on risk management and internal controls, which helps in forming the opinion for CEO/CFO certification as required.

4. We have informed to the Auditors and the Audit Committee:

   i) There are no Significant changes in the internal control over financial reporting during the year;

   ii) There are no Significant changes in accounting policies during the year and

   iii) There are no instances of significant fraud of which we have become aware.

5. We have provided protection to Whistle Blower from unfair termination and other unfair or prejudicial employment practices.

6. We further declare that all Board Members and Senior Management Personnel have affirmed compliance with code of conduct and ethics for the year covered by this report.

Place: Waghodia, Vadodara	**Narendra R. Patel**	**Atil C. Parikh**
Date: 10th August, 2021	Chief Financial Officer	CEO and Managing Director

Auditors' Certificate for Compliance of Corporate Governance

To,
The Members of
20 MICRONS LIMITED

Auditors' Certificate on Corporate Governance

1. We, J.H. Mehta & Co., Chartered Accountants, the Statutory Auditors of 20 Microns Limited (the Company) have examined the relevant records for the year ended March 31, 2021 relating to compliance of conditions of Corporate Governance stipulated as per regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirement) Regulations 2015 as amended ('Listing Regulations') for the year ended on 31 March 2021.

Management's responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' responsibility

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

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of relevant records of the Company in accordance with the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India(the ICAI). The Standard on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Conclusion

6. Based on our examination of the relevant records and according to information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Listing regulations during the year ended March 31, 2021.

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

For J.H Mehta & Co.
Chartered Accountants
Firm Regn. No. 106227W

Naitik J. Mehta
Partner
Membership No 130010

Place: Ahmedabad
Date: 10th August, 2021

Secretarial Audit Report

(For the Financial year ended on 31st March, 2021)

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

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

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31st March, 2021**, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. - As reported to us there were no FDI, ODI and ECB transactions in the Company during the Audit period.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
   A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
   B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
   C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable as the Company did not issue any security during the financial year under review.
   D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.
   E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issue nor listed any debt securities during the financial year under review.
   F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – The Company is not registered as Registrar to Issue and Share Transfer Agent.
   G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.
   H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable as the Company did not buy back any security during the financial year under review.

6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;

   A. The Water (prevention and control of pollution) Act, 1974

   B. The Air (Prevention and Control of Pollution) Act, 1981

   C. The Environment (Protection) Act, 1984

   D. The Mines Act, 1952

   E. The Mines and Minerals (Development & Regulations) Act, 1957

   F. The Mines and Minerals (Development & Regulations) Amendment Ordinance, 2015

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

(i) The Mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that;

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

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

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

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

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

(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515
UDIN number F003519300077223 2

Place: Vadodara
Date: 10th August, 2021

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

Annexure to Secretarial Audit Report

Date: 10th August, 2021

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. The Compliance of applicable financial laws like direct and indirect laws have not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

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

STANDALONE FINANCIAL STATEMENTS

STANDALONE INDEPENDENT AUDITOR'S REPORT

To The Members of **20 Microns Limited**
Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of 20 Microns Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'standalone financial statements'). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter	Auditor's Response
1.	**Aspects of Revenue Recognition** The Company has large product and customer portfolio and multiple business locations. The nature of the risk associated with the accurate recording of revenue varies. We recognise that revenue is a key metric upon which the Company is judged, that the Company has annual internal targets, and that the Company has incentive schemes that are partially impacted by revenue growth. We have determined that there is a risk of material misstatement in recognition of revenue considering the above. We have determined this to be a key audit matter in view of exercise of management judgement and estimates and the significance of the amounts involved.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • We evaluated the design of internal controls relating to revenue recognition. • We performed full and specific scope audit procedures over this risk area in major locations, which covered majority of the risk amount. • We assessed the processes and tested controls over each significant revenue stream. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of the controls. • We evaluated the appropriateness of journal entries impacting revenue, as well as other adjustments made in the preparation of the standalone financial statements. We considered unusual journals such as those posted outside of expected days, or by unexpected individuals. • We also evaluated management's controls over such adjustments. • We inspected a sample of contracts to check that revenue recognition was in accordance with the contract terms and the Company's revenue recognition policies. • We tested a sample of transactions around period end to test that revenue was recorded in the correct period. • For revenue streams which have judgemental elements, we evaluated management's assumptions. Basis the procedures performed, we have not noted any significant exceptions in the management assessment of Revenue Recognition.

Sr.No.	Key Audit Matter	Auditor's Response
2.	**Assessment of contingencies in respect of statutory claims and claims against company not acknowledged as debt** The company has various ongoing material uncertain statutory claims and claims against company not acknowledged as debt under dispute. Refer Note 41 to the Standalone Financial Statements. The assessment of the likely outcome of the matters and related outflow of resources involves significant judgement on the positions taken by the management which are based on the application and interpretation of law. We have considered these matters to be a key audit matter given the materiality of the potential outflow of economic resources and uncertainty of the possible outcome.	Our procedures included the following: • Understanding and evaluating the design of operating effectiveness of controls in respect of the legal matters. • Reading the orders received by the company from authorities. • Discussing ongoing matters under dispute and developments with the management and the audit committee. • Where relevant, reading opinions of Managements' external consultants on the tax matters. • Independently assessing the Management's judgement on contingencies and provisions of statutory claims and other claims. • Assessing adequacy of disclosure in the standalone financial statements. Based on the above procedures, the management's assessment of contingencies in respect of statutory claims and claims against company not acknowledged as debt was considered to be appropriate.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Board's Report and Shareholder's Information is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Board's Report and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating To Other Information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial statements – Refer Note 41 to the Standalone Financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. J H Mehta & Co. Chartered Accountants Independent Auditor's Report on Standalone Financial Statements of 20 Microns Limited for the year ended on March 31, 2021 - 7 -

(iii) The amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021 have been transferred by the Company during the year ended March 31, 2021. 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the Annexure B, a statement on the matters specified in the paragraphs 3 and 4 of the order.

For, J. H. Mehta & Co.
Chartered Accountants
ICAI Firm Regn. No. 106227W

(**Naitik J Mehta)**
Partner
Membership No. 130010
UDIN : 21130010

Place: Ahemdabad
Date: 28/06/2021

ANNEXURE - A
TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the Standalone Financial statements of 20 Microns Limited ("the Company") as of and for the year ended March 31, 2021, we have also audited the internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, J. H. Mehta & Co.
Chartered Accountants
ICAI Firm Regn. No. 106227W

(**Naitik J Mehta)**
Partner
Membership No. 130010
UDIN : 21130010

Place: Ahemdabad
Date: 28/06/2021

ANNEXURE - B

TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Companies (Auditor' Report) Order, 2016, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of 20 Microns Limited ('the Company')

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at 31st March 2021.

(ii) The inventory, has been physically verified by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) In respect of deposits accepted by the Company, the Company has complied with the directives of Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess, duty of customs and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Excise Duty, Goods and Service Tax, Custom duty and other material statutory dues which have not been deposited on account of any dispute.

The particulars of dues of income tax as at 31st March 2021 which have not been deposited on account of a dispute, are as follows:

Name of statute	Nature of dues	Amount (in Lakhs)	Period to which the amount relate	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	5.96	Assessment Year 2009-10	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income Tax	26.36	Assessment Year 2014-15	Commissioner of Income Tax, Appeals
Gujarat Minerals (Prevention of illegal mining, transportation and storage) rules, 2017	Mining Royalty	419.13		The Commissioner(Geology & Mining , Gandhinagar)
		451.45		

(viii) The Company has not defaulted in repayment of loans or borrowing to financial institution, bank, government or dues to debenture holders

(ix) The Company did not raise any money by way of initial public offer, further public offer (including debt instruments) or term loans during the year

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been, noticed or reported during the year, nor we have been informed of any such case by the Management.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013. Details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, J. H. Mehta & Co.
Chartered Accountants
ICAI Firm Regn. No. 106227W

(**Naitik J Mehta)**
Partner
Membership No. 130010
UDIN : 21130010

Place: Ahemdabad
Date: 28/06/2021

STANDALONE BALANCE SHEET

as at 31st March, 2021

(₹ In Lakhs)

Particulars	Notes No.	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.1	17,705.03	17,329.82
(b) Capital Work in Progress	3.2	162.04	757.31
(c) Investment property			
(d) Intangible Assets	4.1	265.82	414.74
(e) Intangible Assets under Development	4.2	-	58.76
(f) Investments in Subsidiaries	5	1,833.59	1,858.65
(g) Financial Assets			
(i) Investments	6	413.04	61.55
(ii) Loans	7	312.14	350.43
(iii) Other Financial Assets	8	1.01	245.14
(h) Other Non-Current Assets	9	365.16	368.74
Total Non-Current Assets		**21,057.82**	**21,445.13**
2 Current assets			
(a) Inventories	10	7,501.37	7,620.83
(b) Financial Assets			
(i) Trade receivables	11	8,246.10	8,141.95
(ii) Cash and Cash Equivalents	12	168.24	309.59
(iii) Bank Balances other than (ii) above	13	493.62	195.45
(iv) Loans	14	87.59	186.21
(v) Other Financial Assets	15	186.84	117.88
(c) Other Current Assets	16	2,326.92	2,148.76
(d) Asset Classified as Held for Sale	17	130.00	-
Total Current Assets		**19,140.69**	**18,720.67**
TOTAL ASSETS		**40,198.51**	**40,165.81**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	18	1,764.33	1,764.33
(b) Other Equity	19	18,145.88	15,576.33
Total equity		**19,910.21**	**17,340.66**
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	2,177.96	3,635.36
(ii) Other Financial Liabilities	21	95.40	317.70
(b) Deferred Tax Liabilities (Net)	22	2,236.75	2,841.46
Total Non-Current Liabilities		**4,510.11**	**6,794.52**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	5,233.52	6,095.28
(ii) Trade Payables	24		
Total outstanding dues of Micro and Small Enterprise		121.86	117.67
Total outstanding dues of Creditors other than Micro and Small Enterprise		7,781.25	7,304.03
(iii) Other Financial Liabilities	25	2,448.76	2,193.07
(b) Other Current Liabilities	26	134.13	160.79
(c) Provisions	27	58.66	159.80
(d) Current Tax Liabilities (Net)	28	-	-
Total Current Liabilities		**15,778.18**	**16,030.64**
Total Liabilities		**20,288.30**	**22,825.16**
TOTAL EQUITY AND LIABILITIES		**40,198.51**	**40,165.81**
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.			

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010

Rajesh C. Prikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

N. R. Patel
Chief Financial Officer

Place : Waghodia
Date : 28/06/2021

Place : Waghodia
Date : 28/06/2021

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended on 31st March, 2021

(₹ In Lakhs)

Particulars	Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Revenue			
I. Revenue from Operations	29	43,237.67	49,005.19
II. Other income	30	557.40	761.38
III. Total Income (I+II)		**43,795.07**	**49,766.57**
IV. Expenses			
a) Cost of materials consumed	31	22,689.76	26,674.93
b) Changes in inventories of finished goods, stock in trade and work-in-progress	32	104.18	87.67
c) Employee Benefits Expenses	33	3,075.79	4,099.35
d) Finance Costs	34	2,350.23	2,011.54
e) Depreciation and Amortization Expenses	35	1,178.77	1,118.73
f) Other Expenses	36	12,318.68	12,260.13
Total Expenses (IV)		**41,717.41**	**46,252.35**
V. Profit/(Loss) Before Exceptional Items and Tax(III-IV)		2,077.66	3,514.22
VI. Exceptional Items			
VII. Profit/(Loss) Before Tax (V-VI)		**2,077.66**	**3,514.22**
VIII. Tax expense:	38		
Current Tax		537.52	921.11
Deferred Tax		(705.02)	96.46
IX. Profit/(Loss) for the period(VII-VIII)		**2,245.15**	**2,496.65**
X. Other Comprehensive Income	39		
A. (i) Items that will not be reclassified to profit or loss		424.71	(209.71)
(ii) Income tax related to items that will not be reclassified to profit or loss		(100.31)	57.16
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income		**324.40**	**(152.55)**
XI. Total Comprehensive Income for the period(IX+X)		**2,569.55**	**2,344.10**
Earnings per equity share of Face Value of ₹ 5 each	40		
Basic		6.36	7.08
Diluted		6.36	7.08
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.	1 to 52		

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010

Place : Waghodia
Date : 28/06/2021

Rajesh C. Prikh
Chairman & MD
DIN No.: 00041610

Place : Waghodia
Date : 28/06/2021

Atil C. Parikh
CEO & MD
DIN No.: 00041712

N. R. Patel
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT

for the year ended on 31st March, 2021

(₹ In Lakhs)

Particulars		For the Year ended 31st March 2021	For the Year ended 31st March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax	2,077.66	3,514.22
	Adjustments for:		
	Depreciation, Amortisation and Impairment expense	1,178.77	1,118.73
	Loss on sale/disposal of Property, plant and equipment	39.09	7.58
	Bad Debts Written Off	34.31	0.12
	Provision made/reversed for Doubtful Debts (Trade Receivables)	-	(6.57)
	Effect of foreign exchange gain/loss	(3.80)	(18.14)
	Finance Costs	2,350.23	2,011.54
	Provision/liability no longer required written back	(92.52)	(81.48)
	Debit balance written off	9.72	24.61
	Dividend Income	-	(255.03)
	Impairment loss for Non-current asset held for sale(electricity deposit)	20.71	-
	Provision for Impairment of investment in subsidiary	25.05	-
	Interest Income	(44.82)	(47.93)
	Gain on Fair value of Financial Assets	-	-
	Operating Profit before Working Capital Changes	**5,594.41**	**6,267.64**
	Adjustments for changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	(157.69)	(1,359.63)
	(Increase)/Decrease in Other - Non Current Assets	-	5.61
	(Increase)/Decrease in Other financial assets-Non-current	-	-
	(Increase)/Decrease in Short Terms Loans and Advances	98.62	(61.49)
	(Increase)/Decrease in Other Current Assets	(136.87)	(668.97)
	(Increase)/Decrease in Other financial assets-Current	(68.97)	64.41
	(Increase)/Decrease in Inventories	119.47	(529.59)
	(Increase)/Decrease in Long-term loan and advances	17.58	(30.38)
	Changes in Trade and Other Receivables	**(127.86)**	**(2,580.04)**
	Increase/(Decrease) in Trade Payables	587.24	1,352.72
	Increase/(Decrease) in Other current Liabilities	(26.66)	(61.24)
	Increase/(Decrease) in Other Financial current Liabilities	212.11	(84.62)
	Increase/(Decrease) in Other non current liabilities	13.46	(0.15)
	Increase/(Decrease) in Short-term provisions	(27.92)	19.77
	Changes in Trade and Other Payables	**758.23**	**1,226.48**
	Cash Generated from Operations	**6,224.78**	**4,914.09**
	Direct Tax paid (Net of refunds)	(578.81)	(888.25)
	Net Cash from Operating Activities	**5,645.97**	**4,025.84**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Property, Plant and Equipments/Intangible assets including capital work in progress and capital advances.	(955.53)	(1,333.33)
	Proceeds from sale of Property, plant and equipments	18.18	44.16
	Investment in Subsidiaries	0.00	(2.83)
	Proceeds from sale of Investment	-	5.30
	(Deposit) in /Maturity of Deposits with original maturity of more than three months	(54.04)	(54.58)
	Interest Received	44.82	47.93
	Dividend Income	-	255.03
	Net Cash used in Investing Activities	**(946.57)**	**(1,038.31)**

STANDALONE CASH FLOW STATEMENT

for the year ended on 31st March, 2021

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long-term borrowings (Net)	(1,441.31)	(795.41)
Repayment of Short-term borrowings (Net)	(861.75)	274.54
Payment of lease liability	(146.37)	(108.10)
Finance cost Paid	(2,350.23)	(2,011.54)
Dividend Paid (including tax thereon)	-	(211.68)
Net Cash from Financing Activities	**(4,799.66)**	**(2,852.19)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(100.26)**	**135.32**
Cash and Cash Equivalents at the beginning of the year	267.06	131.74
Cash and Cash Equivalents at the end of the year	166.80	267.06
Closing Cash and Cash Equivalents comprise:		
Cash in hand	20.92	21.00
Balances with Scheduled Banks		
Balance in Current Account	147.32	288.58
Total	**168.24**	**309.59**
Less : Amount due to bank in current account	(1.44)	(42.52)
Total	**166.80**	**267.06**

Notes to Cash Flow Statement:

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

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

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

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

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

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

(₹ In Lakhs)

For the year ended March 31, 2021	Opening Balance	Cash Flows	Non CashChanges	Closing Balance
Short Term Borrowings	6,095.28	(862.65)	0.90	5,233.52
Long Term Borrowings (including Current maturities)	5,044.80	(1,402.92)	(38.39)	3,603.49
Bank Balances other than Cash and Cash Equivalents	195.45	298.17	-	493.62
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.				

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010

Rajesh C. Prikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

N. R. Patel
Chief Financial Officer

Place : Waghodia
Date : 28/06/2021

Place : Waghodia
Date : 28/06/2021

STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCIE)

for the year ended on 31st March, 2021

(a) Equity share capital (₹ In Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the reporting period	1,764.33	1,764.33
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	**1,764.33**	**1,764.33**

(b) Other equity (₹ In Lakhs)

Other equity	Reserves and Surplus			Other Comprehensive Income	Total Other Equity
	General Reserve	Securities Premium	Retained earnings	Equity Instruments through OCI	
Balance at April 1, 2019 (A)	**120.54**	**3,980.33**	**9,346.45**	**(3.41)**	**13,443.91**
Add: Profit during the Period	-	-	2,496.65		2,496.65
Add/(less): Other Comprehensive Income for the year(Net of Tax)				(106.14)	(106.14)
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(46.40)	-	(46.40)
Less : Appropriations					-
Dividend Declared	-	-	211.68	-	211.68
Corporate Tax on Dividend	-	-	-	-	-
Balance at March 31, 2020 (B)	**120.54**	**3,980.33**	**11,585.02**	**(109.56)**	**15,576.33**
Less; Share issue expenditure	-	-			-
Add: Profit during the Period	-	-	2,245.15		2,245.15
Add/(less): Other Comprehensive Income for the year(Net of Tax)				269.61	269.61
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	54.79		54.79
Less : Appropriations					-
Dividend Declared	-	-	-		-
Corporate Tax on Dividend	-	-	-		-
Closing Balance	**120.54**	**3,980.33**	**13,884.96**	**160.05**	**18,145.88**

Note (i): The Company has elected to recognise changes in the fair value of investments which are not held for trading in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI.

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

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010

Place : Waghodia
Date : 28/06/2021

Rajesh C. Prikh
Chairman & MD
DIN No.: 00041610

Place : Waghodia
Date : 28/06/2021

Atil C. Parikh
CEO & MD
DIN No.: 00041712

N. R. Patel
Chief Financial Officer

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended on 31st March, 2021

Authorization of financial statements:

The Standalone Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 28th June 2021.

Notes to Standalone Financial statements for the year ended 31st March 2021

Note 1 –Corporate Information

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

The Company is engaged in Business of Industrial MicronisedMinerals and Speciality Chemicals.

Note 2 - Significant Accounting Policies

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

2.1 Basis of Preparationand Presentation of Financial Statements

2.1.1 Statement of Compliance with Ind AS

(a) The standalone financial statements has been prepared in accordance and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the relevant provisions of the Companies Act, 2013 (“the Act’’) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

(b) 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.

(c) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1.2 Historical Cost Convention

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

2.2 Use of Estimates and Judgements

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

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

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

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

Note 38 Current/deferred tax expense

Note 41Contingent liabilities and assets

Note 11 Expected credit loss for receivables

Note 44 Measurement of defined benefit obligations

2.3 Property, Plant and Equipment

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

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

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended on 31st March, 2021

at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

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

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

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

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

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

2.4 Capital Work in Progress:

Expenditure on projects pending capitalization is shown under the head “Capital Work In Progress” which will be capitalized to respective heads of Property, Plant and Equipment on commencement of commercial production.

All the directly identifiable and ascertainable expenditure, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective “Property, Plant and Equipment”.

Further, advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified and disclosed as capital advances under Other Non-Current Assets.

2.5 Investment Properties

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

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

2.6 Intangible Assets

Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Acquired Intangible Assets in the form of “Process Know How” is recognized at the cost of acquisition and amortized on straight line basis over a period of five years, depending on their estimated useful life.

Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits. ERP Project fees are amortized over a period of seven years. Costs of all other softwareare amortized over a period of five years.

Expenses incurred during development of Process know how or Product development is shown under the head “Intangible asset under development”.

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

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

Depreciation is calculated to systematically allocate the cost of property, plant and equipment, intangible asset and investment propertynet of the estimated residual values over the estimated useful life. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013.

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended on 31st March, 2021

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

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

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

a)	Process Know How (Acquired Product Development)	5 Years
b)	ERP Software	7 Years
c)	Other Software's	5 Years

Freehold land is not depreciated. Cost of lease-hold land is amortized equally over the remaining period of lease.

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

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

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

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

2.8 Impairment of non-financial assets

In accordance with Ind AS 36 on "Impairment of Assets" at the balance sheet date, non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use.

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

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

2.9 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The accounting policies for the specific revenue streams of the company as summarized below:

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended on 31st March, 2021

i) Interest income is recognised on Effective Interest Rate (EIR) basis considering the amount outstanding and the applicable interest rate as set out in Ind AS 109.

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

iii) Dividend income is accounted for when the right to receive income is established.

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

v) Rental income is recognised as revenue on accrual basis as per the terms of the underlying contract with customers.

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

Contract Balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the company performs obligations under the contract.

2.10 Borrowing

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

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

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

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

2.11 Borrowing Cost

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

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

2.12 Financial Instruments

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

2.12.1 Financial Asset

Initial Recognition

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

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended on 31st March, 2021

Initial Measurement

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

Subsequent Measurement

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

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

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

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

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

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

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

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

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

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

Equity Investments:

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

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

De-recognition

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

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

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(1) The Company has transferred substantially all the risks and rewards of the asset, or

(2) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

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

2.12.2 Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

Financial Guarantee Contracts

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

Loan and Borrowings

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

Derecognition

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

2.12.3 Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes exchange rates. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Fair Value Hedges:

The Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in foreign exchange rates. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

2.12.4 Offsetting financial instruments

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

2.13 Fair Value

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

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

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

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

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

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (refer note 41)

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

2.14 Inventories

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

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

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

2.15 Non-current assets held for sale and discontinued operation

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2.16 Foreign Currency Transactions

2.16.1 Functional and Presentation Currency

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

2.16.2 Transactions and balances

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation

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differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.17 Employee Benefits

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

2.17.1 Post-Employment Benefit Plans

Defined Contribution Plan

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

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

Defined Benefit Plans

The company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

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

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

2.17.2 Short Term Employee Benefits

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

2.18 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

The Company's leased assets consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense as per the terms of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying

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asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Refer note 48 for transition disclosures.

2.19 Taxation

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

2.19.1 Current Tax

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

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

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

2.19.2 Deferred Taxes

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

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

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

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

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

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

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

2.20 Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

2.21 Provisions, Contingent Liabilities and Contingent Assets

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

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

Provisions are not recognised for future operating losses.

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

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

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

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

2.22 Segment Reporting

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

2.23 Cash Equivalents

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

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

2.24 Statement of Cash Flows

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

2.25 Dividends

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Insurance Claims

The company accounts for insurance claims when there is certainty that the claims are realizable and acknowledged by insurance company and amount recognized in books of accounts is as under:

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head “Claims Recoverable-Insurance”.
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

2.27 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.28 Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors’ Report.

2.29 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.30 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 3.1 Property, Plant and Equipment (PPE) as at 31st March 2021

(₹ In Lakhs)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 1st April 2020	Addition during the year	Disposal/ Adjustment	Transfer to Non Current asset held for Sale	As at 31st March 2021	As at 1st April 2020	For the year	Disposal/ Adjustment	Transfer to Non Current asset held for Sale	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Freehold land	577.17	-	-	-	577.17	-	-	-	-	-	577.17	577.17
Leasehold land	2,397.75	-	-	89.86	2,307.89	128.90	33.87	-	6.97	155.79	2,152.10	2,268.85
Free Hold Office Building	131.57	138.07	-	1.29	268.35	48.54	3.94	-	0.27	52.21	216.13	83.03
Lease Hold Office Building	75.20	-	-	-	75.20	69.55	1.88	-	-	71.43	3.77	5.65
Factory Building	4,885.23	527.27	-	26.94	5,385.55	1,215.33	154.56	-	12.53	1,357.36	4,028.19	3,669.90
Plant & Equipment	18,457.16	785.86	(72.21)	162.03	19,008.79	8,089.47	690.44	(22.46)	104.33	8,653.13	10,355.65	10,367.69
Furniture and Fixtures	236.45	17.71	-	0.22	253.93	196.66	18.04	-	0.19	214.51	39.43	39.79
Office Equipments	152.16	14.82	-	-	166.97	121.34	10.22	-	-	131.57	35.41	30.81
Computer Equipments	264.59	64.70	(149.07)	-	180.22	196.22	30.74	(141.55)	-	85.40	94.81	68.37
Vehicles	532.98	25.08	-	-	558.06	314.42	41.27	-	-	355.69	202.37	218.56
Total PPE	**27,710.26**	**1,573.49**	**(221.28)**	**280.35**	**28,782.13**	**10,380.43**	**984.96**	**(164.01)**	**124.29**	**11,077.09**	**17,705.03**	**17,329.84**
Previous year	**26,898.21**	**907.77**	**(95.71)**	**-**	**27,710.26**	**9,454.18**	**970.25**	**(43.98)**	**-**	**10,380.45**	**17,329.82**	**17,444.03**

Note 3.1.1 - Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 3.1.2 - Security Pledge of Assets : Refer to Note 19 on borrowings for details in terms of pledge of assets as security.

Note 3.1.3 - Refer to note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 3.1.4 - There is no restriction on the title of property, plant and equipments.

Note 3.1.5 - Borrowing cost amounting to ₹ Nil (P.Y. - 61.09 lakhs) has been capitalised in the head plant and equipment as per IND AS - 23 "Borrowing Cost"

Note 3.2 Capital work in progress

(₹ In Lakhs)

Capital work in progress	As at 31st March, 2021	As at 31st March, 2020
Capital Work-in-Progress	162.04	757.31
Total	**162.04**	**757.31**

Note:- Security Pledge of Assets : Refer to Note 19 on borrowings for details of security pledge of assets.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 4.1 Intangible assets as at 31st March 2021

(₹ In Lakhs)

Particulars	Gross Block					Amortization					Amortization	
	As at 1st April 2020	Addition during the year	Disposal/ Adjustment	Transfer to Non Current asset held for Sale	As at 31st March 2021	As at 1st April 2020	For the year	Disposal/ Adjustment	Transfer to Non Current asset held for Sale	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Product Development	269.58	-	269.58	-	-	266.86	2.73	269.58	-	(0.00)	0.00	2.73
SAP "ERP" License and Development Fees	272.46	39.66	192.46	-	119.66	200.79	17.51	192.46	-	25.84	93.82	71.67
Right to Use	467.47	-	42.86	-	424.62	127.13	147.50	22.02	-	252.62	172.00	340.34
Total Intangible Assets	**1,009.51**	**39.66**	**504.90**	**-**	**544.28**	**594.78**	**167.74**	**484.06**	**-**	**278.46**	**265.82**	**414.74**
Previous year	462.04	547.47	-	-	1,009.51	446.30	148.48	-	-	594.78	414.74	-

Note 4.1.1. Product Development is acquired know how . The useful life of the product development is taken 5 years.

Note 4.1.2 Software includes SAP ERP Licence and Development Fees and Other softwares. For SAP ERP Licence and Development Fees useful life is considered as 7 years and for other softwares the useful life is 5 years.

Note 4.1.3- Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 4.1.4 - There is no restriction on the title of intangible assets.

Note

Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	As at 31st March, 2021	As at 31st March, 2020
Product Development In Progress	-	21.80
SAP "ERP" License and Development Fees	-	36.96
Total	**-**	**58.76**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 5 Investment in Subsidiaries

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investments in Equity Shares carried At Cost (Fully Paid) **Unquoted Equity Shares**		
1) 20 Microns Nano Minerals Limited	1,590.20	1,590.20
87,20,000 (31st March, 2020: 87,20,000) Fully Paid up Equity Shares of 10 each.		
Extent of Holding	97.21%	97.21%
Place of business/ country of incorporation	India	India
2) 20 Microns SDN BHD	155.11	155.11
5,04,000 shares (31st March, 2020: 5,04,000 shares) of RM 1 each.		
Extent of Holding	100.00%	100.00%
Place of business/ country of incorporation	Malaysia	Malaysia
3) 20 Microns FZE	62.63	62.63
1 shares (31st March, 2020: 1) of AED 1,50,000 each.		
Extent of Holding	100.00%	100.00%
Place of business/ country of incorporation	Sharjah	Sharjah
4) 20 Microns Vietnam Limited	25.66	25.66
Extent of Holding	100%	100%
Place of business/ country of incorporation	Vietnam	Vietnam
5) 20 MCC Private Limited	25.05	25.05
2,50,545 shares (31st March, 2020: 2,50,545) of INR 10 each.		
Extent of Holding	100.00%	100.00%
Place of business/ country of incorporation	INDIA	INDIA
5A) Provision for impairment loss on investment in subsidiary (20 MCC Private Limited)	(25.05)	
Description of method used to account for the investments in Subsidiary (Cost or fair value)	At Cost	At Cost
Total	**1,833.59**	**1,858.65**
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	1,858.65	1,858.65
(c) Aggregate amount of impairment in value of investments.	25.05	Nil

Note 6 Non- current financial assets : Investments

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
6,80,000 (31st March, 2020: 6,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited ₹10 each fully paid up.	412.15	60.66
Extent of Holding	13.58%	13.58%
Investments in Government Securities		
National Savings Certificate	0.89	0.89
Total	**413.04**	**61.55**
(a) Aggregate amount of quoted investments and market value thereof;	-	-
(b) Aggregate amount of unquoted investments; and	413.04	61.55
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 7 Non- current financial assets : Loans

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security Deposits		
To Others [Unsecured, considered good]	312.14	350.43
Total	**312.14**	**350.43**

Note 8 Non- current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deposits with maturity over 12 months		
Margin Money deposits under lien against Bank Guarantee	1.01	245.14
Total	**1.01**	**245.14**

Note 9 Other non- current assets

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital advances [Unsecured, considered good]	363.06	366.64
Balances with Government authorities paid under protest	2.10	2.10
Total	**365.16**	**368.74**

Note 10 Inventories*

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Finished Goods	1,838.45	1,942.63
Goods in Transit (Raw Materials)	189.48	911.56
Raw Materials	4,794.01	4,129.52
Stores and Spares	679.43	637.13
Total	**7,501.37**	**7,620.83**

* For Valuation- Refer note 2.14 (Accounting Policy)

**Refer to Note 22 on borrowings for details in terms of pledge of assets as security.

Note 11 Current financial assets : Trade receivables *

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good	8,246.10	8,141.95
Credit Impaired	165.31	160.00
	8,411.41	8,301.95
Less: Impairment Allowance for Trade Receivables	(165.31)	(160.00)
Total	**8,246.10**	**8,141.95**

*Refer to Note 22 on borrowings for details in terms of pledge of assets as security.

Note 12 Current financial assets : Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Balance with banks		
Balance in Current and Savings accounts	147.32	288.58
(b) Cash on hand	20.92	21.00
Total	**168.24**	**309.59**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 13 Current financial assets : Other bank balances

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Earmarked balances In unclaimed dividend accounts (Refer Note 13.1)	1.90	1.67
Margin Money deposits under lien against Bank Guarantee	121.31	88.32
Deposits with maturity over 3 months but less than 12 months		
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	370.42	105.46
Total	**493.62**	**195.45**

Note 13.1

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

Note 14 Current financial assets : Loans (including security deposits)

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loans to employees [Unsecured, considered good]	18.89	117.94
Security and other deposits [Unsecured, considered good]	68.70	68.27
Total	**87.59**	**186.21**

Note 15 Current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Insurance claim receivable	35.49	-
Balances with Tax authorities	98.32	96.83
Other Current financial assets	-	-
Foreign Currency Forward contracts	53.04	21.04
Total	**186.84**	**117.88**

Note 16 Current assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances for expenses[Unsecured, considered good]		
To Related parties	467.91	337.16
To Others	1,228.22	1,233.13
	1,696.13	**1,570.29**
Prepaid Expenses	88.54	96.42
Indirect Tax credit receivable	274.96	256.03
Advance Payment of Income Tax (Net of Provision : 31.03.2021 - ₹1228.21 lakhs, 31.03.2020 - ₹690.69 lakhs) - Refer note no. 28	267.30	226.01
Total	**2,326.92**	**2,148.76**

Note 17 Asset held for Sale

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Property Plant and Equipment		
Leasehold Land	82.11	-
Office Building	1.01	-
Factory Building	14.00	-
Plant & Machinery	58.78	-
Furniture & Fixtures	0.06	-
Computer Equipments	0.04	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 17 *(Contd.)*

Note 17 Asset held for Sale

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Office Equipment	0.06	-
Security Deposit	20.71	
Sub Total (a)	**176.77**	**-**
Provision for Impairment	46.77	-
Sub Total (b)	**46.77**	**-**
Total (a-b)	**130.00**	**-**

Note 18 Share capital

thorised, issued, subscribed, fully paid up share capital

(₹ In Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of ₹5 each	60,000,000	3,000.00	60,000,000	3,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹5 each fully paid up	35,286,502	1,764.33	35,286,502	1,764.33
Total	**35,286,502**	**1,764.33**	**35,286,502**	**1,764.33**

Note 18.2

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

(₹ In Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Equity Shares of ₹5 each fully paid		Equity Shares of ₹5 each fully paid	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the period	35,286,502	1,764.33	35,286,502	1,764.33
Shares outstanding at the end of the period	35,286,502	1,764.33	35,286,502	1,764.33

Note 18.3

Terms/ rights attached to equity shares

i The Company has only one class of shares referred to as equity shares having a par value of ₹5 each.

ii Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.

iii The dividend proposed if any by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.

iv In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Note 18.4

Shareholders holding more than 5 % of total share capital

(₹ In Lakhs)

Name of Shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹5 each fully paid				
Eriez Industries Private Limited	8,591,838	24.35%	8,591,838	24.35%
Chandresh S Parikh	3,790,728	10.74%	3,790,728	10.74%
Pratik Minerals Private Limited	3,036,206	8.60%	3,036,206	8.60%
Total	**15,418,772**	**43.70%**	**15,418,772**	**43.70%**

Note 18.5

The Company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2021

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 19 OTHER EQUITY

(₹ In Lakhs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
(A)	**Reserves & Surplus**		
a	**General Reserve**		
	Opening Balance	120.54	120.54
	Closing Balance	**120.54**	**120.54**
b	**Securities Premium Account**		
	Opening Balance	3,980.33	3,980.33
	Closing Balance	**3,980.33**	**3,980.33**
c	**Retained earnings**		
	Opening balance	11,585.02	9,346.45
	Add: Profit during the Period	2,245.15	2,496.65
	Add: Remeasurements of post-employment benefit obligation, net of tax	54.79	(46.40)
	Total	**13,884.96**	**11,796.70**
	Less : Appropriations		
	Dividend Declared	-	211.68
	Corporate Tax on Dividend	-	-
	Closing Balance	13,884.96	11,585.02
	Total (A)	**17,985.83**	**15,685.89**
(B)	**Equity instrument through OCI**		
	Opening Balance	(109.56)	(3.41)
	Change in fair value of equity instrument	351.49	(138.38)
	Income tax relating to above item	(81.88)	32.24
	Total (B)	**160.05**	**(109.56)**
	Total other equity (A+B)	**18,145.88**	**15,576.33**

Nature and purpose of reserves :

i **General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

ii **Equity instrument through OCI**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

Note 20 Non- current financial liabilities : Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Secured	Non-Current	Current*	Non-Current	Current*
Term Loan from Banks	737.76	500.08	2,118.29	799.37
Total secured borrowing [A]	**737.76**	**500.08**	**2,118.29**	**799.37**
Unsecured				
Deposits				
From Public & Members	1,288.20	913.45	1,434.56	555.08
From Related Parties	152.00	12.00	82.50	55.00
Total unsecured borrowing [B]	1,440.20	925.45	1,517.06	610.08
TOTAL [A+B]	**2,177.96**	**1,425.53**	**3,635.36**	**1,409.45**

*Amount disclosed under the head “Current financial liabilities : Others” (Note 25)

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Maturity Profile of Borrowings [as at March 31, 2021]

Secured Borrowings

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

Year-wise	
Effective Interest Rate	**9.25% to 12.50%**
2022-23	384.17
2023-24	179.63
2024-25	94.63
2025-26	79.33
Total	**737.76**

Unsecured Borrowings

Year-wise	Public Deposits
Effective Interest Rate	**7.00% - 11.75%**
2022-23	731.18
2023-24	709.02
Total	**1,440.20**

Details of Securities

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

1 **First pari-passu charge by way of mortgage / hypothecation over :**
   - i. Plot No. 157 Mamura, Bhuj (admeasuring 3.20 acres)
   - ii. Negative lien on Plot No. 158,156,149 of Mamuara, Bhuj (admeasuring 74399 sq.mtrs.)
   - iii. Plot No. 172,174 & 175, Vadadala, Baroda (admeasuring 03.00.01 hectares)
   - iv. Plot No. F-75/76/82/85 & H-83/84, RIICO I.A., Swaroopganj, Rajasthan (admeasuring 9,457.50 sq.mtrs.)
   - v. 307/308, Arundeep Complex, Race Course, Baroda (admeasuring 1,405 super built up area)
   - vi. 134,135 1st Floor, Hindustan Kohinoor Ind. Complex, LBs Marg, Vikhroli (W), Mumbai (admeasuring 870 sq. ft.)
   - vii. Plot No. B-77 (Admeasuring 8825 sq. mts.) and B-78 (Admeasuring 8480 sq. mts), Matsya Industrial Area, Alwar, Rajasthan.
   - viii. Plot no. 253-254 (area 3000 sq.mtrs.) GIDC, Waghodia
   - ix. Plot no.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu
   - x. Plot no.104/3 of land located at survey no 65 , village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)
   - xi. Plot No. F 140, Alwar , Rajasthan
   - xii Plant and machinery, both present and future, wherever situated at all factories and premises pertaining to above locations.

2 **Second pari-passu charge by way of mortgage / hypothecation over :**
   Current assets, both present and future, wherever situated, but pertaining to the division/factory/premises at Vadadala, Waghodia and Bhuj (all in Gujarat), Alwar and Swaroopganj (both in Rajasthan), Hosur and Tirunvelli (both in Tamil Nadu) and Vikhroli (W), Mumbai.

3 All the term loans are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, of the company and corporate guarantee by “Eriez Industries Private Limited” , a company where significant influence exists and pledge of shareholding of promoters of the Company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of Corporate Promoter being “Eriez Industries Private Limited

4 Term loans having from bank includes loans obtained for acquisition of vehicles having outstanding balance of ₹52.95 Lakhs (31/03/2020: ₹108.25 Lakhs) are secured only by the hypothecation of the respective assets financed.

Note 21 Other Non Current Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security Deposits	22.46	9.00
Lease liability	72.95	308.71
Total	**95.40**	**317.70**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 22 Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2020-21

(₹ In Lakhs)

Particulars	As at April 1, 2020	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2021
Deferred tax Liabilities			-	-	-
Property, plant and equipment and Intangible Assets	3,068.41	(801.78)	-	-	2,266.62
Investments	(7.12)	(0.88)	81.88	-	73.88
Loans and borrowings	25.88	(7.08)	-	-	18.81
Total	**3,087.17**	**(809.74)**	**81.88**	**-**	**2,359.31**
Deferred tax asset					
Employee benefits	52.17	(21.97)	(18.43)	-	11.77
Tax credit	-	-	-	-	-
Provisions	59.58	(14.98)	-	-	44.61
Disallowance u/s 43 B of Income Tax Act, 1961	8.38	(2.34)	-	-	6.03
Impairment loss on asset held for sale	-	11.77	-	-	11.77
Lease liability	125.58	(77.20)	-	-	48.38
Total	**245.71**	**(104.72)**	**(18.43)**	**-**	**122.56**
Net deferred tax Liabilities	**2,841.46**	**(705.02)**	**100.31**	**-**	**2,236.75**

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

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

Impact due to change in tax rate

The Government of India, on 20/09/2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The Company has decided to apply the lower income tax rates as per the provisions of the new section 115BAA from the financial year 2020-21. Consequently the Company had applied the lower income tax rates on the deferred tax assets / liabilities to the extent these were expected to be realised or settled in the future period and accordingly reversed net deferred tax liability of 691.50 Lakhs during the period ended 31/03/2021.

Note 23 Current financial liabilities : Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured (Repayment on Demand)		
Loan from Banks (Cash credit):	4,213.63	4,941.14
(Effective Rate of Interest being 9.70%)		
Unsecured		
Deposits		
From Public and Members	1,019.89	1,154.14
(Effective Rate of Interest being 7.00% - 11.75%)		
Total	**5,233.52**	**6,095.28**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 23 *(Contd.)*

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

Details of Securities

First pari-passu charge by way of hypothecation of:

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

Second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 20.

The working capital finance facilities are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Industries Private Limited", a company where significant influence exists and pledge of share holding of promoters of the company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of corporate promoter being "eriez Industries Private Limited"

Note 24 Current financial liabilities : Trade payables

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues of micro enterprises and small enterprises - Trade payables (Refer Note 24.1)	121.86	117.66
Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
Trade payables - Others	7,781.25	7,304.03
Total	**7,903.11**	**7,421.70**

Note 24.1

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

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
the principal amount remaining unpaid to any supplier at the end of each accounting year	121.86	116.68
Interest due on (1) above and remaining unpaid as at the end of accounting period	1.17	0.98
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting yearInterest paid on all delayed payments under MSMED Act,2006	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note 25 Current financial liabilities : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long term borrowings - (Please refer Note 19):-		
Term Loan		
-From Banks (Secured)	500.08	799.37
-Deposits(Unsecured)		
From Public and Members	913.45	555.08
From Related Parties	12.00	55.00
	1,425.53	**1,409.45**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 25 Current financial liabilities : Others *(Contd.)*

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unclaimed dividend (Refer Note 25.1)	1.90	1.63
Unclaimed Matured public deposits and Interest	21.23	24.00
Dues to Bank in Current Account	1.44	42.52
Employee Benefits Payable	177.79	186.82
Liabilities for expenses at the year end	701.62	477.97
Lease liability	119.25	50.67
Total	**2,448.76**	**2,193.07**

Note 25.1

The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

Note 26 Current liabilities : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance from Customers	34.67	59.99
Statutory Dues	99.46	100.80
Total	**134.13**	**160.79**

Note 27 Current provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits (Refer note 43)		
Provision for gratuity	46.76	149.30
Provision for leave encashment	11.89	10.50
Total	**58.66**	**159.80**

Note 28 Details of Income tax assets and income tax liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current income tax liabilities (Net of Advance Tax : 31.03.2021 - ₹ Nil, 31.03.2020 - ₹ NIL)	-	-
Net Asset (Asset - Liability)	**-**	**-**

Movement in current income tax asset/(liability)

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Net income tax asset/(liability) at the beginning	226.01	59.25
Income tax paid for the year	578.81	888.25
Provision for Income tax for the year (Refer Note 37)	(537.52)	(947.41)
Prior year tax /refund adjusted with tax / other items	-	26.30
Adjustment/Reclassification to MAT	-	199.63
Net income tax asset/(liability) at the end	**267.30**	**226.01**

Components of Net income tax asset/(liability) at the end

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Advance Payment of Income Tax (Net of Provision : 31.03.2021 - ₹1228.21 lakhs, 31.03.2020 - ₹690.69 lakhs) - Refer note no. 28	267.30	226.01
Current income tax liabilities (Net of Advance Tax : 31.03.2021 - ₹Nil, 31.03.2020 - ₹NIL)	-	-
	267.30	**226.01**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 29 Revenue from Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from Operations		
Sale of products	43,035.15	48,878.05
Other operating revenues	202.52	127.13
Total	**43,237.67**	**49,005.19**

Note 29.1 Details of other operating revenues of the company are as under:

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Export Incentives	4.69	10.22
Royalty Received	155.12	114.36
Scrap Sales	9.96	2.55
Job work charges	32.75	
Total	**202.52**	**127.13**

Note 30 Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Income	44.82	47.93
Dividend Income	-	255.03
Rent	394.40	328.21
Net Gain on Foreign Currency Transactions	(0.00)	4.15
Liability no longer required written back	62.86	25.41
Excess Provision written back	29.65	62.64
Gain on Fair value of Financial Assets	-	-
Other Non-Operating Income	25.67	38.01
Total	**557.40**	**761.38**

*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

Note 31 Cost of Materials Consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock of Material	4,129.52	4,200.02
Opening Stock Goods in Transit	911.56	281.64
Add : Purchases	22,632.18	27,234.35
	27,673.25	**31,716.01**
Less : Goods in transit	189.48	911.56
Less: Closing Stock of Materials	4,794.01	4,129.52
Total	**22,689.76**	**26,674.93**

Note 32 Changes in inventories of finished goods, stock in trade and work in progress

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Inventory at the beginning of the year	1,942.63	2,030.30
Less: Inventory at the end of the year	1,838.45	1,942.63
Changes in inventories of finished goods, stock in trade and work in progress	**104.18**	**87.67**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 33 Employee benefit expense

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salary, Wages Bonus & Allowances	2,572.88	3,507.26
Contribution to Provident and Other Funds	243.01	290.63
Managerial Remuneration	162.97	168.45
Staff Welfare Expenses	96.94	133.00
Total	**3,075.79**	**4,099.35**

Note 34 Finance Costs

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on Term Loans	285.69	413.66
Recompense Charges (Refer note no. - 41.2(b))	733.00	100.00
Interest on Working Capital Loans	759.81	924.43
Other Interests	306.06	302.81
Other Borrowing Costs	265.67	270.64
Total	**2,350.23**	**2,011.54**

Note 35 Depreciation, Amortisation and Impairment expense

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation of Property, Plant and Equipment (refer note 3.1)	984.96	970.25
Amortisation of Intangible Assets (refer note 4.1)	167.74	148.48
Impairment loss on asset held for sale (refer note 17)	26.06	-
Total	**1,178.77**	**1,118.73**

Note 36 Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Note 36.1		
Manufacturing Expenses		
Consumption of Stores and Spare Parts	515.98	441.98
Power and Fuel	3,046.72	3,404.56
Rent	125.57	75.40
Repairs :		
Buildings	14.16	15.65
Plant and Machinery	229.19	232.76
Detention and Demurrage	600.19	-
Other Manufacturing & Factory Expenses	288.10	274.76
Sub Total (A)	**4,819.90**	**4,445.10**
Note 36.2		
Administrative & Other Expenses		
Rent	11.56	19.25
Rates & Taxes	7.30	39.65
Insurance	78.28	77.53
Post, Telephone & Courier	66.14	97.92
Printing and Stationary expenses	22.18	32.81
Legal, Licenses and Renewal expenses	53.18	47.54

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 36 Other Expenses *(Contd.)*

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Software and Computer Maintenance	68.25	46.58
Travelling & Conveyance	56.40	173.79
Vehicle Running & Maintenance	64.50	67.82
Professional Fees	119.41	150.52
Auditors Remuneration	9.49	10.15
Directors Sitting Fees	9.50	8.35
Loss on Disposal of Tangible Assets (Net)	39.09	7.58
Donation	0.01	0.50
Remission of Debit balance	9.72	24.61
Provision for Impairment of investment in subsidiary	25.05	-
Impairment in asset held for sale (electricity deposit)	20.71	-
Fine and penalty	8.56	
Miscellaneous Expenses	115.21	182.37
Loss on Foreign Currency Transactions	14.31	-
CSR Expenditure (refer note no. 36)	79.42	104.75
Sub Total (B)	**878.29**	**1,091.70**
Note 36.3		
Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	155.02	367.21
Sales Commission	70.09	57.80
Bad Debts written off	9.63	0.12
Rent	83.61	84.27
Other Selling Expenses	119.60	355.78
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	4,779.95	4,763.08
Freight and Logistic Expenses (Export)	1,372.59	1,095.06
Sub Total (c)	**6,620.49**	**6,723.33**
Total (A+B+C)	**12,318.68**	**12,260.13**

Note 36.4 Payment to Auditors

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Audit Fees	8.70	8.70
In Other Capacity	0.71	0.80
Out of Pocket Expense	0.08	0.65
Total	**9.49**	**10.15**

Note 37 Corporate Social Responsibilty

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Gross amount required to be spent by the company during the year	65.32	54.46
Amount spend and paid on CSR activities included in the statement of profit and loss for the year	79.42	104.75
Promoting healthcare and environment	79.42	104.75
Chief minister distress relief fund	-	-
Rural development and education promotion	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 38 Tax Expense

(a) Amounts recognised in profit and loss

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current Tax		
(a) Current income tax	537.52	947.41
(b) Short/(Excess) provision of Income Tax in respect of previous years	-	(26.30)
Sub Total (a)	537.52	921.11
Deferred tax		
(a) Deferred tax expense / (Income)- net		
Change in Tax rate (refer note 38('c))	(691.50)	-
Origination and reversal of temporary differences	(13.52)	96.46
	(705.02)	**96.46**
(b) Recognition of tax credit		-
Sub Total (b)	**(705.02)**	**96.46**
Tax expense for the year (a+b)	**(167.50)**	**1,017.57**

(b) Reconciliation of effective tax rate

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before tax	**2,077.66**	**3,514.22**
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 29.12%)	522.99	1,023.34
Tax effect of:		
Expenses Disallowed	384.43	411.59
Expenses Allowed	(369.90)	(532.08)
Short/(Excess) provision of income tax in respect of previous years	-	(26.30)
Tax at special rate	-	44.56
Current Tax Provision (A)	**537.52**	**921.11**
Increase/ (Decrease) in Deferred Tax Liability	(809.74)	221.83
Decrease/(Increase) In Deferred Tax Assets	104.72	(125.37)
Deferred Tax Provision (B)	**(705.02)**	**96.46**
Total	**(167.50)**	**1,017.57**

The Current Tax Rate for the reconciliation has been considered as per the prevailing tax rate and deferred tax is recognised considering the tax rate applicable to the Company in subsequent years.

c. Impact due to change in tax rate

The Government of India, on 20/09/2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company has decided to apply the lower income tax rates as per the provisions of the new section 115BAA from the financial year 2020-21. Consequently the Company had applied the lower income tax rates on the deferred tax assets / liabilities to the extent these were expected to be realised or settled in the future period and accordingly reversed net deferred tax liability of 691.50 Lakhs during the period ended 31/03/2021.

Note 39 Statement of other comprehensive income

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(i) Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - Gain /(loss)	351.49	(138.38)
Tax impact on unquoted investments	(81.88)	32.24
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	73.22	(71.33)
Tax impact on Actuarial gains and losses	(18.43)	24.93
Total (i)	**324.40**	**(152.55)**
(ii) Items that will be reclassified to profit or loss		-
Income tax relating to items that will be reclassified to profit or loss - Gain /(loss)	-	-
Total (ii)		-
Total (i+ii)	**324.40**	**(152.55)**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 40 Earning per Share -(EPS)

Earnings per equity share of FV of ₹5 each

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

The following reflects the income and share data used in the basic and diluted EPS computations: (₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit for the year (Profit attributable to equity shareholders) (₹ In Lakhs)	2,245.15	2,496.65
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	35,286,502	35,286,502
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	35,286,502	35,286,502
Face Value of equity share (₹)	5.00	5.00
Basic EPS (₹)	6.36	7.08
Diluted EPS (₹)	6.36	7.08

Note 41 Contingent Liabilities & Contingent Assets And Capital Commitments

A) Contingent Liabilities (₹ In Lakhs)

Contingent liabilities (to the extent not provided for)	As at 31st March, 2021	As at 31st March, 2020
(a) Statutory claims (Refer Note 41.1)	429.95	429.95
(b) Claims against the company not acknowledged as debt(Refer Note 41.2)	419.13	419.13
(c) Guarantees Given to subsidiary company	1,225.00	1,225.00
Total	**2,074.08**	**2,074.08**

Note 41.1 Statutory claims (₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Demand of Income Tax (Net of Refund adjusted and paid under protest)	32.32	32.32
Labour disputed cases	378.25	378.25
Other disputed cases	**19.38**	**19.38**

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

Note 41.2

Claims against the company not acknowledged as debt

a The Company had received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch whereby a penalty of ₹419.13 lakhs is levied on the Company. Company had filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority(additional director [Appeal and flying squad], vide its order dated 17th January, 2020 has passed final order and continued order dated 06th August, 2016 passed by the Geologist, Bhuj. The company Filed a REVISION application on dated 20/02/2020 to The Commissioner Shri (Geology & Mining , Gandhinagar) against the order passed by Additional Director (Appeal & Flying Squad), Gandhinagar, dated 17/01/2020.The revision application is pending for hearing.

b In terms of loan arrangement with the lender IDBI Bank Limited, the lender have right to recompense the reliefs/sacrifice/waiver/ concession extended to the company over the tenor of restructuring done in earlier years. The liability with respect to the same is not ascertainable.

B) CONTINGENT ASSETS

The company is having certain claims which are pursuing through legal processes. The Management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

C) CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account as on 31.03.2021, not provided for amounting to ₹601.07 Lakhs (Net of Advance ₹303.01 Lakhs [31.03.2020 ₹513.77 Lakhs (Net of Advance ₹407.63 Lakhs)

Note 42 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

(₹ In Lakhs)

March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	-	412.15	0.89	413.04	-	0.89	412.15	413.04
Financial assets measured at amortised cost				-				-
Loans (Non-current)	-	-	312.14	312.14	-	312.14	-	312.14
Other financial assets (Non-Current)	-	-	1.01	1.01	-	1.01	-	1.01
Loans (Current)	-	-	87.59	87.59	-	-	-	-
Other financial assets (Current)	-	-	186.84	186.84	-	-	-	-
Trade receivables	-	-	8,246.10	8,246.10	-	-	-	-
Cash and cash equivalents	-	-	168.24	168.24	-	-	-	-
Other bank balances	-	-	493.62	493.62	-	-	-	-
	-	**412.15**	**9,496.44**	**9,908.58**	**-**	**314.03**	**412.15**	**726.18**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	2,177.96	2,177.96	-	2,177.96	-	2,177.96
Other Non Current financial liabilities	-	-	95.40	95.40	-	95.40	-	95.40
Current borrowings	-	-	5,233.52	5,233.52	-	-	-	-
Trade payables (Current)	-	-	7,903.11	7,903.11	-	-	-	-
Other Current financial liabilities	-	-	2,448.76	2,448.76	-	-	-	-
Total	**-**	**-**	**17,858.76**	**17,858.76**	**-**	**2,273.36**	**-**	**2,273.36**

(₹ In Lakhs)

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments		60.66	0.89	61.55	-	0.89	60.66	61.55
Financial assets measured at amortised cost								-
Loans (Non-current)	-	-	350.43	350.43	-	350.43	-	350.43
Other financial assets (Non-Current)	-	-	245.14	245.14	-	245.14	-	245.14
Loans (Current)	-	-	186.21	186.21	-	-	-	-
Other financial assets (Current)	-	-	117.88	117.88	-	-	-	-
Trade receivables	-	-	8,141.95	8,141.95	-	-	-	-
Cash and cash equivalents	-	-	309.59	309.59	-	-	-	-
Other bank balances	-	-	195.45	195.45	-	-	-	-
	-	**60.66**	**9,547.53**	**9,608.19**	**-**	**596.46**	**60.66**	**657.12**
Financial liabilities measured at amortised cost								

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

(₹ In Lakhs)

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Non current borrowings	-	-	3,635.36	3,635.36	-	3,635.36	-	3,635.36
Other Non Current financial liabilities	-	-	317.70	317.70	-	317.70	-	317.70
Current borrowings	-	-	6,095.28	6,095.28	-	-	-	-
Trade payables	-	-	7,421.70	7,421.70	-	-	-	-
Other financial liabilities	-	-	2,193.07	2,193.07	-	-	-	-
Total	**-**	**-**	**19,663.10**	**19,663.10**	**-**	**3,953.06**	**-**	**3,953.06**

Investment in subsidiaries are carried at cost.

Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (i.e...amortised cost). The carrying amounts of financial assets and liabilities of short term nature are considered to be the same as their fair values.

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

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

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

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The fair value of investment in equity shares of other entity is determined based on market value of the shares. The approach taken for valuation is Book value of the equity instruments. The investee company is IND AS compliant company.

Financial instruments measured at fair value - FVTOCI in unquoted equity shares

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2021 and 31 March 20 is as below:

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	60.66	199.04
Acquisitions/ (disposals)	-	-
Gains/ (losses) recognised in other comprehensive income	351.49	(138.38)
Gains/ (losses) recognised in statement of profit or loss	-	-
Closing Balance	**412.15**	**60.66**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2021 and the year ended 31st March 2020.

Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS. The Company has elected to apply this exemption for its investment in equity shares.

Sensitivity analysis

Based on the valuation report for investments in unquoted shares, the sensitivity as as 31st March 2021 is provided below.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

(₹ In Lakhs)

Significant observable inputs	As at 31st March, 2021 OCI (Decrease)/ Increase	As at 31st March, 2020 OCI (Decrease)/ Increase
Equity securities in unquoted investments measured through OCI		
If increase in market value of investments made in Eriez Finance and Investment Limited by 5%	20.61	3.03
If decrease in market value of investments made in Eriez Finance and Investment Limited by 5%	**(20.61)**	**(3.03)**

C. Financial risk management

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

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

i. Risk management framework

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

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

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

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

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

ii. Credit risk

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

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

(a) Cash and Cash equivalent and Other Bank Balances

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

(b) Trade and other receivables

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

The Commercial and Marketing department has established a credit policy.

The Company raises the invoice based on the quantities sold. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

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

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

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 11

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Allowance for bad and doubtful Trade receivable	160.00	181.31
Provision during the year	30.00	-
Recovery/Adjustment during the year	-	(6.57)
Write off during the year	(24.69)	(14.74)
Closing Allowance for bad and doubtful Trade receivable	**165.31**	**160.00**

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

(c) Loans and deposits

Company has given loans to employees and security deposits. The maximum exposure to the credit risk at the reporting date from above amounts to ₹399.73 Lakhs on March 31, 2021 and ₹536.64 Lakhs on March 31, 2020.

iii. Liquidity risk

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

The Company maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of ₹1,237.84 Lakhs (at amortised cost) that is secured as mentioned in Note 20. Interest would be payable at the rate of varying from 7.75% to 9.50%. "

(b) The company has also accepted deposit from share holders and directors amounting to ₹3385.54 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 7.00% - 11.75%.

(c) For maintaining working capital liquidity company avails cash credit limit from bank. The amount availed as at 31/03/2021 is ₹4213.63 Lakhs (at amortised cost). Effective Rate of Interest is 7.75%

Exposure to liquidity risk

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

(₹ In Lakhs)

March 31, 2021	Contractual cash flows				
	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non current borrowings	2,177.96	-	2,177.96	-	2,177.96
Non current financial liabilities	95.40	-	95.40	-	95.40

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

(₹ In Lakhs)

March 31, 2021	Contractual cash flows				
	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
Current Borrowings	5,233.52	5,233.52	-	-	5,233.52
Current Trade payables	7,903.11	7,903.11	-	-	7,903.11
Current Other financial liabilities	2,448.76	2,448.76	-	-	2,448.76
	17,858.76	**15,585.39**	**2,273.36**	**-**	**17,858.76**

(₹ In Lakhs)

March 31, 2020	Contractual cash flows				
	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non current borrowings	3,635.36	-	3,635.36	-	3,635.36
Non current financial liabilities	317.70	-	317.70	-	317.70
Current Borrowings	6,095.28	6,095.28	-	-	6,095.28
Current Trade payables	7,421.70	7,421.70	-	-	7,421.70
Current Other financial liabilities	2,193.07	2,193.07	-	-	2,193.07
	19,663.10	**15,710.04**	**3,953.06**	**-**	**19,663.10**

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

iv. Market risk

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

a) Currency risk

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

(₹ In Lakhs)

Details of foreign currency balances	As at 31st March, 2021	As at 31st March, 2020
Trade and Other Payables		
Euro	18.56	-
USD	921.41	1,030.29
Trade Receivables and advances		
Euro	39.44	40.84
USD	1,342.87	1,181.79
GBP	24.42	12.27

Sensitivity analysis

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

As at 31st March 2021 (₹ In Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity (net of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(47.00)	47.00	(35.17)	35.17
Trade Receivables and advances	70.34	(70.34)	52.63	(52.63)

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

As at 31st March 2020 (₹ In Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity (net of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(51.51)	51.51	(38.55)	38.55
Trade Receivables and advances	61.75	(61.75)	46.20	(46.20)

b) Derivative Instruments used for Hedging:

The company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party of such contracts are generally a Bank.

The foreign exhange forward contracts mature within 12 months. The table below analyses the derivative financial instruments in to relevant maturity groupings based on the remaining period as at balance sheet date.

Derivative outstanding as at reporting date (₹ In Lakhs)

Details of foreign currency balances	Amount in USD		Amount in INR (lakhs)	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Later than one month and not later than 3 months	3,240,000.00	4,220,000.00	2,381.66	3,048.11

Foreign currency forward contract are used for hedging Foregin currency short term borrowing and not for trading or speculative purpose

c) Interest rate risk

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

(₹ In Lakhs)

Interest bearing instruments	As at 31st March, 2021	As at 31st March, 2020
Non current - Borrowings	2,177.96	3,635.36
Current portion of Long term borrowings	1,425.53	1,409.45
Short term borrowings	5,233.52	6,095.28
Total	**8,837.01**	**11,140.08**

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates

Based on the composition of debt a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(₹ In Lakhs)

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
31st March 2021				
Non current - Borrowings	(21.78)	21.78	(16.30)	16.30
Current portion of Long term borrowings	(14.26)	14.26	(10.67)	10.67
Short term borrowings	(52.34)	52.34	(39.16)	39.16
Total	**(88.37)**	**88.37**	**(66.13)**	**66.13**
31st March 2020				
Non current - Borrowings	(36.35)	36.35	(27.20)	27.20
Current portion of Long term borrowings	(14.09)	14.09	(10.55)	10.55
Short term borrowings	(60.95)	60.95	(45.61)	45.61
Total	**(111.40)**	**111.40**	**(83.36)**	**83.36**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended on 31st March, 2021

Note 42 *(Contd.)*

d) Commodity Price Risk

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

e) Equity Price Risk

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

Note 43 Capital Management

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

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

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

The Company's adjusted net debt to equity ratio is as follows. (₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest bearing borrowings	8,837.01	11,140.08
Less : Cash and bank balances	(662.87)	(750.17)
Adjusted net debt	8,174.14	10,389.91
Borrowings	8,837.01	11,140.08
Total equity	**19,910.21**	**17,340.66**
Adjusted net debt to adjusted equity ratio	0.41	0.60
Debt equity ratio	0.44	0.64

Note 44
Disclosure Of Employee Benefits

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

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the year ended 31st March, 2021 is ₹147.82 Lakhs (Previous year ₹191.86 Lakhs)

(b) superannuation fund - Defined Contribution Plan

As per scheme and eligibility critaria decided by the company, eligible employees are entitle to super anuuation. Amount charged to profit and loss during the year ended 31st March, 2021 is ₹27.00 Lakhs. (P.Y. 29.60 Lakhs)

(c) Gratuity - Defined Benefit Plans

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

(₹ In Lakhs)

Assumptions	Gratuity 31st March 2021	Gratuity 31st March 2020
A. Discount rate	6.35%	6.55%
Salary Growth rate	7.50%	7.50%
B. Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	917.24	771.94
Current Service Cost	58.00	57.51

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

(₹ In Lakhs)

Assumptions	Gratuity 31st March 2021	Gratuity 31st March 2020
Interest Cost	58.24	55.53
Components of acturial gain/losses on obligations:	-	-
Due to change in financial assumptions	12.78	77.66
Due to change in Demographic assumptions	-	(0.39)
Due to experience adjustments	(87.49)	(5.54)
Past Service Cost	-	-
Benefits Paid	(172.24)	(39.47)
Closing Defined Benefit Obligation	**786.53**	**917.24**
C. Reconciliation of Planned Asset		
Opening fair Value of plan assets	767.95	713.74
Interest Income	50.56	53.28
Return on plan assets excluding amounts included in interest income	(1.49)	0.40
Contributions by employer	95.00	40.00
Benefits Paid	(172.24)	(39.47)
Closing Value of plan assets	**739.78**	**767.95**
D. Profit and Loss Account for the current Period		
Current Service Cost	58.00	57.51
Net Interest Cost	7.68	2.25
Past service cost and loss/(gain) on curtailments and settlements	-	-
Total included in 'Employee Benefit Expense'	**65.68**	**59.76**
Other Comphrehensive Income for the current Period		
Components of acturial gain/losses on obligations:		
Due to change in financial assumptions	12.78	77.66
Due to change in Demographic assumptions	-	(0.39)
Due to experience adjustments	(87.49)	(5.54)
Return on plan assets excluding amounts included in interest income	1.49	(0.40)
Amount recognized in Other Comprehensive Income	**(73.22)**	**71.33**
E. Reconciliation of Net defind Benefit Obligation		
Net opening provisions in Books of accounts	149.29	58.20
Employee Benefit Expense	65.68	59.76
Amount recognized in Other Comprehensive Income	(73.22)	71.33
Contributions to Plan asset	(95.00)	(40.00)
Closing provision in books of accounts	**46.75**	**149.29**
F. Current/Non-Current Liability :		
Current*	46.75	149.29
Non-Current	-	-
Net Liability	**46.75**	**149.29**

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

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

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Gratuity		
Present value of Defined Benefit Obligation	786.53	917.24
Fair value of Plan Assets	739.78	767.95
(Surplus) / Deficit in the plan	46.75	149.29
Actuarial (Gain) / Loss on Plan Obligation	(74.71)	71.73

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

(d) Sensitivity analysis

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

(₹ In Lakhs)

Particulars	31st March 2021	
	Increase Gratuity	Decrease Gratuity
Discount rate (0.5% movement)	755.19	819.99
Salary growth rate (0.5% movement)	809.86	764.58
Withdrawal rate (W.R.) Sensitivity	787.41	785.67

(₹ In Lakhs)

Particulars	31st March 2020	
	Increase Gratuity	Decrease Gratuity
Discount rate (0.5% movement)	880.58	956.37
Salary growth rate (0.5% movement)	944.02	891.69
Withdrawal Rate	918.66	915.63

(e) Gratuity Benefits Plan

The benefit is governed by the Payment of Gratuity Act, 1972.

The Key features are as under:

(₹ In Lakhs)

Features of the defined benefit plan	Remarks 15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58,68 or 72 years

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

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

A. Actuarial Risk:

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

B. Investment Risk:

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

C. Liquidity Risk:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

D. Market Risk:

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

E. Legislative Risk:

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

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

(a) Composition of the plan assets

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

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

(c) Expected benefit payments as on 31 March 2021

(₹ In Lakhs)

Particulars	1-5 years	6-10 years
Cash flow (₹)	321.04	358.75
Distribution (in %)	22.50%	25.20%

(g) Other Notes:

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

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

Note 45 Related Party Transactions:

Note 45.1 List of Related Parties

(₹ In Lakhs)

Sr. No.	Name of Related Parties	Nature of Relationship
1	20 Microns Nano Minerals Limited	Subsidiary Company
2	20 Microns FZE	Subsidiary Company
3	20 Microns SDN BHD	Subsidiary Company
4	Silicate Minerals Private Limited	Subsidiary Company (Step Down)
5	20 Microns Vietnam Limited	Subsidiary Company (Step Down)
6	20 Microns Foundation trust	Entity over which Significant Influence Exists
7	20 MCC Pvt .Ltd.	Subsidiary Company
8	Shri Chandresh S. Parikh	Chairman & Managing Director, Key Management Personnel

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 45 *(Contd.)*

Note 45 Related Party Transactions:

Note 45.1 List of Related Parties

(₹ In Lakhs)

9	Shri Rajesh C. Parikh	Managing Director, Key Management Personnel
10	Shri. Atil C. Parikh	Whole Time Director, Key Management Personnel
11	Smt. Ilaben C. Parikh	Relative of Key Management Personnel
12	Smt. Sejal R. Parikh	Director, Key Management Personnel
13	Smt. Purvi A. Parikh	Relative of Key Management Personnel
14	Mr Narendra R Patel	Chief Financial Officer, Key Management Personnel
15	Smt.Anuja K. Muley	Company Secretary, Key Management Personnel

Note 45.2 Transactions with Related Parties

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	**20 Microns Nano Minerals Limited**	Subsidiary Company		
	Income :			
	Sales		1,106.02	1,970.04
	Royalty		183.09	134.95
	Rent		429.37	328.08
	Job work charges Received		8.12	
	Sale of Property Plant and Equipment			13.02
	Dividend Income			-
	Manpower services provided		88.42	180.33
	Expenses :			
	Purchases		753.72	1,963.79
	Rent		86.59	4.54
	Job work charges Paid		32.15	-
	Manpower services received		20.15	19.20
	Purchase of Property Plant and Equipment		134.62	3.26
	Amount Receivable / (Payable) at the year end		**660.99**	**855.84**
2	**Silicate Minerals Private Limited**	Subsidiary Company (Step Down)		
	Purchase of material		0.44	2.08
	Rent Received		16.27	17.70
	Amount Receivable / (Payable) at the year end		**186.01**	**171.22**
3	**20 Microns Foundation trust**	Entity over which Significant Influence Exists		
	Expenses :			
	Donation paid		44.85	104.45
4	**20 MCC Private Limited**	Subsidiary Company		
	Income :			
	Sales		11.85	3.95
	Job work charges		25.52	-
	Sale of Property Plant and Equipment		-	8.87
	Rent		8.85	35.40
	Expenses :			
	Purchases		35.13	37.33
	Amount Receivable / (Payable) at the year end		**638.06**	**466.65**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 45 *(Contd.)*

Note 45.2 Transactions with Related Parties

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2021	For the year ended 31st March, 2020
5	**20 Microns FZE**	**Subsidiary Company**		
	Income :			
	Dividend Income		-	74.06
6	**20 Microns SDN BHD**	**Subsidiary Company**		
	Income :			
	Dividend Income		-	180.96
7	**Shri Chandresh S. Parikh**	**Chairman & Managing Director, Key Management Personnel**		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		49.76	108.53
	other long-term benefits		5.52	7.00
	Interest on Deposit		8.33	7.85
	Others :			
	Deposit Received / Renewed		70.00	-
	Deposit Paid During the Year		50.00	
	Deposit Outstanding		80.00	60.00
8	**Shri Rajesh C. Parikh**	**Managing Director, Key Management Personnel**		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		59.80	85.34
	other long-term benefits		4.22	5.34
9	**Shri. Atil C. Parikh**	**Whole Time Director, Key Management Personnel**		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		51.86	74.50
	other long-term benefits		3.45	4.37
	Interest on Deposit		0.54	0.67
	Others :			
	Deposit Received/ Renewed		5.00	
	Deposit Paid During the Year		5.00	
	Deposit Outstanding		5.00	5.00
10	**Smt. Ilaben C. Parikh**	**Relative of Key Management Personnel**		
	Expenses :			
	Interest on Deposit		1.89	1.70
	Others :			
	Deposit Outstanding		15.50	15.50
11	**Smt. Sejal R. Parikh**	**Director, Key Management Personnel**		
	Expenses :			
	Interest on Deposit		0.12	0.10
	Rent		8.93	8.08
	Others :			
	Deposit Outstanding		1.00	1.00

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended on 31st March, 2021

Note 45 *(Contd.)*

Note 45.2 Transactions with Related Parties (₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2021	For the year ended 31st March, 2020
12	**Smt. Purvi A. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.60	0.54
	Others :			
	Deposit Outstanding		5.00	5.00
13	**Mr Narendra R Patel**	Chief Financial Officer, Key Management Personnel		
	Expense			
	Remuneration paid			
	short-term employee benefits		27.05	37.79
	other long-term benefits		1.68	2.13
14	**Smt.Anuja K. Muley**	Company Secretary, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		9.80	12.00
	other long-term benefits		0.74	0.89
	Interest on Deposit		0.14	0.24
	b)Others :			
	Deposit Paid		-	1.30
	Deposit Outstanding		1.00	1.00

Notes

1 The following are the list of Independent Directors with whom no transaction have been occurred during the Financial Year 2020-21 other than payment of sitting fees:

a) Mr. Ram Devidayal

b) Mr. Atul Patel

c) Dr. Ajay Ranka

d) Mr. Jaydeep Verma

2 20 Microns Nano Minerals Ltd, 20 Microns SDN BHD, 20 Microns FZE have been using software package being “SAP” by 20 Microns Limited without payment of Consideration.

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

Note 46

Segment Reporting

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

a) Informationabout product and services: Sale of Minerals : ₹42,980.38 Lakhs Sale of Herbal Pharma Products : ₹23.49 Lakhs Sale of construction chemical products : ₹21.72 Lakhs

b) Information about geographical areas: 1. The Company have revenues from external customers attributable to all foreign countries amounting to ₹6360.76 Lakhs and entity’s country of domicile amounting to ₹36834.60 Lakhs. 2. None of the company’s Non Current assets are located outside India hence entity wide disclosure is not applicable to the Company. c) Information about major customers:There is two customers to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹12,391.21 lakhs.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

Note 47

RESEARCH AND DEVELOPMENT EXPENDITURE

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

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue expenditure		
Employee benefit expenses	58.12	67.78
Other expenses	39.71	13.20
Total	**97.83**	**80.98**

Note 48 Disclosure of IND AS 115 “Contract with Customers

Contract Balances (₹ In Lakhs)

Particulars	31st March 2021	31st March 2020
Trade receivables	8,246.10	8,141.95
Contract Assets	-	-
Contract Liabilities	34.67	59.99

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to ₹59.99 Lakhs .

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

(₹ In Lakhs)

Particulars	31st March 2021	31st March 2020
Revenue as per contracted price	43,409.16	49,138.76
Adjustments		
Discounts	(171.49)	(133.58)
Revenue from contract with customers	**43,237.67**	**49,005.18**

Note 49 Disclosures pursuant to Ind AS 116:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021: (₹ In Lakhs)

Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at April 01, 2020	**467.47**	**127.13**	**340.34**
Additions	-	147.50	(147.50)
Deletions	**42.86**	**22.02**	**20.84**
Balance as at March 31, 2021	**424.62**	**252.62**	**172.00**

The aggregate depreciation expense amounting to ₹147.50 lakhs on ROU assets is included under Depreciation and Amortization Expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021: (₹ In Lakhs)

Particulars	31st March 2021	31st March 2020
Current lease liabilities	119.25	50.67
Non current lease liabilities	72.95	308.71
	192.20	**359.38**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 49 *(Contd.)*

The following is the movement in lease liabilities during the year ended March 31, 2021: (₹ In Lakhs)

Particulars	31st March 2021	31st March 2020
Balance as at April 01	359.38	205.99
Additions	-	261.48
Finance cost accrued	35.24	39.38
Deletions	23.58	-
Payment of lease liabilities	178.84	147.48
Balance as at March 31	**192.20**	**359.38**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis: (₹ In Lakhs)

Particulars	31st March 2021	31st March 2020
Less than one year	**135.80**	**187.73**
One to five years	**83.69**	**236.48**
More than five years	**-**	**-**
	219.49	**424.21**

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ₹220.74 lakhs for the year ended March 31, 2021(P.Y. - ₹178.92 Lakhs).

Note 50 Impact of Covid - 19

Disruption in operations as a result of the covid 19 pandemic have impacted business performance and the Company continues to monitor economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome. The management has also evaluated the possible impact of the pandemic on the business operations and based on its assessment of the current indicators of the future economic conditions, it is expected that the carrying amount of assets will be recovered.

Note 51

The Central Government has passed the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The draft rules under the said code have also been released for inviting suggestions from the stakeholders. The effective date from which the code and rules will be applicable is yet to be notified. The Company will assess the impact and its valuation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are notified.

Note 52 Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010

Place : Waghodia
Date : 28/06/2021

Rajesh C. Prikh
Chairman & MD
DIN No.: 00041610

Place : Waghodia
Date : 28/06/2021

Atil C. Parikh
CEO & MD
DIN No.: 00041712

N. R. Patel
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To The Members of **20 Microns Limited**
Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of 20 Microns Limited ('the Company' or 'the Holding Company'), and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the paragraph of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements..

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter	How out Audit Addressed the Key Audit Matter
1.	**Aspects of Revenue Recognition** The Group has large product and customer portfolio and multiple business locations. The nature of the risk associated with the accurate recording of revenue varies. We recognise that revenue is a key metric upon which the Group is judged, that the Group has annual internal targets, and that the Group has incentive schemes that are partially impacted by revenue growth. We have determined that there is a risk of material misstatement in recognition of revenue considering the above. We have determined this to be a key audit matter in view of exercise of management judgement and estimates and the significance of the amounts involved.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • We evaluated the design of internal controls relating to revenue recognition. • We performed full and specific scope audit procedures over this risk area in major locations, which covered majority of the risk amount. • We assessed the processes and tested controls over each significant revenue stream. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of the controls. • We evaluated the appropriateness of journal entries impacting revenue, as well as other adjustments made in the preparation of the consolidated financial statements. We considered unusual journals such as those posted outside of expected days, or by unexpected individuals. • We also evaluated management's controls over such adjustments.

Sr.No.	Key Audit Matter	How out Audit Addressed the Key Audit Matter
		• We inspected a sample of contracts to check that revenue recognition was in accordance with the contract terms and the group's revenue recognition policies. • We tested a sample of transactions around period end to test that revenue was recorded in the correct period. • For revenue streams which have judgemental elements, we evaluated management's assumptions. Basis the procedures performed, we have not noted any significant exceptions in the management assessment of Revenue Recognition.
2.	**Assessment of contingencies in respect of statutory claims and claims against company not acknowledged as debt** The group has various ongoing material uncertain statutory claims and claims against group not acknowledged as debt under dispute. Refer Note 40 to the Consolidated Financial Statements. The assessment of the likely outcome of the matters and related outflow of resources involves significant judgement on the positions taken by the management which are based on the application and interpretation of law. We have considered these matters to be a key audit matter given the materiality of the potential outflow of economic resources and uncertainty of the possible outcome. .	Our procedures included the following: • Understanding and evaluating the design of operating effectiveness of controls in respect of the legal matters. • Reading the orders received by the company from authorities. • Discussing ongoing matters under dispute and developments with the management and the audit committee. • Where relevant, reading opinions of Managements' external consultants on the tax matters. • Independently assessing the Management's judgement on contingencies and provisions of statutory claims and other claims. • Assessing adequacy of disclosure in the consolidated financial statements. Based on the above procedures, the management's assessment of contingencies in respect of statutory claims and claims against group not acknowledged as debt was considered to be appropriate.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹7,848.60 Lakh as at 31st March, 2021, total revenues of ₹7,179.57 Lakh, total net profit after tax (before consolidation adjustments) of ₹28.11 Lakh, total comprehensive income (before consolidation adjustments) of ₹80.31 Lakh and cash outflows (net) amounting to ₹63.01 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our Report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the Financial Results certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated the statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and report of statutory auditor of its subsidiary companies, none of the directors of the Group Companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

      (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 41 to the consolidated financial statements. .

      (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. -

      (iii) The amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021 have been transferred by the Holding Company during the year ended March 31, 2021 .

For, J. H. Mehta & Co.
Chartered Accountants
ICAI Firm Regn. No. 106227W

(Naitik J Mehta)
Partner
Membership No. 130010
UDIN : 21130010

Place: Ahemdabad
Date: 28/06/2021

ANNEXURE - A

TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of 20 Microns Limited (hereinafter referred to as "Company") and its subsidiary company, which is company incorporated in India, as of that date, as of and for the year ended March 31, 2021, we have also audited the internal financial controls over financial reporting of the Companies.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. .

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary companies, which are the company incorporated in India, is based on the corresponding reports of the auditors of the Company.

For, J. H. Mehta & Co.
Chartered Accountants
ICAI Firm Regn. No. 106227W

(Naitik J Mehta)
Partner
Membership No. 130010
UDIN : 21130010

Place: Ahemdabad
Date: 28/06/2021-

CONSOLIDATED BALANCE SHEET

as at 31st March, 2021

(₹ In Lakhs)

Particulars	Notes no.	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.1	19,887.68	19,491.94
(b) Capital Work in Progress	3.2	270.43	1,073.53
(c) Investment property			
(d) Intangible Assets	4.1	367.99	572.75
(e) Intangible Assets under Development	4.2	5.15	63.91
(f) Goodwill on Consolidation		2.16	2.16
(g) Financial Assets			
(i) Investments	5	594.87	182.87
(ii) Loans	6	312.14	370.63
(iii) Other Financial Assets	7	3.79	246.77
(h) Deferred Tax Asset		70.51	73.09
(i) Other Non-Current Assets	8	766.00	755.69
Total Non-Current Assets		**22,280.72**	**22,833.35**
2 Current assets			
(a) Inventories	9	10,057.25	9,772.18
(b) Financial Assets			
(i) Trade receivables	10	9,012.13	8,209.91
(ii) Cash and Cash Equivalents	11	406.21	610.57
(iii) Bank Balances other than (ii) above	12	588.09	234.89
(iv) Loans	13	148.87	424.32
(v) Other Financial Assets	14	218.22	238.47
(c) Other Current Assets	15	2,389.54	2,144.05
(d) Asset Classified as Held for Sale	16	130.00	-
Total Current Assets		**22,950.30**	**21,634.39**
TOTAL ASSETS		**45,231.02**	**44,467.74**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	17	1,764.33	1,764.33
(b) Other Equity	18	19,682.10	17,015.99
Total equity		**21,446.43**	**18,780.32**
2 Non Controlling Interest		**76.78**	**74.98**
3 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	2,367.65	3,892.34
(ii) Other Financial Liabilities	20	147.75	393.90
(b) Deferred Tax Liabilities (Net)	21	2,477.02	3,113.25
Total Non-Current Liabilities		**4,992.42**	**7,399.49**
4 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	6,223.28	6,535.84
(ii) Trade Payables	23		
Total outstanding dues of Micro and Small Enterprise		169.50	183.11
Total outstanding dues of Creditors other than Micro and Small Enterprise		9,207.05	8,613.99
(iii) Other Financial Liabilities	24	2,628.02	2,409.08
(b) Other Current Liabilities	25	423.16	298.90
(c) Provisions	26	63.92	164.06
(d) Current Tax Liabilities (Net)	27	0.47	7.97
Total Current Liabilities		**18,715.39**	**18,212.95**
Total Liabilities		**23,707.81**	**25,612.44**
TOTAL EQUITY AND LIABILITIES		**45,231.02**	**44,467.74**
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.	1 to 53		

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010

Rajesh C. Prikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

N. R. Patel
Chief Financial Officer

Place : Waghodia
Date : 28/06/2021

Place : Waghodia
Date : 28/06/2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended on 31st March, 2021

(₹ In Lakhs)

Particulars	Note No.	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Revenue			
I. Revenue from Operations	28	48,352.67	52,932.29
II. Other income	29	255.81	265.94
III. Total Income (I+II)		**48,608.49**	**53,198.23**
IV. Expenses			
a) Cost of materials consumed	30	25,402.39	28,020.46
b) Purchases of Stock in trade	31	58.26	63.85
c) Changes in inventories of finished goods, stock in trade and work in progress	32	1.67	(113.19)
d) Employee Benefits Expenses	33	3,707.21	4,866.17
e) Finance Costs	34	2,543.47	2,153.17
f) Depreciation and Amortization Expenses	35	1,382.99	1,251.07
g) Other Expenses	36	13,336.60	13,501.35
Total Expenses (IV)		**46,432.60**	**49,742.87**
V. Profit/(Loss) Before Exceptional Items and Tax(III-IV)		2,175.89	3,455.36
VI. Exceptional Items			
VII. Profit/(Loss) Before Tax (V-VI)		**2,175.89**	**3,455.36**
VIII. Tax expense:	38		
Current Tax		623.52	1025.58
Deferred Tax		(748.66)	12.17
IX. Profit/(Loss) for the period(VII-VIII)		**2,301.03**	**2,417.61**
Profit/(Loss) for the Year attributable to			
Owners of the Company		2,297.19	2,411.71
Non Controlling Interest		3.84	5.90
X. Other Comprehensive Income	39		
A. (i) Items that will not be reclassified to profit or loss		489.54	(269.69)
(ii) Income tax related to items that will not be reclassified to profit or loss		(112.94)	69.94
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income		**376.60**	**(199.75)**
XI. Total Comprehensive Income for the period(IX+X)		**2,677.63**	**2,217.86**
Total Comprehensive Income for the Year attributable to			
Owners of the Company		**2675.83**	**2211.94**
Non Controlling Interest		**1.80**	**5.92**
Earnings per equity share of Face Value of ₹ 5 each	40		
Basic		6.51	6.83
Diluted		6.51	6.83
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.	1 to 53		

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010

Rajesh C. Prikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

N. R. Patel
Chief Financial Officer

Place : Waghodia
Date : 28/06/2021

Place : Waghodia
Date : 28/06/2021

CONSOLIDATED CASH FLOW STATEMENT

for the year ended on 31st March, 2021

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	2,175.89	3,455.36
Adjustments for:		
Depreciation and amortisation	1,382.99	1,251.07
Loss on sale/disposal of Property, plant and equipment	35.34	7.32
Impairment loss for asset held for sale(electricity deposit)	20.71	-
Bad Debts Written Off	11.46	2.93
Provision made/reversed for Doubtful Debts (Trade Receivables)	45.86	(11.33)
Effect of foreign exchange gain/loss	(3.80)	(18.14)
Finance Costs	2,543.47	2,153.17
Provision/liability no longer required written back	(112.92)	(112.72)
Debit balance written off	11.62	25.00
Exchange difference on consolidation	(5.73)	26.59
Interest Income	(82.03)	(76.26)
Operating Profit before Working Capital Changes	**6,022.86**	**6,702.99**
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(869.04)	(1,202.23)
(Increase)/Decrease in Other - Non Current Assets	(3.33)	6.19
(Increase)/Decrease in Short Terms Loans and Advances	275.46	(130.26)
(Increase)/Decrease in Other Current Assets	(194.97)	(358.07)
(Increase)/Decrease in Other Financial Assets-Current	20.25	(10.74)
(Increase)/Decrease in Inventories	(285.07)	(1,409.29)
(Increase)/Decrease in Long-term Loan and Advances	37.78	(45.79)
Changes in Trade and Other Receivables	**(1,018.93)**	**(3,150.20)**
Increase/(Decrease) in Trade Payables	593.00	2,207.79
Increase/(Decrease) in Other Current Liabilities	237.18	(257.99)
Increase/(Decrease) in Other Financial Non current Liabilities	17.53	(0.14)
Increase/(Decrease) in Other Financial Current Liabilities	69.12	(54.32)
Increase/(Decrease) in Short-term Provisions	(22.83)	22.47
Changes in Trade and Other Payables	**894.00**	**1,917.81**
Cash Generated from Operations	**5,897.93**	**5,470.60**
Direct Tax paid (Net of refunds)	(693.15)	(996.94)
Net Cash from Operating Activities	**5,204.78**	**4,473.66**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipments/Intangible assets including capital work in progress and capital advances.	(1,046.15)	(1,659.46)
Proceeds from sale of Property, plant and equipments	161.72	46.11
Proceeds from sale of Investments	-	5.29
(Deposit) in /Maturity of Deposits with original maturity of more than three months	(110.21)	(60.90)
Interest Received	82.03	76.26
Net Cash used in Investing Activities	(912.61)	(1,592.70)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long-term Borrowings	(1,481.41)	(679.28)
Repayment from Short-term Borrowings	(312.56)	151.84
Share issue expenditure	(1.95)	-
Payment of lease liability	(187.10)	(128.37)
Finance cost	(2,543.47)	(2,153.17)
Dividend paid (including tax thereon)	-	(211.68)
Net Cash from Financing Activities	**(4,526.49)**	**(3,020.66)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended on 31st March, 2021

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(234.32)**	**(139.70)**
Cash and Cash Equivalents at the beginning of the year	653.09	707.74
Cash and Cash Equivalents at the end of the year	418.77	568.05
Closing Cash and Cash Equivalents comprise:		
Cash in hand	20.97	21.45
Balances with Scheduled Banks		
Balance in Current Account	385.24	589.12
Total	**406.21**	**610.57**
Less : Amount due to bank in current account	12.56	42.52
Total	**418.77**	**653.09**

Notes to Cash Flow Statement:

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

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

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

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

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

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

(₹ In Lakhs)

For the year ended March 31, 2021	Opening Balance	Cash Flows	Non CashChanges	Closing Balance
Short Term Borrowings	6,535.84	(314.68)	2.12	6,223.28
Long Term Borrowings (including Current maturities)	5,381.02	(1,450.21)	(38.39)	3,892.43
Bank Balances other than Cash and Cash Equivalents	234.89	353.20		588.09
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.			1 to 53	

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
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Rajesh C. Prikh
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CEO & MD
DIN No.: 00041712

N. R. Patel
Chief Financial Officer

Place : Waghodia
Date : 28/06/2021

Place : Waghodia
Date : 28/06/2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

for the year ended on 31st March, 2021

(a) Equity share capital

(₹ In Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the reporting period	1,764.33	1,764.33
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	**1,764.33**	**1,764.33**

(b) Other equity

(₹ In Lakhs)

Other equity	Reserves and Surplus					Other Comprehensive Income	Total Other Equity
	General Reserve	Securities Premium	Retained earnings	Capital Reserve on Consolidation	Foreign Currency Translation Reserve	Equity Instruments through OCI	
Balance at April 1, 2019 (A)	**120.54**	**3,969.70**	**10,651.47**	**48.88**	**30.30**	**117.19**	**14,938.07**
Add: Profit during the Period	-	-	2,411.71		26.59		2,438.31
Add/(less): Other Comprehensive Income for the year(Net of Tax)						(154.62)	(154.62)
Add:Capital Reserve on acquisition of subsidiary company				43.38			
Add/(less):Adjustment on account of acquisition of Non Controlling Interest			10.28				
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(45.13)			-	(45.13)
Less : Appropriations							
Dividend Declared	**-**	**-**	**211.68**			**-**	**211.68**
Corporate Tax on Dividend	-	-	-			-	-
Balance at March 31, 2020 (B)	**120.54**	**3,967.08**	**12,816.65**	**92.26**	**56.89**	**(37.43)**	**17,015.99**
Less; Share issue expenditure	-	(1.95)					(1.95)
Add: Profit during the Period	-	-	2,297.19		(5.73)		2,291.46
Add: Due to change in minority interest			-				
Add:Capital Reserve on acquisition of subsidiary company				**-**			**-**
Add/(less): Other Comprehensive Income for the year(Net of Tax)						**318.22**	**318.22**
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	**-**	**-**	**58.38**				**58.38**
Less : Appropriations							**-**
Dividend Declared	**-**	**-**	**-**				**-**
Corporate Tax on Dividend	**-**	**-**	**-**				**-**
Closing Balance	**120.54**	**3,965.13**	**15,172.22**	**92.26**	**51.16**	**280.79**	**19,682.10**

Note (i): The Group has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI.
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
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Rajesh C. Prikh
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N. R. Patel
Chief Financial Officer

Place : Waghodia
Date : 28/06/2021

Place : Waghodia
Date : 28/06/2021

CONSOLIDATED OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended on 31st March, 2021

Authorization of financial statements:

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 28th June, 2021.

Notes to Consolidated Financial statements for the year ended 31st March 2021

Note 1 –Corporate Information& Basis of Consolidation

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

The Group is engaged in Business of Industrial MicronisedMinerals and Speciality Chemicals.

Basis of Consolidation:.

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31st March, 2021. Control is achieved when the group is exposed or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Specifically, the group controls an investee if and only if the group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure or rights to variable returns from the involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there us a presumption that a majority of the voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group consider all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangement
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The group re-assesses whether or not it control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the dare the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e year ended on 31stMarch

ConsolidationProcedure:

The consolidated Financial Statements include the financial statements of 20 Microns Limited and its subsidiaries(The Group). The Consolidated Financial Statements of the group have been prepared in accordance with Indian Accounting Standard 110 'Consolidated Financial Statements' as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 as amended thereunder.

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

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

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

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

CONSOLIDATED OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended on 31st March, 2021

Particulars of Consolidation:

The lists of Subsidiary Companies are as under:

Company	Year End	Country of Incorporation	Proportion of Ownership	
			As At 31st March 2021	As At 31st March 2020
20 Microns SDN BHD (Foreign Subsidiary	March 31, 2021	Malaysia	100%	100%
20 Microns Nano Minerals Limited (Indian Subsidiary)	March 31, 2021	India	97.21%	97.21%
20 Microns Vietnam Limited (Foreign subsidiary)	March 31, 2021	Vietnam	100%	100%
20 Microns FZE (Foreign subsidiary)	March 31, 2021	Sharjah	100%	100%
20 MCC Private Limited(Indian Subsidiary)	March 31, 2021	India	100%	100%

Note 2 - Significant Accounting Policies

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

2.1 Basis of Preparation of Financial Statements

2.1.1 Statement of Compliance with Ind AS

(a) The financial statements has been prepared in accordance and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

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

(c) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use..

2.1.2 Historical Cost Convention

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

2.2 Use of Estimates and Judgements

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

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

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

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

Note 38 Current/deferred tax expense

Note 41Contingent liabilities and assets

Note 10 Expected credit loss for receivables

Note 44 Measurement of defined benefit obligations

2.3 Business Combination and Goodwill:

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of asset given, liabilities incurred by the Group to the former owners of the acquire, and equity interest issued by the Group in exchange for control of the acquire.

Acquisition related costs are recognised in the consolidated statement of Profit and Loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being excess of the consideration transferred in the business combination over the Group's

CONSOLIDATED OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended on 31st March, 2021

interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Once control has been achieved, any subsequent acquisition where the group does not originally hold hundred percent interest in subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional proportion acquired is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

2.4 Property, Plant and Equipment

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

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

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

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Subsequent expenditures, including replacement costs where applicable,incurred for an item of Property plant and equipment are added to its books value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced.

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

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

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

2.5 Capital Work in Progress:

Expenditure on projects pending capitalization is shown under the head “Capital Work In Progress” which will be capitalized to respective heads of Property, Plant and Equipment on commencement of commercial production..

All the directly identifiable and ascertainable expenditure, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective “Property, Plant and Equipment”.

Further, advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified and disclosed as capital advances under Other Non-Current Assets.

2.6 Investment Properties

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

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

2.7 Intangible Assets

Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and

CONSOLIDATED OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended on 31st March, 2021

Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any..

Acquired Intangible Assets in the form of "Process Know How" is recognized at the cost of acquisition and amortized on straight line basis over a period of five years, depending on their estimated useful life.

Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits. ERP Project fees are amortized over a period of seven years. Costs of all other softwareare amortized over a period of five years..

Expenses incurred during development of Process know how or Product development is shown under the head "Intangible asset under development".

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

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

Depreciation is calculated to systematically allocate the cost of property, plant and equipment, intangible asset and investment propertynet of the estimated residual values over the estimated useful life. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013.

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

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

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

a)	Process Know How (Acquired Product Development)	5 Years
b)	ERP Software	7 Years
c)	Other Software's	5 Years

Freehold land is not depreciated. Cost of lease-hold land is amortized equally over the remaining period of lease.

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

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

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

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

2.9 Impairment of non-financial assets

In accordance with Ind AS 36 on "Impairment of Assets" at the balance sheet date, non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use.

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

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

2.10 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved

The accounting policies for the specific revenue streams as summarized below:

i) Interest income is recognised on Effective Interest Rate (EIR) basis considering the amount outstanding and the applicable interest rate as set out in Ind AS 109.

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

iii) Dividend income is accounted for when the right to receive income is established.

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

v) Rental income is recognised as revenue on accrual basis as per the terms of the underlying contract with customers.

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

Contract Balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs obligations under the contract.

2.11 Borrowing

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

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

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

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

2.12 Borrowing Cost

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

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

2.13 Financial Instruments

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

2.13.1 Financial Asset

Initial Recognition

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

Initial Measurement

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

Subsequent Measurement

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

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

  The Group classifies its financial assets in the above mentioned categories based on:
- The Group's business model for managing the financial assets, and
- The contractual cash flows characteristics of the financial asset.

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

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

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

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

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

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

Equity Investments:

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

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

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De-recognition

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

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

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

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

Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

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

2.13.2 Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

Financial Guarantee Contracts

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

Loan and Borrowings

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

Derecognition

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

2.13.3 Derivative Financial Instruments and Hedge Accounting

The Group uses derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes exchange rates. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Fair Value Hedges:

The Group designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in foreign exchange rates. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss.

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If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

2.13.4 Offsetting financial instruments

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

2.14 Fair Value

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market

knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (refer note 41)

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

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2.15 Inventories

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

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

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

2.16 Non-current assets held for sale and discontinued operation

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2.17 Foreign Currency Transactions

2.17.1 Functional and Presentation Currency

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

2.17.2 Transactions and balances

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

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

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

2.18 Employee Benefits

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

2.18.1 Post-Employment Benefit Plans

Defined Contribution Plan

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

The Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the

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excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined Benefit Plans

The Group provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods. The Group presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Group will contribute this amount to the gratuity fund within the next twelve months.

2.18.2 Short Term Employee Benefits

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

2.19 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

The Group's leased assets consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense as per the terms of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Refer note 48 for transition disclosures.

2.20 Taxation

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

2.20.1 Current Tax

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

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

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

2.20.2 Deferred Taxes

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

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

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

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

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

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

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

2.21 Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

2.22 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Provisions are not recognised for future operating losses.

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

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

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

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

2.23 Segment Reporting

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

2.24 Cash Equivalents

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other

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short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value..

2.25 Statement of Cash Flows

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

2.26 Dividends

The Group recognises a liability for dividends to equity holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.27 Insurance Claims

The Group accounts for insurance claims when there is certainty that the claims are realizable and acknowledged by insurance Group and amount recognized in books of accounts is as under:

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance".
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

2.28 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.29 Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

2.30 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements

2.31 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended on 31st March, 2021

Note 3.1
Property, Plant and Equipment (PPE) as at 31st March 2021

(₹ In Lakhs)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 1st April 2020	Addition during the year	Disposal/ Adjustment	Transfer to Non Current asset held for Sale	As at 31st March 2021	As at 1st April 2020	For the year	Disposal/ Adjustment	Transfer to Non Current asset held for Sale	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Freehold land	600.92	-	-	-	600.92	-	-	-	-	-	600.92	600.92
Leasehold land	3,289.02	-	-	89.86	3,199.16	172.33	45.27	-	6.97	210.64	2,988.52	3,116.68
Free Hold Office Building	226.11	188.49	-	1.29	413.32	69.27	13.82	-	0.27	82.81	330.50	156.85
Lease Hold Office Building	80.56	-	-	-	80.56	62.04	-	-	-	62.04	18.52	18.52
Factory Building	5,214.54	536.50	-	26.94	5,724.09	1,316.22	162.12	-	12.53	1,465.81	4,258.28	3,898.31
Plant & Equipment	19,749.52	979.12	(203.58)	162.03	20,363.03	8,488.17	767.82	(44.61)	104.33	9,107.05	11,255.97	11,261.35
Furniture and office Equipments	488.37	33.11	-	0.22	521.25	399.23	36.07	-	0.19	435.11	86.14	89.14
Computer Equipments	277.83	66.04	(149.79)	-	194.07	210.14	31.23	(142.22)	-	99.15	94.92	67.69
Vehicles	660.57	33.98	(21.44)	-	673.11	378.09	53.71	(12.58)	-	419.21	253.89	282.48
Total PPE	**30,587.43**	**1,837.23**	**(374.81)**	**280.35**	**31,769.51**	**11,095.49**	**1,110.05**	**(199.41)**	**124.29**	**11,881.83**	**19,887.68**	**19,491.94**
Previous year	**27,566.69**	**2,177.36**	**(228.17)**	**-**	**29,515.88**	**10,074.76**	**1,072.15**	**(51.43)**	**-**	**11,095.49**	**19,491.94**	**19,441.12**

Note 3.1.1 - Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 3.1.2 - Security Pledge of Assets : Refer to Note 19 on borrowings for details in terms of pledge of assets as security.

Note 3.1.3 - Refer to note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 3.1.4 - There is no restriction on the title of property, plant and equipments.

Note 3.1.5 - Borrowing cost amounting to ₹Nil (P.Y. - ₹61.09 lakhs) has been capitalised in the head plant and equipment as per IND AS - 23 "Borrowing Cost"

Note 3.2
Capital work in progress

(₹ In Lakhs)

Capital work in progress	As at 31st March, 2021	As at 31st March, 2020
Capital Work-in-Progress	270.43	1073.53
Interest during the construction period	**-**	
Total	**270.43**	**1,073.53**

Note:- Security Pledge of Assets : Refer to Note 19 on borrowings for details of security pledge of assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 4.1

Intangible assets as at 31st March 2021

(₹ In Lakhs)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2020	Addition during the year	Disposal/ Adjustment	Transfer to Non Current asset held for Sale	As at 31st March 2021	As at 1st April 2020	For the year	Disposal/ Adjustment	Transfer to Non Current asset held for Sale	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Product Development	236.62	-	(236.62)	-	-	236.62	-	(236.62)	-	-	-	-
Process Know how	200.68	-	(117.30)	-	83.39	177.54	22.30	(116.46)	-	83.38	-	23.14
Softwares	272.46	39.66	(192.46)	-	119.66	200.79	17.51	(192.46)	-	25.84	93.82	71.67
Mine Development	30.17	0.00	-	-	30.17	19.64	2.64	-	-	22.28	7.89	10.54
Right to Use	609.20	24.13	(42.86)	-	590.48	141.79	204.43	(22.02)	-	324.20	266.28	467.41
Total Intangible Assets	**1,349.13**	**63.79**	**(589.23)**	**-**	**823.70**	**776.38**	**246.89**	**(567.56)**	**-**	**455.71**	**367.99**	**572.75**
Previous year	**646.71**	**6.90**	**-**	**-**	**653.61**	**569.33**	**28.14**	**-**	**-**	**597.47**	**56.14**	**-**

Note 4.1.1. Product Development is acquired know how . The useful life of the product development is taken 5 years.

Note 4.1.2 Software includes SAP ERP Licence and Development Fees and Other softwares. For SAP ERP Licence and Development Fees useful life is considered as 7 years and for other softwares the useful life is 5 years.

Note 4.1.3- Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on “Impairment of Assets”. Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 4.1.4 - There is no restriction on the title of intangible assets.

Note 4.2

Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	As at 31st March, 2021	As at 31st March, 2020
Product Development In Progress	-	21.80
SAP "ERP" License and Development Fees	-	36.96
Mining lease rights	5.15	5.15
Total	**5.15**	**63.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 5 Investment in Subsidiaries

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
9,80,000 (31st March, 2020: 9,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited ₹10 each fully paid up.	593.98	87.42
Extent of Holding	19.57%	19.57%
DMC Pvt. Ltd. (Formerly known as Dispersive Minerals & Chemicals India Limited) - 31st March 2021 - 60,000 shares: (31st March 2020 : 60,000 shares)	-	94.33
Investments in Government Securities		
National Savings Certificate	0.89	1.12
Total	**594.87**	**182.87**
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	594.87	182.87
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

Note 6 Non- current financial assets : Loans

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security Deposits		
To Others [Unsecured, considered good]	312.14	370.63
	312.14	370.63
Total	**312.14**	**370.63**

Note 7 Non- current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deposits with maturity over 12 months		
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	-	245.14
Margin Money deposits under lien against Bank Guarantee	3.79	1.63
Total	**3.79**	**246.77**

Note 8 Other non- current assets

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital advances [Unsecured, considered good]	760.58	753.59
Balances with Government authorities paid under protest	5.42	2.10
Total	**766.00**	**755.69**

Note 9 Inventories*

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Finished Goods	2,361.05	2,349.15
Goods in Transit (Raw Materials)	189.80	911.56
Raw Materials	6,534.93	5,627.47
Stores and Spares	921.45	853.57
Stock in trade	50.02	30.43
Total	**10,057.25**	**9,772.18**

* For Valuation- Refer note 2.14 (Accounting Policy)

**Refer to Note 19 on borrowings for details in terms of pledge of assets as security.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 10 Current financial assets : Trade receivables *

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good	9,012.14	8,209.92
credit impaired	204.67	210.93
	9,216.81	**8,420.85**
Less: Impairment Allowance for Trade Receivables	(204.67)	(210.93)
Total	**9,012.13**	**8,209.91**

*Refer to Note 19 on borrowings for details in terms of pledge of assets as security.

Note 11 Current financial assets : Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Balance with banks		
Balance in Current and Savings accounts	385.24	589.12
(b) Cash on hand	20.97	21.45
Total	**406.21**	**610.57**

Note 12 Current financial assets : Other bank balances

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Earmarked balances In unclaimed dividend accounts (Refer Note 12.1)	1.90	1.67
Margin Money deposits under lien against Bank Guarantee	147.11	88.55
Deposits with maturity over 3 months but less than 12 months		
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	439.08	144.67
Total	**588.09**	**234.89**

Note 12.1

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

Note 13 Current financial assets : Loans (including security deposits)

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Inter Corporate Deposits	-	149.70
Loans to employees [Unsecured, considered good]	27.32	119.52
Security and other deposits [Unsecured, considered good]	121.54	155.10
Total	**148.87**	**424.32**

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

Note 14 Current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Insurance claim receivable	35.49	-
Balances with Tax authorities	98.32	215.33
Foreign Currency Forward contracts	53.04	21.04
Other Current financial assets	31.38	2.10
Total	**218.22**	**238.47**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 15 Current assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances for expenses[Unsecured, considered good]		
To Suppliers	1,229.58	1,444.07
To Others	302.03	-
	1,531.61	**1,444.07**
Prepaid Expenses	109.43	105.87
Sales Tax Paid Under Protest	8.14	8.14
Indirect Tax credit receivable	403.14	54.85
Advance Payment of Income Tax (Net of Provision : 31.03.2021 - ₹1689.06 Lakhs, 31.03.2020 - ₹1079.78 Lakhs) Refer note no. 27	337.21	275.08
Total	**2,389.54**	**2,144.05**

Note 16 Asset held for Sale

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Property Plant and Equipment		
Leasehold Land	82.11	-
Office Building	1.01	-
Factory Building	14.00	-
Plant & Machinery	58.78	-
Furniture & Fixtures	0.06	-
Computer Equipments	0.04	-
Office Equipment	0.06	-
Security Deposit	20.71	
Sub Total (a)	**176.77**	-
Provision for Impairment	46.77	-
Sub Total (b)	**46.77**	-
Total (a-b)	**130.00**	**-**

Note 17 Share capital

Note 17.1

Authorised, issued, subscribed, fully paid up share capital

(₹ In Lakhs)

Particulars	As at31st March, 2021		As at31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of ₹5 each	60,000,000	3,000.00	60,000,000	3,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹5 each fully paid up	35,286,502	1,764.33	35,286,502	1,764.33
Total	**35,286,502**	**1,764.33**	**35,286,502**	**1,764.33**

Note 17.2

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

(₹ In Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Equity Shares of ₹5 each fully paid		Equity Shares of ₹5 each fully paid	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the period	35,286,502	1,764.33	35,286,502	1,764.33
Shares outstanding at the end of the period	35,286,502	1,764.33	35,286,502	1,764.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 17 (contd.)

Note 17.3

Terms/ rights attached to equity shares

i The Parent company has only one class of shares referred to as equity shares having a par value of ₹5 each.

ii Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.

iii The dividend proposed if any by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.

iv In the event of liquidation of the Parent company, the holders of equity shares shall be entitled to receive assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Note 17.4

Shareholders holding more than 5 % of total share capital (₹ In Lakhs)

Particulars	As at31st March, 2021		As at31st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹5 each fully paid				
Eriez Industries Private Limited	8,591,838	24.35%	8,591,838	24.35%
Chandresh S Parikh	3,790,728	10.74%	3,790,728	10.74%
Pratik Minerals Private Limited	3,036,206	8.60%	3,036,206	8.60%
Total	**15,418,772**	**43.70%**	**15,418,772**	**43.70%**

Note 17.5

The Parent company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2021

Note 18 OTHER EQUITY

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(A) Reserves & Surplus		
a. General Reserve		
Opening Balance	120.54	120.54
Closing Balance	**120.54**	**120.54**
b. Securities Premium Account		
Opening Balance	3,967.08	3,969.70
Add: received for shares issued during the Period	-	-
Less; Share issue expenditure	(1.95)	(2.62)
Closing Balance	**3,965.13**	**3,967.08**
c. Retained earnings		
Opening balance	12,816.65	10,651.47
Add: Profit during the Period	2,297.19	2,411.71
Add:Due to change in minority interest	-	10.28
Add: Remeasurements of post-employment benefit obligation, net of tax	58.38	(45.13)
Total	**15,172.22**	**13,028.33**
Less : Appropriations		
Dividend Declared	-	211.68
Corporate Tax on Dividend	-	-
Closing Balance	**15,172.22**	**12,816.65**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 18 (contd.)

Note 18 OTHER EQUITY

(₹ In Lakhs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
d	**Foreign Currency Translation Reserve**		
	Opening balance	56.89	30.30
	Add: Change During the year	(5.73)	26.59
	Balance at the end of the year	**51.16**	**56.89**
e.	Capital reserve on consolidation	92.26	92.26
	Closing Balance	92.26	92.26
	Total (A)	**19,401.31**	**17,053.42**
(B)	**Equity instrument through OCI**		
	Opening Balance	(37.43)	117.19
	Change in fair value of equity instrument	412.23	(200.07)
	Income tax relating to above item	(94.01)	45.45
	Total (B)	**280.79**	(37.43)
	Total other equity (A+B)	**19,682.10**	**17,015.99**

Nature and purpose of reserves :

i General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

ii Equity instrument through OCI

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

Note 19 Non- current financial liabilities : Borrowings

(₹ In Lakhs)

Secured	As at31st March, 2021		As at31st March, 2020	
	Non-Current	Current*	Non-Current	Current*
Term Loan from Banks	742.59	515.24	2,137.27	817.96
Total secured borrowing [A]	742.59	515.24	2,137.27	817.96
Unsecured				
Deposits				
From Public & Members	1,473.05	997.54	1,671.91	614.46
From Related Parties	152.00	12.00	82.50	55.00
Vehicle loan	-	-	0.67	1.27
Total unsecured borrowing [B]	1,625.05	1,009.54	1,755.07	670.73
TOTAL [A+B]	**2,367.65**	**1,524.78**	**3,892.34**	**1,488.68**

*Amount disclosed under the head "Current financial liabilities : Others" (Note 24)

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

Maturity Profile of Borrowings [as at March 31, 2021]

Secured Borrowings

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 19 (contd.)

Year-wise	
Effective Interest Rate	**9.25% to 12.50%**
2022-23	389.00
2023-24	179.63
2024-25	94.63
2025-26	79.33
Total	**742.59**

Unsecured Borrowings	
Year-wise	**Public Deposits**
Effective Interest Rate	7% - 12%
2022-23	731.18
2023-24	893.87
Total	**1,625.05**

Details of Securities

For 20 Microns Limited

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

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

- i. Plot No. 157 Mamura, Bhuj (admeasuring 3.20 acres)
- ii. Negative lien on Plot No. 158,156,149 of Mamuara, Bhuj (admeasuring 74399 sq.mtrs.)
- iii. Plot No. 172,174 & 175, Vadadala, Baroda (admeasuring 03.00.01 hectares)
- iv. Plot No. F-75/76/82/85 & H-83/84, RIICO I.A., Swaroopganj, Rajasthan (admeasuring 9,457.50 sq.mtrs.)
- v. 307/308, Arundeep Complex, Race Course, Baroda (admeasuring 1,405 super built up area)
- vi. 134,135 1st Floor, Hindustan Kohinoor Ind. Complex, LBs Marg, Vikhroli (W), Mumbai (admeasuring 870 sq. ft.)
- vii. Plot No. B-77 (Admeasuring 8825 sq. mts.) and B-78 (Admeasuring 8480 sq. mts), Matsya Industrial Area, Alwar, Rajasthan.
- viii. Plot no. 253-254 (area 3000 sq.mtrs.) GIDC, Waghodia
- ix. Plot no.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu
- x. Plot no.104/3 of land located at survey no 65 , village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)
- xi. Plot No. F 140, Alwar , Rajasthan
- xi Plant and machinery, both present and future, wherever situated at all factories and premises pertaining to above locations.

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

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

3 All the term loans are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, of the company and corporate guarantee by “Eriez Industries Private Limited” , a company where significant influence exists and pledge of shareholding of promoters of the Company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of Corporate Promoter being “Eriez Industries Private Limited

4 Term loans having from bank includes loans obtained for acquisition of vehicles having outstanding balance of ₹52.95 Lakhs (31/03/2020: ₹108.25 Lakhs) are secured only by the hypothecation of the respective assets financed.

For 20 Microns Nano Limited

Term Loans from Bank

Term loans having from bank includes loans obtained for acquisition of vehicles having outstanding balance of ₹18.98 Lakhs (31/03/2020: ₹35.67 Lakhs) are secured only by the hypothecation of the respective assets financed.

Rate of interest is 13.70%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 20 Other Non Current Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security Deposits	26.53	9.00
Lease liability	121.23	384.90
Total	**147.75**	**393.90**

Note 21 Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2020-21

(₹ In Lakhs)

Particulars	As at April 1, 2020	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2021
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	3,406.08	(814.44)	-	-	2,591.64
Investments	11.08	(0.88)	81.88	-	92.08
Loans and borrowings	26.75	(6.65)	-	0.00	20.10
Employee benefits	(0.00)	-	-	-	(0.00)
Total	**3,443.91**	**(821.98)**	**81.88**	**-**	**2,703.82**
Deferred tax asset					
Employee benefits	52.57	(16.79)	(18.93)	-	16.84
Tax credit	23.97	-	-	(0.14)	23.83
Provisions	64.70	(10.99)	-	-	53.70
Disallowance u/s 43 B of Income Tax Act, 1961	8.38	(2.34)	-	-	6.03
Carry forward losses	18.48		19.68		38.16
Impairment loss on asset held for sale	-	11.77			11.77
Lease liability	158.10	(84.16)			73.93
Share issue expense	4.47		-	(1.95)	2.52
Total	**330.66**	**(102.52)**	**0.75**	**(2.09)**	**226.80**
Net deferred tax Liabilities	**3,113.25**	**(719.45)**	**81.14**	**2.09**	**2,477.02**

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

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

Impact due to change in tax rate

The Government of India, on 20/09/2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The parent Company has decided to apply the lower income tax rates as per the provisions of the new section 115BAA from the financial year 2020-21. Consequently the Company had applied the lower income tax rates on the deferred tax assets / liabilities to the extent these were expected to be realised or settled in the future period and accordingly reversed net deferred tax liability of 691.50 Lakhs during the period ended 31/03/2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 22 Current financial liabilities : Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured (Repayment on Demand)		
Loan from Banks (Cash credit):	4,931.44	5,052.92
(Effective Rate of Interest being 9.70% to 12.30%)		
Unsecured		
Deposits		
From Public and Members	1,291.84	1,482.92
(Effective Rate of Interest being 7% - 12%)		
Total	**6,223.28**	**6,535.84**

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

Details of Securities

For 20 Microns Limited (Parent Company)

First pari-passu charge by way of hypothecation of:
Current Assets, both present and future, wherever situated, but pertaining to the division/factory/premises at Vadadala, Waghodia and Bhuj (all in Gujarat), Alwar and Swaroopganj (both in Rajasthan), Hosur and Tirunvelli (both in Tamil Nadu) and Vikhroli (W), Mumbai.

Second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 19.

The working capital finance facilities are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Industries Private Limited", a company where significant influence exists and pledge of share holding of promoters of the company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of corporate promoter being "eriez Industries Private Limited"

For 20 Microns Nano Minerals Limited (Subsidiary Company)
"Primary Security: The term loan is secured way of first charge on all present and future current assets of the Company. Collateral Security: Term Loan is further secured by way of Second charge on all present and future fixed assets of the Company. Corporate Guarantee: Corporate Guarantee of 20 Microns Ltd."

Note 23 Current financial liabilities : Trade payables

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues of micro enterprises and small enterprises - Trade payables (Refer Note 23.1)	169.50	183.11
Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
Trade payables - Others	9,207.05	8,613.99
Total	**9,376.55**	**8,797.10**

Note 23.1

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

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
the principal amount remaining unpaid to any supplier at the end of each accounting year	169.50	181.67
Interest due on (1) above and remaining unpaid as at the end of accounting period	1.65	1.44
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting yearInterest paid on all delayed payments under MSMED Act,2006	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 23 (contd.)

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note 24 Current financial liabilities : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long term borrowings - (Please refer Note 19):-		
Term Loan		
-From Banks (Secured)	500.08	817.97
Vehicle Loans (Unsecured)	14.15	1.27
-Deposits(Unsecured)		
From Public and Members	1,005.75	614.46
From Related Parties	12.00	55.00
	1,531.97	**1,488.69**
Unclaimed dividend (Refer Note 24.1)	1.90	1.63
Unclaimed Matured public deposits and Interest	29.52	32.21
Dues to Bank in Current Account	12.56	42.52
Employee Benefits Payable	177.40	199.31
Liabilities for expenses at the year end	702.16	548.78
Lease liability	172.51	95.94
Total	**2,628.02**	**2,409.08**

Note 24.1

The balance with the bank for unpaid dividend is not available for use by the Group and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

Note 25 Current liabilities : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance from Customers	194.69	182.72
Other payables	118.24	-
Statutory Dues Payable	110.23	116.18
Total	**423.16**	**298.90**

Note 26 Current provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits (Refer note 44)		
Provision for gratuity	48.26	153.26
Provision for leave encashment	15.66	10.80
Total	**63.92**	**164.06**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended on 31st March, 2021

Note 27 Details of Income tax assets and income tax liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current income tax liabilities (Net of Advance Tax : 31.03.2021 - ₹Nil , 31.03.2020 - ₹Nil)	0.47	7.97
Net Asset (Asset - Liability)	**0.47**	**7.97**

Movement in current income tax asset/(liability)

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net current income tax asset/(liability) at the beginning	267.11	96.45
Income tax paid for the year	693.16	996.94
Provision for Income tax for the year (Refer Note 38)	(609.82)	(1,051.86)
Prior year tax /refund adjusted with tax / other items	(13.70)	25.95
Adjustment/Reclassification to MAT	-	199.63
Net current income tax asset/(liability) at the end	**336.75**	**267.11**

Components of Net income tax asset/(liability) at the end

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Advance Payment of Income Tax (Net of Provision : 31.03.2021 - ₹1689.06 Lakhs, 31.03.2020 - ₹1079.78 Lakhs) Refer note no. 27	337.21	275.08
Current income tax liabilities (Net of Advance Tax : 31.03.2021 - ₹Nil , 31.03.2020 - ₹Nil)	0.47	7.97
	336.75	**267.11**

Note 28 Revenue from Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of products	48,331.24	52,919.01
Other operating revenues	21.43	13.28
Total	**48,352.67**	**52,932.29**

Note 28.1
Details of other operating revenues of the Group are as under:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Export Incentives	4.69	10.73
Scrap Sales	9.96	2.55
Jobwork Charges	4.25	-
Other	2.53	-
Total	**21.43**	**13.28**

Note 29 Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March, 2020
Interest Income	82.03	76.26
Rent	14.88	6.99
Net Gain on Foreign Currency Transactions	2.42	37.07
Liability no longer required written back	72.79	34.80
Excess Provision written back	40.14	66.59
Other Non-Operating Income	41.09	44.23
Export Incentives	2.47	-
Total	**255.81**	**265.94**

*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 30 Cost of Materials Consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock of Material	5,627.47	5,066.86
Opening Stock Goods in Transit	911.56	281.64
Add : Purchases	25,581.56	29,210.98
	32,120.59	**34,559.48**
Less : Goods in transit	189.48	911.56
Less: Closing Stock of Materials	6,528.72	5,627.47
Total	**25,402.39**	**28,020.46**

Note 31 Purchase of Stock in trade

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Purchases of Stock in trade	58.26	63.85
Total	**58.26**	**63.85**

Note 32 Changes in inventories of finished goods, stock in trade and work in progress

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Inventory at the beginning of the year	2,379.57	2266.38
Less: Inventory at the end of the year	2,377.91	2379.57
Changes in inventories of finished goods, stock in trade and work in progress	**1.67**	**(113.19)**

Note 33 Employee benefit expense

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salary, Wages Bonus & Allowances	3,140.22	4178.34
Contribution to Provident and Other Funds	267.27	306.97
Managerial Remuneration	175.07	221.17
Staff Welfare Expenses	124.65	159.69
Total	**3,707.21**	**4,866.17**

Note 34 Finance costs

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on Term Loans	289.22	420.65
Recompense Charges (Refer note no. 41.2(b))	733.00	100.00
Interest on Working Capital Loans	810.37	977.17
Other Interests	377.42	325.98
Other Borrowing Costs	333.46	329.37
Total	**2,543.47**	**2,153.17**

Note 35 Depreciation and amortisation expense

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation of Property, Plant and Equipment (refer note 3.1)	1,110.05	1072.15
Amortisation of Intangible Assets (refer note 4.1)	246.89	178.91
Impairment loss on asset held for sale (refer note 16)	26.06	
Total	**1,382.99**	**1,251.07**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 36 Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Note 36.1		
Manufacturing Expenses		
Consumption of Stores and Spare Parts	540.24	491.73
Power and Fuel	3,237.33	3669.61
Rent	42.03	73.87
Factory Expenses	117.21	
Buildings Repairs	28.00	17.16
Plant and Machinery	261.20	274.12
Detention and Demurrage	651.77	-
Other Manufacturing & Factory Expenses	320.79	404.67
Sub Total (A)	**5,198.57**	**4,931.15**
Note 36.2		
Administrative & Other Expenses		
Rent	33.45	27.27
Rates & Taxes	10.83	55.10
Insurance	86.31	84.24
Post, Telephone & Courier	78.34	112.11
Printing and Stationary expenses	30.07	43.52
Legal, Licenses and Renewal expenses	66.52	53.48
Software and Computer Maintenance	69.25	47.79
Travelling & Conveyance	69.20	206.00
Vehicle Running & Maintenance	74.95	78.68
Professional Fees	162.01	181.24
Auditors Remuneration	13.90	14.30
Directors Sitting Fees	14.64	13.25
Loss on Disposal of Tangible Assets (Net)	35.34	7.32
Donation	0.12	0.61
Remission of Debit balance	11.62	25.00
Impairment in asset held for sale (electricity deposit)	20.71	-
Fine and penalty	8.56	-
Miscellaneous Expenses	207.58	238.60
Loss on Foreign Currency Transactions	36.03	12.23
CSR Expenditure (refer note no. 37)	79.42	104.75
Sub Total (B)	**1,108.85**	**1,305.47**
Note 36.3		
Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	190.87	398.09
Sales Commission	75.18	64.13
Bad Debts written off	11.46	2.93
Allowance for impairment loss on Trade Receivables	45.86	20.31
Rent	86.46	86.49
Other Selling Expenses	138.83	500.98
Other Expense	2.70	-
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	5,006.12	4,850.34
Freight and Logistic Expenses (Export)	1,437.82	1,312.62
Export Expenses	33.88	28.84
Sub Total (c)	**7,029.18**	**7,264.73**
Total (A+B+C)	**13,336.60**	**13,501.35**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 36.4 Payment to Auditors

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Audit Fees	13.11	12.85
In Other Capacity	0.71	0.80
Certification Charges and other reimbursement (inluded in Share Issue Expense)	0.00	-
Out of Pocket Expense	0.08	0.65
Total	**13.90**	**14.30**

Note 37 Corporate Social Responsibilty

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Gross amount required to be spent by the company during the year	65.32	54.46
Amount spend and paid on CSR activities included in the statement of profit and loss for the year	79.42	104.75
Promoting healthcare and environment	79.42	104.75

Note 38 Tax Expense

(a) Amounts recognised in profit and loss

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current Tax		
(a) Current income tax	609.82	1,051.86
(b) Short/(Excess) provision of Income Tax in respect of previous years	13.70	(26.28)
Sub Total (a)	**623.52**	**1,025.58**
Deferred tax		
(a) Deferred tax expense / (Income)- net		
Change in Tax rate (refer note 38('c))	(691.50)	-
Origination and reversal of temporary differences	(57.16)	12.17
	(748.66)	**12.17**
(b) Recognition of tax credit		
Sub Total (b)	**(748.66)**	**12.17**
Tax expense for the year (a+b)	**(125.14)**	**1,037.75**

(b) Reconciliation of effective tax rate

(₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before tax	2,175.89	3,455.36
Tax using the individual Company's domestic tax rate -	576.05	1,111.82
Tax effect of:		
Expenses Disallowed	398.67	427.55
Expenses Allowed	(364.90)	(532.05)
Short/(Excess) provision of income tax in respect of previous years	13.70	(26.30)
Tax at special rate	0.00	44.56
Current Tax Provision (A)	**623.52**	**1025.58**
Increase/ (Decrease) in Deferred Tax Liability	(821.98)	137.54
Decrease/(Increase) In Deferred Tax Assets	73.32	(125.37)
Deferred Tax Provision (B)	**(748.66)**	**12.17**
Total	**(125.14)**	**1,037.76**

c. Impact due to change in tax rate in Parent Company

The Government of India, on 20/09/2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The Parent Company has decided to apply the lower income tax rates as per the provisions of the new section 115BAA from the financial year 2020-21. Consequently the Parent Company had applied the lower income tax rates on the deferred tax assets / liabilities to the extent these were expected to be realised or settled in the future period and accordingly reversed net deferred tax liability of 691.50 Lakhs during the period ended 31/03/2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 39

Statement of other comprehensive income (₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(i) Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - Gain /(loss)	412.23	(200.07)
Tax impact on unquoted investments	(94.01)	45.45
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	77.31	(69.63)
Tax impact on Actuarial gains and losses	(18.93)	24.50
Total (i)	**376.60**	**(199.75)**
(ii) Items that will be reclassified to profit or loss		
Income tax relating to items that will be reclassified to profit or loss - Gain /(loss)	-	-
Total (ii)		
Total (i+ii)	**376.60**	**(199.75)**

Note 40 Earning per Share -(EPS)

Earnings per equity share of FV of ₹5 each

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

The following reflects the income and share data used in the basic and diluted EPS computations: (₹ In Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit for the year (Profit attributable to equity shareholders) (₹ In Lakhs)	2,297.19	2,411.71
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	35,286,502	35,286,502
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	35,286,502	35,286,502
Face Value of equity share (₹)	5.00	5.00
Basic EPS (₹)	6.51	6.83
Diluted EPS (₹)	6.51	6.83

Note 41 Contingent Liabilities & Contingent Assets and Capital Commitments

A) CONTINGENT LIABILITIES (₹ In Lakhs)

Contingent liabilities (to the extent not provided for)	As at 31st March, 2021	As at 31st March, 2020
(a) Statutory claims (Refer Note 41.1)	467.17	156.49
(b) Claims against the company not acknowledged as debt(Refer Note 41.2)	419.13	419.13
Total	**886.30**	**575.62**

Note 41.1

Statutory claims (₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Demand of Sales Tax, Value Added Tax and Central Sales Tax [Net of An amount of ₹4.50 lacs deposited under protest (P.Y. ₹4.5 lacs deposited under protest)]	37.22	37.22
Demand of Income Tax (Net of Refund adjusted and paid under protest)	32.32	91.92
Labour disputed cases	378.25	378.25
Other disputed cases	19.38	19.38

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 41 *(Contd.)*

Note 41.2

Claims against the Group not acknowledged as debt

a The Parent had received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch whereby a penalty of ₹419.13 lakhs is levied on the Company. Company had filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority(additional director [Appeal and flying squad], vide its order dated 17th January, 2020 has passed final order and continued order dated 06th August, 2016 passed by the Geologist, Bhuj. The parent Filed a REVISION application on dated 20/02/2020 to The Commissioner Shri (Geology & Mining , Gandhinagar) against the order passed by Additional Director (Appeal & Flying Squad), Gandhinagar, dated 17/01/2020.The revision application is pending for hearing.

b In terms of loan arrangement with the lender IDBI Bank Limited, the lender have right to recompense the reliefs/sacrifice/waiver/ concession extended to the company over the tenor of restructuring done in earlier years. The liability with respect to the same is not ascertainable. In the current financial year, Company has paid interim payment of ₹33.00 Lakhs as recompense amount. The Company have considered it as Finance Cost for the year.

B) CONTINGENT ASSETS

The Group is having certain claims which are pursuing through legal processes. The Management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

C) CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account as on 31.03.2021, not provided for amounting to ₹601.07 Lakhs (Net of Advance ₹303.01 Lakhs [31.03.2020 ₹1007.26 Lakhs (Net of Advance ₹407.63 Lakhs)]

Note 42 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

(₹ In Lakhs)

March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	-	593.98	0.89	594.87	-	0.89	593.98	594.87
Financial assets measured at amortised cost				-				-
Loans (Non-current)	-	-	312.14	312.14	-	312.14	-	312.14
Other financial assets (Non-Current)	-	-	3.79	3.79	-	3.79	-	3.79
Loans (Current)	-	-	148.87	148.87	-	-	-	-
Other financial assets (Current)	-	-	218.22	218.22	-	-	-	-
Trade receivables	-	-	9,012.13	9,012.13	-	-	-	-
Cash and cash equivalents	-	-	406.21	406.21	-	-	-	-
Other bank balances	-	-	588.09	588.09	-	-	-	-
	-	**593.98**	**10,690.34**	**11,284.32**	**-**	**316.82**	**593.98**	**910.79**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	2,367.65	2,367.65	-	2,367.65	-	2,367.65
Other Non Current financial liabilities	-	-	147.75	147.75	-	147.75	-	147.75
Current borrowings	-	-	6,223.28	6,223.28	-	-	-	-
Trade payables (Current)	-	-	9,376.55	9,376.55	-	-	-	-
Other Current financial liabilities	-	-	2,628.02	2,628.02	-	-	-	-
Total	**-**	**-**	**20,743.25**	**20,743.25**	**-**	**2,515.40**	**-**	**2,515.40**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended on 31st March, 2021

Note 42 *(Contd.)*

(₹ In Lakhs)

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	-	181.75	1.12	182.87	-	1.12	181.75	182.87
Financial assets measured at amortised cost								-
Loans (Non-current)	-	-	370.63	370.63	-	370.63	-	370.63
Other financial assets (Non-Current)	-	-	246.77	246.77	-	246.77	-	246.77
Loans (Current)	-	-	424.32	424.32	-	-	-	-
Other financial assets (Current)	-	-	238.47	238.47	-	-	-	-
Trade receivables	-	-	8,209.91	8,209.91	-	-	-	-
Cash and cash equivalents	-	-	610.57	610.57	-	-	-	-
Other bank balances	-	-	234.89	234.89	-	-	-	-
	-	**181.75**	**10,336.68**	**10,518.43**	**-**	**618.52**	**181.75**	**800.27**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	3,892.34	3,892.34	-	3,892.34	-	3,892.34
Other Non Current financial liabilities	-	-	393.90	393.90	-	393.90	-	393.90
Current borrowings	-	-	6,535.84	6,535.84	-	-	-	-
Trade payables	-	-	8,797.10	8,797.10	-	-	-	-
Other financial liabilities	-	-	2,409.08	2,409.08	-	-	-	-
Total	**-**	**-**	**22,028.26**	**22,028.26**	**-**	**4,286.24**	**-**	**4,286.24**

Investment in subsidiaries are carried at cost.

Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (i.e...amortised cost). The carrying amounts of financial assets and liabilities of short term nature are considered to be the same as their fair values.

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

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

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

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The fair value of investment in equity shares of other entity is determined based on market value of the shares. The approach taken for valuation is Book value of the equity instruments. The investee company is IND AS compliant company.

Financial instruments measured at fair value - FVTOCI in unquoted equity shares

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2021 and 31 March 2020 is as below:

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	181.74	381.81
Acquisitions/ (disposals)	-	
Gains/ (losses) recognised in other comprehensive income	506.56	(200)
Impairment in value of investment recognised in other comprehensive income	(94.33)	-
Gains/ (losses) recognised in statement of profit or loss	-	-
Closing Balance	**593.97**	**181.74**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2021 and the year ended 31st March 2020.

Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS. The Company has elected to apply this exemption for its investment in equity shares.

Sensitivity analysis

The sensitnity analysis for investments as at 31st march 2021is provided below.

(₹ In Lakhs)

Significant observable inputs	As at 31st March, 2021	As at 31st March, 2020
	OCI	OCI
	(Decrease)/ Increase	(Decrease)/ Increase
Equity securities in unquoted investments measured through OCI		
If increase in market value of investments made by 5%	29.70	9.09
If increase in market value of investments made by 5%	**(29.70)**	**(9.09)**

C. Financial risk management

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

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

i. Risk management framework

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

ii. Credit risk

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

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

(a) Cash and Cash equivalent and Other Bank Balances

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

(b) Trade and other receivables

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

The Commercial and Marketing department has established a credit policy.

The Group raises the invoice based on the quantities sold. The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

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

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

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 10

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Allowance for bad and doubtful Trade receivable	(210.93)	(212.15)
Provision during the year	45.86	(20.31)
Recovery/Adjustment during the year		11.33
Write off during the year	(39.60)	10.20
Closing Allowance for bad and doubtful Trade receivable	**(204.67)**	**(210.93)**

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

(c) Loans and deposits

Group has given inter corporate deposit and security deposits. The maximum exposure to the credit risk at the reporting date from above amounts to ₹461.01 Lakhs on March 31, 2021 and ₹794.95 Lakhs on March 31, 2020

iii. Liquidity risk

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

The Group maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of ₹1257.83 Lakhs (at amortised cost) that is secured as mentioned in Note 19. Interest would be payable at the rate of varying from 7.75% to 9.70%.

(b) The Group has also accepted deposit from share holders and directors amounting to ₹3926.43 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 7.00% - 12.00%.

(c) For maintaining working capital liquidity Group avails cash credit limit from bank. The amount availed as at 31/03/2021 is ₹4931.44 Lakhs (at amortised cost). Effective Rate of Interest is 9.70% to 12.50%

Exposure to liquidity risk

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

(₹ In Lakhs)

March 31, 2021	Contractual cash flows				
	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non current borrowings	2,367.65	-	2,367.65	-	2,367.65
Non current financial liabilities	147.75	-	147.75	-	147.75
Current Borrowings	6,223.28	6,223.28	-	-	6,223.28
Current Trade payables	9,376.55	9,376.55	-	-	9,376.55
Current Other financial liabilities	2,628.02	2,628.02	-	-	2,628.02
	20,743.25	**18,227.85**	**2,515.40**	**-**	**20,743.25**

(₹ In Lakhs)

March 31, 2020	Contractual cash flows				
	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non current borrowings	3,892.34	-	3,892.34	-	3,892.34
Non current financial liabilities	393.90	-	393.90	-	393.90
Current Borrowings	6,535.84	6,535.84	-	-	6,535.84
Current Trade payables	8,797.10	8,797.10	-	-	8,797.10
Current Other financial liabilities	2,409.08	2,409.08	-	-	2,409.08
	22,028.26	**17,742.02**	**4,286.24**	**-**	**22,028.26**

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

iv. Market risk

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

a) Currency risk

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

(₹ In Lakhs)

Details of foreign currency balances	As at 31st March, 2021	As at 31st March, 2020
Trade and Other Payables		
Euro	18.56	
USD	1,124.42	1,195.96
Trade Receivables and advances		
Euro	45.63	40.84
USD	1,589.24	1,323.01
GBP	24.42	12.27

Sensitivity analysis

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

As at 31st March 2021 (₹ In Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(56.22)	56.22	(56.22)	56.22
Trade Receivables and advances	82.96	(82.96)	82.96	(82.96)

As at 31st March 2020 (₹ In Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(59.80)	59.80	(59.80)	59.80
Trade Receivables and advances	68.81	(68.81)	68.81	(68.81)

b) Derivative Instruments used for Hedging:

The company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party of such contracts are generally a Bank.

The foreign exhange forward contracts mature within 12 months. The table below analyses the derivative financial instruments in to relevant maturity groupings based on the remaining period as at balance sheet date.

Derivative outstanding as at reporting date	Amount in USD		Amount in INR (lakhs)	
Nature of instrument	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Later than one month and not later than 3 months	3,240,000.00	4,220,000.00	2,381.66	3,048.11

Foreign currency forward contract are used for hedging Foregin currency short term borrowing and not for trading or speculative purpose

c) Interest rate risk

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

(₹ In Lakhs)

Interest bearing instruments	As at 31st March, 2021	As at 31st March, 2020
Non current - Borrowings	2,367.65	3,892.34
Current portion of Long term borrowings	1,524.78	1,488.68
Short term borrowings	6,223.28	6,535.84
Total	**10,115.70**	**11,916.86**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 42 *(Contd.)*

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates

Based on the composition of debt a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(₹ In Lakhs)

Particulars	Profit or (Loss)		Equity	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
31st March 2021				
Non current - Borrowings	(23.68)	23.68	(23.68)	23.68
Current portion of Long term borrowings	(15.25)	15.25	(15.25)	15.25
Total	**(38.92)**	**38.92**	**(38.92)**	**38.92**
31st March 2020				
Non current - Borrowings	(38.92)	38.92	(38.92)	38.92
Current portion of Long term borrowings	(14.89)	14.89	(14.89)	14.89
Total	**(53.81)**	**53.81**	**(53.81)**	**53.81**

d) **Commodity Price Risk**

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

e) **Equity Price Risk**

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

Note 43

Capital Management

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

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

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

The Company's adjusted net debt to equity ratio is as follows. (₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest bearing borrowings	10,115.70	11,916.86
Less : Cash and bank balances	(998.09)	(1,092.23)
Adjusted net debt	9,117.62	10,824.63
Borrowings	10,115.70	11,916.86
Total equity	**21,446.43**	**18,780.32**
Adjusted net debt to adjusted equity ratio	0.43	0.58
Debt equity ratio	0.47	0.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44. Disclosure Of Employee Benefits

44.1 In the case of Parent Company

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

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is ₹147.82 Lakhs (Previous year ₹191.86 Lakhs)

(b) superannuation fund - Defined Contribution Plan

As per scheme and eligibility critaria decided by the company, eligible employees are entitle to super anuuation. Amount charged to profit and loss during the period of 12 months ended is ₹27 Lakhs. (P.Y. 29.60 Lakhs)

(c) Gratuity - Defined Benefit Plans

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

(₹ In Lakhs)

	Assumptions	Gratuity 31st March 2021	Gratuity 31st March 2020
A.	**Discount rate**	6.35%	6.55%
	Salary Growth rate	7.50%	7.50%
B.	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	917.24	771.94
	Current Service Cost	58.00	57.51
	Interest Cost	58.24	55.53
	Components of acturial gain/losses on obligations:	-	-
	Due to change in financial assumptions	12.78	77.66
	Due to change in Demographic assumptions	-	(0.39)
	Due to experience adjustments	(87.49)	(5.54)
	Past Service Cost	-	-
	Benefits Paid	(172.24)	(39.47)
	Closing Defined Benefit Obligation	**786.53**	**917.24**
C.	**Reconciliation of Planned Asset**		
	Opening fair Value of plan assets	767.95	713.74
	Interest Income	50.56	53.28
	Return on plan assets excluding amounts included in interest income	(1.49)	0.40
	Contributions by employer	95.00	40.00
	Benefits Paid	(172.24)	(39.47)
	Closing Value of plan assets	**739.78**	**767.95**
D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	58.00	57.51
	Net Interest Cost	7.68	2.25
	Past service cost and loss/(gain) on curtailments and settlements	-	-
	Total included in 'Employee Benefit Expense'	**65.68**	**59.76**
	Other Comphrehensive Income for the current Period		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	12.78	77.66
	Due to change in Demographic assumptions	-	(0.39)
	Due to experience adjustments	(87.49)	(5.54)
	Return on plan assets excluding amounts included in interest income	1.49	(0.40)
	Amount recognized in Other Comprehensive Income	**(73.22)**	**71.33**
E.	**Reconciliation of Net defind Benefit Obligation**		
	Net opening provisions in Books of accounts	149.29	58.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

(₹ In Lakhs)

Assumptions	Gratuity 31st March 2021	Gratuity 31st March 2020
Employee Benefit Expense	65.68	59.76
Amount recognized in Other Comprehensive Income	(73.22)	71.33
Contributions to Plan asset	(95.00)	(40.00)
Closing provision in books of accounts	**46.75**	**149.29**
F. Current/Non-Current Liability :		
Current*	46.75	149.29
Non-Current	-	-
Net Liability	**46.75**	**149.29**

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

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

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Gratuity		
Present value of Defined Benefit Obligation	786.53	917.24
Fair value of Plan Assets	739.78	767.95
(Surplus) / Deficit in the plan	46.75	149.29
Actuarial (Gain) / Loss on Plan Obligation	(74.71)	71.73

(d) Sensitivity analysis

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

(₹ In Lakhs)

Particulars	31st March 2021	
	Increase Gratuity	Decrease Gratuity
Discount rate (0.5% movement)	755.19	819.99
Salary growth rate (0.5% movement)	809.86	764.58
Withdrawal rate (W.R.) Sensitivity	787.41	785.67

(₹ In Lakhs)

Particulars	31st March 2020	
	Increase Gratuity	Decrease Gratuity
Discount rate (0.5% movement)	880.58	956.37
Salary growth rate (0.5% movement)	944.02	891.69
Withdrawal Rate	918.66	915.63

(e) Gratuity Benefits Plan

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

(₹ In Lakhs)

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58,68 or 72 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

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

A. Actuarial Risk:

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

B. Investment Risk:

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

C. Liquidity Risk:

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

D. Market Risk:

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

E. Legislative Risk:

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

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

(a) Composition of the plan assets

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

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

(c) Expected benefit payments as on 31 March 2021

(₹ In Lakhs)

Particulars	1-5 years	6-10 years
Cash flow (₹)	321.04	358.75
Distribution (in %)	22.50%	25.20%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

(g) Other Notes:

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

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

44.2 For 20 Micron Nano Minerals Limited

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

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is ₹13.65 Lakhs (Previous year ₹9.38 Lakhs)

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

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

(₹ In Lakhs)

Particulars	Gratuity As at 31st March, 2021	Gratuity As at 31st March, 2020
A. Discount rate	6.85%	6.85%
Rate of return on plan assets	6.85%	6.85%
Salary Escalation	6.00%	6.00%
B. Change in Defined Benefit Obligations		
Liability at the beginning of the year	15.40	13.65
Interest Cost	1.04	1.02
Current Service Cost	5.28	2.94
Past service cost	-	-
Prior year Charge	-	(0.01)
Benefits Paid	(1.83)	(0.59)
Actuarial loss/ (gain) due to experience adjustment	(5.21)	(2.73)
Actuarial (Gain) / Loss due to change in financial estimate	-	1.12
Total Liability at the end of the year	**14.69**	**15.40**
C. Change in Fair Value of plan Assets	-	
Opening fair Value of plan assets	14.14	10.47
Interest Income	1.08	0.92
Return on plan assets excluding amounts included in interest income	0.18	0.09
Contributions by employer	3.00	3.25
Benefits Paid	(5.21)	(0.59)
Closing fair Value of plan assets	**13.20**	**14.14**
D. Profit and Loss Account for the current Period	-	-
Current Service Cost	5.28	2.94
Net Interest Cost	(0.04)	0.10
Past service cost and loss/(gain) on curtailments and settlements	-	-
Total included in 'Employee Benefit Expense'	5.24	3.04
Other Comphrehensive Income for the current Period	-	-
Components of acturial gain/losses on obligations:	-	-
Due to change in financial assumptions	-	1.12
Due to change in Demographic assumptions	-	(0.01)
Due to experience adjustments	(1.83)	(2.73)
Return on plan assets excluding amounts included in interest income	(0.18)	(0.09)
Amount recognized in Other Comprehensive Income	(2.01)	(1.70)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

(₹ In Lakhs)

Particulars	Gratuity As at 31st March, 2021	Gratuity As at 31st March, 2020
E. Balance Sheet Reconciliation	-	-
Opening Net Liability	1.27	3.17
Employee Benefit Expense	5.24	3.04
Amounts recognized in Other Comprehensive Income	(2.01)	(1.70)
Contributions to Plan Assets	(3.00)	(3.25)
Benefits Paid	-	-
Closing Liability	**1.50**	**1.27**
F. Current/Non-Current Liability :	-	-
Current*	1.50	1.27
Non-Current		-

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

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

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Gratuity		
Present value of Defined Benefit Obligation	14.69	15.40
Fair value of Plan Assets	13.20	14.14
(Surplus) / Deficit in the plan	1.50	1.27
Actuarial (Gain) / Loss on Plan Obligation	(1.83)	(1.62)
Actuarial Gain / (Loss) on Plan Assets	(0.18)	(0.09)

(d) Sensitivity analysis

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

(₹ In Lakhs)

Particulars	31st March 2021	
	Increase Gratuity	Decrease Gratuity
Discount rate (0.5% movement)	14.03	15.41
Salary growth rate (0.5% movement)	15.37	14.04
Withdrawal rate (W.R.) Sensitivity	14.67	14.71

(₹ In Lakhs)

Particulars	31st March 2020	
	Increase Gratuity	Decrease Gratuity
Discount rate (0.5% movement)	14.59	16.28
Salary growth rate (0.5% movement)	16.26	14.60
Expected working lifetime (varied by 2 years)	15.42	15.39

(e) Gratuity Benefits Plan:

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

(₹ In Lakhs)

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

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

A Actuarial Risk:

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

B Investment Risk:

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

C Liquidity Risk:

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

D Market Risk:

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

E Legislative Risk:

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

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

(a) Composition of the plan assets

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

(c) Expected benefit payments as on 31 March 2021.

(₹ In Lakhs)

Particulars	1-5 years	6-10 years
Cash flow (₹)	5.58	5.37
Distribution (in %)	17.10%	16.40%

(g) Other Notes:

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

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

44.3 For 20 MCC Private Limited

(a) Provident Fund - Defined Contribution Plan

Company has contributed ₹9,37,234 (P.Y - Nil) towards Provident Fund Contribution during the financial year 2020-21 for all eligible employees and the same has been charged to Statement Of Profit & Loss.

(b) Gratuity - Defined Benefit Plans

Provision has been made for gratuity according to the actuarial valuation. Principal assumptions used in actuarial assumptions are disclosed below:

(₹ In Lakhs)

	Particulars	Gratuity As at 31st March, 2021	Gratuity As at 31st March, 2020
A.	Discount rate	6.80%	6.80%
	Rate of return on plan assets	N.A	N.A
	Withdrawal Rates	30.00% p.a at younger ages reducing to 2.00% p.a% at older ages	
	Salary Growth rate	7.50%	7.50%
B.	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	-	-
	Current Service Cost	4.08	2.91
	Interest Cost	-	-
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	-	-
	Due to change in Demographic assumptions	-	-
	Due to experience adjustments	-	-
	Past Service Cost	-	-
	Benefits Paid	-	-
	Closing Defined Benefit Obligation	**4.08**	**2.91**
C.	**Reconciliation of net defined benefit liability**		
	Net opening provision in books of accounts	2.91	-
	Transfer in/(out) obligation	-	-
	Transfer (in)/out plan assets	-	-
	Employee Benefit Expense as per Annexure 2	3.27	2.91
	Amounts recognized in Other Comprehensive (Income) / Expense	(2.09)	-
	Amounts recognized in Other Comprehensive (Income) / Expense	-	-
	Contributions to plan assets	-	-
	Closing Value of plan assets	**4.08**	**2.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

(₹ In Lakhs)

Particulars		Gratuity As at 31st March, 2021	Gratuity As at 31st March, 2020
D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	3.27	2.91
	Net Interest Cost	0.20	-
	Past service cost and loss/(gain) on curtailments and settlements	-	-
	Total included in 'Employee Benefit Expense'	**3.47**	**2.91**
E.	**Other Comprehensive Income for the current Period**		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	0.17	-
	Due to change in Demographic assumptions	-	-
	Due to experience adjustments	(2.26)	-
	Return on plan assets excluding amounts included in interest income	-	-
	Amount recognized in Other Comprehensive Income	**(2.09)**	**-**
F.	**Current/Non-Current Liability :**		
	Current*	0.02	2.91
	Non-Current	4.07	-
	Net Liability	4.09	2.91

Funded status of the plan

(₹ In Lakhs)

Particulars	31-Mar-21 (12 months)	31-Mar-20 (12 months)
Present value of unfunded obligations	4.09	2.91
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	**4.09**	**2.91**

Note 45 Related Party Transactions:

Note 45.1 List of Related Parties

Funded status of the plan

Sr. No.	Name of Related Parties	Nature of Relationship
1	20 Microns Foundation trust	Entity over which Significant Influence Exists
2	Shri Chandresh S. Parikh	Chairman & Managing Director, Key Management Personnel
3	Shri Rajesh C. Parikh	Managing Director, Key Management Personnel
4	Shri. Atil C. Parikh	Whole Time Director, Key Management Personnel
5	Smt. Ilaben C. Parikh	Relative of Key Management Personnel
6	Smt. Sejal R. Parikh	Director, Key Management Personnel
7	Smt. Purvi A. Parikh	Relative of Key Management Personnel
8	Mr Narendra R Patel	Chief Financial Officer, Key Management Personnel
9	Smt.Anuja K. Muley	Company Secretary, Key Management Personnel

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 45 *(Contd.)*

Note 45.2 Transactions with Related Parties

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	**20 Microns Foundation trust**	**Entity over which Significant Influence Exists**		
	Expenses :			
	Donation paid		44.85	104.45
2	**Shri Chandresh S. Parikh**	**Chairman & Managing Director, Key Management Personnel**		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		49.76	108.98
	other long-term benefits		5.52	7.00
	Interest on Deposit		11.43	11.56
	Commission paid			1.08
	Others :			
	Deposit Received / Renewed		70.00	-
	Deposit Paid During the Year		50.00	-
	Deposit Outstanding		108.10	60.00
3	**Shri Rajesh C. Parikh**	**Managing Director, Key Management Personnel**		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		69.69	85.69
	other long-term benefits		4.22	5.34
	Commission paid			1.01
4	**Shri. Atil C. Parikh**	**Whole Time Director, Key Management Personnel**		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		63.97	85.40
	other long-term benefits		3.45	4.37
	Interest on Deposit		0.54	0.67
	Others :			
	Deposit Received/ Renewed		5.00	-
	Deposit Paid During the Year		5.00	-
	Deposit Outstanding		5.00	5.00
5	**Smt. Ilaben C. Parikh**	**Relative of Key Management Personnel**		
	Expenses :			
	Interest on Deposit		1.89	1.70
	Others :			
	Deposit Received / Renewed			-
	Deposit Paid			
	Deposit Outstanding		15.50	15.50
6	**Smt. Sejal R. Parikh**	**Director, Key Management Personnel**		
	Expenses :			
	Interest on Deposit		0.12	0.10
	Rent		8.93	8.08
	Others :			
	Deposit Received / Renewed			-
	Deposit Paid			
	Deposit Outstanding		1.00	1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 44 *(Contd.)*

Note 45.2 Transactions with Related Parties

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2021	For the year ended 31st March, 2020
7	**Smt. Purvi A. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.60	0.54
	Others :			
	Deposit Received / Renewed			-
	Deposit Paid			
	Deposit Outstanding		5.00	5.00
8	**Mr Narendra R Patel**	Chief Financial Officer, Key Management Personnel		
	Expense			
	Remuneration paid			
	short-term employee benefits		27.05	37.79
	other long-term benefits		1.68	2.13
9	**Smt.Anuja K. Muley**	Company Secretary, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		13.52	15.42
	other long-term benefits		0.74	0.89
	Interest on Deposit		0.14	0.24
	b) Others :			
	Deposit Received / Renewed			
	Deposit Paid			1.30
	Deposit Outstanding		1.00	1.00

Notes

1 The following are the list of Independent Directors with whom no transaction have been occurred during the Financial Year 2019-20 other than payment of sitting fees:

a) Mr. Ram Devidayal

b) Mr. Atul Patel

c) Dr. Ajay Ranka

d) Mr. Jaydeep Verma

d) Mr. Sudhir Parikh

g) Mrs. Darsha Kikani

Note 46

Segment Reporting

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

a) Information about product and services:

Sale of Minerals : ₹48,250.71 Lakhs

Sale of Herbal Pharma Products : ₹23.49 Lakhs

Sale of construction chemical products : ₹78.47 Lakhs

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 46 *(Contd.)*

b) Information about geographical areas:

1. The Company have revenues from external customers attributable to all foreign countries amounting to ₹8296.35 Lakhs and entity's country of domicile amounting to ₹40,034.88 Lakhs. (Repsective entity's country of operation is considered country of domicile for that entity)

2. None of the company's Material Non Current assets are located outside India hence entity wide disclosure is not applicable to the Company. c) Information about major customers: There is two customers to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹12,391.21 lakhs.

Note 47

RESEARCH AND DEVELOPMENT EXPENDITURE

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

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue expenditure		
Employee benefit expenses	136.19	127.16
Other expenses	143.38	93.08
Depreciation	29.21	27.50
Total	**308.79**	**247.74**

Note 48 Disclosure of IND AS 115 "Contract with Customers"

Contract Balances

(₹ In Lakhs)

Particulars	March 31, 2021	March 31, 2020
Trade receivables	9,012.13	8,209.91
Contract Liabilities	**194.69**	**182.72**

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to ₹182.72 Lakhs .

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

(₹ In Lakhs)

Particulars	March 31, 2021
Revenue as per contracted price	48,524.40
Adjustments	
Discounts	(171.73)
Revenue from contract with customers	**48,352.67**

Note 49 Lease - Disclosures pursuant to Ind AS 116:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

(₹ In Lakhs)

Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at April 01, 2020	**609.20**	**141.79**	**467.41**
Additions	24.13	204.43	(180.29)
Deletions	(42.86)	(22.02)	(20.84)
Balance as at March 31, 2021	**676.19**	**368.24**	**307.95**

The aggregate depreciation expense amounting to ₹204.43 lakhs on ROU assets is included under Depreciation and Amortization Expense in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 49 *(Contd.)*

The following is the break-up of current and non-current lease liabilities as at March 31, 2021: (₹ In Lakhs)

Particulars	31st March 2021	31st March 2020
Current lease liabilities	172.51	95.94
Non current lease liabilities	121.23	384.90
	293.74	**480.84**

The following is the movement in lease liabilities during the year ended March 31, 2021: (₹ In Lakhs)

Particulars	31st March 2021	31st March 2020
Balance as at April 01	480.84	221.59
Additions	24.39	379.70
Finance cost accrued	51.40	44.03
Deletions	23.58	-
Payment of lease liabilities	239.31	164.48
Balance as at March 31	**293.74**	**480.84**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis: (₹ In Lakhs)

Particulars	31st March 2021	31st March 2020
Less than one year	**189.06**	**233.00**
One to five years	**131.97**	**312.68**
More than five years	**-**	**-**
	321.03	**545.68**

Rental expense for short-term leases recognised in the Statement of Profit and Loss was 161.94 Lakhs (P.Y. - 187.62 lakhs) for the year ended March 31, 2021.

Note 50 Additional Information required by Schedule III

Sr. no.	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolid-ated net assets	Amount	As % of consolid-ated profit or Loss	Amount	As % of other compreh-ensive income	Amount	As % of total compreh-ensive income	Amount
A	**Parent**								
	20 Microns Limited	92.62%	19,935.26	98.66%	2,270.20	86.14%	324.40	96.90%	2,594.60
B	**Subsidiaries**								
I	**India**								
	20 Microns Nano Minerals Limited	14.34%	3,087.42	5.98%	137.64	-19.42%	(73.15)	2.41%	64.49
	20 MCC Private Limited	-0.49%	(105.20)	-4.98%	(114.50)	33.29%	125.35	0.41%	10.85
II	**Foreign**								
	20 Microns SDN BHD	1.25%	268.42	-0.32%	(7.27)	0.00%	-	-0.27%	(7.27)
	20 Microns FZE	0.95%	203.52	1.49%	34.28	0.00%	-	1.28%	34.28
	20 Microns Vietnam Limited	0.63%	135.34	-0.96%	(22.04)	0.00%	-	-0.82%	(22.04)
	Total	**109.30%**	**23,524.75**	**99.88%**	**2,298.31**	**100.00%**	**376.60**	**99.90%**	**2,674.91**
	Adjustment due to consolidation	-9.30%	(2,001.55)	0.12%	2.72	0.00%	-	0.10%	2.72
	Total	**100.00%**	**21,523.20**	**100.00%**	**2,301.03**	**100.00%**	**376.60**	**100.00%**	**2,677.63**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2021

Note 51 Impact of Covid 19

Disruption in operations as a result of the covid 19 pandemic have impacted business performance and the group continues to monitor economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome. The management has also evaluated the possible impact of the pandemic on the business operations and based on its assessment of the current indicators of the future economic conditions, it is expected that the carrying amount of assets will be recovered.

Note 52

The Central Government has passed the Code on Social Security, 2020 which would impact the contributions by the Indian entities towards Provident Fund and Gratuity. The draft rules under the said code have also been released for inviting suggestions from the stakeholders. The effective date from which the code and rules will be applicable is yet to be notified. The Group will assess the impact and its valuation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are notified.

Note 53 Previous year figures

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

As per our audit report of even date attached

For **J H Mehta & Co.**
Chartered Accountants
Firm Reg. No. 106227W

Naitik J Mehta
Partner
M. No. 130010

Place : Waghodia
Date : 28/06/2021

For and on behalf of Board of Directors

Rajesh C. Prikh
Chairman & MD
DIN No.: 00041610

Place : Waghodia
Date : 28/06/2021

Atil C. Parikh
CEO & MD
DIN No.: 00041712

N. R. Patel
Chief Financial Officer

20 MICRONS®
L I M I T E D

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134-135, Hindustan Kohinoor Industrial Estate,
L. B. S. Marg, Vikhroli (W),
Mumbai, Maharashtra
India