32

Years of Excellence

Annual Report

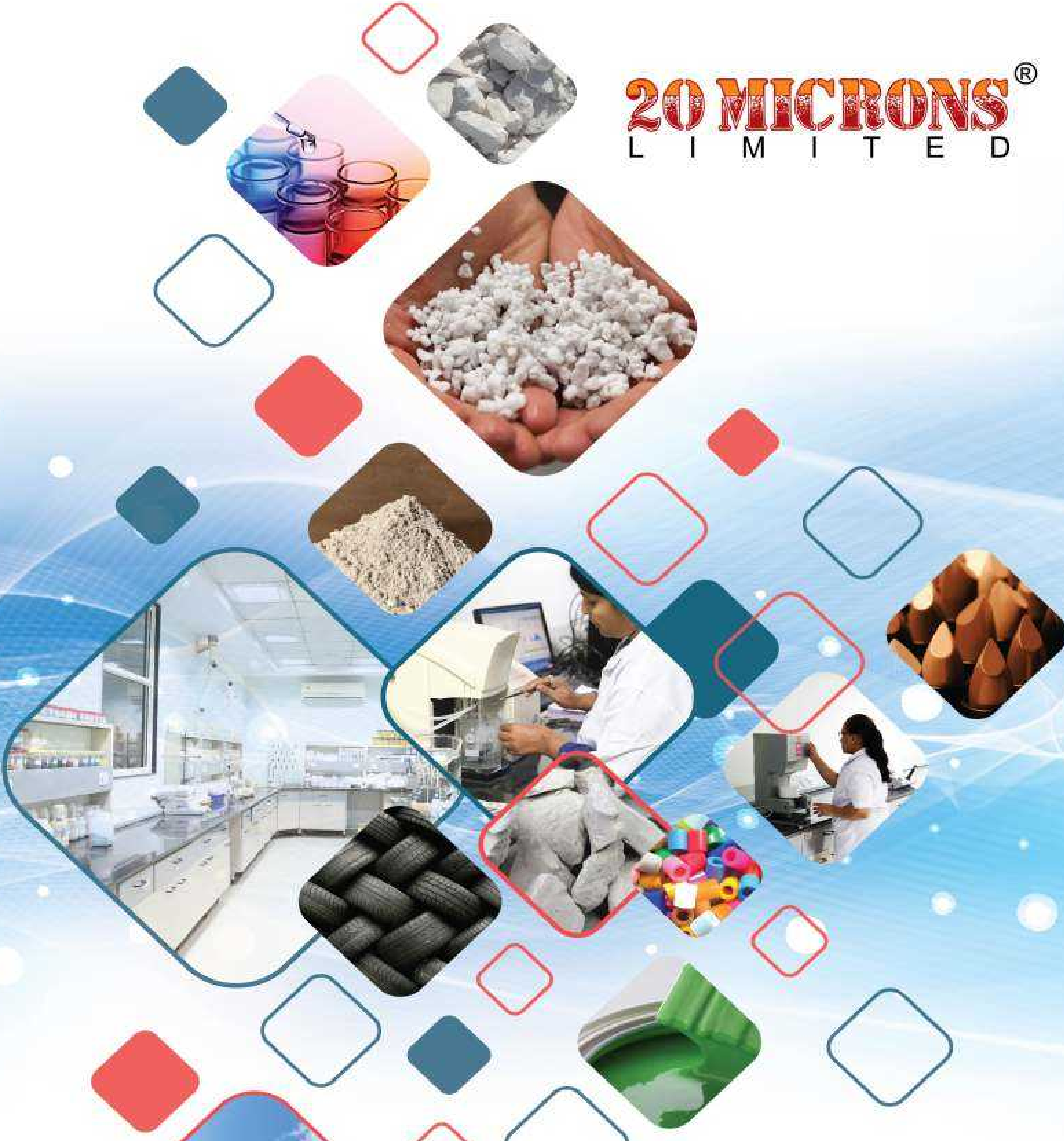
2018-2019

Industrial Minerals | Specialty Chemicals | Construction Chemicals | Mineral Fertilizers

20 MICRONS®

L I M I T E D

20 MICRONS®
LIMITED



CONTINUED
INNOVATION
DEFINES OUR FOCUS

20 MICRONS LIMITED Touching Everyday Life...

From Executive Chairman's Desk...

Dear Shareholders,

I am delighted to WELCOME you all, on behalf of the entire Board of Directors at the 32nd Annual General Meeting of 20 Microns Limited to review the fiscals of 2018-19.

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.

In the year passed by the industry in which the Company is active & operative, did not see any landmark changes in the relevant regulations overall due to elections but for which many states had a break to risk it with significant changes. The state of Rajasthan is one of the most reliable & dependable states for 20 Microns, being one of the healthiest sources of industrial minerals in the country. There was no significant increase in the royalty from the state government which helped the industry sustain its costs to an extent, but implemented a small service tax on the royalty amount in the later part of the year which does not affect much of the overall cost. Besides the said State Government put curb to trap illegal minerals transportation by introducing new methods and systems leading to few price escalations but overall improving the safety parameters of operations within this industry and a good positive approach to the changing dynamics within the industry.

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 Construction Chemicals is Redefining the Waterproofing Solutions & Redefining the architectures of India, by simplifying waterproofing and offering efficient and world-class leak-proof solutions. With magnificent products like Micronsil 30C, Micronsil 30C+, Nanosil, Metakrete, and Cracksil, the Company is planning to introduce some other useful and innovative products in the market, with aim to provide maximum benefits to the end-users of the products.

MINFERT the Venture of 20 Microns Limited of Best-Suited Organic Fertilizers that offers an innovative organic solution for the agriculture, fertilizer & crop protection industry with aim to make easy for farmers to maintain the quality of their soil and bring the maximum possible yield out of their product.

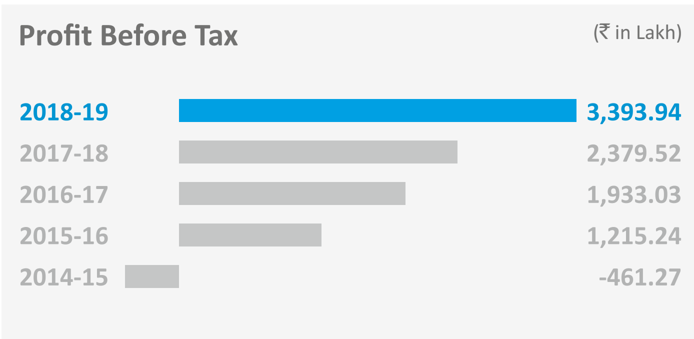
20 Microns Herbal, known brand of 20 Microns Ltd. offers best quality Ayurvedic & Herbal Medicines. Our various Herbal supplements & dedicated essential series are in market to cure day-to-day health related problems. The R&D department is actively working towards better and more efficient healthcare solutions so as to make a better and healthier India.

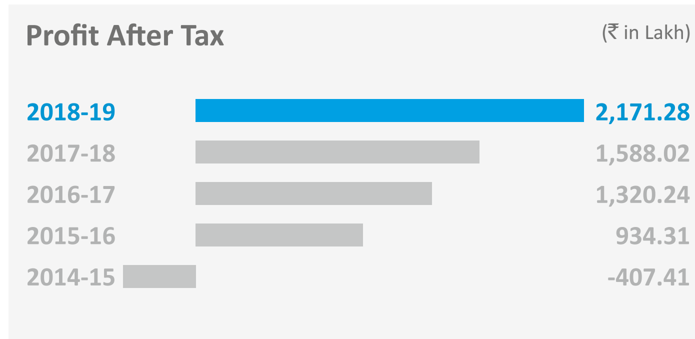
20 Microns scaled new heights in Extorts in the last financial year to close the figure of 10 Million for the first time and looking an opportunities which are plenty. We have prepared a Road Map for 15 Million.

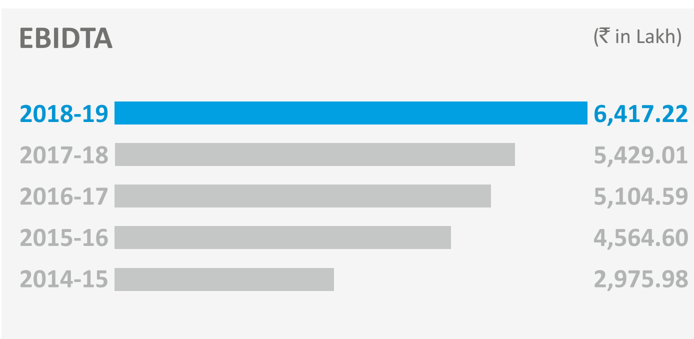
Immense of opportunities having converted into milestones with sincere efforts by Team 20, I am thankful to the entire Team 20 and all my Stakeholders, Bankers, Customers etc. for having reposed confidence in the Company and placed their utmost efforts with dedication and sincerity.

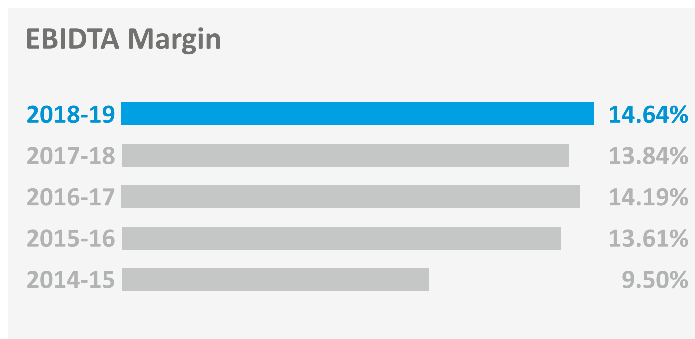
Thank you all,
Chandresh S. Parikh
Executive Chairman

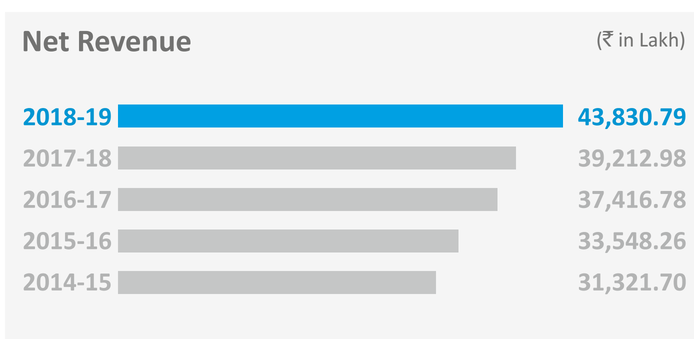
Performance **INDICATORS** (STANDALONE)

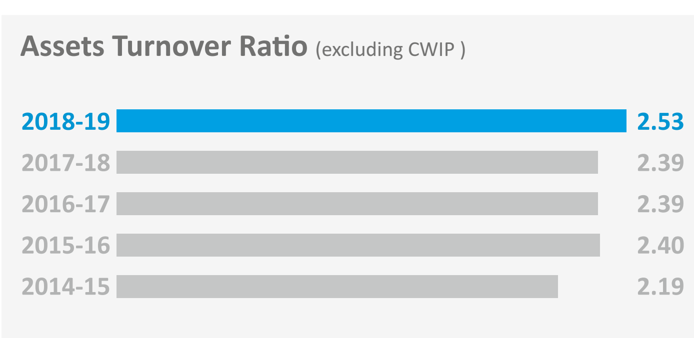


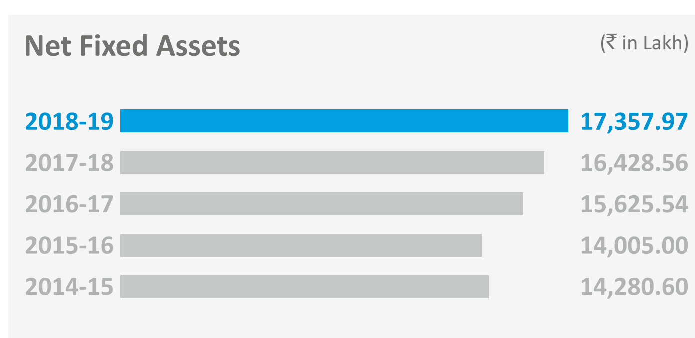












Board of Directors

(As on 28th May, 2019)

Mr. Chandresh S. Parikh
Executive Chairman

Mr. Rajesh C. Parikh
CEO & Managing Director

Mr. Atil C. Parikh
Managing Director

Mrs. Sejal R. Parikh
Director

Mr. Atul H. Patel
Independent Director

Mr. Ramkisan A. Devidayal
Independent Director

Dr. Ajay I. Ranka
Independent Director

Mr. Pravinchandra M. Shah
Independent Director
[up to 29.04.2019]

Mr. Jaideep B. Verma
Independent Director
[w.e.f. 28.05.2019]

Chief Financial Officer
Mr. Narendra R. Patel

Company Secretary
Mrs. Anuja K. Muley

Audit Committee
Mr. Ramkisan A. Devidayal - Chairman
Mr. Pravinchandra M. Shah- Member [up to 29.04.2019]
Mr. Atul H. Patel -Member
Dr. Ajay I. Ranka -Member [w.e.f. 28.05.2019]

Nomination & Remuneration Committee
Mr. Pravinchandra M. Shah – Chairman [up to 29.04.2019]
Mr. Ramkisan A. Devidayal-Member
Mr. Chandresh S. Parikh-Member
Mr. Atul H. Patel-Member
Mr. Jaideep B. Verma -Member [w.e.f. 28.05.2019]

Stakeholders' Relationship and Share Transfer Committee
Mr. Pravinchandra M. Shah - Chairman
[up to 29.04.2019]
Mr. Ramkisan A. Devidayal – Member
Mr. Rajesh C. Parikh - Member
Mr. Atil C. Parikh - Member

CSR Committee
Mr. Chandresh C. Parikh – Chairman
Mr. Pravinchandra M. Shah - Member [up to 29.04.2019]
Mr. Ramkisan A. Devidayal - Member
Mrs. Sejal R. Parikh - Member

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

Bankers
State Bank of India
IDBI Bank Limited

Registered Office
9/10, GIDC Industrial Estate,
Waghodia – Dist. Vadodara – 391760
Gujarat, India
Tel : +91 7574806350
Fax : +91 2668 264003

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

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

Website
http://www.20microns.com

Email
investors@20microns.com

Company Identification No.
L99999GJ1987PLC009768

ISIN
INE144J01027

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY SECOND Annual General Meeting of the Shareholders of **20 Microns Limited** will be held on Tuesday, the 13th day of August, 2019 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:
   a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 including Audited Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon and
   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 including Audited Balance Sheet as at 31st December, 2019, the Statement of Profit and Loss, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Ms. Sejal R. Parikh (DIN 00140489), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, has offered herself for re-appointment.

SPECIAL BUSINESS

3. **To ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2020 and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors to be paid to M/s. Y.S. Thaker & Co., Cost Accountants (Registration Number 000318) appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2020, be and is hereby ratified.

4. **To re-appoint Mr. Ramkisan Devidayal as an Independent Director and in this regard, pass the following resolution as a Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ramkisan A. Devidayal (DIN: 00238853), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company i.e. upto 12.08.2024."

5. **To re-appoint Mr. Atul H. Patel as an Independent Director and in this regard, pass the following resolution as a Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Atul H. Patel (DIN: 00009587), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company i.e. upto 12.08.2024."

6. **To appoint Mr. Jaideep B. Verma as an Independent Director and in this regard, pass the following resolution as a Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Jaideep B. Verma (DIN 00323385), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, that is, up to 12.08.2024."

7. **Payment of Remuneration to the Promoters who are Whole-time Directors & in this regard, pass the folliowing resolution as a Special Resolution:**

   "**RESOLVED THAT** in terms of the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

Requirements) Regulations, 2015, consent of the Company be and is hereby accorded to the payment of compensation/remuneration payable to all the three Executive / Whole-time Directors who are also the Promoters of the Company upto 10% of the Net Profit of the Company or where there is loss or inadequate profit, to pay remuneration as per Schedule V of the Companies Act, 2013, during their current tenure i.e. upto 31.03.2022 AND THAT the Nomination & Remuneration Committee and/or 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."

8. **Payment of Commission to the Non-Executive Directors & in this regard, pass the folliowing resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to Section 197 (1) (ii) (A) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Shareholders be and is hereby accorded to pay a commission up to 1% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013 to all the Non-Executive Directors of the Company for FY 2018-19, and as recommended/approved by Nomination & Remuneration Committee and/or Board of Directors of the Company."

"**RESOLVED FURTHER THAT** any one of CEO & Managing Director or Company Secretary or Chief Financial Officer of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Place : Waghodia, Dist. Vadodara — **Anuja K. Muley**
Date : 28th May, 2019 — **Company Secretary**
Membership No. : A21243

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.**

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

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

   Members/Proxies should bring duly filled in and signed Attendance Slip sent herewith for attending the Meeting. The Members holding shares in de-materialized form are requested to bring their Client ID and DP ID for easy identification of attendance at the Meeting.

2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. The Registers of Members and Share Transfers shall remain closed from Tuesday, the 6th day of August, 2019 to Tuesday, the 13th day of August, 2019 [both days inclusive].

4. All the work related to share registry in terms of both - physical and electronic - are being conducted by Company's Registrars & Share Transfer Agents - M/s. Cameo Corporate Services Ltd., "Subramanian Building", No. 1, Club House Road, Chennai - 600 002. Tel: 044-4002 0734 / 0735. Email ID - investor@cameoindia.com . The Shareholders are requested to send their communication to the aforesaid address in future.

5. 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.

6. In compliance with provisions of the 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.

7. 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.

8. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 5th August, 2019 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 5th August, 2019, shall be entitled to avail the facility of remote e-voting or voting in the general meeting.

9. In terms of Sections 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 agents 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.

10. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

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.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 5.00 p.m) on all working days except 2nd and 4th Saturdays and Sundays/National Holidays, upto and including the date of the Annual General Meeting of the Company.
12. 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 [4] above.
13. 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.
14. 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.
15. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication[s] including Annual Report, Notices, Circulars, etc. from the Company electronically.**
16. Members seeking any information with regard to the Annual Accounts are requested to write to the Company at an early date of AGM, so as to enable the Management to keep the information ready at the Meeting.
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 at least 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 10th August, 2019 (10.00 am) and ends on 12th August, 2019 (5.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 5th August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

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

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

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

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

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

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

(xviii) Shareholders can also use Mobile app - "m - Voting" for e voting m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

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

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

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

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

Item No. 3

M/s. Y.S Thaker & Co., Cost Accountants have been reappointed as the Cost Auditors of the Company for the Financial Year 2019-20 by the Board of Directors of the Company at its meeting held on 28th May, 2019. The Board has fixed remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) exclusive of applicable tax and out-of-pocket expenses. In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as fixed by the Board of Directors shall be ratified by the members.

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

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

Item Nos. 4 & 5

Mr. Ramkisan Devidayal (DIN:00238853) and Mr. Atul H. Patel (DIN: 00009587) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

Independent Directors, has recommended reappointment of Mr. Ramkisan Devidayal and Mr. Atul H. Patel as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Ramkisan Devidayal and Mr. Atul H. Patel would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Ramkisan Devidayal and Mr. Atul H. Patel as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company i.e. upto 12.08.2024.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. Ramkisan Devidayal and Mr. Atul H. Patel are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Ramkisan Devidayal and Mr. Atul H. Patel for the office of Independent Directors of the Company.

The Company has also received declarations from Mr. Ramkisan Devidayal and Mr. Atul H. Patel that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Ramkisan Devidayal and Mr. Atul H. Patel fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Ramkisan Devidayal and Mr. Atul H. Patel are independent of the management.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 4 and 5, are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letters of appointment of Mr. Ramkisan Devidayal and Mr. Atul H. Patel setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. Ramkisan Devidayal and Mr. Atul H. Patel are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice with regard to their respective re-appointments.

The relatives of Mr. Ramkisan Devidayal and Mr. Atul H. Patel may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board re-commends the Special Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the members.

Item Nos. 6

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mr. Jaideep B. Verma (DIN: 00323385) as an Additional Director in the category of Non - Executive Independent Director of the Company, pursuant to the provisions of Section 149 & 161(1) of the Act and the Articles of Association of the Company with effect from 28th May, 2019.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an independent Director requires approval of members.

Mr. Jaideep B. Verma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Jaideep B. Verma that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Jaideep B. Verma fulfills the conditions for his appointment as an Independent Director as specified in the Act.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Jaideep B. Verma for the office of Director of the Company.

A brief profile of Mr. Jaideep B. Verma and other requisite details, pursuant to the provisions of the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are annexed to this statement.

As per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

liable to retire by rotation. Therefore it is proposed to appoint Mr. Verma as a Non-Executive Independent Director to hold office for 5 [five] consecutive years for a term upto 12.08.2024.

A Copy of draft letter of appointment of Mr. Jaideep Verma setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mr. Jaideep B. Verma is interested in the Special Resolution set out at Item No. 6 with respect to his appointment. The relative(s) of Mr. Jaideep B. Verma may be deemed to be interested in the said Resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No. 7: Payment of Remuneration to the Whole-time Directors

Pursuant to the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), compensation/remuneration payable to Executive Directors who are Promoter or Member of Promoter Group shall not exceed :--

a. in case of one Executive Director - ₹ 5 Crs OR 2.5% of Net Profit, Whichever is higher

b. in case of more than one Executive Directors - 5% of net profit

Otherwise, approval of shareholders is required by passing special resolution in general meeting. Such approval of shareholders shall be valid only till expire of term of such Director/s.

In the company, since the executive promotors directors are more than one, remuneration of all Whole Time Directors shall not exceed 5% of net profit. Presently, remuneration of Executive Directors is about to cross 5% of net profit.

As per the provisions of Section 197, Overall Remuneration payable to more than one Whole Time Directors shall not exceed 10% of net profit.

Based on recommendation of Nomination and Remuneration Committee, Board of Directors had approved payment of remuneration/ compensation upto 10% of Net profit of the company, calculated as mentioned in Section 198 of the Companies Act, 2013 and in case of loss or inadequacy of profit, remuneration to be payable pursuant to the provisions of Schedule V of the Companies Act, 2013.

Except immediate relatives of the Executive /Whole - time Directors and Mrs. Sejal R. Parikh, none of the Directors/Key Managerial Personnel of the Company/ their relatives, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 7 of the Notice.

Your Directors recommend the Resolution at item no. 7 to the notice, for your approval.

Item No. 8: Commission to Non-Executive Directors of the Company :

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

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

Except immediate relatives of Non-Executive Directors, none of the Directors, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise in the special resolution at item 8 of the Notice.

Your Directors recommend the Resolution at item no. 8 to the notice, for your approval.

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

Place : Waghodia, Dist. Vadodara
Date : 28th May, 2019

Anuja K. Muley
Company Secretary
A-21243

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

ANNEXURE TO ITEMS NO. 3, 5, 6 & 7 OF THE NOTICE

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

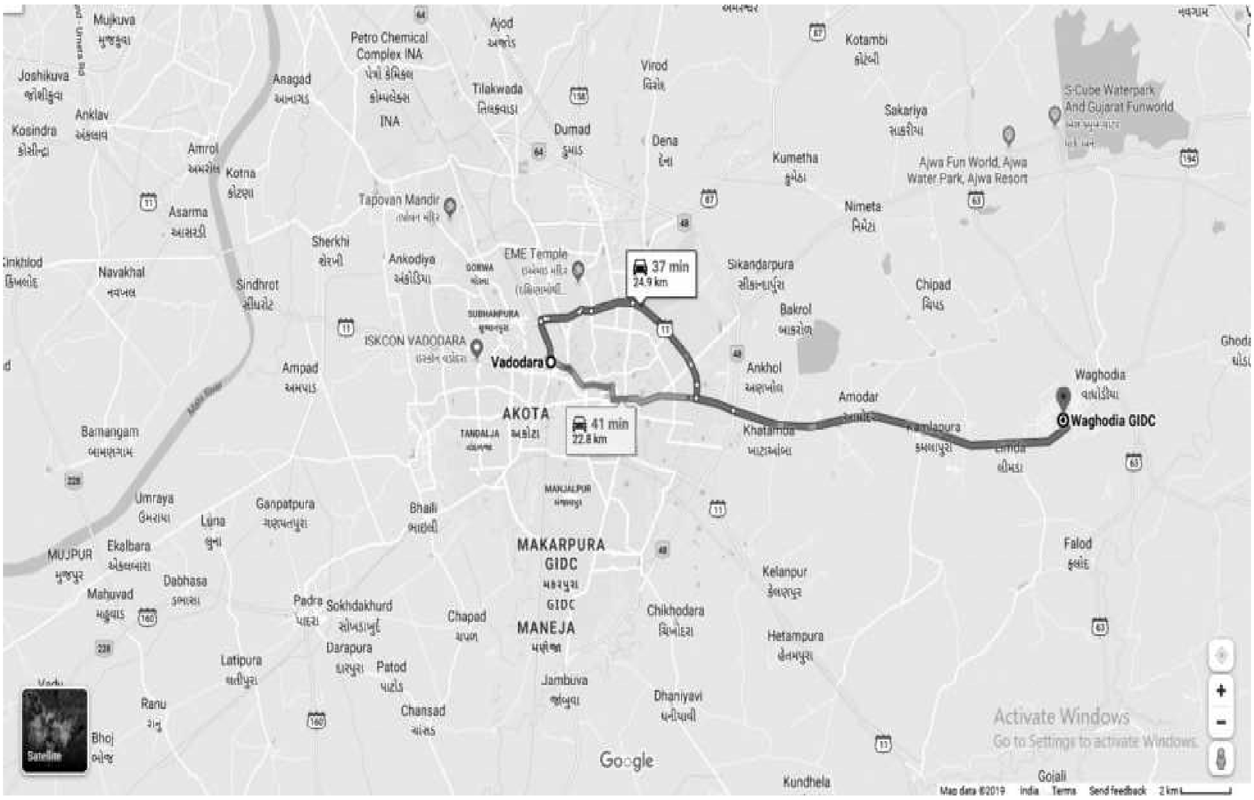
Name of the Director	Mrs. Sejal Rajesh Parikh	Mr. Ramkisan Devidayal	Mr. Atul H. Patel	Mr. Jaideep Verma
Director Identification Number	00140489	00238853	00009587	00323385
Date of Birth	27.03.1973	08.12.1950	20.12.1950	02.11.1967
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	04.05.2017	13.10.2007	27.08.2009	28.05.2019
Qualification	B.E. [Production] & PGDBA	M.Com & MBA	Graduate in Textiles Engg.	BSL & LL.B.
Expertise in specific functional area	Manufacturing & Marketing of Products	Manufacturing & Selling of Agrochemicals Products	Operations and distribution of Oil Field & Speciality Chemicals	Pan Gujarat Practice in District Courts, Revenue Courts, Consumer Courts, Judicial and quasi judicial authorities, Documentation and Title Clearance work.
No of shares held in the company	NIL	1,20,000 shares	1,18,912 shares	NIL
Relation inter-se	Mr. Chandresh S. Parikh – Executive Chairman Mr. Rajesh C. Parikh – CEO & Managing Director Mr. Atil C. Parikh – Managing Director	NO	NO	NO
List of directorships held in other public limited companies	NIL	1.Devidayal Electormet Ltd. 2. Banco Products (India) Ltd. 3. Munjal Auto Industries Ltd. 4. 20 Microns Nano Minerals Ltd. 5. Gujarat Metal Cast Industries Ltd. 6. ACL Mobiles Ltd.	1.Enviro Infrastructure Co. Ltd. 2. Indo Nippon Chemical Co. Ltd. 3.Infinity Consultant Ltd. 4. Tarak Chemicals Ltd. 5. Paushak Ltd.	NIL

Chairman/ Member in the Committees* of the Boards of listed companies in which he/she is a Director	NIL	1. 20 Microns Ltd. - Audit Com – Chairman - Stakeholder Relation & Share Transfer Com – Member 2. Banco Products (India) Ltd. - Audit Com – Chairman - Stakeholder Relation Com – Member 3. Munjal Auto Industries Ltd. - Audit Com – Member - Stakeholder Relation Com – Member	1. 20 Microns Ltd. - Audit Com – Member 2. Paushak Ltd. - Audit Com – Member	NIL

**Audit Committee and Stakeholders Relationship Committee only considered.*

Route Map to the AGM Venue

Venue: Conference Room at 347, GIDC Industrial Estate, WAGHODIA – 391 760. Dist.: Vadodara



BOARD'S REPORT

Dear Members,

The Directors have pleasure to present their 32nd Annual Report and the Audited Annual Accounts for the year ended 31st March, 2019.

Financial Results

The Company's standalone financial performance for the year ended 31st March, 2019 is summarized below:

[₹ in Lakhs]

Particulars	2018-19	2017-18
Total Income	43830.79	39212.98
Profit before Depreciation, Interest and Tax (PBDITA)	6417.22	5579.87
Interest for the year	2085.99	2138.98
Depreciation for the year	937.29	910.51
Profit/(Loss) before tax and Exceptional item	3393.94	2530.38
Exceptional items	----	150.85
Profit/(loss) for the year	3393.94	2379.53
Tax liability :-		
Current Tax	1065.30	703.86
Deferred Tax	157.37	87.64
Prior period Tax	----	----
Net Profit/(Loss) for the year	**2171.28**	**1588.03**

Dividend

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

State of Company's Affairs

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

- Revenue for the FY19 was ₹ 43830.79 Lakhs as against ₹ 39212.98 Lakhs in FY18. The revenues posted registered a gradual growth since the company has been focusing on the organic growth, value added products & robust price-mix effect in business.
- For FY19 EBIDTA was at ₹ 6417.22 Lakhs with EBIDTA margin of 14.64 % marginally higher due to robust performance driven by healthy volumes and better realization, along with sale of value added products contributing higher margins
- The PAT for FY19 stood at ₹ 2171.28 Lakhs compare to ₹ 1588.02 Lakhs in FY18.
- Company's debt-equity ratio came down from 0.77 in 2019 and it was 0.97 in 2018.
- Net Worth of the Company is increased to ₹15208.23 Lakhs as on 31st March, 2019 as compared to ₹ 13278.06 Lakhs as on 31st March, 2018.

Investors Education and Protection Fund

During the year, dividend amounting to ₹ 58308/- that had not been claimed by the shareholders for the year ended 31st March, 2011, was transferred to the credit of Investor Education and Protection Fund as required under Section 124 and 125 of the Companies Act, 2013. Shareholders are required to lodge their claims with the Registrar, Cameo Corporate Services Ltd., for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31.03.2019 on the website of the Company, at web link - https://www.20microns.com/unpaid-dividend-deposit/.

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

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

Corporate Governance and Management Discussions & Analysis

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

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

BOARD'S REPORT [Contd.]

Fixed Deposits

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

As on 31.03.2019, outstanding Unsecured Fixed Deposits from Shareholders was ₹ 2869.23 Lakhs. Deposits amounting to ₹1574.23 Lakhs are due for repayment on or before 31.03.2020.

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

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

Subsidiaries, Joint Ventures & Associates

Pursuant to Section 129(3) of the Companies Act, 2013 ("Act"), the consolidated financial statements of the Company and its subsidiaries, prepared in accordance with the relevant Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of this Annual Report. Pursuant to the provisions of the said section, a statement containing the salient features of the financial statements of the Company's subsidiaries, in Form AOC-1 is given in Annexure A. Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements of the Company, and the relevant consolidated financial statements and separate audited financial statements along with other relevant documents, in respect of subsidiaries, are available on the website of the Company, www.20microns.com with web link https://www.20microns.com/annual-reports-of-all-subsidiaries/. These documents will also be available for inspection during business hours at our registered office at Waghodia, Vadodara. During the FY 2018-19, the company is not having any associates and joint venture company.

Performance Highlights of Subsidiaries

As on 31.03.2019, the Company had 5 [FIVE] Subsidiaries viz. 20 Microns Nano Minerals Limited [20 M NANO]; 20 Microns SDN. BHD [20MSB], 20 Microns FZE [20MFZE], 20 Microns Vietnam Company Ltd [20M Vietnam] and 20 MCC Pvt. Ltd. [20MCC].

During the year under review, 20 M Nano reported gross revenue from operations of ₹ 4149.68 Lakhs and earned Net Profit of ₹ 260.17 Lakhs. 20MSB reported Gross Revenue of ₹ 619.46Lakhs and earned Net profit of ₹ 65.45 Lakhs while 20MFZE having Gross Revenue of ₹ 550.99 Lakhs and the Net Profit was ₹ 53.87 Lakhs. 20M Vietnam reported the Gross Revenue of ₹ 412.81 Lakhs and Net Profit of ₹ 10.43 Lakhs and 20MCC reported Revenue from operations of ₹ 89.38 Lakhs and Net Loss of ₹ 14.15 Lakhs.

<u>Companies which have become or ceased to be Subsidiaries, Associates and Joint Ventures</u>

During the FY 2018-19, no company ceased as associate and joint venture of the company. One subsidiary viz, Silicate Minerals (I) Pvt. Ltd. was ceased to be subsidiary of the company and is now step down subsidiary of the Company i.e. became subsidiary of one of our subsidiary company. For further analysis on the consolidated performance, attention is invited to the notes to the consolidated financial statements.

Particulars of Employees

The information as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure B which forms part of this report. Pursuant to Section 197(14) of the Act, the details of remuneration received by the Managing Director and the Executive Director from the Company's subsidiary company during FY 2018-19 are also given in Annexure B attached to this report. None of the employees listed in the said Annexure are related to any Director of the Company.

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.

Related Party Transactions

All related party transactions that were entered into during the financial year 2018-19, were on an arm's length basis and in the ordinary course of business. There are no material related party transactions made by the Company during the year that required shareholders' approval under Regulation 23(4) of the Listing Regulations or Section 188 of the Act. All related party transactions are reported to the Audit Committee. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are planned and / or repetitive in nature.

Policy for determining material related party is available at link https://www.20microns.com/wp-content/uploads/2018/02/Related-Party-Transaction-Policy.pdf

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

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

As provided under Section 92 of the Act and rules framed thereunder, the extract of annual return in Form MGT-9 is given in Annexure D which forms part of this report. In compliance with section 134(3)(a) of the Act, MGT 9 is uploaded on Companies website www.20microns.com.

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

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

BOARD'S REPORT [Contd.]

part of this report.

Corporate Social Responsibility

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

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

As a part of CSR activities, we have 85 numbers of Juvenile Diabetic patients and all are constantly under the watch. They are taken to most reputed senior doctors for advice and now they are settled with comfortable life. We have started recruiting/accommodating such patients in doing work with our activity to reduce their fear of diabetes.

On 14th November 2018, A WORLD DIABETIC DAY, we have organized a drama known as HELLO DIABETES at Waghodia village and same has been published on YOU TUBE. All persons participated in this drama are TYPE 1 diabetic and have expressed their art of accepting diabetes.

Recently we have opened full time Diabetes Center to take care of any time walk in patients. Further we have opened three more centers to facilitate more patients' check-up. We are going to start Physiotherapy Center under the control of very Senior Doctor having excellent experience.

Risk Management Implementation

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

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

Internal Finance Control System Adequacy

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

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

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

Vigil Mechanism / Whistle Blower Policy

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

The Whistle Blower Policy of the Company provides a mechanism for employees / Board Members and others to raise good faith concerns about violation of any applicable law/ Code of Conduct of the Company, gross wastage or misappropriation of funds, substantial or specific danger to public health and safety, abuse of authority or unethical behaviour and to protect the individuals who take such actions from retaliation or any threat of retaliation and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

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

Prevention of Sexual Harassment at Workplace

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

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

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

Industrial Relations

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

BOARD'S REPORT [Contd.]

General Shareholders Information

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

Secretarial Standards

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

Particulars of Loan, Guarantees or Investments

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

Selection and Procedure for Nomination and Appointment of Directors

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

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

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

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

- **Qualifications -** The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- **Positive Attributes -** Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- **Independence -** A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

Evaluation of Board of Directors

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

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

Remuneration Policy

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

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

Remuneration Policy of the Company is available at link https://www.20microns.com/wp-content/uploads/2018/02/20ML_Remuneration-Policy.pdf

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

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

Within the ceiling of 1% of net profits of the Company, computed under the applicable provisions of the Act the Non-Executive Directors including Independent Directors are also paid a commission, the amount whereof is recommended by the NRC and approved by the Board.

The basis of determining the specific amount of commission payable to a Non-Executive Director is related to his attendance at meetings, role and responsibility as Chairman or member of the Board / Committees and overall contribution as well as time spent on operational matters other than at the meetings. The shareholders of the Company had approved payment of commission to the Non-Executive Directors at the last Annual General Meeting held on 19th September, 2019 approved the commission to be payable for FY 2017-18 as determined and approved by Board of Directors, which shall be within

BOARD'S REPORT [Contd.]

ceiling of 1% of net profit of the Company.

Board of Directors and meetings

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

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

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to take an informed decision. The Board of Directors had held four meetings during FY 2018-19. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

Directors and Key Managerial Personnel

In accordance with the Articles of association of the Company, Mrs. Sejal R. Parikh, Non - Executive Non - Independent Woman Director, retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.

Mr. Pravinchandra M. Shah resigned as the Director in the category of Non - Executive Independent Director w.e.f. 29.04.2019 due to his ageing process and health issues. The Board appreciated and taken note of the extensive support and guidance received during his tenure as an Independent Director.

The Board has appointed Mr. Jaideep Verma as an Additional Director w.e.f. 28.05.2019. He holds office of Additional Director up to the ensuing Annual General Meeting of the Company. The Company has received a notice u/s 160 of the Companies Act, 2013 from a shareholder of the Company proposing the candidature of Mr. Jaideep Verma, for the office of an Independent Director to hold the office 12.08.2024.

Mr. Ramkisan Devidayal and Mr. Atul Patel, Non- Executive Independent Directors of the company who were appointed as Independent Director for first term of five consecutive years in Annual General Meeting held on 27th September, 2014. Being eligible for re-appointment for second term of five years, they have offered themselves for re-appointment. The approval of the shareholders relating to re-appointment of Mr. Ramkisan Devidayal and Mr. Atul Patel is being considered at the forthcoming Annual General Meeting.

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

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

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

Independent Directors' Declaration

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

Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent as on March 31, 2019:

1) Mr. Pravinchandra M. Shah
2) Mr. Ramkisan A. Devidayal
3) Mr. Atul H. Patel
4) Dr. Ajay I. Ranka

Committees of the Board

The Company has four Board Committees as on March 31, 2019:

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

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

Board Diversity

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

BOARD'S REPORT [Contd.]

retain its competitive advantage.

Familiarisation programme for Independent Directors

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

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

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

Ongoing familiarisation program aims to provide insights into the Company and the business environment to enable all the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company. The details for familiarisation program for the Independent Directors are put up on the website of the Company. As required under Regulation 46(2)(i) of the Listing Regulations, the details of familiarisation programmes conducted during FY 2018-19 is also put on the Company's website and the same can be accessed at the link : https://www.20microns.com/wp-content/uploads/2019/04/20ML_Familiarization-Programme.pdf

Significant and material orders passed by the Regulators or Courts

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

Auditors

A. Statutory Auditors

The Company's Auditors, M/s. J.H. Mehta & Co., Chartered Accountants, have been appointed for a period of 5 [five] years from the 30th AGM till the 35th AGM. Pursuant to the provisions of Companies (Amendment) Act, 2017, requirement of ratification of appointment of auditors to be made by shareholders in each subsequent annual general meetings, has been omitted and the said provisions are came into effect by MCA Notification dated 07th May, 2018. M/s. J.H. Mehta & Co., Chartered Accountants has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY 2019-20. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. The Statutory Auditors' Report for FY 2018-19 on the financial statement of the Company forms part of this Annual Report..

The Statutory Auditors' report on the financial statements for FY 2018-19 does not contain any qualifications, reservations or adverse remarks or disclaimer.

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

B. Internal Auditors

The Company has reappointed M/s. N C Vaishanav and Co., M/s. P Mani and Co. and M/s. Deopura and Associates, Chartered Accountants as the Internal Auditors of the Company for the F.Y. 2019-20, for the Western & Eastern Region, South Region and North Region, respectively.

C. Cost Auditors

Your Board has appointed Y. S. Thakar & Co, Cost Accountants in Practice as Cost Auditors of the Company for conducting cost audit for the FY 2019-20. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2019-20 is provided in the Notice to the ensuing Annual General Meeting.

Cost Records

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

D. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed M/s. J.J. Gandhi and Co., Company Secretaries, as the Secretarial Auditor of the Company for the year 2019-20 to conduct secretarial audit and to ensure compliance by the Company with various Acts applicable to the Company. The Secretarial Audit Report for the financial year 2018-19 issued by M/s. J.J. Gandhi and Co. is annexed to this Report. There are no qualifications, observations or adverse remark or disclaimer in the said report.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the FY 2018-19.

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

i) In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable Indian 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

BOARD'S REPORT [Contd.]

true and fair view of the state of affairs of the company as at 31st March, 2019 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.

Acknowledgement

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

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

For and on behalf of the Board of Directors

Chandresh S. Parikh
Executive Chairman

Place : Waghodia, Vadodara
Date : 28th May, 2019

BOARD'S REPORT [Contd.]

Annexure A

PART A - Statement containing the salient features of the financial statements of subsidiaries

[pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

AOC-1

(₹ In Lakhs)

Sr. No.	Name of Subsidiary	Financial Period Ended	Exchange Rate in ₹	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 Minarals Ltd.	31.03.2019	N.A	897.00	1866.92	4992.78	2228.86	1.48	4149.68	364.57	104.40	260.17	97.21%
2	20 Microns FZE	31.03.2019	18.86	28.30	150.73	255.25	76.23	-	550.99	53.87	-	53.87	100%
3	20 Microns SDN BHD	31.03.2019	16.97	85.53	279.68	493.03	127.82	-	619.46	86.10	20.65	65.45	100%
4	20 Microns Vietnam Co. Ltd.	31.03.2019	0.00299	27.08	12.36	209.78	170.33	-	412.81	13.09	2.65	10.43	100%
5	20M CC Pvt. Ltd.	31.03.2019	N.A	25.05	35.25	213.45	153.14	30.00	89.38	-13.93	0.22	-14.15	100%

Note :

1. Company is not having any associates or joint venture companies as on 31.03.2019
2. The Company has liquidated one of its subsidiaries companies viz. Silicate Minerals (I) Pvt. Ltd. during FY 2018-19. The said subsidiary was not material subsidiary as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2019.

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 : 28th May, 2019

BOARD'S REPORT [Contd.]

Annexure – B : Particulars of Employees

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

   (i) The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2018-19 and

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

Sr. No.	Name of Director / KMP and Designation	Remuneration* of Director / KMP for Financial Year 2018-19 (₹ in Lakhs)	% increase in Remuneration for the Financial Year 2018-19	Ratio of Remuneration of each Director/KMP to the Median Remuneration of Employees
1	Mr. Chandresh S. Parikh - Executive Chairman	61.85	8	5.28
2	Mr. Rajesh C. Parikh - CEO & Managing Director	53.32	8	6.12
3	Mr. Atil C. Parikh - Managing Director	43.62	8	7.48
4	Mrs. Sejal R. Parikh - Non-Executive Director	2.20	275	148.18
5	Mr. Pravinchandra M. Shah - Non-Executive Independent Director	3.65	112.31	89.32
6	Mr. Ramkisan A. Devidayal - Non-Executive Independent Director	4.75	82.61	68.63
7	Mr. Atul H. Patel - Non-Executive Independent Director	3.20	112.28	101.88
8	Dr. Ajay I. Ranka - Non-Executive Independent Director	1.80	92.31	181.11
9	Mr. Narendrakumar R. Patel - Chief Financial Officer	27.96	8	11.67
10	Mrs. Anuja K. Muley - Company Secretary	12.23	8	26.67

* Remuneration paid to Whole Time Directors and KMP includes incentive paid during the year and remuneration to Non-Executive Directors includes sitting fees and commission paid during FY 2018-19

Remuneration for the purpose of the computation above, in the case of Executive Chairman, CEO & MD and MD, is considered as the income earned during the financial year 2018-19 without considering contribution to provident fund and other perquisites.

The Median Remuneration of Employee (MRE) including Whole Time Directors (WTDs) was ₹ 326292/- in fiscal 2019. The increase in MRE (including WTDs) in fiscal 2019, as compared to fiscal 2018 is 13.39%.

The number of permanent employees on the rolls of the Company as of March 31, 2019 and March 31, 2018 was 446 and 410 respectively. The aggregate increase in salary for WTDs and other KMPs was 8.00% in fiscal 2018-19 over fiscal 2017-18. The rise in remuneration is made as per Remuneration Policy of the Company. During the fiscal 2018-19, no employee received remuneration in excess of the highest-paid director.

During the FY 2018-19, the Non-Executive Independent Directors had been paid with the Commission, within the limit as specified in the provisions of Companies Act, 2013.

BOARD'S REPORT [Contd.]

2. Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended on March 31, 2019.

a. Details of Top ten employees in terms of gross remuneration paid during the year ended March 31, 2019:

Sr. No.	Name of Director / KMP and Designation	Remuneration* of Director / KMP for Financial Year 2018-19 (₹ in Lakh)	Percentage increase in Remuneration for the Financial Year 2018-19	Ratio of Remuneration of each Director/KMP to the Median Remuneration of Employees
1	Mr. Chandresh S. Parikh - Executive Chairman	61.85	8	5.28
2	Mr. Rajesh C. Parikh - CEO & Managing Director	53.32	8	6.12
3	Mr. Prashant C. Bhavsar - Vice President	44.34	8	7.36
4	Mr. Atil C. Parikh - Managing Director	43.62	8	7.48
5	Mr. Nirakar H. Desai - President	42.95	0	7.60
6	Mr. K. K. Mishra - Vice President	39.41	8	8.28
7	Mr. Rakesh S. Parikh - Vice President	38.58	8	8.46
8	Mr. Ajay P. Joshi - Vice President	38.43	8	8.49
9	Mr. Milind A. Ranade - Associate Vice President	35.54	8	9.18
10	Mr. Sunil A. Mistry - Senior General Manager - Marketing	31.24	8	10.44

b. During the year, none of the employee was in receipt of remuneration in the aggregate, above one crore and two lakh rupees;

c. During the year, none of employee who was appointed for part of year, was in receipt of remuneration, for that part of year, at a rate which, in the aggregate, was more than eight lakh and fifty thousand rupees per month;

d. During the year, none of employee was in receipt of remuneration, in the aggregate, at a rate which, in excess of remuneration drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, more than two percent of the equity shares of the company.

3. Persunt to the provisions of Section 197(12) of the Companies Act, 2013, Mr. Atul C. Parikh, was appointed as CEO and Managing Director of Company's subsidiary viz. 20 Mircrons Nano Minerals Ltd. on 07.07.2017. During the year under review, he received total Remuneration of ₹ 17.64 Lakhs from subsidiary co.

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 : 28th May, 2019

BOARD'S REPORT [Contd.]

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, 2019, 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, 2019 are as follows-

Name of Related Party	Nature of relationship	Type of Transaction	Duration of Contract	Salient Terms	Amount (₹ In Lakhs)
20 Microns Nano Minerals Ltd.	Subsidiary	Sales of Material	Not Applicable	Not Applicable	968.63
		Purchase of material	Not Applicable	Not Applicable	369.99
		Royalty Received	Not Applicable	Not Applicable	90.83
		Job work charges paid	Not Applicable	Not Applicable	1.78
		Interest Received	Not Applicable	Not Applicable	1.49
		Reimbursement of Expenses Paid (Net)	Not Applicable	Not Applicable	0.65
		Rent Received from	Not Applicable	Not Applicable	40.61
		Rent Paid to	Not Applicable	Not Applicable	0.65
		Sale of Fixed Asset	Not Applicable	Not Applicable	74.58
		Purchase of Fixed Asset	Not Applicable	Not Applicable	19.48
Silicate Minerals (I) Pvt. Ltd.	step down Subsidiary	Sales of Material	Not Applicable	Not Applicable	77.24
		Rent Received from	Not Applicable	Not Applicable	16.21
20 MCC Pvt .Ltd.	Subsidiary	Sales of Material	Not Applicable	Not Applicable	49.80
		Sale of Fixed Asset	Not Applicable	Not Applicable	18.24
		Purchase of material	Not Applicable	Not Applicable	50.12
		Rent Received from	Not Applicable	Not Applicable	16.20
Mr. Chandresh S. Parikh	Director	Remuneration Paid to	Not Applicable	Not Applicable	61.41
		Interest on Deposit Paid	Not Applicable	Not Applicable	7.32
		Deposits received/renewed	Not Applicable	Not Applicable	10.00
Mr. Rajesh C. Parikh	Director	Remuneration Paid to	Not Applicable	Not Applicable	54.38
Mr. Atil C. Parikh	Director	Remuneration Paid to	Not Applicable	Not Applicable	45.43
		Interest on Deposit Paid	Not Applicable	Not Applicable	0.60
Mrs. Ilaben C. Parikh	Relative of Director	Deposits received/renewed	Not Applicable	Not Applicable	15.50
		Interest on Deposit Paid	Not Applicable	Not Applicable	2.03
Mrs. Sejal R Parikh	Director	Guest House Rent Paid	Not Applicable	Not Applicable	7.10
		Deposit Received/Renewed	Not Applicable	Not Applicable	1.00
		Interest on Deposit paid to	Not Applicable	Not Applicable	0.12
Mrs. Purvi A. Parikh	Relative of Director	Deposit Received/Renewed	Not Applicable	Not Applicable	5.00
		Interest on Deposit paid to	Not Applicable	Not Applicable	0.61
Mr. N. R. Patel	KMP	Remuneration Paid to	Not Applicable	Not Applicable	31.86
Mrs. Anuja K. Muley	KMP	Remuneration Paid to	Not Applicable	Not Applicable	11.13
		Deposit Received/Renewed	Not Applicable	Not Applicable	1.00
		Interest on Deposit paid to	Not Applicable	Not Applicable	0.24
20 Microns Foundation	Entity over which significant influence exists	Donation	Not Applicable	Not Applicable	6.00

* Appropriate approvals have been taken for related party transactions.
The Company has not given loan or advance in the nature of loan to any of its subsidiaries.

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

(Chandresh Parikh)
Executive Chairman

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

Place : Waghodia, Vadodara
Date : 28th May, 2019

BOARD'S REPORT [Contd.]

Annexure D : Extract of Annual Return
Form No. MGT – 9

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L99999GJ1987PLC009768
2.	Registration Date	29.06.1987
3.	Name of the Company	20 Microns Limited
4.	Category / Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	9/10, GIDC Industrial Estate, Waghodia, Dist. Vadodara (Gujarat) - 391760 Phone No. – +91 75 748 06350 Email: **investors@20microns.com** Website: www.20microns.com
6.	Listed company	Yes BSE Ltd. (BSE) – 533022 National Stock Exchange of India Ltd. (NSE) – 20MICRONS
7.	Name, Address and Contact details of Registrar and Transfer Agent	CAMEO CORPORATE SERVICES LTD. "Subarmanian Building", No. 1, Club House Rd., CHENNAI - 600 002. Tel : 044-40020734 and 044-40020735 E-Mail : investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Calcium Carbonate	08107	45.00
2	China Clay	08108	17.00
3	Talc	08998	12.00

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. 9/10, GIDC Industrial Estate, Waghodia – 391760 Dist. Vadodara	U15543GJ1993 PLC020540	Subsidiary	97.21%	2(87)
2	20 MCC Private Limited 253/254, GIDC Industrial Estate, Waghodia – 391760 Dist. Vadodara	U25200GJ1992 PTC018109	Subsidiary	88.73%	2(87)
3	20 Microns FZE P.O.Box :120194 SAIF Zone, Sharjah, UAE	NA	Subsidiary	100%	2(87)
4	20 Microns SDN BHD No: 808A , Jalan Raja Dr. Nazrin Shah, Taman Chandan Desa, Simpang Pulai, 31300, Ipoh, Perak, Malaysia	NA	Subsidiary	99.999%	2(87)
5	20 Microns Vietnam Company 8th floor, Multi-purpose Building, 169 Nguyen Ngoc Vu Street, Trung Hoa Ward, Cau Giay District, Hanoi, Vietnam	NA	Subsidiary	100%	2(87)

BOARD'S REPORT [Contd.]

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

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

Category Code & Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. SHAREHOLDING OF PROMOTER ANDPROMOTER GROUP									
1. INDIAN									
a. INDIVIDUALS/ HINDU UNDIVIDED FAMILY	7050312	0	7050312	19.9801	7050312	0	7050312	19.9801	0.0000
b. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c. BODIES CORPORATE	8250235	0	8250235	23.3807	8484664	0	8484664	24.0450	0.6643
d. FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. ANY OTHER									
SUB - TOTAL (A)(1)	**15300547**	**0**	**15300547**	**43.3609**	**15534976**	**0**	**15534976**	**44.0252**	**0.6643**
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)	**15300547**	**0**	**15300547**	**43.3609**	**15534976**	**0**	**15534976**	**44.0252**	**0.6643**
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	131398	0	131398	0.3723	40366	0	40366	0.1143	-0.2579
c. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000

BOARD'S REPORT [Contd.]

Category code	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
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)	**131398**	**0**	**131398**	**0.3723**	**40366**	**0**	**40366**	**0.1143**	**-0.2579**
2. NON-INSTITUTIONS									
a. BODIES CORPORATE	6172485	0	6172485	17.4924	6101231	30000	6131231	17.3755	-0.1169
b. INDIVIDUALS -									
I) INDIVIDUAL SHAREHOLDER SHOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	5726322	12996	5739318	16.2649	5861466	7538	5869004	16.6324	0.3675
II) INDIVIDUAL SHARE -HOLDER SHOLDING NOMINAL SHARE CAPITALIN EXCESS OF RS. 1 LAKH	4772527	0	4772527	13.5250	4930039	0	4930039	13.9714	0.4463
c. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. ANY OTHER									
CLEARING MEMBERS	87771	0	87771	0.2487	42543	0	42543	0.1205	-0.1281
DIRECTORS AND THEIR RELATIVES	597862	0	597862	1.6943	359758	0	359758	1.0195	-0.6747
HINDU UNDIVIDED FAMILIES	619111	1	619112	1.7545	0	0	0	0.0000	-1.7545
NON RESIDENT INDIANS	1364416	500860	1865276	5.2860	1615994	121920	1737914	4.9251	-0.3609
Resident HUF	0	0	0	0.0000	636284	1	636285	1.8031	1.8031
TRUSTS	206	0	206	0.0005	206	0	206	0.0005	0.0000
Others	**2669366**	**500861**	**3170227**	**8.9842**	**2658965**	**121921**	**2780886**	**7.8808**	**-1.1033**
SUB - TOTAL (B)(2)	**19340700**	**513857**	**19854557**	**56.2667**	**19551701**	**159459**	**19711160**	**55.8603**	**-0.4063**
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	**19472098**	**513857**	**19985955**	**56.6390**	**19592067**	**159459**	**19751526**	**55.9747**	**-0.6643**
TOTAL (A)+(B)	**34772645**	**513857**	**35286502**	**100.0000**	**35127043**	**159459**	**35286502**	**100.0000**	**0.0000**
C. SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEI-PTS HAVE BEEN ISSUED									

BOARD'S REPORT [Contd.]

Category Code & Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
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)	**34772645**	**513857**	**35286502**	**100.0000**	**35127043**	**159459**	**35286502**	**100.0000**	**0.0000**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	CHANDRESH S PARIKH JT1 : ILABEN PARIKH	3085402	8.7438	8.7438	3085402	8.7438	8.7438	0.0000
2	ERIEZ INDUSTRIES PRIVATE LIMITED	2966430	8.4066	4.3932	2966430	8.4066	4.3932	0.0000
2	ERIEZ FINANCE AND INVESTMENT LTD	2767394	7.8426	0.0000	2767394	7.8426	0.0000	0.0000
2	ERIEZ INDUSTRIES PRIVATE LIMITED	2516411	7.1313	0.0000	0	0.0000	0.0000	-7.1313
2	ERIEZ INDUSTRIES PRIVATE LIMITED	0	0.0000	0.0000	2750840	7.7957	0.0000	7.7957
3	RAJESH CHANDRESH PARIKH JT1 : SEJAL RAJESH PARIKH	1100000	3.1173	3.1173	1100000	3.1173	3.1173	0.0000
4	ATIL CHANDRESH PARIKH JT1 : PURVI ATIL PARIKH	1100000	3.1173	3.1173	1100000	3.1173	3.1173	0.0000
5	RAJESH C PARIKH JT1:CHANDRESH S PARIKH	559956	1.5868	1.5868	559956	1.5868	1.5868	0.0000
6	CHANDRESH S PARIKH	544998	1.5444	1.5444	544998	1.5444	1.5444	0.0000
6	CHANDRESH S PARIKH	66000	0.1870	0.0000	66000	0.1870	0.0000	0.0000
7	ATIL CHANDRESH PARIKH JT1 : CHANDRESH S PARIKH	484862	1.3740	1.3740	484862	1.3740	1.3740	0.0000
8	PARIKH ATIL CHANDRESH JT1 : ILABEN PARIKH	75094	0.2128	0.2128	75094	0.2128	0.2128	0.0000
9	ILABEN PARIKH	34000	0.0963	0.0000	34000	0.0963	0.0000	0.0000

BOARD'S REPORT [Contd.]

(iii) Change in Promoters' Shareholding

Sl No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	CHANDRESH S PARIKH JT1 : ILABEN PARIKH				
	At the beginning of the year 01-Apr-2018	3085402	8.7438	3085402	8.7438
	At the end of the Year 30-Mar-2019	3085402	8.7438	3085402	8.7438
2	ERIEZ INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	2966430	8.4066	2966430	8.4066
	At the end of the Year 30-Mar-2019	2966430	8.4066	2966430	8.4066
	HAVING SAME PAN				
2	ERIEZ FINANCE AND INVESTMENT LTD				
	At the beginning of the year 01-Apr-2018	2767394	7.8426	2767394	7.8426
	At the end of the Year 30-Mar-2019	2767394	7.8426	2767394	7.8426
	HAVING SAME PAN				
2	ERIEZ INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	2516411	7.1313	2516411	7.1313
	Sale 15-Jun-2018	-2516411	7.1313	0	0.0000
	At the end of the Year 30-Mar-2019 HAVING SAME PAN	0	0.0000	0	0.0000
2	ERIEZ INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 15-Jun-2018	2516411	7.1313	2516411	7.1313
	Purchase 03-Aug-2018	107948	0.3059	2624359	7.4372
	Purchase 10-Aug-2018	38961	0.1104	2663320	7.5477
	Purchase 31-Aug-2018	39	0.0001	2663359	7.5478
	Purchase 05-Oct-2018	25500	0.0722	2688859	7.6200
	Purchase 12-Oct-2018	15150	0.0429	2704009	7.6630
	Purchase 26-Oct-2018	12	0.0000	2704021	7.6630
	Purchase 15-Mar-2019	46819	0.1326	2750840	7.7957
	At the end of the Year 30-Mar-2019	2750840	7.7957	2750840	7.7957
3	RAJESH CHANDRESH PARIKH JT1 : SEJAL RAJESH PARIKH				
	At the beginning of the year 01-Apr-2018	1100000	3.1173	1100000	3.1173
	At the end of the Year 30-Mar-2019	1100000	3.1173	1100000	3.1173
4	ATIL CHANDRESH PARIKH JT1 : PURVI ATIL PARIKH				
	At the beginning of the year 01-Apr-2018	1100000	3.1173	1100000	3.1173
	At the end of the Year 30-Mar-2019	1100000	3.1173	1100000	3.1173
5	RAJESH C PARIKH JT1 : CHANDRESH S PARIKH				
	At the beginning of the year 01-Apr-2018	559956	1.5868	559956	1.5868
	At the end of the Year 30-Mar-2019	559956	1.5868	559956	1.5868
6	CHANDRESH S PARIKH At the beginning of the year 01-Apr-2018	544998	1.5444	544998	1.5444

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Sl 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
	At the end of the Year 30-Mar-2019	544998	1.5444	544998	1.5444
	HAVING SAME PAN				
6	CHANDRESH S PARIKH				
	At the beginning of the year 01-Apr-2018	66000	0.1870	66000	0.1870
	At the end of the Year 30-Mar-2019	66000	0.1870	66000	0.1870
7	ATIL CHANDRESH PARIKH				
	JT1 : CHANDRESH S PARIKH				
	At the beginning of the year 01-Apr-2018	484862	1.3740	484862	1.3740
	At the end of the Year 30-Mar-2019	484862	1.3740	484862	1.3740
8	PARIKH ATIL CHANDRESH				
	JT1 : ILABEN PARIKH				
	At the beginning of the year 01-Apr-2018	75094	0.2128	75094	0.2128
	At the end of the Year 30-Mar-2019	75094	0.2128	75094	0.2128
9	ILABEN PARIKH				
	At the beginning of the year 01-Apr-2018	34000	0.0963	34000	0.0963
	At the end of the Year 30-Mar-2019	34000	0.0963	34000	0.0963

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

Sl 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	PRATIK MINERALS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	1805437	5.1165	1805437	5.1165
	At the end of the Year 30-Mar-2019	1805437	5.1165	1805437	5.1165
	HAVING SAME PAN				
1	PRATIK MINERALS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	1230769	3.4879	1230769	3.4879
	At the end of the Year 30-Mar-2019	1230769	3.4879	1230769	3.4879
2	RAMESHBHAI BALDEVBHAI PATEL				
	At the beginning of the year 01-Apr-2018	1759743	4.9870	1759743	4.9870
	At the end of the Year 30-Mar-2019	1759743	4.9870	1759743	4.9870
3	ARCADIA SHARE &STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2018	964250	2.7326	964250	2.7326
	Purchase 20-Apr-2018	4385	0.0124	968635	2.7450
	Sale 11-May-2018	-500	0.0014	968135	2.7436
	Sale 18-May-2018	-343	0.0009	967792	2.7426
	Sale 25-May-2018	-15180	0.0430	952612	2.6996
	Purchase 01-Jun-2018	1494	0.0042	954106	2.7038
	Purchase 08-Jun-2018	247	0.0006	954353	2.7045
	Sale 15-Jun-2018	-1050	0.0029	953303	2.7016
	Sale 29-Jun-2018	-4534	0.0128	948769	2.6887

BOARD'S REPORT [Contd.]

Sl No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sale 30-Jun-2018	-871	0.0024	947898	2.6862
	Purchase 06-Jul-2018	15000	0.0425	962898	2.7287
	Purchase 13-Jul-2018	3525	0.0099	966423	2.7387
	Purchase 20-Jul-2018	30580	0.0866	997003	2.8254
	Sale 27-Jul-2018	-1644	0.0046	995359	2.8207
	Sale 03-Aug-2018	-62775	0.1779	932584	2.6428
	Sale 10-Aug-2018	-290	0.0008	932294	2.6420
	Purchase 17-Aug-2018	4500	0.0127	936794	2.6548
	Purchase 31-Aug-2018	9000	0.0255	945794	2.6803
	Sale 07-Sep-2018	-800	0.0022	944994	2.6780
	Sale 28-Sep-2018	-9000	0.0255	935994	2.6525
	Sale 05-Oct-2018	-50	0.0001	935944	2.6524
	Purchase 23-Nov-2018	2750	0.0077	938694	2.6602
	Sale 30-Nov-2018	-93	0.0002	938601	2.6599
	Sale 07-Dec-2018	-2805	0.0079	935796	2.6519
	Purchase 04-Jan-2019	7770	0.0220	943566	2.6740
	Sale 11-Jan-2019	-2507	0.0071	941059	2.6669
	Sale 08-Feb-2019	-200	0.0005	940859	2.6663
	Sale 22-Feb-2019	-35450	0.1004	905409	2.5658
	Sale 01-Mar-2019	-7000	0.0198	898409	2.5460
	At the end of the Year 30-Mar-2019	898409	2.5460	898409	2.5460
	HAVING SAME PAN				
3	ARCADIA SHARE &STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2018	4940	0.0139	4940	0.0139
	Sale 11-Jan-2019	-4940	0.0139	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	ARCADIA SHARE &STOCK BROKERS PVT LTD				
	At the beginning of the year 01-Apr-2018	501	0.0014	501	0.0014
	Sale 13-Apr-2018	-50	0.0001	451	0.0012
	Purchase 20-Apr-2018	50	0.0001	501	0.0014
	Sale 27-Apr-2018	-50	0.0001	451	0.0012
	Purchase 04-May-2018	400	0.0011	851	0.0024
	Purchase 11-May-2018	650	0.0018	1501	0.0042
	Sale 25-May-2018	-1301	0.0036	200	0.0005
	Purchase 01-Jun-2018	300	0.0008	500	0.0014
	Purchase 15-Jun-2018	550	0.0015	1050	0.0029
	Sale 29-Jun-2018	-390	0.0011	660	0.0018
	Sale 10-Aug-2018	-110	0.0003	550	0.0015
	Purchase 17-Aug-2018	350	0.0009	900	0.0025
	Sale 07-Sep-2018	-775	0.0021	125	0.0003
	Purchase 11-Sep-2018	100	0.0002	225	0.0006
	Purchase 28-Sep-2018	100	0.0002	325	0.0009
	Sale 05-Oct-2018	-100	0.0002	225	0.0006

BOARD'S REPORT [Contd.]

Sl No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sale 26-Oct-2018	-125	0.0003	100	0.0002
	Purchase 16-Nov-2018	200	0.0005	300	0.0008
	Purchase 23-Nov-2018	150	0.0004	450	0.0012
	Purchase 30-Nov-2018	93	0.0002	543	0.0015
	Sale 14-Dec-2018	-275	0.0007	268	0.0007
	Sale 04-Jan-2019	-268	0.0007	0	0.0000
	Purchase 22-Mar-2019	1000	0.0028	1000	0.0028
	Purchase 29-Mar-2019	240	0.0006	1240	0.0035
	At the end of the Year 30-Mar-2019	1240	0.0035	1240	0.0035
	HAVING SAME PAN				
3	ARCADIA SHARE AND STOCK BROKERS PVT.				
LTD.					
	At the beginning of the year 01-Apr-2018	207	0.0005	207	0.0005
	Sale 13-Apr-2018	-20	0.0000	187	0.0005
	Sale 04-May-2018	-14	0.0000	173	0.0004
	Purchase 18-May-2018	351	0.0009	524	0.0014
	Sale 25-May-2018	-516	0.0014	8	0.0000
	Purchase 15-Jun-2018	16	0.0000	24	0.0000
	Sale 29-Jun-2018	-24	0.0000	0	0.0000
	Purchase 13-Jul-2018	25	0.0000	25	0.0000
	Purchase 14-Sep-2018	100	0.0002	125	0.0003
	Sale 21-Sep-2018	-100	0.0002	25	0.0000
	Purchase 28-Sep-2018	40	0.0001	65	0.0001
	Purchase 05-Oct-2018	100	0.0002	165	0.0004
	Purchase 12-Oct-2018	1	0.0000	166	0.0004
	Purchase 19-Oct-2018	15	0.0000	181	0.0005
	Sale 26-Oct-2018	-100	0.0002	81	0.0002
	Sale 23-Nov-2018	-5	0.0000	76	0.0002
	Purchase 07-Dec-2018	100	0.0002	176	0.0004
	Sale 14-Dec-2018	-176	0.0004	0	0.0000
	Purchase 22-Mar-2019	1200	0.0034	1200	0.0034
	At the end of the Year 30-Mar-2019	1200	0.0034	1200	0.0034
4	NARENDRA MANIBHAI PATEL				
JT1	: PANNABEN NARENDRAKUMAR PATEL				
	At the beginning of the year 01-Apr-2018	474274	1.3440	474274	1.3440
	Sale 18-Jan-2019	-1602	0.0045	472672	1.3395
	At the end of the Year 30-Mar-2019	472672	1.3395	472672	1.3395
5	VIKING INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	385085	1.0913	385085	1.0913
	Sale 07-Sep-2018	-20000	0.0566	365085	1.0346
	At the end of the Year 30-Mar-2019	365085	1.0346	365085	1.0346
	HAVING SAME PAN				
5	VIKING INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	314769	0.8920	314769	0.8920

BOARD'S REPORT [Contd.]

Sl 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
	At the end of the Year 30-Mar-2019	314769	0.8920	314769	0.8920
6	CHINTAN MAGANLAL KAKKAD				
	At the beginning of the year 01-Apr-2018	356525	1.0103	356525	1.0103
	At the end of the Year 30-Mar-2019	356525	1.0103	356525	1.0103
7	SUDHIR RAMESHKANT PARIKH				
JT1	: DHARMISTHA SUDHIR PARIKH				
	At the beginning of the year 01-Apr-2018	322275	0.9133	322275	0.9133
	Sale 06-Apr-2018	-10000	0.0283	312275	0.8849
	Sale 20-Apr-2018	-5000	0.0141	307275	0.8708
	Sale 27-Apr-2018	-7000	0.0198	300275	0.8509
	At the end of the Year 30-Mar-2019	300275	0.8509	300275	0.8509
8	MARFATIA STOCK BROKING PVT LTD				
PROPRIETARY ACCOUNT					
	At the beginning of the year 01-Apr-2018	241518	0.6844	241518	0.6844
	Sale 06-Apr-2018	-44000	0.1246	197518	0.5597
	Sale 29-Jun-2018	-197518	0.5597	0	0.0000
	Purchase 06-Jul-2018	15000	0.0425	15000	0.0425
	Sale 31-Aug-2018	-15000	0.0425	0	0.0000
	Purchase 14-Dec-2018	252902	0.7167	252902	0.7167
	Sale 22-Mar-2019	-252902	0.7167	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
	HAVING SAME PAN				
8	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	35000	0.0991	35000	0.0991
	Purchase 06-Apr-2018	22500	0.0637	57500	0.1629
	Purchase 13-Apr-2018	75	0.0002	57575	0.1631
	Sale 20-Apr-2018	-75	0.0002	57500	0.1629
	Purchase 11-May-2018	600	0.0017	58100	0.1646
	Sale 18-May-2018	-500	0.0014	57600	0.1632
	Purchase 25-May-2018	200	0.0005	57800	0.1638
	Purchase 01-Jun-2018	14327	0.0406	72127	0.2044
	Sale 08-Jun-2018	-264	0.0007	71863	0.2036
	Purchase 15-Jun-2018	1965	0.0055	73828	0.2092
	Purchase 22-Jun-2018	9931	0.0281	83759	0.2373
	Sale 29-Jun-2018	-26759	0.0758	57000	0.1615
	Purchase 27-Jul-2018	29	0.0000	57029	0.1616
	Sale 17-Aug-2018	-29	0.0000	57000	0.1615
	Purchase 07-Sep-2018	7	0.0000	57007	0.1615
	Sale 21-Sep-2018	-7	0.0000	57000	0.1615
	Purchase 28-Sep-2018	10487	0.0297	67487	0.1912
	Sale 05-Oct-2018	-29116	0.0825	38371	0.1087
	Purchase 19-Oct-2018	337	0.0009	38708	0.1096
	Sale 02-Nov-2018	-3708	0.0105	35000	0.0991
	Purchase 16-Nov-2018	3030	0.0085	38030	0.1077

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Sl No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sale 23-Nov-2018	-1909	0.0054	36121	0.1023
	Purchase 07-Dec-2018	1000	0.0028	37121	0.1051
	Sale 14-Dec-2018	-1030	0.0029	36091	0.1022
	Sale 28-Dec-2018	-1091	0.0030	35000	0.0991
	Purchase 18-Jan-2019	4153	0.0117	39153	0.1109
	Purchase 01-Feb-2019	100	0.0002	39253	0.1112
	Sale 08-Feb-2019	-100	0.0002	39153	0.1109
	Purchase 29-Mar-2019	30000	0.0850	69153	0.1959
	At the end of the Year 30-Mar-2019	69153	0.1959	69153	0.1959
	HAVING SAME PAN				
8	MARFATIA STOCK BROKING PVT LTD				
	At the beginning of the year 01-Apr-2018	35000	0.0991	35000	0.0991
	Purchase 06-Apr-2018	22000	0.0623	57000	0.1615
	Sale 16-Nov-2018	-57000	0.1615	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
	HAVING SAME PAN				
8	MARFATIA STOCK				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 07-Sep-2018	45000	0.1275	45000	0.1275
	Purchase 22-Mar-2019	429761	1.2179	474761	1.3454
	At the end of the Year 30-Mar-2019	474761	1.3454	474761	1.3454
	HAVING SAME PAN				
8	MARFATIA STOCK BROKING PVT. LTD - COLLATERAL ACCOUNT				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 16-Nov-2018	57000	0.1615	57000	0.1615
	At the end of the Year 30-Mar-2019	57000	0.1615	57000	0.1615
9	ALKABEN JAYESH SHAH				
	At the beginning of the year 01-Apr-2018	233500	0.6617	233500	0.6617
	Sale 18-May-2018	-29800	0.0844	203700	0.5772
	Sale 25-May-2018	-203700	0.5772	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
10	PUNAMCHAND RAMNARAYAN RATHI				
	At the beginning of the year 01-Apr-2018	200000	0.5667	200000	0.5667
	At the end of the Year 30-Mar-2019	200000	0.5667	200000	0.5667
	NEW TOP 10 AS ON (30-Mar-2019)				
11	AJAYA JAIN				
	At the beginning of the year 01-Apr-2018	40000	0.1133	40000	0.1133
	Purchase 11-May-2018	35000	0.0991	75000	0.2125
	Purchase 25-May-2018	5000	0.0141	80000	0.2267
	Purchase 27-Jul-2018	15160	0.0429	95160	0.2696
	Purchase 03-Aug-2018	45315	0.1284	140475	0.3980
	Purchase 10-Aug-2018	9525	0.0269	150000	0.4250
	Purchase 17-Aug-2018	25000	0.0708	175000	0.4959
	Purchase 07-Sep-2018	70647	0.2002	245647	0.6961

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Sl 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
	Purchase 11-Sep-2018	4353	0.0123	250000	0.7084
	Purchase 14-Sep-2018	25000	0.0708	275000	0.7793
	Purchase 28-Sep-2018	25000	0.0708	300000	0.8501
	Purchase 09-Nov-2018	5000	0.0141	305000	0.8643
	Purchase 16-Nov-2018	14702	0.0416	319702	0.9060
	Purchase 07-Dec-2018	5298	0.0150	325000	0.9210
	Purchase 15-Feb-2019	6021	0.0170	331021	0.9380
	Purchase 22-Feb-2019	18979	0.0537	350000	0.9918
	Purchase 15-Mar-2019	25000	0.0708	375000	1.0627
	Purchase 29-Mar-2019	11588	0.0328	386588	1.0955
	At the end of the Year 30-Mar-2019	386588	1.0955	386588	1.0955

(v) Shareholding of Directors and Key Managerial Personnel:

		Shareholding at the beginning of the year				Cumulative Shareholding during the year		Shareholding at the end of the year	
Sr. No.	Name of Directors and KMP	No. of shares	% of total shares of the company	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No of shares increase/ decrease	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Chandresh S. Parikh	3696400	10.48	NA	0	NA	NA	3696400	10.48
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	Mrs. Sejal R. Parikh	0	0.00	NA	0	NA	NA	0	0.00
5	Mr. P.M. Shah	24500	0.069	NA	0	NA	NA	24500	0.069
6	Mr. Ramkisan Devidayal	120000	0.34	NA	0	NA	NA	120000	0.34
7	Mr. Atul Patel	118912	0.34	NA	0	NA	NA	118912	0.34
8	Dr. Ajay Ranka	0	0.00	NA	0	NA	NA	0	0.00
9	Mr. N.R. Patel	2000	0.0057	NA	0	NA	NA	2000	0.0057
10	Mrs. Anuja K. Muley	1	0.00	NA	0	NA	NA	1	0.00

BOARD'S REPORT [Contd.]

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	10429.31	-	2275.68	12704.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	50.99	-	142.91	193.91
Total (i+ii+iii)	**10480.30**	**-**	**2418.59**	**12898.89**
Change in Indebtedness during the financial year				
· Addition	1254.95	-	2200.98	3455.93
· Reduction	3091.86	-	1566.33	4658.19
Net Change : (+) Addition / (-) Reduction	**(1836.91)**	**-**	**634.65**	**(1202.26)**
Indebtedness at the end of the financial year				
i) Principal Amount	8606.28	-	2940.81	11547.08
i) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	37.11	-	112.44	149.55
Total (i+ii+iii)	**8643.39**	**-**	**3053.24**	**11696.63**

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 Parikh	Mr. Rajesh Parikh	Mr. Atil Parikh	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 * Car (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	55,48,812 28,800 -	48,46,284 28,800 -	39,64,080 28,800 -	1,43,59,176 86,400 -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify…Incentives	- - 5,91,771	- - 5,91,771	- - 5,78,783	- - 1,76,2325
5	Others, please specify Provident Fund	6,36,575	4,86,251	3,97,729	15,20,555
	Total	68,05,958	59,53,106	49,69,392	1,77,28,456
	Overall Ceiling as per the Act	Pursuant to the provisions of Section 197 of Companies Act, 2013, remuneration of all Whole Time Directors is not exceeding 10% of net profit as calculated under Section 198 of Companies Act, 2013.			

BOARD'S REPORT [Contd.]

B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount in ₹
		Mr. P.M. Shah	Mr. Ramkisan Devidayal	Mr. Atul Patel	Dr. Ajay Ranka	Mrs. Sejal Parikh	
1.	**Independent Directors**						
	Fee for attending board/committee meetings	2,40,000	2,25,000	1,95,000	55,000	0	
	Commission	1,25,000	2,50,000	1,25,000	1,25,000	0	
	Others, please specify	0	0	0	0	0	
	Total (1)	3,65,000	4,75,000	3,20,000	1,80,000	0	13,40,000
2.	**Other Non-Executive Directors**						
	Fee for attending board/committee meetings	0	0	0	0	95,000	
	Commission	0	0	0	0	1,25,000	
	Others, please specify	0	0	0	0	0	
	Total (2)	0	0	0	0	2,20,000	2,20,000
	Total (B)=(1+2)	3,65,000	4,75,000	3,20,000	1,80,000	2,20,000	15,60,000
	Total Managerial Remuneration (A + B)						
	Overall Ceiling as per the Act	The Company has paid sitting fees and Commission to Non-Executive Director. Pursuant to the provisions of Section 197 of Companies Act, 2013, remuneration/commission paid to non-Executive Director is not exceeding 1% of net profit and total remuneration paid to Whole Time Directors and Non-Executive Director is not exceeding 11% of net profit as calculated under Section 198 of Companies Act, 2013					

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

Sr. No.	Particulars of Remuneration	Name of Director / KMP		Total Amount in ₹
		Mr. N.R. Patel - CFO	Mrs. Anuja Muley - CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2594568	1072419	3666987
	(b) Value of perquisites u/s	21600	-	21600
	17(2) of the Income-tax Act, 1961			
	* Car			
	(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	- - 591771	- - 40678	- - 632449
5	Others, please specify			
	Provident Fund	201312	83214	284526
	Total	34,09,251	11,96,311	46,05,562

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March 31, 2019.

BOARD'S REPORT [Contd.]

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

Particulars pursuant to the Companies (Accounts) Rules, 2014

A) Conservation of Energy-

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

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

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

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

(B) Technology absorption-

(i) the efforts made towards technology absorption - Roller Mill imported during FY 2017-18

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Cost reduction in terms of energy saving and it considered as import substitute by improvement in quality of finished goods.

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

(a) the details of technology imported –

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

(b) the year of import - During year 2017-18

(c) whether the technology been fully absorbed - YES

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

Expenditure incurred on research and development is ₹ 92.23 Lakh.

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: ₹ 6,163.54 Lakhs

ii. Foreign Exchange Used: ₹ 5,093.51 Lakhs

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 : 28th May, 2019

BOARD'S REPORT [Contd.]

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

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

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

The Company has also practice to carry out CSR by giving donation to other Trusts for activities covered under schedule VII of the Companies Act, 2013.

CSR Committee

We have a Board Committee (CSR Committee) that provides overview 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
- Mrs. Sejalben R. Parikh
- Mr. Ramkisan Devidayal

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 and web link - https://www.20microns.com/wp-content/uploads/2018/02/CSR-Policy.pdf

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 Lakhs)

Particulars	Amount
Average net profit of the Company for last three financial years	1963
Prescribed CSR expenditure (2% of the average net profit as computed above)	39.26
Details of CSR Expenditure during the financial year	41.37
Total amount to be spent for the financial year	39.26
Amount Spent	41.37
Amount Unspent	0.00

BOARD'S REPORT [Contd.]

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

(Amount in ₹)

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	6,00,000	6,00,000	6,00,000	Through Foundation
SHRI JAI JALARAM SEWA SANSTHAN	Facilities for senior citizens	Mumbai	5,00,000	5,00,000	5,00,000	Through Trust
UNITED WAY OF BARODA	Health, Education	Nearby Vadodara City	27,500	27,500	27,500	Through Trust
FRIENDS SOCIETY	For Special Children	Vadodara	10,000	10,000	10,000	Through Trust
VANVASI SEVA SAMAJ TRUST	Education	Chhota Udaipur	17,00,000	17,00,000	17,00,000	Through Trust
TULSI SEVASHRAM TRUST	Education	Chhota Udaipur	13,00,000	13,00,000	13,00,000	Through Trust

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.

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 : 28th May, 2019

Management Discussions and Analysis

Management Discussions and Analysis

Analysis of sector-wise performance of the Company for the fiscal year 2018-19 and future outlook are given hereunder. The outlook is based on the assessment of the current business scenario and Government Policies. Any deviation to the developments - future and other - may affect the variances in the outlook.

Industry Progress & Outlook

The Industrial Minerals industry did not see many sharp changes in the mining regulations overall being the year of elections and not many states were willing to risk it with significant changes. Rajasthan being one of the most dependent states for 20 Microns in terms of procuring resources and being one of the richest sources of industrial minerals in the country, there was no significant increase in the royalty from the state government which helped the industry sustain its costs to an extent, but implemented a small service tax on the royalty amount in the later part of the year which does not affect much of the overall cost.

The Rajasthan government has also taken effective steps in monitoring the movement of minerals within and outside the state to restrict illegal mineral transportation. There has been an introduction of the Transit Pass system in few areas of Rajasthan on many minerals, which ultimately restricts the illegal overloading of vehicles coming from the mines to the plants, which was a usual practise seen in the industry and takes a hit with proper monitoring channels from the state governments leading to few price escalations but overall improving the safety parameters of operations within this industry and a good positive approach to the changing dynamics within the industry. This would become a regular practice adapted by other state governments in the years to come. In continuity to the last year implementations, some of the critical actions taken last year by the Rajasthan government was disallowing mining activities to mines operating without Environmental Clearance Licenses which helped the economy and also streamline many processes within the industry benefitting the overall scenario. However, the overall the impact has been quite positive to restrict illegal mining by the government and creating a safe and sustainable environment for people working at the mines.

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

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

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

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

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

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

Product/Division wise performance -

CNC - Coating & Construction Division (Paints, Paper, Ink & allied application)

The CNC business model and outcomes are aligned with the integrated approach to meet the wide range of client requirements by reaching to varied application areas, with the majority shares lying with Paint Industry, inclusive of Architectural, Industrial and Powder Coatings, and focused shares with the fast developing Allied base of industries catering to wide range of other verticals like Agrochemicals, Adhesives & Sealants, Construction, Hydrocarbon, Foundry, Ceramics, Detergent, Textile and other segments like Paper and Ink to get an holistic exponential growth;

The financial year 2018-19 was quite challenging in itself due to the conservative spending approach in the market especially the real-estate / household segment where our overall cliental base are having majority sales, which has been impacted a lot for overall market / consumption of Paint as well as ceramics and construction chemical based products / industries. In spite of that, CNC division was able to manage the turnover growth of above 14% over the previous financial year. It is also

Management Discussions and Analysis (continue)

remarkable to note that our growth pace has been consistently maintained & kept growing in Major Paint Companies by providing them with more speciality value based products. Also, the development of many domestic speciality based import substitute products has been an add-on to existing segment. Further, even in the commodities segment, we have introduced various premium products which have given them substantial cost benefits in their product formulation and added value to us over commodity pricing.

The paint industry can easily grow at 12-13 % annually over the next few years from its current size, as the per capita consumption is increasing year on year. 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. In the recent past we have introduced speciality mineral product which will support us to get stable growth in the future too. On the other side high end opacifier prices are increasing and to control the overall costing of the finished products we have an advantage of getting good volume of our high end mineral additive which replace the costly opacifiers and expecting to get double digit growth in the segment. The awareness of the International production process are increased and by adopting the new High-end process technology, supports to produce quality paint Products not only by the major companies but also the Medium & Small scale of manufacturers and expanding their market reach in all the segments by accepting New Products which helps us to increase the volume of our Speciality Products.

In regards to the Allied based industries, Economic Survey indicated that the government is keen on doubling farmer's income by 2022 for which it has launched several new initiatives that encompass activities from seed to marketing. Hence, The Indian Agriculture sector is looking forward for better years and expecting an increase in the volume of sales in the Agrochemical segment. Recently, we introduced newer and innovative product mix for Foundry, Ceramics & Detergent industries, which are gaining the confidence in performance and we are expecting its demands to increase in the coming financial years. The other side Infrastructure, Packaging & Automobile Industries are growing and switching over to use the domestics products more to curtail the Import cost which supports in increasing the sales volumes of Construction, Adhesive & Sealants and other related Industry segments. Generating sales in Paper Industries are itself a challenge and have taken a drive to increase the volume here by introducing newer grade of product line, here initial support are positive from the newer cliental hence expecting additional sales volume.

With respect to overall growth aspect we also cannot oversee the challenges that exist as hurdle towards the growth in segments we deal, for which respective precautionary measures have to be considered. For instance, the Paints industry is highly raw material-intensive and any fluctuation in the availability of raw material leads to substantial price fluctuation in paint production costs. The Pressure is on the Raw material suppliers who are undergoing tremendous pressure to maintain the cost coupled with new entrants in the market, which has resulted in the erosion of Bottom line and the challenge is going to be similar in the coming financial year.

Considering the Varied segment covered in CNC Division and further potential Horizontal segment being considered to optimize we expect to outperform in 2019-20 and will always try to explore the potentiality of our client requirement by concentrating more towards the newer application with the best possibilities of a great mix of commodity and specialty Products "

C&P - Consumer & Polymers

Plastic Industry

The entire polymer industry has faced the ripple due to ban of plastics in many states due to indian Govt imitative towards enviourment & currency fluctuation , in spite of this sluggish scenario achieving overall 5 % volume growth compare to last year is a stupendous achievement .The year F.Y 18-19 as a historic one in Indian economy and it threw immense challenges to all industries. We were also no exception..

In spite of such a doldrums in the market, we had achieve a fair growth especially due to our new infra-structure for Calcium Carbonate in Vietnam & Malaysia and also a major credit for the same can be attributed to the a single point focus on speciality product development and promotioning. Products like Wax & Processing Additive, desiccants , Opacifiers for partial TiO2 replacement , processing additives and antiblocking agents exciting challenges and favorable opportunities being created and allows an avenue to work in niche segments and dealing with corporate sectors in a healthy working culture . Moreover, with our Company's objectives to set up an independent R & D as well as product application center for plastic industry has opened avenue for development of several new specialty value added products, ascertaining their capability and compatibility with different polymers and finally promote these products with all kind of supporting application data . Finally a specialized team working in an unified vision and supported by the application center is going to boost the company's growth in polymer segment by many folds and such road map will open new segments with excellent prospective for the business growth.

Rubber, Ink, Pigment & Cosmetic Application

The Rubber Industry per se saw a marginal growth in 2018-19 mainly due to increase in the prices of Natural Rubber to

Management Discussions and Analysis (continue)

various other chemicals like Zinc Oxide & Carbon Black. This proved to be slightly advantageous for the Rubber team as we had several specialty products developed earlier which could find its way in offsetting the price increase of Zink oxide & Carbon Black. Products like Zincomer & Carbonate have not created a segment within the Rubber industry with sustained growth outlook in coming years. Our Company's main focus of developing new specialty products consistently every year led to placement of two products in this year's market. Synthetic Magnesium oxide & Micronized Wax gathered good response from the Rubber industry. We launched above products during the Rubber Expo - 2019 in Mumbai, where we had nearly all Rubber compounders visited our booth.

Again, the Company's efforts on specialty products continued for Inks Industry which performed steadily along the year. We developed and launched Micronized Wax emulsions for the Ink Industry & we are gaining good traction with the Ink customers as they are getting better properties than expected. Ink industry will perform steadily over the years and so, with our growth.

Pigment & Cosmetic industries are more on the niche side with higher values and lower quantities because of its nature of the Industry. We are penetrating those industries since last many years and are steadily gaining tractions. Expecting some better growth in Cosmetics in next year.

In the year 2018-19 we have also achieved good growth in Pigment & cosmetic application compare to last year.

As India is growing hub for Rubber Industry for automobile and other like industry and also getting quality natural rubber, Company is expecting good growth in our Rubber application. Company has increased dealer network to cater small and medium scale market. The same way we are expecting good growth in Ink, Pigment & cosmetic applications.

Human Resources

Making Everyday Life Better Than Ever.

Embracing the milestones we have crossed so far, the 20 Microns Family is already working its way to go even further to ensure the next level growth and development of the company. Our work has always been an intrinsic part of the society and we make it sure to give something back in everything we do. Furthermore, We maintain a valuable relationship and trust with all our stakeholders by ensuring a transparent working culture and financial system. This annual report celebrates the multiple facets of 20 Micron's successful journey so far and the journey of so many next. A journey that will get so much meaningful and fruitful with 20 Microns Limited.

20 Microns is not just a company, but it's one huge family and every member of this family is dedicated to the growth and the success of the company. With a well-nourished feeling of belongingness, the employees are not only satisfied but also encouraged enough to give their best at the workplace. They are always inspired to hold a greater vision for a better tomorrow and helped to improve their skills and invest in themselves. We, at 20 Microns, help each and every employee to know and understand their worth by adding values to whatever they do.

Working Together for Better Tomorrow.

Employees at 20 Microns are motivated not only by monetary benefits and perks but also by providing a balanced work-life environment, regular appraisals, healthcare support, etc. With our transparent and well-organized HR policies, we thrive to create a direct correlation between the performance and reward. Our Performance Management System is closely aligned to the values in place and we make sure to motivate our valuable employees well enough to exceed service excellence expectations. HR persistently works on upgrading skills of employees by providing them Training, Seminars, and Workshops utilizing External and Internal sources.

HR Department works hard to promote greater values of working together in a team and cultivates a feeling of respect for each other and individual ideas. Everyone is equally important and special, this is what we feel and believe. The HR team maintains a healthy connection with the employees and asks them for their suggestions, ideas and valuable inputs regularly. Every employee of the company bears a clear vision to achieve common goals together for the company, therefore, increasing the importance of teamwork.

Employees are an important part of the company and are treated as active partners in the success stories of the company. Both their physical as well as mental health is equally important for the company. Keeping a happy and joyous environment in the company helps employees to stay mentally light, healthy and ambitious. Also, the company provides a well-equipped Fitness Center for all employees along with its Trained Staff to assist each one, Cardio and Strength training equipment, Fitness assessments, etc. Moreover, Regular Health check-ups along with nutrition guidance can help to keep employees in good health, which in turn has a positive effect on the entire workforce, thus increasing productivity.

Construction & Chemicals Division

20 Microns Construction Chemicals or 20MCC is the largest producer of white minerals in India simplifying waterproofing and offering efficient and world-class leak-proof solutions. We work with the only aim to empower our clients with efficiently customized products based on their unique and tailored requirements.

Redefining the Waterproofing Solutions, Redefining the architectures of India.

Having started with its commercial sales in the year 2016-17, the company has impressively achieved significant goals and created a huge network of dealers throughout the potential regions. It follows the B2C model and implements progressive strategies to achieve business targets. Having expanded our dealers' network aggressively in Gujarat at Ahmadabad, Nadiyad, Baroda, Bharuch, Surat, Bilimora, Bardoli, Valsad, Vapi, and Daman, 20MCC is now a brand every contractor, constructor and architect in the state of Gujarat demands for. In Madhya Pradesh, we have our stronghold in Indore, Pritampur, Bhopal and nearby districts. With our network in

Management Discussions and Analysis (continue)

the state of Rajasthan at Alwar, Tapukheda, and Bhiwadi, we are now steadily growing our roots throughout India.

With magnificent products like Micronsil 30C, Micronsil 30C+, Nanosil, Metakrete, and Cracksil, the company is planning to introduce some other useful and innovative products in the market. The company also conducts several seminars and workshops throughout the year specially designed for Masonry to increase the awareness of the products, about the correct and efficient way of work, and that how they can grow well in their respective work and generate a sound income. Currently, such seminars and roadshows are being carried out in cities like Vadodara, Surat, Vapi, Indore, Bhopal, etc. In the coming year, the company is all set to introduce such workshops in other cities of India as well. The main aim of the company is to provide maximum benefits to the end-users of the products.

Fertilizer Division

Minfert, a venture of 20 Microns Limited, is the mineral based fertilizer company that offers an innovative organic solution for the agriculture, fertilizer & crop protection industry. It follows B2C vertical and has a state of art research center and technical expertise in the field of organic farming, by offering a range of mineral-based fertilizer, Insecticides and Soil Conditioner to gain better yield and quality products.

Best-Suited Organic Fertilizers for High-Yield Farming.

Launched in July 2017, MINFERT introduced its products for free trials for the farmers and co-operative societies near the city of Vadodara and Surat. The company is committed to produce and supply high-quality organic fertilizers like BLK, GBR, etc. All these products being 100% organic have successfully made their special place in the hearts of hardworking farmers.

Its palette form makes it an exceptional choice for farming as it dilutes slowly over the period of time to give sufficient nutrients to the crops as and when required. Currently, we are targeting farmers, gardeners, and landscapers for their professional and personal usage. We have also started marketing the same on various online platforms in order to target amateurs and hobbyist for their home gardens and indoor plants.

We aim to offer well-defined and efficient mineral solutions for farming and agriculture, thereby, making it easy for farmers to maintain the quality of their soil and bring the maximum possible yield out of their product. Sustainable farming is the farming our planet requires the most right now and we are moving forward to work for the same cause.

Herbal Supplements & Ayurveda

20 Microns Limited is successfully involved in the healthcare sector with its well-known brand 20 Microns Herbals, which is known to offer the best quality Ayurvedic & herbal medicines in India that provides innumerable benefits and cures the day-to-day health-related problems we come across.

Natural & Nurtured, Bringing all the Goodness of Nature.

Formed with an idea to revive age-old traditions of India to support various health problems among the people, 20 Microns Herbal is a venture by 20 Microns solely dedicated to the well-being and health of the people and the society. We have created research-based, health solutions founded on authentic Ayurveda principles, which has a proven track record to help benefit in many problems that we are facing from a very young age.

The company is focused on producing and marketing the high-quality healthcare supplements that can be used by everyone irrespective of their age and background, making it easier to deal with their diseases and overcoming from them with ease. Extra care is taken while the production of such medicines so as to cut down any possible side effects on the body. Right now, 20 Microns Herbal produces remarkable supplements like Pain Kranti, Cough Kranti Cough Syrup, Micronflax, Dia-B-Micron Forte, and Arthritol. There is also a dedicated essential series introduced by the company, which offers a wide range of ingredient-based supplements like Karela Extract Supplement, Garlic Extract Supplement, Ashwagandha Extract Supplement and many more. The R&D department is actively working towards better and more efficient healthcare solutions so as to make a better and healthier India.

Media Management

The digital revolution excludes no one and nothing from its realm. We understand this well that we must be poised to tackle the upcoming challenges as the business culture and the way business is done is changing rapidly with time. Not is the world of the Internet and that we must accelerate our pace and match our speed with the god-speed transformation of the business environment.

Embracing the Power of the Internet, Becoming Local, Globally.

The company has now started utilizing the power of the Internet and the charismatic world of E-commerce for most of its products and services. From waterproofing solutions by 20MCC to Ayurvedic supplements by 20 Microns Herbal and organic fertilizers by Minfert, everything is now available online through their dedicated official websites and even some of the e-commerce websites like amazon.com, etc. Making it very easy and convenient for end users to order and get their favorite products right to their doorstep. In the real sense, we are gaining the trust of our users by providing them the products they want anywhere, anytime.

Innovative & Resilient, Committed to the Supremacy.

Having our core focus on our customers, we are actively implementing customer-centric business culture. When it comes to the customer satisfaction, we strive to transform, learn, practice and shape the upcoming levels as we move forward along this transformational journey towards a better tomorrow and successful future for our company, valuable shareholders, dear clients and most importantly our irreplaceable customers.

Our dedicated and well-organized Corporate Social Responsibility supports the growth of not only the communities wherein we have our businesses but also addresses the overall

Management Discussions and Analysis (continue)

development of societies and human capabilities. We strongly believe that it is our responsibility to build a better and progressive business environment, therefore, creating a better world full of opportunities for everyone.

With a deep and crystal clear understanding of the market, gone through enough of turbulence and yet looking forward to sail strong against the strong wind, and with the strong executive leadership team in place to guide and inspire, we, at 20 Microns Limited, believe that we are all set to grow beyond the imaginations, to define our strength that makes us different from the others in the market and to fulfill the commitments we have made to our valued customers and shareholders.

Exports

Growth Opportunities for Export:

India's Overall Export grew@12% . There is still room for growth in particular for 20 Microns as we scaled new heights in the last financial year to close the figure of 10 Million for the first time, looking at the opportunities which are plenty we have prepared a Road Map for 15 Million a growth of almost 50% .

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

We are also targeting Bulk Business and look forward for considerable contribution in future as we have formed a separate team and already seen positive results.

20 Microns is now also focusing on various Specialty products in its export portfolio and catering to various territories which show immense potential for these products.

20 Microns continues to participate at various International Trade shows related to its end industries for better prospects and learn about the market trends in the international markets.

We continue to design products keeping in mind our international clientele and our R&D is constantly working on developing such products which are unique to the international community

Mining

Your Company has been a pioneer in White Industrial Minerals and possesses mining leases having sizable mineral reserves of 73.228 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 31.03.2019

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves (Rs. In Lacs)
1.	China Clay – Mines, Bhuj, Dist. Kutchh, Gujarat. Area – 11.89 Hector	17.756	2574.62
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. Tirunelveli, TamilNadu, Area – 4.43 Hector.	10.300	4635.00
5.	Dolomite Mine, Anantapur, Andhra Pradesh Ares – 4.767 Hector	22.942	4591.47
TOTAL		**73.228**	**21664.36**

Reserves in Private Owned Land

Status as on 31.03.2019

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves (Rs. 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**

Management Discussions and Analysis (continue)

Research & Development

"WE STRIVE FOR INNOVATION THAT BUILD US THE EPITOME OF SUCCESS"

20 Microns unwavering commitment to Research and development team members with unending passion for innovative solutions closely aligning with customers and market trends made us the epitome of success. Our Research and development team members include competent professionals of experience more than 25 years dealing with diverse minerals and specialty chemicals behind them, along with unrivalled applications knowledge to improve customer formulations. We understand the customer's needs, thereby enabling them to not only recommend the right product to our customers, but to also produce tailor made products for cost-effective and application measures covering a different array of materials all in one place.

We have a strong track record of innovation, delivering major breakthrough products in 2018 alone as given below.

Innovative Products Developed During the Year 2018 -19

Pearlgloss 90	LC 80/80T Pigments
Pearluster 602	Basofix - 30
Hyper 200 R	Colored Mica-Copper, Silver, Golden, Black
Hyper Grain IR	Coloured Silica Series- Geosil ART
Hypertox	ALFR 3T
Ceraplas - 90	Supermag 150
Cerillite	Silfermin FLS - 5E
Glowtox BLK/BLK 60	

Gazing forward in future, we will consistently strive for excellence in everything we do. We will work to develop next-generation products, making maximum use of the creative possibilities of chemistry. We will continuously support our customers in being more sustainable through our customized solutions and create new business opportunities that reinforce our customer relationships and attract new customers.

QUALITY CONTROL

"COMMITMENT AND PERFECTION DEFINE QUALITY"

20 Microns have robust and efficient quality control facilities which cater to a wide range of satisfying consumers all across the country.We conduct analytical tests from raw materials to finished products by following specific protocols and provided technical data sheet certificate to ensure compliance with all specified requirements extending directly into the hands of our customers.

20 Microns quality control laboratories, the latest technologic devices are used by our experienced team, every step of production process is being kept under continuous control with analysis and measurement procedures. We harness new technologies that can help us to keep the same quality in our products at all the time. Our laboratories are well equipped for various aspects of product characterization.

Over the last year, our exceptional excellence in product quality and most advanced control instruments with ISO 9001:2015 and ISO 14001:2015 standards which is responsible for defining standards and harmonized measuring methods, together with their adherence around the world have placed us in the forefront in both the domestic as well as global market.

20 Microns relentless focus is to set a higher benchmark for quality to yield greater customer confidence while deepening our understanding of market-specific requirements.

Environment, Safety & Health

Celebrated 48th National Safety week - 4th March to 10th March 2019

NATIONAL SAFETY DAY/WEEK 2019

National Safety Day/Week is a whole week safety campaign which was celebrated from 4th of March (Monday) to the 10th of March (Sunday) in 2019.

The National Safety Day Theme 2019 was - "Cultivate and Sustain a Safety Culture for Building Nation".The 48th National Safety Day/Week was celebrated across the nation by industries, trade unions, regulatory agencies and NGOs. A series of campaigns were conducted across the country to increase safety awareness and reducing accidents.

The campaign majorly aimed at promoting safety at workplace and outside workplace.

Our Various plant and our visitors, observed the day by demonstrating various safety techniques like fire extinguishers usage, electrical safety, emergency management and use of safety equipments during work. Poster and painting competitions for our employee were also organized to mark the day.

Celebrated world Environment Day on 5th June 2019

- With "Beat Plastic Pollution" as the theme for this year's edition, the world is coming together to combat single-use plastic pollution.

Management Discussions and Analysis (continue)

Beat Plastic Pollution", the theme for World Environment 2019, urges governments, industry, communities, and individuals to come together and explore sustainable alternatives and urgently reduce the production and excessive use of single-use plastic polluting our land, and threatening human health.

We are committed to making our manufacturing unit a cleaner and greener place".

On the celebration of world environment day three thousand trees or more have been planted by the 20 Microns Ltd.

For the achievement In August 2018, 20 Microns is certified ISO 14001:2015 & BS OHSAS 18001:2007 Certified Company.

20 Microns Ltd. is fulfilling the global environment standard and it's continuing implement.

Occupational Health Examination: 2018

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

Regular annual medical examinations are a routine practice at several plants.

Risk and Concern

A detailed note on Risk Management implementation is given in Board's Report which forms part of this annual report.

Internal Control Systems and their adequacy

A detailed note on Internal Control Systems and their adequacy is given in Board's Report which forms part of this annual report.

Financial Performance and Key Financial Ratios

Financial Performance (Standalone)

The standalone financial highlights for FY 2018-19 are as follows:

(₹ in Lakhs)

	2019	2018	Variance
Revenue from operations	43,566.78	38,856.94	4709.84
Profit before exceptional items and taxes	3,393.94	2,530.38	863.56
Exceptional items (net)	0	150.85	-150.85
Profit before tax	3,393.94	2,379.52	1014.42
Profit after tax	2,171.28	1,588.03	583.25

Key Financial Ratios

Ratios	2019	2018	Change
Debtors Turnover	56.57	56.08	1
Inventory Turnover	6.18	6.27	-1
Interest Coverage Ratio	2.63	2.11	25
Current Ratio	1.11	1.03	8
Debt Equity Ratio	0.77	0.97	-21
Operating Profit Margin [%]	11.97	11.10	8
Net Profit Margin [%]	4.98	4.09	22
Return on Net Worth [%]	14.30	12.00	19

Improved Inventory Coverage Ratio is on account of high profitability.

Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.

Cautionary Authority Statement

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

REPORT ON CORPORATE GOVERNANCE

Compliance of the Corporate Governance Code is given below which forms part of the Directors' Report for the year 2018-19:

CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

Your Company's philosophy on Corporate Governance envisages the attainment of a high level transparency and accountability in the functioning of the Company and the efficient conduct of its business, including its interaction with employees, shareholders, depositors, creditors, consumers, financial institutions and other lenders. Accountability improves decision making and transparency helps to explain the rationale behind decisions which in turn helps in building confidence in the Company.

Your Company firmly believes that, for a Company to succeed on a sustained basis, it must maintain global standards of Corporate Conduct. It also believes that Corporate Governance is not simply a matter of creating checks and balances; it is about creating an outperforming organisation, which leads to increasing employee and customer satisfaction.

Board of Directors

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 strength of Board as on 31st March, 2019 is 8 [eight] Directors. The Board comprises of Executive and Non-Executive Directors. The Executive Chairman, CEO & Managing Director and Managing Director are the three Executive Directors. There are Five Non-Executive Directors, of which four Directors are Independent Directors. The Board also consists of one Woman Non-Executive Non-Independent Director. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Mr. P. M. Shah, Independent Director resigned w.e.f. 29.04.2019 due to ageing process and health issues. The Company has received confirmation to the effect that his resignation is not for any material reasons. Mr. Jaydeep Verma was appointed as an additional director in the category of Independent Director w.e.f. 28.05.2019.

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

Whole Time Directors are appointed or re-appointed with the approval of the shareholders and shall remain in their respective offices in accordance with the retirement policy laid down by the Board from time-to-time. The Managing Director(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

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

The Board has appointed Mr. Jaideep Verma as an Additional Director w.e.f. 28th May, 2019. He holds office of Additional Director up to the ensuing Annual General Meeting of the Company. The Company has received a notice u/s 160 of the Companies Act, 2013 from a shareholder of the Company proposing the candidature of Mr. Jaideep Verma for the office of an Independent Director to hold the office upto 12.08.2024.

The terms of Re-appointment of Whole Time Directors of the Company viz. Mr. Chandresh S. Parikh, Executive Chairman, Mr. Rajesh C. Parikh, CEO & Managing Director and Mr. Atil C. Parikh, Managing Director had been renewed for further 3 [three] years from 01.04.2019 with the approval of the Shareholders in their 31st Annual general Meeting held on 19.09.2018.

Profile of Directors

The brief profile of each Director as on date of approval of report 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 51 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

REPORT ON CORPORATE GOVERNANCE [Contd.]

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 and started commercial production from 1988. He holds 36,96,400 Equity Shares representing 10.48% 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 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 41 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, the Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he re-joined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Boards of 20 Microns Nano Minerals Limited; Silicate Minerals [I] Private Limited & 20 MCC Private Limited. He holds 16,59,956 Equity Shares representing 4.70% of the paid-up Capital of the Company.

Mrs. Sejal Parikh, the Non-Executive Woman Director, holds a Bachelor degree in Production Engineering besides Post Graduation Diploma in Business Administration. She had worked for 2 years as the Trainee Engineer in Planning Department of GMM Pfaudler Limited, Vallabh Vidhyanagar, the Glass lined Equipment manufacturing company. She was also a part of projects related to Heritage Preservation of Vadodara in Maharaja Sayajirao University. She does not hold any Shares of the Company.

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

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

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

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

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, 2019, the Board of Directors had 04 Meetings. The last Annual General Meeting (AGM) was held on 19th September, 2018. The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2019, and at the last AGM is as under:-

Name of Director	AGM	Board Meetings				% of attendance
	19.09.2018	24.05.2018	08.08.2018	31.10.2018	07.02.2019	
Mr. Chandresh S. Parikh	Y	Y	Y	Y	Y	100
Mr. Rajesh C. Parikh	Y	Y	Y	Y	Y	100
Mr. Atil C. Parikh	Y	Y	Y	Y	Y	100
Mrs. Sejal R. Parikh	Y	Y	Y	Y	Y	100
Mr. Pravinchandra M Shah	A*	Y	Y	Y	Y	100
Mr. Ramkisan A. Devidayal	Y	Y	Y	Y	Y	100
Mr. Atul H. Patel	A	Y	Y	Y	Y	100
Dr. Ajay I. Ranka	A	Y	A	A	Y	50

Y - Attended, A - Absent

* Since Chairman of [a] Nomination & Remuneration Committee & [b] Stakeholders Relationship and Share Transfer Committee-Mr. P. M. Shah was not able to present at this AGM due to ill-health, he had authorized Mr. Ramkisan Devidayal, for attending AGM on his behalf.

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 7th February, 2019 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole and also reviewed performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Agenda:

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

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.

Other Directorships etc.:

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

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st March, 2019, are given below:-

Name of Directors	Directorships and Chairman/Membership of Committees* in Indian Public Company				
	Name of the listed entities where Directors are on Board		No. of Directorship in Public Co. including 20ML	Committee Membership*	Committee Chairmanship*
	Name of Company	Category		in Public Companies (whether listed or not)	
Mr. Chandresh S. Parikh	20 Microns Ltd.	Executive Chairman	2	1	-
Mr. Rajesh C. Parikh	20 Microns Ltd.	CEO & MD	2	2	-
Mr. Atil C. Parikh	20 Microns Ltd.	MD	2	1	-
Mrs. Sejal R. Parikh	20 Microns Ltd.	Non-Executive Non-Independent Director	1	-	-
Mr. Pravinchandra M Shah	20 Microns Ltd.	Independent Director	3	1	1
Mr. Ramkisan A. Devidayal	20 Microns Ltd.	Independent Director	7	5	4
	Banco Products (India) Ltd.	Independent Director			
	Munjal Auto Ltd.	Independent Director			
Mr. Atul H. Patel	20 Microns Ltd.	Independent Director	6	2	-
	Paushak Ltd.	Independent Director			
Dr. Ajay Ranka	20 Microns Ltd.	Independent Director	1	-	-

***** Audit Committee and Stakeholder Relationship & Share Transfers Committee considered

Induction and Training of Board Members:

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

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

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

The queries/questions raised by the Independent Directors were replied and satisfied accordingly. The details of such familiarization programme for Independent Directors are posted on the website of the company https://www.20microns.com/wp-content/uploads/2019/04/20ML_Familiarization-Programme.pdf

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business[es] and sector[s] for it to function effectively and those actually available with the Board.

[i] Knowledge : Understand the Company's business and culture [including its mission, vision, values, goals, current strategies plan, governance structure, major risks and threats and potential opportunity[s] and knowledge of the industry in which the Company operates.

[ii] Behavioral Skills : attributes and competencies to use their knowledge and skills for function well as team members and to interact with key stakeholders.

[iii] Strategic thinking and decision making.

REPORT ON CORPORATE GOVERNANCE [Contd.]

[iv] Functional Skills.

[v] Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business.

Code of Conduct:

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

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

Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, 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.

Formal letter of appointment to the Independent Directors

The company has issued formal letters of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, code of conduct, functions and duties. The terms and conditions of appointment of Independent Directors have been hosted on the website of the Company and can be accessed at company's website http://www.20microns.com/wp-content/uploads/2018/02/Appointment-of-Independent-Director.pdf

Evaluation of the Board's Performance:

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

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

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

Audit Committee of Directors

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.

Composition and Meetings:-

The Audit Committee had 4 meetings during the year 2018-19, specifically on 24.05.2018, 08.08.2018, 31.10.2018 and 07.02.2019. The attendance of each committee member was as under:-

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

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

Invitees / Participants:-

1. Mr. Chandresh Parikh, Executive Chairman, Mr. Rajesh Parikh, CEO and Managing Director and Mr. Atil Parikh, Managing Director are the permanent invitees to all Audit Committee meetings.

REPORT ON CORPORATE GOVERNANCE [Contd.]

2. The Statutory Auditors have attended all the Audit Committee meetings held during the year.
3. The Business Heads and the CFO also attends all the Committee meetings to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc.

Terms of Reference:-

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

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

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

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

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

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

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

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

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

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

    (f) disclosure of any related party transactions;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

(21) To review following -

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

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

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

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

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

(6) statement of deviations:

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

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

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

Nomination and Remuneration Committee

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, 2019 had one meeting on 10.05.2018. The attendance of the members was as under:-

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. P.M. Shah, Chairman – Independent Director	1 of 1
2	Mr. Ramkisan A. Devidayal - Independent Director	1 of 1
3	Mr. Atul H. Patel - Independent Director	0 of 1
4	Mr. Chandresh S. Parikh - Executive Chairman	1 of 1

Terms of Reference of the Nomination and Remuneration Committee:

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

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

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

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

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

Remuneration Policy

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

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

The Non-Executive Non-Independent Director was not paid any remuneration except the sitting fees for attending the Board and Committee Meetings and commission.

The Non-Executive Directors were paid the sitting fees for attending the Board and Committee Meetings and also paid the Commission, within the limit as specified in the provisions of Companies Act, 2013 during FY 2018-19 which is as under -

REPORT ON CORPORATE GOVERNANCE [Contd.]

[₹ in Lakhs]

Names of Directors	Basic	HRA	Medical	Incentive	Commission	TOTAL
EXECUTIVE DIRECTORS :						
Mr. Chandresh S. Parikh	53.05	0	2.44	5.92	0	61.41
Mr. Rajesh C. Parikh	40.52	6.08	1.86	5.92	0	54.38
Mr. Atil C. Parikh	33.14	4.97	1.52	5.79	0	45.42

Non Executive Directors	Sitting fees [Rs. in Laks]	Commission Paid [Rs. in Laks]
Mrs. Sejal R. Parikh	0.95	1.25
Mr. Pravinchandra M. Shah	2.40	1.25
Mr. Ramkisan A. Devidayal	2.25	2.50
Mr. Atul H. Patel	1.95	1.25
Dr. Ajay I. Ranka	0.55	1.25

Performance Linked Incentives paid to aforementioned Executive Directors were calculated on 0.2% of quarterly profit after tax and were paid on quarterly basis. The Company has entered into service agreements with respective Executive Directors for period of 03 years effective from 01.04.2019. Notice period according to said service agreement was 90 days from either side or equivalent payment of salary in lieu thereof.

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

Directors' Shareholding

Shareholding of the Directors in the company as on 31st March, 2019:

Names of Directors	No. of shares held in the Company singly	Percentage of holding
Mr. Chandresh S. Parikh	36,96,400	10.48
Mr. Rajesh C. Parikh	16,59,956	4.70
Mr. Atil C. Parikh	16,59,956	4.70
Mrs. Sejal R. Parikh	Nil	Nil
Mr. Pravinchandra M. Shah	24500	0.07
Mr. Ramkisan A. Devidayal	1,20,000	0.34
Mr. Atul H. Patel	1,18,912	0.34
Dr. Ajay I. Ranka	Nil	Nil

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

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

Stakeholders 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. Pravinchandra M. Shah, Independent Director and consists of the members as stated below. During the year ended on 31st March, 2019, this Committee had 01 meeting on 07.02.2019 which was attended by the members as under:-

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

Terms of Reference of Stakeholders Relationship and Share Transfer Committee:

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

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

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

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

The Company 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.

Status of Investors Complaints

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

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, 2019, one Committee Meeting was held on 10.05.2018. The CSR Committee, as on 31st March, 2019, 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. P.M. Shah - Chairman – Independent Director	1 of 1
3	Mrs. Sejal R. Parikh – Non-Executive Woman Director	1 of 1
4	Mr. Ramkisan Devidayal – Independent Director	NA*

* Mr. Ramkisan Devidayal was appointed as CSR Committee Member w.e.f. 24.05.2018

Independent Directors:

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

Pursuant to Schedule IV to the Companies Act, every Independent Director has been issued a letter of appointment containing the terms and conditions of his appointment. The terms and conditions of appointment have been posted on the website of the Company at http://www.20microns.com/wp-content/uploads/2018/02/Appointment-of-Independent-Director.pdf

Separate meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, one separate meeting of the Independent Directors was held during the year on 7th February, 2019, without the attendance of non-independent Directors and members of management, inter alia to:

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

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

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

Policies/Codes

a. Vigil Mechanism 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 in this regards reported to the Audit Committee. The policy of vigil mechanism may be accessed on the Company's website http://www.20microns.com/wp-content/uploads/2018/02/Vigilence-policy.pdf

REPORT ON
CORPORATE GOVERNANCE [Contd.]

b. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review, no sexual Harassment Complaint has been received by the Company. The policy of Sexual Harassment at workplace may be accessed on the Company's website http://www.20microns.com/wp-content/uploads/2018/06/Policy-on-Prevention-of-Sexual-Harrasment-at-Work-Place.pdf

General Body Meetings

(i) Annual General Meeting (AGM):

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

Financial Year	Date	Location	Time	No. of Special Resolutions passed
2017-18	19.09.2018	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	05
2016-17	22.09.2017	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	07
2015-16	23.09.2016	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	03

(ii) Extra Ordinary General Meetings:

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

(iii) Postal Ballot:

During the year, the Company didn't not get approval of the Members, through Postal Ballot.

Management review and responsibility

- Formal evaluation of officers

  The nomination and remuneration committee of the Board approves the compensation and benefits for all Senior Management Employees.
- Board interaction with clients, employees, institutional investors, the government and the media. The Executive Chairman and the MDs represent the Company in interactions with investors, media and various governments authorities.
- We have an integrated approach to managing risks inherent in various aspects of our business.
- A detailed report on our Management's discussion and analysis forms part of this Annual Report.

Disclosures

1. Transactions with related parties, as per requirements of Indian Accounting Standard(IND AS 24), are disclosed in notes to accounts annexed to the financial statements.
2. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the IND AS 24 has been made in the Annual Report. The Company has identified that there are no materially significant transactions with the related parties pursuant to the material related party transaction policy formulated by the Company. The said policy is available on the website of Company http://www.20microns.com/wp-content/uploads/2018/02/Related-Party-Transaction-Policy.pdf
3. The Company has followed all relevant Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.
4. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
5. Except by SEBI, No penalties or strictures have been imposed on the Company by Stock Exchange or any statutory authority on any matter related to capital markets during the last three years. SEBI had during the FY 2017-18, imposed penalty of ₹ 2,00,000.00 for non-adhering the provision of the Listing Agreement.
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. As on 31.03.2019, the Company has No material 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 https://www.20microns.com/wp-content/uploads/2019/07/20ML_Subsidiary-Policy.pdf

REPORT ON CORPORATE GOVERNANCE [Contd.]

8. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated in Section 149(7) of the Companies Act, 2013.

Plant Locations

Manufacturing Unit

Plant Location	Address
Bhuj	Plot No.157, Village – Mamuara, Taluka : Bhuj, dist : Kutch, Gujarat - 370 020.
Hosur	Plot No.23-24, SIPCOAT,Phase II, Housr, Dist : Kishangiri, Tamil Nadu - 635109
Haldwani	Village: Haripur,Bareilly Road, Taluka: Haldwani,Dist. Nainital,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. 253-254 & 256 GIDC, Waghodia
Udaipur	Plot No. F-233-234, Road No. 1E, Matsya Industrial Estate, Madri, Udaipur, Rajasthan-313001.

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

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

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

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

Certificate

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

Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these were approved by the Board. These were 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.

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.

General Shareholders' Information

Annual General Meeting:

Day and Date	:	Tuesday, 13th August, 2019
Time	:	3.00 p.m.
Venue	:	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara-391760.

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, 2019
Second quarterly/Half yearly results*	:	on or before 15th November, 2019
Third quarterly results*	:	on or before 15th February, 2020
Annual results for the year Fourth quarterly results*	:	on or before 30th May, 2020
Annual General Meeting for the year ending on 31st March, 2020	:	on or before 30th September 2020

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, 6th August, 2019 till Tuesday, 13th August, 2019 (both days inclusive) for the purpose of 32nd Annual General Meeting.

Listing of Shares and Other Securities:

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

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001.
Scrip Code: 533022

National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex,
Bandra [East], Mumbai – 400 051.
Scrip Code: 20MICRONS

Demat – ISIN Number for NSDL & CDSL: INE144J01027

Listing Fees:

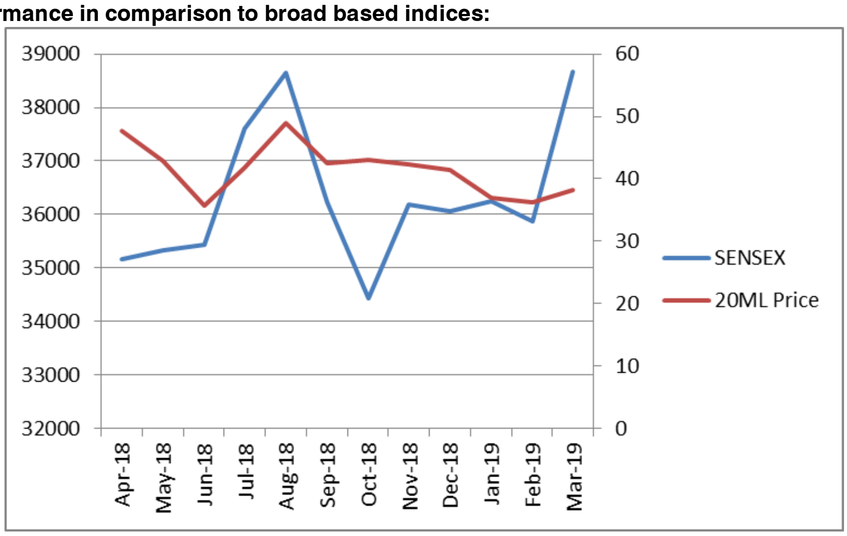
The Company has paid listing fees up to 31st March, 2020 to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where Company's shares are listed.

MARKET PRICE DATA

The monthly high and low prices of the shares of the company as quoted on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the FY 2018-19 are given hereunder:

Bombay Stock Exchange Ltd.					National Stock Exchange of India Ltd.		
Month	High Price	Low Price	Close Price		High Price	Low Price	Close Price
Apr-18	55.4	47.5	47.75		55.25	46.85	47.6
May-18	48.3	40.9	42.8		50.5	40.85	43
Jun-18	42.4	35	35.7		42.7	34.7	35.6
Jul-18	42.05	33.8	41.7		42.2	33.65	41.7
Aug-18	51.75	40.95	48.95		51.8	41	49.25
Sep-18	52.1	42	42.55		52.9	42.15	42.45
Oct-18	45	38.6	43.1		45.5	37.95	42.8
Nov-18	49.5	42	42.3		49.5	41.2	42.8
Dec-18	44.5	40.1	41.45		44.75	40.6	42.2
Jan-19	45.95	36.5	36.95		45.95	36.2	37.05
Feb-19	39	32.6	36.15		39.65	32.3	36.55
Mar-19	44	34.6	38.15		41.45	34	38.2

Performance in comparison to broad based indices:



The securities of the Company have never been suspended from trading.

REPORT ON CORPORATE GOVERNANCE [Contd.]

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 40020734/735
EMAIL : investor@cameoindia.com

SHARE TRANSFER SYSTEM

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

During the year under review, in case of shares in physical mode, the transfer of shares are processed, 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. As directed by the recent SEBI's Circular, Share Transfers in Physical mode has been discontinued w.e.f. 01.04.2019.

DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the Company as on 31st March, 2019 is as follows:

SLNO	HOLDING	NUMBER OF SHARE HOLDERS	% OF TOTAL	SHARE CAPITAL (₹)	% OF TOTAL CAPITAL
1	between 1 and 1000	7795	61.17	3105495	1.76
2	between 1001 and 5000	3620	28.41	9300190	5.27
3	between 5001 and 10000	597	4.68	4765420	2.7
4	between 10001 and 20000	337	2.64	5010660	2.84
5	between 20001 and 30000	147	1.15	3652185	2.07
6	between 30001 and 40000	57	0.45	1987295	1.13
7	between 40001 and 50000	41	0.32	1950940	1.11
8	between 50001 and 100000	62	0.49	4462535	2.53
9	> 100000	87	0.68	142197790	80.6
	Total	**12743**	**100**	**176432510**	**100**

Shareholding Pattern:

The shareholding of different categories of the shareholders as on 31st March, 2019 is given below:-

SL. NO	CLIENT TYPE	NO. OF SHARES	% OF HOLDINGS
1	Promoters	15534976	44.03
2	Corporate Body	6131231	17.37
3	Resident	10792653	30.58
4	FI	0	0
5	NRI	1737914	4.92
6	Clearing Member	42543	00.12
7	Trusts	206	00.00
8	Financial Institutions/Bank	40366	00.11
9	Employees	6390	0.01
	Total	**35286502**	**100.00**

Dematerialization of Shares:

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar and Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of shareholder.

About 99.63% of total equity share capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2019. The Promoter holding is 44.03% as against Non-Promoter holding of 55.97%.

REPORT ON CORPORATE GOVERNANCE [Contd.]

Foreign Exchange Risk

The Company has a policy in place to protect its interests from risks arising out of market volatility. Based on continuous monitoring and market intelligence the sales, procurement and finance team take appropriate strategy to deal with market volatility.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:

During the year under review, the Company has not Issued any GDRs/ADRs/Warrants or any Convertible Instruments. There is no outstanding GDRs/ADRs/Warrants as on 31.03.2019.

CREDIT RATING :

Credit Rating Agency viz. India Rating and Research Pvt. Ltd. given the company BBB- rating.

Reconciliation of Share Capital Audit:

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

INVESTORS CORRESPONDENCE

In order to facilitate quick redressal of the grievances/queries as also quick disposal of the matters relating to physical share 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 7574806350 Fax: +91 2668 264003
Email: investors@20microns.com

Registered Office:
9/10, GIDC INDUSTRIAL ESTATE,
WAGHODIA – 391760
DIST. VADODARA
GUJARAT, INDIA
TEL: +91-7574806350
FAX: +91-2668-264003

Subsidiary Companies

As on 31.03.2019, the Company does not have a material subsidiary, as defined under Regulation 16 (1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The material subsidiary is considered for those subsidiaries whose income or Networth exceed 20% of the consolidated income or net worth respectively of the company and its subsidiaries in the preceding financial year. The Policy for determining material subsidiaries is posted on the website of the Company at https://www.20microns.com/wp-content/uploads/2019/07/20ML_Subsidiary-Policy.pdf

Unclaimed Dividend

Pursuant to Section 205 A read with 205 C of the Companies Act, 1956, unclaimed dividends for the year ended 31st March, 2011 have been transferred to the Investor Education and Protection Fund.

Shareholders are requested to en-cash their dividend warrants immediately on receipt as dividends remaining unclaimed for seven years are to be transferred to the Investor Education and Protection Fund.

Pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting , Audit, Transfer and Refund) Rules, 2016, as amended from time to time, shares, in respect of which dividend is not claimed for seven consecutive years, is required to be transferred by the Company in the name of Investor Education and Protection Fund (IEPF). Any claimant of such transferred shares would be entitled to claim the transfer of shares from IEPF in accordance with the procedure as laid down in the aforesaid Rules. The Company has started procedure to transfer shares to IEPF.

Shareholders are requested to visit the website of the Company at www.20microns.com for details of amounts lying in the unclaimed dividend accounts of the Company, unclaimed dividend for 2009-10 & 2010-11 transferred to the IEPF, the shares transferred to IEPF and the shares due to be transferred to IEPF. The due date for transferring unpaid/unclaimed dividend declared for FY 2011-12 is 13.09.2019. The Company will also initiate process of transferring shares of those shareholders who have not claimed dividend for seven consecutive years to IEPF.

Other Disclosures:

1. The Company does not have any commodity price risks and commodity hedging activities
2. The Company has not raised fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)
3. The Company has availed certificate from Practicing Company Secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority
4. The Board has accepted all recommendations of the Committee which is mandatorily required
5. Total ₹ 17.66 Lakhs paid as fees including out of pocket expenses, by the Company and its subsidiaries on consolidated basis to statutory auditors of the Company and all entities in the network firm/network entity of which the statutory auditor is a part.

Place : Waghodia, Vadodara
Date : 28.05.2019

Chandresh S. Parikh
(Chairman)

REPORT ON CORPORATE GOVERNANCE [Contd.]

CEO & CFO Certification

The Board of Directors
20 Microns Limited

Dear Members of the Board,

1. We have reviewed Audited Financial statements and the cash flow statement of 20 Microns Limited for the year ended 31st March, 2019 and that to the best of our knowledge and belief :
   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and information, no transactions are entered into by the Company during the year ended 31st March, 2019, which are fraudulent, illegal and violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. In order to evaluate the effectiveness of internal control systems, pertaining to financial reporting and for risk management we have established internal framework to carry out independent study at regular intervals on risk management and internal controls, which helps in forming the opinion for CEO/CFO certification as required.
4. We have informed to the Auditors and the Audit Committee:
   i) There are no Significant changes in the internal control over financial reporting during the year;
   ii) There are no Significant changes in accounting policies during the year and
   iii) There are no instances of significant fraud of which we have become aware.
5. We have provided protection to Whistle Blower from unfair termination and other unfair or prejudicial employment practices.
6. We further declare that all Board Members and Senior Management Personnel have affirmed compliance with code of conduct and ethics for the year covered by this report.

Narendra R. Patel
Chief Financial Officer

Rajesh C. Parikh
CEO and Managing Director

Place : Waghodia
Date : 28.05.2019

AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
20 MICRONS LIMITED

Auditors' Certificate on Corporate Governance

1. We, J.H. Mehta & Co., Chartered Accountants, the statutory auditors of 20 Microns Limited (the Company) have examined the relevant records for the year ended March 31, 2019 relating to compliance of conditions of Corporate Governance stipulated as per regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirement) Regulations 2015 as amended ('Listing Regulations') for the year ended on 31 March 2019.

Management's responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of relevant records of the company in accordance with the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India(the ICAI). The Standard on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Conclusion

6. Based on our examination of the relevant records and according to information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C and D of Schedule V of the Listing regulations during the year ended March 31, 2019.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted affairs of the Company.

For J. H. Mehta & Co.
Chartered Accountants
Firm Regn. No. 106227W

Naitik J. Mehta
Partner
Membership No.130010

Place : Waghodia, Vadodara
Date: May 28, 2019

SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31st March, 2019)

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

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

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019**, 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, 2019**, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. - As reported to us there were no FDI, ODI and ECB transactions in the Company during the Audit period.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
   A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
   B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
   C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable as the Company did not issue any security during the financial year under review.
   D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.
   E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issue nor listed any debt securities during the financial year under review.
   F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
   G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.
   H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable as the Company did not buy back any security during the financial year under review.
6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;
   A. The Water (prevention and control of pollution) Act, 1974
   B. The Air (Prevention and Control of Pollution) Act, 1981
   C. The Environment (Protection) Act, 1984
   D. The Mines Act, 1952
   E. The Mines and Minerals (Development & Regulations) Act, 1957
   F. The Mines and Minerals (Development & Regulations) Amendment Ordinance, 2015

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

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

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

SECRETARIAL AUDIT REPORT [Contd.]

We further report that;

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

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

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

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

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

Place: Vadodara
Date: 14th May, 2019

(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: 14th May, 2019

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.
Practicing Company Secretaries

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

INDEPENDENT AUDITOR'S REPORT

To
The Members of
20 Microns Limited

Opinion

We have audited the accompanying standalone Ind AS Financial Statements of 20 Microns Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as 'Ind AS Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, total other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statement in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How out Audit Addressed the Key Audit Matter
1.	Aspects of Revenue Recognition The Company has large product and customer portfolio and multiple business locations. The nature of the risk associated with the accurate recording of revenue varies. We recognise that revenue is a key metric upon which the Company is judged, that the Company has annual internal targets, and that the Company has incentive schemes that are partially impacted by revenue growth. We have determined that there is a risk of material misstatement in recognition of revenue considering the above. We have determined this to be a key audit matter in view of exercise of management judgement and estimates and the significance of the amounts involved.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • We evaluated the design of internal controls relating to revenue recognition. • We performed full and specific scope audit procedures over this risk area in major locations, which covered majority of the risk amount. • We assessed the processes and tested controls over each significant revenue stream. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of the controls. • We evaluated the appropriateness of journal entries impacting revenue, as well as other adjustments made in the preparation of the financial statements. We considered unusual journals such as those posted outside of expected days, or by unexpected individuals. • We also evaluated management's controls over such adjustments. • We inspected a sample of contracts to check that revenue recognition was in accordance with the contract terms and the group's revenue recognition policies. • We tested a sample of transactions around period end to test that revenue was recorded in the correct period.

INDEPENDENT AUDITOR'S REPORT [Contd.]

		• For revenue streams which have judgemental elements, we evaluated management's assumptions. Basis the procedures performed, we have not noted any significant exceptions in the management assessment of Revenue Recognition.
2.	Assessment of contingencies in respect of statutory claims and claims against company not acknowledged as debt The company has various ongoing material uncertain statutory claims and claims against company not acknowledged as debt under dispute. Refer Note 40 to the Standalone Financial Statements. The assessment of the likely outcome of the matters and related outflow of resources involves significant judgement on the positions taken by the management which are based on the application and interpretation of law. We have considered these matters to be a key audit matter given the materiality of the potential outflow of economic resources and uncertainty of the possible outcome.	Our procedures included the following: • Understanding and evaluating the design of operating effectiveness of controls in respect of the legal matters. • Reading the orders received by the company from authorities. • Discussing ongoing matters under dispute and developments with the management and the audit committee. • Where relevant, reading opinions of Managements' external consultants on the tax matters. • Independently assessing the Management's judgement on contingencies and provisions of statutory claims and other claims. • Involving litigation experts to assist us in the assessment of the possible outcome of certain cases. • Assessing adequacy of disclosure in the financial statements. Based on the above procedures, the management's assessment of contingencies in respect of statutory claims and claims against company not acknowledged as debt was considered to be appropriate.

Information Other than the Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and Corporate Governance Report but does not include the Standalone Ind AS Financial Statements and our Auditor's Report thereon. The Board's Report and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report and Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of 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 Standalone Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systemin place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes In Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements - Refer Note 40 to the Standalone Ind AS 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.

2. Asrequired by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, J. H. Mehta & Co.
Chartered Accountants
ICAI Firm Regn. No. 106227W

(Naitik J Mehta)
Partner
Membership No. 130010

Place: Ahmedabad
Date: 28/05/2019

ANNEXURE - A
TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our Independent Auditor's Report, of even date, to the members of 20 Microns Limited on Standalone Ind AS Financial Statements for the year ended 31st March, 2019)

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 31stMarch,2019 in conjunction with our audit of the standalone Ind As financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the 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 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 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 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

ANNEXURE - A
TO INDEPENDENT AUDITOR'S REPORT [Contd.]

(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.

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 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, J. H. Mehta & Co.

Chartered Accountants

ICAI Firm Regn. No. 106227W

(Naitik J Mehta)

Partner

Membership No. 130010

Place : Ahmedabad

Date : 28/05/2019

ANNEXURE - B
TO INDEPENDENT AUDITOR'S REPORT [Contd.]

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our Independent Auditor's Report, of even date, to the members of 20 Microns Limited on Standalone Ind AS Financial Statements for the year ended 31stMarch 2019)

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

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

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at 31st March 2019.

(ii) The inventory, has been physically verified by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

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

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

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

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

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess, duty of customs and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at 31stMarch 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, GST, service tax and customs duty which have not been deposited on account of any dispute.

The particulars of dues of income tax and duty of excise as at 31st March 2019 which have not been deposited on account of a dispute, are as follows:

Name of statute	Nature of dues	Amount (in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act. 1961	Income Tax	5.96	Assessment Year 2009-10	Commissioner of Income Tax, Appeals
Central Excise Act, 1944	Excise Duty	10.70	April 2012 to March 2015	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	14.21	April 2015 to December 2016	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	06.59	January 2017 to June 2017	Central Excise and Service Tax Appellate Tribunal
		37.46		

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

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

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013. Details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, J. H. Mehta & Co.
Chartered Accountants
ICAI Firm Regn. No. 106227W

(Naitik J Mehta)
Partner
Membership No. 130010

Place : Ahmedabad
Date : 24/05/2018

STANDALONE FINANCIAL STATEMENT

STANDALONE BALANCE SHEET
as at March 31st, 2019

(₹ In Lakhs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.1	17,444.03	16,371.74
(b) Capital Work in Progress	3.2	169.40	766.47
(c) Intangible Assets	4.1	15.74	35.02
(d) Intangible Assets under Development	4.2	101.80	21.80
(e) Investments in Subsidiaries	5	1,856	1,834.84
(f) Financial Assets			
(i) Investments	6	205.22	333.75
(ii) Loans	7	320.05	289.97
(iii) Other Financial Assets	8	45.39	155.00
(g) Other Non-Current Assets	9	573.66	832.97
Total Non-Current Assets		**20,731.12**	**20,641.57**
2 Current assets			
(a) Inventories	10	7,091.24	6,255.00
(b) Financial Assets			
(i) Trade Receivables	11	6,737.32	6,169.15
(ii) Cash and Cash Equivalents	12	132.70	299.89
(iii) Bank Balances other than (ii) above	13	340.62	262.03
(iv) Loans	14	124.72	101.29
(v) Other Financial Assets	15	182.29	151.43
(c) Other Current Assets	16	1,320.50	1,242.58
Total Current Assets		**15,929.39**	**14,481.37**
TOTAL ASSETS		**36,660.51**	**35,122.94**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	17	1,764.33	1,764.33
(b) Other Equity	18	13,443.91	11,513.74
Total equity		**15,208.23**	**13,278.06**
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	4,429.12	5,628.97
(ii) Other Financial Liabilities	20	9.14	13.14
(b) Deferred Tax Liabilities (Net)	21	2,602.54	2,128.56
Total Non-Current Liabilities		**7,040.80**	**7,770.67**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	5,820.74	5,835.08
(ii) Trade Payables	23		
Total outstanding dues of Micro and Small Enterprise		28.90	57.63
Total outstanding dues of Creditors other than Micro and Small Enterprise		6,076.55	5,740.77
(iii) Other Financial Liabilities	24	2,187.11	2,179.67
(b) Other Current Liabilities	25	173.31	159.42
(c) Provisions	26	68.70	61.84
(d) Current Tax Liabilities (Net)	27	56.18	39.80
Total Current Liabilities		**14,411.48**	**14,074.22**
Total Liabilities		**21,452.28**	**21,844.88**
TOTAL EQUITY AND LIABILITIES		**36,660.51**	**35,122.94**

See accompanying notes to the financial statements As per Our Report Attached

As per our audit report of even date attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta Partner M. No. 130010	C.S. Parikh Executive Chairman DIN # 00041584	Rajesh C. Prikh CEO & MD DIN # 00041610	N. R. Patel Chief Financial Officer	Anuja K. Muley Company Secretary A21243

Place : Ahmedabad
Date : May 28, 2019

Waghodia
May 28, 2019

Standalone Statement of Profit and Loss
for the year ended on 31st March 2019

(₹ In Lakhs)

	Particulars	Notes	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Revenue				
I.	Revenue from Operations	28	43,566.78	38,856.94
II.	Other income	29	264.01	356.04
III.	**Total Income (I+II)**		43,830.79	39,212.98
IV.	**Expenses**			
	Cost of materials consumed	30	21,046.35	17,936.14
	Changes in inventories of finished goods, stock in trade and work in progress	31	(244.93)	(72.30)
	Employee Benefits Expenses	32	4,259.89	3,686.80
	Finance Costs	33	2,085.99	2,138.98
	Depreciation and Amortization Expenses	34	937.29	910.51
	Other Expenses	35	12,352.25	12,082.48
	Total Expenses (IV)		40,436.84	36,682.61
V.	Profit/(Loss) Before Exceptional Items and Tax(III-IV)		3,393.94	2,530.38
VI.	Exceptional Items	36	-	150.85
VII.	**Profit/(Loss) Before Tax (V-VI)**		3,393.94	2,379.52
VIII.	**Tax expense:**	37		
	Current Tax		1,065.30	703.86
	Deferred Tax		157.37	87.64
IX.	**Profit/(Loss) for the period (VII-VIII)**		2,171.28	1,588.02
X.	**Other comprehensive income**	38		
	A. (i) Items that will not be reclassified to profit or loss		(139.84)	141.14
	(ii) Income tax related to items that will not be reclassified to profit or loss		33.28	(31.47)
	B. (i) Items that will be reclassified to profit or loss			
	(ii) Income tax related to items that will be reclassified to profit or loss			
	Total other comprehensive income		(106.56)	109.67
XI.	**Total comprehensive income for the period (IX+X)**		2,064.72	1,697.70
	Earnings per equity share of Face Value of ₹ 5 each	39		
	Basic		6.15	4.50
	Diluted		6.15	4.50

See accompanying notes to the financial statements

As per our audit report of even date attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W

Naitik J Mehta
Partner
M. No. 130010

Place : Ahmedabad
Date : May 28, 2019

For and on behalf of Board of Directors

C.S. Parikh
Executive Chairman
DIN # 00041584

Rajesh C. Prikh
CEO & MD
DIN # 00041610

N. R. Patel
Chief Financial Officer

Anuja K. Muley
Company Secretary
A21243

Waghodia
May 28, 2019

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2019

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax	3,393.94	2,379.52
	Adjustments for:		
	Depreciation	937.29	910.51
	Loss on sale/disposal of Property, plant and equipment	20.97	10.43
	Bad Debts Written Off	0.29	(7.16)
	Provision made/reversed for Doubtful Debts (Trade Receivables)	(16.44)	(16.27)
	Effect of foreign exchange gain/loss	27.54	(2.41)
	Provision for Leave Encashment	-	5.25
	Finance Costs	2,085.99	2,140.23
	Provision/liability no longer required	(19.06)	(120.29)
	Debit balance written off	23.56	46.23
	Dividend Income	(69.76)	(87.20)
	Interest Income	(47.88)	(48.50)
	Gain on Fair value of Financial Assets	(0.30)	-
	Operating Profit before Working Capital Changes	**6,336.15**	**5,210.33**
	Adjustments for changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	(568.93)	(879.51)
	(Increase)/Decrease in Other - Non Current Assets	(3.49)	2.38
	(Increase)/Decrease in Other financial assets-Non-current	109.61	37.50
	(Increase)/Decrease in Short Terms Loans and Advances	(23.43)	1.04
	(Increase)/Decrease in Other Current Assets	(92.31)	234.31
	(Increase)/Decrease in Other financial assets-Current	(30.86)	9.42
	(Increase)/Decrease in Inventories	(836.24)	(337.77)
	(Increase)/Decrease in Long-term loan and advances	(30.08)	(25.96)
	Changes in Trade and Other Receivables	**(1,475.73)**	**(958.60)**
	Increase/(Decrease) in Trade Payables	291.92	941.14
	Increase/(Decrease) in Other current Liabilities	13.88	(9.60)
	Increase/(Decrease) in Other Financial current Liabilities	73.61	151.43
	Increase/(Decrease) in Deposits from Customers	(4.00)	-
	Increase/(Decrease) in Short-term provisions	0.85	70.16
	Changes in Trade and Other Payables	**376.26**	**1,153.13**
	Cash Generated from Operations	**5,236.68**	**5,404.86**
	Direct tax paid (Net of refunds)	(684.64)	(419.21)
	Net Cash from Operating Activities	**4,552.04**	**4,985.65**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Property, plant and equipments/Intangible assets including capital work in progress and capital advances.	(1,323.33)	(1,298.69)
	Sale of Non-current investments in subsidiries	1.25	-
	Proceeds from sale of Property, plant and equipments	91.93	28.34
	Investment in Subsidiaries	(22.23)	(64.31)
	Investment in Mutual Funds	(5.00)	-
	Maturity of Deposits with original maturity of more than three months	(78.59)	59.80
	Interest Received	47.88	48.50
	Dividend Income	69.76	87.20
	Net Cash used in Investing Activities	**(1,218.33)**	**(1,139.15)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Long-term borrowings (Net)	(1,180.93)	(672.29)
	Repayment of Short-term borrowings (Net)	(14.34)	(1,110.70)
	Interest Paid	(2,085.99)	(2,140.23)
	Dividend Paid (including tax thereon)	(134.55)	(151.42)
	Net Cash from Financing Activities	**(3,415.81)**	**(4,074.64)**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2019 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(82.10)**	**(228.14)**
Cash and Cash Equivalents at the beginning of the year	213.84	435.71
Cash and Cash Equivalents at the end of the year	131.74	213.84
Closing Cash and Cash Equivalents comprise:		
Cash in hand	22.20	15.35
Balances with Scheduled Banks		
Balance in Current Account	110.50	284.54
Total	**132.70**	**299.89**
Less : Amount due to bank in current account	(0.96)	(86.05)
Total	**131.74**	**213.84**

Notes to Cash Flow Statement:

(i) The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard IND AS - 7 on "statement on Cashflows".

(ii) Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.

(iii) Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year’s figures.

(iv) In Part A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the Net cash flow from operating activities. In Part B and Part C, figures in bracket indicate cash-outflow.

(v) Disclosure pursuant to Ind AS 7 on "Statement of Cash Flows"

Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activites, to meet the disclosure requirement.

(₹ In Lakhs)

For the year ended March 31, 2019	Opening Balance	Cash Flow	Non Cash Changes	Closing Balance
Short Term Borrowings	5,835.08	(19.05)	4.71	5,820.74
Long Term Borrowings (including Current maturities)	7,021.14	(1,140.66)	(40.27)	5,840.21
Bank Balances other than Cash and Cash Equivalents	262.03	78.59	-	340.62

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.

As per our report attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta Partner M. No. 130010	C.S. Parikh Executive Chairman DIN # 00041584	Rajesh C. Prikh CEO & MD DIN # 00041610	N. R. Patel Chief Financial Officer	Anuja K. Muley Company Secretary A21243

Place : Ahmedabad
Date : May 28, 2019

Waghodia
May 28, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCIE)
FOR THE YEAR ENDED 31ST MARCH 2019

(a) Equity share capital

(₹ In Lakhs)

	As at March 31, 2019 Amount	As at March 31, 2018 Amount
Balance at the beginning of the reporting period	**1,764.33**	1,764.33
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	**1,764.33**	**1,764.33**

(b) Other equity

(₹ In Lakhs)

	Reserves and Surplus			Other Comprehensive Income -	Total Other Equity
	General Reserve	Securities Premium Account	Retained earnings	Equity Instruments through OCI	
Balance at April 1, 2017 (A)	**120.54**	**3,980.33**	**5,883.23**	**(16.63)**	**9,967.47**
Add: Profit during the Period	-	-	1,588.02		1,588.02
Add/(less): Other Comprehensive Income for the year (Net of Tax)				115.87	115.87
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-		(6.20)	-	(6.20)
Less : Appropriations					
Dividend Declared	-	-	140.44		
Corporate Tax on Dividend	-	-	10.98		
Balance at March 31, 2018 (B)	**120.54**	**3,980.33**	**7,313.64**	**99.23**	**11,513.74**
Less: Share issue expenditure	-	-			
Add: Profit during the Period	-	-	**2,171.28**	-	**2,171.28**
Add/(less): Other Comprehensive Income for the year (Net of Tax)				(102.65)	(102.65)
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(3.91)	-	(3.91)
Less : Appropriations					
Dividend Declared	-	-	123.50		123.50
Corporate Tax on Dividend	-	-	11.05		11.05
Closing Balance	**120.54**	**3,980.33**	**9,346.45**	**(3.41)**	**13,443.91**

Note (i): The Company has elected to recognise changes in the fair value of investments which are not held for trading in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI.

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.

As per our audit report of even date attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta Partner M. No. 130010	C.S. Parikh Executive Chairman DIN # 00041584	Rajesh C. Prikh CEO & MD DIN # 00041610	N. R. Patel Chief Financial Officer	Anuja K. Muley Company Secretary A21243

Place : Ahmedabad
Date : May 28, 2019

Waghodia
May 28, 2019

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2019

Authorization of financial statements:

The Standalone Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 28thMay, 2019.

Notes to Standalone Financial statements for the year ended 31st March 2019

Note 1 - Corporate Information

20 Microns Limited ("Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 9 - 10, GIDC, Waghodia, Vadodara - 391760, Gujarat, India.

The Company is engaged in Business of Industrial MicronisedMinerals and Speciality Chemicals.

Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation and Presentation of Financial Statements

2.1.1 Statement of Compliance with Ind AS

(a) The standalone financial statements has been prepared in accordance and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

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

(c) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1.2 Historical Cost Convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

2.2 Use of Estimates and Judgements

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 37 Current/deferred tax expense

Note 40Contingent liabilities and assets

Note 11 Expected credit loss for receivables

Note 43 Measurement of defined benefit obligations

2.3 Property, Plant and Equipment

An item of Property, plant and equipment that qualifies as an assets is measured at their cost. Following initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines the cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent expenditures, including replacement costs where applicable,incurred for an item of Property plant and equipment are added to its books value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Any item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to revenue in the income statement when the asset is derecognised.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

2.4 Capital Work in Progress:

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

All the directly identifiable and ascertainable expenditure, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective "fixed assets".

Further, advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified and disclosed as capital advances under Other Non-Current Assets.

2.5 Investment Properties

Investment properties comprises of Immovable Property that are held for rental yield and/or capital appreciation.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as and when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.6 Intangible Assets

Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

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

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

Expenses incurred during development of Process know how or Product development is shown under the head "Intangible asset under development".

Any item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is recognised in the statement of Profit and Loss when the asset is derecognised.

2.7 Depreciation and amortisation methods, estimated useful lives and residual values

Depreciation is calculated to systematically allocate the cost of property, plant and equipment, intangible asset and investment propertynet of the estimated residual values over the estimated useful life. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013.

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The management believes that these useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful lives are reviewed by the management at each financial year end and revised, if appropriate. In case of a revision, the unamortised depreciable amount (remaining net value of assets) is charged over the revised remaining useful lives.

Based on management estimate, residual value of 5% is considered for respective PPE except Lease hold land.

Intangible assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the company for its intended use. The useful

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lives as estimated by the management for the intangible assets are as follows:

a)	Process Know How (Acquired Product Development)	5 Years
b)	ERP Software	7 Years
c)	Other Software's	5 Years

Freehold land is not depreciated. Cost of lease-hold land is amortized equally over the remaining period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipmentare reviewed at the end of each financial year and adjusted prospectively if appropriate.

Component accounting of assets: If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and accordingly depreciated at the useful lives specified as above**.**

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Investment properties are depreciated based on the useful life prescribed in Schedule II to the Companies Act, 2013.

2.8 Impairment of non-financial assets

In accordance with Ind AS 36 on "Impairment of Assets" at the balance sheet date, non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

2.9 Revenue recognition

Effective 1st April, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115, the standard), using the cumulative effect method for transition. Accordingly, the company applied Ind AS 115 to contracts that were not completed as of 1st April, 2018 but the comparative periods have not been adjusted. The adoption of the standard did not have any material impact to the financial statements.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The accounting policies for the specific revenue streams of the company as summarized below:

i) Interest income is recognised on Effective Interest Rate (EIR) basis considering the amount outstanding and the applicable interest rate as set out in Ind AS 109.

ii) Export benefits available under the prevalent schemes are recognized when there exists no significant uncertainty regards to its realisation.

iii) Dividend income is accounted for when the right to receive income is established.

iv) Royalty income is recognised on accrual basis in accordance with the substance of the agreement.

v) Investment property rental income is recognised as revenue on accrual basis as per the terms of the underlying contract with customers.

vi) Other operating income and misc. income are accounted on accrual basis as and when the right to receive arises

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Contract Balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the company performs obligations under the contract.

2.10 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings –interest bearing loans are subsequently measured at amortised cost by using the effective interest method (EIR method). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest method (EIR). The EIR Amortization is included as Finance Costs in the statement of profit and loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all the facility will be draw down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is deferred as a payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or other expenses as well as through the EIR amortization process.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

2.11 Borrowing Cost

The Company is capitalising general and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying asset up to the date of commissioning. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Expenses incurred in connection with the arrangement of specific borrowings are capitalized over the period of the borrowing and every year such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the statement of profit and loss.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.12.1 Financial Asset

Initial Recognition

A financial asset or a financial liability is recognised in the balance sheet only when, the Company becomes party to the contractual provisions of the instrument.

Initial Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified into:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss (FVTPL); and
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above mentioned categories based on:

- The Company’s business model for managing the financial assets, and
- The contractual cash flows characteristics of the financial asset.

A financial assets is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order

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to collect contractual cash flows and

- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- The assets contractual cash flows represent SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity Investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit andLoss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
   (1) The Company has transferred substantially all the risks and rewards of the asset, or
   (2) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.12.2 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

- Financial liabilities measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit andLoss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.12.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.13 Fair Value

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director and Chief FinancialOfficer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (refer note 41)

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Investment in unquoted equity shares.
4. Financial instruments (including those carried at amortised cost).

2.14 Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present locationand condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production

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overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

2.15 Non-current assets held for sale and discontinued operation

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2.16 Foreign Currency Transactions

2.16.1 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

2.16.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.17 Employee Benefits

Employees Benefits are provided in the books as per Ind AS -19 on "Employee Benefits" in the following manner:

2.17.1 Post-Employment Benefit Plans

Defined Contribution Plan

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company does not carry any other obligation apart from the monthly contribution.

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined Benefit Plans

The company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per

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actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

2.17.2 Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services. Short term employee benefits includes salary and wages, bonus, incentive and ex-gratia and also includes accrued leave benefits, which are expected to be availed or en-cashed within 12 months from the end of the year.

2.18 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

As a lessee

Finance Lease

Lease of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases.

At the commencement of the lease term, the Company recognises finance leases as assets in its balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine. If not, the Company's incremental borrowing rate is used. Any indirect costs of the Company are added to the amount recognised as an asset.

Minimum lease payments is apportioned between the finance charge and the reduction of the outstanding liability. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating lease

Leases in which a significant portion of the risks and rewards incidental to ownership is not transferred to the Company as lessee are classified as operating leases. Lease payments under an operating lease are recognised as an expenses on a straight-line basis over the lease term unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

As a lessor

Finance Lease

When substantially all of the risks and rewards of ownership transfer from the Company to the lessee then it is classified as finance lease. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating Lease

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognised in the statement of profit or loss on a straight-line basis over the lease term, unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the Company are not on that basis; or
- the payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. If payments to the Company vary because of factors other than general inflation, then this condition is not met.

2.19 Taxation

Tax expenses is the aggregate amount included in the determination of profit or loss for the period in respect of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income)which are recognised with the underlying items.

2.19.1 Current Tax

The current tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2019 [Contd.]

end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

2.19.2 Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred taxes are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.20 Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2019 [Contd.]

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value.The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity**.**

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.22 Segment Reporting

The Company primarily operates in the segment of IndustrialMicronized Minerals and Speciality chemicals. The Managing Director of the Company allocate resources and assess the performance of the Company, thus they are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

2.23 Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.24 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.25 Dividends

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Insurance Claims

The company accounts for insurance claims when there is certainty that the claims are realizable and acknowledged by insurance company and amount recognized in books of accounts is as under:

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance".
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

2.27 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meetthe criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalizedand depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.28 Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended March 31st, 2019 [Contd.]

balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

2.29 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.30 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

Note 3 -Standards Issues but not yet effective

3.1 Ind AS 116:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations.

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Company has evaluated the effect of this on the financial statements and the impact is not material.

3.2 Ind AS - 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS - 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS - 12. According to the Appendix, the Company need to determine the probability of the relevant tax authority accepting each tax treatment, that the company has used or plan to use in its income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Ind AS permits two possible methods of transition:

- Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind As - 8 "Accounting Policies, Changes in Accounting Estimates and Errors" without using hindsight
- Modified retrospective approach - Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting opening balance of retained earnings

The Company is in the process of evaluating the impact of Ind AS - 12 Appendix C on the financial statements.

3.3 Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019

Notes to Standalone financial statements for the year ended 31st March 2019

3.1 Property, Plant and Equipment (PPE) as at 31st March 2019

(₹ In Lakhs)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Freehold land	562.96	-	(0.56)	562.39	-			-	562.39	562.96
Leasehold land	2,397.75	-	-	2,397.75	59.61	34.64	-	94.25	2,303.50	2,338.14
Free Hold Office Building	120.24	-	-	120.24	43.36	2.55	-	45.91	74.34	76.89
Lease Hold Office Building	75.20	-	-	75.20	54.52	7.52	-	62.04	13.16	20.68
Factory Building	4,194.42	613.26	(45.72)	4,761.95	931.80	137.81	(6.37)	1,063.25	3,698.71	3,262.62
Plant & Equipment	16,548.26	1,422.64	(152.41)	17,818.50	6,882.03	644.00	(84.21)	7,441.83	10,376.68	9,666.23
Furniture and Fixtures	225.82	6.64	-	232.46	162.52	17.11	-	179.63	52.82	63.30
Office Equipments	136.33	6.06	(0.69)	141.69	104.78	8.53	(0.66)	112.65	29.04	31.55
Computer Equipments	207.71	30.52	(0.16)	238.07	156.34	17.94	(0.15)	174.12	63.95	51.37
Vehicles	538.98	24.08	(13.10)	549.96	240.97	47.90	(8.37)	280.51	269.45	298.01
Total PPE	**25,007.66**	**2,103.20**	**(212.65)**	**26,898.21**	**8,635.92**	**918.01**	**(99.75)**	**9,454.18**	**17,444.03**	**16,371.74**
Previous year	**23,382.80**	**1,752.10**	**(127.24)**	**25,007.66**	**7,842.75**	**881.85**	**(88.67)**	**8,635.92**	**16,371.74**	

Note 3.1.1 Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 3.1.2 Security Pledge of Assets : Refer to Note 19 on borrowings for details in terms of pledge of assets as security.

Note 3.1.3 Refer to note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 3.1.4 There is no restriction on the title of property, plant and equipments.

Note 3.1.5 Borrowing cost amounting to ₹ 29.47 lakhs (P.Y. - Nil) has been capitalised in the head plant and equipment as per IND AS - 23 "Borrowing Cost"

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

3.2 Capital work in progress

(₹ In Lakhs)

Capital work in progress	As at March 31, 2019 Amount	As at March 31, 2018 Amount
Capital Work-in-Progress	108.31	675.91
Interest during the construction period	61.09	90.56
Total	169.40	766.47

Note:- Security Pledge of Assets : Refer to Note 20 on borrowings for details of security pledge of assets.

4.1 Intangible assets as at 31st March 2019

(₹ In Lakhs)

Particulars	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Product Development	269.58	-	-	269.58	239.50	17.07	-	256.57	13.01	30.09
SAP "ERP" License and Development Fees	192.46	-	-	192.46	187.53	2.21	-	189.73	2.72	4.93
Total Intangible Assets	**462.04**	**-**	**-**	**462.04**	**427.02**	**19.28**	**-**	**446.31**	**15.74**	**35.02**
Previous year	**462.04**	**-**	**-**	**462.04**	**398.37**	**28.66**	**-**	**427.02**	**35.02**	**-**

Note 4.1.1. Product Development is acquired know how . The useful life of the product development is taken 5 years.

Note 4.1.2 Software includes SAP ERP Licence and Development Fees and Other softwares. For SAP ERP Licence and Development Fees useful life is considered as 7 years and for other softwares the useful life is 5 years.

Note 4.1.3- Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on “Impairment of Assets”. Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 4.1.4 - There is no restriction on the title of intangible assets.

4.2 Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	As at March 31, 2019 Amount	As at March 31, 2018 Amount
Product Development In Progress	21.80	21.80
SAP "ERP" License and Development Fees	80.00	-
Total	**101.80**	**21.80**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
5	**Investment in Subsidiaries**		
	Investments in equity shares carried at cost (fully paid) Unquoted Equity Shares		
	1) 20 Microns Nano Minerals Limited	1,590.20	1,590.20
	87,20,000 (31st March, 2018: 87,20,000) Fully		
	Paid up Equity Shares of ₹ 10 each.		
	Extent of Holding	97.21%	97.21%
	Place of business/country of incorporation	India	India
	2) 20 Microns SDN BHD	155.11	155.11
	5,04,000 shares (31st March, 2018: 3,60,000) of RM 1 each.		
	Extent of Holding	100.00%	100.00%
	Place of business/ country of incorporation	Malaysia	Malaysia
	3) 20 Microns FZE	62.63	62.63
	1 shares (31st March, 2018: 1) of AED 1,50,000 each.		
	Extent of Holding	100.00%	100.00%
	Place of business/ country of incorporation	Sharjah	Sharjah
	4) Silicate Minerals [India] Private Limited	-	1.25
	Nil shares (31st March, 2018: 12,530) of INR 10 each.	-	
	Extent of Holding	-	100%
	Place of business/ country of incorporation	-	India
	5) 20 Microns Vietnam Limited	25.66	25.66
	Extent of Holding	100%	100%
	Place of business/ country of incorporation	Vietnam	Vietnam
	6) 20 MCC Private Limited	22.23	-
	2,22,313 shares (31st March, 2018: NIL) of INR 10 each.		
	Extent of Holding	88.73%	-
	Place of business/ country of incorporation	India	India
	Description of method used to account for the investments in Subsidiary (Cost or fair value)	At Cost	
	Total	**1,855.82**	**1,834.84**
	(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
	(b) Aggregate amount of unquoted investments; and	1,855.82	1,834.84
	(c) Aggregate amount of impairment in value of investments	Nil	Nil

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
6	**Non-current financial assets : Investments**		
	Investments in equity shares accounted through OCI (fully paid)		
	Unquoted Equity Shares		
	6,80,000 (31st March, 2018: 6,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited ₹ 10 each fully paid up.	199.04	332.86
	Extent of Holding	13.58%	13.58%
	Investments in Government Securities		
	National Savings Certificate	0.89	0.89
	Quoted Investments		
	Investments in Mutual Funds		
	IDBI Mutual Funds	5.30	-
	50,000 (31st March, 2018: NIL) units of IDBI Long term value fund - direct plan growth.		
	Total	**205.22**	**333.75**
	(a) Aggregate amount of quoted investments and market value thereof;	5.30	Nil
	(b) Aggregate amount of unquoted investments; and	199.93	333.75
	(c) Aggregate amount of impairment in value of investments.	Nil	Nil
7	**Non- current financial assets : Loans**		
	Security Deposits		
	To Others [Unsecured, considered good]	320.05	289.97
	Total	**320.05**	**289.97**
8	**Non- current financial assets : Others**		
	Deposits with maturity over 12 months		
	Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	45.39	155.00
	Total	**45.39**	**192.50**
9	**Other non- current assets**		
	Capital advances [Unsecured, considered good]	565.95	828.75
	Balances with Government authorities paid under protest	7.71	4.22
	Total	**573.66**	**832.97**
10	**Inventories***		
	Finished Goods	2,030.30	1,785.37
	Goods in Transit (Raw Materials)	281.64	105.13
	Raw Materials	4,200.02	3,797.88
	Stores and Spares	579.28	566.62
	Total	**7,091.24**	**6,255.00**

* For Valuation- Refer note 2.14 (Accounting Policy)

**Refer to Note 22 on borrowings for details in terms of pledge of assets as security.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
11	**Current financial assets : Trade receivables**		
	Unsecured, Considered Good	6,737.32	6,169.15
	Credit Impaired	181.31	198.47
		6,918.63	6,367.62
	Less: Impairment Allowance for Trade Receivables	(181.31)	(198.47)
	Total	**6,737.32**	**6,169.15**
	*Refer to Note 22 on borrowings for details in terms of pledge of assets as security.		
12	**Current financial assets : Cash and cash equivalents**		
	(a) Balance with banks		
	Balance in Current and Savings accounts	110.50	284.54
	(b) Cash on hand	22.20	15.35
	Total	**132.70**	**299.89**
13	**Current financial assets : Other bank balances**		
	Earmarked balances In unclaimed dividend accounts (Refer Note 13.1)	2.17	1.52
	Margin Money deposits under lien against Bank Guarantee	62.64	96.69
	Deposits with maturity over 3 months but less than 12 months		
	Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	275.81	163.83
	Total	**340.62**	**262.03**

13.1 The balances in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

14	**Current financial assets : Loans (including security deposits)**		
	Loans to employees [Unsecured, considered good]	72.06	63.89
	Security and other deposits [Unsecured, considered good]	52.66	37.41
	Total	**124.72**	**101.29**
15	**Current financial assets : Others**		
	Insurance claim receivable	-	3.20
	Balances with Tax authorities	152.42	148.23
	Other Current financial assets	29.87	-
	Total	**182.29**	**151.43**
16	**Current Tax Assets (Net)**		
	Advances for expenses[Unsecured, considered good]		
	To Related parties	5.53	20.69
	To Others	1,089.24	863.69
		1,094.77	884.38

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	110.29	79.88
Indirect Tax credit receivable	-	148.49
Advance Payment of Income Tax (Net of Provision : 31.03.2019 - ₹ 2,165.65 lakhs, 31.03.2018 - ₹ 1,674 Lakhs)	115.44	129.83
Total	**1,320.50**	**1,242.58**

17 Share capital

17.1 Authorised, issued, subscribed, fully paid up share capital

(₹ In Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of ₹5 each	6,00,00,000	3,000	6,00,00,000	3,000
Issued, Subscribed and Paid up				
Equity Shares of ₹5 each fully paid up	3,52,86,502	1,764.33	3,52,86,502	1,764.33
Total	**3,52,86,502**	**1,764.33**	**3,52,86,502**	**1,764.33**

17.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2019		As at 31st March 2018	
	Equity Shares of ₹ 5 each fully paid		Equity Shares of ₹ 5 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the period	3,52,86,502	1,764.33	3,52,86,502	1,764.33
Shares outstanding at the end of the period	3,52,86,502	1,764.33	3,52,86,502	1,764.33

17.3 Terms/ rights attached to equity shares

i The Company has only one class of shares referred to as equity shares having a par value of ₹ 5 each.

ii Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.

iii The dividend proposed if any by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.

iv In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

17.4 Shareholders holding more than 5 % of total share capital

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 5 each fully paid				
Eriez Industries Private Limited	8,484,664	24.05%	8,250,235	23.38%
Chandresh S Parikh	3,696,400	10.48%	3,696,400	10.48%
Rajesh Chandresh Parikh				
Rameshbhai Baldevbhai Patel	1,759,743	4.99%	1,759,743	4.99%
Pratik Minerals Private Limited	3,036,206	8.60%	3,036,206	8.60%
Total	**16,977,013**	**48.11%**	**16,742,584**	**47.45%**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

17.5 The Company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2019

(₹ In Lakhs)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
18	**OTHER EQUITY**		
	(A) Reserves & Surplus		
	a. General Reserve		
	Opening Balance	120.54	120.54
	Closing Balance	**120.54**	**120.54**
	b. Securities Premium Account		
	Opening Balance	3,980.33	3,980.33
	Closing Balance	**3,980.33**	**3,980.33**
	c. Retained earnings		
	Opening balance	7,313.64	5,883.23
	Add: Profit during the Period	2,171.28	1,588.02
	Add: Remeasurements of post-employment benefit obligation, net of tax	(3.91)	(6.20)
	Total	9,481.00	7,465.06
	Less : Appropriations		
	Dividend Declared	123.50	140.44
	Corporate Tax on Dividend	11.05	10.98
	Closing Balance	9,346.45	7,313.64
	Total (A)	**13,447.32**	**11,414.50**
	(B) Equity instrument through OCI		
	Opening Balance	99.23	(16.63)
	Change in fair value of equity instrument	(133.82)	150.62
	Income tax relating to above item	31.18	(34.75)
	Total (B)	**(3.41)**	**99.23**
	Total other equity (A+B)	**13,443.91**	**11,513.74**

Nature and purpose of reserves :

i General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

ii Equity instrument through OCI

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

19 Non-current financial liabilities : Borrowings

(₹ In Lakhs)

Secured	As at 31st March 2019		As at 31st March 2018	
	Non-Current	Current*	Non-Current	Current*
Term Loan from Banks	3,069.75	885.51	4,626.06	1,107.01
Total secured borrowing [A]	3,069.75	885.51	4,626.06	1,107.01
Unsecured				
Deposits				
From Public & Members	1,271.87	524.28	946.61	253.66
From Related Parties	87.50	1.30	56.30	31.50
Total unsecured borrowing [B]	1,359.37	525.58	1,002.91	285.16
TOTAL [A+B]	**4,429.12**	**1,411.09**	**5,628.97**	**1,392.17**

*Amount disclosed under the head "Current financial liabilities : Others" (Note 24)

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

Maturity Profile of Borrowings [as at March 31, 2019]

Secured Borrowings

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

Year-wise Effective Interest Rate	9.35% to 16%
2020-21	1,331.03
2021-22	1,050.85
2022-23	687.87
Total	**3,069.75**

Unsecured Borrowings

Year-wise Effective Interest Rate	Public Deposits 10.25% - 13.62%
2020-21	588.37
2021-22	771.00
Total	**1,359.37**

Details of Securities

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

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

i. Plot No. 157 Mamura, Bhuj (admeasuring 3.20 acres)

ii. Negative lien on Plot No. 158,156,149 of Mamuara, Bhuj (admeasuring 74399 sq.mtrs.)

iii. Plot No. 172,174 & 175, Vadadala, Baroda (admeasuring 03.00.01 hectares)

iv. Plot No. F-75/76/82/85 & H-83/84, RIICO I.A., Swaroopganj, Rajasthan (admeasuring 9,457.50 sq.mtrs.)

v. 307/308, Arundeep Complex, Race Course, Baroda (admeasuring 1,405 super built up area)

vi. 134,135 1st Floor, Hindustan Kohinoor Ind. Complex, LBs Marg, Vikhroli (W), Mumbai (admeasuring 870 sq. ft.)

vii. Plot No. B-77 (Admeasuring 8825 sq. mts.) and B-78 (Admeasuring 8480 sq. mts), Matsya Industrial Area, Alwar, Rajasthan.

viii. Plot no. 253-254 (area 3000 sq.mtrs.) GIDC, Waghodia

ix. Plot no.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu

x. Plot no.104/3 of land located at survey no 65, village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)

xi. Plot No. F 140, Alwar, Rajasthan

xi Plant and machinery, both present and future, wherever situated at all factories and premises pertaining to above locations.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended March 31st, 2019 [Contd.]

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

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

3 All the term loans are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, of the company and corporate guarantee by "Eriez Industries Private Limited" , a company where significant influence exists and pledge of entire shareholding of promoters of the Company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of Corporate Promoter being "Eriez Industries Private Limited.

4 Term loans of ₹ 183.28 Lakhs (31/03/2018: ₹ 214.07 Lakhs) obtained for acquisition of assets (vehicles) are secured only by the hypothecation of the respective assets financed.

(₹ In Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
20	**Other Non Current Financial Liabilities**		
	Security Deposits	9.14	13.14
	Total	**9.14**	**13.14**

21 Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2018-19

(₹ In Lakhs)

Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2019
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	2,683.98	159.84	-	-	2,843.82
Investments	56.99	(0.03)	(31.18)	-	25.78
Loans and borrowings	40.02	(12.04)	-	-	27.98
Total	**2,780.99**	**147.77**	**(31.18)**	**-**	**2,897.59**
Deferred tax asset					
Employee benefits	19.59	(1.35)	2.10	-	20.34
Tax credit	549.53	-	-	(349.89)	199.63
Provisions	70.50	(3.48)	-	-	67.03
Disallowance u/s 43 B of Income Tax Act, 1961	12.82	(4.77)	-	-	8.05
Total	**652.44**	**(9.60)**	**2.10**	**(349.89)**	**295.05**
Net deferred tax Liabilities	**2,128.56**	**157.37**	**(33.28)**	**349.89**	**2,602.54**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
22	**Current financial liabilities : Borrowings**		
	Secured (Repayment on demand)		
	Loan from Banks (Cash credit):	4,688.13	4,734.84
	(Effective Rate of Interest being 11.80% to 12.25%)		
	Unsecured		
	Deposits		
	From Public and Members	**1,132.61**	1,100.23
	From Related Parties	-	
	(Effective Rate of Interest being 10.25% - 13.62%)		
	Total	**5,820.74**	**5,835.08**

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

Details of Securities

First pari-passu charge by way of hypothecation of:

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

Second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 20.

The working capital finance facilities are further collaterally secured by personal guarantee of Executive Chairman, CEO and Managing Director, Managing Director of the companyand corporate guarantee by "Eriez Industries Private Limited", a company where significant influence exists and pledge of entire share holding of promoters of the company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of corporate promoter being "eriez Industries Private Limited" (Formerly known as "Eriez Finance and Investment Limited")

23 Current financial liabilities : Trade payables

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises - Trade payables (Refer Note 23.1)	28.89	57.62
Total outstanding dues of creditors other than micro enterprises and small enterprises :-		
Trade payables - Others	6,076.55	5,740.77
Total	**6,105.44**	**5,798.39**

24.1 The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
the principal amount remaining unpaid to any supplier at the end of each accounting year	26.83	55.28
Interest due on (1) above and remaining unpaid as at the end of accounting period	2.05	2.34
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

Interest paid on all delayed payments under MSMED Act, 2006	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

24 Current financial liabilities : Others

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowings (Please refer Note 19):-		
Term Loan		
- From Banks (Secured)	885.51	1,107.01
- Deposits(Unsecured)		
From Public and Members	524.28	253.66
From Related Parties	1.30	31.50
	1,411.09	1,392.17
Unclaimed dividend (Refer Note 24.1)	2.17	1.52
Unclaimed Matured public deposits and Interest	35.69	30.29
Dues to Bank in Current Account	0.96	86.05
Employee Benefits Payable	184.78	166.23
Other current financial liabilities	552.43	503.42
Total	**2,187.11**	**2,179.67**

24.1 The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

25 Current liabilities : Others

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from Customers	108.51	92.27
Statutory Dues Payable	64.80	67.15
Total	**173.31**	**157.30**

26 Current provisions

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) **Provision for employee benefits (Refer note 43)**		
Provision for gratuity	58.20	56.59
Provision for leave encashment	10.50	5.25
Total (a+b)	**68.70**	**61.84**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

27 Details of Income tax assets and income tax liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Payment of Income Tax (Net of Provision : 31.03.2019 - ₹ 2,165.65 lakhs, 31.03.2018 - ₹ 1,674 Lakhs)	115.44	129.83
Current income tax liabilities (Net of Advance Tax : 31.03.2019 - ₹ 659.22 Lakhs, 31.03.2018 - ₹ 440.85 Lakhs)	56.18	39.80
Net Asset (Asset - Liability)	**59.26**	**90.02**

Movement in current income tax asset/(liability)

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Net income tax asset/(liability) at the beginning	90.02	191.13
Income tax paid for the year	684.64	441.48
Provision for Income tax for the year (Refer Note 37)	(1,065.30)	(712.21)
Prior year tax /refund adjusted with tax / other items	-	(50.94)
Adjustment/Reclassification to MAT	349.89	220.57
Net current income tax asset/(liability) at the end	**59.26**	**90.02**

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
28 Revenue from Operations		
Sale of products	43,466.64	38,767.36
Other operating revenues	100.14	89.59
Total	**43,566.78**	**38,856.94**

28.1 Details of other operating revenues of the company are as under:

With effect from 01st July, 2017 sales are recorded net of Goods and Service Tax (GST) whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence revenue from operations for the year ended 31st March, 2019 are not comparable with previous period corresponding figures.

28.2 Details of other operating revenues of the company are as under:

Export Incentives	11.33	14.52
Royalty Received	76.98	71.81
Scrap Sales	11.83	3.26
Total	**100.14**	**89.59**

29 Other Income

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Interest Income	47.88	48.50
Dividend Income	69.76	87.20
Rent	69.84	61.42

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

Net Gain on Foreign Currency Transactions	21.16	13.39
Liability no longer required written back	19.06	60.95
Excess Provision written back	16.44	59.34
Gain on Fair value of Financial Assets	0.30	-
Other Non-Operating Income	19.58	25.25
Total	**264.01**	**356.04**

*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

30 Cost of Materials Consumed

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Opening Stock of Material	3,797.88	3,482.95
Opening Stock Goods in Transit	105.13	105.43
Add : Purchases	21,625.00	18,250.77
	25,528.01	21,839.15
Less : Goods in transit	281.64	105.13
Less: Closing Stock of Materials	4,200.02	3,797.88
Total	**21,046.35**	**17,936.14**

31 Changes in inventories of finished goods, stock in trade and work in progress

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Inventory at the beginning of the year	1,785.37	1,713.07
Less: Inventory at the end of the year	2,030.30	1,785.37
Total	**(244.93)**	**(72.30)**

32 Employee benefit expense

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Salary, Wages Bonus & Allowances	3,693.35	3,211.92
Contribution to Provident and Other Funds	281.28	199.03
Managerial Remuneration	151.09	146.14
Staff Welfare Expenses	134.17	129.70
Total	**4,259.89**	**3,686.80**

33 Finance Costs

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Interest on Term Loans	638.39	788.37
Interest on Working Capital Loans	1,005.26	989.90

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

	Other Interests	252.04	238.64
	Other Borrowing Costs	190.30	122.08
	Total	**2,085.99**	**2,138.98**

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
34	**Depreciation and amortisation expense**		
	Depreciation of Property, Plant and Equipment (refer note 3.1)	918.01	881.85
	Amortisation of Intangible Assets (refer note 5.1)	19.28	28.66
	Total	**937.29**	**910.51**

35 Other Expenses

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
35.1 Manufacturing Expenses		
Consumption of Stores and Spare Parts	455.59	551.39
Power and Fuel	3,947.52	3,837.42
Rent	104.02	101.71
Repairs :		
Buildings	19.37	15.63
Plant and Machinery	323.17	337.70
Excise Duty	-	341.41
Other Manufacturing & Factory Expenses	361.09	321.42
Sub Total (A)	**5,210.76**	**5,506.67**
35.2 Administrative & Other Expenses		
Rent	27.60	28.08
Rates & Taxes	28.19	73.05
Insurance	73.72	72.25
Post, Telephone & Courier	100.08	100.10
Printing and Stationary expenses	35.54	27.11
Legal, Licenses and Renewal expenses	12.18	14.15
Software and Computer Maintenance	30.63	20.09
Travelling & Conveyance	213.09	142.56
Vehicle Running & Maintenance	79.40	72.52
Professional Fees	144.82	119.59
Auditors Remuneration	10.49	11.59
Directors Sitting Fees	8.10	7.64
Loss on Disposal of Tangible Assets (Net)	20.97	10.43
Donation	5.05	0.18
Remission of Debit balance	23.56	46.23

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Miscellaneous Expenses	196.03	147.45
Loss on Foreign Currency Transactions	-	10.97
CSR Expenditure	41.38	20.20
Sub Total (B)	**1,050.82**	**924.18**
35.3 Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	331.10	312.90
Rebate and Discount	1.20	3.28
Sales Commission	45.02	81.28
Bad Debts written off	0.29	2.73
Provision for Doubtful Debts	-	0.00
Rent	148.07	137.73
Other Selling Expenses	252.68	272.92
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	4,174.60	3,817.28
Freight and Logistic Expenses (Export)	1,137.71	976.85
Service Tax	-	46.64
Sub Total (c)	**6,090.68**	**5,651.63**
Total (A+B+C)	**12,352.25**	**12,082.48**
35.4 Payment to Auditors		
Audit Fees	8.70	9.25
In Other Capacity	0.60	0.69
Out of Pocket Expense	1.19	1.65
Total	**10.49**	**11.59**

36 Exceptional Items

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Litigation Settlement Expense (Refer Note 36.1)	-	65.59
Past service cost of Gratuity Expense (Refer Note 36.1)	-	85.26
Total	**-**	**150.85**

36.1 In previous year, Company had entered into a settlement agreement with one of the supplier in respect of winding up petition filled by the supplier pending before hon'ble High Court of Gujarat. As per the agreement company had agreed to make payment of ₹ 65.59 lakhs in excess of liability in Books of Accounts to the supplier towards settlement as against which supplier accepts to irrevocably release and waive the all claims and entitlements.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

36.2 In previous year, the monetary ceiling under the payment of Gratuity Act, 1972 was enhanced from ₹ 10,00,000 to ₹ 20,00,000 with effect from March 29, 2018. The enhanced gratuity liability of ₹ 85.26 Lakhs due to change in monetary ceiling of gratuity as per the law had been shown as exceptional item.

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
37	**Tax expense**		
	(a) Amounts recognised in profit and loss		
	Current Tax		
	(a) Current income tax	1,065.30	712.21
	(b) Short/(Excess) provision of Income Tax in respect of previous years	-	(8.36)
	Sub Total (a)	1,065.30	703.86
	Deferred tax		
	(a) Deferred tax expense / (Income)- net		
	Origination and reversal of temporary differences	157.37	87.64
		157.37	**87.64**
	(b) Recognition of tax credit	-	-
	Sub Total (b)	157.37	87.64
	Tax expense for the year (a+b)	**1,222.67**	**791.50**
	(b) Reconciliation of effective tax rate		
	Profit before tax	**3,393.94**	**2,379.52**
	Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	1,185.98	823.51
	Tax effect of:		
	Expenses Disallowed	414.08	412.97
	Expenses Allowed	(537.23)	(524.26)
	Short/(Excess) provision of income tax in respect of previous years	-	(8.36)
	Capital Gain Tax on Sale of Freehold Land	2.47	-
	Current Tax Provision (A)	**1,065.30**	**703.86**
	Increase/ (Decrease) in Deferred Tax Liability	147.77	50.40
	Decrease/(Increase) In Deferred Tax Assets	9.60	37.25
	Deferred Tax Provision (B)	**157.37**	**87.64**
	Total	**1,222.67**	**791.50**

The Current Tax Rate for the reconciliation has been considered as per the prevailing tax rate and deferred tax is recognised considering the tax rate applicable to the Company in subsequent years.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
38	**Statement of other comprehensive income**		
	(i) Items that will not be reclassified to profit or loss		
	Equity Instruments through Other Comprehensive Income		
	Fair value of unquoted investments - Gain /(loss)	(133.82)	150.62
	Tax impact on unquoted investments	31.18	(34.75)
	Remeasurement gains (losses) on defined benefit plans		
	Actuarial gains and losses - Gain /(loss)	(6.01)	(9.48)
	Tax impact on Actuarial gains and losses	2.10	3.28
	Total (i)	**(106.56)**	**109.67**
	(ii) Items that will be reclassified to profit or loss	-	-
	Income tax relating to items that will be reclassified to profit or loss - Gain/(loss)	-	-
	Total (ii)	**-**	**-**
	Total (i+ii)	**(106.56)**	**109.67**

39 Earning per Share -(EPS)

Earnings per equity share of FV of ₹ 5 each

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Profit for the year (Profit attributable to equity shareholders) (₹ In Lakhs)	2,171.28	1,588.02
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	3,52,86,502	3,52,86,502
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	3,52,86,502	3,52,86,502
Face Value of equity share (₹)	5.00	5.00
Basic EPS (₹)	6.15	4.50
Diluted EPS (₹)	6.15	4.50

40 CONTINGENT LIABILITIES & CONTINGENT ASSETS AND CAPITAL COMMITMENTS

A) CONTINGENT LIABILITIES

(₹ In Lakhs)

	Contingent liabilities (to the extent not provided for)	As at March 31, 2019	As at March 31, 2018
(a)	Statutory claims (Refer Note 40.1)	99.06	111.05
(b)	Claims against the company not acknowledged as debt (Refer Note 40.2)	419.13	419.13
(c)	Guarantees Given to subsidiary company	1,225.00	1,225.00
	Total	**1,743.19**	**1,755.18**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
40.1 Statutory claims		
Demand of Sales Tax, Value Added Tax and Central Sales Tax [Net of An amount of ₹ 4.50 Lakhs deposited under protest (P.Y. ₹ 4.5 Lakhs deposited under protest)]	-	-
Demand of Central Excise [Net of An amount of ₹ 5.62 lacs deposited under protest]	31.50	-
Demand of Income Tax (Net of Refund adjusted and paid under protest)	5.96	5.96
Labour disputed cases	7.97	65.39
Other disputed cases	53.63	39.70

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

40.2 Claims against the company not acknowledged as debt

a The Company had received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch whereby a penalty of ₹ 419.13 lakhs is levied on the Company. Company had filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority, vide its order dated 17th September, 2016 has given Interim Stay against the aforesaid order issued by Geology and Mining Department, Bhuj, Kutch and further ordered to resume mining activity. The matter is pending for hearing before appellate authority.

b In terms of loan arrangement with the lenders, the lenders have right to recompense the reliefs/sacrifice/waiver/concession extended to the company over the tenor of restructuring done in earlier years. The liability with respect to the same cannot be ascertained.

B) CONTINGENT ASSETS

The company is having certain claims which are pursuing through legal processes. The Management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

C) CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to ₹ 378.20 Lakhs (Net of Advance ₹ 596.11 Lakhs [31.03.2018 ₹ 256.40 lakhs (Net of Advances of ₹ 828.75 lakhs)

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

41 **Financial instruments – Fair values and risk management**

A. Accounting classification and fair values (₹ in lakhs)

March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	5.30	199.04	0.89	205.22	5.30	-	199.04	204.33
Financial assets measured at amortised cost								
Loans (Non-current)	-	-	320.05	320.05	-	320.05	-	320.05
Other financial assets (Non-Current)	-	-	45.39	45.39	-	45.39	-	45.39
Loans (Current)	-	-	124.72	124.72	-	124.72	-	124.72
Other financial assets (Current)	-	-	182.29	182.29	-	-	-	-
Trade receivables	-	-	6,737.32	6,737.32	-	-	-	-
Cash and cash equivalents	-	-	132.70	132.70	-	-	-	-
Other bank balances	-	-	340.62	340.62	-	-	-	-
	5.30	**199.04**	**7,883.98**	**8,088.31**	**5.30**	**490.16**	**199.04**	**694.49**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	4,429.12	4,429.12	-	4,429.12	-	4,429.12
Other Non Current financial liabilities	-	-	9.14	9.14	-	9.14	-	9.14
Current borrowings	-	-	5,820.74	5,820.74	-	-	-	-
Trade payables (Current)	-	-	6,105.44	6,105.44	-	-	-	-
Other Current financial liabilities	-	-	2,187.11	2,187.11	-	-	-	-
Total	**-**	**-**	**18,551.55**	**18,551.55**	**-**	**4,438.26**	**-**	**4,438.26**

March 31, 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	-	332.86	0.89	333.75	-	-	332.86	332.86
Financial assets measured at amortised cost	-							
Loans (Non-current)	-	-	289.97	289.97	-	289.97	-	289.97
Other financial assets (Non-Current)	-	-	155.00	155.00	-	155.00	-	155.00
Loans (Current)	-	-	101.29	101.29	-	-	-	-
Other financial assets (Current)	-	-	151.43	151.43	-	-	-	-
Trade receivables	-	-	6,169.15	6,169.15	-	-	-	-
Cash and cash equivalents	-	-	299.89	299.89	-	-	-	-
Other bank balances	-	-	262.03	262.03	-	-	-	-
	-	**332.86**	**7,429.65**	**7,762.51**	**-**	**444.97**	**332.86**	**777.83**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

Financial liabilities measured at amortised cost								
Non current borrowings	-	-	5,628.97	5,628.97	-	5,628.97	-	5,628.97
Other Non Current financial liabilities	-	-	13.14	13.14	-	13.14	-	13.14
Current borrowings	-	-	5,835.08	5,835.08	-	-	-	-
Trade payables	-	-	5,798.39	5,798.39	-	-	-	-
Other financial liabilities	-	-	2,179.67	2,179.67	-	-	-	-
Total	**-**	**-**	**19,455.25**	**19,455.25**	**-**	**5,642.11**	**-**	**5,642.11**

Investment in subsidiaries are carried at cost.

Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (i.e...amortised cost). The carrying amounts of financial assets and liabilities of short term nature are considered to be the same as their fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The fair value of investment in equity shares of other entity is determined based on market value of the shares. The approach taken for valuation is Book value of the equity instruments. The investee company is IND AS compliant company.

Financial instruments measured at fair value - FVTOCI in unquoted equity shares

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2019 and 31 March 18 is as below:

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	**332.86**	**182.24**
Acquisitions/ (disposals)	-	
Gains/ (losses) recognised in other comprehensive income	(133.82)	150.62
Gains/ (losses) recognised in statement of profit or loss	-	-
Closing Balance	**199.04**	**332.86**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2019 and the year ended 31st March 2018.

Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS.

The Company has elected to apply this exemption for its investment in equity shares.

Sensitivity analysis

Based on the valuation report for investments in unquoted shares, the sensitivity as as 31st March 2019 is provided below.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

Significant observable inputs	31-03-2019	31-03-2018
	OCI	OCI
	Decrease/Increase	Decrease/Increase
Equity securities in unquoted investments measured through OCI		
If increase in market value of investments made, by Eriez Finance and Investment Limited by 5%	9.93	27.34
If decrease in market value of investments made, by Eriez Finance and Investment Limited by 5%	(9.93)	(27.34)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has a well-define Risk Management framework for reviewing the major risks and taking care of all the financial risks. The risk management framework aims to :

a. create a stable business planning environment by reducing the impact of currency and interest rate fluctuation on company's business plan.

b. achieve greater predictability to earnings by determining the financial value of the expected earning in advance.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities and loans given.

The carrying amount of following financial assets represents the maximum credit exposure:

(a) Cash and Cash equivalent and Other Bank Balances

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received.The Company's major customer base is paints, plastic, rubber and other misc. industries.

The Commercial and Marketing department has established a credit policy.

The Company raises the invoice based on the quantities sold.The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 11

Movement in Allowance for bad and doubtful Trade receivable

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Allowance for bad and doubtful Trade receivable	198.47	215.64
Provision during the year	-	(16.27)
Recovery/Adjustment during the year	(10.00)	-
Write off during the year	(7.16)	(0.90)
Closing Allowance for bad and doubtful Trade receivable	**181.31**	**198.47**

The impairment provisionsabove are based on management judgment / assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

(c) Loans and deposits

Company has given loans to employees and security deposits. The maximum exposure to the credit risk at the reporting date from above amounts to ₹ 124.72 Lakhs on March 31, 2019 and ₹ 101.29 Lakhs on March 31, 2018.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of ₹ 3,955 Lakhs (at amortised cost) that is secured as mentioned in Note 19. Interest would be payable at the rate of varying from 9.35% to 16%.

(b) The company has also accepted deposit from share holders and directors amounting to ₹ 3017.56 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 10.25% - 13.62%.

(c) For maintaining working capital liquidity company avails cash credit limit from bank. The amount availed as at 31/03/2019 is ₹ 4688.13 Lakhs (at amortised cost). Effective Rate of Interest is 11.80% to 12.25%

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

(₹ In Lakhs)

		Contractual cash flows			
March 31, 2019	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	4,429.12	-	4,429.12	-	4,429.12
Non current financial liabilities	9.14	-	9.14	-	9.14
Current Borrowings	5,820.74	5,820.74	-	-	5,820.74
Current Trade payables	6,105.44	6,105.44	-	-	6,105.44
Current Other financial liabilities	2,187.11	2,187.11	-	-	2,187.11
	18,551.55	**14,113.29**	**4,438.26**	**-**	**18,551.55**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

		Contractual cash flows			
March 31, 2018	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	5,628.97	-	5,628.97	-	5,628.97
Non current financial liabilities	13.14	-	13.14	-	13.14
Current Borrowings	5,835.08	5,835.08	-	-	5,835.08
Current Trade payables	5,798.39	5,798.39	-	-	5,798.39
Current Other financial liabilities	2,179.67	2,179.67	-	-	2,179.67
	19,455.25	**13,813.14**	**5,642.11**	**-**	**19,455.25**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

a) Currency risk

The functional currency of the Company is Indian Rupee. The Company have transaction of import of materials, other foreign expenditures and export of goods. hence the company is exposed to currency risk on account of payables and receivables in foreign currency. Company have outstanding balances in Euro, USD and GBP.

(₹ In Lakhs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Trade and Other Payables		
USD	728.52	826.95
Trade Receivables and advances		
Euro	61.52	35.87
USD	1,230.62	1,026.36
GBP	4.29	5.45

Sensitivity analysis

Profit or loss is sensitive to higher/lower Exchange rate of currency. A possible 5% change in exchange rate would affect profit/loss at the reporting date by amount shown below:

As at 31st March 2019

(₹ In Lakhs)

Details of foreign currency balances	**Profit or (Loss)**		**Equity (net of tax)**	
	5% increase	**5 % Decrease**	**5% increase**	**5 % Decrease**
Trade and Other Payables	(36.43)	36.43	(23.82)	23.82
Trade Receivables and advances	64.82	(64.82)	42.39	(42.39)

As at 31st March 2018

(₹ In Lakhs)

Details of foreign currency balances	**Profit or (Loss)**		**Equity (net of tax)**	
	5% increase	**5 % Decrease**	**5% increase**	**5 % Decrease**
Trade and Other Payables	(41.35)	41.35	(27.04)	27.04
Trade Receivables and advances	53.38	(53.38)	34.91	(34.91)

b) Interest rate risk

Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company's interest rate exposure is mainly related to debt obligation. On period under review the Company do not have any term loans at fixed rate andhas not entered into interest rate swaps for its exposure to long term borrowings at floating rate. The company have accepted deposits from share holders which are fixed rate instruments.

(₹ In Lakhs)

Interest bearing instruments	As at 31st March 2019	As at 31st March 2018
Non current - Borrowings	4,429.12	5,628.97
Current portion of Long term borrowings	1,411.09	1,392.17
Short term borrowings	5,820.74	5,835.08
Total	**5,840.21**	**7,021.14**

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates

Based on the composition ofdebt a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

Perticulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp Increase	100 bp Increase	100 bp Increase
31st March 2019				
Non current - Borrowings	(44.29)	44.29	(28.81)	28.81
Current portion of Long term borrowings	(14.11)	14.11	(9.18)	9.18
Short term borrowings	(58.21)	58.21	(37.87)	37.87
Total	**(116.61)**	**116.61**	**(75.86)**	**75.86**
31st March 2018				
Non current - Borrowings	(56.29)	56.29	(36.81)	36.81
Current portion of Long term borrowings	(13.92)	13.92	(9.10)	9.10
Short term borrowings	(58.35)	58.35	(38.16)	38.16
Total	**(128.56)**	**128.56**	**(84.07)**	**84.07**

c) Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of raw Material and other consumables. The company has risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The company's commodity risk is managed centrally through well established trading operations and control processes.

d) Equity Price Risk

The Company do not have any investment in quoted equity shares hence not expose to equity price risk.

42 Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of the annual business plan coupled with long term and short term strategic investments and expansion plans. The funding needs are met through equity, cash generated from operations, long terms and short term bank borrowings and deposits.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

The Company's adjusted net debt to equity ratio is as follows.

(₹ In Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Interest bearing borrowings	11,660.95	12,856.21
Less : Cash and bank balances	(518.71)	(716.92)
Adjusted net debt	11,142.23	12,139.29
Borrowings	11,660.95	12,856.21
Total equity	15,208.23	13,278.06
Adjusted net debt to adjusted equity ratio	0.73	0.91
Debt equity ratio	0.77	0.97

43 Disclosure of Employee Benefits

The Company has implemented Ind AS - 19 on "Employee Benefits".

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is ₹ 179.36 Lakhs (Previous year ₹ 148.77 Lakhs)

(b) Superannuation Fund - Defined Contribution Plan

As per scheme and eligibility critaria decided by the company, eligible employees are entitle to super anuuation. Amount charged to profit and loss during the period of 12 months ended is ₹ 36.27 Lakhs. (P.Y. Nil)

(c) Gratuity - Defined Benefit Plans

Provision has been made for gratuity as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

(₹ In Lakhs)

	Assumptions	Gratuity March 31, 2019	Gratuity March 31, 2018
A.	Discount rate	7.65%	7.60%
	Salary Growth rate	7.50%	7.50%
B.	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	686.31	516.16
	Current Service Cost	53.32	42.95
	Interest Cost	48.72	34.62
	Components of acturial gain/losses on obligations:	-	-
	Due to change in financial assumptions	(3.01)	(27.22)
	Due to change in Demographic assumptions	(2.37)	-
	Due to experience adjustments	14.73	42.47
	Past Service Cost	-	85.26
	Benefits Paid	(25.76)	(7.93)
	Closing Defined Benefit Obligation	**771.94**	**686.31**
C.	**Reconciliation of Planned Asset**		
	Opening fair Value of plan assets	629.72	543.77
	Interest Income	46.45	38.11
	Return on plan assets excluding amounts included in interest income	3.33	5.77
	Contributions by employer	60.00	50.00
	Benefits Paid	(25.76)	(7.93)
	Closing Value of plan assets	**713.74**	**629.72**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	53.32	42.95
	Net Interest Cost	2.27	(3.49)
	Past service cost and loss/(gain) on curtailments and settlements	-	85.26
	Total included in 'Employee Benefit Expense'	**55.60**	**124.73**
	Other Comphrehensive Income for the current Period		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	(3.01)	(27.22)
	Due to change in Demographic assumptions	(2.37)	-
	Due to experience adjustments	14.73	42.47
	Return on plan assets excluding amounts included in interest income	(3.33)	(5.77)
	Amount recognized in Other Comprehensive Income	**6.01**	**9.48**
E.	**Reconciliation of Net defind Benefit Obligation**		
	Net opening provisions in Books of accounts	56.59	(27.62)
	Employee Benefit Expense	55.60	124.73
	Amount recognized in Other Comprehensive Income	6.01	9.48
	Contributions to Plan asset	(60.00)	(50.00)
	Closing provision in books of accounts	**58.20**	**56.59**
F.	**Current/Non-Current Liability :**		
	Current*	58.20	56.59
	Non-Current	-	-
	Net Liability	**58.20**	**56.59**

*The Company liability is calculated as expected reduction in contributions for the next 12 months.

(c) Amounts recognised in current year and previous three years

(₹ In Lakhs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
A. <u>Gratuity</u>		
Present value of Defined Benefit Obligation	771.94	686.31
Fair value of Plan Assets	713.74	629.72
(Surplus) / Deficit in the plan	58.20	56.59
Actuarial (Gain) / Loss on Plan Obligation	9.34	15.25

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-19	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	742.84	802.96
Salary growth rate (0.5% movement)	793.78	751.98
Withdrawal rate (W.R.) Sensitivity	775.43	768.26

	31-Mar-18	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	660.80	713.53
Salary growth rate (0.5% movement)	706.19	666.74
Withdrawal rate (W.R.) Sensitivity	689.25	682.62

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58,68 or 72 years

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The company has participated in Group Gratuity Scheme Plan with SBI Life insurance to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year.

(a) Composition of the plan assets

Particulars	As at 31st March 2019	As at 31st March 2018
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(c) Expected benefit payments as on 31 March 2019.

Particulars	1-5 years	6-10 years
Cash flow (₹)	325.47	383.02
Distribution (in %)	21%	24.50%

(g) Other Notes:

(i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.

(ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

44 Related Party Transactions:

44.1 List of Related Parties

Sr. No.	Name of Related Parties	Nature of Relationship
1	20 Microns Nano Minerals Limited	Subsidiary Company
2	20 Microns FZE	Subsidiary Company
3	20 Microns SDN BHD	Subsidiary Company
4	Silicate Minerals Private Limited	Subsidiary Company (Step Down)
5	20 Microns Vietnam Limited	Subsidiary Company
6	20 Microns Foundation trust	Entity over which Significant Influence Exists
7	20 MCC Pvt .Ltd.	Subsidiary Company(w.e.f 23.08.2018)
8	Shri C.S.Parikh	Chairman & Managing Director, Key Management Personnel
9	Shri R.C.Parikh	Managing Director, Key Management Personnel
10	Shri. A.C.Parikh	Whole Time Director, Key Management Personnel
11	Smt. I.C.Parikh	Relative of Key Management Personnel
12	Smt. S.R.Parikh	Director, Key Management Personnel
13	Smt. P.A.Parikh	Relative of Key Management Personnel
14	Mr N R Patel	Chief Financial Officer, Key Management Personnel
15	Smt.A.K.Muley	Company Secretary, Key Management Personnel

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	**20 Microns Nano Minerals Limited**			
	Income :			
	Sales		968.63	419.01
	Royalty		90.83	71.81
	Rent		40.61	52.89
	Reimbursement of Expenses		1.49	1.54
	Sale of Fixed Asset	Subsidiary	74.58	2.00
	Dividend Income		69.76	87.20
	Job work charges Received	Company	-	2.90

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

	Expenses :			
	Purchases		369.99	170.37
	Rent		0.65	8.90
	Reimbursement of Expenses		0.65	1.70
	Job work Charges paid		1.78	-
	Investment in share capital			
	Fixed Asset Purchase		19.48	-
	Amount Receivable / (Payable) at the year end		**798.70**	**169.72**
2	**Silicate Minerals Private Limited**			
	Sales	Subsidiary Company	77.24	58.24
	Rent Received	(Step down)	16.20	5.00
	Amount Receivable / (Payable) at the year end		**160.59**	**145.74**
3	**20 Microns Vietnam Limited**			
	Investment in share capital	Subsidiary	-	25.66
	Advance	Company	-	20.69
	Amount Receivable / (Payable) at the year end		**-**	**20.69**
4	**20 Microns Foundation trust**	Entity over which Significant		
	Expenses :	Influence Exists		
	Donation paid		6.00	13.07
5	**20 MCC Private Limited**			
	Income :			
	Sales		49.80	-
	Sale of Fixed Asset	Subsidiary	18.23	-
	Rent	Company	16.20	-
	Expenses :			
	Purchases		50.12	-
	Amount Receivable / (Payable) at the year end		**96.11**	**-**
6	**Shri C. S. Parikh**			
	Expenses :	Chairman &		
	Remuneration paid	Managing Director,		
	short-term employee benefits	Key Management	61.41	61.66
	other long-term benefits	Personnel	6.36	4.58
	Interest on Deposit		7.32	5.72
	Others :			
	Deposit Received / Renewed		10.00	50.00
	Deposit Paid During the Year		-	25.00
	Deposit Outstanding		60.00	60.00
7	**Shri R.C.Parikh**	Managing Director,		
	Expenses :	Key Management		
	Remuneration paid	Personnel		
	short-term employee benefits		54.38	53.54
	other long-term benefits		4.86	4.25
8	**Shri. A.C.Parikh**	Whole Time Director,		
	Expenses :	Key Management		
	Remuneration paid	Personnel	45.43	44.10
	other long-term benefits		3.96	3.47

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

	Interest on Deposit		**0.60**	**0.63**
	Others :			
	Deposit Received/ Renewed		-	5.00
	Deposit Paid During the Year		-	-
	Deposit Outstanding		5.00	5.00
9	**Smt. I.C.Parikh**	Relative of Key		
	Expenses :	Management		
	Interest on Deposit	Personnel	2.03	2.21
	Others :			
	Deposit Received / Renewed		15.50	-
	Deposit Paid		-	-
	Deposit Outstanding		15.50	15.50
10	**Smt. S.R.Parikh**	Director, Key		
	Expenses :	Management		
	Interest on Deposit	Personnel	0.12	-
	Rent		7.10	6.45
	Others :			
	Deposit Received / Renewed		1.00	-
	Deposit Paid		-	-
	Deposit Outstanding		1.00	-
11	**Smt. P.A.Parikh**	Relative of Key		
	Expenses :	Management		
	Interest on Deposit	Personnel	0.61	0.70
	Others :			
	Deposit Received / Renewed		5.00	-
	Deposit Paid		-	-
	Deposit Outstanding		5.00	
12	**Mr N R Patel**	Chief Financial Officer,		
	Expense	Key Management		
	Remuneration paid	Personnel		
	short-term employee benefits		31.86	29.64
	other long-term benefits		2.00	0.47
13	**Smt.A.K.Muley**	Company Secretary,		
	Expenses :	Key Management		
	Remuneration Paid	Personnel		
	short-term employee benefits		11.13	10.04
	other long-term benefits		0.80	0.64
	Interest on Deposit		0.24	0.14
	b) Others :			
	Deposit Received / Renewed		1.00	1.30
	Deposit Paid		-	-
	Deposit Outstanding		2.30	1.30

Notes

1 The following are the list of Independent Directors with whom no transaction have been occurred during the Financial Year 2018-19 other than payment of sitting fees:

a) Mr. Pravinchandra M Shah

b) Mr. Ram Devidayal

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

c) Mr. Atul Patel

d) 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 Limited without payment of Consideration.

3 As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.

45 Segment Reporting

The Company primarily operates in the segment of Micronized Minerals. The MD/CEO of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

a) Information about product and services:

Sale of Minerals : ₹ 43534.35 Lakhs

Sale of Herbal Products : ₹ 23.71 Lakhs

Sale of Construction Chemicals : ₹ 8.73 Lakhs

b) Information about geographical areas:

1. The Company have revenues from external customers attributable to all foreign countries amounting to ₹ 6700.89 Lakhs and entity's country of domicile amounting to ₹ 36766.75 Lakhs.
2. None of the company's Non Current assets are located outside India hence entity wide disclosure is not applicable to the Company.

c) Information about major customers:

There is two customers to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹ 10734.44/- lakhs.

(₹ In Lakhs)

Customer Name	Qty	Gross Amt.
Akzo Nobel India Limited	37,238	4,864.82
Asian Paints Limited	32,158	5,085.46
BERGER PAINTS (I) LTD	48,517	5,904.10

46 RESEARCH AND DEVELOPMENT EXPENDITURE

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

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Revenue expenditure		
Employee benefit expenses	80.19	49.67
Other expenses	12.04	39.43
Total	**92.23**	**89.10**

47 Disclosure of IND AS 115 "Contract with Customers"

IND AS 115 Revenue from contracts with customers was issued on 28th March, 2018 and supersedes IND AS 11 construction contracts and IND AS 18 revenue and it applies with limited exception, to all reveue arising from contracts with ite custiomer. Uner IND AS 115, revenue is recognised when a customer obtain control of goods or services. The company has adopted Ind AS 115 "Revenue from Contracts with Customer" w.e.f 01.04.2018. In accordance with the first time option available in the standard, the company has choosen the cumulative effect option and accordingly, the comparatives have not been restated in line with the requirement of the standard. The effect on adoption of the said standard is not significant on these financial statements. Additionally, the disclosure requirements in IND AS 115 have not generally been applied to comparative information.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

Contract Balances

Particulars	March 31, 2019	April 01, 2018
Trade receivables	6,737.32	6,169.15
Contract Assets	-	-
Contract Liabilities	108.51	92.27

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to ₹ 108.51 Lakhs.

Reconciliation of the amount of revenue reconised in the statement of profit and loss and contracted price.

Particulars	March 31, 2019
Revenue as per contracted price	43,628.02
Adjustments	
Discounts	(61.25)
Revenue from contract with customers	**43,566.78**

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to ₹ 108.51 Lakhs .

48 Lease

a **Expenses**

The Company has obtained several premises for its business operations under leave and license agreements. These are generally not non-cancellable 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 ₹ 279.69 Lakhs (Previous Year ₹ 267.52 lakhS)

b **Income**

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 ₹ 69.84 lakhs (Previous Year ₹ 61.42 lakhs)

49 Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

The Accompanying Notes are an integral part of the financial Statements.

As per our audit report of even date attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta Partner M. No. 130010	C.S. Parikh Executive Chairman DIN # 00041584	Rajesh C. Prikh CEO & MD DIN # 00041610	N. R. Patel Chief Financial Officer	Anuja K. Muley Company Secretary A21243
Place : Ahmedabad Date : May 28, 2019	Waghodia May 28, 2019			

CONSOLIDATED
INDEPENDENT AUDITORS' REPORT

To
The Members of
20 Microns Limited

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of 20 Microns Limited ('the Company'), and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us,and based on the consideration of reports of the auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the paragraphof the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the general key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How out Audit Addressed the Key Audit Matter
1.	Aspects of Revenue Recognition The Group has large product and customer portfolio and multiple business locations. The nature of the risk associated with the accurate recording of revenue varies. We recognise that revenue is a key metric upon which the Group is judged, that the Group has annual internal targets, and that the Group has incentive schemes that are partially impacted by revenue growth. We have determined that there is a risk of material misstatement in recognition of revenue considering the above. We have determined this to be a key audit matter in view of exercise of management judgement and estimates and the significance of the amounts involved.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • We evaluated the design of internal controls relating to revenue recognition. • We performed full and specific scope audit procedures over this risk area in major locations, which covered majority of the risk amount. • We assessed the processes and tested controls over each significant revenue stream. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of the controls. • We evaluated the appropriateness of journal entries impacting revenue, as well as other adjustments made in the preparation of the consolidated financial statements. We considered unusual journals such as those posted outside of expected days, or by unexpected individuals. • We also evaluated management's controls over such adjustments. • We inspected a sample of contracts to check that revenue recognition was in accordance with the contract terms and the group's revenue recognition policies. • We tested a sample of transactions around period end to test that revenue was recorded in the correct period.

CONSOLIDATED
INDEPENDENT AUDITORS' REPORT [Contd.]

		• For revenue streams which have judgemental elements, we evaluated management's assumptions. Basis the procedures performed, we have not noted any significant exceptions in the management assessment of Revenue Recognition.
2.	Assessment of contingencies in respect of statutory claims and claims against Group not acknowledged as debt The group has various ongoing material uncertain statutory claims and claims against group not acknowledged as debt under dispute. Refer Note 40to the Consolidated Financial Statements. The assessment of the likely outcome of the matters and related outflow of resources involves significant judgement on the positions taken by the management which are based on the application and interpretation of law. We have considered these matters to be a key audit matter given the materiality of the potential outflow of economic resources and uncertainty of the possible outcome.	Our procedures included the following: • Understanding and evaluating the design of operating effectiveness of controls in respect of the legal matters. • Reading the orders received by the company from authorities. • Discussing ongoing matters under dispute and developments with the management and the audit committee. • Where relevant, reading opinions of Managements' external consultants on the tax matters. • Independently assessing the Management's judgement on contingencies and provisions of statutory claims and other claims. • Involving litigation experts to assist us in the assessment of the possible outcome of certain cases. • Assessing adequacy of disclosure in the consolidated financial statements. Based on the above procedures, the management's assessment of contingencies in respect of statutory claims and claims against group not acknowledged as debt was considered to be appropriate.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in theBoard'sReport including Annexures to Board's Report and Shareholder's Information, butdoes not include the consolidated financial statements and our auditor's reportthereon. The other information is expected to be made available to us after the date of this auditor's report.

Ouropinion on the consolidated financial statementsdoes not cover the other information and we do not and will not express any form of assurance conclusionthereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

In preparing theconsolidated financial statements, the respective Board of Directors of the companies included in the Groupare responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statementsof which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 6 subsidiaries (which includes one step down subsidiary), whose financial statements reflect total assets of ₹6304.02 Lakh as at 31st March, 2019, total revenues of ₹ 5804.52 Lakh and net cash flows (net) amounting to ₹ 263.48 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

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

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

c) The ConsolidatedBalance Sheet, the Consolidated Statement of Profit and Lossincluding Other Comprehensive Income, Consolidated the statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and report of statutory auditor of its subsidiary companies, none of the directors of the Group Companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure Awhich is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of theinternal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that,in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its Managing and Executive Directors during the year is in accordance with the provisions of section 197 of the Act.

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

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 40 to the consolidated financial statements.

(ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

(iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, which are incorporate in India, during the year ended March 31, 2019.

Our opinion on the consolidated financial statements above 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.

For, J. H. Mehta & Co.
Chartered Accountants
ICAI Firm Regn. No. 106227W

(Naitik J Mehta)
Partner
Membership No. 130010

Place : Ahmedabad
Date : 28/05/2019

CONSOLIDATED ANNEXURE TO INDEPENDENT AUDITORS' REPORT

ANNEXURE – A

TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

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

In conjunction with our audit of the consolidated financial statements of 20 Microns Limited (hereinafter referred to as "Company") and its subsidiary companies, whichare companies incorporated in India, as of that date, as of and for the year ended March 31, 2019, we have also audited the internal financial controls over financial reporting of the Companies.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or

CONSOLIDATED ANNEXURE TO INDEPENDENT AUDITORS' REPORT [Contd.]

disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its subsidiary companies, which are companiesincorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For, J. H. Mehta & Co.
Chartered Accountants
ICAI Firm Regn. No. 106227W

(Naitik J Mehta)
Partner
Membership No. 130010

Place: Ahmedabad
Date: 24/05/2018

CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET
as at March 31st, 2019

(₹ In Lakhs)

Particulars		As at 31st March 2019	As at 31st March 2018
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.1	19,441.12	18,410.21
(b) Capital Work in Progress	3.2	286.58	774.42
(c) Intangible Assets	4.1	56.14	77.38
(d) Intangible Assets under Development	4.2	113.27	30.85
(e) Goodwill on Consolidation		2.16	2.16
(f) Financial Assets			
(i) Investments	5	241.45	339.98
(ii) Loans	6	320.05	289.97
(iii) Other Financial Assets	7	60.07	178.00
(g) Other Non-Current Assets	8	1,102.74	902.74
Total Non-Current Assets		**21,623.58**	**21,005.72**
2 Current assets			
(a) Inventories	9	8362.88	7,223.20
(b) Financial Assets			
(i) Trade Receivables	10	6961.12	6,648.14
(ii) Cash and Cash Equivalents	11	708.70	605.43
(iii) Bank Balances other than (ii) above	12	365.50	271.83
(iv) Loans	13	294.06	256.81
(v) Other Financial Assets	14	222.19	156.74
(c) Other Current Assets	15	1625.20	1,381.83
Total Current Assets		**18,539.65**	**16,543.98**
TOTAL ASSETS		**40,163.23**	**37,549.70**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	16	1,764.33	1,764.33
(b) Other Equity	17	14,858.00	12,580.77
Equity Attributable to Equity Holders of the Parent		**16,622.33**	**14,345.10**
2 Non Controlling Interest		73.74	62.75
3 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	4,566.08	5,814.45
(ii) Other Financial Liabilities	19	9.14	13.14
(b) Deferred Tax Liabilities (Net)	20	2,878	2,402.94
Total Non-Current Liabilities		**7,453.53**	**8,230.54**
4 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	6,384.00	6,111.61
(ii) Trade Payables	22		
Total outstanding dues of Micro and Small Enterprise		113.63	55.28
Total outstanding dues of Creditors other than Micro and Small Enterprise		6,543.38	6,090.30
(iii) Other Financial Liabilities	23	2,321.21	2,283.68
(b) Other Current Liabilities	24	508.17	240.68
(c) Provisions	25	76.87	62.53
(d) Current Tax Liabilities (Net)	26	66.37	67.24
Total Current Liabilities		**16,013.63**	**14,911.31**
Total Liabilities		**23,467.16**	**23,141.85**
TOTAL EQUITY AND LIABILITIES		**40,163.23**	**37,549.70**
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.	**1 to 49**		

As per our audit report of even date attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010

C.S. Parikh
Executive Chairman
DIN # 00041584

Rajesh C. Prikh
CEO & MD
DIN # 00041610

N. R. Patel
Chief Financial Officer

Anuja K. Muley
Company Secretary
A21243

Place : Ahmedabad
Date : May 28, 2019

Waghodia
May 28, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
as at March 31st, 2019

(₹ In Lakhs)

	Particulars	Note	As at 31st March 2019	As at 31st March 2018
Revenue				
I.	Revenue from Operations	27	47,966.92	43,139.43
II.	Other income	28	193.17	239.10
III.	**Total Income (I+II)**		**48,160.09**	**43,378.53**
IV.	**Expenses**			
	Cost of materials consumed	29	22,996.71	19,671.72
	Purchases of Stock in trade	30	43.60	388.22
	Changes in inventories of Finished Goods stock in trade and work in progress	31	(224.33)	(140.97)
	Employee Benefits Expenses	32	4,683.07	4,051.89
	Finance Costs	33	2,189.99	2,236.95
	Depreciation and Amortization Expenses	34	1,046.77	1,033.73
	Other Expenses	35	13,578.20	13,182.27
	Total Expenses (IV)		44,314.01	40,423.81
V.	Profit/(Loss) Before Exceptional Items and Tax(III-IV)		3,846.08	2,954.72
VI.	Exceptional Items	36	-	150.85
VII.	**Profit/(Loss) Before Tax (V-VI)**		3,846.08	2,803.87
VIII.	**Tax expense:**	37		
	Current Tax		1190.35	834.65
	Deferred Tax		160.25	76.43
IX.	**Profit/(Loss) for the Year (VII-VIII)**		2,495.49	1,892.79
	Profit/(Loss) for the Year attributable to			
	Owners of the Company		2,490.21	1,883.51
	Non Controlling Interest		5.29	9.28
X.	**Other comprehensive income**	38		
	A (i) Items that will not be reclassified to profit or loss		(140.91)	140.92
	(ii) Income tax related to items that will not be reclassified to profit or loss		33.61	(31.41)
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax related to items that will be reclassified to profit or loss			
	Total other comprehensive income		**(107.30)**	**109.51**
XI.	**Total comprehensive income for the year (IX+X)**		**2,388.19**	**2,002.30**
	Total comprehensive income for the year attributable to			
	Owners of the Company		2382.93	1,993.02
	Non Controlling Interest		5.27	9.28
	Earnings per equity share of Face Value of ₹ 5 each	39		
	Basic		7.06	5.34
	Diluted		7.06	5.34

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements. **1 to 49**

As per our audit report of even date attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010

C.S. Parikh
Executive Chairman
DIN # 00041584

Rajesh C. Prikh
CEO & MD
DIN # 00041610

N. R. Patel
Chief Financial Officer

Anuja K. Muley
Company Secretary
A21243

Place : Ahmedabad
Date : May 28, 2019

Waghodia
May 28, 2019

CONSOLIDATED CASH FLOW STATEMENT
as at March 31st, 2019

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax	3,846.08	2,803.87
	Adjustments for:		
	Depreciation	1,046.77	1,033.73
	Loss on sale/disposal of Property, plant and equipment	19.39	10.43
	Bad Debts Written Off	0.29	(0.90)
	Provision for Doubtful Debts (Trade Receivables)	28.93	(27.40)
	Effect of foreign exchange gain/loss	-	55.94
	Finance Costs	2,189.99	2,236.95
	Liability no longer required written back	(20.21)	(126.31)
	Provisions no longer required written back	(12.67)	-
	Debit balance written off	23.93	46.23
	Exchange difference on consolidation	10.25	52.03
	Gain on Fair value of Financial Assets	(0.30)	-
	Interest Income	(73.48)	(69.42)
	Operating Profit before Working Capital Changes	**7,058.97**	**6,015.15**
	Adjustments for changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	(366.13)	(690.70)
	(Increase)/Decrease in Other - Non Current Assets	(0.10)	472.83
	(Increase)/Decrease in Other financial assets-Non-current	117.94	14.50
	(Increase)/Decrease in Short Terms Loans and Advances	(37.25)	(18.46)
	(Increase)/Decrease in Other Current Assets	(235.96)	225.06
	(Increase)/Decrease in Other financial assets-Current	19.63	(53.53)
	(Increase)/Decrease in Inventories	(1,139.68)	(466.99)
	(Increase)/Decrease in Long-term loan and advances	(30.08)	(25.96)
	Changes in Trade and Other Receivables	**(1,671.64)**	**(543.26)**
	Increase/(Decrease) in Trade Payables	531.64	877.72
	Increase/(Decrease) in Other current Liabilities	267.62	47.37
	Increase/(Decrease) in Other Financial Non current Liabilities	(4.00)	-
	Increase/(Decrease) in Other Financial current Liabilities	(19.24)	176.22
	Increase/(Decrease) in Short-term provisions	19.93	42.96
	Changes in Trade and Other Payables	**795.95**	**1,144.27**
	Cash Generated from Operations	**6,183.28**	**6,616.16**
	Income tax paid (Net of refunds)	(849.47)	(559.14)
	Net Cash from Operating Activities	**5,333.81**	**6,057.03**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Property, plant and equipments/Intangible assets including capital work in progress and capital advances.	(1,975.44)	(1,965.28)
	Purchase of Non-current investments - in subsidiary Company	(22.23)	(37.40)
	Proceeds from sale of Investments	34.59	-
	Purchase of Non-current investments	(5.00)	(6.00)
	Purchase of goodwill	-	(1.25)
	Deposits with original maturity of more than three months	(93.67)	81.48
	Interest Received	73.48	69.42
	Proceeds from sale of Property, plant and equipments	108.44	28.14
	Net Cash used in Investing Activities	**(1,879.83)**	**(1,830.89)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Long-term borrowings	(1,191.60)	(594.99)

CONSOLIDATED CASH FLOW STATEMENT
as at March 31st, 2019 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Proceeds of Short-term borrowings	272.39	(1,332.23)
Share issue expenditure	(11.47)	(21.20)
Interest Paid	(2,189.99)	(2,236.95)
Dividend Paid (including tax thereon)	(151.30)	(172.18)
Net Cash from Financing Activities	**(3,271.96)**	**(4,357.55)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**182.01**	**(131.41)**
Cash and Cash Equivalents at the beginning of the year	519.38	650.80
Cash acquired at the time of acquisition of Subsidiary Company	6.35	-
Cash and Cash Equivalents at the end of the year	707.74	519.38
Closing Cash and Cash Equivalents comprise:		
Cash in hand	22.20	15.35
Balances with Scheduled Banks		
Balance in Current Account	686.50	590.09
Total	**708.70**	**605.43**
Less : Amount Due to bank in Current Account	(0.96)	(86.05)
Total	**707.74**	**519.38**

Notes to Cash Flow Statement:

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard IND AS - 7 on Cash Flow Statements.

(ii) Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.

(iii) Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year's figures.

(iv) In Part A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the Net cash flow from operating activities. In Part B and Part C, figures in bracket indicate cash-outflow.

(v) Disclosure pursuant to Ind AS 7 on "Statement of Cash Flows"

Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activites, to meet the disclosure requirement.

(₹ In Lakhs)

For the year ended March 31, 2019	Opening Balance	Cash Flow	Non Cash Changes	Closing Balance
Short Term Borrowings	6,111.61	267.59	4.80	6,384.00
Long Term Borrowings (including Current maturities)	7,260.95	(1,149.71)	(41.89)	6,069.35
Bank Balances other than Cash and Cash Equivalents	271.83	93.67	-	365.50

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.

As per our report attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W

For and on behalf of Board of Directors

Naitik J Mehta
Partner
M. No. 130010
Place : Ahmedabad
Date : May 28, 2019

C.S. Parikh
Executive Chairman
DIN # 00041584
Waghodia
May 28, 2019

Rajesh C. Prikh
CEO & MD
DIN # 00041610

N. R. Patel
Chief Financial Officer

Anuja K. Muley
Company Secretary
A21243

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)
FOR THE YEAR ENDED 31ST MARCH 2019

(a) Equity share capital (₹ In Lakhs)

Equity share capital	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the reporting period	1,764.33	1,764.33
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,764.33	1,764.33

(b) Other equity (₹ In Lakhs)

Other equity	Reserves and Surplus				Other Comprehensive Income -	Total Other Equity
	General Reserve	Securities Premium	Retained earnings	Capital Reserve on Consolidation	Foreign Currency Translation Reserve	Equity Instruments through OCI	
Balance at April 1, 2017 (A)	120.54	4,001.33	6,591.64	48.88	(31.98)	(16.63)	10,713.78
Add: Profit during the Period	-	-	1,883.51		52.03		1,935.54
Add/(less): Other Comprehensive Income for the year(Net of Tax)						115.87	115.87
Add/(less):Adjustment on account of acquisition of Non Controlling Interest			15.32				
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(6.36)			-	(6.36)
Less : Appropriations							
Dividend Declared	-	-	142.94			-	142.94
Corporate Tax on Dividend	-	-	29.24			-	29.24
Balance at March 31, 2018 (B)	120.54	3,980.13	8,311.93	48.88	20.05	99.24	12,580.77
Less; Share issue expenditure	-	(10.43)					(10.43)
Add: Profit during the Period	-	-	2,490.21		10.25		2,500.46
Add:Capital Reserve on acquisition of subsidiary company				43.38			43.38
Add/(less): Other Comprehensive Income for the year(Net of Tax)						(102.65)	(102.65)
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(4.65)				(4.65)
Less : Appropriations							-
Dividend Declared	-	-	123.07				123.07
Corporate Tax on Dividend	-	-	25.80				25.80
Closing Balance	120.54	3,969.70	10,648.62	92.26	30.30	(3.41)	14,858.00

Note : (i) The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI.

As per our audit report of even date attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W
Naitik J Mehta
Partner
M. No. 130010
Place : Ahmedabad
Date : May 28, 2019

For and on behalf of Board of Directors

C.S. Parikh
Executive Chairman
DIN # 00041584
Waghodia
May 28, 2019

Rajesh C. Prikh
CEO & MD
DIN # 00041610

N. R. Patel
Chief Financial Officer

Anuja K. Muley
Company Secretary
A21243

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

Authorization of financial statements:

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 28th May, 2019.

Notes toConsolidated Financial statements for the year ended 31st March 2019

Note 1 –Corporate Information& Basis of Consolidation

20 Microns Limited ("Parent Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 9 – 10, GIDC, Waghodia, Vadodara – 391760, Gujarat, India.

The Group is engaged in Business of Industrial MicronisedMinerals and Speciality Chemicals.

Basis of Consolidation:

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31st March, 2019. Control is achieved when the group is exposed or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Specifically, the group controls an investee if and only if the group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure or rights to variable returns from the involvement with the investee, and
- The ability to use its power over the investee to affect its returns

  Generally, there us a presumption that a majority of the voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group consider all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangement
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

  The group re-assesses whether or not it control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e year ended on 31 March 2019.

Consolidation Procedure:

The consolidated Financial Statements include the financial statements of 20 Microns Limited and its subsidiaries(The Group).The Consolidated Financial Statements of the group have been prepared in accordance with Indian Accounting Standard 110 'Consolidated Financial Statements' as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 as amended thereunder.

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

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

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

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 [Contd.]

Particulars of Consolidation:

The lists of Subsidiary Companies are as under:

Company	Year End	Country of Incorporation	Proportion of Ownership	
			As At 31st March 2019	As At 31st March 2018
20 Microns SDN BHD (Foreign Subsidiary)	March 31, 2019	Malaysia	100%	100%
20 Microns Nano Minerals Limited (Indian Subsidiary)	March 31, 2019	India	97.21%	97.21%
20 Microns Vietnam Limited (Foreign subsidiary)	March 31, 2019	Vietnam	100%	100%
20 Microns FZE (Foreign subsidiary)	March 31, 2019	Sharjah	100%	100%
20 MCC Private Limited (Indian Subsidiary)	March 31, 2019	India	88.73%	-

Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

2.1.1 Statement of Compliance with Ind AS

(a) The financial statements has been prepared in accordance and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

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

(c) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1.2 Historical Cost Convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

2.2 Use of Estimates and Judgements

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 37 Current/deferred tax expense

Note 40 Contingent liabilities and assets

Note 11 Expected credit loss for receivables

Note 43 Measurement of defined benefit obligations

2.3 Business Combination and Goodwill:

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of asset given, liabilities incurred by the Group

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to the former owners of the acquire, and equity interest issued by the Group in exchange for control of the acquire.

Acquisition related costs are recognised in the consolidated statement of Profit and Loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Once control has been achieved, any subsequent acquisition where the group does not originally hold hundred percent interest in subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional proportion acquired is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

2.4 Property, Plant and Equipment

An item of Property, plant and equipment that qualifies as an assets is measured at their cost. Following initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines the cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent expenditures, including replacement costs where applicable,incurred for an item of Property plant and equipment are added to its books value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Any item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to revenue in the income statement when the asset is derecognised.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

2.5 Capital Work in Progress:

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

All the directly identifiable and ascertainable expenditure, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective "fixed assets".

Further, advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified and disclosed as capital advances under Other Non-Current Assets.

2.6 Investment Properties

Investment properties comprises of Immovable Property that are held for rental yield and/or capital appreciation.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as and when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.7 Intangible Assets

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Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

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

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

Expenses incurred during development of Process know how or Product development is shown under the head "Intangible asset under development".

Any item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is recognised in the statement of Profit and Loss when the asset is derecognised.

2.8 Depreciation and amortisation methods,estimated useful lives and residual values

Depreciation is calculated to systematically allocate the cost of property, plant and equipment, intangible asset and investment propertynet of the estimated residual values over the estimated useful life. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013.

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The management believes that these useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful lives are reviewed by the management at each financial year end and revised, if appropriate. In case of a revision, the unamortised depreciable amount (remaining net value of assets) is charged over the revised remaining useful lives.

Based on management estimate, residual value of 5% is considered for respective PPE except Lease hold land.

Intangible assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Group for its intended use. The useful lives as estimated by the management for the intangible assets are as follows:

a)	Process Know How (Acquired Product Development)	5 Years
b)	ERP Software	7 Years
c)	Other Software's	5 Years

Freehold land is not depreciated. Cost of lease-hold land is amortized equally over the remaining period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipmentare reviewed at the end of each financial year and adjusted prospectively if appropriate.

Component accounting of assets: If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and accordingly depreciated at the useful lives specified as above.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Investment properties are depreciated based on the useful life prescribed in Schedule II to the Companies Act, 2013.

2.9 Impairment of non-financial assets

In accordance with Ind AS 36 on "Impairment of Assets" at the balance sheet date, non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

2.10 Revenue recognition

Effective 1st April, 2018, the Group has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115, the standard), using the cumulative effect method for transition. Accordingly, the Group applied Ind AS 115 to contracts that were not completed as of 1st April, 2018 but the comparative periods have not been adjusted. The adoption of the standard did not have any material impact to the financial statements.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The accounting policies for the specific revenue streams as summarized below:

i) Interest income is recognised on Effective Interest Rate (EIR) basis considering the amount outstanding and the applicable interest rate as set out in Ind AS 109.

ii) Export benefits available under the prevalent schemes are recognized when there exists no significant uncertainty regards to its realisation.

iii) Dividend income is accounted for when the right to receive income is established.

iv) Royalty income is recognised on accrual basis in accordance with the substance of the agreement.

v) Investment property rental income is recognised as revenue on accrual basis as per the terms of the underlying contract with customers.

vi) Other operating income and misc. income are accounted on accrual basis as and when the right to receive arises

Contract Balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs obligations under the contract.

2.11 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings –interest bearing loans are subsequently measured at amortised cost by using the effective interest method (EIR method). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest method (EIR). The EIR Amortization is included as Finance Costs in the statement of profit and loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all the facility will be draw down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is deferred as a payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit

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or loss as other income or other expenses as well as through the EIR amortization process.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

2.12 Borrowing Cost

The Group is capitalising general and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying asset up to the date of commissioning. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Expenses incurred in connection with the arrangement of specific borrowings are capitalized over the period of the borrowing and every year such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the statement of profit and loss.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.13.1 Financial Asset

Initial Recognition

A financial asset or a financial liability is recognised in the balance sheet only when, the Group becomes party to the contractual provisions of the instrument.

Initial Measurement

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified into:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss (FVTPL); and
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Group classifies its financial assets in the above mentioned categories based on:

- The Group's business model for managing the financial assets, and
- The contractual cash flows characteristics of the financial asset.

A financial assets is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- The assets contractual cash flows represent SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity Investments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

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If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit andLoss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
   (1) The Group has transferred substantially all the risks and rewards of the asset, or
   (2) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

The Group assesses impairment based on expected credit loss (ECL) model to the following:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Groupis not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.13.2Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as

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financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

- Financial liabilities measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit andLoss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.13.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.14 Fair Value

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

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- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director and Chief FinancialOfficer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (refer note 41)

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Investment in unquoted equity shares.
4. Financial instruments (including those carried at amortised cost).

2.15 Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present locationand condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

2.16 Non-current assets held for sale and discontinued operation

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current

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assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2.17 Foreign Currency Transactions

2.17.1 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Group.

2.17.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.18 Employee Benefits

Employees Benefits are provided in the books as per Ind AS -19 on "Employee Benefits" in the following manner:

2.18.1 Post-Employment Benefit Plans

Defined Contribution Plan

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Groupdoes not carry any other obligation apart from the monthly contribution.

The Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined Benefit Plans

The Group provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is separately administered through a Trust/Scheme. Contributions in respect of gratuity are made to the approved Gratuity Fund.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Group presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Group will contribute this amount to the gratuity fund within the next twelve months.

2.18.2 Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services. Short term employee benefits includes salary and wages, bonus, incentive and ex-gratia and also includes accrued leave benefits, which are expected to be availed or en-cashed within 12 months from the end of the year.

2.19 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 [Contd.]

Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

As a lessee

Finance Lease

Lease of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards incidental to ownership are classified as finance leases.

At the commencement of the lease term, the Group recognises finance leases as assets in its balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine. If not, the Group's incremental borrowing rate is used. Any indirect costs of the Group are added to the amount recognised as an asset.

Minimum lease payments is apportioned between the finance charge and the reduction of the outstanding liability. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating lease

Leases in which a significant portion of the risks and rewards incidental to ownership is not transferred to the Group as lessee are classified as operating leases. Lease payments under an operating lease are recognised as an expenses on a straight-line basis over the lease term unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

As a lessor

Finance Lease

When substantially all of the risks and rewards of ownership transfer from the Group to the lessee then it is classified as finance lease. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating Lease

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognised in the statement of profit or loss on a straight-line basis over the lease term, unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the Group are not on that basis; or
- the payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases. If payments to the Group vary because of factors other than general inflation, then this condition is not met.

2.20 Taxation

Tax expenses is the aggregate amount included in the determination of profit or loss for the period in respect of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income)which are recognised with the underlying items.

2.20.1Current Tax

The current tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Groupis able to and intends to settle the asset and liability on a net basis.

2.20.2Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 [Contd.]

the reporting date. Deferred taxes are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.21 Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value.The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 [Contd.]

Group.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity**.**

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.23 Segment Reporting

The Group primarily operates in the segment of IndustrialMicronized Minerals and Speciality chemicals. The Managing Director of the Group allocate resources and assess the performance of the Group, thus they are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

2.24 Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Group considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.25 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.26 Dividends

The Group recognises a liability for dividends to equity holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.27 Insurance Claims

The Group accounts for insurance claims when there is certainty that the claims are realizable and acknowledged by insurance Group and amount recognized in books of accounts is as under:

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head “Claims Recoverable-Insurance”.
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

2.28 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meetthe criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalizedand depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.29 Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors’ Report.

2.30 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 [Contd.]

income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.31 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

Note 3 - Standards Issues but not yet effective

3.1 Ind AS 116:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations.

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Group has evaluated the effect of this on the financial statements and the impact is not material.

3.2 Ind AS - 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS - 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS - 12. According to the Appendix, the Company need to determine the probability of the relevant tax authority accepting each tax treatment, that the company has used or plan to use in its income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Ind AS permits two possible methods of transition:

- Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind As - 8 "Accounting Policies, Changes in Accounting Estimates and Errors" without using hindsight
- Modified retrospective approach - Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting opening balance of retained earnings

The Company is in the process of evaluating the impact of Ind AS - 12 Appendix C on the financial statements.

3.3 Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

Notes to Consolidated financial statements for the year ended 31st March 2019

3.1 Property, Plant and Equipment (PPE) as at 31st March 2019

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Freehold land	586.71	-	(0.56)	586.14	-	-	-	-	586.14	586.71
Leasehold land	3,246.80	-	-	3,246.80	81.33	45.50	-	126.83	3,119.97	3,165.47
Free Hold Office Building	204.36	-	-	204.36	53.52	4.07	-	57.59	146.77	150.83
Lease Hold Office Building	80.56	-	-	80.56	54.52	7.52	-	62.04	18.52	26.04
Factory Building	4,506.50	630.48	(45.72)	5,091.26	1,017.92	145.13	(6.37)	1,156.68	3,934.57	3,488.58
Plant & Equipment	17,594.66	1,478.54	(167.93)	18,905.27	7,173.49	699.74	(84.80)	7,788.43	11,116.83	10,421.16
Furniture and office Equipments	460.89	13.55	(0.69)	473.75	330.52	34.63	(0.66)	364.49	109.26	130.37
Computer Equipments	219.65	30.70	(0.16)	250.19	169.80	18.16	(0.15)	187.81	62.38	49.85
Vehicles	666.56	24.08	(13.10)	677.54	275.37	63.87	(8.37)	330.88	346.66	391.19
Total PPE	**27,566.69**	**2,177.36**	**(228.17)**	**29,515.88**	**9,156.48**	**1,018.63**	**(100.35)**	**10,074.76**	**19,441.12**	**18,410.21**
Previous year	**25,834.31**	**1,859.62**	**(127.24)**	**27,566.69**	**8,268.45**	**976.70**	**(88.67)**	**9,156.48**	**18,410.21**	**-**

Note 3.1.1 - Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on “Impairment of Assets”. Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 3.1.2 - Security Pledge of Assets : Refer to Note 18 on borrowings for details in terms of pledge of assets as security.

Note 3.1.3 - Refer to note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 3.1.4 - There is no restriction on the title of property, plant and equipments.

Note 3.1.5 - Borrowing cost amounting to ₹ 29.47 lakhs (P.Y. - Nil) has been capitalised in the head plant and equipment as per IND AS - 23 "Borrowing Cost"

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

3.2 Capital work in progress (₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Work-in-Progress	225.49	683.86
Interest during the construction period	61.09	90.56
Total	286.58	774.42

Note:- Security Pledge of Assets : Refer to Note 18 on borrowings for details of security pledge of assets.

4.1 Intangible assets as at 31st March 2019 (₹ In Lakhs)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Product Development	236.62	-	-	236.62	236.62	-	-	236.62	-0.00	-0.00
Process Know how	200.68	-	-	200.68	129.07	24.63	-	153.71	46.98	71.61
Softwares	192.46	-	-	192.46	187.53	2.21	-	189.73	2.72	4.93
Mine Development	16.95	6.90	-	23.85	16.11	1.30	-	17.41	6.44	0.85
Total Intangible Assets	**646.71**	**6.90**	**-**	**653.61**	**569.33**	**28.14**	**-**	**597.47**	**56.14**	**77.38**
Total Intangible Assets	**646.71**	**-**	**-**	**646.71**	**512.30**	**57.03**	**-**	**569.33**	**77.38**	**134.41**

Note 4.1.1. Product Development is acquired know how . The useful life of the product development is taken 5 years.

Note 4.1.2 Software includes SAP ERP Licence and Development Fees and Other softwares. For SAP ERP Licence and Development Fees useful life is considered as 7 years and for other softwares the useful life is 5 years.

Note 4.1.3 Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 4.1.4 There is no restriction on the title of intangible assets.

4.2 Intangible assets under development (₹ In Lakhs)

Intangible assets under development	As at March 31, 2019	As at March 31, 2018
Product Development In Progress	21.80	21.80
SAP "ERP" License and Development Fees	80.00	-
Mining lease rights	11.47	9.05
Total	**113.27**	**30.85**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
5	**Non- current financial assets : Investments**		
	Investments in equity shares accounted through OCI (fully paid)		
	Unquoted Equity Shares		
	9,80,000 (31st March, 2018: 6,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited ₹ 10 each fully paid up.	229.04	332.86
	Extent of Holding	19.57%	13.58%
	60,000 Shares of ₹ 10 Each of DMC Limited	6.00	6.00
	Investments in Government Securities		
	National Savings Certificate	1.12	1.12
	Quoted Equity Shares		
	Investments in Mutual Funds		
	IDBI Mutual Funds	5.30	-
	50,000 (31st March, 2018: NIL) units of IDBI Long term value fund - direct plan growth.		
	Total	**241.45**	**339.98**
	(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
	(b) Aggregate amount of unquoted investments; and	241.45	339.98
	(c) Aggregate amount of impairment in value of investments	Nil	Nil
6	**Non- current financial assets : Loans**		
	Security Deposits		
	To Others [Unsecured, considered good]	320.05	289.97
		320.05	289.97
	Loan to Employees [Unsecured, considered good]	-	-
	Total	**320.05**	**289.87**
7	**Non- current financial assets : Others**		
	Deposits with maturity over 12 months		
	Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	53.23	178.00
	Margin Money deposits under lien against Bank Guarantee	0.40	-
	Other Deposits	4.80	-
	Balance with Banks	1.63	-
	Total	**60.07**	**178.00**
8	**Other non- current assets**		
	Capital advances [Unsecured, considered good]	1,094.46	897.86
	Balance with Gratuity Fund	-	0.67
	Mine Development Charges		
	Balances with Government authorities paid under protest	7.71	4.22
	Interest Receivable on Deposits	0.57	
	Total	**1,102.74**	**902.74**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
9	**Inventories***		
	Finished Goods	2,252.48	2,015.81
	Goods in Transit (Raw Materials)	281.64	105.13
	Raw Materials	5,066.86	4,389.75
	Stores and Spares	748.01	686.28
	Stock in Trade	13.90	26.24
	Total	**8,362.88**	**7,223.20**
	* For Valuation- Refer note 2.14 (Accounting Policy)		
	**Refer to Note 18 on borrowings for details in terms of pledge of assets as security.		
10	**Current financial assets : Trade receivables**		
	Unsecured, Considered Good	6,961.12	6,648.14
	credit impaired	212.15	231.76
		7,173.27	6,879.89
	Less: Impairment Allowance for Trade Receivables	(212.15)	(231.76)
	Total	**6,961.12**	**6,648.14**
	*Refer to Note 18 on borrowings for details in terms of pledge of assets as security.		
11	**Current financial assets : Cash and cash equivalents**		
	(a) Balance with banks		
	Balance in Current and Savings accounts	686.50	590.09
	(b) Cash on hand	22.20	15.35
	Total	**708.70**	**605.43**
12	**Current financial assets : Other bank balances**		
	Earmarked balances In unclaimed dividend accounts (Refer Note 12.1)	2.17	1.52
	Margin Money deposits under lien against Bank Guarantee	62.64	98.53
	Deposits with maturity over 3 months but less than 12 months		
	Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	300.68	171.78
	Total	**365.50**	**271.83**

12.1 The balances in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

	Particulars	As at March 31, 2019	As at March 31, 2018
13	**Current financial assets : Loans (including security deposits)**		
	Inter Corporate Deposits	133.82	125.91
	Loans to employees [Unsecured, considered good]	75.23	64.94
	Security and other deposits [Unsecured, considered good]	85.01	65.96
	Total	**294.06**	**256.81**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
The Inter corporate deposit is unsecured in nature and carrying 14% rate of interest. The same ICD is repayable on demand.			
14	**Current financial assets : Others**		
	Insurance claim receivable	-	3.20
	Balances with Tax authorities	177.02	153.53
	Other Current financial assets	45.17	-
	Total	**222.19**	**156.74**
15	**Current assets : Others**		
	Advances for expenses[Unsecured, considered good]		
	To Related parties	28.96	-
	To Staff	0.18	-
	To Others	1,294.08	970.74
		1,323.23	970.74
	Prepaid Expenses	117.88	87.22
	Sales Tax Paid Under Protest	8.14	5.65
	Indirect Tax credit receivable	12.93	156.83
	Group Gratuity Fund	0.20	0.20
	Advance Payment of Income Tax (Net of Provision : 31.03.2019 - ₹ 2,469.12 Lakhs, 31.03.2018 - ₹ 1,674 Lakhs)	162.82	161.19
	Total	**1,625.20**	**1,381.83**

16 Share capital

16.1 Authorised, issued, subscribed, fully paid up share capital

(₹ In Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of ₹ 5 each	6,00,00,000	3,000	6,00,00,000	3,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 5 each fully paid up	3,52,86,502	1,7643.33	3,52,86,502	1,764.33
Total	**3,52,86,502**	**1,764.33**	**3,52,86,502**	**1,764.33**

16.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

(₹ In Lakhs)

Particulars	As at 31st March 2019 Equity Shares of ₹ 5 each fully paid		As at 31st March 2018 Equity Shares of ₹ 5 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the period	3,52,86,502	1,764.33	3,52,86,502	1,764.33
Shares outstanding at the end of the period	3,52,86,502	1,764.33	3,52,86,502	1,764.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

16.3 Terms/ rights attached to equity shares

i The Company has only one class of shares referred to as equity shares having a par value of ₹ 5 each.

ii Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.

iii The dividend proposed if any by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.

iv In the event of liquidation of the parent Company, the holders of equity shares shall be entitled to receive assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

16.4 Shareholders holding more than 5 % of total share capital

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 5 each fully paid				
Eriez Industries Private Limited	8,484,664	24.05%	8,250,235	23.38%
Chandresh S Parikh	3,696,400	10.48%	3,696,400	10.48%
Rajesh Chandresh Parikh				
Rameshbhai Baldevbhai Patel	1,759,743	4.99%	1,759,743	4.99%
Pratik Minerals Private Limited	3,036,206	8.60%	3,036,206	8.60%
Total	**16,977,013**	**48.11%**	**16,742,584**	**47.45%**

16.5 The Parent company has not bought back any equity shares, has not allotted any shares as fully paid up pursuant to contracts without payment being received in cash and has not allotted bonus shares, for the period of five years immediately preceding March 31, 2019.

(₹ In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
17 OTHER EQUITY		
(A) Reserves & Surplus		
a. General Reserve		
Opening Balance	120.54	120.54
Closing Balance	**120.54**	**120.54**
b. Securities Premium Account		
Opening Balance	3,980.13	4001.33
Add: received for shares issued during the Period	-	-
Less; Share issue expenditure	(10.43)	(21.20)
Closing Balance	**3,969.70**	**3980.13**
c. Retained earnings		
Opening balance	8,311.93	6591.64
Add: Profit during the Period	2,490.21	1883.51
Add: Due to change in minority interest	-	15.32
Less: Bonus Issue	0.00	
Add: Remeasurements of post-employment benefit obligation, net of tax	(4.65)	(6.36)
Total	**10,797.49**	**8,484.11**
Less : Appropriations		
Dividend Declared	123.07	142.94
Corporate Tax on Dividend	25.80	29.24
Closing Balance	**10,648.62**	**8,311.93**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

d	**Foreign Currency Translation Reserve**		
	Opening balance	20.05	(31.98)
	Add: Change During the year	10.25	52.03
	Balance at the end of the year	**30.30**	**20.05**
e	Capital reserve on consolidation	92.26	48.88
		92.26	**48.88**
	Total (A)	**14,861.42**	**12,481.53**
(B)	**Equity instrument through OCI**		
	Opening Balance	99.23	(16.63)
	Change in fair value of equity instrument	(133.82)	150.62
	Income tax relating to above item	31.18	(34.75)
	Total (B)	**(3.41)**	**99.24**
	Total other equity (A+B)	**14,858.00**	**12580.77**

Nature and purpose of reserves :

i **General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

ii **Equity instrument through OCI**

The Group has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

18 **Non-current financial liabilities : Borrowings**

(₹ In Lakhs)

Secured	**As at 31st March 2019**		**As at 31st March 2018**	
	Non-Current	**Current***	**Non-Current**	**Current***
Term Loan from Banks	3,104.91	930.80	4,705.57	1,151.01
Total secured borrowing [A]	**3,104.91**	**930.80**	**4,705.57**	**1,151.01**
Unsecured				
Deposits				
From Public & Members	1,371.73	570.01	1,049.49	262.94
From Related Parties	87.50	1.30	56.30	31.50
Vehicle Loans	1.94	1.16	3.09	1.05
Total unsecured borrowing [B]	**1,461.17**	**572.47**	**1,108.88**	**295.49**
TOTAL [A+B]	**4,566.08**	**1,503.27**	**5,814.45**	**1,446.50**

*Amount disclosed under the head "Current financial liabilities : Others" (Note 23)

The Group does not have any continuing defaults in repayment of loans and interest as at the reporting date.

Maturity Profile of Borrowings [as at March 31, 2019]

Secured Borrowings

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

Year-wise **Effective Interest Rate**	**Term Loans from banks** **9.35% to 16%**
2020-21	1,331.03
2021-22	1,050.85
2022-23	723.03
Total	**3,104.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

Unsecured Borrowings

Year-wise Effective Interest Rate	Public Deposits 10.25% - 13.62%
2020-21	588.37
2021-22	870.86
Total	**1,459.23**

Details of Securities

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

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

- i. Plot No. 157 Mamura, Bhuj (admeasuring 3.20 acres)
- ii. Negative lien on Plot No. 158,156,149 of Mamuara, Bhuj (admeasuring 74399 sq.mtrs.)
- iii. Plot No. 172,174 & 175, Vadadala, Baroda (admeasuring 03.00.01 hectares)
- iv. Plot No. F-75/76/82/85 & H-83/84, RIICO I.A., Swaroopganj, Rajasthan (admeasuring 9,457.50 sq.mtrs.)
- v. 307/308, Arundeep Complex, Race Course, Baroda (admeasuring 1,405 super built up area)
- vi. 134,135 1st Floor, Hindustan Kohinoor Ind. Complex, LBs Marg, Vikhroli (W), Mumbai (admeasuring 870 sq. ft.)
- vii. Plot No. B-77 (Admeasuring 8825 sq. mts.) and B-78 (Admeasuring 8480 sq. mts), Matsya Industrial Area, Alwar, Rajasthan.
- viii. Plot no. 253-254 (area 3000 sq.mtrs.) GIDC, Waghodia
- ix. Plot no.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu
- x. Plot no.104/3 of land located at survey no 65, village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)
- xi. Plot No. F 140, Alwar, Rajasthan
- xi Plant and machinery, both present and future, wherever situated at all factories and premises pertaining to above locations.

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

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

3 All the term loans are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, of the company and corporate guarantee by "Eriez Industries Private Limited" , a company where significant influence exists and pledge of entire shareholding of promoters of the Company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of Corporate Promoter being “Eriez Industries Private Limited.

4 Term loans of ₹ 234.14 Lakhs (31/03/2018: ₹ 279.59 Lakhs) obtained for acquisition of assets (vehicles) are secured only by the hypothecation of the respective assets financed.

For 20 Microns Nano Limited

Term Loans from Bank

Primary Security: The term loan is secured way of first charge on all present and future current assets of the Company.

Collateral Security: Term Loan is further secured by way of Second charge on all present and future fixed assets of the Company.

Corporate Guarantee: Corporate Guarantee of 20 Microns Ltd.

Rate of interest is 12.75%.

Unsecured Deposits

Effective Interest Rate **9.25% to 11%**

Year	(Amount in ₹)
2019-20	4,573,229
2020-21 and 2021-22	9,986,908

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
19	**Other Non Current Financial Liabilities**		
	Security Deposits	9.14	13.14
	Total	**9.14**	**13.14**

20 Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2018-19

(₹ In Lakhs)

Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2019
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	2,994.54	163.10	-		3,157.64
Investments	56.99	(0.03)	(31.18)	-	25.78
Loans and borrowings	41.41	(12.46)	-	-	28.94
Employee benefits	0.19	(0.19)	-	-	(0.00)
Total	**3,093.13**	**150.42**	**(31.18)**	**-**	**3,212.37**
Deferred tax Assets					
Employee benefits	19.67	(0.80)	2.43	-	21.30
Tax credit	573.36	-	-	(349.76)	223.60
Provisions	78.27	(4.25)	-	-	74.01
Disallowance u/s 43 B of Income Tax Act, 1961	12.82	(4.77)	-	-	8.05
Share issue expense	6.07	-	-	1.03	7.10
Total	**690.19**	**(9.82)**	**2.43**	**(348.73)**	**334.07**
Net deferred tax Liabilities	**2,402.94**	**160.25**	**(33.61)**	**348.73**	**2,878.30**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(₹ In Lakhs)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
21	**Current financial liabilities : Borrowings**		
	Secured (Repayment on demand)		
	Loan from Banks (Cash credit):	5,076.00	4,885.47
	(Effective Rate of Interest being 11.80% to 12.25%)		
	Unsecured		
	Deposits		
	From Public and Members	1,308.00	1,226.13
	(Effective Rate of Interest being 10.25% - 13.62%)		
	Total	**6,384.00**	**6,111.61**

The group does not have any continuing defaults in repayment of loans and interest as at the reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

Details of Securities

For 20 Microns Limited (Parent Company)

First pari-passu charge by way of hypothecation of:

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

Second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 18.

The working capital finance facilities are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Industries Private Limited", a company where significant influence exists and pledge of entire share holding of promoters of the company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of corporate promoter being "eriez Industries Private Limited"

For 20 Microns Nano Minerals Limited (Subsidiary Company)

Refer Note No. 18 for 20 Microns Nano Minerals Limited.

(₹ In Lakhs)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
22	**Current financial liabilities : Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises -		
	Trade payables (Refer Note 24.1)	113.63	55.28
	Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
	Trade payables - Others	6,543.38	6090.30
	Total	**6,657.01**	**6,145.58**

22.1 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:

	As at 31st March, 2019	As at 31st March, 2018
the principal amount remaining unpaid to any supplier at the end of each accounting year	117.17	55.28
Interest due on (1) above and remaining unpaid as at the end of accounting period	2.45	2.34
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year Interest paid on all delayed payments under MSMED Act,2006	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	As at 31st March, 2019	As at 31st March, 2018
23	**Current financial liabilities : Others**		
	Current maturities of long term borrowings - (Please refer Note 19):-		
	Term Loan		
	- From Banks (Secured)	914.65	1,151.01
	-Vehicle Loans (Secured)	14.26	1.05
	-Vehicle Loans (Unsecured)	3.05	
	- Deposits(Unsecured)	-	
	From Public and Members	560.96	258.43
	From Related Parties	1.30	31.50
		1,494.22	**1,441.99**
	Payable for Capital Goods and Services	-	0.35
	Unclaimed dividend (Refer Note 23.1)	2.17	1.52
	Unclaimed Matured public deposits and Interest	44.74	34.80
	Dues to Bank in Current Account	0.96	86.05
	Employee Benefits Payable	195.64	173.36
	Other current financial liabilities	583.49	545.62
	Total	**2,321.21**	**2,283.68**

23.1 The balance with the bank for unpaid dividend is not available for use by the Group and the money remaining unpaid will be deposited in Investor Protection and Education Fund u/s 124(5) of Companies Act, 2013 after the expiry of seven years from the date of declaration of dividend. No amount is due at the end of the period for credit to Investors education and protection fund.

	Particulars	As at 31st March, 2019	As at 31st March, 2018
24	**Current liabilities : Others**		
	Advance from Customers	359.60	100.17
	Advance from Related Parties	60.53	97.81
	Statutory Dues Payable	-	19.82
	Other Current Liabilities	88.04	22.88
	Total	**508.17**	**240.68**
25	**Current provisions**		
	Provision for employee benefits (Refer note 43)		
	Provision for gratuity	61.37	56.59
	Provision for leave encashment	10.80	5.55
	Provisions for expenses	4.70	0.39
	Total	**76.87**	**62.53**
26	**Details of Income tax assets and income tax liabilities**		
	Advance Payment of Income Tax (Net of Provision : 31.03.2019 - ₹ 2,469.12 Lakhs, 31.03.2018 - ₹ 1,674 Lakhs)	162.82	161.19
	Current income tax liabilities (Net of Advance Tax : 31.03.2019 - ₹ 659.22 Lakhs, 31.03.2018 - ₹ 534.55 Lakhs)	66.37	67.24
	Net Asset (Asset - Liability)	**96.45**	**93.95**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
27	**Revenue from Operations**		
	Sale of products (Including Excise Duty)	47,943.76	43120.96
	Other operating revenues	23.16	18.47
	Total	**47,966.92**	**43,139.43**

27.1
With effect from 01st July, 2017 sales are recorded net of Goods and Service Tax (GST) whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence revenue from operations for the year ended 31st March, 2019 are not comparable with previous period corresponding figures.

27.2 Details of other operating revenues of the group are as under:

Export Incentives	11.33	15.21
Royalty Received	-	71.81
Scrap Sales	11.83	3.26
Total	**23.16**	**90.28**

28	**Other Income**		
	Interest Income	73.48	69.42
	Dividend Income	-	-
	Rent	6.03	4.23
	Net Gain on Foreign Currency Transactions	40.77	-
	Liability no longer required written back	20.21	61.86
	Excess Provision written back	29.11	64.45
	Gain on Fair value of Financial Assets	0.30	0.00
	Other Non-Operating Income	21.99	39.14
	Export Incentives	1.29	-
	Total	**193.17**	**239.10**

*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

29	**Cost of Materials Consumed**		
	Opening Stock of Material	4,330.94	4053.62
	Opening Stock Goods in transit	105.13	105.43
	Add : Purchases	23,889.78	19948.73
		28,325.85	24107.78
	Less : Goods in transit	281.64	105.13
	Less : Closing Stock of Materials	5,066.86	4330.94
	Total	**22,996.71**	**19,671.72**
30	**Purchases of Stock in trade**		
	Purchases of Stock in trade	43.60	388.22
	Total	**43.60**	**388.22**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
31	**Changes in inventories of Finished Goods**		
	Changes in inventories of finished goods, stock in trade and work in progress		
	Inventory at the beginning of the year	2,042.05	1901.08
	Less: Inventory at the end of the year	2,266.38	2042.05
	Total	**(224.33)**	**(140.97)**
32	**Employee benefit expense**		
	Salary, Wages Bonus & Allowances	4,031.11	3518.71
	Contribution to Provident and Other Funds	293.69	210.27
	Managerial Remuneration	201.65	181.77
	Staff Welfare Expenses	146.26	141.15
	Incentive To Employees	10.36	-
	Total	**4,683.07**	**4,051.89**
33	**Finance Costs**		
	Interest on Term Loans	651.24	805.75
	Intereston Working Capital Loans	1,043.77	1022.10
	Other Interests	286.92	269.40
	Other Borrowing Costs	208.06	139.71
	Total	**2,189.99**	**2,236.95**
34	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (refer note 3.1)	1,018.63	976.70
	Amortisation of intangible assets (refer note 5.1)	28.14	57.03
	Total	**1,046.77**	**1,033.73**
35	**Other Expenses**		
	35.1 Manufacturing Expenses		
	Consumption of Stores and Spare Parts	485.53	571.45
	Power and Fuel	4,226.31	4078.19
	Rent	100.51	94.35
	Repairs :		
	Buildings	19.84	15.74
	Plant and Machinery	360.20	367.11
	Excise Duty	-	429.95
	Other Manufacturing & Factory Expenses	439.31	356.93
	Sub Total (A)	**5,631.68**	**5,913.72**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
36.2 Administrative & Other Expenses		
Rent	37.85	36.94
Rates & Taxes	36.97	81.29
Insurance	78.74	79.79
Post, Telephone & Courier	105.86	105.34
Printing and Stationary expenses	42.58	32.60
Legal, Licenses and Renewal expenses	20.39	34.55
Software and Computer Maintenance	31.31	24.54
Travelling & Conveyance	225.66	158.77
Vehicle Running & Maintenance	85.57	79.64
Professional Fees	161.92	140.00
Auditors Remuneration	14.65	14.44
Directors Sitting Fees	14.10	12.74
Loss on Disposal of Tangible Assets	19.39	10.43
Donation	7.05	1.18
Remission of Debit balance	23.93	46.23
Miscellaneous Expenses	223.30	166.07
Loss on Foreign Currency Transactions	-	55.94
CSR Expenditure	41.38	20.20
Sub Total (B)	**1,170.65**	**1,100.68**
36.3 Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	351.01	331.41
Rebate and Discount	3.01	3.28
Sales Commission	50.88	89.91
Bad Debts written off	0.29	7.23
Allowance for impirment loss	28.93	(4.87)
Rent	149.69	140.02
Other Selling Expenses	419.97	296.19
Other Expenses	0.09	-
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	4,375.75	3966.62
Freight and Logistic Expenses (Export)	1,363.77	1288.55
Export Expenses	32.49	-
Service Tax	-	49.53
Sub Total (C)	**6,775.87**	**6,167.87**
Total (A+B+C)	**13,578.20**	**13,182.27**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
35.4 Payment to Auditors		
Audit Fees	12.86	12.02
In Other Capacity	0.60	3.31
Certification Charges and other reimbursement (inluded in Share Issue Expense)	2.99	-
Out of Pocket Expense	1.19	1.65
Total	**17.64**	**16.98**
36 Exceptional Items		
Litigation Settlement Expense (Refer Note 36.1)	-	65.59
Past service cost of Gratuity Expense (Refer Note 36.2)	-	85.26
Total	**-**	**150.85**

36.1 In previous year, Group had entered into a settlement agreement with one of the supplier in respect of winding up petition filled by the supplier pending before hon'ble High Court of Gujarat. As per the agreement Group had agreed to make payment of ₹ 65.59 lakhs in excess of liability in Books of Accounts to the supplier towards settlement as against which supplier accepts to irrevocably release and waive the all claims and entitlements.

36.2 In previous year, the monetary ceiling under the payment of Gratuity Act, 1972 was enhanced from ₹ 10,00,000 to ₹ 20,00,000 with effect from March 29, 2018. The enhanced gratuity liability of ₹ 85.26 Lakhs due to change in monetary ceiling of gratuity as per the law had been shown as exceptional item.

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
37 Tax expense		
(a) Amounts recognised in profit and loss		
Current Tax		
(a) Current income tax	1,190.20	844.33
(b) Short/(Excess) provision of income tax in respect of previous years	0.15	(9.68)
Sub Total (a)	1,190.35	834.65
Deferred tax		
(a) Deferred tax expense / (Income)- net		
Origination and reversal of temporary differences	160.25	76.43
Reduction in tax rate		
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
	160.25	**76.43**
(b) Recognition of tax credit		
Sub Total (b)	**160.25**	**76.43**
Tax expense for the year (a+b)	**1,350.59**	**911.08**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
(b) Reconciliation of effective tax rate		
Profit before tax	3,846.08	2803.87
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.61%)	1,311.03	960.66
Tax effect of:		
Expenses Disallowed	416.88	413.26
Expenses Allowed	(539.85)	(529.59)
Short/(Excess) provision of income tax in respect of previous years	0.15	(9.68)
Capital Gain Tax on Sale of Freehold Land	2.47	-
Current Tax Provision (A)	**1190.67**	**834.65**
Increase/ (Decrease) in Deferred Tax Liability	150.42	35.27
Decrease/(Increase) In Deferred Tax Assets	9.82	41.16
Deferred Tax Provision (B)	**160.24**	**76.43**
Total	**1,350.91**	**911.08**

The Current Tax Rate for the reconciliation has been considered as per the prevailing tax rate and deferred tax is recognized considering the tax rate applicable to the Group in subsequent years.

38 Statement of other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - Gain /(loss)	(133.82)	150.62
Tax impact on unquoted investments	31.18	(34.75)
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	(7.08)	(9.48)
Tax impact on Actuarial gains and losses	2.43	3.28
Total (i)	**(107.30)**	**109.51**
(ii) Items that will be reclassified to profit or loss	-	-
Income tax relating to items that will be reclassified to profit or loss - Gain/(loss)	-	-
Total (ii)	**-**	**-**
Total (i+ii)	**(107.30)**	**109.51**

39 Earning per Share -(EPS)

Earnings per equity share of FV of ₹ 5 each

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

The following reflects the income and share data used in the basic and diluted EPS computations: (₹ In Lakhs)

Particulars	**For the Year ended 31st March 2019**	**For the Year ended 31st March 2018**
Profit for the year (Profit attributable to equity shareholders) (₹ In Lakhs)	2,490.21	1,883.51
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	35286502.00	35286502.00
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	35286502.00	35286502.00
Face Value of equity share (₹)	5.00	5.00
Basic EPS (₹)	7.06	5.34
Diluted EPS (₹)	7.06	5.34

40 CONTINGENT LIABILITIES & CONTINGENT ASSETS AND CAPITAL COMMITMENTS

A) CONTINGENT LIABILITIES

(₹ In Lakhs)

Contingent liabilities (to the extent not provided for)	**As at 31st March, 2019**	**As at 31st March, 2018**
(a) Statutory claims (Refer Note 40.1)	195.88	156.28
(b) Claims against the company not acknowledged as debt (Refer Note 40.2)	419.13	419.13
Total	**615.01**	**575.41**

40.1 Statutory claims

Demand of Sales Tax, Value Added Tax and Central Sales Tax [Net of An amount of ₹ 4.50 lacs deposited under protest (P.Y. ₹ 4.5 lacs deposited under protest)]	37.22	24.75
Demand of Central Excise [Net of An amount of ₹ 5.62 lacs deposited under protest]	31.50	-
Demand of Income Tax (Net of Refund adjusted and paid under protest)	65.56	26.43
Labour disputed cases	7.97	65.39
Other disputed cases	53.63	39.70

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

40.2 Claims against the company not acknowledged as debt

a The Parent had received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch whereby a penalty of ₹ 419.13 lakhs is levied on the Group. Group had filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority, vide its order dated 17th September, 2016 has given Interim Stay against the aforesaid order issued by Geology and Mining Department, Bhuj, Kutch and further ordered to resume mining activity. The matter is pending for hearing before appellate authority.

b In terms of loan arrangement with the lenders, the lenders have right to recompense the reliefs/sacrifice/waiver/concession extended to the company over the tenor of restructuring done in earlier years. The liability with respect to the same cannot be ascertained.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

B) CONTINGENT ASSETS

The Group is having certain claims which are pursuing through legal processes. The Management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

C) CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to ₹ 871.69 Lakhs (Net of Advance ₹ 766.86 Lakhs [31.03.2018 ₹ 476.15lakhs (Net of Advances of ₹ 879 lakhs)

D) OTHER COMMITMENTS

The Group has an export obligation on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods amounting to 68.74 Lakhs (31.03.2018 : 184. 89 Lakh)

41 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

	Carrying amount				Fair value			
March 31, 2019	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1 - Quoted price in active markets**	**Level 2 - Significant observable inputs**	**Level 3 - Significant unobservable inputs**	**Total**
Financial assets								
Investments	5.30	235.04	1.12	241.45	5.30	-	235.04	240.33
Financial assets measured at amortized cost				-				-
Loans (Non-current)	-	-	320.05	320.05	-	320.05	-	320.05
Other financial assets (Non-Current)	-	-	60.07	60.07	-	60.07	-	60.07
Loans (Current)	-	-	294.06	294.06	-	294.06	-	294.06
Other financial assets (Current)	-	-	222.19	222.19	-	-	-	-
Trade receivables	-	-	6,961.12	6,961.12	-	-	-	-
Cash and cash equivalents	-	-	708.70	708.70	-	-	-	-
Other bank balances	-	-	365.50	365.50	-	-	-	-
	5.30	**235.04**	**8,932.80**	**9,173.13**	**5.30**	**674.17**	**235.04**	**914.50**
Financial liabilities measured at amortized cost								
Non current borrowings	-	-	4,566.08	4,566.08	-	4,566.08	-	4,566.08
Other Non Current financial liabilities	-	-	9.14	9.14	-	9.14	-	9.14
Current borrowings	-	-	6,384.00	6,384.00	-	-	-	-
Trade payables (Current)	-	-	6,657.01	6,657.01	-	-	-	-
Other Current financial liabilities	-	-	2,321.21	2,321.21	-	-	-	-
Total	**-**	**-**	**19,937.45**	**19,937.45**	**-**	**4,575.23**	**-**	**4,575.23**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

March 31, 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	-	338.86	1.12	339.98	-	-	338.86	338.86
Financial assets measured at amortized cost	-	-						
Loans (Non-current)	-	-	289.97	289.97	-	289.97	-	289.97
Other financial assets (Non-Current)	-	-	178.00	178.00	-	178.00	-	178.00
Loans (Current)	-	-	256.81	256.81	-	-	-	-
Other financial assets (Current)	-	-	3.20	3.20	-	-	-	-
Trade receivables	-	-	6,648.14	6,648.14	-	-	-	-
Cash and cash equivalents	-	-	605.43	605.43	-	-	-	-
Other bank balances	-	-	271.83	271.83	-	-	-	-
	-	**338.86**	**8,254.50**	**8,593.36**	**-**	**467.97**	**338.86**	**806.83**
Financial liabilities measured at amortized cost								
Non current borrowings	-	-	5,814.45	5,814.45	-	5,814.45	-	5,814.45
Other Non Current financial liabilities	-	-	13.14	13.14	-	13.14	-	13.14
Current borrowings	-	-	6,111.61	6,111.61	-	-	-	-
Trade payables (Current) -	-	-	6,145.58	6,145.58	-	-	-	-
Other Current financial liabilities	-	-	2,283.68	2,283.68	-	-	-	-
Total	**-**	**-**	**20,368.46**	**20,368.46**	**-**	**5,827.60**	**-**	**5,827.60**

Investment in subsidiaries are carried at cost.

Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (i.e...amortised cost). The carrying amounts of financial assets and liabilities of short term nature are considered to be the same as their fair values.

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The fair value of investment in equity shares of other entity is determined based on market value of the shares. The approach taken for valuation is Book value of the equity instruments. The investee company is IND AS compliant company.

Financial instruments measured at fair value - FVTOCI in unquoted equity shares

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2019 and 31 March 18 is as below:

(₹ In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	**338.86**	**182.24**
Acquisitions/ (disposals)	-	6.00
Gains/ (losses) recognised in other comprehensive income	(133.82)	150.62
Gains/ (losses) recognised in statement of profit or loss	-	-
Closing Balance	**235.04**	**338.86**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2019 and the year ended 31st March 2018.

Ind AS 101 allows an entity to designate certain investments in equity instruments as fair valued through the OCI on the basis of the facts and circumstances at the transition date to Ind AS.

The Group has elected to apply this exemption for its investment in equity shares.

Sensitivity analysis

Based on the valuation report for investments in unquoted shares, the sensitivity as at 31st March 2019 is provided below.

(₹ In Lakhs)

Significant observable inputs	31-03-2019	31-03-2018
	OCI	**OCI**
	Decrease/Increase	Decrease/Increase
Equity securities in unquoted investments measured through OCI		
If increase in market value of investments made by 5%	11.75	16.94
If decrease in market value of investments made by 5%	(11.75)	(16.94)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

Board of directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group has a well-define Risk Management framework for reviewing the major risks and taking care of all the financial risks. The risk management framework aims to :

a. create a stable business planning environment by reducing the impact of currency and interest rate fluctuation on company's business plan.

b. achieve greater predictability to earnings by determining the financial value of the expected earning in advance.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities and loans given.

The carrying amount of following financial assets represents the maximum credit exposure:

(a) Cash and Cash equivalent and Other Bank Balances

The Group maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The Group's exposure to credit Risk is the exposure that Group has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Group's major customer base is paints, plastic, rubber and other misc. industries.

The Commercial and Marketing department has established a credit policy.

The Group raises the invoice based on the quantities sold. The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the Group continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognized in profit and loss.

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 10

Movement in Allowance for bad and doubtful Trade receivable

(₹ In Lakhs)

Particulars	31-Mar-19	31-Mar-18
Opening Allowance for bad and doubtful Trade receivable	(231.75)	(258.25)
Provision during the year	-	27.40
Recovery/Adjustment during the year	(7.21)	-
Write off during the year	26.81	(0.90)
Closing Allowance for bad and doubtful Trade receivable	**(212.15)**	**(231.76)**

The impairment provisions above are based on management judgment / assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history as well as forward looking estimates at the end of each reporting period.

(c) Loans and deposits

Group has given inter corporate deposit and security deposits. The maximum exposure to the credit risk at the reporting date from above amounts to ₹ 614.11 Lakhs on March 31, 2019 and ₹ 546.78 Lakhs on March 31, 2018.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Company maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of ₹ 4035.71 Lakhs (at amortised cost) that is secured as mentioned in Note 18. Interest would be payable at the rate of varying from 9.35% to 16%.

(b) The Group has also accepted deposit from share holders and directors amounting to ₹ 3338.55 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 10.25% - 13.62%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(c) For maintaining working capital liquidity Group avails cash credit limit from bank. The amount availed as at 31/03/2019 is ₹ 5076 Lakhs (at amortised cost). Effective Rate of Interest is 11.80% to 12.25%

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

(₹ In Lakhs)

		Contractual cash flows			
March 31, 2019	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	4,566.08	-	4,566.08	-	4,566.08
Non current financial liabilities	9.14	-	9.14	-	9.14
Current Borrowings	6,384.00	6,384.00	-	-	6,384.00
Current Trade payables	6,657.01	6,657.01	-	-	6,657.01
Current Other financial liabilities	2,321.21	2,321.21	-	-	2,321.21
	19,937.45	**15,362.22**	**4,575.23**	**-**	**19,937.45**

(₹ In Lakhs)

		Contractual cash flows			
March 31, 2018	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	5,814.45	-	5,814.45	-	5,814.45
Non current financial liabilities	13.14	-	13.14	-	13.14
Current Borrowings	6,111.61	6,111.61	-	-	6,111.61
Current Trade payables	6,145.59	6,145.59	-	-	6,145.59
Current Other financial liabilities	2,283.68	2,283.68	-	-	2,283.68
	20,368.47	**14,540.87**	**5,827.59**	**-**	**20,368.46**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

a) Currency risk

The functional currency of the Group is Indian Rupee. The Group have transaction of import of materials, other foreign expenditures and export of goods. hence the Group is exposed to currency risk on account of payables and receivables in foreign currency. Group have outstanding balances in Euro, USD and GBP.

(₹ In Lakhs)

Details of foreign currency balances	**As at March 31, 2019**	**As at March 31, 2018**
Trade and Other Payables		
USD	728.66	832.65
Trade Receivables and advances		
Euro	61.52	35.87
USD	1,307.21	1,113.85
GBP	4.29	5.45

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Sensitivity analysis

Profit or loss is sensitive to higher/lower Exchange rate of currency. A possible 5% change in exchange rate would affect profit/loss at the reporting date by amount shown below:

As at 31st March 2019

(₹ In Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity (net of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(36.43)	36.43	(36.43)	36.43
Trade Receivables and advances	68.65	(68.65)	68.65	(68.65)

As at 31st March 2018

(₹ In Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity (net of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(41.63)	41.63	(41.63)	41.63
Trade Receivables and advances	57.76	(57.76)	57.76	(57.76)

b) **Interest rate risk**

Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Group's interest rate exposure is mainly related to debt obligation. On period under review the Group do not have any term loans at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate. The Group have accepted deposits from share holders which are fixed rate instruments.

(₹ In Lakhs)

Interest bearing instruments	As at 31st March 2019	As at 31st March 2018
Non current - Borrowings	4,566.08	5,814.45
Current portion of Long term borrowings	1,503.27	1,446.50
Short term borrowings	6,384.00	6,111.61
Total	**12,453.35**	**13,372.56**

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates

Based on the composition of debt a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

Details of foreign currency balances	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp Increase	100 bp Increase	100 bp Increase
31st March 2019				
Non current - Borrowings	(45.66)	45.66	(45.66)	45.66
Current portion of Long term borrowings	(15.03)	15.03	(15.03)	15.03
Total	**(60.69)**	**60.69**	**(60.69)**	**60.69**
31st March 2018				
Non current - Borrowings	(58.14)	58.14	(58.14)	58.14
Current portion of Long term borrowings	(14.46)	14.46	(14.46)	14.46
Total	**(72.61)**	**72.61**	**(72.61)**	**72.61**

c) **Commodity Price Risk**

Commodity price risk arises due to fluctuation in prices of raw Material and other consumables. The Group has risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The Group's commodity risk is managed centrally through well established trading operations and control processes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

d) Equity Price Risk

The group do not have any investment in quoted equity shares hence not expose to equity price risk.

42 Capital Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group determines the amount of capital required on the basis of the annual business plan coupled with long term and short term strategic investments and expansion plans. The funding needs are met through equity, cash generated from operations, long terms and short term bank borrowings and deposits.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The group's adjusted net debt to equity ratio is as follows.

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest bearing borrowings	12,453.35	13,372.56
Less : Cash and bank balances	(1,134.26)	(1,055.27)
Adjusted net debt	11,319.09	12,317.29
Borrowings	12,453.35	13,372.56
Total equity	16,622.33	14,345.09
Adjusted net debt to adjusted equity ratio	0.68	0.86
Debt equity ratio	0.75	0.93

43 Disclosure Of Employee Benefits

43.1 In the case of Company

The Company has implemented Ind AS - 19 on "Employee Benefits".

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is ₹ 179.36 Lakhs (Previous year ₹ 148.77 Lakhs)

(b) superannuation fund - Defined Contribution Plan

As per scheme and eligibility critaria decided by the company, eligible employees are entitle to super anuuation. Amount charged to profit and loss during the period of 12 months ended is ₹ 36.27 Lakhs. (P.Y. Nil)

(c) Gratuity - Defined Benefit Plans

Provision has been made for gratuity as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

(₹ In Lakhs)

Assumptions		Gratuity March 31, 2019	Gratuity March 31, 2018
A.	Discount rate	7.65%	7.60%
	Salary Growth rate	7.50%	7.50%
B.	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	686.31	516.16
	Current Service Cost	53.32	42.95
	Interest Cost	48.72	34.62
	Components of acturial gain/losses on obligations:	-	-
	Due to change in financial assumptions	(3.01)	(27.22)
	Due to change in Demographic assumptions	(2.37)	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

	Due to experience adjustments	14.73	42.47
	Past Service Cost	-	85.26
	Benefits Paid	(25.76)	(7.93)
	Closing Defined Benefit Obligation	**771.94**	**686.31**
C.	**Reconciliation of Planned Asset**		
	Opening fair Value of plan assets	629.72	543.77
	Interest Income	46.45	38.11
	Return on plan assets excluding amounts included in interest income	3.33	5.77
	Contributions by employer	60.00	50.00
	Benefits Paid	(25.76)	(7.93)
	Closing Value of plan assets	**713.74**	**629.72**
D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	53.32	42.95
	Net Interest Cost	2.27	(3.49)
	Past service cost and loss/(gain) on curtailments and settlements	-	85.26
	Total included in 'Employee Benefit Expense'	**55.60**	**124.73**
	Other Comphrehensive Income for the current Period		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	(3.01)	(27.22)
	Due to change in Demographic assumptions	(2.37)	-
	Due to experience adjustments	14.73	42.47
	Return on plan assets excluding amounts included in interest income	(3.33)	(5.77)
	Amount recognized in Other Comprehensive Income	**6.01**	**9.48**
E.	**Reconciliation of Net defind Benefit Obligation**		
	Net opening provisions in Books of accounts	56.59	(27.62)
	Employee Benefit Expense	55.60	124.73
	Amount recognized in Other Comprehensive Income	6.01	9.48
	Contributions to Plan asset	(60.00)	(50.00)
	Closing provision in books of accounts	**58.20**	**56.59**
F.	**Current/Non-Current Liability :**		
	Current*	58.20	56.59
	Non-Current	-	-
	Net Liability	**58.20**	**56.59**

*The Company liability is calculated as expected reduction in contributions for the next 12 months.

(c) Amounts recognised in current year and previous three years

(₹ In Lakhs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
A. Gratuity		
Present value of Defined Benefit Obligation	771.94	686.31
Fair value of Plan Assets	713.74	629.72
(Surplus) / Deficit in the plan	58.20	56.59
Actuarial (Gain) / Loss on Plan Obligation	9.34	15.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-19	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	742.84	802.96
Salary growth rate (0.5% movement)	793.78	751.98
Withdrawal rate (W.R.) Sensitivity	775.43	768.26

	31-Mar-18	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	660.80	713.53
Salary growth rate (0.5% movement)	706.19	666.74
Withdrawal rate (W.R.) Sensitivity	689.25	682.62

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58,68 or 72 years

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The company has participated in Group Gratuity Scheme Plan with SBI Life insurance to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year.

(a) Composition of the plan assets

Particulars	As at March 31, 2019	As at March 31, 2018
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(c) Expected benefit payments as on 31 March 2019.

Particulars	1-5 years	6-10 years
Cash flow (₹)	325.47	383.02
Distribution (in %)	21%	24.50%

(g) Other Notes:

(i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.

(ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

43.2 In the case of 20 Microns Nano Minerals Limited

The Company has implemented Ind AS - 19 on "Employee Benefits".

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is ₹ 8,84,250/-

(b) Gratuity and Leave Encashment - Defined Benefit Plans (payable in future)

Provision has been made for gratuity as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

(₹ In Lakhs)

Assumptions	Gratuity March 31, 2019	Gratuity March 31, 2018
A. Discount rate	7.55%	7.65%
Rate of return on plan assets	7.55%	7.65%
Salary Growth rate	6.00%	6.00%
B. Change in Defined Benefit Obligations		
Liability at the beginning of the year	9.85	6.79
Interest Cost	0.74	0.53
Current Service Cost	2.93	2.11
Past service cost	-	0.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

	Prior year Charge	-	-
	Benefits Paid	(0.81)	(0.20)
	Actuarial loss/ (gain) due to experience adjustment	0.79	(0.01)
	Actuarial (Gain) / Loss due to change in financial estimate	0.14	0.26
	Total Liability at the end of the year	**13.65**	**9.85**
C.	**Change in Fair Value of plan Assets**		
	Opening fair Value of plan assets	10.51	6.12
	Interest Income	0.91	.56
	Return on plan assets excluding amounts included in interest income	(0.14)	0.03
	Contributions by employer	-	4.00
	Benefits Paid	(0.81)	(0.20)
	Closing fair Value of plan assets	**10.47**	**10.51**
D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	2.93	2.11
	Net Interest Cost	(0.16)	(0.03)
	Past service cost and loss/(gain) on curtailments and settlements	-	0.36
	Total included in 'Employee Benefit Expense'	**2.77**	**2.44**
	Other Comphrehensive Income for the current Period		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	0.14	0.26
	Due to change in Demographic assumptions	-	-
	Due to experience adjustments	0.79	(0.01)
	Return on plan assets excluding amounts included in interest income	0.14	(0.03)
	Amount recognized in Other Comprehensive Income	**1.07**	**0.22**
E.	**Balance Sheet Reconciliation**		
	Opening Net Liability	(0.67)	0.67
	Employee Benefit Expense	2.77	2.44
	Amounts recognized in Other Comprehensive Income	1.07	0.22
	Contributions to Plan Assets	-	(4.00)
	Benefits Paid	-	-
	Closing Liability	**3.17**	**(0.67)**
F.	**Current/Non-Current Liability :**		
	Current*	**3.17**	**(0.67)**
	Non-Current	**-**	

*The Group liability is calculated as expected reduction in contributions for the next 12 months.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

(c) Amounts recognised in current year and previous three years

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Gratuity		
Present value of Defined Benefit Obligation	13.65	9.85
Fair value of Plan Assets	10.47	10.51
(Surplus) / Deficit in the plan	3.17	(0.67)
Actuarial (Gain) / Loss on Plan Obligation	0.00	0.25
Actuarial Gain / (Loss) on Plan Assets	0.00	(0.03)

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-19	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	12.95	14.40
Salary growth rate (0.5% movement)	14.38	12.94
Withdrawal rate (W.R.) Sensitivity	13.67	13.62

	31-Mar-18	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	9.33	10.40
Salary growth rate (0.5% movement)	10.40	7.18
Expected working lifetime (varied by 2 years)	9.86	9.83

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The Group has participated in Group Gratuity Scheme Plan with SBI Life insurance to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year.

(a) Composition of the plan assets

(₹ In Lakhs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(c) Expected benefit payments as on 31 March 2019.

Particulars	**1-5 years**	**6-10 years**
Cash flow (₹)	311,878	1,176,480
Distribution (in %)	8.94%	33.70%

(g) Other Notes:

(i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the group's policy for the Plan Assets management.

(ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

44 Related Party Transactions:

44.1 List of Related Parties

Sr. No.	**Name of Related Parties**	**Nature of Relationship**
1	20 Microns Foundation trust	Entity over which Significant Influence Exists
2	Shri C.S.Parikh	Chairman & Managing Director, Key Management Personnel
3	Shri R.C.Parikh	Managing Director, Key Management Personnel
4	Shri. A.C.Parikh	Whole Time Director, Key Management Personnel
5	Smt. I.C.Parikh	Relative of Key Management Personnel

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

6	Smt. S.R.Parikh	Director, Key Management Personnel
7	Smt. P.A.Parikh	Relative of Key Management Personnel
8	Mr N R Patel	Chief Financial Officer, Key Management Personnel
8	Smt. A. K. Muley	Company Secretary, Key Management Personnel
9	Ms.Komal Pandey	Company Secretary of subsidiary company, Key Management Personnel

44.2 Transactions with Related Parties

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	**20 Microns Foundation trust**	**Entity over**		
	Expenses :	**which Significant**		
	Donation paid	**Influence Exists**	6.00	13.07
2	**Shri C.S.Parikh**	**Chairman & Managing**		
	Remuneration paid	**Director, Key**		
	short-term employee benefits	**Management Personnel**	61.41	61.66
	other long-term benefits		6.36	4.58
	Interest on Deposit		12.32	7.42
	Commission paid		1.30	-
	Others :			
	Deposit Received / Renewed		10.00	75.00
	Deposit Paid During the Year			25.00
	Deposit Outstanding		60.00	60.00
3	**Shri R.C.Parikh**	**Managing Director,**		
	Expenses :	**Key Management**		
	Remuneration paid	**Personnel**		
	short-term employee benefits		54.38	53.54
	other long-term benefits		4.86	4.25
	Commission Paid		1.20	-
4	**Shri. A.C.Parikh**	**Whole Time Director,**		
	Expenses :	**Key Management**		
	Remuneration paid	**Personnel**		
	short-term employee benefits		55.29	50.93
	other long-term benefits		3.96	3.47
	Interest on Deposit		0.60	0.63
	Others :			
	Deposit Received/ Renewed		-	5.00
	Deposit Paid During the Year		-	
	Deposit Outstanding		5.00	5.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

5	**Smt. I.C.Parikh**	**Relative of Key**		
	Expenses :	**Management**		
	Interest on Deposit	**Personnel**	2.03	2.21
	Others :			
	Deposit Received/ Renewed		15.50	-
	Deposit Paid During the Year		-	-
	Deposit Outstanding		15.50	15.50
6	**Smt. S.R.Parikh**	**Director, Key**		
	Expenses :	**Management**		
	Interest on Deposit	**Personnel**	0.12	-
	Rent		7.10	6.45
	Others :			
	Deposit Received/ Renewed		1.00	-
	Deposit Paid During the Year		-	-
	Deposit Outstanding		1.00	-
7	**Smt. P.A.Parikh**	**Relative of Key**		
	Expenses :	**Management**		
	Interest on Deposit	**Personnel**	0.61	0.70
	Others :			
	Deposit Received/ Renewed		5.00	-
	Deposit Paid During the Year		-	-
	Deposit Outstanding		5.00	5.00
8	**Mr N R Patel**	**Chief Financial Officer,**		
	Expense	**Key Management**		
	Remuneration paid	**Personnel**		
	short-term employee benefits		31.86	29.64
	other long-term benefits		2.00	0.47
9	**Smt.A.K.Muley**	**Company Secretary,**		
	Expenses :	**Key Management**		
	Remuneration Paid	**Personnel**		
	short-term employee benefits		11.13	10.04
	other long-term benefits		0.80	0.61
	Interest on Deposit		0.24	0.14
	b) Others :			
	Deposit Received / Renewed		1.00	1.30
	Deposit Paid		-	-
	Deposit Outstanding		2.30	1.30
10	**Ms. Komal Pandey**	**Company Secretary,**		
	Remuneration Paid	**Key Management**	2.60	0.80
	Balance as period end	**Personnel**	0.19	0.06

Notes

1 The following are the list of Independent Directors with whom no transaction have been occurred during the Financial Year 2018-19 other than payment of sitting fees:

a) Mr. Pravinchandra M Shah

b) Mr. Ram Devidayal

c) Mr. Atul Patel

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

d) Dr. Ajay Ranka
e) Mr. Sudhir Parikh
f) Mrs. Darsha Kikani

2 20 Microns Nano Minerals Ltd, 20 Microns SDN BHD, 20 Microns FZE have been using software package being "SAP" by 20 Microns Limited without payment of Consideration.

45 Segment Reporting

The Group primarily operates in the segment of Micronized Minerals. The MD/CEO of the Company allocate resources and assess the performance of the Group, thus are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

a) Information about product and services:

Sale of Minerals	:	₹ 47,802.17 Lakhs
Sale of Herbal Products	:	₹ 23.16 Lakhs
Sale of Construction Chemicals	:	₹112.98 Lakhs
Sale of Fertilizers	:	₹ 5.46 Lakhs

b) Information about geographical areas :

1. The Group have revenues from external customers attributable to all foreign countries amounting to ₹ 8284.16 Lakhs and entity's country of domicile amounting to ₹ 39682.76 Lakhs.
2. Non Current assets located outside India amounts to INR 3.55 Lakh.

c) Information about major customers :

There is two customers to the group which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹ 10734.44/- lakhs.

46 RESEARCH AND DEVELOPMENT EXPENDITURE

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

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Revenue expenditure		
Employee benefit expenses	93.27	56.52
Other expenses	53.63	57.64
Other expenses	27.96	29.43
Total	**146.90**	**114.16**

47 Disclosure of IND AS 115 "Contract with Customers"

IND AS 115 Revenue from contracts with customers was issued on 28th March, 2018 and supersedes IND AS 11 construction contracts and IND AS 18 revenue and it applies with limited exception, to all reveue arising from contracts with its customer. Uner IND AS 115, revenue is recognised when a customer obtain control of goods or services. The Group has adopted Ind AS 115 "Revenue from Contracts with Customer" w.e.f 01.04.2018. In accordance with the first time option available in the standard, the group has choosen the cumulative effect option and accordingly, the comparatives have not been restated in line with the requirement of the standard. The effect on adoption of the said standard is not significant on these financial statements. Additionally, the disclosure requirements in IND AS 115 have not generally been applied to comparative information.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2019 [Contd.]

Contract Balances

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	6,961.12	6,648.14
Contract Liabilities	359.60	100.17

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to ₹ 359.60 Lakhs .

48 Lease

a Expenses

The Group has obtained several premises for its business operations under leave and license agreements. These are generally not non-cancellable 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 ₹ 331.85 Lakhs (Previous Year ₹ 326.21 lakhS)

b Income

The Group 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 ₹ 71.04 lakhs (Previous Year ₹ 71.02 lakhs)

49 Additional Information required by Schedule III

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

Sr. no.	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in Total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or Loss	Amount	As % of other comprehensive income	Amount	As % of Total comprehensive income	Amount
A	**Parent**								
	20 Microns Limited	91.09%	15,208.23	87.01%	2,171.28	99.30%	(106.55)	86.46%	2,064.72
B.	**Subsidiaries**								
I.	**INDIA**								
	20 Microns Nano Minerals Limited	16.41%	2,739.89	9.80%	244.59	0.70%	(0.75)	10.21%	243.84
	20 MCC Private Limited	0.36%	60.30	-0.55%	(13.78)	0.00%	-	-0.58%	(13.78)
II.	**FOREIGN**								
	20 Microns SDN BHD	2.19%	365.21	2.63%	65.72	0.00%	-	2.75%	65.72
	20 Microns FZE	1.07%	179.02	2.16%	53.87	0.00%	-	2.26%	53.87
	20 Microns Vietnam Limited	0.24%	39.45	0.42%	10.43	0.00%	-	0.44%	10.43
	Total	**111.36%**	**18,592.11**	**101.47%**	**2,532.11**	**100.00%**	**-107.30**	**101.53%**	**2,424.80**
	Adjustment due to consolidation	-11.36%	(1,896.04)	-1.47%	(36.61)	0.00%	(0.00)	-1.53%	(36.61)
	Total	**100.00%**	**16,696.07**	**100.00%**	**2,495.49**	**100.00%**	**(107.30)**	**100.00%**	**2,388.19**

50 Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.
As per our report attached

For J H Mehta & Co.
Chartered Accountants
Firm Reg. No. 106227W

Naitik J Mehta
Partner
M. No. 130010

Place : Ahmedabad
Date : May 28, 2019

For and on behalf of Board of Directors

C.S. Parikh
Executive Chairman
DIN # 00041584

Rajesh C. Prikh
CEO & MD
DIN # 00041610

N. R. Patel
Chief Financial Officer

Anuja K. Muley
Company Secretary
A21243

Waghodia
May 28, 2019

20 MICRONS
L I M I T E D

Regd. Office : 9-10, GIDC Industrial Estate, WAGHODIA – 391 760. Dist. : Vadodara.
CIN : L99999GJ1987PLC009768
Phone : +91 75748 06350 • **Fax :** +91 2668 - 264003
E-mail : co_secretary@20microns.com • **Website :** www.20microns.com

ATTENDANCE SLIP

32st 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 32nd 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 Tuesday the 13th August, 2019.

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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20 MICRONS
L I M I T E D

Regd. Office : 9-10, GIDC Industrial Estate, WAGHODIA – 391 760. Dist. : Vadodara.
CIN : L99999GJ1987PLC009768
Phone : +91 75748 06350 • **Fax :** +91 2668 - 264003
E-mail : co_secretary@20microns.com • **Website :** www.20microns.com

Form No. : MGT - 11

PROXY FORM

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

Name of Member[s]/Proxy ______________________

Registered Address ______________________

E-Mail ID ______________________

Folio No./Client ID ______________________

DP ID ______________________

I/We, being the Member[s] holding ______________________ shares of the above-named Company, hereby appoint -

1. Name : ______________________
   Address : ______________________
   ____
   E-Mail-ID : ______________________ Signature ______________________ or failing him
2. Name : ______________________
   Address : ______________________
   ____
   E-Mail-ID : ______________________ Signature ______________________ or failing him
3. Name : ______________________
   Address : ______________________
   ____
   E-Mail-ID : ______________________ Signature ______________________

failing him my/or proxy to attend and vote on a poll for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Tuesday, the 13th August, 2019 at the Conference Room of 347, GIDC Industrial Estate, WAGHODIA - 391 760. Dist. : Vadodara at 3.00 pm 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 Standalone & Consolidated Financial Statements for the year ended 31.03.2019	For / Against
2	Re-appointment of Mrs. Sejal R. Parikh	For / Against
	SPECIAL BUSINESS	
3	Ratification of remuneration of Cost Auditors	For / Against
4	Re-appointment of Mr. Ramkisan Devidayal as an Independent Director for 2nd term of further 5 years	For / Against
5	Re-appointment of Mr. Atul Patel as an Independent Director for 2nd term of further 5 years	For / Against
6	Re-appointment of Mr. Jaideep Verma as an Independent Director for 1st term of 5 years	For / Against
7	Payment of Remuneration to the Whole- time Directors	For / Against
8	Payment of Commission to the Non - Executive Directors	For / Against

Signed this __________ day of September, 2019

Affix ₹ 1 Revenue Stamp

Signature of Shareholder _______________

Note : This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of attorney, if any, under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting. For the resolutions, explanatory statement and notes, please refer the Notice of the 32nd Annual General Meeting.


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