20 MICRONS® LIMITED

29th Annual Report 2015-16

20 MICRONS Now also in Construction Chemicals

Board of Directors

[As on 8th August 2016]

Mr. Chandresh S. Parikh
Executive Chairman

Mr. Rajesh C. Parikh
CEO & Managing Director

Mr. Atil C. Parikh
Managing Director

Mr. Sudhir R. Parikh
Director

Mr. Pravinchandra M. Shah
Independent Director

Mr. Ramkishan A. Devidayal
Independent Director

Mr. Atul H. Patel
Independent Director

Mrs. Darsha R. Kikani
Independent Director

Dr. Ajay I. Ranka
Independent Director

Chief Financial Officer
Mr. Bharat V. Kanani
(Up to 29.02.2016)
Mr. Narendrakumar R. Patel
(w.e.f. 08.08.2016)

Company Secretary
Mrs. Anuja K. Muley

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

Nomination & Remuneration Committee
Mr. Pravinchandra M. Shah – Chairman
Mr. Chandresh S. Parikh
Mr. Ramkishan A. Devidayal
Mr. Atul H. Patel

Stakeholders' Relationship and Share Transfer Committee
Mr. Pravinchandra M. Shah - Chairman
Mr. Rajesh C. Parikh
Mr. Sudhir R. Parikh
Mr. Ramkishan A. Devidayal

Statutory Auditors
M/s. Manubhai & Shah LLP, Ahmedabad

Bankers
State Bank of India
IDBI Bank Limited

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

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

Registrar and Share Transfer Agents
CAMEO CORPORATE SERVICES LIMITED
"Subramanian Building",
No. 1, Club House Road,
Chennai-600 002
Tel : 044-28460390-95
Email ID : narasimhan@cameoindia.com

Website
http://www.20microns.com

Contents

Notice...1, Report of the Board of Directors...7, Report on Corporate Governance...35, Secretarial Audit Report...48, Standalone Auditors' Report...51, Standalone Balance Sheet...56, Standalone Profit & Loss Account...57, Cash Flow Statement...58, Statement of Significant Accounting Policies...60, Notes to Financial Statement...63, Consolidated Independent Auditors' Report...80, Consolidated Balance Sheet...84, Consolidated Profit & Loss Account...85, Consolidated Cash Flow Statement...86, Consolidated Schedules to the Accounts...88 & Notes to Consolidated Financial Statement...92.

Chairman's Statement

Dear Shareholders,

It gives me immense pleasure in welcoming you all at this annual gathering to review 2015-16 passed by.

India has always been a self sufficient nation with well endowed natural mineral resources in the league of larger nations of USA, Europe, and China. This industry falling under the larger Minerals & Mining sector is a significant contributor to India's GDP growth which is currently on the decline.

The Industrial Minerals sector has always been considered as an important segment for the Indian economy. The mining sector has been reeling for few years now, under a lethal mix of high borrowing costs on one hand and environmental and regulatory policy paralysis on the part of the government on the other hand. But with the government in place, by bringing reforms in the mining industry, the hope has revived in the industry to bring in some major growth oriented mining and mineral development policy reforms in the next few years which should boost this industry to the next level.

In the midst of the full of challenges, although there was a overall slowdown and sluggish market scenario, the encouraging part of the story of the year was that under such an adverse situation too, we did well and maintained a strong EBIDTA besides successfully achieved the targets which itself is a commendable mark-up of our CnC and VAD Divisions and whereby earned net profit during the financial year.

The very segment expects an outperforming in 2016-17 and hence, we anticipate our customers' demand grow with the best possibilities of a great mix of commodity and specialty Products.

I have a pleasure informing you that the Company has launched on 1st October, 2015, two unique products through its Construction Chemicals Division namely "Micronsil 30C" and "Nanosil", the multitasking additive and performance enhancer of all cement applications.

Besides, the Pharma Division launched its Herbal – Ayurvedic Tablets viz. "Dia-B-Microns FORTE" during this year which has no side effects and is safe and reliable & helpful in sugar control.

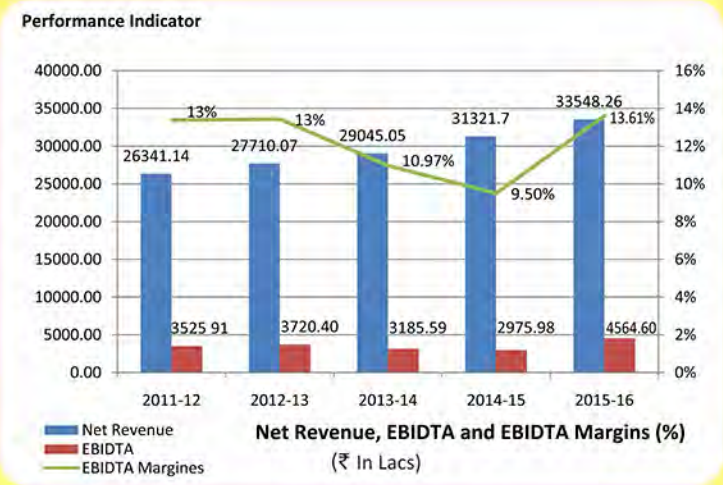
Another new Herbal – Ayurvedic Tablets has also been launched viz. "Arthritol" which is effective for Arthritis.

As you all would have perused the annual accounts, I am glad to inform you all that the year 2015-16 results of the Company has recovered the loss of Rs. 407.41 lakh of previous fiscal to the Profit of Rs. 934.31 Lakh for the year 2015-16. Our team always keeps moving to reach new highs even under the overall difficult scenario.

I would like to THANK you all for having reposed confidence and extended continued support to us besides other Stakeholders, Bankers, Financial Institutions and last but not the least our TEAM 20 having visionary Leaders & Implementers with disciplined down the line force.

THANK YOU ALL,

Chandresh S. Parikh
Executive Chairman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20000.00
15000.00
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14%
12%
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8%
6%
4%
2%
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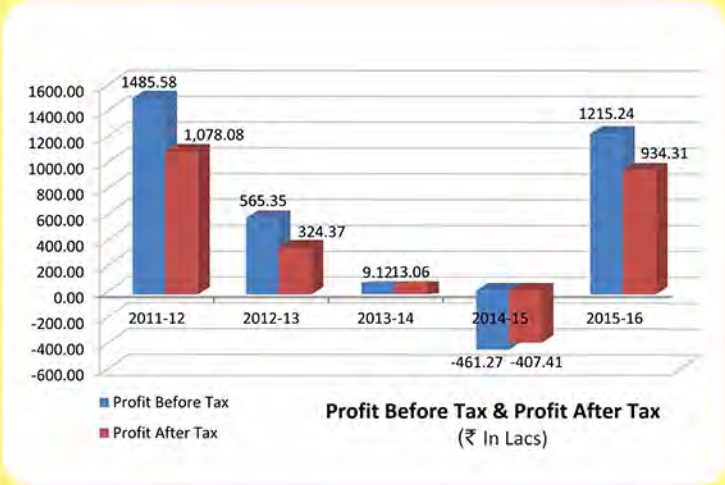
26341.14
27710.07
29045.05
31321.7
33548.26
13%
13%
10.97%
9.50%
13.61%
3525 91
3720.40
3185.59
2975.98
4564.60
2011-12
2012-13
2013-14
2014-15
2015-16
Net Revenue
EBIDTA
EBIDTA Margines
Net Revenue, EBIDTA and EBIDTA Margins (%)
(₹ In Lacs)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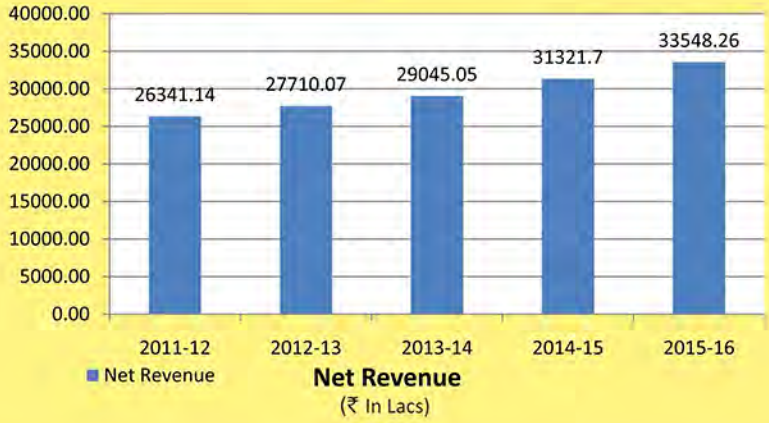
1485.58
1,078.08
565.35
324.37
9.1213.06
-461.27
-407.41
1215.24
934.31
2011-12
2012-13
2013-14
2014-15
2015-16
Profit Before Tax
Profit After Tax
Profit Before Tax & Profit After Tax
(₹ In Lacs)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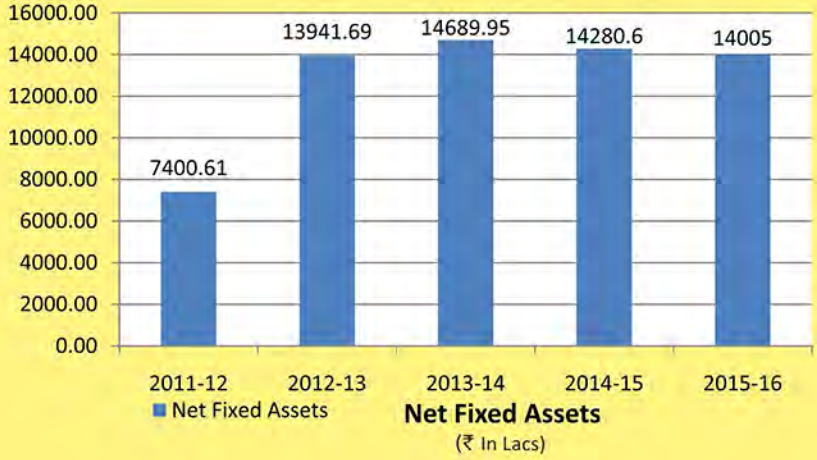
0.00
26341.14
27710.07
29045.05
31321.7
33548.26
2011-12
2012-13
2013-14
2014-15
2015-16
Net Revenue
Net Revenue
(₹ In Lacs)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8000.00
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0.00
7400.61
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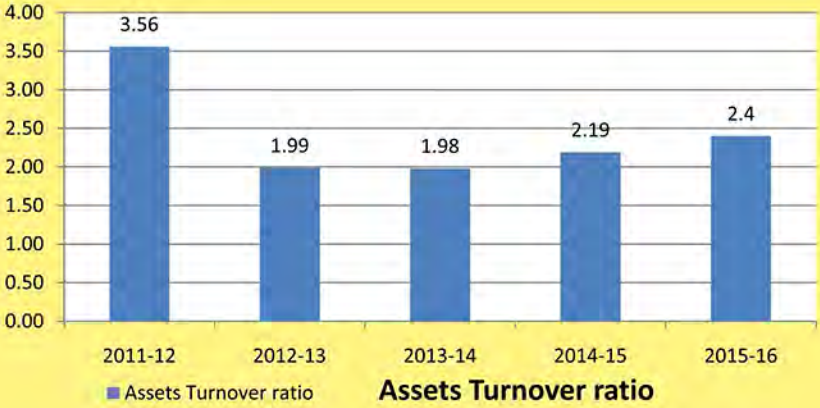
14689.95
14280.6
14005
2011-12
2012-13
2013-14
2014-15
2015-16
Net Fixed Assets
Net Fixed Assets
(₹ In Lacs)


4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
3.56
1.99
1.98
2.19
2.4
2011-12
2012-13
2013-14
2014-15
2015-16
Assets Turnover ratio
Assets Turnover ratio

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY-NINTH ANNUAL GENERAL MEETING of the Shareholders of **20 Microns Limited** will be held on Friday, the 23rd day of September, 2016 at 03.00 p.m. at the Conference Room at 347, GIDC Industrial Estate, WAGHODIA – 391 760. Dist.: Vadodara, to transact the following business:

ORDINARY BUSINESS

1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Audited Profit and Loss Account of the Company for the year ended 31st March, 2016 together with Directors' Report and Auditors' Report thereon.

2 To appoint a Director in place of Mr. Sudhir R. Parikh (DIN 00041649), who retires by rotation and being eligible, offers himself for re-appointment.

3 Appointment of Statutory Auditors.

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

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Manubhai & Shah LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 106041W/W100136), the retiring Statutory Auditors of the Company, who hold office up to the date of this Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

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

SPECIAL BUSINESS

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

Ratification of remuneration of Cost Auditors

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the Financial Year ending 31st March, 2017 to M/s. Y.S. Thaker & Co., Cost Accountants having Firm Registration No. 000318 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2016-17, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

To Approve Related Party Transactions

"**RESOLVED THAT** in terms of the provisions of Section 188 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force), the proposed Related Party Transactions by the Company with related parties [the details of which have also been given in the Explanatory Statement annexed hereto] from 01st October, 2016 to 30th September, 2017, be and the same are hereby approved and that the Audit Committee and/or Board of Directors be and is hereby authorized, to do all such acts, deeds, matters and things as may be necessary, expedient and required to implement this resolution."

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

To Approve & Ratify Lease Arrangement with Related Party

"**RESOLVED THAT** in terms of the provisions of Section 188 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI's [Listing Obligations & Disclosure Requirements] Regulations 2015 (including any statutory modifications or re-enactment thereof for the time being in force), the arrangements of the lease of the residential premises of Mrs. Sejalben R. Parikh a relative of Mr. Rajesh C. Parikh, CEO & Managing Director of the Company, as the Guest House of the Company, under the Lease Agreement dated 27.07.2016, being the Related Party Transaction[s] by the Company, the details of which have been given in the Explanatory Statement annexed hereto, for the periods from –

- 01.07.2016 to 23.09.2016, be and the same are hereby approved, ratified and confirmed &
- 24.09.2016 to 30.06.2021, under the Lease Agreement as stated above, be and the same are hereby approved.

AND THAT the Audit Committee and/or Board of Directors be and is hereby authorized, to do all such acts, deeds, matters and things as may be necessary, expedient and required to implement this resolution."

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

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

   To approve revision in the Rates of Interest on Unsecured Fixed Deposits being accepted by the Company.

   "**RESOLVED THAT** in terms of the provisions of the Companies Act, 2013 read with Companies [Acceptance of Deposits] Rules, 2014 as may be amended from time to time and the Fixed Deposit Scheme approved by the Shareholders of the Company in their extra-ordinary general meeting held on 24.05.2014, keeping all the terms and conditions of the acceptance of unsecured fixed deposits un-changed, consent of the Company be and is hereby accorded to reduce the rates of interest @ 0.50% on the unsecured fixed deposits being accepted by the Company from its Shareholders, the details of which are given in the explanatory statement annexed hereto, be and the same is hereby approved AND THAT the Board of Directors of the Company be and is hereby authorized and empowered to do all acts, deeds, matters and things to give effect to the above resolution.

By Order of the Board of Directors
Anuja K. Muley
Company Secretary

Place: Waghodia, Dist. Vadodara
Date: 08th August, 2016

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. **The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting**.
4. Members/Proxies should bring duly filled in and signed Attendance Slip sent herewith for attending the Meeting. The Members holding shares in de-materialised form are requested to bring their Client ID and DP ID for easy identification of attendance at the Meeting.
5. The Registers of Members and Share Transfers shall remain closed from Friday, the 16th day of September, 2016 to Friday, the 23rd day of September, 2016 [both days inclusive].
6. All the work related to share registry in terms of both - physical and electronic – are being conducted by Company's R & T Agents – M/s. Cameo Corporate Services Ltd., "Subramanian Building", No. 1, Club House Road, Chennai – 600 002. Tel: 044-28460390 – 28460395. Email ID – narasimhan@cameoindia.com. The Shareholders are requested to send their communication to the aforesaid address in future.
7. The Company has appointed M/s J. J. Gandhi & Co., the Practicing Company Secretary, as a Scrutinizer for conducting the e-voting process in a transparent manner.
8. In compliance with provisions of the New Companies Act, 2013 the Company is pleased to offer **e-voting facility**, for all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically.
9. The Company also provides the facility for voting either through electronic voting system or ballot or polling paper at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
10. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to- co_secretary@20microns.com mentioning your Folio/DP ID & Client ID.
11. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing required form.
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 5.00 p.m) on all working days except 2nd and 4th Saturdays and Sundays/ Public Holidays, upto and including the date of the Annual General Meeting of the Company.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their de-mat account. Members holding shares in physical form can submit their PAN to M/s. Cameo Corporate Services Ltd. at the address given at [6] above.

NOTICE OF ANNUAL GENERAL MEETING

14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Cameo Corporate Services Ltd, for consolidation into a single folio.

15. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (''the Act''), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/reappointment, as required in terms of SEBI's [Listing Obligations & Disclosure Requirements] Regulations, 2015 is annexed.

16. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

17. **Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.**

18. The result of voting will be announced at the Registered Office of the Company situated at 9-10, GIDC Industrial Estate, WAGHODIA – 391 760. Dist.: Vadodara, by the Chairman of the Meeting within three days from the date of Annual General meeting. The result of the voting will be communicated to the stock exchanges and will be placed on the website of the Company www.20microns.com.

19. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the company.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 20th September, 2016 at 10.00 a.m. and ends on 22nd September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in de-mat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form & Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in de-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the de-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

NOTICE OF ANNUAL GENERAL MEETING

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> i.e. 20 Microns Limited on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a de-mat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Item No. 4

M/s. Y.S Thaker & Co., Cost Accountants have been appointed as the Cost Auditors of the Company for the Financial Year 2016-17 by the Board of Directors of the Company at its meeting held on 23rd May, 2016. The Board has fixed remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) exclusive of applicable service tax and out-of-pocket expenses. In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as fixed by the Board of Directors shall be ratified by the members.

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

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

Item No. 5

The Members are hereby informed that in terms of the New Companies Act, 2013, the companies are required to obtain prior approval of its shareholders for the Related Party Transactions with the Associates and budgeted related party transactions to be made till Annual General Meeting to be held in 2017 -

NOTICE OF ANNUAL GENERAL MEETING

The Related Party Transactions to be carried out From 01.10.2016 to 30.09.2017							
VALUE OF PURCHASES/SALES OF GOODS & SERVICES							(₹ in Lacs)
Sr No.	Name of Related Party	Nature of Relationship	Directors Related	Sale / purchase/ of goods & services*	Lease rent paid/ receivable	Assets sale & purchase **	Investment
(1)	20 Microns Nano Minerals Ltd.	Subsidiary	MR. Chandresh S Parikh, Mr. Rajesh C Parikh, Mr. Atil C Parikh, Mr. Sudhir R Parikh	1786.00	254.00	113.00	600.00

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

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

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

i. All Sales or purchases of Goods and Services with each others will be made in order to ensure growth of either of the parties to meet market requirement and to ensure optimize use of production facilities installed,

ii. Price to be paid shall be based on the most competitive market rates prevailing at the time of purchase/sale of raw materials and finished goods and services.

iii. Payment Terms: Normally within 60-90 days from the date of supply.

iv. Abnormal delay in payment shall carry interest not exceeding the rates applicable to the bank borrowings.

v. Regular purchase orders, confirmations containing the quantities and prices and delivery schedules shall be issued for purchase/sale of Goods and services from time to time.

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

i. All lease rentals shall be fixed in advance for a period of Lease and shall be valid for the leased period.

ii. Payment of Lease rentals shall be effected normally on monthly/quarterly basis.

iii. Abnormal delay in settlement shall be subject to interest not exceeding the bank borrowing rates.

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

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 5 of the Notice.

Your Directors commend the resolution at Item No. 5 for your approval and acceptance.

Item No. 6

The lease arrangements, for the purposes of availing the premises with all fixed furniture and fixtures as the Company's Guest House, have been made by the Company with Mrs. Sejalben R. Parikh, a relative of Mr. Rajesh C. Parikh, CEO & Managing Director of the Company of her residential premises and the Lease Agreement was executed by the Company with her on 27.07.2016. The main terms of the said arrangements are as under :

Premises Situated	B-15-16, Samrajya II, Mujmahuda, Vadodara. [with all fixed furniture and fixtures]
Lease Rentals @ ₹ Per Month	50,000/- [Rupees Fifty Thousand only] with an increase by 10% (Ten Percent over previous year's rent) after the end of each year
Period Years – From & To	3 [Three] – 01.07.2016 to 30.06.2019
Others	All the taxes, rents and cess such as water bill, Electricity bill, and such other taxes payable for the premises shall be paid by the Company.

The Members are hereby informed that in terms of the New Companies Act, 2013 and all its related Rules/Notifications/Circulars, the companies are required to obtain approval of its shareholders related to the Related Party Transaction[s] inter-alia of the above nature with its Directors/Associates, hence Special Resolution at item No. 6 is recommended for your ratification, approval and acceptance.

Except Mr. Rajesh C. Parikh, CEO & Managing Director and his relatives, Mr. Chandresh S. Parikh, Executive Chairman and Mr. Atil C. Parikh, Managing Director, none of the Directors/Key Managerial Personnel of the Company/their relatives, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 6 of the Notice.

Item No. 7

Since last several years, the Company has been paying interest on the unsecured fixed deposits much more than being offered by the Banks and that the Banks have reduced the rates as such to the tune of about 1% to 1.5% in last 2 – 3 years. In view of the above besides with a view to curb the finance costs and keeping all the terms and conditions un-changed, it was decided by the Board of Directors of the Company in its meeting held on 08.08.2016 to reduce 0.50% of rate of interest

NOTICE OF ANNUAL GENERAL MEETING

in all the schemes of the acceptance of the unsecured fixed deposits being accepted by the Company from its Shareholders as under :

SCHEME - A					
Monthly Income Plan - Interest payable Monthly					
Period	Minimum	Existing ROI p.a.		Proposed ROI p.a.	
Months	Deposit ₹	%	SC %	%	SC %
12	50,000	10.00	10.25	9.50	9.75
24		10.50	10.75	10.00	10.25
36		11.00	11.25	10.50	10.75

SCHEME - B					
Half Yearly Income Plan - Interest payable Half yearly					
Period	Minimum	Existing ROI p.a.		Proposed ROI p.a.	
Months	Deposit ₹	%	SC %	%	SC %
12	25,000	10.50	10.75	10.00	10.25
24		11.00	11.25	10.50	10.75
36		11.50	11.75	11.00	11.25

SCHEME - C					
Cumulative Deposit Plan – Interest Compounded Half yearly					
Period	Minimum	Existing Yield		Proposed Yield	
Months	Deposit ₹	%	SC %	%	SC %
12	25,000	10.78	11.04	10.51	10.78
24		11.94	12.24	11.65	11.94
36		13.29	13.62	12.96	13.29

In terms of the provisions of the Companies Act, 2013 and Companies [Acceptance of Deposits] Rules, 2014 and the relevant Notifications/Circulars/Rules etc.. the Company is required to obtain approval of its Shareholders to the above proposal for reduction of rate of interest on the unsecured fixed deposits being accepted by the Company and therefore, the Special Resolution at item no. 7 is recommended for your approval.

None of the Directors, Key Managerial Personnel or relative of Director or Key Managerial Personnel, of the Company is concerned or interested in passing of the Special Resolution at item 7 of the Notice.

By Order of the Board of Directors

For 20 Microns Ltd.,
Anuja K. Muley
Company Secretary

Place : Waghodia, Dist. Vadodara
Date : 08th August, 2016

ANNEXURE TO ITEMS 2 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting in pursuance of the SEBI (Listing Obligations and Diclousers Requirements), Regulations, 2015.

Name of the Director	Mr. Sudhir R. Parikh
Date of Birth	22/09/1953
Nationality	Indian
Date of appointment on the Board	01/04/2000
Qualification	Fellow Member of the Institute of Chartered Accountants of India
Expertise in specific functional area	Finance, Accounts, Administration, Legal and Secretarial
No of shares held in the company	3,96,690 equity shares of Rs. 5/- each
Relation inter-se	Nil
List of directorships held in other companies	20 Microns Nano Minerals Ltd
Chairman/Member in the Committees of the Boards of listed companies in which he is a Director	Nil

REPORT OF BOARD DIRECTORS

Dear Members,

The Directors have pleasure to present their 29th Annual Report and the Audited Annual Accounts for the year ended 31st March, 2016.

Financial Results

The Company's financial performance for the year ended 31st March, 2016 is summarized below:

[₹ In Lacs]

Particulars	2015-16	2014-15
Total Revenue	33970.47	31966.42
Profit before Depreciation, Interest and Tax (PBDITA)	4564.60	2975.98
Interest for the year	2417.88	2492.05
Depreciation for the year	931.48	945.20
Profit/(Loss) before tax and Exceptional item	1215.24	(461.27)
Exceptional items	0.00	0.00
Profit/(loss) for the year	1215.24	(461.27)
Tax liability :-		
Current Year's Tax	270.00	-
MAT Credit	(270.00)	-
Deferred Tax Liability/(Asset)	91.78	(55.57)
Prior period Tax Adjustment	189.15	-
Wealth Tax	-	1.71
Net Profit/(Loss) for the year	**934.31**	**(407.41)**

State of Company's Affairs

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

- Your Company has availed Credit facilities from Consortium of banks consisting of IDBI Bank Limited (IDBI) and State Bank of India (SBI.) In view of possible stress on cash flow of the company, at the instance of the company, loans granted were restructured by both the banks and it was implemented on 31st March 2015. Main terms of restructuring were deferment of repayment of term loan matching with future cash flow of the company, marginal reduction in interest rates subject to recompense for sacrifice made if any and refund of term loan installments paid during 2014-15. Company has been regular in repaying its dues of principle as well as interest from date of restructuring, till date, without any default.

  SBI informed the company on 4th April 2016 that under Asset Quality Review (AQR) undertaken by Reserve Bank of India (RBI) its account has been classified as NPA with effect from 1st April, 2014. After hectic efforts and follow up, company was provided with the following reasons for such classification. *"Perfection of securities was done post implementation date. Hence, package may not be taken as implemented and Pledging of shares was not completed.".* AQR is an internal process of Regulator and Bank. Company has suffered on account of process lapse on the part of the bank. The Company has completely denied in writing to bank of such delay and a very damaging action by bank in view of the fact that all dues to banks are paid till date. A strong request has been made to bank to re-classify account as standard asset as soon as possible. IDBI Bank continues to classify the account as standard asset.

- Net Worth of the Company is increased to ₹ 8401.75 Lacs as on 31st March, 2016 compared to ₹ 6967.44 Lacs as on 31st March, 2015.

Dividend

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

INVESTOR EDUCATION AND PROTECTION FUND

Company during its IPO in the year 2008 had refund orders as on 25/09/2008 from which ₹ 27,200/- remained unclaimed in "UNPAID REFUND ACCOUNT", which were then transferred to "INVESTOR EDUCATION AND PROTECTION FUND" pursuant to the provisions of Companies Act, 2013 after completion of seven years on 25/09/2015.

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

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

MANAGEMENT DISCUSSIONS AND ANALYSIS

Analysis of sector-wise performance of the Company for the fiscal year 2015-16 and future outlook are given hereunder. The outlook is based on the assessment of the current business scenario and Government Policies. Any deviation to the developments – future and other – may affect the variances in the outlook.

REPORT OF BOARD DIRECTORS [Contd.]

Industry Progress & Outlook

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

The Industrial Minerals sector provides the basic raw materials to the manufacturing sector and has always been considered as an important segment for the Indian economy. The mining sector has been reeling for few years now, under a lethal mix of high borrowing costs on one hand and environmental and regulatory policy paralysis on the part of the government on the other hand. But with the new government in place, who has had a brief history of bringing reforms in the mining industry, the hope has revived in the industry to bring in some major growth oriented mining and mineral development policy reforms in the next few years which should boost this industry to the next level.

Bulk Minerals are usually transacted in high volumes and are characterized by bulkiness in extraction, transportation and consumption. The extraction of these minerals involves shallow depth mining but with a considerable quantity of over burden removal and waste generation. The mining of bulk minerals is also perceived to disturb the eco-system beyond its resilience. Understandably, the mines, from where these minerals are extracted are large mines and their clearances are easily caught in the quagmire of environmental, forest and other clearances. Hence, there is need for developing a wide spread understanding for the strategic value of different minerals. On the other hand, the demand for these minerals is dependent on the demand of the user industry, which is also produced in bulk.

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

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

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

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

Product wise performance

COATING & CONSTRUCTION DIVISION:

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

The year 2015-16 was quite challenging in itself due to the overall slowdown in the industrial segments across India, and despite in such a sluggish scenario, CNC division was able to manage the growth of above 5 % in terms of Value and 9% in terms of volume over the previous financial year which contributes substantial of revenue to the company's total sales. It's also remarkable to note that our growth pace has been consistently maintained in Major Paint Companies by providing them value added as well as import substitute products and even in the commodities segment, we have introduced various premium products which have given them substantial cost benefits in their product formulation.

The paint industry can easily grow at 15% annually over the next few years from its current size, as the per capita paint consumption in India which is a little over 4 kgs is still very low as compared to the developed western nations. Therefore, as the country develops and modernizes, the per capita paint consumption is bound to increase. Considering this scenario, major paint companies have started their new lines of production during the year and also have plan to establish their newer production Units to come up with larger capacities across the country to cater the demand being generated in Tier -II & III cities, especially in the segment of Decorative Paints including exterior wall paints, interior wall paints, wood finishes and enamel and ancillary products such as primers, putties etc. Decorative paints account for over 70% of the overall paint market in India which consumes majority of the Industrial Minerals and being a premium supplier and having a close association with the market leader of the segment, we expect good volumes of business in the near future which will support us to get stable growth in the future too.

Reports of various institutes & conducted studies show that the corporate are hopeful for a better turnaround in the Economy and improvement in Investment Climate in the light of expected reforms in Government's Economic policies, boost up the infrastructure and housing sector as a whole which should eventually support the growth in the Paint industries along with medium & small scale paint

REPORT OF BOARD DIRECTORS [Contd.]

Manufacturers by adopting the new process technologies to produce high-end product and expanding their network in all segments by accepting the new products faster which helps us to increase the volume of our specialty products.

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

The industry expects an outperforming in 2016-17 and we anticipate outgrowing our customers demand with the best possibilities of a great mix of commodity and specialty Products

VAD – VALUE ADDED DIVISION

In the current global scenario, year 2015 -16 was full of challenges for us and the encouraging part of the story was that under such adverse situation we did well and maintained a strong EBIDTA or bottom line. In such critical market situation our VALUE ADDED DIVSION in the Year 2015-16 successfully achieved the target which itself is a commendable achievement.

Paper Industry

The paper industry in India is more than a century old. At present there are over 850 paper mills manufacturing a wide variety of items required by the consumers. In last 60-65 years, the number of paper mills has increased from just 17 mills in 1951 to more than 850 units engaged in the manufacturing of paper and paperboard. The paper industry in India could be classified into 3 categories according to the raw material consumed. Wood based, Agro based & Waste paper based. The Indian Paper Industry accounts for about 1.6% of the world's production of paper and paperboard. The Indian Paper Industry is among the top 12 Global players today, with an output of more than 13.5 Million tonnes annual with an estimated turnover of ₹ 35000 Crores. The mills use a variety of raw material viz. wood, bamboo, recycled fiber, bagasse, wheat straw, rice husk, etc.; approximately 35% are based on chemical pulp, 44% on recycled fiber and 21% on agro-residues. India is self-sufficient in manufacture of most varieties of paper and paperboards. Import is mainly related to certain specialty papers such as light weight coated variety of paper, cheque paper, etc. Paper Industry in India is moving up with a strong demand push and is in expansion mode to meet the projected demand of 20 Million tonnes by the year 2020. Thus paper industry in India is on the growth trajectory and is expected to touch 8.5% GDP in the coming years. Vast changes have taken place in the field of printing paper, duplex boards, newsprint and so forth. Modern management along with latest technological machines is used for the completion of various projects. Nowadays, foreign investors are interested in setting up new plants for manufacturing paper to bring forth huge revenue to the paper industry. The paper industry is planning to widen its horizons with the help of joint ventures and new investors. Also slurry business penetration with long terms contractual business with the customer had thrown, open new segments with excellent potential for the business. However, the paper industry is facing many challenges due to the shortage of raw materials and the rise in population. Our special effort is towards promoting our Submicron Calcium Carbonate in Paper application which is contributing towards the positive trend in our sales pattern and contributing towards the EBIDTA. This year we have achieved growth in Quantity, Value and EBIDTA against Projection.

Plastic Industry

Globally the polymer industry is expected to grow at a considerable pace & most lucrative business is growing bigger by the day, as the demand for polymer is driven by growth in end use markets, such as agriculture, packaging, automotive, infrastructure, transport, rails and telecommunication mainly from emerging economies. Polymer is continuously substituting metals, glass, paper, and other traditional materials in various applications due to its lightweight and strength and the design flexibility they offer along with low-cost. Thermoplastics segment is expected to witness the highest growth over the next few years. Increasing applications of engineered plastics in various fields, such as construction, automotive, and industrial manufacturing equipment is expected to drive this market. India being relatively low in per capita consumption of plastics is expected to triple over next decade. In-spite of drastic drop of Polymer price due to crude oil price slump, the entire year 2015 -16 saw a very volatile and uncertain trend for polymer processing industries forcing many industries to either shut down or cut down their production activities by substantial degree. However in such adverse scenario, our company registered fair bit of success in terms of achieving sales Quantity and EBIDTA over this period.

PVC Pipe Application : The PVC Pipe application has suffered huge set back due to severe drought in many places in India and thereby the requirement of Agriculture and Irrigation Pipes had gone down substantially. Even many of Agro Pipe manufacturers have cut down their production capacity by considerable degree. Added to that the slump in construction industry has reduced the requirement of Plumbing Pipes. Still we have achieved a commendable growth in Quantity, Value and EBIDTA in this application against projections.

PVC Cable Application : In the PVC Cable application due to the massive slow down in construction industry and also lack of government projects the requirement of Cable manufacturing has made a nosedive. Almost all leading Cable manufacturers in India were working on partial capacity. In spite of all these adverse market scenario, we have achieved a commendable growth in Quantity, Value and EBIDTA in this application against projections.

REPORT OF BOARD DIRECTORS [Contd.]

PP Master Batch Application : As PP MB application is majorly dependent on Automotive Parts, Woven Sack and Plastic carry Bags the market is severely affected by the recession in the related industry and also the restriction imposed by government in related to environmental hazard. In such adverse situation we also got some set back in getting proper kind of products from our overseas unit and as a matter of fact the growth in this segment got terribly affected in the year 2015 – 16. In The year 2015 – 16 we had also achieved in terms of Quantity, Value and EBIDTA against Projections.

Today's paradigm shifts are posing exciting challenges and favorable opportunities, which we are addressing effectively to optimally position ourselves to secure concentrated business areas where we have clear sights of more market penetration and value addition. These efforts are kept ongoing and a separate team has been formed to promote and market above products on a consistent basis and we are confident of benefiting through this policy in the years to come. We have taken many positive steps in this direction and has concentrated in promoting our value added products in polymer application. We have increased the sale of speciality products like Sub Micron Calcium Carbonate, Synthetic Barium Sulfate, Desiccant, Opacifier and Processing Aids. These are the products will be contributed in a positive way to our EBIDTA.

Rubber Application

Rubber application is one of the important vertical business for the Company in the recent years. Indian Rubber industry consists of above 4600 units across the country comprising of 30 large scale, 300 medium scale and around 4400 small and tiny scale units. Indian rubber industry has been growing along with the strength and importance, as a part of India's burgeoning role in the global economy. The rubber industries products are like tyres, tubes, auto parts, belt, cables, hoses etc. India is the world's largest producer and the third largest consumer of natural rubber.

During 2015-16, Rubber Industries growth marginally declined compared to previous year due to unfavorable market conditions, main constrain was continued rate reduction of rubber and carbon black. Even though, in these conditions, our Company's Rubber division has achieved sales targets with increased profit as compared to previous fiscal. Several new products are also being developed for the partial replacement of synthetic silica and carbon black which is widely used as filler in the segment. Also company is emphasizing to focus more on value added products like Vaporlink (product which partially replaces carbon black), Wax, Zinkomer – 100% replacement of Zinc Oxide. Rubber processing aid like PE for lubrication and Vaporoxol series use as desiccant which are high value products, can boost the sales turnover in coming future. This year we have developed new product viz. MC Wax.

As India is growing hub for Rubber Industry for automobile and other like industry and also getting quality natural rubber, Company is expecting good growth in our Rubber application.

PHARMA – HERBAL DIVISION

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

A new herbal – ayurvedic medicine is about to be launched viz. "Arthritol" which is effective for helping control Arthritis.

CONSTRUCTION CHEMICALS DIVISION

Since 1st October, 2015 another landmark of the Company, is the innovation of "Mirconsil 30C" and "NANOSIL" which are special mineral additive for Construction activities by self curing internal plaster application, mixed with cement & sand during dry mix.

MICRONSIL 30C – This application is suitable for Mortar and plastering. A surface like bricks, stone, blocks etc.. Application is user friendly similar to conventional method of plastering. It saves 30% of the Cement consumption with added and proven major benefits like reducing the wastage of cement besides saves potable water for curing; power consumption etc. It can be called Â"Green plasterÂ" - By reducing cement up to 30%.

NANOSIL – is a solvent-free high reactive Silicone based penetrating waterproof agent, developed to provide water repellency to porous construction materials such as cement blocks, mortar, plaster, painted surfaces and grouts as it penetrates deep into the surface voids and forms bonds in the voids.

This unique formula incorporates leading molecular nanotechnology; putting an end to water and moisture migration through any porous cementitious substrate.The treated surfaces will show no change in visual appearance from application and the surface that will not chip, flake, delaminate or breakdown with UV light exposure.

EXPORTS

Export Opportunities in the Lead

Global economic slowdown affects all emerging markets. In value terms, Export to Africa and Middle East has held up the best. However export sales of 20 Microns product sales has gone 25% up over last year. Mineral export from India is growing spiky sharp over few years.

Advancement in Technology has given a great acceleration to Indian resources to compete with global Giants. YOY, it has been observed that export opening has also increased due to US dollar appreciation against Indian Rupee which becomes incitement to exporter. Environment restriction in Europe and USA for discouraging mining has actively played a role to search resources in India. Indian mineral market will have better opening since China has also put limitations export quota for natural resources specially on Talc.

REPORT OF BOARD DIRECTORS [Contd.]

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

Considering contemporary standing, 20 Microns accomplished to sale their products in 56 countries across the globe. In the year 15-16, the Company has been able to encapsulate bulk business of Calcined Kaolin in Egyptian and Ethiopian markets and anticipating to initiate bulk contract in European countries for their major products which will give a very good value addition in year 2016-17.

Export Sales Comparison is here under :

[₹ In Lacs]

Element	2015-16	2014-15
CIF Value	4006.15	3232.05
FOB Value	3649.10	2792.39

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

Company is targeting around 19% growth for year 2016-17 for export sales over last year.

MINING

Your Company has been a pioneer in White Industrial Minerals and possesses mining leases having sizable mineral reserves of 57.590 Lacs MT and 96.492 Lacs MT and the life of the mine is more than 25 years at current capacity. The reserves shown in the table below are located in the potential mineral block.

Reserves in Mining Leases

Status as on 31.03.2016

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves (₹ In Lacs)
1.	China Clay – Mines, Bhuj, Dist. Kutchh, Gujarat. Area - 11.89 Hector	25.05	3632.25
2.	Dolomite Mine, Taluka - Chhota Udepur, Dist. Vadodara, Gujarat, Area - 6.25 Hector.	13.890	4860.75
3.	Calcite Mine, Dist. Sirohi, Rajasthan, Area - 49.25 Hector.	8.340	5002.52
4.	Limestone Mines, Dist. Tirunelvelli, Tamilnadu, Area - 4.43 Hector.	10.310	4639.50
	TOTAL	**57.590**	**18135.02**

Reserves in Private Owned Land

Status as on 31.03.2016

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

RESEARCH AND DEVELOPMENT

Our steadfast commitment to research and development has been the force behind success of your company. Our innovative products and services add value to a variety of things that touch peoples' lives every day like Paints & Coatings, Plastic, Paper, Rubber, Ink & Pigments, Agrochemical, Ceramic & Glass, Adhesive & Sealant, Steel & Foundry, Construction, Cosmetic, and Water Treatment.

Our R&D is focused on energy conservation and protection of environment. We help to reduce CO_2 emission by replacing TiO_2 and carbon black in various applications with our products. The strong technical support from R&D helps your company to become a non-waste producing organization. Our every by-product in some way or the other is utilized in other processes within and outside the company.

As a world leader in mineral base specialty we have continuously improved our technical implementation of knowledge. We already have the following application centre under one roof:

1. Product Development Centre
2. Paints & Coating Application Centre
3. Rubber & Plastic Application Centre
4. Paper Application Centre

We have further added new dimensions to this under the following heads:

1. Ceramic Application Centre
2. Foundry Application Centre
3. Construction Application Centre
4. Cosmetic Application Centre

Innovative Products Developed during the year 2015 – 16:

1. Glowtox Plus
2. Glowtox 50
3. Micronsil 30 C Plus
4. FMSIL 412 Plus

REPORT OF BOARD DIRECTORS [Contd.]

5. FMSIL 312
6. Vaporblock Plus
7. Vapormat Plus
8. Silcoat 60 SET
9. Silcoat 24 T
10. Nanosil
11. Ferrosil
12. Putty Additive

QUALITY CONTROL

Quality is a value that guides everything what we do. Quality in action is the parameter for checking performance excellence of the company. Our innovative products and services confirm to our customer's expectations only after passing through our quality system. We follow ISO 9001:2008 international standard.

In our attempt to improve the quality we have tied up with various laboratories for higher analysis like hazardous elements (heavy metal), microbial content, asbestos, free respirable crystalline silica along with our in-house analysis. Our dedicated continuous improvement has confirmed a long term customer relationship leading to mutual growth & opportunity. Our existing customers are taken care of and we try to understand the expectation of potential customer.

HUMAN RESOURCES

Employees at 20 MICRONS come from various walks of life, this mix of people provides for a rich mix of diversity in all its aspects - from various parts of the country, different age groups, varied backgrounds and with different perspectives.

Our employees cherish the freedom that is provided to them at work and this will continue to be our proposition to them and our future employees too.

At 20 MICRONS there is a highly motivated and talented team to support with constructive feedback to ensure the success.

Our integrated Talent Management Processes build leaders diligently. Our value based leadership approach is supportive of performance excellence and nurtures an intense desire to win with sensitivity, sincerity and an unyielding integrity.

20 MICRONS encourages its employees to embrace a healthy lifestyle, both at work and at home. Our goal is to empower employees to take personal responsibility for their health.

We believe that a healthy workforce is more energetic and productive; healthy employees decrease health-related costs. In addition, a comprehensive health and wellness program helps us to attract and retain a talented workforce.

20 MICRONS's comprehensive health, wellness and occupational health programs operate seamlessly. This integrated approach allows us to gather population-level data about health conditions that affect our workforce and tailor programs to address them.

The governing theme of our organization is the well being and satisfaction of our employees. The benefits that we offer to them are at par with the best available.

Our compensation package is aligned with the market and it is aimed at attracting and retaining talent. Rewards for each position are based on performance, potential, criticality and market value.

Over the years, 20 MICRONS has focused its attention on developing and nurturing the talent and skills of its employees, keeping in mind the emerging challenges of a competitive and dynamic business environment.

We make working at 20 MICRONS an enjoyable experience by providing the right balance between work and fun. Our initiatives like 360 degrees appraisal system and skip level feedback encourage a free flow of communication at all levels. An open-minded approach in all our endeavors is aimed at bringing out the best. We have created a very fair and a transparent atmosphere that decides your position only on the basis of merits and not by extraneous factors.

Every organization has its own unique culture. Most organizations don't consciously create certain culture; instead it is typically created unconsciously, based on the values of the top management or the founders of the organization. The results today are the outcome of a large scale interactive processes under which employees get together on various common platforms and build 20 MICRONS together.

20 MICRONS keenly promotes an open culture that encourages feedback. It actively responds to and acts on inputs, for continuous improvement of people, practices and processes. Thus, we have several processes that solicit feedback on weaknesses and areas of improvement on a continuous basis.

What the employees feel about always a matter of utmost concern and hence an employee engagement survey is conducted by an external agency at regular intervals to help us understand employee perceptions. The feedback thus received is converted into actions to ensure high level of employee satisfaction.

We strive to provide a stimulating environment backed with high levels of empowerment and recognition. In this energized atmosphere, we share successes while setting new standards of excellence.

ENVIRONMENT, SAFETY & HEALTH

OCCUPATIONAL HEALTH EXAMINATION 2015-16

The Company organizes regularly the annual medical check-up at several plant locations which includes approx 435 staff members and contract labours.

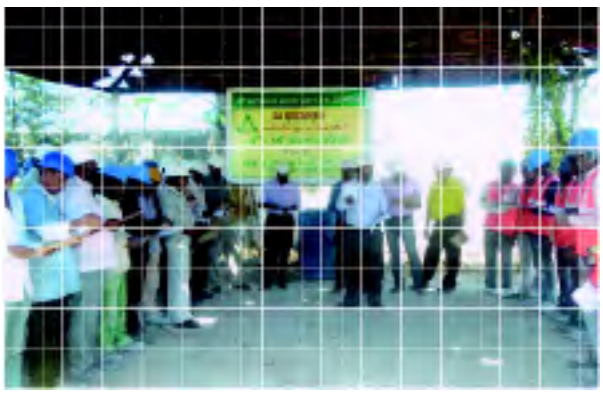
REPORT OF BOARD DIRECTORS [Contd.]

We have covered general parameters in Occupational Health Examination such as Physical Examination & Medical History, Vision test - Refraction & Color Vision, Spiro meter test, Audio meter test, Blood Test, etc.

VOLUNTARY BLOOD DONATION CAMP IN FACTORY PREMISES

The Company with the Friends society – Vadodara – an NGO and with the support of SSG Hospital, Vadodara, jointly organized a Blood donation Camp on 28th April 2015 at its factory premises under the corporate social activity. Company's employees and contract labours participated. At the said Blood Donation Camp 39 Units of Blood collected. Hemoglobin, blood pressure and other tests were also conducted by the Doctors.

CELEBRATED NATIONAL SAFETY WEEK



National Safety Day/Week is a whole week safety campaign which was celebrated at all plants of the Company from 4th of March to the 10th of March, 2016.

Celebrated 45th National safety Day/Week on the Theme of "Behavior & Positive Attitude towards Safe Work Culture / Behavior Based Safety in Industry".

Our goal is to protect our people, the public, the property and the environment. It is a commitment that is in the best interests of our customers, our employees and all other stakeholders. It is possible to run all operations without injuries or damage to equipment or the environment.

On occasion of National safety day/week, the Company conducted variety of seminars, training programs, workshops, safety pledge event, display of films over SHE issues.

CELEBRATED WORLD ENVIRONMENT DAY

5th June, 2015 was celebrated as the World Environment Day with the Theme of "Seven Billion Dreams. One Planet. Consume with Care". Living within planetary boundaries is the most promising strategy for ensuring a healthy future. Human prosperity need not cost the earth. Living sustainably is about doing more and better with less. It is about knowing that rising rates of natural resource use and the environmental impacts that occur are not a necessary by-product of economic growth.

On this very event of WED on the above date, an environment's Poem - "आओ मिलकर पेड लगाएं" was followed which conveys about tree plantation to save the environment and on the occasion, various events and practical activities were arranged like Plantation of more than 400 trees in the company's various locations, seminar was arranged with the subject of virtual environment inside the plant.

Cautionary Statement

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

FIXED DEPOSITS

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

As on 31.03.2016, Fixed Deposits from Shareholders stood at the total of ₹ 1352.14 Lacs. Deposits amounting to ₹ 1206.38 lacs are due for repayment on or before 31.03.2017.

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

The deposits accepted upto the 31st March, 2014 pursuant to Companies Act, 1956 and interest thereon will be repaid to the depositors on the date of maturity of respective deposits. In this regard, the Company has filed petition with Company Law Board, Mumbai (CLB) praying to allow the

REPORT OF BOARD DIRECTORS [Contd.]

repayment as per maturity of respective deposit only and CLB accepted plea of the Company and vide its order no. C.A. NO.34/74(2)/CLB/MC/MAH/2015 dated 20th January, 2016 directed the company to repay total outstanding principal amount, as on date of order, amounting to ₹ 398.27 Lacs, on or before 31.03.2017 along with the interest due thereon. The Company repaid total ₹ 468.76 Lacs along with the interest thereon during the FY 2015-16.

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

		Number of Depositors	Deposit ₹ in lacs	Interest ₹ in lacs
(a)	From Share Holders	163	117.29	24.96
(b)	From Public	475	236.97	29.94
	TOTAL	638	354.26	54.90

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

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

As on 31st March, 2016, we have 03 subsidiaries viz. 20 Microns Nano Minerals Ltd., 20 Microns FZE, 20 Microns SDN BHD. During the year, the Board of Directors (the Board) reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement in the prescribed format AOC-1 is appended as Annexure A to the Board's Report. The statement also provides the details of performance, financial positions of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on our website www.20microns.com. These documents will also be available for inspection during business hours at our registered office in Waghodia, Vadodara, India.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors report that

i) In the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed and there are no material departures from the same.

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit of the Company for the year ended on that date.

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

iv) The Directors have prepared the annual accounts on a going concern basis.

v) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

GENERAL SHAREHOLDERS INFORMATION

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

PARTICULARS OF EMPOYEES

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

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

CORPORATE GOVERNANCE

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

SECRETARIAL AUDIT

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

COST AUDIT COMPLIANCES

Pursuant to Sec. 209 (1)(d) of the Companies Act, 1956, Cost Audit Report for the financial year ended 31.03.2015 was submitted to the Central Government on 24.09.2015.

RELATED PARTY TRANSACTIONS

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

REPORT OF BOARD DIRECTORS [Contd.]

EXTRACTS OF ANNUAL RETURN AND OTHER DISCLOSURES UNDER COMPANIES [APPOINTMENT AND REMUNERTION] RULES, 2014

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

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGH EXCHANGE EARNINGS & OUT GO

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

RISK MANAGEMENT POLICY IMPLEMENTATION

The Company has formed Risk Management Policy to ensure appropriate risk management within its systems and culture. 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 the Company periodically review the Risk Management Policy of the Company so that the Management controls the risk through properly defined network. The Company has a system based approach to business risk management backed by strong internal control systems.

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

CORPORATE SOCIAL RESPONSIBILITY

The Company's main focus is on improving quality of life and engage communities through Health consciousness. Towards achieving this, since last about 7 years through 20 Microns Foundation Trust under which "20 Microns Diabetes Centre" was inaugurated in 2008 with a specific drive to make the society aware about and cater to for Diabetes specially. There are about 4500 registered members.

Your Company has started this year to make the rural area aware about this and our team checks blood sugar, makes counseling to diabetic patients and satisfy their Diabetes related queries.

Also participated this year with our juvenile diabetic children for program scheduled by Dr. Bansi Saboo (Diabetologist) where children participated in various activities like dance, drama & other activities and help them to make them happy. Also distributed Free medicines, Gluco meters to needy patients.

During this year we added few more centers in Vadodara city for diabetes check-up and Awareness.

INTERNAL FINANCE CONTROL SYSTEM ADEQUACY

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Articles of association of the Company, Mr. Sudhir R. Parikh, Non-Executive – Non-Independent Director, retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

During the year under review, the Members approved the appointment of Dr. Ajay I. Ranka who is not liable to retire by rotation. Mr. Bharat V. Kanani, Chief Financial Officer of the Company resigned from the post and he was relieved from 29th February, 2016 (after office hours).

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

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

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

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

REPORT OF BOARD DIRECTORS [Contd.]

AUDITORS

A. *Statutory Auditors*

The Company's Auditors, M/s. Manubhai and Shah LLP, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. In accordance with Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint M/s. Manubhai and Shah LLP as Statutory Auditors of the Company for one year at this Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. This item is being included in the notice for your approval.

B. *Internal Auditors*

The Company has appointed M/s. N C Vaishanav and Co., M/s. P Mani and Co. and M/s. Deopura and Associates, Chartered Accountants as Internal Auditors of the Company for the F.Y. 2016-17, for the Western Region, Eastern Region, South Region and North Region, respectively.

C. *Cost Auditors*

The Company has appointed M/s Y.S. Thakar and Co., Cost Accountants, to audit its cost accounting records relating to Mining and Metallurgy of ferrous and non-ferrous metals for the Financial Year 2016-17 subject to ratification of their remuneration by shareholders of the Company.

The Company is seeking the ratification of the Shareholders for the remuneration payable to M/s Y.S. Thakar and Co., Cost Accountants as the Cost Auditors of the Company for the Financial Year 2016-17 vide resolution no. 4 of the Notice of AGM.

D. *Secretarial Auditors*

As per provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company is required to appoint Secretarial Auditor to carry out Secretarial Audit of the Company. The Company has appointed M/s. J.J. Gandhi and Co., Practicing Company Secretaries as Secretarial Auditors of the Company for the F.Y. 2016-17.

SIGNIFICANT AND MATERIAL ORDERS

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

DISCLOSURES

CSR Committee

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

Audit Committee

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

Vigil Mechanism

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

Meeting of the Board

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

Acknowledgement

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

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

For and on behalf of the Board of Directors

Chandresh S. Parikh
Executive Chairman
Place : Waghodia, Vadodara
Date : 23rd May, 2016

REPORT OF BOARD DIRECTORS [Contd.]

Annexure A

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

AOC-1

₹ in lacs

	Name of Subsidiary	Financial Period Ended	Exchange Rate	Share capital	Reserves and Surplus	Total Assets	Total Liabilities (excluding Share capital and Reserves and Surplus)	Investments	Turnover	Profit/ (Loss) before taxation	Provisions for taxation	Profit/ (Loss) after taxation	% of share holding
1	20 Microns Nano Minerals Ltd	31.03.2016	NA	647.00	372.26	2805.28	1786.02	-	2398.65	149.72	49.40	100.33	93%
2	20 Microns FZE	31.03.2016	18.01	27.03	35.60	104.25	41.63	-	333.80	10.64	-	10.64	100%
3	20 Microns SDN BHD	31.03.2016	17.09	61.55	94.07	210.83	55.21	-	358.28	74.86	14.04	60.83	100%

Note :

1. Company is not having any associates or joint venture companies as on 31.03.2016
2. The Company has not liquidated or sold any of its subsidiary companies during FY 2015-16

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, 2016

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

(Chandresh Parikh)
Executive Chairman

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

Place : Waghodia, Vadodara
Date : 23rd May, 2016

REPORT OF BOARD DIRECTORS [Contd.]

Annexure - B : Particulars of Employees

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

a. Remuneration paid to Whole Time Directors

Sr. No.	Name	Designation	Remuneration in fiscal 2016 (in Rs. Lacs)	Remuneration in fiscal 2015 (in Rs. Lacs)	No. of Stock options granted in fiscal 2015	% increase in remuneration in 2015 as compared to 2014	Ratio of remuneration to MRE (Excl. WTD)	Ratio of remuneration to MRE (Incl. WTD)	Ratio of remuneration to revenues (fiscal 2016)	Ratio of remuneration to Net Profit (fiscal 2016)
1	Mr. Chandresh Parikh	Executive Chairman	49.11	45.47	-	8.00	5.07	5.09	0.15	5.26
2	Mr. Rajesh C. Parikh	CEO and Managing Director	42.30	39.16	-	8.00	5.89	5.91	0.13	4.53
3	Mr. Atil C. Parikh	Managing Director	34.62	32.05	-	8.00	7.19	7.22	0.10	3.71

b. Remuneration paid to Independent Directors

No remuneration was paid to Non-Executive Independent Directors during FY 2015-16

c. Remuneration of other Key Managerial Personnel (KMP)

Sr. No.	Name	Designation	Remuneration in fiscal 2016 (in Rs. Lacs)	Remuneration in fiscal 2015 (in Rs. Lacs)	No. of Stock options granted in fiscal 2015	% increase in remuneration in 2015 as compared to 2014	Ratio of remuneration to MRE (Excl. WTD)	Ratio of remuneration to MRE (Incl. WTD)	Ratio of remuneration to revenues (fiscal 2016)	Ratio of remuneration to Net Profit (fiscal 2016)
1	Mr. Bharat V. Kanani (upto. 29.02.2016)	Chief Financial Officer	31.03	20.82	-	8%	8.02	8.06	0.09	3.32
2	Mrs. Anuja K. Muley	Company Secretary	7.83	7.25	-	8%	31.79	31.93	0.02	0.84

The Median Remuneration of Employee (MRE) excluding Whole Time Directors (WTDs) was ₹ 248988/- and ₹ 222600/- in fiscal 2016 and fiscal 2015 respectively. The increase in MRE (excluding WTDs) in fiscal 2016, as compared to fiscal 2015 is 11.85%.

The Median Remuneration of Employee (MRE) including Whole Time Directors (WTDs) was ₹ 250065/- and ₹ 221904/- in fiscal 2016 and fiscal 2015 respectively. The increase in MRE (including WTDs) in fiscal 2016, as compared to fiscal 2015 is 12.69%.

The number of permanent employees on the rolls of the Company as of March 31, 2016 and March 31, 2015 was 390 and 417 respectively.

The revenue increase during fiscal 2015-16 over fiscal 2014-15 was 7.02% and net profit increased by 2.29 time. The agreegate remuneration of employees excluding WTD grew by 8.00% over the previous fiscal. The agreegate increase in salary for WTDs and other KMPs was 8.00% in fiscal 2015-16 over fiscal 2014-15. The rise in remuneration is made as per Remuneration Policy of the Company.

Our Market Capitalization decreased by 19.71% to ₹ 9774.36 Lacs as of March 31, 2016 from ₹ 12173.72 Lacs as of March 31, 2015. The Price Earning Ratio was 10.37 as of March 31, 2016 which was increased by -34.58% as compared to March 31, 2015. The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2016 was ₹ 28.15 and ₹ 27.70 respectively, representing 0.73% (BSE) increase over the IPO price, adjusted for stock splits to date.

The Company has not paid variable compensation to its managerial personnel during fiscal year 2016.

REPORT OF BOARD DIRECTORS [Contd.]

The Company has paid Incentive to all its employees including Executive Directors as per the Incentive Scheme duly approved by Nomination and Remuneration Committee and Board of Directors of the Company. The Incentive Paid to the Executive Directors and KMP during FY 2015-16 were as under -

Name of Executive Director/KMP	Designation	Incentive Amount (₹ in Lacs)
Mr. Chandresh S. Parikh	Executive Chairman	2.83
Mr. Rajesh C. Parikh	CEO and Managing Director	2.48
Mr. Atil C. Parikh	Managing Director	2.03
Mr. Bharat V. Kanani (upto. 29.02.2016)	Chief Financial Officer	1.44
Mrs. Anuja K. Muley	Company Secretary	0.33

2015-16

Component of remuneration to directors and other KMPs	Fixed Salary	Bonus	Commission	Total
As a percentage of revenue for fiscal 2016	0.4915	0.0001	-	0.4916
As a percentage of net profit for fiscal 2016	17.6497	0.2133	-	17.8630

During the fiscal 2015-16, no employee received remuneration in excess of the highest-paid director.

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

(Chandresh S. Parikh)
Executive Chairman

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

Place : Waghodia, Vadodara
Date : 23rd May, 2016

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, 2016, which were not at arm's length basis.

Details of transactions at arm's length basis

The details of transactions at arm's length basis for the year ended March 31, 2016 are as follows-

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

* Appropriate approvals have been taken for related party transactions.

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

(Chandresh Parikh)
Executive Chairman

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

Place : Waghodia, Vadodara
Date : 23rd May, 2016

REPORT OF BOARD DIRECTORS [Contd.]

Annexure D : Extract of Annual Return

Form No. MGT - 9

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Minerals/Clay	08108	83.14

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	20 Microns Nano Minerals Ltd. Plot No. 157, Village: Mamuara, BHUJ, Dist. Kutch, Gujarat	U15543GJ1993PLC020540	Subsidiary	92.74%	2(87)
2	20 Microns FZE SAIF Zone, Sharjah, UAE	NA	Subsidiary	100%	2(87)
3	20 Microns SDN BHD 6, Jalan Chew Sin on 31650 IPOH, Perak	NA	Subsidiary	99.999%	2(87)

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

i) Category-wise Share Holding

Category Code	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1. INDIAN									
a. INDIVIDUALS/ HINDU UNDIVIDED FAMILY	10016694	0	10016694	29.6212	9750214	0	9750214	27.6315	-1.9896
b. CENTRAL GOVERNMENT/									

REPORT OF BOARD DIRECTORS [Contd.]

STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c. BODIES CORPORATE	8250235	0	8250235	24.3975	8250235	0	8250235	23.3807	-1.0167
d. FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. ANY OTHER									
SUB - TOTAL (A)(1)	18266929	0	18266929	54.0187	18000449	0	18000449	51.0122	-3.0064
2. FOREIGN									
a. INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b. BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c. INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. ANY OTHER									
SUB - TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER									
GROUP (A) = (A)(1)+(A)(2)	18266929	0	18266929	54.0187	18000449	0	18000449	51.0122	-3.0064
B. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
a. MUTUAL FUNDS/ UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b. FINANCIAL INSTITUTIONS/ BANKS	10946	0	10946	0.0323	0	0	0	0.0000	-0.0323
c. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f. FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g. FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i. ANY OTHER									
SUB - TOTAL (B)(1)	10946	0	10946	0.0323	0	0	0	0.0000	-0.0323
2. NON-INSTITUTIONS									
a. BODIES CORPORATE	7071656	0	7071656	20.9122	7641526	0	7641526	21.6556	0.7434

REPORT OF BOARD DIRECTORS [Contd.]

b. INDIVIDUALS -									
I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO ₹ 1 LAKH	2441308	22896	2464204	7.2871	2949367	22896	2972263	8.4232	1.1361
II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF ₹ 1 LAKH	3829226	0	3829226	11.3237	4412249	0	4412249	12.5040	1.1803
c. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. ANY OTHER									
CLEARING MEMBERS	11247	0	11247	0.0332	10639	0	10639	0.0301	-0.0031
HINDU UNDIVIDED FAMILIES	280750	1	280751	0.8302	417746	1	417747	1.1838	0.3536
NON RESIDENT INDIANS	1195917	684410	1880327	5.5604	1147013	684410	1831423	5.1901	-0.3703
TRUSTS	616	0	616	0.0018	206	0	206	0.0005	-0.0012
	1488530	684411	2172941	6.4257	1575604	684411	2260015	6.4047	-0.0210
SUB - TOTAL (B)(2)	14830720	707307	15538027	45.9488	16578746	707307	17286053	48.9877	3.0388
TOTAL PUBLIC SHAREHOLDING									
(B) = (B)(1)+(B)(2)	14841666	707307	15548973	45.9812	16578746	707307	17286053	48.9877	3.0064
TOTAL (A)+(B)	33108595	707307	33815902	100.0000	34579195	707307	35286502	100.0000	0.0000
C.SHARES HELD BY									
CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
GRAND TOTAL (A)+(B)+(C)	33108595	707307	33815902	100.0000	34579195	707307	35286502	100.0000	0.0000

ii) Shareholding of Promoters

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	CHANDRESH S PARIKH JT1 : ILABEN PARIKH	3085402	9.1241	0.0000	3085402	8.7438	8.7438	0.0000
2	ERIEZ FINANCE AND INVESTMENT LIMITED	2966430	8.7722	0.2957	2966430	8.4066	4.3932	0.0000
	HAVING SAME PAN							
2	ERIEZ FINANCE AND							

REPORT OF BOARD DIRECTORS [Contd.]

	INVESTMENT LTD	2767394	8.1837	0.0000	2767394	7.8426	0.0000	0.0000
	HAVING SAME PAN							
2	ERIEZ FINANCE AND INVESTMENT LIMITED	2516411	7.4415	7.3929	2516411	7.1313	7.0848	0.0000
3	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL JT2 : PATEL NEESHAD RAMESHBHAI	1441800	4.2636	0.0000	1441800	4.0859	0.0000	0.0000
4	RAJESH CHANDRESH PARIKH JT1 : SEJAL RAJESH PARIKH	1100000	3.2529	0.0000	1100000	3.1173	3.1173	0.0000
5	ATIL CHANDRESH PARIKH JT1 : PURVI ATIL PARIKH	1100000	3.2529	0.0000	1100000	3.1173	3.1173	0.0000
6	RAJESH C PARIKH JT1 : CHANDRESH S PARIKH	559956	1.6558	0.0000	559956	1.5868	1.5868	0.0000
7	CHANDRESH S PARIKH	544998	1.6116	0.0000	544998	1.5444	1.5444	0.0000
8	RAMESHBHAI BALDEVBHAI PATEL JT1 : KAMINI RAMESHBHAI PATEL	511300	1.5120	0.0000	511300	1.4489	0.0000	0.0000
9	ATIL CHANDRESH PARIKH JT1 : CHANDRESH S PARIKH	484862	1.4338	0.0000	484862	1.3740	1.3740	0.0000
10	SUDHIR RAMESHKANT PARIKH JT1 : DHARMISTHA SUDHIR PARIKH	334946	0.9904	0.0000	334946	0.9492	0.0000	0.0000
11	ALPA CHETAN TURAKHIA JT1 : ANANTRAI KESHAVJI KAMDAR	200000	0.5914	0.0000	100000	0.2833	0.0000	-0.2833
12	SHILPA CHETAN MEHTA JT1 : ANANTRAI KESHAVJI KAMDAR	200000	0.5914	0.0000	100000	0.2833	0.0000	-0.2833
13	RUPAL ASHISH PATHAK JT1 : ANANTRAI KESHAVJI KAMDAR	166480	0.4923	0.0000	100000	0.2833	0.0000	-0.1884
14	PARIKH ATIL CHANDRESH JT1 : ILABEN PARIKH	75094	0.2220	0.0000	75094	0.2128	0.2128	0.0000
15	SUDHIR RAMESHKANT PARIKH	61744	0.1825	0.0000	61744	0.1749	0.0000	0.0000
16	PATEL NEESHAD RAMESHBHAI JT1 : KAMINI RAMESHBHAI PATEL JT2 : RAMESHBHAI BALDEVBHAI PATEL	48076	0.1421	0.0000	48076	0.1362	0.0000	0.0000

REPORT OF BOARD DIRECTORS [Contd.]

17	PATEL NEESHAD RAMESHBHAI JT1 : KAMINI RAMESHBHAI PATEL	34694	0.1025	0.0000	34694	0.0983	0.0000	0.0000
18	ILABEN PARIKH	34000	0.1005	0.0000	34000	0.0963	0.0000	0.0000
19	KAMINI RAMESHBHAI PATEL JT1 : PATEL NEESHAD RAMESHBHAI JT2 : RAMESHBHAI BALDEVBHAI PATEL	33342	0.0985	0.0000	33342	0.0944	0.0000	0.0000

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

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ALPA CHETAN TURAKHIA JT1 : ANANTRAI KESHAVJI KAMDAR				
	At the beginning of the year 01-Apr-2015	200000	0.5914	200000	0.5914
	Sale 14-Aug-2015	-30000	0.0850	170000	0.4817
	Sale 28-Aug-2015	-25000	0.0708	145000	0.4109
	Sale 04-Sep-2015	-10000	0.0283	135000	0.3825
	Sale 11-Sep-2015	-30000	0.0850	105000	0.2975
	Sale 17-Sep-2015	-5000	0.0141	100000	0.2833
	At the end of the Year 31-Mar-2016	100000	0.2833	100000	0.2833
12	SHILPA CHETAN MEHTA JT1 : ANANTRAI KESHAVJI KAMDAR				
	At the beginning of the year 01-Apr-2015	200000	0.5914	200000	0.5914
	Sale 14-Aug-2015	-16783	0.0475	183217	0.5192
	Sale 28-Aug-2015	-5000	0.0141	178217	0.5050
	Sale 17-Sep-2015	-15217	0.0431	163000	0.4619
	Sale 25-Sep-2015	-15000	0.0425	148000	0.4194
	Sale 09-Oct-2015	-999	0.0028	147001	0.4165
	Sale 16-Oct-2015	-47001	0.1331	100000	0.2833
	At the end of the Year 31-Mar-2016	100000	0.2833	100000	0.2833
13	RUPAL ASHISH PATHAK JT1 : ANANTRAI KESHAVJI KAMDAR				
	At the beginning of the year 01-Apr-2015	166480	0.4923	166480	0.4923
	Purchase 15-May-2015	33520	0.0949	200000	0.5667
	Sale 14-Aug-2015	-15000	0.0425	185000	0.5242
	Sale 28-Aug-2015	-5000	0.0141	180000	0.5101
	Sale 17-Sep-2015	-25000	0.0708	155000	0.4392
	Sale 09-Oct-2015	-5027	0.0142	149973	0.4250
	Sale 16-Oct-2015	-49973	0.1416	100000	0.2833
	At the end of the Year 31-Mar-2016	100000	0.2833	100000	0.2833

REPORT OF BOARD DIRECTORS [Contd.]

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

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ARCADIA SHARE & STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2015	2109390	6.2378	2109390	6.2378
	Purchase 17-Apr-2015	12500	0.0354	2121890	6.0133
	Purchase 24-Apr-2015	148950	0.4221	2270840	6.4354
	Sale 08-May-2015	-410	0.0011	2270430	6.4342
	Purchase 29-May-2015	8800	0.0249	2279230	6.4592
	Purchase 05-Jun-2015	6330	0.0179	2285560	6.4771
	Sale 19-Jun-2015	-968	0.0027	2284592	6.4744
	Sale 03-Jul-2015	-2000	0.0056	2282592	6.4687
	Sale 10-Jul-2015	-4596	0.0130	2277996	6.4557
	Purchase 15-Jan-2016	3657	0.0103	2281653	6.4660
	Purchase 22-Jan-2016	2575	0.0072	2284228	6.4733
	Sale 12-Feb-2016	-500	0.0014	2283728	6.4719
	Sale 19-Feb-2016	-400	0.0011	2283328	6.4708
	Sale 26-Feb-2016	-1000	0.0028	2282328	6.4679
	Purchase 18-Mar-2016	75700	0.2145	2358028	6.6825
	Sale 31-Mar-2016	-1100	0.0031	2356928	6.6794
	At the end of the Year 31-Mar-2016	2356928	6.6794	2356928	6.6794
	HAVING SAME PAN				
1	ARCADIA SHARE &STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2015	12627	0.0373	12627	0.0373
	Purchase 17-Apr-2015	57700	0.1635	70327	0.1993
	Sale 24-Apr-2015	-63290	0.1793	7037	0.0199
	Sale 05-Jun-2015	-6330	0.0179	707	0.0020
	Purchase 01-Jan-2016	2300	0.0065	3007	0.0085
	Purchase 08-Jan-2016	600	0.0017	3607	0.0102
	Sale 15-Jan-2016	-3457	0.0097	150	0.0004
	Purchase 22-Jan-2016	350	0.0009	500	0.0014
	Purchase 05-Feb-2016	350	0.0009	850	0.0024
	Sale 12-Feb-2016	-250	0.0007	600	0.0017
	Sale 18-Mar-2016	-400	0.0011	200	0.0005
	At the end of the Year 31-Mar-2016	200	0.0005	200	0.0005
	HAVING SAME PAN				
1	ARCADIA SHARE &STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2015	4940	0.0146	4940	0.0146
	At the end of the Year 31-Mar-2016	4940	0.0139	4940	0.0139
	HAVING SAME PAN				
1	ARCADIA SHARE AND STOCK BROKERS PVT. LTD. BSE ABC COLLATERAL A/C				
	At the beginning of the year 01-Apr-2015	2175	0.0064	2175	0.0064
	Purchase 17-Apr-2015	93000	0.2635	95175	0.2697
	Sale 24-Apr-2015	-85660	0.2427	9515	0.0269
	Purchase 08-May-2015	260	0.0007	9775	0.0277
	Sale 29-May-2015	-8800	0.0249	975	0.0027
	Purchase 08-Jan-2016	600	0.0017	1575	0.0044
	Purchase 15-Jan-2016	1000	0.0028	2575	0.0072
	Sale 22-Jan-2016	-2575	0.0072	0	0.0000
	Purchase 11-Mar-2016	200	0.0005	200	0.0005
	At the end of the Year 31-Mar-2016	200	0.0005	200	0.0005
	HAVING SAME PAN				

REPORT OF BOARD DIRECTORS [Contd.]

1	ARCADIA SHARE & STOCK BROKERS PVT. LTD				
	At the beginning of the year 01-Apr-2015	2	0.0000	2	0.0000
	Purchase 08-May-2015	6000	0.0170	6002	0.0170
	Sale 15-May-2015	-4000	0.0113	2002	0.0056
	Sale 22-May-2015	-2000	0.0056	2	0.0000
	Purchase 15-Jan-2016	2	0.0000	4	0.0000
	Sale 29-Jan-2016	-2	0.0000	2	0.0000
	At the end of the Year 31-Mar-2016	2	0.0000	2	0.0000
	HAVING SAME PAN				
1	ARCADIA SHARE & STOCK BROKERS PVT. LTD.				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 15-May-2015	2000	0.0056	2000	0.0056
	Sale 22-May-2015	-2000	0.0056	0	0.0000
	Purchase 12-Feb-2016	300	0.0008	300	0.0008
	Sale 19-Feb-2016	-300	0.0008	0	0.0000
	Purchase 31-Mar-2016	500	0.0014	500	0.0014
	At the end of the Year 31-Mar-2016	500	0.0014	500	0.0014
2	PRATIK MINERALS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	1230769	3.6396	1230769	3.6396
	At the end of the Year 31-Mar-2016	1230769	3.4879	1230769	3.4879
	HAVING SAME PAN				
2	PRATIK MINERALS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	923077	2.7297	923077	2.7297
	Purchase 31-Dec-2015	882360	2.5005	1805437	5.1165
	At the end of the Year 31-Mar-2016	1805437	5.1165	1805437	5.1165
3	IL AND FS SECURITIES SERVICES LIMITED				
	At the beginning of the year 01-Apr-2015	563500	1.6663	563500	1.6663
	Sale 17-Apr-2015	-563500	1.5969	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	IL AND FS SECURITIES SERVICES LIMITED				
	At the beginning of the year 01-Apr-2015	100000	0.2957	100000	0.2957
	Sale 29-May-2015	-65000	0.1842	35000	0.0991
	Sale 05-Jun-2015	-35000	0.0991	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	IL AND FS SECURITIES SERVICES LIMITED				
	At the beginning of the year 01-Apr-2015	1678	0.0049	1678	0.0049
	Purchase 17-Apr-2015	562500	1.5940	564178	1.5988
	Sale 01-May-2015	-118688	0.3363	445490	1.2624
	Purchase 05-Jun-2015	9210	0.0261	454700	1.2885
	Sale 12-Jun-2015	-430490	1.2199	24210	0.0686
	Sale 31-Mar-2016	-15000	0.0425	9210	0.0261
	At the end of the Year 31-Mar-2016	9210	0.0261	9210	0.0261
4	NARENDRA MANIBHAI PATEL JT1 : PANNABEN NARENDRAKUMAR PATEL				
	At the beginning of the year 01-Apr-2015	474274	1.4025	474274	1.4025
	At the end of the Year 31-Mar-2016	474274	1.3440	474274	1.3440
5	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	473579	1.4004	473579	1.4004
	Purchase 24-Apr-2015	97774	0.2770	571353	1.6191
	Sale 29-May-2015	-44000	0.1246	527353	1.4944
	Purchase 05-Jun-2015	44000	0.1246	571353	1.6191
	Purchase 12-Jun-2015	52826	0.1497	624179	1.7688
	Sale 03-Jul-2015	-4000	0.0113	620179	1.7575
	Sale 24-Jul-2015	-15000	0.0425	605179	1.7150

REPORT OF BOARD DIRECTORS [Contd.]

	Purchase 14-Aug-2015	4000	0.0113	609179	1.7263
	Purchase 28-Aug-2015	54500	0.1544	663679	1.8808
	Purchase 04-Sep-2015	75000	0.2125	738679	2.0933
	Sale 11-Sep-2015	-9150	0.0259	729529	2.0674
	Sale 18-Sep-2015	-23500	0.0665	706029	2.0008
	Sale 25-Sep-2015	-5582	0.0158	700447	1.9850
	Purchase 09-Oct-2015	1000	0.0028	701447	1.9878
	Sale 23-Oct-2015	-27400	0.0776	674047	1.9102
	Sale 27-Nov-2015	-25000	0.0708	649047	1.8393
	Purchase 25-Dec-2015	25000	0.0708	674047	1.9102
	Sale 22-Jan-2016	-116200	0.3293	557847	1.5809
	Purchase 04-Mar-2016	116000	0.3287	673847	1.9096
	Purchase 11-Mar-2016	50000	0.1416	723847	2.0513
	Sale 18-Mar-2016	-211000	0.5979	512847	1.4533
	Sale 25-Mar-2016	-149650	0.4240	363197	1.0292
	Sale 31-Mar-2016	-363197	1.0292	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
	HAVING SAME PAN				
5	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	110600	0.3270	110600	0.3270
	Sale 24-Apr-2015	-97774	0.2770	12826	0.0363
	Sale 12-Jun-2015	-12826	0.0363	0	0.0000
	Purchase 19-Jun-2015	32000	0.0906	32000	0.0906
	Sale 26-Jun-2015	-32000	0.0906	0	0.0000
	Purchase 30-Jun-2015	31118	0.0881	31118	0.0881
	Purchase 10-Jul-2015	32000	0.0906	63118	0.1788
	Sale 28-Aug-2015	-63118	0.1788	0	0.0000
	Purchase 09-Oct-2015	49750	0.1409	49750	0.1409
	Purchase 25-Mar-2016	258668	0.7330	308418	0.8740
	At the end of the Year 31-Mar-2016	308418	0.8740	308418	0.8740
	HAVING SAME PAN				
5	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	97400	0.2880	97400	0.2880
	Sale 10-Apr-2015	-14	0.0000	97386	0.2759
	Purchase 17-Apr-2015	6188	0.0175	103574	0.2935
	Purchase 24-Apr-2015	22902	0.0649	126476	0.3584
	Sale 01-May-2015	-26160	0.0741	100316	0.2842
	Purchase 08-May-2015	19836	0.0562	120152	0.3405
	Sale 15-May-2015	-38200	0.1082	81952	0.2322
	Purchase 22-May-2015	14794	0.0419	96746	0.2741
	Purchase 29-May-2015	1500	0.0042	98246	0.2784
	Purchase 05-Jun-2015	2160	0.0061	100406	0.2845
	Sale 12-Jun-2015	-25000	0.0708	75406	0.2136
	Sale 19-Jun-2015	-42174	0.1195	33232	0.0941
	Sale 26-Jun-2015	-20250	0.0573	12982	0.0367
	Purchase 30-Jun-2015	15410	0.0436	28392	0.0804
	Sale 03-Jul-2015	-21265	0.0602	7127	0.0201
	Purchase 10-Jul-2015	16250	0.0460	23377	0.0662
	Purchase 17-Jul-2015	21900	0.0620	45277	0.1283
	Sale 24-Jul-2015	-34617	0.0981	10660	0.0302
	Purchase 31-Jul-2015	22050	0.0624	32710	0.0926
	Sale 04-Sep-2015	-18786	0.0532	13924	0.0394
	Sale 11-Sep-2015	-13883	0.0393	41	0.0001
	Purchase 17-Sep-2015	389	0.0011	430	0.0012
	Purchase 25-Sep-2015	47000	0.1331	47430	0.1344

REPORT OF BOARD DIRECTORS [Contd.]

	Sale 30-Sep-2015	-17300	0.0490	30130	0.0853
	Sale 09-Oct-2015	-5089	0.0144	25041	0.0709
	Sale 16-Oct-2015	-15800	0.0447	9241	0.0261
	Purchase 23-Oct-2015	43200	0.1224	52441	0.1486
	Sale 30-Oct-2015	-48010	0.1360	4431	0.0125
	Purchase 06-Nov-2015	48010	0.1360	52441	0.1486
	Purchase 04-Dec-2015	500	0.0014	52941	0.1500
	Sale 18-Dec-2015	-22700	0.0643	30241	0.0857
	Purchase 08-Jan-2016	500	0.0014	30741	0.0871
	Purchase 15-Jan-2016	148	0.0004	30889	0.0875
	Sale 22-Jan-2016	-400	0.0011	30489	0.0864
	Sale 29-Jan-2016	-30475	0.0863	14	0.0000
	Purchase 05-Feb-2016	8000	0.0226	8014	0.0227
	Purchase 19-Feb-2016	150	0.0004	8164	0.0231
	Sale 26-Feb-2016	-8075	0.0228	89	0.0002
	Purchase 04-Mar-2016	29625	0.0839	29714	0.0842
	Purchase 31-Mar-2016	34984	0.0991	64698	0.1833
	At the end of the Year 31-Mar-2016	64698	0.1833	64698	0.1833
	HAVING SAME PAN				
5	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	58889	0.1741	58889	0.1741
	Sale 03-Apr-2015	-15600	0.0442	43289	0.1226
	Purchase 10-Apr-2015	11689	0.0331	54978	0.1558
	Purchase 17-Apr-2015	40955	0.1160	95933	0.2718
	Sale 24-Apr-2015	-22902	0.0649	73031	0.2069
	Purchase 01-May-2015	26160	0.0741	99191	0.2811
	Sale 08-May-2015	-19725	0.0558	79466	0.2252
	Purchase 15-May-2015	39200	0.1110	118666	0.3362
	Sale 22-May-2015	-15105	0.0428	103561	0.2934
	Purchase 29-May-2015	17582	0.0498	121143	0.3433
	Sale 05-Jun-2015	-34160	0.0968	86983	0.2465
	Purchase 08-Jun-2015	32000	0.0906	118983	0.3371
	Sale 19-Jun-2015	-15408	0.0436	103575	0.2935
	Purchase 26-Jun-2015	4500	0.0127	108075	0.3062
	Sale 30-Jun-2015	-50168	0.1421	57907	0.1641
	Purchase 03-Jul-2015	24015	0.0680	81922	0.2321
	Sale 10-Jul-2015	-16750	0.0474	65172	0.1846
	Sale 17-Jul-2015	-11900	0.0337	53272	0.1509
	Purchase 24-Jul-2015	39617	0.1122	92889	0.2632
	Sale 31-Jul-2015	-12050	0.0341	80839	0.2290
	Purchase 07-Aug-2015	13150	0.0372	93989	0.2663
	Purchase 14-Aug-2015	120	0.0003	94109	0.2666
	Sale 21-Aug-2015	-28005	0.0793	66104	0.1873
	Sale 28-Aug-2015	-36382	0.1031	29722	0.0842
	Sale 04-Sep-2015	-18478	0.0523	11244	0.0318
	Sale 11-Sep-2015	-8190	0.0232	3054	0.0086
	Purchase 17-Sep-2015	17761	0.0503	20815	0.0589
	Sale 25-Sep-2015	-17743	0.0502	3072	0.0087
	Sale 09-Oct-2015	-2883	0.0081	189	0.0005
	Sale 16-Oct-2015	-150	0.0004	39	0.0001
	Purchase 04-Dec-2015	100	0.0002	139	0.0003
	Purchase 18-Dec-2015	22700	0.0643	22839	0.0647
	Sale 31-Dec-2015	-100	0.0002	22739	0.0644
	Sale 29-Jan-2016	-8059	0.0228	14680	0.0416
	Purchase 05-Feb-2016	32184	0.0912	46864	0.1328

REPORT OF BOARD DIRECTORS [Contd.]

	Sale 12-Feb-2016	-75	0.0002	46789	0.1325
	Purchase 19-Feb-2016	100	0.0002	46889	0.1328
	Sale 26-Feb-2016	-1266	0.0035	45623	0.1292
	Sale 04-Mar-2016	-20735	0.0587	24888	0.0705
	Sale 11-Mar-2016	-593	0.0016	24295	0.0688
	Sale 18-Mar-2016	-106	0.0003	24189	0.0685
	Purchase 25-Mar-2016	101982	0.2890	126171	0.3575
	Sale 31-Mar-2016	-114680	0.3249	11491	0.0325
	At the end of the Year 31-Mar-2016	11491	0.0325	11491	0.0325
	HAVING SAME PAN				
5	MARFATIA STOCK BROKING PVT LTD				
	At the beginning of the year 01-Apr-2015	16000	0.0473	16000	0.0473
	Sale 10-Apr-2015	-16000	0.0453	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
6	REKHA KAMDAR JT1 : ANANTRAI KAMDAR				
	At the beginning of the year 01-Apr-2015	472400	1.3969	472400	1.3969
	Sale 15-May-2015	-33520	0.0949	438880	1.2437
	Sale 31-Dec-2015	-10000	0.0283	428880	1.2154
	At the end of the Year 31-Mar-2016	428880	1.2154	428880	1.2154
7	CHINTAN MAGANLAL KAKKAD				
	At the beginning of the year 01-Apr-2015	425092	1.2570	425092	1.2570
	Sale 17-Jul-2015	-7017	0.0198	418075	1.1848
	Sale 07-Aug-2015	-17000	0.0481	401075	1.1366
	Purchase 21-Aug-2015	18000	0.0510	419075	1.1876
	Sale 31-Dec-2015	-15000	0.0425	404075	1.1451
	At the end of the Year 31-Mar-2016	404075	1.1451	404075	1.1451
8	ANS PVT LIMITED				
	At the beginning of the year 01-Apr-2015	309073	0.9139	309073	0.9139
	Sale 17-Apr-2015	-100000	0.2833	209073	0.5925
	Purchase 01-May-2015	100	0.0002	209173	0.5927
	Sale 08-May-2015	-100	0.0002	209073	0.5925
	Sale 22-May-2015	-138500	0.3925	70573	0.1999
	Sale 29-May-2015	-66563	0.1886	4010	0.0113
	Purchase 05-Jun-2015	35000	0.0991	39010	0.1105
	Purchase 19-Jun-2015	550	0.0015	39560	0.1121
	Purchase 26-Jun-2015	243	0.0006	39803	0.1127
	Sale 30-Jun-2015	-293	0.0008	39510	0.1119
	Sale 03-Jul-2015	-500	0.0014	39010	0.1105
	Purchase 14-Aug-2015	5965	0.0169	44975	0.1274
	Sale 21-Aug-2015	-866	0.0024	44109	0.1250
	Sale 28-Aug-2015	-4999	0.0141	39110	0.1108
	Purchase 17-Sep-2015	87356	0.2475	126466	0.3583
	Purchase 18-Sep-2015	29200	0.0827	155666	0.4411
	Purchase 16-Oct-2015	300	0.0008	155966	0.4419
	Sale 23-Oct-2015	-400	0.0011	155566	0.4408
	Purchase 30-Oct-2015	1	0.0000	155567	0.4408
	Sale 06-Nov-2015	-9600	0.0272	145967	0.4136
	Sale 20-Nov-2015	-24998	0.0708	120969	0.3428
	Purchase 04-Dec-2015	21782	0.0617	142751	0.4045
	Sale 11-Dec-2015	-21782	0.0617	120969	0.3428
	Sale 18-Dec-2015	-1010	0.0028	119959	0.3399
	Sale 25-Dec-2015	-3000	0.0085	116959	0.3314
	Sale 31-Dec-2015	-200	0.0005	116759	0.3308
	Sale 05-Feb-2016	-27800	0.0787	88959	0.2521

REPORT OF BOARD DIRECTORS [Contd.]

	At the end of the Year 31-Mar-2016	88959	0.2521	88959	0.2521
	HAVING SAME PAN				
8	ANS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	15000	0.0443	15000	0.0443
	Sale 29-May-2015	-15000	0.0425	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
9	A.VIMAL CHAND				
	At the beginning of the year 01-Apr-2015	300000	0.8871	300000	0.8871
	Sale 17-Apr-2015	-50000	0.1416	250000	0.7084
	Sale 12-Jun-2015	-40000	0.1133	210000	0.5951
	Sale 19-Jun-2015	-58902	0.1669	151098	0.4282
	Sale 07-Aug-2015	-71000	0.2012	80098	0.2269
	Sale 16-Oct-2015	-43699	0.1238	36399	0.1031
	Sale 13-Nov-2015	-1000	0.0028	35399	0.1003
	Sale 20-Nov-2015	-10800	0.0306	24599	0.0697
	Purchase 27-Nov-2015	1541	0.0043	26140	0.0740
	Sale 11-Dec-2015	-1000	0.0028	25140	0.0712
	Sale 25-Dec-2015	-2000	0.0056	23140	0.0655
	Sale 31-Dec-2015	-3000	0.0085	20140	0.0570
	Sale 08-Jan-2016	-20140	0.0570	0	0.0000
	Purchase 15-Jan-2016	100	0.0002	100	0.0002
	At the end of the Year 31-Mar-2016	100	0.0002	100	0.0002
	HAVING SAME PAN				
9	VIMALCHAND A				
	At the beginning of the year 01-Apr-2015	85500	0.2528	85500	0.2528
	Sale 29-May-2015	-2870	0.0081	82630	0.2341
	Sale 08-Jun-2015	-60000	0.1700	22630	0.0641
	Sale 19-Jun-2015	-22630	0.0641	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
10	PRITIBEN SUNILBHAI SHAH				
	At the beginning of the year 01-Apr-2015	202000	0.5973	202000	0.5973
	Sale 22-May-2015	-101000	0.2862	101000	0.2862
	At the end of the Year 31-Mar-2016	101000	0.2862	101000	0.2862
	NEW TOP 10 AS ON (31-Mar-2016)				
11	VIKING INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	123621	0.3655	123621	0.3655
	Purchase 31-Mar-2016	410923	1.1645	534544	1.5148
	At the end of the Year 31-Mar-2016	534544	1.5148	534544	1.5148
	HAVING SAME PAN				
11	VIKING INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 17-Apr-2015	50000	0.1416	50000	0.1416
	Sale 05-Jun-2015	-862	0.0024	49138	0.1392
	Sale 08-Jun-2015	-5099	0.0144	44039	0.1248
	Purchase 31-Jul-2015	169153	0.4793	213192	0.6041
	Purchase 14-Aug-2015	3128	0.0088	216320	0.6130
	Purchase 30-Sep-2015	104301	0.2955	320621	0.9086
	Sale 16-Oct-2015	-35825	0.1015	284796	0.8070
	Purchase 22-Jan-2016	65104	0.1845	349900	0.9915
	Sale 19-Feb-2016	-1718	0.0048	348182	0.9867
	Sale 18-Mar-2016	-7702	0.0218	340480	0.9649
	At the end of the Year 31-Mar-2016	340480	0.9649	340480	0.9649
12	NARESH KRISHNALAL PAREKH				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 17-Sep-2015	294120	0.8335	294120	0.8335
	At the end of the Year 31-Mar-2016	294120	0.8335	294120	0.8335

REPORT OF BOARD DIRECTORS [Contd.]

v) Shareholding of Directors and Key Managerial Personnel:

		Shareholding at the beginning of the year				Cumulative Shareholding during the year		Shareholding at the end of the year	
Sr. No.	Name of Directors and KMP	No. of shares	% of total shares of the company	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No of shares increase /decrease	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Chandresh S. Parikh	3630400	10.29	NA	0	NA	NA	3630400	10.29
2	Mr. Rajesh C. Parikh	1659956	4.70	NA	0	NA	NA	1659956	4.70
3	Mr. Atil C. Parikh	1659956	4.70	NA	0	NA	NA	1659956	4.70
4	Mr. Sudhir R. Parikh	396690	1.12	NA	0	NA	NA	396690	1.12
5	Mr. Pravinchandra M. Shah	21500	0.06	NA	0	NA	NA	21500	0.06
6	Mr. Ramkisan A. Devidayal	120000	0.34	NA	0	NA	NA	120000	0.34
7	Mr. Atul H. Patel	200000	0.57	NA	0	NA	NA	200000	0.57
8	Mrs. Darsha R. Kikani	0	0.00	NA	0	NA	NA	0	0.00
9	Dr. Ajay I. Ranka	0	0.00	NA	0	NA	NA	0	0.00
10	Mr. Bharat V. Kanani (upto 29.02.2016)	1	0.00	NA	0	NA	NA	1	0.00
11	Mrs. Anuja K. Muley	1	0.00	NA	0	NA	NA	1	0.00

V. INDEBTEDNESS

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13299.40	184.00	1797.31	15280.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	70.41	-	137.95	208.36
Total (i+ii+iii)	13369.81	184.00	1935.26	15489.07
Change in Indebtedness during the financial year				
• Addition	957.05	-	957.05	-
• Reduction	444.07	184.00	90.91	718.98
Net Change	512.98	-184.00	-90.91	238.07
Indebtedness at the end of the financial year				
i) Principal Amount	13812.38	-	1706.40	15518.78
i) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	128.43	-	112.44	240.86
Total (i+ii+iii)	13940.81	-	1818.84	15759.65

REPORT OF BOARD DIRECTORS [Contd.]

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of Director / KMP			Total Amount
		Mr. Chandresh S. Parikh	Mr. Rajesh C. Parikh	Mr. Atil C. Parikh	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,405,752	3,844,044	3,146,532	11,396,328
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 * Car	28,800	28,800	28,800	86,400
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify…Incentives	282750	248124	203102	733976
5	Others, please specify	-	-	-	-
	Total	4717302	4120968	3378434	12216704
	Ceiling as per the Act	Since the Company has incurred inadequate profit during the FY 2015-16, the remuneration paid to the Whole Time Directors are as per the provisions of the then Schedule XIII of the Companies Act, 1956			

B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. P. M. Shah	Mr. Ram A. Devidayal	Mr. Atul H. Patel	Mrs. Darsha R. Kikani	Dr. Ajay I. Ranka	Mr. Sudhir R. Parikh	
1.	Independent Directors							
	Fee for attending board / committee meetings	1,75,000	1,45,000	1,40,,000	55,000	35,000	0	
	Commission	0	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	0	
	Total (1)	1,75,000	1,45,000	1,40,000	55,000	35,000	0	560,000
2.	Other Non-Executive Directors							
	Fee for attending board / committee meetings	0	0	0	0	0	10,000	
	Commission	0	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	0	
	Total (2)	0	0	0	0	0	10,000	10,000
	Total (B)=(1+2)	1,75,000	1,45,000	1,40,000	55,000	35,000	10,000	570,000
	Total Managerial Remuneration							12216704
	Overall Ceiling as per the Act	The Company has paid only sitting fees to Non-Executive Director and Independent Directors. Since the Company has incurred inadequate profit during the FY 2015-16, the remuneration paid to the Whole Time Directors are as per the provisions of the then Schedule XIII of the Companies Act, 1956.						

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

Sr. No.	Particulars of Remuneration	Name of Director / KMP		Total
		Mr. Bharat V. Kanani (w.e.f. 29.02.2016) - CFO	Mrs. Anuja K. Muley - CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,963,446	678,993	3,642,439
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 * Car	21,600	-	21,600
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify…Incentives	143550	33408	176958
5	Others, please specify			
	Provident Fund	215730	52181	267911
	Total	3344326	764582	4,108,980

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

REPORT OF BOARD DIRECTORS [Contd.]

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

Particulars pursuant to the Companies (Accounts) Rules, 2014

(A) Conservation of Energy-

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

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

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

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

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

(B) Technology absorption-

(i) the efforts made towards technology absorption; - NIL

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

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

(a) the details of technology imported - NIL

(b) the year of import - NIL

(c) whether the technology been fully absorbed - NIL

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

Expenditure incurred on research and development is Nil.

Foreign Exchange Earning and Outgo

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

Total Foreign Exchange used and earned:

i. Foreign Exchange Earned: ₹ 3719.49 Lacs [Previous Year : ₹ 2792.39 Lacs]

ii. Foreign Exchange Used: ₹ 3228.66 Lacs [Previous Year : ₹ 3543.11 Lacs]

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

(Chandresh S. Parikh)
Executive Chairman

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

Place : Waghodia, Vadodara
Date : 23rd May, 2016

REPORT OF BOARD DIRECTORS [Contd.]

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

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

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

CSR Committee

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

- Mr. Chandresh S. Parikh
- Mr. Pravinchandra M. Shah
- Mr. Sudhir R. Parikh

Our Objective

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

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

Financial Details

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

(₹ in lacs)

Particulars	Amount
Average net profit of the Company for last three financial years	4.91
Prescribed CSR expenditure (2% of the average net profit as computed above)	0.09
Details of CSR Expenditure during the financial year	
Total amount to be spent for the financial year	0.09
Amount Spent	1.85
Amount Unspent	0.00

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

CSR Project/ activity/ beneficiary	Sector	Location of the Project/ programme	Amount Outlay	Amount spent on the projects/ programmes	Cumulative expenditure up to the reporting period	Amount spent direct/implementing agency
20 Microns Foundation Trust	Health Care and medical facilities	Vadodara and near vicinity	1.85 Lacs	0	1.85	Through Foundation

Our CSR Responsibilities

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

(Chandresh S. Parikh)
Executive Chairman

Place : Waghodia, Vadodara
Date : 23rd May, 2016

REPORT ON CORPORATE GOVERNANCE

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

1. CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

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

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

2. Board of Directors

2.1 Composition

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

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [Listing Regulation, 2015]. As at the end of corporate financial year 2015-16, the total Board strength comprises of the following:

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

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

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

APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

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

2.2 Profile of Directors

The brief profile of each Director is given below:

Mr. Chandresh S. Parikh, the **Executive Chairman** holds a Degree in Master of Science (Chemistry). He has played a very important role in the turnaround of the Company and has over 38 years of experience, in India and abroad, in various fields such as product development and commercialization of products developed through R & D etc. He started his career as R & D Chemist in the year 1968 with Suhrid Geigy Limited; Vadodara till 1972. Thereafter he joined in as a Chief Chemist with General Foam Products, Mombassa, Kenya in 1972 and continued with them till 1975. Thereafter he held Senior Executive positions as Technical Director and Executive Director in Banco Products (T) Ltd., Dar E Salaam from 1975-82. As Technical Director he was in charge of Production and technical matters and as an Executive Director he was in overall charge and management of the affairs of that Company. He was a Managing Director in Aerofoam (Nigeria) Ltd., Lagoa, Nigeria during 1982-88. He came to India for the formation of 20 Microns Private Limited in 1987 and started commercial production from 1988. He holds 36,30,400 Equity Shares representing 10.29% of the paid-up Capital of the Company.

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

for business and industry. He holds 16,59,956 Equity Shares representing 4.70% of the paid-up Capital of the Company.

Mr. Atil C. Parikh, the **Managing Director**, aged 38 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, the Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he re-joined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Board of 20 Microns Nano Minerals Limited. He holds 16,59,956 Equity Shares representing 4.70% of the paid-up Capital of the Company.

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

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

Mr. Ramkishan A. Devidayal, the **Independent Director**, holds Master's degree in Commerce and Management. He has rich and extensive experience in the fields of Agrochemicals of about 35 years of which 20 years in the Senior – 1st Line Management of the Companies to which he has been associated as Director. He is 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. Ram Devidayal is the Chairman of the Audit Committee and Member of Nomination and Remuneration Committee and Stakeholder Relationships and Share Transfer Committee of the Board of Directors of the Company. He holds 120000 Equity Shares representing 0.34% of the paid-up Capital of the Company.

Mr. Atul H. Patel, the **Independent Director,** is Graduate in Textile Engineering from VJTI, Bombay. He is a Managing Director of TARAK CHEMICALS LIMITED, Vadodara engaged in the manufacturing of Oil Field Chemicals and other Specialty Chemicals. He has been deeply involved in the activities of Industrial Association and was closely associated with Federation of Gujarat Industries [FGI, a body looking after interests of the Industries]. He had been President of FGI for 1991 and 1992. He was the President of Vadodara Industrial Employers' Union for the period 1993-95 and also a Senate member of M.S. University of Baroda. He has also been attached with Charitable Organizations and Educational Institutions, presently the President of United Way of Baroda and the past Chairman of Baroda Citizen Council, a body activist in the development of Baroda City. Besides, he is the Trustee of Gyana Yagna Vidhya Mandir, Atladra – Vadodara and Nar Seva Samaj, Dist. Kheda and also the Chairman of the Baroda Citizen Community Co – Operative Credit Society Ltd., Vadodara. Mr. Atul Patel is Member of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationships and Share Transfer Committee of the Board of Directors of the Company. He holds 200000 Equity Shares representing 0.57% of the paid-up Capital of the Company.

Mrs. Darsha R. Kikani, the **Independent Director,** is a member of Institute of Chartered Secretaries and Administrators, UK and Fellow Member of Institute of Company Secretaries of India. She holds Master Degree of Business Administration, Bachelor Degree of Laws and Bachelor Degree of Science. Mrs. Darsha Kikani carries a balanced mix of executive, academic as well as entrepreneurial experience. She has interacted with companies at corporate level for over 17

REPORT ON CORPORATE GOVERNANCE [Contd.]

years, as a practicing Company Secretary and Company Law Consultant. Experience includes the whole spectrum of functions starting from incorporation of companies to regulatory aspects of Corporate Governance, liaison with Stock Exchanges/SEBI and from conducting secretarial due diligence of companies for IPO to Merger and Acquisitions. She was also associated as Secretarial Executive with M/s. Ambalal Sarabhai Enterprises Limited, Vadodara. Also worked as a Market Research Associate with Consulting Division of ORG, for the Sardar Sarovar (Narmada) Project. She worked as Asst. Vice President (Corporate Legal Team) with Reliance Infrastructure Limited, Mumbai, one of the largest industrial groups of India. She is presently working with Mindspark Language Team of Educational Initiatives, an innovative landmark Company in Education Sector for four years. She does not hold any Shares 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 CEO of Zydex Industries Pvt. Ltd. He does not hold any Shares of the Company

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

Meetings:

The Board generally meets 4 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. During the year ended on 31st March, 2016, the Board of Directors had 10 Meetings. These were held on 06th April, 2015, 21st May, 2015, 27th May, 2015, 10th July, 2015, 07th August, 2015, 11th September, 2015, 07th November, 2015, 18th December, 2015, 09th January, 2016 and 10th February, 2016. The last Annual General Meeting (AGM) was held on 25th September, 2015. The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2016, and at the last AGM is as under:-

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 10th February, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Agenda:

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

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.

REPORT ON CORPORATE GOVERNANCE [Contd.]

Post Meeting Action:

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

Support and Role of Company Secretary:

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

2.4 Other Directorships etc.:

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

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

NAMES OF DIRECTORS	CATEGORY OF DIRECTORS	NO. OF OTHER DIRECTORSHIP	COMMITTEE MEMBERSHIP/ CHAIRMANSHIP*	
			COMMITTEE MEMBERSHIP	COMMITTEE CHAIRMANSHIP
EXECUTIVE DIRECTORS				
Mr. Chandresh S. Parikh	Executive Chairman	1	1	-
Mr. Rajesh C. Parikh	Chief Executive Officer and Managing Director	1	-	-
Mr. Atil C. Parikh	Managing Director	1	-	-
Non-Executive Directors				
Mr. Sudhir R. Parikh	Non-Executive Director	1	1	-
Mr. Pravinchandra M. Shah	Independent Director	0	-	-
Mr. Ramkishan A. Devidayal	Independent Director	5	3	2
Mr. Atul H. Patel	Independent Director	5	1	-
Mrs. Darsha R. Kikani	Independent Director	-	-	-
Dr. Ajay I. Ranka	Independent Director	-	-	-

***** Audit Committee and Stakeholder Relationship Committee considered

2.5 Induction and Training of Board Members:

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

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

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

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

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

2.6 Evaluation of the Board's Performance:

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

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

2.7 Code of Conduct:

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

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

2.8 Prevention of Insider Trading Code:

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

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

3. Audit Committee

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

3.1 Composition and Meetings:-

The Audit Committee had 4 meetings during the year 2015-16, specifically on 27.05.2015, 07.08.2015, 07.11.2015 and 10.02.2016. The attendance of each committee member was as under:-

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

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

3.2 Invitees / Participants:-

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

3.3 Terms of Reference:-

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the stock exchanges 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:

(i) Matter included in the Director's Responsibility Statement.

(ii) Changes, if any, in the accounting policies.

(iii) Major accounting estimates and significant adjustments in financial statement.

(iv) Compliance with listing and other legal requirements concerning financial statements.

(v) Disclosures in financial statement including related party transactions,

(vi) Qualification in draft audit report.

(vii) Scrutiny of inter-corporate loans and investments.

REPORT ON CORPORATE GOVERNANCE [Contd.]

(viii) Management's Discussions and Analysis of Company's operations.

(ix) Valuation of undertakings or assets of the company, wherever it is necessary.

(x) Periodical Internal Audit Reports.

(xi) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.

(xii) Letters of Statutory Auditors to management on internal control weakness, if any.

(xiii) Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.

(xiv) Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees.

(xv) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus approval given., if any.

4. Nomination and Remuneration Committee

4.1 Composition and Attendance at the Meeting

The Nomination and Remuneration Committee comprises of the members as stated below. The Committee during the year ended on 31st March, 2016 had two meetings on 14.05.2015 and 10.07.2015. The attendance of the members was as under:-

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

4.2 Terms of Reference of the Nomination and Remuneration Committee:

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

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

   (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to manage the company successfully;

   (b) relationship of remuneration with the performance is clear and meets appropriate performance benchmarks; and

   (c) remuneration to Directors, key managerial personnel and senior management personnel involves a balance between fixed pay and incentive payment reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4.3 Remuneration Policy

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

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

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

[₹ in Lacs]

Names of Directors	Basic	HRA	Medical	Company's Contribution to PF	Commission	TOTAL
EXECUTIVE DIRECTORS						
Mr. Chandresh S. Parikh	42.12	0	1.94	5.05	0	49.11
Mr. Rajesh C. Parikh	32.14	4.82	1.48	3.86	0	42.30
Mr. Atil C. Parikh	26.31	3.95	1.21	3.15	0	34.62

Non Executive Directors	Sitting fees [₹]
Mr. Sudhir R. Parikh	10,000.00
Mr. Pravinchandra M. Shah	1,75,000.00
Mr. Ramkishan A. Devidayal	1,45,000.00
Mr. Atul H. Patel	1,40,000.00
Mrs. Darsha R. Kikani	55,000.00
Dr. Ajay I. Ranka	35,000.00

Directors' Shareholding

Shareholding of the Directors in the company as on 31st March, 2016:

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

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

5. Stakeholder Relationship and Share Transfer Committee

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

The Committee is headed by Mr. P.M. Shah, Independent Director and consists of the members as stated below. During the year ended on 31st March, 2016, this Committee had 01 meeting on 10.02.2016 which was attended by the members as under:-

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Pravinchandra M. Shah, Chairman - Independent Director	1 of 1
2	Mr. Ramkishan A. Devidayal - Independent Director	1 of 1
3	Mr. Rajesh C. Parikh, CEO and MD - Executive Director	1 of 1
4	Mr. Sudhir R. Parikh – Non-Executive Director	0 of 1

Mrs. Anuja Muley, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

Terms of Reference of Stakeholders Relationship and Share Transfer Committee

1. To approve transfer, transmission and/or transposition of shares, issue of duplicate share certificates and all other matters relating to shares and investor grievances.

REPORT ON CORPORATE GOVERNANCE [Contd.]

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

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

6. CSR Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee is headed by Mr. Chandresh Parikh, Executive Chairman and consists of the members as stated below. During the year ended on 31st March, 2016, one meeting was held on 10.07.2015. The CSR Committee, as on 31st March, 2016, comprised of the following members:

Sr.No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Chandresh S. Parikh – Executive Chairman	1 of 1
2	Mr. Pravinchandra M. Shah, Chairman - Independent Director	1 of 1
3	Mr. Sudhir R. Parikh - Non-Executive Director	0 of 1

7. Functional Committees

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

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

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

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

8. Vigil Mechanism Policy

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

9. General Body Meetings

(i) Annual General Meeting (AGM):

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

Financial Year	Date	Location	Time	No. of Special Resolutions passed
2014-15	25.09.2015	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	08
2013-14	27.09.2014	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	02
2012-13	28.09.2013	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	01

(ii) Extra Ordinary General Meetings:

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

(iii) Postal Ballot:

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

10. Management review and responsibility

10.1 Formal evaluation of officers

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

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

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

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

10.4 A detailed report on our Management's discussion and analysis forms part of this Annual Report.

11. Disclosures

1. Transactions with related parties, as per requirements of Accounting Standard 18, 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 Accounting Standard (AS 18) has been made in the Annual Report. The company has identified that there are no materially significant transactions with the related parties pursuant to the material related party transaction policy formulated by the Company. The said policy is available on the website of company www.20microns.com
3. The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 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 SEBI 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.
7. During the year ended 31st March, 2016, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16(1)(c) of the Listing Regulation, 2015. However, the Company has framed a policy for determining "material subsidiary" and the same is disclosed on the Company's website at www.20microns.com
8. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated in Section 149(7) of the Companies Act, 2013.

11.1 Disclosures of Unclaimed Shares

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

Particulars	Aggregate No. of Shareholders	Aggregate No. of Shares
Shares lying in Suspense account as on 01.04.2015	3	844
Shares transferred from Suspense account during the year	Nil	Nil
Shares lying in Suspense account as on 31.03.2016	3	844

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

11.2 Plant Locations

Manufacturing Unit

Plant Location	Address
Bhuj	Plot No.157, Village – Mamuara, Taluka : Bhuj, dist : Kutch, Gujarat - 370 020.
Hosur	Plot No.23-24, SIPCOAT, Phase II, Housr, Dist : Kishangiri, Tamil Nadu - 635109
Haldwani	Village: Haripur, Bareilly Road, Tal. : Lalkua, Haldwani, Dist. Nainital, Utarakhand-263139
Vadadala	Plot No.172/175, Jarod – Samalaya Road, Taluka - Savli, Dist. Vadodara - 391520, State - Gujarat.
Alwar	Plot No. F-140 and B-77-78, M.I.A., Alwar, Rajasthan
Waghodia	Plot No. 9/10/11/336 and 253/254 GIDC, Waghodia
Nandesari	57, GIDC, Nandesari, Dist. Vadodara-391340
Udaipur	Plot No. F-233-234, Road No. 1E, Matsya Industrial Estate, Madri, Udaipur, Rajasthan-313001.

REPORT ON CORPORATE GOVERNANCE [Contd.]

12. CEO / CFO Certification

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

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

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

14. Certificate

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

15. Means of Communication

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

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

16. Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors of the company appointed M/s. J. J. Gandhi and Co., Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the company. The Secretarial Audit Report confirms that the Company has complied with all the provisions of Companies Act, 2013, Depositories Act, 1996, Listing Agreements with stock exchanges, 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.

17. General Shareholders' Information

17.1 Annual General Meeting:

Day and Date : Friday, 23rd September, 2016

Time : 3.00 p.m.

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

17.2 Financial Calendar:

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

First quarterly results	: on or before 15th August, 2016
Second quarterly / Half yearly results	: on or before 15th November, 2016
Third quarterly results	: on or before 15th February, 2017
Annual results for the year ending on 31st March, 2017	: on or before 30th May, 2017
Annual General Meeting for the year ending on 31st March, 2017	: on or before 30th September 2017

17.3 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 16th September, 2016 till Friday, 23rd September, 2016 (both days inclusive) for the purpose of 29th Annual General Meeting.

17.4 Listing of Shares and Other Securities:

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

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001.
Stock Code: 533022
National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex,
Bandra [East], Mumbai – 400 051.
Stock Code: 20MICRONS

REPORT ON CORPORATE GOVERNANCE [Contd.]

17.5 Listing Fees:

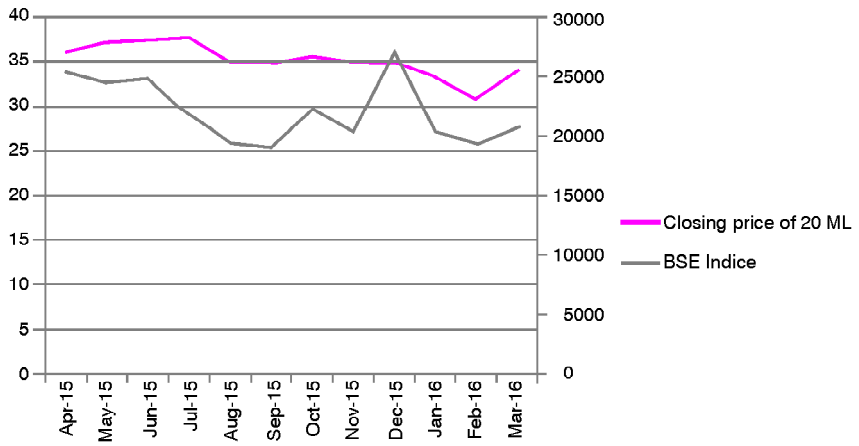
The Company has paid listing fees up to 31st March, 2016 to the Bombay Stock Exchange and National Stock Exchange of India Ltd. where Company's shares are listed.

17.6 MARKET PRICE DATA

The monthly high and low prices of the shares of the company as quoted on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the FY 2015-16 are given hereunder:

Month	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)
Apr-15	42.60	33.80	33.85	42.70	33.75	33.90
May-15	40.90	32.00	32.70	40.60	32.00	33.35
Jun-15	39.80	31.00	33.00	36.00	31.00	32.85
Jul-15	33.95	28.50	28.95	33.35	28.50	28.80
Aug-15	33.70	25.00	26.00	33.70	24.90	26.25
Sep-15	27.40	25.00	25.30	27.30	24.50	25.10
Oct-15	32.05	25.10	29.85	32.45	24.75	30.20
Nov-15	33.90	27.00	27.20	30.95	27.15	27.35
Dec-15	38.60	26.60	36.10	38.75	26.20	36.50
Jan-16	39.00	25.30	27.10	39.30	25.35	27.30
Feb-16	29.50	25.35	25.80	29.90	25.00	26.10
Mar-16	30.00	26.15	27.70	30.00	26.10	28.15

17.7 Performance in comparison to broad based indices:



17.8 Share Transfer Agents:

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

CAMEO CORPORATE SERVICES LIMITED

SUBRAMANIAN BUILDING, NO. 1, CLUB HOUSE ROAD,

CHENNAI – 600 002.

TELE FAX: +91 044 28460395/0390

EMAIL : narasimhan@cameoindia.com

17.9 SHARE TRANSFER SYSTEM

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

17.10 DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the company as on 31st March, 2016 is as follows:

SL NO.	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
1	between 1 and 1000	3764	61.49	329272	0.93
2	between 1001 and 5000	1664	27.19	775863	2.2
3	between 5001 and 10000	253	4.13	407980	1.16
4	between 10001 and 20000	146	2.39	442388	1.25
5	between 20001 and 30000	77	1.26	391055	1.11
6	between 30001 and 40000	31	0.51	220311	0.62
7	between 40001 and 50000	33	0.54	304972	0.86
8	between 50001 and 100000	49	0.8	729264	2.07
9	> 100000	104	1.7	31685397	89.79
	Total	**6121**	**100**	**35286502**	**100**

17.11 Shareholding Pattern:

The shareholding of different categories of the shareholders as on 31st March, 2016 is given below:-

SR. NO.	CATEGORY	NO. OF SHARES	% TO TOTAL CAPITAL
1	Promoters	9750214	27.63
2	Corporate Body	15891761	45.04
3	Resident	7779552	22.06
4	FI	0	0
5	NRI	1831423	5.18
6	Clearing Member	10639	0.03
7	Trusts	206	0
8	Bank	0	0
9	Employees	22707	0.06
	Total	**35286502**	**100.00**

17.12 Dematerialization of Shares:

About 98% of total equity share capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2016.

17.13 Reconciliation of Share Capital Audit:

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

17.14 INVESTORS CORRESPONDENCE

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

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

17.15 Registered Office:

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

18. Subsidiary Companies

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

CEO CERTIFICATION

To
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, 2016 and that to the best of our knowledge and belief :
   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and information, no transactions are entered into by the Company during the year ended 31st March, 2016, 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.

Rajesh C. Parikh
CEO and MD

Place: Waghodia Dist Vadodara
Date: 23.05.2016

AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
20 MICRONS LIMITED

Auditor's Certificate on Corporate governance

We have examined the relevant records of 20 Microns Limited (the Company) for the year ended March 31, 2016 relating to compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement (Listing Agreement) entered into, by the Company, with the Stock Exchanges for the period 01 April 2015 to 30 November 2015 and as per regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of schedule V of Securities and exchange board of India (Listing obligations and Disclosure requirements) Regulation, 2015(Listing regulation) for the period 1 December 2015 to 31 March 2016.

Management's responsibility

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

Auditors' responsibility

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

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

Conclusion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate as specified in Clause 49 of the Listing Agreement and regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of schedule V of the Listing regulations as applicable.

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

Restrictions on use

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

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

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

Place: Waghodia, Vadodara
Date: May 23, 2016

SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31st March, 2016)

[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 **20 Microns Ltd.'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, 2016, 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, 2016, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
   A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable to the Company during the Audit Period;
   D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period;
   E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
   F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
   H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;
6. Further, as per the representation of management letter, considering its products, process and location, the following Acts are specifically applicable to the Company.
   A. The Water (prevention and control of pollution) Act, 1974
   B. The Air (Prevention and Control of Pollution) Act, 1981
   C. The Environment (Protection) Act, 1984
   D. The Mines Act, 1952
   E. The Mines and Minerals (Development & Regulations) Act, 1957
   F. The Mines and Minerals (Development & Regulations) Amendment Ordinance, 2015

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

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

   (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd. and National Stock Exchange and 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

SECRETARIAL AUDIT REPORT [Contd.]

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.

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

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

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

Place: Vadodara
Date: 23rd May, 2016

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

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

Annexure to Secretarial Audit Report

Date: 23rd May, 2016

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

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

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

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

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

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To
The Members of
20 Microns Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We refer to note no. 4(e) to the standalone financial statements, regarding classification of Company's Term Loan and Cash Credit Facilities with State Bank of India as Non-Performing Assets by the said bank with effect from 01/04/2014 for the reasons stated in the said note to which company has objected.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITORS' REPORT [Contd.]

(e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B";** and

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place: Waghodia, Vadodara
Date: 23rd May, 2016

ANNEXURE - A
TO INDEPENDENT AUDITORS' REPORT

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

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) In respect of deposits accepted by the Company the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with;

During the year Company Law Board, Mumbai Bench, has passed an order granting extension of time limit for repayment of deposits accepted by the company prior to commencement of the Act, upto the time as agreed with the fixed deposits holders. As per the order, no compliance is required to be made by the Company.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with appropriate authorities except Income Tax Deducted at source, Sales Tax, Excise, Service Tax, Provident Fund and ESIC where there was some delay on few occasions at some of the offices of the company.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

ANNEXURE - A
TO INDEPENDENT AUDITORS' REPORT [Contd.]

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

Sr. No.	Name of Statute	Nature of dues	Amount (In Lacs ₹)	Period to which the amount relates	Forum where dispute is pending
1.	Central Sales Tax, 1956	Central Sales Tax	10.76	Financial Year 2011-12	Commissioner of Commercial Taxes, Appeals
2.	Income Tax Act, 1961	Income tax	5.96	Assessment year 2009-10	Commissioner of Income Tax
3.	Income Tax Act, 1961	Income tax	1.04	Assessment year 2011-12	Income Tax Appellate Tribunal

(viii) The Company has not defaulted in repayment of loans or borrowing dues to financial institution or bank or dues to debenture holders.

(ix) The Company did not raise any money by way of initial public offer, further public offer (including debt instruments) or term loan during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to information and explanation provided to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The Company has made private placement of shares during the year. The requirement of section 42 of the Companies Act, 2013 have been complied with. The amount raised have been used for the purpose for which it was raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

Place: Waghodia, Vadodara
Date: May 23, 2016

ANNEXURE - B
TO INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of 20 Microns Limited **("the Company"),** as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Waghodia, Vadodara
Date: May 23, 2016

BALANCE SHEET
as at March 31st, 2016

(₹ In Lacs)

	Particulars	Note	As At 31, March 2016	As At 31, March 2015
I	**EQUITY AND LIABILITIES**			
	(1) Shareholder's Funds			
	(a) Share Capital	2	1764.33	1690.80
	(b) Reserves and Surplus	3	6637.43	5276.64
			8401.75	**6967.44**
	(2) Non-Current Liabilities			
	(a) Long-Term Borrowings	4	7084.18	8066.76
	(b) Deferred Tax Liabilities (Net)	5	1331.54	1239.75
	(c) Other Long Term Liabilities	6	30.66	35.21
			8446.37	**9341.72**
	(3) Current Liabilities			
	(a) Short-Term Borrowings	7	7061.17	6689.46
	(b) Trade Payables	8		
	(A) Dues of micro and small enterprises		49.91	38.42
	(B) Dues of creditors other than micro and small enterprises		5137.38	6611.15
	(c) Other Current Liabilities	9	2336.17	1502.33
	(d) Short-Term Provisions	10	67.91	87.69
			14652.54	**14929.06**
	TOTAL EQUITY AND LIABILITIES		**31500.67**	**31238.22**
II	**ASSETS**			
	(1) Non-Current Assets			
	(a) Tangible Assets	11	13901.73	14148.14
	(b) Intangible Assets	11	103.75	132.46
	(c) Capital Work-In-Progress	11	244.68	709.32
	(d) Non-Current Investments	12	737.92	737.92
	(e) Long Term Loans and Advances	13	1172.79	1093.37
	(f) Other Non-Current Assets	14	291.19	348.67
			16452.06	**17169.88**
	(2) Current Assets			
	(a) Inventories	15	6414.52	6316.58
	(b) Trade Receivables	16	5465.51	4262.03
	(c) Cash and Bank Balances	17	858.86	1666.06
	(d) Short-Term Loans and Advances	18	2260.77	1572.75
	(e) Other Current Assets	19	48.95	250.92
			15048.61	**14068.34**
	TOTAL ASSETS		**31500.67**	**31238.22**
	Significant Accounting Policies	1		

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

As per our audit report of even date attached

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

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership No.:121462

C. S. Parikh
Executive Chairman
(DIN: 00041584)

Rajesh Parikh
CEO and Managing Director
(DIN: 00041610)

Anuja Muley
Secretary
(A-21243)

P. M. Shah
Director
(DIN: 00017558)

May 23, 2016
Waghodia, Vadodara

May 23, 2016
Waghodia, Vadodara

STATEMENT OF PROFIT AND LOSS
as at March 31st, 2016

(₹ In Lacs)

	Particulars	Note	For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
I	Revenue from Operations (Gross)	20	34855.26	32518.83
	Less : Excise Duty		1307.00	1197.13
	Revenue from Operations (Net)		33548.26	31321.70
II	Other Income	21	422.21	644.72
III	**Total Revenue [I + II]**		**33970.47**	**31966.42**
IV	**Expenses**			
	(a) Cost of Materials Consumed	22	15901.61	16023.00
	(b) Changes in Inventories of Finished Goods	23	(82.73)	(212.26)
	(c) Employee Benefit Expenses	24	3072.08	2859.96
	(d) Finance Costs	25	2417.88	2492.05
	(e) Depreciation and Amortization Expense		931.48	945.20
	(f) Other Expenses	26	10514.91	10319.74
IV	**Total Expenses**		**32755.23**	**32427.69**
V	**Profit/(Loss) Before Exceptional Items and Tax**		**1215.24**	**(461.27)**
VI	Less : Exceptional Items		-	-
V	**Profit Before Tax [III - IV]**		**1215.24**	**(461.27)**
VI	**Tax Expenses**			
	(a) Current Tax		270.00	-
	(b) MAT Credit Entitlement		(270.00)	-
	(c) Deferred Tax		91.78	(55.57)
	(d) Wealth Tax		-	1.71
	(d) Prior year tax adjustment		189.15	-
	Total Tax Expenses		**280.93**	**(53.86)**
VII	**Profit/ (Loss) For The Year [V - VI]**		**934.31**	**(407.41)**
	Earning per Equity Share of ₹ 5 each [in ₹]			
	Basic		**2.67**	**(1.20)**
	Diluted		**2.65**	**(1.20)**
	Significant Accounting Policies	1		

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

As per our audit report of even date attached

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

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership No.:121462

C. S. Parikh
Executive Chairman
(DIN: 00041584)

Rajesh Parikh
CEO and Managing Director
(DIN: 00041610)

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P. M. Shah
Director
(DIN: 00017558)

May 23, 2016
Waghodia, Vadodara

May 23, 2016
Waghodia, Vadodara

CASH FLOW STATEMENT
as at March 31st, 2016

(₹ In Lacs)

		for the year ended 31, March 2016		for the year ended 31, March 2015	
A.	**Cash Flow From Operating Activities**				
	Profit/(Loss) Before Tax		**1215.24**		**(461.27)**
	Adjusted For :				
	Depreciation and Amortisation Expenses	931.48		945.20	
	Gratuity Provision	80.73		87.64	
	Provision For Doubtful Debts	66.00		38.00	
	Bad Debts written off	5.24		1.53	
	Provision For Leave Encashment	4.50		4.50	
	Provision Written Back	(22.50)		(53.13)	
	Credit Balances Written Back	(30.47)		(51.70)	
	Debit Balances Written-Off	47.81		19.67	
	Profit on Disposal Of Tangible Assets	(109.14)		(95.36)	
	Loss on Disposal Of Tangible Assets	25.78		21.17	
	Dividend From Long Term Investments	-		(324.82)	
	Interest Received on Bank Deposits	(51.06)		(59.32)	
	Interest Paid	2416.08		2483.96	
	Forward Premium	1.80	3366.26	8.09	3025.43
	Operating Profit Before Working Capital Changes		**4581.50**		**2564.16**
	Adjusted For :				
	Increase / (Decrease) In Trade Payables and Liabilities	(711.37)		(221.86)	
	(Increase) / Decrease In Trade Receivables	(1322.53)		935.12	
	(Increase) / Decrease In Loans and Advances	(553.76)		(546.48)	
	(Increase) / Decrease In Inventories	(97.94)		(533.12)	
	(Increase) / Decrease In Other Assets	83.52	(2602.09)	319.01	(47.32)
	Cash Generated From Operation		**1979.42**		**2516.83**
	Direct Taxes Paid (Net of Refund)		(138.59)		(71.62)
	Net Cash From Operating Activities		**1840.82**		**2445.21**
B.	**Cash Flow From Investing Activities**				
	Purchase of Tangible Assets, Capital Work In Progress including Capital Advances	(294.29)		(274.93)	
	Purchase of Intangible Assets	(32.60)		(45.63)	
	Proceeds From Disposal of Tangible Assets	218.52		125.03	
	Dividend From Long Term Investments	175.95		(256.67)	
	Interest Received on Bank Deposits	51.06		59.32	
	Net Cash Used In Investing Activities		**118.64**		**(392.89)**

CASH FLOW STATEMENT
as at March 31st, 2016 [Contd.]

(₹ In Lacs)

		for the year ended 31, March 2016		for the year ended 31, March 2015	
C.	**Cash Flow From Financing Activities**				
	Repayment of Long-Term Borrowings (Net)				
	(Refer Note 2 Below)	(982.58)		2287.75	
	Proceeds From Short-Term Borrowings (Net)	371.71		(1148.28)	
	Share Premium Received	426.47		-	
	Proceed From Issue of Share Capital	73.53		-	
	Interest Paid (Refer Note 2 Below)	(2389.75)		(2483.77)	
	Forward Premium	(1.80)		(8.09)	
	Net Cash Used In Financing Activities		**(2502.43)**		**(1352.39)**
	Net Increase In Cash and Cash Equivalents		**(542.96)**		**699.93**
	Cash and Cash Equivalents - Opening Balance		**907.13**		**207.20**
	Cash and Cash Equivalents - Closing Balance		**364.16**		**907.13**

Notes:

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

2 Repayment of long term borrowing includes ₹ 325.50 Lacs being amount of Funded Interest Term Loan created by the bank during the period from 01.04.2015 to 30.09.2015 by debiting the Interest Amount. The said amount is correspondingly reflected in Interest Paid amount shown above.

3 Components of Cash and cash equivalents

Particulars	**As at 31 March, 2016**	**As at 31 March, 2015**
Cash in hand	10.12	20.82
Balances with banks in current accounts	358.67	1077.68
Total	**368.78**	**1098.50**
Less: amount due to bank in current accounts	(4.62)	(191.37)
Total	**364.16**	**907.13**

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

5 Figures in bracket indicates cash outflows.

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

As per our audit report of even date attached

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

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership No.:121462

C. S. Parikh
Executive Chairman
(DIN: 00041584)

Rajesh Parikh
CEO and Managing Director
(DIN: 00041610)

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Secretary
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P. M. Shah
Director
(DIN: 00017558)

May 23, 2016
Waghodia, Vadodara

May 23, 2016
Waghodia, Vadodara

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2016

Note 1 : Significant Accounting Policies :

A. Basis of preparation of Financial Statements

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

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

B. Use of Estimates

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

C. Revenue Recognition

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

a) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership; and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales figure are inclusive of excise duty and freight in case of landed rates, but are of net of sales returns, and rate difference adjustments.

b) Export benefits available under the prevalent schemes are accrued in the year in which the goods are exported and are accounted to the extent considered recoverable.

c) Dividend income is recognized when the right to receive dividend is established.

d) Interest income is recognized on accrual basis.

D. Fixed Assets and Depreciation

a) Fixed assets including leasehold improvements and technical knowhow costs are stated at cost (net of CENVAT, wherever applicable). Cost includes direct expenses related to acquisition and installation and interest incurred during construction period.

b) Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 or over the estimated useful lives of the assets, whichever is higher. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

c) In respect of addition and sales of assets during the year, depreciation is provided on pro-rata basis.

d) In case of assets acquired on lease, cost / premium paid are being amortized over a period of 20 years or the life the lease whichever is less.

e) Expenditure on projects pending capitalization is shown under the head "Capital Work In Progress" which will be capitalized to respective heads of Fixed Assets on commencement of commercial production.

f) Machinery spares either procured along with plant and machineries or subsequently and whose useful life is expected to be irregular are capitalized and depreciated over residual use life of related plant and machinery.

E. Intangible Assets

a) Acquired Intangible Assets in the form of "Process Know How" is recognized at the cost of acquisition and amortized on straight line basis over a period of five years, depending on their estimated useful life.

b) Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits. ERP Project fees are amortized over a period of seven years. Costs of all other software are amortized over a period of five years.

c) The amortization period and method are reviewed at each year end.

F. Impairment of Fixed Assets

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2016 [Contd.]

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

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

G. Inventories

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

H. Foreign Exchange Transactions

a) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchanges rate between the reporting currency and the foreign currency at the date of transaction. Foreign currency monetary items outstanding as on balance sheet date are revalued at exchange rate prevailing on balance sheet date (closing rate) and the gain / loss is recognized in Statement of Profit and Loss.

b) The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the Contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

I. Investments

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

b) Long-term investments are stated at cost added by directly attributable cost. Provision for diminution in the value of long-term investments is made only if such a decline is of other than temporary in nature in the opinion of the management.

J. Employee Benefits

a) Short Term Employee Benefits

Short term employee benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services is rendered. Short term employee benefits also include accrued leave benefits, which are expected to be availed or encashed within 12 months from the end of the year.

b) Post-employment benefit plans

b.i) Defined Contribution Plan

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

b.ii) Defined Benefit Plan

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

K. Borrowing Cost

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

L.. Earnings Per Share

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

M. Taxes on Income

a) Tax expense comprise of current and deferred taxes.

b) Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.

c) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2016 [Contd.]

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

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

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

N. Provisions, Contingent Liabilities and Contingent Assets

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

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

O. Cash and Cash Equivalents

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

P. General

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

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016

(₹ In Lacs)

	As At 31 March, 2016	As At 31 March, 2015
2. Share Capital		
a. Authorised Capital		
6,00,00,000 Equity Shares of ₹ 5/- each	**3000.00**	**3000.00**
(Previous Year 6,00,00,000 Equity Shares of ₹ 5/- each)		
b. Issued, Subscribed and Fully Paid-Up Equity Shares		
3,52,86,502 Equity Shares of ₹ 5/- each	**1764.33**	**1690.80**
(Previous Year: 3,38,15,902 shares of ₹ 5 each)		

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

Name of Shareholder	As At 31 March, 2016		As At 31 March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	33,815,902	169,079,510	33,815,902	169,079,510
Issued during the period - Compulsory Convertible Warrant	1,470,600	7,353,000	-	-
Outstanding at the end of the year	**35,286,502**	**176,432,510**	**33,815,902**	**169,079,510**

d. Rights, Preferences and Restrictions 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.

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

Name of Shareholders	As At 31 March, 2016		As At 31 March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Eriez Finance And Investment Limited	8,250,235	23.38	8,250,235	24.39
Chandresh S Parikh	3,630,400	10.29	3,630,400	10.74
Rameshbhai Baldevbhai Patel	1,953,100	5.53	1,953,100	5.78
Arcadia Share &Stock Brokers Private Limited	2,362,770	6.70	2,129,134	6.30
Pratik Minerals Private Limited	3,036,206	8.60	2,153,846	6.37
Total	**19,232,711**	**54.50**	**18,116,715**	**53.57**

f. 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, 2016

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		As At 31 March, 2016	As At 31 March, 2015
3	**Reserves and Surplus**		
	a. General Reserve		
	Balance as per last year Financial Statement	120.54	120.54
	Closing Balance	**120.54**	**120.54**
	b. Securities Premium Account		
	Balance as per last year Financial Statement	3553.86	3553.86
	Add : Addition during year	426.47	-
	Closing Balance	**3980.33**	**3553.86**
	c. Surplus as per Statement of Profit and loss		
	Balance as per last year Financial Statement	1602.25	2075.61
	(Less) : Depreciation Adjustment	-	(65.95)
	Add/(Less): Net Profit/(Loss) for the year	934.31	(407.41)
	Closing Balance	**2536.56**	**1602.25**
	Total Reserves and Surplus	**6637.43**	**5276.64**

4 **Long Term Borrowings**

Particulars	2016		2015	
	Current Maturities	*Non-Current Maturities*	*Current Maturities*	*Non-Current Maturities*
a. Secured Borrowings				
i. Term Loans				
From Banks	973.69	6584.16	52.52	7465.21
Total Secured Borrowings	**973.69**	**6584.16**	**52.52**	**7465.21**
b. Unsecured Borrowings				
i. Deposits				
From Public & Members	394.49	463.52	405.46	591.30
From Related Parties (Refer Note No. 38)	5.25	36.50	66.50	10.25
Total Unsecured Borrowings	**399.74**	**500.02**	**471.96**	**601.55**
Total Borrowings	**1373.43**	**7084.18**	**524.48**	**8066.76**
		8457.61		**8591.24**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

c. Maturity Profile of Borrowings [as at March 31, 2016]

Secured Borrowings

The principal amount of the loans to each of the lenders shall be repayable in equated monthly installments ranging over a period from 36 months to 84 months. The repayment scheduled as per the sanction terms for sanction amounts of loans is as under:

Year	From Bank
Effective Interest Rate	9.11% to 16%
2016-17	973.69
2017-18	953.67
2018-19	1036.17
2019-20	1401.48
2020-21	1509.40
2021-22	957.07
2022-23	726.36
	7557.85

Unsecured Borrowings

Year	Public Deposits
Effective Interest Rate	10.25% - 13.62%
2016-17	399.74
2017-18	294.20
2018-19	205.82
	899.76

d. 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. 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 Finance & Investement Ltd." a company where significant influence exists.

4 Term loans of ₹ 47.91 Lacs (Previous Year: ₹ 88.79 Lacs) obtained for acquisition of assets (vehicles) are secured only by the hypothecation of the respective assets financed.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

e. Credit facilities availed by the company from IDBI Bank Limited and State Bank of India (SBI.) were restructured by both banks and given affect to on 31st March 2015. Main terms of restructuring were deferment of repayment of term loan matching with future cash flow of the company, marginal reduction in interest rates subject to recompense for sacrifice made if any and refund of term loan installments paid during 2014-15.
Company has been repaying its dues of debt from date of restructuring without any default. SBI informed the company on 4th April 2016 that under Asset Quality Review by Reserve Bank of India (RBI) its account has been classified as NPA with effect from 1st April, 2014 on account of delay in creation of security. Delay, if any, is not attributable to company and company has represented to SBI to restore the classification of account to Standard from NPA, with immediate effect. SBI has assured that they will review and take the corrective action by 2'nd quarter. IDBI continues to classify the account as standard asset.
Company does not see any significant liability of recompense as no real sacrifice was made by banks except deferment of repayment obligation.
In view of the above, the classification of Borrowings in to Current and Non-Current Category is made considering the period in which the borrowings will be repaid as per the terms agreed under the restructuring proposal.

5 Deferred Tax Liability (net)

	2014-15	Changes during the year	2015-16
A. Deferred Tax Liabilities			
Product Development Expenses	27.32	(.72)	26.60
Difference between WDV of Fixed Assets as per the Income Tax Act,1961 and the Companies Act,2013.	1887.67	59.97	1947.64
Provision for Gratuity Liability	(10.32)	12.99	2.67
Gross Deferred Tax Liabilities (A)	**1904.67**	**72.24**	**1976.91**
B. Deferred Tax Assets			
Unabsorbed Depreciation and Carry Forward Losses	610.37	(98.38)	511.98
Disallowances under the Income Tax Act,1961 u/s 43 B	-	86.72	86.72
Provision for Bad and Doubtful Debts	54.55	(7.88)	46.67
Gross Deferred Tax Assets (B)	**664.92**	**(19.54)**	**645.37**
C. Net Deferred Tax Liabilities (A - B)	**1239.75**	**91.78**	**1331.54**
Previous Year	**1327.18**	**(87.43)**	**1239.75**

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

	As At 31 March, 2016	As At 31 March, 2015
6 OTHER LONG TERM LIABILITIES		
Trade Deposits	7.14	2.39
Interest Accrued But Not Due	23.52	32.82
Total	**30.66**	**35.21**
7 SHORT TERM BORROWINGS		
a. Secured (Repayable on Demand)		
Working Capital Facilities From Banks	6254.53	5781.66
(Effective Rate of Interest being 12.25%)		
b. Unsecured		
Deposits from Public and Members (Effective Rate of Interest being 10.25% - 13.62%)	806.64	723.80
Inter Corporate Deposits	-	184.00
Total	**7061.17**	**6689.46**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

c. Details of Securities

The working capital facilities are secured by way of:

1 First pari-passu charge by way of hypothecation of:

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

2 Second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 3(d)(1).

3 The working capital finance facilities are further collaterally sercured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Finance & Investement Ltd. ", a company where significant influence exists.

4 Note on NPA - Refer Note 4(e)

8 TRADE PAYABLES

(₹ In Lacs)

	As At 31 March, 2016	As At 31 March, 2015
Micro, Small and Medium Enterprises	49.91	38.42
Other suppliers	5137.38	6611.15
Total	**5187.28**	**6649.58**
8.1 The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:		
1 Principal Amount due and remaining unpaid	49.91	38.42
2 Interest due on (1) above and unpaid interest	-	-
3 Interest paid on all delayed payments under MSMED Act, 2006	3.05	7.77
4 Payment made beyond the appointed day during the year	-	-
5 Interest due and payable for the period of delay other than (3) above	-	-
6 Interest accrued and remaining unpaid	-	-
7 Amount of further interest remaining due and payable in succeeding years	-	-
9 OTHER CURRENT LIABILITIES		
Salary and Wages Accrued	131.41	131.70
Current Maturities Of Long Term Borrowings		
Secured Term Loans From Banks (Refer Note No. - 4)	973.69	52.52
Deposit From Public	394.49	405.46
Deposit From Related Parties	5.25	66.50
Amounts Due to Banks In Current Account	4.62	191.37
Interest Accrued But Not Due	215.56	175.74
Unclaimed Dividends	1.82	1.83
Unclaimed Matured Deposits	18.15	15.00
Advance From Customers	27.40	4.92
Statutory Dues	132.26	86.82
Other Payables	431.51	370.47
Total	**2336.17**	**1502.33**
10 SHORT TERM PROVISIONS		
a Provision For Employee Benefits		
Leave Encashment	4.50	4.50
Gratuity	-	31.20
b Others		
Excise and Royalty on Finished Goods	63.41	51.99
Total	**67.91**	**87.69**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

11. Fixed Assets (₹ in Lacs)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As At April 01, 2015	Additions During Year	On Sale/ Adjustments	Total March 31, 2016	Upto April 01, 2015	Provided During Year	On Sale	Up To March 31, 2016	As At March 31, 2016	As At March 31, 2015
(A) Tangible Assets										
Freehold Land	65.54	46.94	-	112.48	-	-	-	-	112.48	65.54
Leasehold Land	611.07	-	(5.47)	605.60	138.62	31.37	(5.19)	164.81	440.80	472.44
Office Building	140.59	-	(20.35)	120.24	41.11	3.51	(6.53)	38.09	82.15	99.48
Leasehold Office Building	75.20	-	-	75.20	31.96	7.52	-	39.48	35.72	43.24
Factory Building	3545.73	23.51	(49.94)	3519.30	609.12	110.64	(20.71)	699.05	2820.25	2936.61
Plant and Machinery	15178.17	677.06	(83.98)	15771.25	5075.78	615.92	(4.89)	5686.81	10084.44	10102.39
Vehicles	454.96	.45	(23.21)	432.20	201.70	55.95	(10.59)	247.06	185.14	253.26
Furniture	225.32	-	(.16)	225.16	105.67	20.25	(.7)	125.85	99.30	119.64
Computer & Software	149.33	5.69	(.40)	154.62	123.26	11.79	(.38)	134.67	19.95	26.06
Office Equipments	106.07	5.28	(.62)	110.72	76.60	13.21	(.59)	89.21	21.51	29.47
Total	**20551.97**	**758.93**	**(184.12)**	**21126.77**	**6403.82**	**870.17**	**(48.95)**	**7225.04**	**13901.73**	**14148.14**
Previous year	**18411.07**	**1786.48**	**(193.22)**	**20004.33**	**5453.45**	**990.77**	**(40.40)**	**6403.82**	**14148.14**	**14550.88**
(B) Intangible Assets										
Product Development	236.99	32.60	-	269.58	154.36	34.76	-	189.12	80.47	82.63
Sap Exps & Licence Fees	192.46	-	-	192.46	142.63	26.54	-	169.17	23.29	49.83
Total	**429.45**	**32.60**	**-**	**462.04**	**296.98**	**61.31**	**-**	**358.29**	**103.75**	**132.46**
Previous year	**383.81**	**45.63**	**-**	**429.45**	**244.74**	**52.24**	**-**	**296.98**	**132.46**	**139.07**
(C) Capital Work in Progress									244.68	709.32
TOTAL ₹	**20981.41**	**791.53**	**(184.12)**	**21588.82**	**6700.81**	**931.48**	**(48.95)**	**7583.33**	**14250.16**	**14989.92**
PREVIOUS YEAR	**20388.14**	**684.50**	**(91.23)**	**20981.41**	**5698.19**	**945.20**	**(40.40)**	**6700.81**	**14989.92**	**15763.21**

Notes:

1. Parsuant to Accounting Standard AS-28, 'Impairment of Assets', there is no impairment of Assets.
2. The Company has taken an office building on finance lease,having aggregate cost of ₹ 75 Lacs during the financial year 2010-11. The period of lease is for 10 years with rights of ownership of assets to be transferred to company at the end of lease period.The Company has paid in advance at the inception of the lease,the lease rental payment aggreed for the lease period. In view of the same there is no outstanding liability of rental payments to be made by the company over the lease period and consequently there is no interest cost attached to it.
3. Addition during the year includes interest,finance charges and Project Departement Salary amounting to ₹ 90.13 lacs (Previous Year: ₹ 30.72 lacs) capitalised required by Accounting Standard AS-16 'Borrowing Cost'
4. CWIP includes interest and finace charges amounting to ₹ 90.56 lacs (Previous Year: ₹ 180.68 lacs) as required by Accounting Standard-16 'Borrowing Cost'.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		As At 31 March, 2016	As At 31 March, 2015
12	**NON CURRENT INVESTMENTS**		
	a. Trade Investments		
	In Unquoted Fully Paid Up Equity Shares of Subsidiary Companies:		
	i. 20 Microns Nano Minerals Limited 60,00,000 shares (Previous Year: 60,00,000 shares) of ₹ 10 each.	600.00	*600.00*
	ii. 20 Microns SDN BHD 3,60,000 shares (Previous Year: 3,60,000 shares) of RM 1 each.	50.39	50.39
	iii. 20 Microns FZE 1 share (Previous Year: 1 share) of AED 1,50,000.	18.64	*18.64*
	Total Trade Investments	**669.03**	**669.03**
	b. Non-Trade Investments		
	In Unquoted Fully Paid Up Equity Shares of		
	i. 6,80,000 equity shares (Previous Year: 6,80,000) of Eriez Finance and Investment Limited, ₹ 10 each fully paid up.	68.00	68.00
	Other Investment		
	National Savings Certificate (Lodged with Sales tax Authorities)	.89	.89
	Total Non-Trade Investments	**68.89**	**68.89**
	Total Investments	**737.92**	**737.92**
13	**LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)**		
	Advance to Suppliers of Capital Goods	800.50	808.90
	Balance With Gratuity Fund	8.07	-
	Balances With Tax Authorities	-	2.50
	Mat Credit Entitlement	364.22	281.97
	Total	**1172.79**	**1093.37**
14	**OTHER NON CURRENT ASSETS**		
	Security Deposits	254.33	279.87
	Mine Development Charges	36.85	68.80
	Total	**291.19**	**348.67**
15	**INVENTORIES**		
	Raw Materials	3632.37	3780.81
	Finished Goods	2138.40	2055.67
	Stores and Spares	500.37	371.39
	Goods in Transit (Raw Materials)	143.39	108.71
	Total	**6414.52**	**6316.58**
	The inventory is valued at lower of cost or net realisable value.		
16	**TRADE RECEIVABLES (UNSECURED)**		
	a. Debts Outstanding For a Period Exceeding Six Months From Due Date of Repayment:		
	Considered Good	96.65	43.31
	Considered Doubtful	141.15	165.00
		237.80	208.31
	Less : Provision for Doubtful Debts	(141.15)	(165.00)
		96.65	43.31
	b. Other Debts - Considered Good	4931.28	4212.72
	c. Amounts Due From Related Parties	437.58	6.00
	Total	**5465.51**	**4262.03**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		As At 31 March, 2016	As At 31 March, 2015
17	**CASH AND BANK BALANCES**		
	a. **Cash and Cash Equivalents**		
	Cash on Hand	10.12	20.82
	Balances with banks in current account	358.67	1077.68
		368.78	**1098.50**
	b. **Other balances**		
	In Deposit Account (Liquid Asset) *	235.60	190.61
	In Deposit Account (LC & BG Margin Money) *	252.66	375.12
	In Unpaid Dividend Account #	1.82	1.83
		490.08	**567.56**
	*The above includes deposits of ₹ 37.64 lacs (previous year: ₹ 125.53 Lacs) due for maturity after 1 year. # balance held in unpaid dividend account are restricted amounts and not available for use.		
	Total	**858.86**	**1666.06**
18	**SHORT TERM LOAN AND ADVANCES (Unsecured, Considered Good)**		
	Loans and Advances to Related Parties	-	145.61
	Others :		
	Balances With Tax Authorities	.0	51.52
	Advance Payment of Income Tax (Net of Provision ₹ 1087.50 lacs; Previous Year ₹ 817.50 lacs)	17.14	149.94
	Loan & Advance to Employees	32.37	22.20
	Advances to Suppliers	2075.09	1045.48
	Deposits	37.41	46.74
	Prepaid Expenses	60.32	89.15
	Others	38.44	22.12
		2260.77	**1572.75**
19	**OTHER CURRENT ASSETS**		
	Export Incentive Receivable	-	24.02
	Insurance Claim Receivable	3.07	6.16
	Income Accrued But Not Due On Deposits	45.88	44.79
	Accrued Dividend From Subsidiaries	-	175.95
	Total	**48.95**	**250.92**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
20	**Revenue From Operations**		
	Sale of Products - Domestic	30802.39	29268.12
	- Export	4006.15	3232.05
		34808.54	**32500.17**
	Less : Excise Duty	1307.00	1197.13
		33501.54	**31303.04**
	Other Operating Revenues	46.72	18.65
	Total	**33548.26**	**31321.70**
20.1	**Details of products sold are as under (Net Sales)**		
	Dry Mineral Products	24457.69	23510.11
	Wet Mineral Products	8891.81	7660.17
	Others	152.04	132.76
	Sub Total	**33501.54**	**31303.04**
20.2	**Details of Other Operating Revenues of the Company are as under :**		
	Scrap Sales	1.02	6.39
	Royalty Received	45.62	.0
	Miscellaneous Income	-	.04
	Export Incentives	.08	12.22
	Sub Total	**46.72**	**18.65**
	Total	**33548.26**	**31321.70**
21	**Other Income**		
	Interest	64.02	67.36
	Gain on Disposal of Tangible Assets (Net)	83.36	74.19
	Provision Written Back	22.50	53.13
	Liability no longer required written back	30.47	51.70
	Gain on Foreign Currency Transactions	19.42	4.92
	Dividend From Subsidiaries	-	324.82
	Rent	142.37	9.15
	Other Non-operating Income	60.08	59.45
	Total	**422.21**	**644.72**
22	**Cost of Materials Consumed**		
	Raw Materials :		
	Opening Stock of Raw Materials	3780.81	3386.67
	Add : Purchases	15896.55	16525.84
		19677.36	19912.52
	Less : Goods in Transit	143.39	108.71
	Less : Closing Stock of Raw Materials	3632.37	3780.81
	Raw Material consumed	**15901.61**	**16023.00**
23	**Changes in Inventories of Finished Goods**		
	Opening stock of Finished Goods	2055.67	1843.41
	Less : Closing stock of Finished Goods	2138.40	2055.67
	Increase in Inventories of Finished Goods	**(82.73)**	**(212.26)**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
24	**Employee Benefits Expense**		
	Salary, Wages & Allowances	2665.30	2434.69
	Managerial Remuneration	128.30	152.60
	Company's contribution to provident & other funds	196.50	190.32
	Staff welfare expenses	81.98	82.36
	Total	**3072.08**	**2859.96**
24	**Disclosure pursuant to Accounting Standard 15 "Employee Benefits":**		
A	***Defined Contribution Plans***		
	Employer's contribution to Provident Fund	105.55	93.16
B	***Defined Benefit Plan***		
B.1	***Reconciliation of opening and closing balances of present value of obligations.***		
	Present Value of Obligation as at the beginning of the year	343.61	259.39
	Interest Cost	26.36	22.31
	Current & Past Service Cost	30.97	23.34
	Actuarial (gain) / Loss on obligations	53.04	63.52
	Benefits paid	(43.54)	(24.96)
	Present value of Obligation as at the end of the year	410.44	343.61
B.2	***Reconciliation of opening and closing balances of fair value of plan assets.***	**2015-16**	**2014-15**
	Fair Value of Plan Assets at the beginning of the year	312.41	252.84
	Expected Return on Plan Assets	29.09	22.57
	Contributions	120.00	63.00
	Actuarial Gain / (loss) on Plan Assets	.54	(1.03)
	Benefit paid	(43.54)	(24.96)
	Fair Value of Plan Assets at the end of the year	418.51	312.41
B.3	***Amount recognized in Balance Sheet***	**2015-16**	**2014-15**
	Present Value of Obligations as at the end of the year	410.44	343.61
	Fair value of plan Assets as at the end of the year	418.51	312.41
	Net Asset / (Liability) recognized in Balance sheet	8.07	(31.20)
B.4	***Expenses recognized in the Profit and loss account***	**2015-16**	**2014-15**
	Current & Past Service Cost	30.97	23.34
	Interest Cost	26.36	22.31
	Expected Return on Plan Assets	(29.09)	(22.57)
	Net actuarial (gain) / loss recognized in the year	52.49	64.55
	Expenses Recognized in the statement of Profit & Loss	80.73	87.64

B.5 ***Amount pertaining to plan is as follows:***

	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined value obligations	410.44	343.61	259.39	227.98	222.97
Fair value of plan assets	418.51	312.41	252.84	239.78	245.9
Surplus / (deficit) in plan	8.07	(31.20)	(6.57)	11.80	22.93
Experience adjustments					
on plan assets (Loss) / Gain	.54	(1.03)	(.54)	(.41)	(3.17)
on plan liabilities (Gain) / Loss	53.04	63.52	30.53	10.61	7.20

B.6	***Investment Details:***	**2015-16**	**2014-15**
	Insurance Policies	100%	100%

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
B.7	***Principal actuarial assumptions.***	**2015-16**	**2014-15**
	Mortality	2006-08 Indian Assured Lives Mortality	2006-08 Indian Assured Lives Mortality
	Discount Rate	7.85%	7.80%
	Rate of increase in Compensation Levels	6.50%	6.50%
	Rate of Return on Plan Assets	7.90%	9.00%

B.8 Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with tenure similar to the expected working lifetime of the employee.

B.9 Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.

25	**Finance Costs**		
	Interest on Term Loans	945.83	870.54
	Interest on working Capital Loans	1053.17	1129.98
	Other Interest	229.42	256.58
	Sub - Total	**2228.42**	**2257.11**
	Other Borrowing Costs	189.46	265.97
	Total	**2417.88**	**2523.07**
	Less : Finance costs capitalized	-	(31.02)
	Total Finance Cost	**2417.88**	**2492.05**
26	**Other Expenses**		
26.1	**Manufacturing Expenses**		
	Consumption of Stores and Spare Parts	521.87	391.09
	Power and Fuel	3435.02	3273.35
	Rent	96.40	113.33
	Repairs :		
	Buildings	18.65	20.06
	Plant and Machinery	232.73	277.76
	Other Manufacturing & Factory Expenses	198.15	207.32
	Total	**4502.82**	**4282.91**
26.2	**Administrative & Other Expenses**		
	Rent	16.61	19.89
	Rates and Taxes	85.53	57.73
	Insurance	80.65	58.52
	Post, Telephone & Courier	105.72	99.59
	Printing and Stationary expenses	28.06	24.12
	Legal, Licenses and Renewal expenses	7.36	18.16
	Software and Computer Maintenance	26.34	25.29
	Travelling & Conveyance	101.96	120.24

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

	For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
Vehicle Running & Maintenance	60.53	68.38
Professional Fees	126.34	161.85
Auditors Remuneration	10.20	9.62
Directors Sitting Fees	5.70	3.25
Loss on Disposal of Tangible Assets (Net)	-	-
Donation	6.14	2.35
Remission of Debit balance	47.81	19.67
Miscellaneous Expenses	132.60	123.49
Total	**841.54**	**812.14**
26.3 Research & Development Expenses	**-**	**14.55**
26.4 Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	337.47	338.30
Rebate and Discount	130.97	104.79
Sales Commission	59.32	67.90
Bad Debts written off	5.24	1.53
Provision for Doubtful Debts	66.00	38.00
Rent	140.28	144.78
Other Selling Expenses	194.18	192.91
Sub-Total	**933.47**	**888.21**
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	3448.20	3544.37
Freight and Logistic Expenses (Export)	648.49	672.42
Service Tax	140.39	105.13
Sub-Total	**4237.08**	**4321.93**
Total Other Expenses	**10514.91**	**10319.74**

27. Contingent Liabilities and Commitments
(To the extent not provided for)

A. Contingent Liabilities

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

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

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

(₹ in lacs)

Sr. No.	Particulars	2015-16	2014-15
1	Demand of Sales Tax, Value Added Tax and Central Sales Tax (An amount of ₹ 4.50 lacs deposited under protest)	15.26	12.53
2	Claims from Excise and Customs authorities not acknowledged as debt.	Nil	758.44
3	Demand of Income Tax	45.13	125.00

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(iii) Guarantees and Letter of Credits:

- Company has given guarantee of ₹ 1,225.00 lacs (Previous Year ₹ 1,225.00 lacs) on behalf of subsidiary company.
- Guarantee given by Company's Bankers in normal course of business ₹ 251.88 lacs (Previous Year ₹ 205.11 lacs).
- Inland / Foreign Letter of Credit issued by Bank ₹ 516.41 lacs (Previous Year ₹ 2,434.51 lacs).

B. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to ₹ 27.97 lacs (Net of Advances of ₹ 809.52 lacs) [Previous Year ₹ 15.67 lacs (Net of Advances of ₹ 808.90 lacs)]

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

29. Particulars of Raw Material Consumed:

(₹ in lacs)

Particulars	2015-16	2014-15
Dry Minerals	12,803.47	13,048.95
Wet Minerals	3,026.90	2,883.38
Others	71.24	90.67
Total	**15,901.61**	**16,023.00**

30. Value of imported and indigenous material consumed:

(₹ in lacs)

Particulars	2015-16		2014-15	
	Value (In ₹)	%	Value (In ₹)	%
Raw Material				
Imported	4,505.78	28.34	5,206.05	32.49
Indigenous	11,395.83	71.66	10,816.95	67.51
Total	**15,901.61**	**100.00**	**16,023.00**	**100.00**
Machinery Spares #				
Imported	-	-	27.88	4.17
Indigenous	773.25	100.00	640.97	95.83
Total	**773.25**	**100.00**	**668.85**	**100.00**

Also includes spares consumed for repairs.

31. Prior period adjustments:

(₹ in lacs)

31.1 Prior Period Expenses under various heads is as under:

Particulars	2015-16	2014-15
Administrative & Other Expenses	0.85	1.55
Manufacturing Expenses	0.40	2.55
Selling & Distribution Expenses	0.03	2.56
Total	**1.28**	**6.66**

31.2 Prior Period Income under various heads is as under:

Particulars	2015-16	2014-15
Import Duty of Previous Year	22.84	-
Others	1.50	-
Total	**24.34**	**-**

32. Payment to Auditors:

(₹ in lacs)

Particulars	2015-16	2014-15
Audit Fees	8.80	7.08
In Other Capacity	0.57	1.49
Out of Pocket Expenses	0.83	1.05

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

33. Value of imports on C.I.F basis in respect of :

(₹ in lacs)

Particulars	2015-16	2014-15
Raw Material	3,112.88	3,392.93
Machinery Spares	-	17.13
Capital Goods	37.95	30.68

34. Expenditure in foreign currency :

(₹ in lacs)

Particulars	2015-16	2014-15
Travelling	61.70	49.83
Sales Commission	12.45	27.81
Other Matters	3.68	24.73

35. Earnings in foreign currency

(₹ in lacs)

Particulars	2015-16	2014-15
FOB Value of Exports	3,392.83	2,504.49
Ocean Freight & Insurance	326.66	376.52

36. Segment Analysis

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

37. Related party transactions

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

(₹ in lacs)

Name of the Related Party	Nature of Relationship	Nature of Transaction	2015-16	2014-15
20 Microns Nano Minerals Limited	**Subsidiary**	**a) Income :**		
		Sales	538.30	336.67
		Royalty	52.12	-
		Rent	158.46	4.06
		Fixed Asset Sales	-	6.99
		Reimbursement of Expenses	5.04	4.68
		b) Expenses :		
		Purchases	131.10	228.29
		Rent	52.69	52.40
		Product Development Charges	-	41.95
		Fixed Asset Purchase	-	38.72
		c) Amount Receivable / (Payable) at the year end	**394.66**	**6.00**
20 Micron SDN BHD	**Subsidiary**	**a) Income :**		
		Sales	6.34	-
		Dividend	-	60.60
		b) Dividend Receivable at the year end	-	**60.60**
20 Microns FZE	**Subsidiary**	**a) Income :**		
		Dividend	-	264.22
		b) Dividend Receivable at the year end	**-**	**115.35**
DMC Limited	**Significant Influence Exists**	**a) Others :**		
		Advances Paid	-	75.72
		b) Amount Receivable / (Payable) at the year end	**-**	**145.41**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

Name of the Related Party	Nature of Relationship	Nature of Transaction	2015-16	2014-15
20 Microns Foundation trust	**Significant Influence Exists**	**a) Expenses :**		
		Donation paid	1.85	-
Eriez Finance & Investment Limited	**Significant Influence Exists**	**a) Others :**		
		Advance Paid	-	3.36
		Advance Received Back	-	4.02
20 Microns ESOS Trust	**Significant Influence Exists**	**a) Others :**		
		Advance Received Back	-	18.61
Shri C.S.Parikh	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	51.94	45.47
		Interest on Deposit	2.02	1.40
		b) Others :		
		Deposit Received / Renewed	35.00	-
		Deposit Paid During the Year	10.00	-
		Deposit Outstanding	35.00	10.00
Shri R.C.Parikh	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	44.78	39.16
Shri. A.C.Parikh	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	36.65	32.06
		Interest on Deposit	0.63	0.57
		b) Others :		
		Deposit Paid	-	4.00
		Deposit Received / Renewed	-	5.00
		Deposit Outstanding	5.00	5.00
Shri S.R.Parikh	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	-	35.90
		Interest on Deposit	0.28	1.15
		b) Others :		
		Deposit Paid	6.50	7.25
		Deposit Outstanding	-	6.50
Shri S.R.Parikh (HUF)	**Relative to Key-Management Personnel**	**a) Expenses :**		
		Interest on Deposit	0.75	0.98
		b) Others :		
		Deposit Paid	1.00	2.80
		Deposit Outstanding	4.75	5.75
Shri L.R.Parikh	**Relative to Key-Management Personnel**	**a) Expenses :**		
		Professional Fees Paid	8.38	8.96
		Reimbursement of Expenses Paid	1.01	0.28
Smt. I.C.Parikh	**Relative to Key-Management Personnel**	**a) Expenses :**		
		Interest on Deposit	2.75	8.72
		b) Others :		
		Deposit Paid	27.00	16.50
		Deposit Received / Renewed	15.50	-
		Deposit Outstanding	15.50	42.50

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

Name of the Related Party	Nature of Relationship	Nature of Transaction	2015-16	2014-15
Smt. S.R.Parikh	**Relative to Key-Management Personnel**	**a) Expenses :**		
		Interest on Deposit	0.13	0.14
		b) Others :		
		Deposit Received / Renewed	1.00	-
		Deposit Outstanding	1.00	1.00
Smt. P.A.Parikh	**Relative to Key-Management Personnel**	**a) Expenses :**		
		Interest on Deposit	0.53	0.55
		b) Others :		
		Deposit Received / Renewed	5.00	-
		Deposit Paid	4.00	-
		Deposit Outstanding	5.00	4.00
Mrs. V.R.Parikh	**Relative to Key-Management Personnel**	**a) Others :**		
		Deposit Paid	-	0.50
Smt D.S.Parikh	**Relative to Key-Management Personnel**	**a) Expenses :**		
		Interest on Deposit	0.16	0.28
		b) Others :		
		Deposit Paid	1.50	-
		Deposit Outstanding	0.50	2.00
Smt.A.K.Muley	**Key-Management Personnel**	**a) Expenses :**		
		Remuneration paid	7.65	6.97
Shri B.V.Kanani (Ceases to be KMP w.e.f. 01.03.2016)	**Key-Management Personnel**	**a) Expenses :**		
		Remuneration paid	33.23	21.52

Notes :

1. Following are the list of Independent Directors which whom no transaction have been occurred during the Financial Year 2015-16 other than payment of Sitting Fees :
   a) Mr. Pravinchandra M Shah
   b) Mr. Ram Devidayal
   c) Mr. Atul Patel
   d) Mrs. Darsha Kikani
   e) Dr. Ajay Ranka
2. 20 Microns Nano Minerals Ltd, 20 Microns SDN BHD, 20 Microns FZE have been using software package being "SAP" by 20 Microns Ltd without payment of Consideration.

38. Leases

A) The Company has obtained several premises for its business operations under leave and license agreements. These are generally not non-cancelable lease and are renewable on mutual consent on mutually agreeable terms. Lease payments are recognized in the statement of profit and loss as rent expenses amounting to ₹ 253.29 lacs (previous year ₹ 278.00 lacs)

B) The Company has given land and building on operating lease for period ranging from 11 months to 60 months. During the year, the company has also given plant and machinery on operating lease and has recognized the lease rent on both assets in the statement of profit and loss amounting to ₹ 142.37 lacs (Previous Year ₹ 9.15 lacs)

NOTES TO FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

39. Basic and Diluted earnings per share

Particulars	2015-16		2014-15
	Basic	Diluted	Basic & Diluted
Profit attributable to Shareholders (₹ in Lacs)	934.31	934.31	(407.41)
Weighted average no. of Equity shares outstanding during the year	3,51,29,347	3,53,83,177	3,38,15,902
Nominal Value of Equity Shares (₹)	5/-	5/-	5/-
Earnings Per Share (₹)	2.67	2.65	(1.20)

40. Forward Contracts

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

B) Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.

C) The outstanding forward contracts as at March 31, 2016 is ₹ NIL (Previous Year ₹ 143.42 lacs) in respect of hedging currency related risk.

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

As per our audit report of even date attached

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

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership No.:121462

C. S. Parikh
Executive Chairman
(DIN: 00041584)

Rajesh Parikh
CEO and Managing Director
(DIN: 00041610)

Anuja Muley
Secretary
(A-21243)

P. M. Shah
Director
(DIN: 00017558)

May 23, 2016
Waghodia, Vadodara

May 23, 2016
Waghodia, Vadodara

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To
The Members of
20 Microns Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of 20 Microns Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We refer to note no. 4(d) to the consolidated financial statements, regarding classification of Holding Company's Term Loan and Cash Credit Facilities with State Bank of India as Non-Performing Assets by the said bank with effect from 01/04/2014 for the reasons stated in the said note to which holding company has objected.

Our opinion is not modified in respect of this matter.

Other Matters

a) We did not audit the financial statements of three (3) subsidiaries whose financial statements reflect total assets of ₹ 3,120.36 lacs as at 31st March, 2016, total revenues of ₹ 3,193.86 lacs and net cash outflows amounting to ₹ 69.12 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries,

CONSOLIDATED INDEPENDENT AUDITORS' REPORT [Contd.]

and our report in terms of sub-sections (3) and (11) Of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its Subsidiary Company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

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

      (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 29 to the consolidated financial statements.

      (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

G. R. Parmar
Partner
Membership No.: 121462

Place: Waghodia, Vadodara
Date: May 23, 2016

CONSOLIDATED ANNEXURE TO INDEPENDENT AUDITORS' REPORT

ANNEXURE - A

TO INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **20 Microns Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the group have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note

CONSOLIDATED ANNEXURE TO INDEPENDENT AUDITORS' REPORT [Contd.]

on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

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

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

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

Place: Waghodiya, Vadodara
Date: May 23, 2016

CONSOLIDATED BALANCE SHEET
as at March 31st, 2016

(₹ In Lacs)

	Particulars	Note	As At 31, March 2016	As At 31, March 2015
I	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's Funds**			
	(a) Share Capital	2	1764.33	1690.80
	(b) Reserves and Surplus	3	6969.06	5413.76
			8733.38	**7104.55**
(2)	**Minority Interest**		**58.51**	**9.23**
(3)	**Non-Current Liabilities**			
	(a) Long-Term Borrowings	4	7238.74	8228.22
	(b) Deferred Tax Liabilities (Net)	5	1495.67	1360.44
	(c) Other Long Term Liabilities	6	31.86	35.96
			8766.28	**9624.63**
(4)	**Current Liabilities**			
	(a) Short-Term Borrowings	7	7614.58	7200.60
	(b) Trade Payables	8		
	(A) Dues of micro and small enterprises		58.86	44.28
	(B) Dues of creditors other than micro and small enterprises		5456.40	7141.98
	(c) Other Current Liabilities	9	2571.26	2129.01
	(d) Short-Term Provisions	10	68.27	85.37
			15769.36	**16601.24**
	TOTAL EQUITY AND LIABILITIES		**33327.54**	**33339.65**
II	**ASSETS**			
(1)	**Non-Current Assets**			
	(a) Tangible Assets	11	14905.41	14989.84
	(b) Intangible Assets	11	211.65	142.00
	(c) Capital Work-In-Progress	11	425.70	690.39
	(d) Intangible Assets Under Development	11	5.24	5.24
	(e) Non-Current Investments	12	69.12	69.12
	(f) Long Term Loans and Advances	13	1249.09	1309.95
	(g) Other Non-Current Assets	14	291.19	348.67
			17157.39	**17555.21**
(2)	**Current Assets**			
	(a) Inventories	15	7021.02	6580.76
	(b) Trade Receivables	16	5597.71	4954.97
	(c) Cash and Bank Balances	17	940.08	1839.28
	(d) Short-Term Loans and Advances	18	2560.77	2332.65
	(e) Other Current Assets	19	50.57	76.79
			16170.14	**15784.44**
	TOTAL ASSETS		**33327.54**	**33339.65**

Significant Accounting Policies 1

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

As per our audit report of even date attached

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

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership No.:121462

C. S. Parikh
Executive Chairman
(DIN: 00041584)

Rajesh Parikh
CEO and Managing Director
(DIN: 00041610)

Anuja Muley
Secretary
(A-21243)

P. M. Shah
Director
(DIN: 00017558)

May 23, 2016
Waghodia, Vadodara

May 23, 2016
Waghodia, Vadodara

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
as at March 31st, 2016

(₹ In Lacs)

	Particulars	Note	For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
I	Revenue from Operations (Gross)	20	37473.69	37,183.15
	Less : Excise Duty		1510.25	1,375.35
	Revenue from Operations (Net)		35963.44	35,807.80
II	Other Income	21	369.48	440.15
III	**Total Revenue [I + II]**		**36332.92**	**36247.95**
IV	**Expenses**			
	(a) Cost of Materials Consumed	22	17148.56	19245.06
	(b) Changes in Inventories of Finished Goods and Stock In Trade	23	(100.93)	(207.76)
	(c) Employee Benefits Expense	24	3271.70	2974.01
	(d) Finance Costs	25	2521.80	2673.52
	(e) Depreciation and Amortization Expense	11	1021.90	1053.62
	(f) Other Expenses	26	11019.45	10802.99
IV	**Total Expenses**		**34882.48**	**36541.45**
V	**Profit/ (Loss) Before Exceptional Items and Tax (III - IV)**		**1450.45**	**(293.50)**
VI	Less : Exceptional Items		-	-
VII	**Profit /(Loss)Before Tax [V - VI]**		**1450.45**	**(293.51)**
VIII	**Tax Expenses**			
	(a) Current Tax		314.31	45.00
	(b) Mat Credit Entitlement		(294.32)	(14.55)
	(c) Wealth Tax		-	1.71
	(d) Deferred Tax		135.23	(64.67)
	(e) Prior Year Tax Adjustment		189.15	(12.08)
VIII	**Total Tax Expenses**		**344.36**	**(44.58)**
IX	**Profit /(Loss)for the year [VII - VIII]**			
	(Before adjustment of of Minority Interest)		**1106.08**	**(248.93)**
X	**Less:** Share of Profit / (Loss) Transferred to Minority Interest		**7.29**	1.26
XI	**Profit/(Loss) for the year [IX - X]**			
	(After adjustment of of Minority Interest)		**1098.80**	**(250.19)**
	Earning / (Loss) per Equity Share of ₹ 5 each [in ₹]			
	Basic		3.14	(0.74)
	Diluted		3.11	(0.74)
	Significant Accounting Policies	1		

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

As per our audit report of even date attached

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

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership No.:121462

C. S. Parikh
Executive Chairman
(DIN: 00041584)

Rajesh Parikh
CEO and Managing Director
(DIN: 00041610)

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Secretary
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P. M. Shah
Director
(DIN: 00017558)

May 23, 2016
Waghodia, Vadodara

May 23, 2016
Waghodia, Vadodara

CONSOLIDATED CASH FLOW STATEMENT
as at March 31st, 2016

(₹ In Lacs)

		for the year ended 31, March 2016		for the year ended 31, March 2015	
A.	**Cash Flow From Operating Activities**				
	Profit Before Tax		**1450.45**		**(293.50)**
	Adjusted For :				
	Depreciation And Amortisation Expenses	1021.90		1053.62	
	Gratuity Provision	82.07		88.80	
	Bad Debts Written Off (Net Of Write Back)	2.27		(9.10)	
	Provision For Doubtful Debts	67.78		49.05	
	Provision For Leave Encashment	-		4.50	
	Liability No Longer Required Written Back	(30.52)		(51.70)	
	Provision written Back	(3.58)		(56.14)	
	Debit Balances Written-Off	49.42		25.95	
	Profit On Disposal Of Tangible Assets	(109.14)		(94.95)	
	Loss On Disposal Of Tangible Assets	27.01		21.17	
	Share Issue Expenses	-		1.60	
	Interest Received On Deposits & Advance	(96.19)		(120.49)	
	Interest Paid	2521.80		2665.42	
	Exchange Rate Variation On Consolidation	9.01		11.84	
	Forward Premium	-	3541.83	8.09	3597.67
	Operating Profit Before Working Capital Changes		**4992.27**		**3304.16**
	Adjusted For				
	Increase / (Decrease) In Trade Payables And Liabilities	(1314.84)		181.70	
	(Increase) / Decrease In Trade Receivables	(762.21)		808.18	
	(Increase) / Decrease In Loans And Advances	130.26		(409.28)	
	(Increase) / Decrease In Inventories	(440.27)		(499.08)	
	(Increase) / Decrease In Other Assets	83.70	(2303.36)	(230.89)	(149.38)
	Cash Generated From Operation		**2688.91**		**3154.79**
	Direct Taxes Paid (Net Of Refund)		(145.97)		(125.08)
	Net Cash Provided By Operating Activities		**2542.94**		**3029.71**
B.	**Cash Flow From Investing Activities**				
	Purchase of Tangible Assets, Capital Work In Progress including Capital Advances		(733.37)		(548.47)
	Purchase of Intangible Assets		(146.91)		(48.13)
	Proceeds From Disposal Of Tangible Assets		219.97		117.01
	Interest Received On Bank Deposits		96.19		120.49
	Net Cash Used In Investing Activities		(564.11)		(359.09)

CONSOLIDATED CASH FLOW STATEMENT
as at March 31st, 2016 [Contd.]

(₹ In Lacs)

		for the year ended 31, March 2016	for the year ended 31, March 2015
C.	**Cash Flow From Financing Activities**		
	Repayment of Long-Term Borrowings (Net)		
	(Refer Note 2 Below)	(989.48)	1821.90
	Proceeds From Short-Term Borrowings (Net)	413.98	(1216.45)
	Share Premium Received	447.47	-
	Proceed From Issue Of Share Capital	42.00	-
	Interest Paid (Refer Note 2 Below)	(2504.88)	(2665.70)
	Forward Premium	-	(8.09)
	Net Cash From Financing Activities	**(2590.91)**	**(2068.33)**
	Net Increase/(Decrease) In Cash And Cash Equivalents	**(612.08)**	**602.28**
	Cash And Cash Equivalents - Opening Balance	**1035.96**	**433.68**
	Cash And Cash Equivalents - Closing Balance	**423.88**	**1035.96**

Notes:

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

2 Repayment of long term borrowing includes ₹ 325.50 Lacs being amount of Funded Interest Term Loan created by the bank during the period from 01.04.2015 to 30.09.2015 by debiting the Interest Amount. The said amount is correspondingly reflected in Interest Paid amount shown above.

3 Components of Cash and Cash Equivalents:

Particulars	As at 31 March, 2016	As at 31 March, 2015
Cash in hand	10.57	147.47
Balances with banks in current account	417.94	1079.86
Total	**428.50**	**1227.33**
Less: amount due to bank in current account	(4.62)	(191.37)
Total	**423.88**	**1035.96**

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

5 Figures in bracket indicates cash outflows.

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

As per our audit report of even date attached

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

For and on behalf of Board of Directors

G. R. Parmar
Partner
Membership No.:121462

C. S. Parikh
Executive Chairman
(DIN: 00041584)

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CEO and Managing Director
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Director
(DIN: 00017558)

May 23, 2016
Waghodia, Vadodara

May 23, 2016
Waghodia, Vadodara

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

Note: 1 Significant Accounting Policies on Consolidated Accounts

A. General Information

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

B. Principles of Consolidation:

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

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

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

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

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

C. Particulars of Consolidation:

The lists of Subsidiary Companies are as under:

Company	Year End	Country of Incorporation	Proportion of Ownership	
			As At 31st March 2016	As At 31st March 2015
20 Microns SDN BHD (Foreign Subsidiary)	March 31	Malaysia	100%	100%
20 Microns Nano Minerals Limited (Indian Subsidiary)	March 31	India	92.74%	99.17%
20 Microns FZE (Foreign subsidiary)	March 31	Sharjah	100%	100%

D. Basis of preparation of Financial Statements:

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

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

E. Use of Estimates:

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

F. Revenue Recognition:

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

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016 [Contd.]

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

b) Export benefits available under the prevalent schemes are accrued in the year in which the goods are exported and are accounted to the extent considered recoverable.

c) Dividend income is recognized when the right to receive dividend is established.

d) Interest income is recognized on accrual basis.

G. Fixed Assets and Depreciation:

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

a) Fixed assets including leasehold improvements and technical knowhow are stated at cost (net of CENVAT, wherever applicable). Cost includes direct expenses related to acquisition and installation and interest incurred during construction period.

b) Depreciation is provided on Straight Line Method (SLM) as per the framework given in Schedule II of the Companies Act, 2013 or over the estimated useful lives of the assets, whichever is higher. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

c) In respect of addition and sales of assets during the year, depreciation is provided on prorate basis.

d) In case of assets acquired on lease, cost / premium paid is being amortized over a period of 20 years or the life the lease whichever is less.

e) Expenditure on projects pending capitalization is shown under the head "Capital Work In Progress" which will be capitalized in respective heads of Fixed Assets after commencement of commercial production.

f) Machinery spares either procured along with plant and machineries or subsequently and whose useful life is expected to be irregular are capitalized and depreciated over residual use life of related plant and machinery.

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

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

The principal annual rates used are:

Motor Vehicle	20%
Office equipment	10%
Computer	20%

H. Impairment of Fixed Assets:

a) Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use.

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

I. Intangible Assets:

H.1 In the case of the Company:

A) Acquired Intangible Assets in the form of "Process Know How" is recognized at the cost of acquisition and amortized on straight line basis over a period of five years, depending on their estimated useful life.

B) Capitalized software includes cost on SAP project and other Software cost including license fees, which provides significant future benefits. SAP Project fees are amortized over a period of seven years. Costs of all other software are amortized over a period of five years.

C) The amortization period and method are reviewed at each year end.

H.2 *In the case of Indian Subsidiary:*

A) Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any.

B) Intangible assets are amortized on straight line method from the date they are available for use, over the useful lives of the assets not exceeding more than five years, as estimated by the management.

C) Research and Development:

The Research and Development cost is accounted in accordance with Accounting Standard - 26 'Intangible Assets'. All related revenue expenditure incurred on original and planned investigation undertaken with the prospect of gaining new

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016 [Contd.]

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

J. Inventories:

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

K. Foreign Exchange Transactions:

a) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchanges rate between the reporting currency and the foreign currency at the date of transaction. Foreign currency monetary items outstanding as on balance sheet date are revalued at exchange rate prevailing on balance sheet date (closing rate) and the gain / loss is recognized in Statement of Profit and Loss.

b) The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the Contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

L. Investments:

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

b) Long-term investments are stated at cost added by directly attributable cost. Provision for diminution in the value of long-term investments is made only if such a decline is of other than temporary in nature in the opinion of the management.

c) Investments other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments"

M. Employee Benefits:

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

a) Short Term Employee Benefits

Short term employee benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services is rendered. Short term employee benefits also include accrued leave benefits, which are expected to be availed or encashed within 12 months from the end of the year.

b) Post-employment benefit plans

b.i) Defined Contribution Plan

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

b.ii) Defined Benefit Plan

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

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

a) Short term benefits: Wages, salaries, bonuses and social security contributions are recognized as an expense in the year in which the associated services are rendered by employees of the Company.

b) Defined contribution plans: As required by law, companies in Malaysia make contributions to the state pension scheme, the employees Provident Fund. Such contributions are recognized as an expense in the income statement as incurred.

N. Borrowing Cost:

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016 [Contd.]

borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

O. Leases:

N.1 *In the case of the Company:*

a) Assets subject to operating leases are included under Fixed Assets or current assets as appropriate. Rent (lease) income is recognized in the Statement of Profit and Loss on a straight line basis over the life over the lease term. Costs, including depreciation, are recognized as an expense in Statement of Profit and Loss.

b) Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognised as expenses in the Statement of Profit and Loss as and when paid.

N.2 In the case of Indian Subsidiary:

a) Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

b) Assets leased out under operating leases are capitalised. Rental Income is recognized on accrual basis over the lease term.

P. Earnings Per Share

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

Q. Taxes on Income:

a) Tax expense comprise of current and deferred taxes.

b) Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.

c) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset is recognized on carried forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. At each reporting date, the unrecognized deferred tax assets is reassessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

R. Provisions, Contingent Liabilities and Contingent Assets:

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

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

S. Cash and Cash Equivalents

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

T. General

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016

(₹ In Lacs)

	As At 31 March, 2016	As At 31 March, 2015
2 Share Capital		
a. Authorised Capital		
6,00,00,000 Equity Shares of ₹ 5/- each	**3,000.00**	**3,000.00**
(Previous Year 6,00,00,000 Equity Shares of ₹ 5/- each)		
b. Issued, Subscribed and Fully Paid-Up Equity Shares		
3,52,86,502 Equity Shares of ₹ 5/- each	**1,764.33**	**1,690.80**
(Previous Year: 3,38,15,902 shares of ₹ 5 each)		

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

	As At 31 March, 2016		As At 31 March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	33,815,902	169,079,510	33,815,902	169,079,510
Issued during the period - Compulsory Convertible Warrant	1,470,600	7,353,000	-	-
Outstanding at the end of the period	**35,286,502**	**176,432,510**	**33,815,902**	**169,079,510**

d. Rights, Preferences and Restrictions 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 any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholders	As At 31 March, 2016		As At 31 March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Eriez Finance And Investment Limited	8,250,235	23.38	8,250,235	24.39
Chandresh S Parikh	3,630,400	10.29	3,630,400	10.74
Rameshbhai Baldevbhai Patel	1,953,100	5.53	1,953,100	5.78
Arcadia Share &Stock Brokers Private Limited	2,362,770	6.70	2,129,134	6.30
Pratik Minerals Private Limited	3,036,206	8.60	2,153,846	6.37
Total	**19,232,711**	**54.50**	**18,116,715**	**53.57**

f. The Company has not bought back any equity shres, has not alloted 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, 2016.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		As At 31 March, 2016	As At 31 March, 2015
3.	**Reserves and Surplus**		
a.	**General Reserve**		
	Balance As Per Last Year Financial Statement	120.54	120.54
	Add: Transfer From Surplus	-	-
	Closing Balance	**120.54**	**120.54**
b.	**Debenture Redemption Reserve**		
	Balance As Per Last Year Financial Statement	67.35	-
	Add: Transferred from Surplus	-	67.35
	Less : Transferred to Surplus	67.35	-
	Closing Balance	**-**	**67.35**
c.	**Capital Reserve On Consolidation**	48.88	48.88
d.	**Securities Premium Account**		
	Balance As Per Last Year Financial Statement	3553.86	3553.86
	Add : Addition During Year	447.47	-
	Closing Balance	**4001.33**	**3553.86**
e.	**Foreign Currency Translation Reserve**		
	Balance As Per Last Year Financial Statement	54.04	42.20
	Add: Change During the year	9.01	11.84
	Closing Balance	**63.04**	**54.04**
f.	**Surplus as per Statement of Profit and Loss**		
	Balance As Per Last Year Financial Statement	1569.10	1954.03
	(Less) : Depreciation Fund	-	(67.39)
	Add: Net Profit/(Loss) For The Year	1098.81	(250.19)
	Transfer from Debenture Redemption Reserve	**67.35**	
	(Less) : Appropriations		
	Transfer to Debenture Redemption Reserve	-	**67.35**
	Closing Balance	**2735.26**	**1569.10**
		6969.06	**5413.76**

4 Long Term Borrowings

		2016		2015	
		Current Maturities	*Non-Current Maturities*	*Current Maturities*	*Non-Current Maturities*
a.	**Secured Borrowings**				
i.	Term Loans				
	From Banks	1072.60	6683.43	262.94	7528.54
	From Financial Institution	-	23.70	-	7.24
	Total Secured Borrowings	**1072.60**	**6707.13**	**262.94**	**7535.78**
b.	**Unsecured Borrowings**				
i.	Public Deposits -				
iii	Deposit from Public	409.38	495.12	433.51	649.19
	Deposit from Related Parties (Refer Note No. 33)	5.25	36.50	66.50	10.25
iii	11% Fully Convertible Debentures (FCD)	-	-	269.40	33.00
iv	**Total Unsecured Borrowings**	**414.63**	**531.62**	**769.41**	**692.44**
	Total Borrowings	**1487.23**	**7238.74**	**1032.35**	**8228.22**

c. Details of Securities, Repayment and Interest Rate:

i. The term loan are secured by way of first charge by way of mortgage or hypothecation over certain properties and second charge by way of hypothecation of present and future current assets. The loans are repayable over a period of 1 to 7 years. The effective rate of interest is in the range of 9.11% to 16.00%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

ii. Further the term loans are collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Finance and Investment Ltd"., a company where signifcant influence exists.

iii. The Public Deposits are repayable over a period of 3 years. The effective rate of interest is in the range of 10.25% to 13.87%.

d. NPA Note :

Credit facilities availed by the company from IDBI Bank Limited and State Bank of India (SBI.) were restructured by both banks and given affect to on 31st March 2015. Main terms of restructuring were deferment of repayment of term loan matching with future cash flow of the company, marginal reduction in interest rates subject to recompense for sacrifice made if any and refund of term loan installments paid during 2014-15. Company has been repaying its dues of debt from date of restructuring without any default. SBI informed the company on 4th April 2016 that under Asset Quality Review by Reserve Bank of India (RBI) its account has been classified as NPA with effect from 1st April, 2014 on account of delay in creation of security. Delay, if any, is not attributable to company and company has represented to SBI to restore the classification of account to Standard from NPA, with immediate effect. SBI has assured that they will review and take the corrective action by 2'nd quarter. IDBI continues to classify the account as standard asset. Company does not see any significant liability of recompense as no real sacrifice was made by banks except deferment of repayment obligation.

In view of the above, the classification of Borrowings in to Current and Non-Current Category is made considering the period in which the borrowings will be repaid as per the terms agreed under the restructuring proposal.

(₹ In Lacs)

		As At 31 March, 2016	As At 31 March, 2015
5.	**Deferred Tax Liability (Net)**		
	A. Deferred Tax Liability On Account Of:		
	Product Development Expenses	26.60	27.32
	Difference between WDV of fixed assets as per the Income Tax Act,1961 and the Companies Act,2013.	2119.10	2015.07
	Provision for Gratuity Liability	2.67	-10.32
	Gross Deferred Tax Liabilities (A)	**2148.37**	**2032.07**
	B. Deferred Tax Assets On Account Of :		
	Unabsorbed Depreciation and Carry Forward Losses	511.99	610.37
	Disallowances under the Income Tax Act,1961	-	-
	u/s 43 B	86.83	.05
	Provision For Bad and Doubtful Debts	53.88	61.21
	Gross Deferred Tax Assets (B)	**652.70**	**671.63**
	C. Net Deferred Tax Liabilities (A-B)	**1495.67**	**1360.44**
6	**Other Long Term Liabilities**		
	Trade Deposits	7.14	2.39
	Interest Accrued But Not Due	24.72	33.57
	Total	**31.86**	**35.96**
7	**Short Term Borrowings**		
	a. Secured (Repayable on Demand)		
	Working Capital Finance From Banks (Effective Rate of Interest being 12.75% - 14.00%)	6671.22	6200.78
	b. Unsecured		
	Public Deposits (Effective Rate of Interest being 10.25%-13.87%)	943.36	815.82
	Inter Corporate Deposits	-	184.00
	Total	**7614.58**	**7200.60**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		As At 31 March, 2016	As At 31 March, 2015
	c. Details of Securities		
	The working capital finance facilities are secured by way of first charge of present and future current assets by way of second charge over certain properties. Further collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Finance and Investment Ltd"., a company where signifcant influence exists.		
	NPA Note : Refer Note 4 (D)		
8	**Trade Payables**		
	Micro, Small and Medium Enterprises	58.86	44.28
	Other Suppliers	5456.40	7141.98
	Total	**5515.26**	**7186.26**
	The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:		
	1 Principal Amount due and remaining unpaid	49.91	44.28
	2 Interest due on (1) above and unpaid interest	-	.65
	3 Interest paid on all delayed payments under MSMED Act, 2006	3.05	7.77
	4 Payment made beyond the appointed day during the year	-	-
	5 Interest due and payable for the period of delay other than (3) above	-	-
	6 Interest accrued and remaining unpaid	-	-
	7 Amount of further interest remaining due and payable in succeeding years	-	-
9	**Other Current Liabilities**		
	Salary And Wages Accrued	131.41	131.70
	Current Maturities Of Long Term Borrowings		
	Secured Term Loans From Banks	1072.60	262.94
	Deposit From Public	409.38	433.51
	Deposit From Related Parties (Refer Note No. 33)	5.25	66.50
	Optional Convertible Debentures-Series I	-	141.75
	Optional Convertible Debentures-Series II	-	127.65
	Amounts Due To Banks In Current Account	4.62	191.37
	Interest Accrued But Not Due	220.68	192.50
	Unclaimed Dividends	1.82	1.83
	Unclaimed Matured Deposits	18.15	15.00
	Advance From Customers	46.55	32.67
	Statutory Dues	169.21	126.07
	Other Payables	491.58	405.52
	Total	**2571.26**	**2129.01**
10	**Short Term Provisions**		
	a Provision For Employee Benefits		
	Leave Encashment	4.86	4.65
	Gratuity Provision	-	28.73
	b Others		
	Excise and Royalty On Finished Goods	63.41	51.99
	Total	**68.27**	**85.37**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31st, 2016 [Contd.]

11. Fixed Assets

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As At April 01, 2015	Additions During Year	On Sale/ Adjustments	Total March 31, 2016	Upto April 01, 2015	Provided During Year	On Sale	Up To March 31, 2016	As At March 31, 2016	As At March 31, 2015
(A) TANGIBLE ASSETS										
Freehold Land	208.65	46.94	-	255.59	4.04	-	-	4.04	251.55	204.62
Leasehold Land	503.10	-	(5.47)	497.63	180.98	37.84	(5.19)	213.62	284.01	322.12
Office Building	214.44	-	(20.35)	194.09	46.94	4.87	(6.53)	45.28	148.81	167.49
Leasehold Office Building	80.56	-	-	80.56	31.96	7.52	-	39.48	41.08	48.60
Factory Building	3830.52	23.51	(49.94)	3804.09	676.11	116.79	(20.71)	772.18	3031.91	3154.42
Plant And Machinery	15793.98	904.64	(83.98)	16614.64	5220.40	657.52	(4.89)	5873.03	10741.61	10573.58
Vehicles	493.72	11.45	(31.86)	473.31	219.65	61.26	(16.57)	264.34	208.97	274.07
Computer Software	161.20	6.05	(.40)	166.86	133.13	12.77	(.38)	145.52	21.33	28.07
Furniture and Office Equipments	429.47	5.47	(.78)	434.16	212.60	46.09	(.66)	258.03	176.13	216.87
Total	**21715.64**	**998.06**	**(192.77)**	**22520.93**	**6725.81**	**944.65**	**(54.93)**	**7615.53**	**14905.41**	**14989.84**
Previous year	**21279.65**	**514.94**	**(78.96)**	**21715.64**	**5695.29**	**1066.25**	**(35.73)**	**6725.81**	**14989.84**	**15584.37**
(B) INTANGIBLE ASSETS										
Product Development	207.02	29.61	-	236.62	154.36	34.76	-	189.12	47.51	52.66
Process Know How	62.41	117.30	-	179.70	33.90	12.56	-	46.46	133.24	28.50
Computer Software (SAP Expenses)	192.46	-	-	192.46	142.63	26.54	-	169.17	23.29	49.83
Mining Right	16.95	-	-	16.95	5.94	3.39	-	9.33	7.62	11.01
Total	**478.83**	**146.91**	**-**	**625.74**	**336.83**	**77.25**	**-**	**414.08**	**211.65**	**142.00**
Previous year	**553.89**	**48.13**	**(123.18)**	**478.83**	**373.39**	**86.63**	**(123.18)**	**336.83**	**142.00**	**180.50**
CAPITAL WORK IN PROGESS									**425.70**	**690.39**
INTANGIBLE ASSETS UNDER DEVELOPMENT									**5.24**	**5.24**
TOTAL RS.	**22194.47**	**1144.97**	**(192.77)**	**23146.67**	**7062.64**	**1021.90**	**(54.93)**	**8029.61**	**15548.00**	**15827.47**
PREVIOUS YEAR	**21833.54**	**563.07**	**(202.14)**	**22194.47**	**6068.68**	**1152.87**	**(158.91)**	**7062.64**	**15827.47**	**15764.86**

Notes:

1) Pursuant to Accounting Standard AS-28, 'Impairment of Assets', there is no impairment of Assets.

2) The Company has taken an office building on finance lease, having aggregate cost of ₹ 75 Lacs during the financial year 2010-11. The period of lease is for 10 years with rights of ownership of assets to be transferred to company at the end of lease period. The Company has paid in advance at the inception of the lease, the lease rental payment agreed for the lease period. In view of the same there is no outstanding liability of rental payments to be made by the company over the lease period and consequently there is no interest cost attached to it.

3) Addition during the year includes interest,finance charges and Project Departement Salary amounting to ₹ 90.13 lacs (Previous Year: ₹ 30.72 lacs) capitalised required by Accounting Standard AS-16 'Borrowing Cost'

4) Amount of CWIP includes interest and finance charges amounting to ₹ 90.56 lacs (Previous Year: ₹ 180.68 lacs) as required by Accounting Standard-16 'Borrowing Cost'.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		As At 31 March, 2016	As At 31 March, 2015
12	**Non Current Investments**		
	Non-Trade Investments		
	In Unquoted Fully Paid Up Shares		
	6,80,000 Equity Shares (Previous year : 6,80,000)		
	of Eriez Finance and Investment Limited	68.00	68.00
	Other Investment		
	National Savings Certificate	1.12	1.12
	Total	**69.12**	**69.12**
13	**Long Term Loans and Advances**		
	(Unsecured, Considered Good)		
	Advance To Suppliers Of Capital Goods	810.18	984.31
	Balance With Gratuity Fund	9.20	-
	Balance With Tax Authorities	-	2.50
	Mat Credit Entitlement	429.70	323.13
	Total	**1249.09**	**1309.95**
14	**Other Non Current Assets**		
	Security Deposits	254.33	279.87
	Mine Development charges	36.85	68.80
	Total	**291.19**	**348.67**
15	**Inventories**		
	Raw Materials	4056.74	3920.52
	Finished Goods	2246.71	2131.24
	Stores And Spares	543.82	375.38
	Stock-In-Trade	30.37	44.91
	Goods In Transit (Raw Material)	143.39	108.71
	Total	**7021.02**	**6580.76**
	The inventory is valued at lower of cost and net realisable value.		
16	**Trade Receivables (Unsecured)**		
	a. Debts Outstanding for a Period Exceeding Six Months From Due Date Of Repayment:		
	Considered Good	199.66	53.20
	Considered Doubtful	164.50	191.71
		364.15	244.90
	Less : Provision For Doubtful Debts	(164.50)	(148.58)
		199.66	53.20
	b. Other Debts - Considered Good	5398.05	4901.77
	Total	**5597.71**	**4954.97**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		As At 31 March, 2016	As At 31 March, 2015
17	**Cash and Bank Balances**		
	a. Cash and Cash Equivalents		
	Cash On Hand	10.57	147.47
	In Current Account	417.94	1079.86
		428.50	**1227.33**
	b. Other balances		
	In Deposit Account (Liquid Asset) *	256.60	227.16
	In Deposit Account (LC & BG Margin Money) *	253.16	382.96
	In Unpaid Dividend Account #	1.82	1.83
		511.58	**611.95**
	*The above includes deposits of ₹ 37.90 lacs (previous year: ₹ 128.14 lacs) due for maturity after 1 year.		
	# balance held in unpaid dividend account are restricted amounts and not available for use.		
	Total	**940.08**	**1839.28**
18	**Short Term Loans and Advances**		
	(Unsecured, Considered Good)		
	Loans and Advances to Related Parties	-	229.55
	Others :		
	Balances With Tax Authorities	26.79	75.16
	Advance Payment Of Income Tax	29.96	199.69
	(Net of Provision ₹ 1136.01; Previous Year ₹ 817.51 lacs)		
	Loan & Advance To Employees	32.90	22.28
	Advances To Suppliers	2188.30	1185.16
	Deposits	39.47	48.02
	Prepaid Expenses	67.97	96.19
	Inter Corporate Deposits	128.10	451.41
	Others	47.27	25.20
	Total	**2560.77**	**2332.65**
19	**Other Current Assets**		
	Export Incentive Receivable	-	24.02
	Insurance Claim Receivable	3.07	6.16
	Income Accrued But Not Due On Deposits	47.50	46.60
	Total	**50.57**	**76.79**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
20	**Revenue from Operations**		
	Sale of Products - Domestic	32951.60	31596.75
	- Export	4499.12	5559.00
		37450.72	**37155.75**
	Less : Excise Duty	1510.25	1375.35
		35940.47	**35780.40**
	Other Operating Revenues	22.98	27.40
	Total	**35963.44**	**35807.80**
20.1	**Details of Other Operating Revenues are as under :**		
	Scrap Sales	1.02	6.39
	Remission Of Credit Balances	7.64	4.27
	Miscellaneous Income	14.24	4.51
	Export Incentives	.08	12.22
	Total	**22.98**	**27.40**
	Total	**35963.44**	**35807.80**
21	**Other Income**		
	Interest	112.25	129.38
	Gain On Sales of Tangible Assets (Net)	83.36	73.78
	Gain / Loss On Foreign Currency Transaction (Net)	3.58	56.14
	Provision Written Back	22.50	57.55
	Liability No Longer Required Written Back	30.52	51.70
	Rent	52.19	10.54
	Other Non-Operating Income	65.09	61.06
	Total	**369.48**	**440.15**
22	**Cost of Materials Consumed**		
	Raw Materials :		
	Opening Stock of Raw Materials	3920.52	3556.51
	Add : Purchases	17428.16	19717.78
		21348.68	**23274.29**
	Less : Goods in Transit	143.39	108.71
	Less : Closing Stock of Raw Materials	4056.74	3920.52
	Raw Material consumed	**17148.56**	**19245.06**
23	**Changes in Inventories of Finished Goods & Stock In Trade**		
	Opening stock of Finished Goods & Stock In Trade	2176.15	1968.39
	Less : Closing stock of Finished Goods & Stock In Trade	2277.08	2176.15
	Changes in Inventories of Finished Goods & Stock In Trade	**(100.93)**	**(207.76)**
24	**Employee Benefits Expense**		
	Salary Wages & Bonus	2831.85	2520.42
	Managerial Remuneration	153.03	176.26
	Company's Contribution To Provident & Other Funds	201.76	192.78
	Staff Welfare Expenses	85.06	84.56
	Total	**3271.70**	**2974.01**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

		For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
25	**Finance Costs**		
	Interest Expenses		
	Interest on Term Loans	910.59	917.38
	Interest On Working Capital Loans	1125.91	1177.38
	Other Interest	277.52	321.85
	Total	**2314.01**	**2416.61**
	Other Borrowing Costs	207.79	287.93
		2521.80	**2704.54**
	Less: Finance Costs Capitalized	-	(31.02)
	Total	**2521.80**	**2673.52**
26	**Other Expenses**		
26.1	**Manufacturing Expenses**		
	Consumption of Stores and Spare Parts	535.01	394.21
	Power & Fuel	3537.81	3314.52
	Rent	96.40	70.64
	Repairs :		
	Buildings	19.33	20.17
	Plant and Machinery	260.19	284.82
	Other Manufacturing & Factory Expenses	223.91	223.00
	Total	**4672.65**	**4307.36**
26.2	**Administrative & Other Expenses**		
	Rent	20.92	24.29
	Rates and Taxes	85.90	57.73
	Insurance	86.84	68.79
	Post, Telephone & Courier	108.73	105.21
	Printing And Stationary Expenses	28.06	25.58
	Legal,Licences And Renewal Expenses	12.07	23.43
	Software And Computer Maintenance	26.34	25.29
	Travelling & Conveyance	136.12	144.95
	Vehicle Running & Maintenance	66.22	73.76
	Professional Fees	149.37	171.85
	Auditors Remuneration	12.33	12.17
	Directors Sitting Fees	6.38	3.82
	Loss On Sale/ Discarded Of Assets (Net)	.49	-
	Donation	6.14	2.35
	Remission of Debit Balance	47.81	
	Bad Debts	2.27	9.10
	Royalty paid	3.65	-
	Share Issue Expenses Write Off	-	1.60
	Misc. Expenses	118.94	156.68
	Total	**918.59**	**906.61**
26.3	**Research & Development Expenses**	1.27	14.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

(₹ In Lacs)

	For the Year Ended 31 March, 2016	For the Year Ended 31 March, 2015
26.4 Marketing, Selling & Distribution Expenses :		
SELLING EXPENSES		
Travelling Expenses	337.47	338.30
Rebate and Discount	155.92	114.73
Sales Commission	59.59	67.90
Bad Debts Written Off	5.24	1.53
Provision for Bad debts	67.78	49.05
Rent	140.28	144.78
Other Selling Expenses	210.94	223.42
Total	**977.22**	**939.71**
DISTRIBUTION EXPENSES		
Freight and Logistic Expenses (Domestic)	3649.37	3831.85
Freight and Logistic Expenses (Export)	659.96	697.77
Service Tax	140.39	105.13
Total	**4449.72**	**4634.76**
Total	**11019.45**	**10802.99**

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

28. Contingent Liabilities and Commitments:
(To the extent not provided for)

28.1 In the case of Company:

A) Contingent Liabilities

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

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

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

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2016	March 31, 2015
1	Demand of Sales Tax, Value Added Tax and Central Sales Tax (An amount ₹ 3.10 lacs deposited under protest)	15.26	12.53
2	Claims from Excise and Customs authorities not acknowledged as debt. (An amount of ₹ 19.12 lacs deposited under protest in previous year)	NIL	758.44
3	Demand of Income Tax	45.13	125.00

(iii) Guarantees and Letter of Credits:

- Company has given guarantee of ₹ 1,225.00 (Previous Year ₹ 1,225.00 Lacs) on behalf of Indian subsidiary company.
- Guarantee given by Company's Bankers in normal course of business ₹ 251.88 lacs (Previous Year ₹ 205.11 lacs).
- Inland / Foreign Letter of Credit issued by Bank ₹516.41 Lacs (Previous Year ₹2434.51 lacs).

B) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to ₹ 27.97 Lacs (Net of Advances of ₹ 809.52 lacs) [Previous Year ₹ 991.53 Lacs (Net of Advances of ₹ 975.86 lacs].

28.2 In the case of Indian Subsidiary:

A) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) ₹ 97.89 Lacs (Previous Year ₹ Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

B) **Claims against the company not acknowledged as debt:**

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2016	March 31, 2015
1	Demand of Sales Tax, Value Added Tax and Central Sales Tax	24.75	24.75
2	Claims from Excise and Customs authorities not acknowledged as debt.	12.66	53.14
3	Demand of Income Tax	0.65	0.61
4	Provident Fund	2.98	2.98

C) Contingent Liabilities not provided for on account of bank guarantee of ₹ 5.68 Lacs (Previous Year ₹ 19.30 Lacs) and on account of Provident Fund Liability of ₹ 2.98 Lacs (Previous Year ₹ 2.98 Lacs).

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

30. Prior period adjustments:

A) Prior Period Expenses under various heads is as under:

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Administrative & Other Expenses	0.85	1.55
Manufacturing Expenses	0.40	2.55
Selling & Distribution Expenses	0.03	2.56
Total	**1.28**	**6.66**

B) Prior Period Income under various is as under:

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Interest Received	-	0.06
Import Duty of Previous Year	22.84	-
Others	1.50	-
Total	**24.34**	**0.06**

31. Employee Benefits :

31.1 In the case of Company:

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

A) Defined Contribution Plans:

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Employer's contribution to Provident Fund	105.55	93.16

B) Defined Benefit Plan:

B1) Reconciliation of opening and closing balances of present value of obligations.

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Present Value of Obligation as at the beginning of the year	343.61	259.39
Interest Cost	26.36	22.31
Current Service Cost	30.97	23.34
Actuarial (gain) / Loss on obligations	53.04	63.52
Benefits paid	(43.54)	(24.96)
Present value of Obligation as at the end of the year	410.44	343.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

B2) Changes in the Fair Value of Plan Assets (₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Fair Value of Plan Assets at the beginning of the year	312.41	252.84
Expected Return on Plan Assets	29.09	22.57
Contributions	120.00	63.00
Actuarial Gain / (loss) on Plan Assets	0.54	(1.03)
Benefit paid	(43.54)	(24.96)
Fair Value of Plan Assets at the end of the year	418.51	312.41

B3) The amount recognized in balance sheet (₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Present Value of Obligations as at the end of the year	410.44	343.61
Fair value of plan Assets as at the end of the year	418.51	312.41
Net Asset / (Liability) recognized in Balance sheet	8.07	(31.20)

B4) Amount recognized in the Statement of Profit and Loss (₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Current Service Cost	30.97	23.34
Interest Cost	26.36	22.31
Expected Return on Plan Assets	(29.09)	(22.57)
Net actuarial (gain) / loss recognized in the year	52.49	64.55
Expenses Recognized in the Statement of Profit & Loss	80.73	87.64

B5) Assumptions

Particulars	March 31, 2016	March 31, 2015
Mortality Table (LIC)	2006-08 Indian Assured Lives Mortality	2006-08 Indian Assured Lives Mortality
Discount Rate	7.85%	7.80%
Rate of increase in Compensation Levels	6.50%	6.50%
Rate of Return on Plan Assets	7.90%	9.00%

B6) Amount pertaining to plan is as follows. (₹ in Lacs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined value obligations	410.44	343.61	259.39	227.98	222.97
Fair value of plan assets	418.51	312.41	252.84	239.78	245.90
Surplus / (deficit) in plan	**8.07**	**(31.20)**	**(6.57)**	**11.80**	**22.93**
Experience adjustments					
on plan assets (Loss) / Gain	0.54	(1.03)	(.54)	(.41)	(3.17)
on plan liabilities (Gain) / Loss	53.04	63.52	30.53	10.61	7.20

B7) Investment Details:

Particulars	March 31, 2016	March 31, 2015
Insurance Policies	100%	100%

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

31.2 In the case of Indian Subsidiary:

A) **Defined contribution plans:** The Company has recognized ₹ 5.26 Lacs (Previous Year ₹ 2.46 Lacs) for Provident Fund Contribution as expenses under the defined contribution plan in the Statement of Profit & Loss.

B) **Defined benefit plan:** The Company recognizes the liability towards the gratuity at each balance sheet date. The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2016 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

C) The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2016.

(₹ in Lacs)

Sr.No.	Particulars	March 31, 2016	March 31, 2015
I	**Reconciliation in present value of obligations (PVO) – defined benefit obligation :**		
	Current Service Cost	1.38	0.68
	Interest Cost	0.25	0.17
	Actuarial (gain) / losses	0.19	0.80
	Benefits Paid	(0.46)	(0.35)
	PVO at the beginning of the year	3.18	1.88
	PVO at end of the year	**4.54**	**3.18**
II	**Reconciliation of the fair value of plan assets :**		
	Expected return on plan assets	0.55	0.51
	Adjustment of Opening Fund	-	-
	Actuarial gain/(losses)	(0.08)	(0.02)
	Contributions by the employer	-	-
	Benefits Paid	(0.46)	(0.35)
	Fair value of plan assets at beginning of the year	5.65	5.52
	Fair value of plan assets at end of the year	**5.67**	**5.65**
III	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of period	4.54	3.18
	Fair Value of planned assets at end of year	5.67	5.65
	Net asset/ (liability) recognized in the balance sheet	**(1.13)**	**(2.47)**
IV	**Net cost for the year ended:**		
	Current Service cost	1.38	0.68
	Adjustment of the Opening Fund	-	-
	Interest cost	0.25	0.17
	Expected return on plan assets	(0.55)	(0.51)
	Actuarial (gain) / losses	0.27	0.83
	Net cost	**1.34**	**1.17**
V	**Assumption used in accounting for the gratuity plan:**		
	Discount Rate (%)	7.90%	7.80%
	Salary Escalation Rate (%)	6.00%	6.00%

D) **Experience adjustments:**

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Experience adjustments on account of plan liabilities	(0.24)	(0.31)	2.64	1.27	0.48
Experience adjustments on account of plan assets	(0.08)	(0.02)	-	0.02	0.06

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

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

32. **Related Party Disclosures** as required under the Accounting Standard AS – 18 on "Related Party Disclosures" as specified under section 133 of the Companies Act, 2013 are given below:

(₹ in Lacs)

Name of the Related Party	Nature of Relationship	Nature of Transactions	2015-16	2014-15
DMC Limited (formerly known as Dispersive Minerals and Chemicals India Limited)	**Significant Influence Exercised by Key Managerial Personnel**	**a) Income :**		
		Interest received	-	8.79
		b) Expenses :		
		Rent Paid	-	5.06
		c) Others :		
		Advances Paid	-	75.72
		d) Amount Receivable / (Payable) at the year end	**-**	**229.35**
20 Microns Foundation trust	**Significant Influence Exercised by Key Managerial Personnel**	**a) Expenses :**		
		Donation paid	1.85	-
Eriez Finance & Investment Limited	**Significant Influence Exists**	**a) Expenses :**		
		Professional Fees paid	-	-
		b) Others :		
		Advance Paid	-	3.36
		Advance received Back	-	4.02
		c) Amount Receivable / (Payable) at the year end	-	-
20 Microns ESOS Trust	**Significant Influence Exists**	**a) Others :**		
		Advance received Back	-	18.61
		b) Amount Receivable at the year end	**-**	**-**
Shri C. S. Parikh	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	51.94	45.47
		Interest on Deposit	2.02	1.40
		Interest on Debenture	1.65	3.30
		b) Others :		
		Deposit Received / Renewed	35.00	-
		Deposit Paid During the Year	10.00	-
		Deposit Outstanding	35.00	10.00
Shri R. C. Parikh	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	44.78	39.16
Shri. A. C. Parikh	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	36.65	32.06
		Interest on Deposit	0.63	0.57
		b) Others :		
		Deposit Paid	-	4.00
		Deposit Received/Renewed	-	5.00
		Deposit Outstanding	5.00	5.00
Shri S. R. Parikh	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	-	35.90
		Interest on Deposit	0.28	1.15
		b) Others :		
		Deposit Paid	6.50	7.25
		Deposit Received / Renewed	-	-
		Deposit Outstanding	-	6.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

Name of the Related Party	Nature of Relationship	Nature of Transactions	2015-16	2014-15
Smt A.K. Muley	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	7.65	6.97
Shri B. V. Kanani (Ceases to be KMP w.e.f. 01.03.2016)	**Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	33.23	21.52
Shri S. R. Parikh (HUF)	**Relative to Key Management Personnel**	**a) Expenses :**		
		Interest on Deposit	0.75	0.98
		b) Others :		
		Deposit Paid	1.00	2.80
		Deposit Received / Renewed	-	-
		Deposit Outstanding	4.75	5.75
Shri L. R. Parikh	**Relative to Key Management Personnel**	**a) Expenses :**		
		Professional Fees Paid	8.38	8.96
		Remuneration paid	1.01	0.28
Smt. I. C. Parikh	**Relative to Key Management Personnel**	**a) Expenses :**		
		Interest on Deposit	2.75	8.72
		b) Others :		
		Deposit Paid	27.00	16.50
		Deposit Received / Renewed	15.50	-
		Deposit Outstanding	15.50	42.50
Smt. S. R. Parikh	**Relative to Key Management Personnel**	**a) Expenses :**		
		Interest on Deposit	0.13	0.14
		b) Others :		
		Deposit Received / Renewed	1.00	-
		Deposit Outstanding	1.00	1.00
Smt. P. A. Parikh	**Relative to Key Management Personnel**	**a) Expenses :**		
		Interest on Deposit	0.53	0.55
		b) Others :		
		Deposit Received / Renewed	5.00	-
		Deposit Paid	4.00	-
		Deposit Outstanding	5.00	4.00
Mrs. V. R. Parikh	**Relative to Key Management Personnel**	**a) Expenses :**		
		Interest on Deposit	-	-
		b) Others :		
		Deposit Paid	-	-
		Deposit Outstanding	-	0.50
Smt D. S. Parikh	**Relative to Key Management Personnel**	**a) Expenses :**		
		Remuneration paid	-	-
		Interest on Deposit	0.16	0.28
		b) Others :		
		Deposit Paid	1.50	-
		Deposit Received / Renewed	-	-
		Deposit Outstanding	0.50	2.00

Notes :

1. Following are the List of Independent Directors with whom no transactions has been occurred during the Financial Year 2015-16 other than payment of Sitting Fees :-
   a. Mr. Pravinchandra M. Shah
   b. Mr. Ram A. Devidayal
   c. Mr. Atul H. Patel
   d. Mrs. Darsha Kikani
   e. Mr. Ajay I. Ranka

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

2. 20 Microns Nano minerals Limited, 20 Microns SDN.BHD, 20 Microns FZE, have been using software package being "SAP" by 20 Microns Limited without payment of Consideration.

33. Deferred Taxation:

33.1 In the case of Company: **(₹ in Lacs)**

Particulars	March 31, 2016	March 31, 2015
Deferred Tax Liabilities on account of:		
Product Development Expenses	26.60	27.32
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 1956.	1947.64	1887.67
Total (a)	**1974.24**	**1914.99**
Deferred Tax Assets on account of:		
Unabsorbed losses and Depreciation	511.99	610.37
Disallowances u/s 43 B	**86.72**	**-**
VRS Expenses u/s 35DDA	-	-
Provision for Gratuity liability	2.67	10.32
Provision for Bad and Doubtful Debts	46.67	54.55
Total (b)	**648.05**	**675.24**
Net Deferred Tax Liabilities (a)-(b)	**1326.19**	**1239.75**

33.2 In the case of Indian Subsidiary: **(₹ in Lacs)**

Particulars	March 31, 2016	March 31, 2015
Deferred Tax Liabilities on account of:		
Difference between book depreciation and tax depreciation	171.36	127.34
Expenses allowed under tax on payment basis	(7.32)	(6.71)
Net Deferred Tax Liabilities	**164.04**	**120.63**

33.3 In the case of 20 Microns SDN (Foreign Subsidiary): **(₹ in Lacs)**

Particulars	March 31, 2016	March 31, 2015
Deferred Tax Liabilities on account of:		
Plant & Equipment-Capital Allowance	0.10	0.05
Net Deferred Tax Liabilities	**0.10**	**0.05**

34. Leases

A) Group has obtained several premises and plant machinery for its business operations under leave and license agreements. These are generally not non-cancelable lease and are renewable on mutual consent on mutually agreeable terms. Lease payments are recognized as rent expenses in the statement of profit and loss.

B) Group has given several premises and plant and machinery on operating lease for period ranging from 11 months to 60 months. The lease rent is recognized as rent income in the statement of profit and loss.

35. Basic and Diluted Earnings Per Share :

Particulars	2015-16		2014-15
	Basic	Diluted	Basic & Diluted
Profit / (Loss) attributable to Shareholders (₹ in Lacs)	1098.80	1098.80	(250.19)
Weighted average no. of Equity shares outstanding during the year (See Note Below)	3,50,33,365	3,52,86,502	3,38,15,902
Nominal Value of Equity Shares (₹)	5/-	5/-	5/-
Basic and diluted earnings / (loss) per share (₹)	3.14	3.11	(0.74)

36. Forward Contracts

In the case of Company

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2016 [Contd.]

B) Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.

C) The outstanding forward contracts as at March 31, 2016 is NIL (Previous Year ₹ 143.42 Lacs) in respect of hedging currency related risk.

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

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

As per our audit report of even date attached

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

For and on behalf of Board of Directors

G. R. Parmar Partner Membership No.:121462	C. S. Parikh Executive Chairman (DIN: 00041584)	Rajesh Parikh CEO and Managing Director (DIN: 00041610)	Anuja Muley Secretary (A-21243)	P. M. Shah Director (DIN: 00017558)
May 23, 2016 Waghodia, Vadodara	May 23, 2016 Waghodia, Vadodara			

20 MICRONS®
LIMITED

Registered Office : 9/10, GIDC Industrial Estate, Waghodia - 391760, Dist.: Vadodara, Gujarat, India
CIN : L99999GJ1987PLC009768
Phone : 02668 - 292297 • **Fax :** 02668 - 264003
E-Mail : co_secretary@20microns.com • **Website :** www.20microns.com

ATTENDANCE SLIP

28th Annual General Meeting

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

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the **29th Annual General Meeting** of the Shareholders of the Company at the Conference Room of 347, GIDC Industrial Estate, WAGHODIA - 391 760. Dist. : Vadodara at 3.00 pm on **Friday the 23rd September, 2016**.

Name of Member/Proxy : _____ Signature of Member/Proxy : _____

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

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E-Mail : co_secretary@20microns.com • **Website :** www.20microns.com

PROXY FROM

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

Name of Member[s]/Proxy _____

Registered Address _____

E-Mail ID _____

Folio No./Client ID _____

DP ID _____

I/We, being the Member[s] holding _____ shares of the above-named Company, hereby appoint -

1. Name : _____
   Address : _____
   _____
   E-mail Id : _____ Signature : _____, or failing him
2. Name : _____
   Address : _____
   _____
   E-mail Id : _____ Signature : _____, or failing him
3. Name : _____
   Address : _____
   _____
   E-mail Id : _____ Signature : _____

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Friday, the 23rd September, 2016 at the Conference Room of 347, GIDC Industrial Estate, WAGHODIA - 391 760. Dist. : Vadodara and at any adjournment[s] thereof in respect of the following resolution[s] as are indicated below :

Sr. No.	ORDINARY BUSINESS	Tick Appropriately ✓
1.	Adoption of Financial Statements for the year ended 31.03.2015	For / Against
2.	Re-appointment of Mr. Sudhir R. Parikh	For / Against
3.	Re - appointment of M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad as an Independent Auditors and fixing their remuneration.	For / Against
SPECIAL BUSINESS		
4.	Ratification of remuneration of Cost Auditors	For / Against
5.	To Approve Related Party Transactions	For / Against
6.	To ratify, approve and confirm execution of lease/guest house agreement dated 26.07.2016 with the Related Party	For / Against
7.	To Approve revisioon in the Rate of Interest on Unsecured Fixed Deposits being accepted by the Company	For / Against

Signed this _____ day of September, 2016

Affix ₹ 1 Revenue Stamp Signature

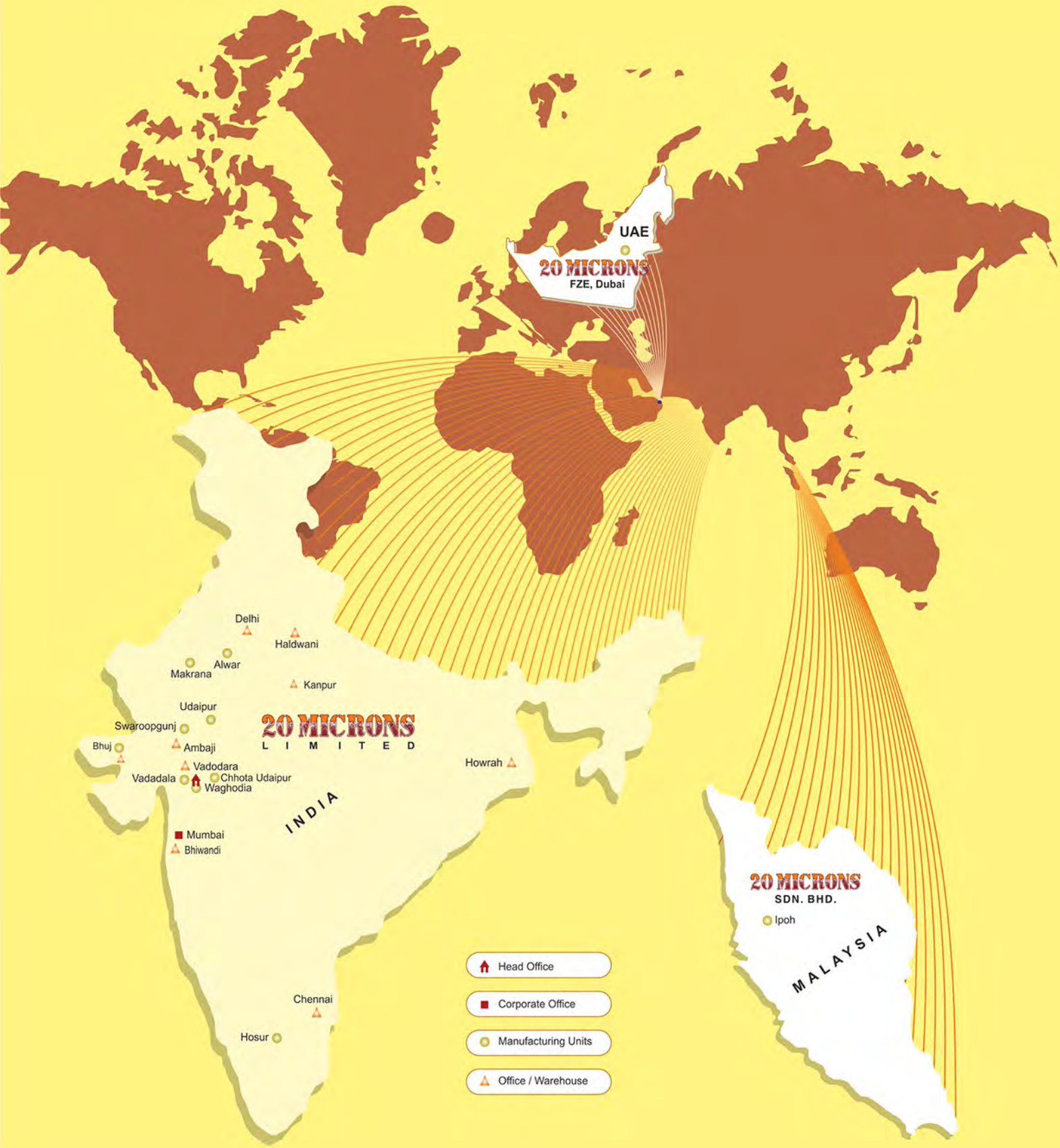
Signature of Shareholder _____

Note : This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of attorney, if any, under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting. For the resolutions, explanatory statement and notes, please refer the Notice of the 29th Annual General Meeting.

NOTES

NOTES

OUR NETWORK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