Years of Excellence 33

2019-20 ANNUAL REPORT

20 MICRONS®
LIMITED

INDUSTRIAL MINERALS
SPECIALTY CHEMICALS
CONSTRUCTION CHEMICALS
MINERAL FERTILIZERS
HERBAL SUPPLEMENTS

20 MICRONS®
LIMITED

33 Years of Excellence

From Desk of Executive Chairman

2019-20

Dear Shareholders,

This year due to the pandemic scenario and as per the guidelines of the Ministry of Corporate Affairs, we are meeting on this virtual platform through Video calling and I am delighted to WELCOME you all, on behalf of the entire Board of Directors at the 33rd Annual General Meeting of 20 Microns Limited to review 2019-20, the year passed by.

Due to outbreak of COVID-19 pandemic globally and consequent lockdown imposed by the Government of India from March 25, 2020 to curb its wide spread, a massive economic disruption and social distress has been witnessed in India. With the opening of domestic and international market post lockdown, business started improving in a slow and gradual manner. Though there was no significant impact on the business of the Company for FY2020 but considering the wide spread and varying degree of intensity of pandemic across the countries where 20ML operates, the economic impact during FY2021 seems evident across the industry. The management is meticulously analyzing the situation and getting adequately prepared to emerge stronger in the longer term.

Following are the financial highlights of FY 2019-20 -

- 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. Revenue for the FY20 was up by 13.54 %.
- For FY20 EBIDTA margin was 13.35% 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 FY20 stood at increased level @ 14.98 %.
- Company's debt-equity ratio came down from 0.64 in 2020 and it was 0.77 in 2019.
- Net Worth of the Company is increased to Rs. 17340.66 Lakhs as on March 31 2020 as compared to Rs. 15208.23 Lakhs as on March 31, 2019.

The CNC division of the Company covers many industries with the majority share lying with the Paint Industry, inclusive of Architectural, Powder Coatings, Industrial and Special purpose coating, and focused share with developing applications of allied base industries like Agrochemicals, Adhesives & Sealants, Construction, Hydrocarbon, Foundry, Ceramics, Detergent, Textile and other established industries i.e. Paper and Ink etc.

Our sales growth is dependent upon the growth of overall market Consumption of Paint, Print Media, Ceramics Products, Construction Chemicals, Automobile etc. The financial year 2019-20 was quite challenging in itself due to the conservative spending approach in the market especially the real-estate segment.

Fiscal 2019 – 20 has seen a tectonic shift in the polymer industry as lot of conventional products are getting replaced by biodegradable plastics taking into account the environmental safety norms as per the latest guidelines issued by the Government. This along with the volatile market scenario of oil and petroleum globally, Indian plastic industry has passed through a roller coaster ride all throughout the fiscal year. Also the last phase of the year has observed a disturbance followed by a nationwide lockdown due to COVID-19 spread globally. In spite of such an inconsistent market scenario achieving overall 9 % volume growth compared to last year is a laudable performance.

Further, the Construction & Chemicals division of the Company has during the year 2019-20, introduced new products viz. Tigersil, Koolsil, Gypsum, Color Floor Silica, which are gradually picking up the targeted markets.

Talking overall about the Fertiliser division, now-a-days most of farmers are educated and they have started making their minds to use natural plant growth promoters instead of synthetic fertilizers. Trend is now towards organic farming and even urban society has also started paying little higher price to use organic product for their day to day consumption. Our Product is designed in Pallet form which dilute and disperse slowly over the period and feed nutrient gradually which makes crop healthy. The trend is now setting up to educate the farmers and cultivators to switch over to the Organic farming instead of synthetic ones in the interests of all. Besides, your Company has come out with couple of products for different agricultural segment which are completely natural and produced from mineral bland which helps to improve soil fertility and crops to get required nutrients to withstand against decease.

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

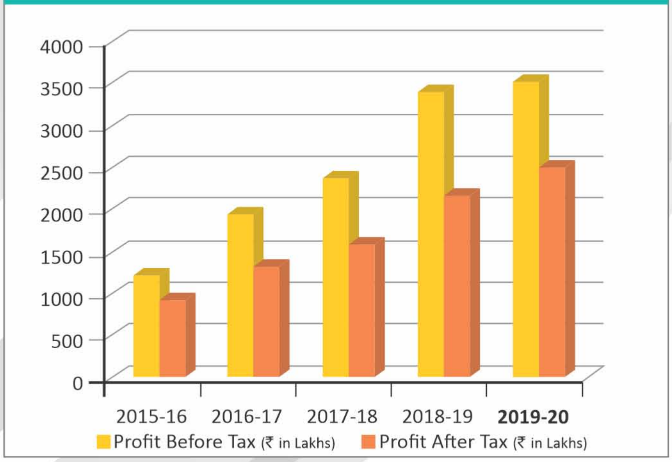
Immense of opportunities having converted into milestones with sincere efforts by Team 20, I am thankful to the entire Team 20 and all my Stakeholders, Bankers, Customers etc. for having reposed confidence in the Company and placed their utmost efforts with dedication and sincerity.

Thank you all,

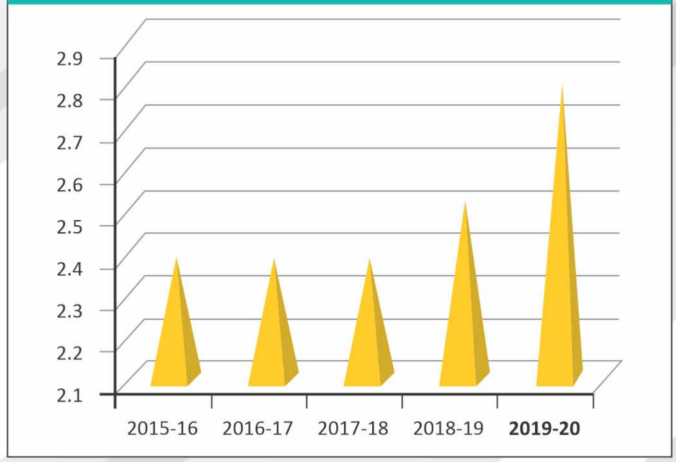
Chandresh S. Parikh
Executive Chairman

Performance **INDICATORS** (STANDALONE)

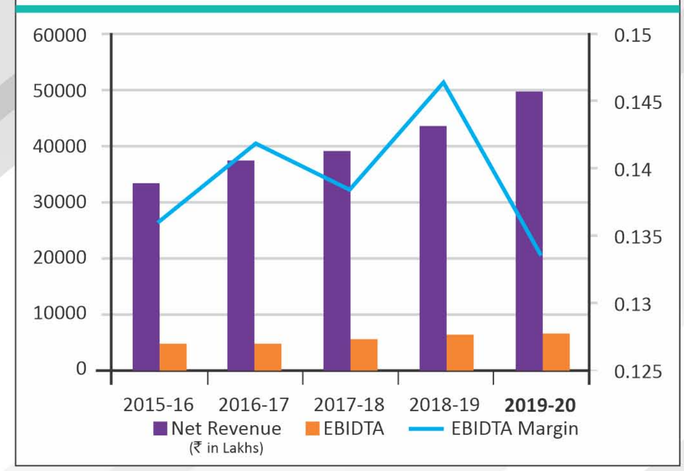
Profit Before Tax & Profit After Tax



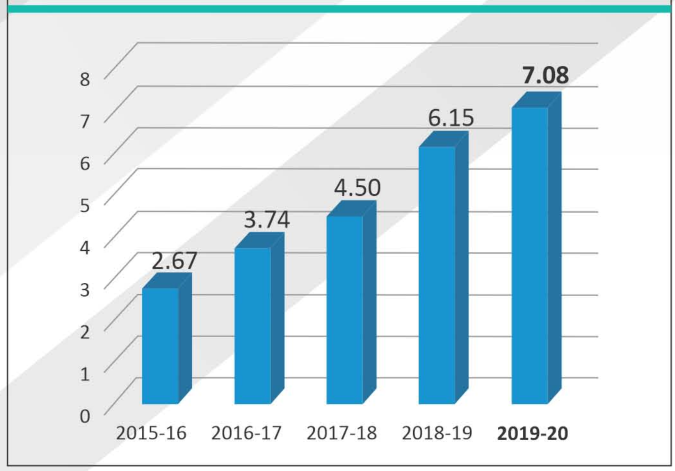
Assets Turnover ratio (excluding CWIP)



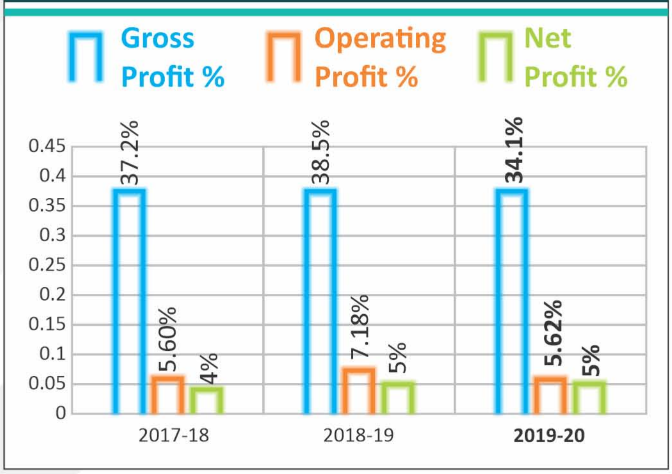
Net Revenue - EBIDTA - EBIDTA Margin



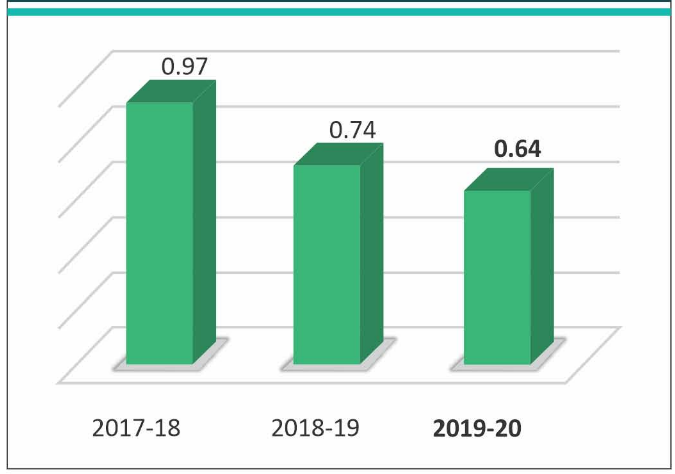
EPS



Gross Profit - Operating Profit - Net Profit



Debt Equity Ratio



Board of Directors

(As on 8th June, 2020)

Mr. Rajesh C. Parikh
CEO & Managing Director

Mr. Chandresh S. Parikh
Executive Chairman

Mr. Atil C. Parikh
Managing Director

Mrs. Sejal R. Parikh
Director

Mr. Ramkisan A. Devidayal
Independent Director

Mr. Atul H. Patel
Independent Director

Dr. Ajay I. Ranka
Independent Director

Mr. Jaideep B. Verma
Independent Director

Chief Financial Officer
Mr. Narendra R. Patel

Company Secretary
Mrs. Anuja K. Muley

Audit Committee
Mr. Ramkisan A. Devidayal - Chairman
Mr. Atul H. Patel -Member
Dr. Ajay I. Ranka -Member

Nomination & Remuneration Committee
Mr. Ramkisan A. Devidayal-Chairman
Mr. Chandresh S. Parikh-Member
Mr. Atul H. Patel-Member
Mr. Jaideep B. Verma -Member

Stakeholders' Relationship and Share Transfer Committee
Mr. Ramkisan A. Devidayal – Chairman
Mr. Rajesh C. Parikh - Member
Mr. Atil C. Parikh - Member

CSR Committee
Mr. Chandresh S. Parikh – Chairman
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

Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 33rd Annual General Meeting of the Shareholders of **20 Microns Limited** will be held on Friday, the 25th day of September, 2020 at 03.00 p.m. **through Video Conference (VC) or Other Audio Visual Means (OAVM),** to transact the following business -

ORDINARY BUSINESS

1. To receive, consider and adopt:

a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 including Audited Balance Sheet as at March 31, 2020, 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, 2020 including Audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, together with the Report of the Auditors thereon.

2. To confirm the payment of Interim Dividend on equity shares

3. To appoint a Director in place of Mr. Rajesh C. Parikh (DIN 00041610), 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

4. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 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 March 31, 2021, be and is hereby ratified.

5. To re-appoint Dr. Ajay I. Ranka 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), Dr. Ajay I. Ranka (DIN: 01676073), 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 upto the conclusion of the Annual General Meeting to be held in the year 2025."

By Order of the Board of Directors

Place : Vadodara
Date : 13th August, 2020

Anuja K. Muley
Company Secretary &
Compliance Officer
A: 21243

Notes:

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through VC /OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC /OAVM.
- An explanatory statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars on AGM through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Corporate members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf/jpeg format) authorizing their representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the company by email through its registered email address to co_secretary@20microns.com with a copy marked to helpdesk.evoting@cdslindia.com.
- In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18th September, 2020 to Friday, 25th September, 2020 (both days inclusive).

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

- Members holding equity shares in physical form and who have not yet registered their nomination are requested to register the same with the Company's RTA at investor@cameoindia.com and Members holding equity shares in demat form are requested to send their nomination to their Depository Participant(s).
- Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 18 September 2020 through email on co_secretary@20microns.com. The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
- In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.20microns.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL i.e. www.evotingindia.com.
- In terms of Section 152 of the Act, Mr. Rajesh C. Parikh (DIN 00041610), retires by rotation at this Meeting and being eligible, offers herself for re-appointment. The Board of Directors of the Company recommends his re-appointment. Details of the Director proposed to be re-appointed as required in terms of SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings (SS - 2) issued by The Institute of Company Secretaries of India, are provided at the end of this Notice.
- In terms of Section 124 of the Act read with MCA General Circular No. 16/2020 dated 13 April 2020, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company will be transferring the dividend for the financial year ended March 31, 2013 on or before 28th November, 2020 and the company will also transfer corresponding shares to IEPF. Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund.
- All the documents referred to in the accompanying notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 shall be available for inspection through electronic mode. Members are requested to write to the Company on co_secretary@20microns.com for inspection of said documents.
- Scan copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding' maintained under Section 170 of the Act and the 'Register of Contract and Arrangements' in which Directors of the Company are interested under Section 189 of the Act, shall be accessible to members during 33rd AGM upon login at CDSL e-voting platform at https://www.evoting.cdsl.com
- To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for a long time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
- In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1 April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
- The Meeting shall be deemed to be held at the Conference Hall, 347, GIDC Industrial Estate, Waghodia – 391 760, Dist. Vadodara.
- Since the AGM will be held through VC / OAVM, the route map to the venue is not annexed to this Notice.
- **Voting Options**

REMOTE E-VOTING THROUGH ELECTRONIC MEANS

1. THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE VOTING ARE AS UNDER:

(i) The voting period begins on Tuesday, 22nd September, 2020 at 10.00 a.m. and ends on Thursday, 24th September, 2020 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 17th September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

(vii) If you are holding shares in 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.

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

(viii) 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 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 (v).

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

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the 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.

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

(xii) Click on the EVSN for 20 Microns Limited.

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

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

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

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

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

(xviii) If a 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Internet. Please follow the instructions as prompted by the mobile app while voting on your mobile.

2. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for remote e-voting for the resolutions proposed in this Notice

i) For shareholders holding shares in physical form - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) by email to Company/RTA's email ID at co_secretary@20microns.com or agm@cameoindia.com respectively.

ii) For shareholders holding shares in dematerialised form - please provide Demat account details (CDSL- 16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name of shareholder, client master or copy of Consolidated Demat Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA's email ID at co_secretary@20microns.com or agm@cameoindia.com respectively.

iii) The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the aforesaid shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM

1. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
2. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
3. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
4. Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to minimise / mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance between 16 September 2020 and 20 September 2020 mentioning their name, demat account number/folio number, email ID, mobile number at co_secretary@20microns.com.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. Members may note that the Company reserves the right to restrict the number of questions and number of speakers during the AGM, depending upon availability of time and for conducting the proceedings of the meeting smoothly.
8. Members who need assistance before or during the AGM, or 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 or call 1800225533.
9. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

I. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

II. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

III. After receiving the login details a "Compliance User" should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

IV. 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.

V. 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.

VI. Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., to the Scrutinizer and to the Company at the email address viz co_secretary@20microns.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

OTHER INSTRUCTIONS

I. Shareholders can update/register their mobile numbers and e-mail IDs (which may be used for sending future communication(s)) on link- http:// investor.cameoindia.com for getting notice and annual report of the Company.

II. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 17th September, 2020 may obtain the login ID and password by sending an email to co_secretary@20mocrons.com or agm@cameoindia.com or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID and Client ID No.

III. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the Meeting.

IV. 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 fair and transparent manner.

V. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

VI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.20microns.com and on the website of CDSL at www.evoting.india.com immediately after the declaration of results by the Chairman or a person

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, Mumbai.

By Order of the Board of Directors

Place : Vadodara
Date : 13th August, 2020

Anuja K. Muley
Company Secretary & Compliance Officer
A: 21243

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

Item No. 4

M/s. Y.S Thaker & Co., Cost Accountants have been reappointed as the Cost Auditors of the Company for the Financial Year 2020-21 by the Board of Directors of the Company at its meeting held on 08th June, 2020. The Board has fixed remuneration of Rs. 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. 4 of the Notice.

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

Items No. 5:

Dr. Ajay I. Ranka (DIN: 01676073) was appointed as an Independent Director 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. He holds office as Independent Director 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 Independent Director, has recommended reappointment of Dr. Ajay I. Ranka as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Director and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Dr. Ranka would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director. Accordingly, it is proposed to re-appoint Dr. Ajay I. Ranka 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 the conclusion of the Annual General Meeting to be held in the year 2025.

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.

Dr. Ajay I. Ranka is not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Ranka for the office of an Independent Director of the Company.

The Company has also received declarations from Dr. Ajay I. Ranka that he meets 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, Dr. Ajay I. Ranka fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Dr. Ranka is independent of the management.

Details of Director whose re-appointment as an Independent Director is proposed at Item No. 5, is 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 letter of appointment of Dr. Ajay I. Ranka setting out the terms and conditions of appointment is available for inspection by the members.

Dr. Ajay I. Ranka is interested in the resolutions set out at Item No. 5 of the Notice with regard to his re-appointment.

The relatives of Dr. Ajay I. Ranka may be deemed to be interested in the 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 these resolutions.

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

The Board recommends the Special Resolutions set out at Item No. 5 of the Notice for approval by the members.

By Order of the Board of Directors

Place : Vadodara
Date : 13th August, 2020

Anuja K. Muley
Company Secretary & Compliance Officer
A: 21243

NOTICE OF ANNUAL GENERAL MEETING [Contd.]

ANNEXURE TO ITEMS NO. 3 & 5 OF THE NOTICE

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

Name of the Director	Mr. Rajesh C. Parikh	Dr. Ajay I. Ranka
Director Identification Number	00041610	01676073
Date of Birth	28.12.1971	24.10.1956
Nationality	Indian	Indian
Date of appointment on the Board	02.07.1998	27.09.2014
Qualification	B.E. [Mech.] & MBA	PHD. in (Polymer Science and Engg.), & Chemical Engineer
Expertise in specific functional area	Marketing & Business Development of some Products	Polymer Chemistry and Nano Technology
No of shares held in the company	1701714	188658
Relation inter-se	Mr. Chandresh S. Parikh – Executive Chairman Mr. Atil C. Parikh – Managing Director Mrs. Sejal R. Parikh - Director	NIL
List of directorships held in other public limited companies	20 Microns Nano Minerals Limited	NIL
Chairman/ Member in the Committees * of the Boards of listed companies in which he/she is a Director	Stakeholder Relation & Share Transfer Committee – Member – 20 Microns Ltd.	Audit Committee – Member – 20 Microns Ltd.

* Audit Committee & Stakeholder Relationship Committee only considered.

BOARD'S REPORT

BOARD'S REPORT

Dear Members,

The Directors have pleasure to present their 33rd Annual Report and the Financial Statements for the year ended March 31, 2020.

Financial Results

The Company's standalone and consolidated financial performance for the year ended March 31, 2020 is summarized below:

[₹ in Lakhs]

	Standalone		Consolidated	
Particulars	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Total Income	49766.57	43830.80	53,198.23	48,160.09
Profit before Depreciation, Interest and Tax (PBDITA)	6644.49	6417.24	6859.60	7082.84
Interest for the year	2011.54	2085.99	2153.17	2189.99
Depreciation for the year	1118.73	937.29	1251.07	1046.77
Profit/(Loss) before tax and Exceptional item	3514.22	3393.96	3455.36	3846.08
Exceptional items	-	-	-	-
Profit/(loss) for the year	3514.22	3393.96	3455.36	3846.08
Tax liability :-				
Current Tax	921.11	1065.30	1,025.58	1,190.35
Deferred Tax	96.46	157.37	12.17	151.80
Prior period Tax	-	-	-	-
Net Profit/(Loss) for the year	**2496.65**	**2171.29**	**2,417.61**	**2,503.94**

DIVIDEND:

To conserve the resources, your Directors have not recommended final dividend during the year under consideration. The interim dividend of Re. 0.60 per share declared by the Board of Directors shall be considered as the final dividend for FY20. Thus, the total dividend for FY20 remains Re. 0.60 per equity share.

Transfer to Reserves

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

State of Company's Affairs

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

- Revenue for the FY20 was Rs. 49766.57 Lakhs as against Rs. 43830.79 Lakhs in FY19. 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 FY20 EBIDTA was at Rs. 6644.49 Lakhs with EBIDTA margin of 13.35% 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 FY20 stood at Rs. 2496.65 Lakhs compare to Rs. 2171.28 Lakhs in FY19.
- Company's debt-equity ratio came down from 0.64 in 2020 and it was 0.77 in 2019.
- Net Worth of the Company is increased to Rs. 17340.66 Lakhs as on March 31, 2020 as compared to Rs. 15208.23 Lakhs as on March 31, 2019.

Investors Education and Protection Fund

During the year, dividend amounting to Rs. 55627.20 that had not been claimed by the shareholders for the year ended March 31, 2012, 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 31.03.2020 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

Due to outbreak of COVID-19 pandemic globally and consequent lockdown imposed by the Government of India from March 25, 2020 to curb its wide spread, a massive economic disruption and social distress has been witnessed in India. With the opening of domestic and international market post lockdown, business started improving in a slow and gradual manner. Though there was no significant impact on the business of the Company for FY2020 but considering

BOARD'S REPORT [Contd.]

the wide spread and varying degree of intensity of pandemic across the countries where 20ML operates, the economic impact during FY2021 seems evident across the industry. The management is meticulously analyzing the situation and getting adequately prepared to emerge stronger in the longer term.

Corporate Governance Report and Management Discussions & Analysis

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

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

Fixed Deposits

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

As on 31.03.2020, outstanding Unsecured Fixed Deposits from Shareholders was Rs. 3091.95 Lakhs. Deposits amounting to Rs. 1739.64 Lakhs are due for repayment on or before 31.03.2021.

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 through electrobnic mode. During the FY 2019-20, the company is not having any associates and joint venture company.

Performance Highlights of Subsidiaries

As on 31.03.2020, 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 consolidated revenue from operations of Rs. 5882.55 Lakhs and earned consolidated Net Profit of Rs. 211.31 Lakhs. 20MSB reported total Revenue of Rs. 550.24 Lakhs and earned Net profit of Rs. 79.52 Lakhs while 20MFZE having Total Revenue of Rs. 612.78 Lakhs and the Net Profit of Rs. 52.23 Lakhs. 20M Vietnam reported the Gross Revenue was Rs.355.09 Lakhs and Net Profit of Rs. 7.09 Lakhs and 20MCC reported Total Revenue of Rs. 245.24 Lakhs and Net Loss of Rs. 184.44 Lakhs.

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

During the FY 2019-20, no company ceased as subsidiary or associate or joint venture of the company. For further analysis on the consolidated performance, attention is invited to the notes to the consolidated financial statements.

Particulars of Employees

The information as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure B which forms part of this report. Pursuant to Section 197(14) of the Act, the details of remuneration received by the Managing Directors and Company Secretary from the Company's subsidiary company during FY 2019-20 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 is 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 2019-20, 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/2019/12/20ML_Material-Related-Party-Transaction-Policy.pdf

BOARD'S REPORT [Contd.]

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 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, during the year under review, 20 Microns Foundation has focused on making people aware about Diabetes. People made acquainted with symptoms of Diabetes, precautions to be taken, importance of regular check-up etc. This campaign was carried out in State of Gujarat and Maharashtra. People were made understood about how to live life comfortably with Diabetes. Testing and Consultation was carried out at every location.

We have 95 numbers of Juvenile Diabetic patients and all are constantly under the watch of us. They are taken to most reputed senior doctors for advice and now they are settled with comfortable life. We have started recruiting/accommodating such patients in doing work with our activity to reduce their fear of diabetes.

Every day JDP (Juvenile Diabetic Patients Type – 1) are coming to our center for support to have insulin, Glucometer & Testing Strips, calibration of Glucometer, requirement of Syringe, Insulin Pen and needle for insulin Pen. We have arranged experienced specialized different doctors, on daily basis, for 2 to 3 hours to take care of JDP's and Type – 2 Diabetic patients. In case of critical cases, we take away the patient with well-known Dialectologists / Endocrinologists of Vadodara and take advice and treatment at no cost. We have organized three times Free Eye Checkup Camp for Type-1 diabetic patients. During 2019-2020, we have organized Diabetes Checkup Camp in two Schools of Vadodara known as Rami School - Subhanpura in August 2019 and Sharda Prathmik School – Gorwa Road Vadodara in September 2019. We have checked up approximately 800 students of classes from 1st Standard to 10th Standard at FREE of Cost. Also we have addressed to all students in assembly hall and have explained the importance of Diabetes Checkup Camp. We have also educated them about diabetes and its symptoms. Our organization is associated with Dia-Cone Ahmedabad. Majority of well-known hospitals of Vadodara including Government hospitals are aware about our activities and recommending patients to us for further life time care.

On 24th November 2019, WORLD DIABETIC DAY function was organized at Faculty of Social Work, Vadodara for Type-1 patients with parents. The patients have performed Dance and solo Mono acting.

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.

BOARD'S REPORT [Contd.]

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, 2015.

The Whistle Blower Policy of the Company provides a mechanism for employees / Board Members and others to raise good faith concerns about violation of any applicable law/ Code of Conduct of the Company, gross wastage or misappropriation of funds, substantial or specific danger to public health and safety, abuse of authority or unethical 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. During the financial year under review, the Company has not received any complaints against any employees/ Board Members.

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

Prevention of Sexual Harassment at Workplace

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

A 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.

General Shareholders Information

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

Secretarial Standards

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

Particulars of Loan, Guarantees or Investments

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

Selection and Procedure for Nomination and Appointment of Directors

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

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

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

In terms of the provisions of Section 178(3) of the 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, 2015.

Evaluation of Board of Directors

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

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

Remuneration Policy

Pursuant to the provisions of Section 178(3) of the Act and Regulation 19 of the Listing Regulations, 2015, the NRC has formulated a policy relating to the remuneration for the

BOARD'S REPORT [Contd.]

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

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

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

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

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

Within the ceiling of 1% of net profits of the Company, computed under the applicable provisions of the Act, the Non-Executive Directors including Independent Directors were also paid a commission, the amount whereof was recommended by the NRC and approved by the Board and shareholders, during FY 2019-20.

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 13th August, 2019 for FY 2018-19 as determined and approved by Board of Directors, which shall be within 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 shorter notice, as permitted by law.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to take an informed decision. The Board of Directors had held five meetings during FY 2019-20. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations, 2015.

Directors and Key Managerial Personnel

In accordance with the Articles of Association of the Company, Mr. Rajesh C. Parikh, CEO & MD, retires by rotation at this Annual General Meeting and being eligible offers himself 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. The Shareholders at their Annual General Meeting held on 13th August, 2019 appointed Mr. Jaideep Verma as an Independent Director to hold the office upto 12.08.2024.

Dr. Ajay Ranka, Non- Executive Independent Director of the company who was appointed as an Independent Director for first term of five consecutive years in Annual General Meeting held on 25th September, 2015. Being eligible for re-appointment for second term of five years, he has offered himself for re-appointment.

The approval of the shareholders relating to re-appointment of Dr. Ajay Ranka 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. 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.

BOARD'S REPORT [Contd.]

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

Independent Directors' Declaration

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

Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent as on March 31, 2020:

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

Committees of the Board

The Company has four Board Committees as on March 31, 2020:

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

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

Board Diversity

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

Familiarization Programme for Independent Directors

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

At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director, inter alia, explaining the role, duties and responsibilities of the Director. The Director is also explained in detail the compliances required from him / her under the Act, SEBI Regulations and other relevant regulations. By way of an introduction to the Company, presentations are also made to the newly appointed Independent Director on relevant information like overview of the Company's businesses, market and business environment, growth and performance, organisational set up of the Company, governance and internal control processes.

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

Significant and material orders passed by the Regulators or Courts

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

Auditors

A. Statutory Auditors

The Company's Auditors, M/s. J.H. Mehta & Co., Chartered Accountants, have been appointed for a period of 5 [five] years from the 30th AGM till the 35th AGM. Pursuant to the provisions of Companies (Amendment) Act, 2017, requirement of ratification of appointment of auditors to be made by shareholders in each subsequent annual general meetings, has been omitted and the said provisions are came into effect by MCA Notification dated 07th May, 2018. M/s. J.H. Mehta & Co., Chartered Accountants has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY 2020-21. In terms of the Listing Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. The Statutory Auditors' Report for FY 2019-20 on the financial statement of the Company forms part of this Annual Report.

The Statutory Auditors' report on the financial statements for FY 2019-20 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 appointed M/s. Lalit R. Mehta & Associates, Chartered Accountants, Vadodara as the Internal Auditors of the Company for the F.Y. 2020-21.

BOARD'S REPORT [Contd.]

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 2020-21. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2020-21 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 2020-21 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 2019-20 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 2019-20.

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 March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same.

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 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.

Green Initiative

Electronic copy of the Annual Report for FY2020 and the Notice of the ensuing AGM is being sent to all shareholders whose email addresses are available in demat account and registered with Company's Registrar and Share Transfer Agent. As per the General Circular No. 20/2020 of Ministry of Corporate Affairs dated May 5, 2020, shareholders holding shares in demat form are requested to update their email addresses with their Depository Participant(s) and for shareholders holding shares in physical form, should get their email registered with Cameo Corporate Services Ltd., Company's Registrar and Share Transfer Agent.

Acknowledgement

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

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

For and on behalf of the Board of Directors

Place : Vadodara
Date : 13th August, 2020

Chandresh S. Parikh
Executive Chairman

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 Minerals Limited	31.03.2020	N.A	897	2109.95	6137.69	3130.74	1.48	5880.57	323.47	79.09	244.39	97.21%
2	20 Microns FZE	31.03.2020	20.52	30.78	144	245.54	70.76	-	607.74	52.23	-	52.23	100%
3	20 Microns SDN BHD	31.03.2020	17.4568	87.98	174.79	305.01	34.15	-	518.39	90.69	11.18	79.51	100%
4	20 Microns Vietnam Company Ltd	31.03.2020	0.00318	28.87	20.65	305.35	255.83	-	353.56	14.73	7.64	7.09	100%
5	20 MCC Pvt. Ltd.	31.03.2020	N.A	25.05	(141.1)	562.59	678.64	26.76	242.36	(48.57)	64.14	(184.43)	100%

Note :

1. Company is not having any associates or joint venture companies as on 31.03.2020
2. The Company has not liquidated any of its subsidiary company.

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, 2020.

For and on behalf of the Board

Place : Vadodara
Date : 13th August, 2020

(Chandresh S. Parikh)
Executive Chairman

(Rajesh C. Parikh)
CEO & Managing Director

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 2019-20 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 2019-20 (Rs. in Lakh)	% increase in Remuneration* for the Financial Year 2019-20	Ratio of Remuneration of each Director/KMP to the Median Remuneration of Employees
1	Mr. Chandresh S. Parikh - Executive Chairman	68.04	10	5.48
2	Mr. Rajesh C. Parikh - CEO & Managing Director	58.66	10	6.36
3	Mr. Atil C. Parikh - Managing Director	47.98	10	7.77
4	Mrs. Sejal R. Parikh - Non-Executive Director	-	-	-
5	Mr. Ramkisan A. Devidayal - Non-Executive Independent Director	-	-	-
6	Mr. Atul H. Patel - Non-Executive Independent Director	-	-	-
7	Dr. Ajay I. Ranka - Non-Executive Independent Director	-	-	-
8	Mr. Jaideep B. Verma - Non-Executive Independent Director	-	-	-
9	Mr. Narendrakumar R. Patel - Chief Financial Officer	34.29	22.65	10.88
10	Mrs. Anuja K. Muley - Company Secretary	12.97	6	28.76

*Remuneration paid to Whole Time Directors and KMP does not include Incentive and Commission paid during the year.

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

Remuneration for the purpose of the computation above, in the case of Executive Chairman, CEO & MD and MD, is considered as the income earned during the financial year 2019-20 considering contribution to provident fund.

The Median Remuneration of Employee (MRE) including Whole Time Directors (WTDs) was Rs. 3.73 Lakhs in fiscal 2020. The increase in MRE (including WTDs) in fiscal 2020, as compared to fiscal 2019 is 14.24%.

The number of permanent employees on the rolls of the Company as of March 31, 2020 and March 31, 2019 was 403 and 446 respectively. The aggregate increase in salary for WTDs and other KMPs was 11.73% in fiscal 2019-20 over fiscal 2018-19. The rise in remuneration is made as per Remuneration Policy of the Company. During the fiscal 2019-20, no employee received remuneration in excess of the highest-paid Director.

During the FY 2019-20, 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, 2020.**

a. Details of Top ten employees in terms of gross remuneration paid during the year ended March 31, 2020:

Sr. No.	Name of Director / KMP / Employees and Designation	Remuneration* of Director / KMP / Employees for Financial Year 2019-20 (Rs. in Lakh)	Percentage increase in Remuneration for the Financial Year 2019-20	Ratio of Remuneration of each Director/KMP/ Employees to the Median Remuneration of Employees
1	Mr. Chandresh S. Parikh Executive Chairman	68.04	10	5.48
2	Mr. Rajesh C. Parikh CEO & Managing Director	58.66	10	6.36
3	Mr. Atil C. Parikh Managing Director	47.98	10	7.77
4	Mr. Prashant C. Bhavsar Sr. Vice President - Marketing	47.36	6	7.88
5	Mr. K. K. Mishra Sr. Vice President - Marketing	44.65	6	8.35
6	Mr. Nirakar H. Desai President	42.95	0	8.68
7	Mr. Ajay P. Joshi Sr. Vice President - Operations	41.82	6	8.92
8	Mr. Rakesh S. Parikh Sr. Vice President - Operations	40.90	6	9.12
9	Mr. Milind A. Ranade Vice-President - Marketing	37.67	6	9.90
10	Mr. Narendrakumar R Patel Chief Financial Officer	34.29	22.65	10.88

* Remuneration paid to top ten employees do not include Incentive and/or Commission paid during the year.

b. During the year, none of the employee, throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than 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. Pursuant to the provisions of Section 197(12) and Section 204 of the Companies Act, 2013, following Key Managerial Personnel were appointed in subsidiary companies, details of their remuneration is as under –

(₹ In Lakhs)

Sr. No.	Name of KMP	Name of Subsidiary Company	Position	Remuneration received during FY 2019-20
1	Mr. Rajesh C. Parikh	20 MCC Pvt. Ltd.	CEO & MD	12.00
2	Mr. Atil C. Parikh	20 Microns Nano Minerals Ltd.	CEO & MD	10.50
3	Mr. N.R. Patel	20 Microns Nano Minerals Ltd.	CFO	NIL
4	Mrs. Anuja K. Muley	20 Microns Nano Minerals Ltd.	CS	4.23

For and on behalf of the Board

Place : Vadodara
Date : 13th August, 2020

(Chandresh S. Parikh)
Executive Chairman

(Rajesh C. Parikh)
CEO & Managing Director

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, 2020, 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, 2020 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	1970.04
		Purchase of material	Not Applicable	Not Applicable	1963.79
		Royalty Received	Not Applicable	Not Applicable	134.95
		Manpower Services Received	Not Applicable	Not Applicable	180.33
		Reimbursement of Expenses Paid (Net)	Not Applicable	Not Applicable	1.03
		Reimbursement of Expenses received (Net)	Not Applicable	Not Applicable	0.10
		Rent Received	Not Applicable	Not Applicable	328.08
		Manpower Services Payable	Not Applicable	Not Applicable	19.20
		Rent Paid	Not Applicable	Not Applicable	4.54
		Sale of Fixed Asset	Not Applicable	Not Applicable	13.02
		Purchase of Fixed Asset	Not Applicable	Not Applicable	3.26
Silicate Minerals (I) Pvt. Ltd.	Stepdown Subsidiary	Purchase of material	Not Applicable	Not Applicable	2.08
		Rent Received	Not Applicable	Not Applicable	17.70
20 MCC Pvt .Ltd.	Subsidiary	Sales of Material	Not Applicable	Not Applicable	3.95
		Sale of Fixed Asset	Not Applicable	Not Applicable	8.87
		Reimbursement of Expenses received (Net)	Not Applicable	Not Applicable	0.47
		Purchase of material	Not Applicable	Not Applicable	37.33
		Rent Received	Not Applicable	Not Applicable	35.40
Mr. Chandresh S. Parikh	Director	Remuneration Paid	Not Applicable	Not Applicable	115.54
		Interest on Deposit Paid	Not Applicable	Not Applicable	7.86
Mr. Rajesh C. Parikh	Director	Remuneration Paid	Not Applicable	Not Applicable	90.70
Mr. Atil C. Parikh	Director	Remuneration Paid	Not Applicable	Not Applicable	78.88
		Interest on Deposit Paid	Not Applicable	Not Applicable	0.67
Mrs. Ilaben C. Parikh	Relative of Director	Interest on Deposit Paid	Not Applicable	Not Applicable	1.71
Mrs. Sejal R Parikh	Director	Guest House Rent Paid	Not Applicable	Not Applicable	8.08
		Interest on Deposit paid	Not Applicable	Not Applicable	0.11
Mrs. Purvi A. Parikh	Relative of Director	Interest on Deposit paid	Not Applicable	Not Applicable	0.54
Mr. N. R. Patel	KMP	Remuneration Paid	Not Applicable	Not Applicable	39.93
Mrs. Anuja K. Muley	KMP	Remuneration Paid	Not Applicable	Not Applicable	12.90
		Interest on Deposit paid	Not Applicable	Not Applicable	0.24
20 Microns Foundation	Entity over which significant influence exists	Donation	Not Applicable	Not Applicable	104.45

* 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

Place : Vadodara
Date : 13th August, 2020

(Chandresh S. Parikh)
Executive Chairman

(Rajesh C. Parikh)
CEO & Managing Director

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	46
2	China Clay	08108	27
3	Talc	08998	11

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	100%	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 Ltd. Tho SAN Hamlet, Tho HOP Hamlet, Quy HOP District, NGHE An Province, 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 AND PROMOTER GROUP									
1. INDIAN									
a. INDIVIDUALS/ HINDU UNDIVIDED FAMILY	7050312	0	7050312	19.9801	7227181	0	7227181	20.48143225	0.2618
b. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c. BODIES CORPORATE	8484664	0	8484664	24.0450	8591838	0	8591838	24.3487949	24.3487949
d. FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e. ANY OTHER									
SUB - TOTAL (A)(1)	**15534976**	**0**	**15534976**	**44.0252**	**15819019**	**0**	**15819019**	**44.83022715**	**0.2618**
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)	**15534976**	**0**	**15534976**	**44.0252**	**15819019**	**0**	**15819019**	**44.83022715**	**0.2618**
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	40366	0	40366	0.1143	590	0	590	0.0017	-0.1127
c. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	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

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	
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)	**40366**	**0**	**40366**	**0.1143**	**590**	**0**	**590**	**0.0017**	**-0.1127**
2. NON-INSTITUTIONS									
a. BODIES CORPORATE	6101231	30000	6131231	17.3755	5973328	0	5973328	16.9281	-0.4474
b. INDIVIDUALS -									
I) INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	5861466	7538	5869004	16.6324	5544452	6717	5544452	15.7127	0.9197
II) INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	4930039	0	4930039	13.9714	4538472	0	4538472	12.8618	-1.1096
c. QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d. ANY OTHER									
CLEARING MEMBERS	42543	0	42543	0.1205	52538	0	52538	0.1489	0.0283
DIRECTORS AND THEIR RELATIVES	359758	0	359758	1.0195	631566	0	631566	1.7898	**0.7702**
HINDU UNDIVIDED FAMILIES	636284	1	636285	1.8031	1005400	1	1005401	2.8493	1.0460
IEPF 4180	0	4180	0.0118	8637	0	8637	0.0245	0.0126	
NON RESIDENT INDIANS	1615994	121920	1737914	4.9251	1583656	121920	1705576	4.8335	-0.0916
TRUSTS	206	0	206	0.0005	206	0	206	0.0006	0.0000
	2658965	**121921**	**2780886**	**7.8808**	**3282003**	**121921**	**3403924**	**9.6465**	**1.7656**
SUB - TOTAL (B)(2)	**19551701**	**159459**	**19711160**	**55.8603**	**19338255**	**128638**	**19466893**	**55.1681**	**0.6922**
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	**19592067**	**159459**	**19751526**	**55.9747**	**19338845**	**128638**	**19467483**	**55.1698**	**0.8049**
TOTAL (A)+(B)	**35127043**	**159459**	**35286502**	**100.0000**	**35157864**	**128638**	**35286502**	**100.0000**	**0.0000**
C. SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
TOTAL CUSTODIAN (C)	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
GRAND TOTAL (A)+(B)+(C)	**35127043**	**159459**	**35286502**	**100.0000**	**35349496**	**128638**	**35286502**	**100.0000**	**0.0000**

BOARD'S REPORT [Contd.]

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share-holding during the year	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year
1	CHANDRESH S PARIKH JT1 : ILABEN PARIKH	3085402	8.7439	8.7439	3085402	8.7439	8.7439	0.0000	3085402	3085402
1	CHANDRESH S PARIKH	544998	1.5445	1.5445	544998	1.5445	1.5445	0.0000	544998	544998
1	CHANDRESH S PARIKH	66000	0.1870	0.0000	96846	0.2745	0.2745	0.0874	0	0
1	CHANDRESH S PARIKH	0	0.0000	0.0000	63482	0.1799	0.0000	0.1799	0	0
2	ERIEZ INDUSTRIES PRIVATE LIMITED	2966430	8.4067	8.4067	2966430	8.4067	4.3932	0.0000	1550235	1550235
2	ERIEZ INDUSTRIES PRIVATE LIMITED	2767394	7.8426	7.8426	0	0.0000	0.0000	-7.8426	0	0
2	ERIEZ INDUSTRIES PRIVATE LIMITED	2750840	7.7957	7.7957	5625408	15.9421	0	7.8426	0	0
3	RAJESH CHANDRESH PARIKH JT1 : SEJAL RAJESH PARIKH	1100000	3.1173	3.1173	1100000	3.1173	3.1173	0.0000	1100000	1100000
3	RAJESH C PARIKH JT1 : CHANDRESH S PARIKH	559956	1.5869	1.5868	559956	1.5869	1.5868	0.0000	559956	559956
3	RAJESH CHANDRESH PARIKH JT1 : ILABEN CHANDRESH PARIKH	0	0.0000	0.0000	40558	0.1149	0.0000	0.1149	0	0
3	RAJESH CHANDRESH PARIKH	0	0.0000	0.0000	1200	0.0034	0.0000	0.0034	0	0
4	ATIL CHANDRESH PARIKH JT1 : PURVI ATIL PARIKH	1100000	3.1173	3.1173	1100000	3.1173	3.1173	0.0000	1100000	1100000
4	ATIL CHANDRESH PARIKH JT1 : CHANDRESH S PARIKH	484862	1.3741	1.3740	484862	1.3741	1.3740	0.0000	484862	484862
4	PARIKH ATIL CHANDRESH JT1 : ILABEN PARIKH	75094	0.2128	0.2128	75094	0.2128	0.2128	0.0000	75094	75094
	HAVING SAME PAN									
4	ATIL CHANDRESH PARIKH JT1 : ILABEN CHANDRESH PARIKH	0	0.0000	0.0000	40783	0.1156	0.0000	0.1156	0	0
5	ILABEN PARIKH	34000	0.0964	0.0000	34000	0.0964	0.0000	0.0000	0	0

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 30-Mar-2019	3085402	8.7438	3085402	8.7438
	At the end of the Year 31-Mar-2020	3085402	8.7438	3085402	8.7438
2	ERIEZ INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 30-Mar-2019	2966430	8.4066	2966430	8.4066
	At the end of the Year 31-Mar-2020	2966430	8.4066	2966430	8.4066
2	ERIEZ INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 30-Mar-2019	2767394	7.8426	2767394	7.8426
	Sale 06-Dec-2019	-2767394	7.8426	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
2	ERIEZ INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 30-Mar-2019	2750840	7.7957	2750840	7.7957
	Purchase 06-Dec-2019	2767394	7.8426	5518234	15.6383
	Purchase 31-Mar-2020	107174	0.3037	5625408	15.9421
	At the end of the Year 31-Mar-2020	5625408	15.6383	5625408	15.9421
3	RAJESH CHANDRESH PARIKH JT1 : SEJAL RAJESH PARIKH				
	At the beginning of the year 30-Mar-2019	1100000	3.1173	1100000	3.1173
	At the end of the Year 31-Mar-2020	1100000	3.1173	1100000	3.1173
4	ATIL CHANDRESH PARIKH JT1 : PURVI ATIL PARIKH				
	At the beginning of the year 30-Mar-2019	1100000	3.1173	1100000	3.1173
	At the end of the Year 31-Mar-2020	1100000	3.1173	1100000	3.1173
5	RAJESH C PARIKH JT1 : CHANDRESH S PARIKH				
	At the beginning of the year 30-Mar-2019	559956	1.5868	559956	1.5868
	At the end of the Year 31-Mar-2020	559956	1.5868	559956	1.5868
6	CHANDRESH S PARIKH				
	At the beginning of the year 30-Mar-2019	544998	1.5444	544998	1.5444
	At the end of the Year 31-Mar-2020	544998	1.5444	544998	1.5444
	HAVING SAME PAN				
6	CHANDRESH S PARIKH				
	At the beginning of the year 30-Mar-2019	66000	0.1870	66000	0.1870
	Purchase 20-Mar-2020	30746	0.0871	96746	0.2741
	Purchase 27-Mar-2020	100	0.0003	96846	0.2745
	At the end of the Year 31-Mar-2020	96846	0.2745	96846	0.2745
	HAVING SAME PAN				
6	CHANDRESH S PARIKH				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 31-Mar-2020	63482	0.1799	63482	0.1799
	At the end of the Year 31-Mar-2020	63482	0.1799	63482	0.1799

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
7	ATIL CHANDRESH PARIKH JT1 : CHANDRESH S PARIKH				
	At the beginning of the year 30-Mar-2019	484862	1.3741	484862	1.3741
	At the end of the Year 31-Mar-2020	484862	1.3741	484862	1.3741
8	PARIKH ATIL CHANDRESH JT1 : ILABEN PARIKH				
	At the beginning of the year 30-Mar-2019	75094	0.2128	75094	0.2128
	At the end of the Year 31-Mar-2020	75094	0.2128	75094	0.2128
	HAVING SAME PAN				
8	ATIL CHANDRESH PARIKH JT1 : ILABEN CHANDRESH PARIKH				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 31-Mar-2020	40783	0.1156	40783	0.1156
	At the end of the Year 31-Mar-2020	40783	0.1156	40783	0.1156
9	ILABEN PARIKH				
	At the beginning of the year 30-Mar-2019	34000	0.0964	34000	0.0964
	At the end of the Year 31-Mar-2020	34000	0.0964	34000	0.0964
10	RAJESH CHANDRESH PARIKH JT1 : ILABEN CHANDRESH PARIKH				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 31-Mar-2020	40558	0.1149	40558	0.1149
	At the end of the Year 31-Mar-2020	40558	0.1149	40558	0.1149
11	RAJESH CHANDRESH PARIKH				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 31-Mar-2020	1200	0.0034	1200	0.0034
	At the end of the Year 31-Mar-2020	1200	0.0034	1200	0.0034

(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 30-Mar-2019	1805437	5.1165	1805437	5.1165
	At the end of the Year 31-Mar-2020	1805437	5.1165	1805437	5.1165
1	PRATIK MINERALS PRIVATE LIMITED				
	At the beginning of the year 30-Mar-2019	1230769	3.4879	1230769	3.4879
	At the end of the Year 31-Mar-2020	1230769	3.4879	1230769	3.4879
2	RAMESHBHAI BALDEVBHAI PATEL				
	At the beginning of the year 30-Mar-2019	1759743	4.9870	1759743	4.9870
	Sale 31-May-2019	-5000	0.0141	1754743	4.9728
	At the end of the Year 31-Mar-2020	1754743	4.9728	1754743	4.9728

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
3	ARCADIA SHARE & STOCK BROKERS PVT LTD				
	At the beginning of the year 30-Mar-2019	898409	2.5460	898409	2.5460
	Sale 17-May-2019	-200	0.0005	898209	2.5454
	Sale 09-Aug-2019	-5	0.0000	898204	2.5454
	Sale 20-Sep-2019	-1139	0.0032	897065	2.5422
	Sale 30-Sep-2019	-897065	2.5422	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
3	ARCADIA SHARE &STOCK BROKERS PVT LTD				
	At the beginning of the year 30-Mar-2019	1240	0.0035	1240	0.0035
	Sale 05-Apr-2019	-1000	0.0028	240	0.0006
	Sale 09-Aug-2019	-95	0.0002	145	0.0004
	Sale 30-Aug-2019	-145	0.0004	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
3	ARCADIA SHARE AND STOCK BROKERS PVT. LTD.				
	At the beginning of the year 30-Mar-2019	1200	0.0034	1200	0.0034
	Sale 05-Apr-2019	-1	0.0000	1199	0.0033
	Sale 19-Apr-2019	-1199	0.0033	0	0.0000
	Purchase 28-Jun-2019	50	0.0001	50	0.0001
	Sale 02-Aug-2019	-50	0.0001	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
3	ARCADIA SHARE AND STOCK BROKERS PVT LTD -PROPRIETARY A/C				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 30-Sep-2019	897065	2.5422	897065	2.5422
	Sale 07-Feb-2020	-12510	0.0354	884555	2.5067
	At the end of the Year 31-Mar-2020	884555	2.5067	884555	2.5067
3	ARCADIA SHARE AND STOCK BROKERS PVT LTD CLIENT UNPAID SECURITIES ACCOUNT				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 29-Nov-2019	7	0.0000	7	0.0000
	Sale 06-Dec-2019	-7	0.0000	0	0.0000
	Purchase 31-Jan-2020	1000	0.0028	1000	0.0028
	Sale 07-Feb-2020	-1000	0.0028	0	0.0000
	Purchase 20-Mar-2020	122	0.0003	122	0.0003
	Purchase 27-Mar-2020	378	0.0010	500	0.0014
	At the end of the Year 31-Mar-2020	500	0.0014	500	0.0014
3	ARCADIA SHARE AND STOCK BROKERS PVT LTD -PROPRIETARY A/C				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 07-Feb-2020	10	0.0000	10	0.0000
	At the end of the Year 31-Mar-2020	10	0.0000	10	0.0000
4	MARFATIA STOCK				
	At the beginning of the year 30-Mar-2019	474761	1.3454	474761	1.3454
	Sale 05-Apr-2019	-429761	1.2179	45000	0.1275
	Purchase 26-Apr-2019	500000	1.4169	545000	1.5444
	Purchase 31-May-2019	500	0.0014	545500	1.5459
	Sale 28-Jun-2019	-45000	0.1275	500500	1.4183
	Sale 12-Jul-2019	-500	0.0014	500000	1.4169
	Sale 30-Aug-2019	-500000	1.4169	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000

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
4	MARFATIA STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year 30-Mar-2019	69153	0.1959	69153	0.1959
	Sale 05-Apr-2019	-30000	0.0850	39153	0.1109
	Purchase 03-May-2019	18618	0.0527	57771	0.1637
	Purchase 10-May-2019	1961	0.0055	59732	0.1692
	Purchase 17-May-2019	11088	0.0314	70820	0.2006
	Purchase 31-May-2019	100	0.0002	70920	0.2009
	Purchase 07-Jun-2019	2567	0.0072	73487	0.2082
	Purchase 14-Jun-2019	7939	0.0224	81426	0.2307
	Sale 21-Jun-2019	-24221	0.0686	57205	0.1621
	Purchase 12-Jul-2019	46750	0.1324	103955	0.2946
	Purchase 19-Jul-2019	700	0.0019	104655	0.2965
	Sale 26-Jul-2019	-35700	0.1011	68955	0.1954
	Sale 02-Aug-2019	-1453	0.0041	67502	0.1912
	Purchase 09-Aug-2019	20000	0.0566	87502	0.2479
	Purchase 16-Aug-2019	13720	0.0388	101222	0.2868
	Sale 23-Aug-2019	-5012	0.0142	96210	0.2726
	Sale 30-Aug-2019	-52931	0.1500	43279	0.1226
	Sale 06-Sep-2019	-279	0.0007	43000	0.1218
	Sale 13-Sep-2019	-43000	0.1218	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
4	MARFATIA STOCK BROKING PVT. LTD - COLLATERAL ACCOUNT				
	At the beginning of the year 30-Mar-2019	57000	0.1615	57000	0.1615
	Sale 05-Apr-2019	-57000	0.1615	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
4	MARFATIA STOCK BROKING PVT LTD				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 13-Dec-2019	674343	1.9110	674343	1.9110
	Purchase 20-Dec-2019	5000	0.0141	679343	1.9252
	Sale 03-Jan-2020	-500000	1.4169	179343	0.5082
	Purchase 06-Mar-2020	517	0.0014	179860	0.5097
	Sale 13-Mar-2020	-141235	0.4002	38625	0.1094
	Purchase 20-Mar-2020	20757	0.0588	59382	0.1682
	Purchase 31-Mar-2020	5000	0.0141	64382	0.1824
	At the end of the Year 31-Mar-2020	64382	0.1824	64382	0.1824
5	NARENDRA MANIBHAI PATEL JT1 : PANNABEN NARENDRAKUMAR PATEL				
	At the beginning of the year 30-Mar-2019	472672	1.3395	472672	1.3395
	At the end of the Year 31-Mar-2020	472672	1.3395	472672	1.3395
6	AJAYA JAIN				
	At the beginning of the year 30-Mar-2019	386588	1.0955	386588	1.0955
	Purchase 05-Apr-2019	13412	0.0380	400000	1.1335
	Purchase 30-Aug-2019	10000	0.0283	410000	1.1619
	Sale 20-Mar-2020	-350000	0.9918	60000	0.1700
	At the end of the Year 31-Mar-2020	60000	0.1700	60000	0.1700

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
7	VIKING INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 30-Mar-2019	365085	1.0346	365085	1.0346
	Purchase 28-Jun-2019	45000	0.1275	410085	1.1621
	At the end of the Year 31-Mar-2020	410085	1.1621	410085	1.1621
7	VIKING INDUSTRIES PRIVATE LIMITED				
	At the beginning of the year 30-Mar-2019	314769	0.8920	314769	0.8920
	At the end of the Year 31-Mar-2020	314769	0.8920	314769	0.8920
8	CHINTAN MAGANLAL KAKKAD				
	At the beginning of the year 30-Mar-2019	356525	1.0103	356525	1.0103
	At the end of the Year 31-Mar-2020	356525	1.0103	356525	1.0103
9	SUDHIR RAMESHKANT PARIKH JT1 : DHARMISTHA SUDHIR PARIKH				
	At the beginning of the year 30-Mar-2019	300275	0.8509	300275	0.8509
	Sale 16-Aug-2019	-5000	0.0141	295275	0.8367
	Sale 08-Nov-2019	-2000	0.0056	293275	0.8311
	Sale 31-Dec-2019	-293275	0.8311	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
9	SUDHIR PARIKH JT1 : DHARMISTHA PARIKH .				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 31-Dec-2019	293275	0.8311	293275	0.8311
	Sale 31-Jan-2020	-500	0.0014	292775	0.8297
	At the end of the Year 31-Mar-2020	292775	0.8297	292775	0.8297
10	VINUBHAI RAOJIBHAI PATEL JT1 : YOGINIBEN VINUBHAI PATEL				
	At the beginning of the year 30-Mar-2019	232140	0.6578	232140	0.6578
	At the end of the Year 31-Mar-2020	232140	0.6578	232140	0.6578
11	EDELWEISS CUSTODIAL SERVICES LIMITED				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 27-Sep-2019	12964	0.0367	12964	0.0367
	Sale 30-Sep-2019	-25	0.0000	12939	0.0366
	Purchase 04-Oct-2019	79	0.0002	13018	0.0368
	Sale 11-Oct-2019	-151	0.0004	12867	0.0364
	Sale 18-Oct-2019	-727	0.0020	12140	0.0344
	Purchase 25-Oct-2019	51781	0.1467	63921	0.1811
	Sale 01-Nov-2019	-41	0.0001	63880	0.1810
	Sale 08-Nov-2019	-52081	0.1475	11799	0.0334
	Purchase 29-Nov-2019	42000	0.1190	53799	0.1524
	Purchase 03-Jan-2020	500000	1.4169	553799	1.5694
	Purchase 10-Jan-2020	1000	0.0028	554799	1.5722
	Purchase 13-Mar-2020	150000	0.4250	704799	1.9973
	At the end of the Year 31-Mar-2020	704799	1.9973	704799	1.9973
11	EDELWEISS CUSTODIAL SERVICES LIMITED				
	At the beginning of the year 30-Mar-2019	64680	0.1832	64680	0.1832
	Sale 05-Apr-2019	-2475	0.0070	62205	0.1762
	Sale 12-Apr-2019	-16745	0.0474	45460	0.1288

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 19-Apr-2019	-5500	0.0155	39960	0.1132
	Sale 26-Apr-2019	-2000	0.0056	37960	0.1075
	Sale 03-May-2019	-550	0.0015	37410	0.1060
	Sale 31-May-2019	-129	0.0003	37281	0.1056
	Sale 09-Aug-2019	-2000	0.0056	35281	0.0999
	Sale 30-Aug-2019	-25000	0.0708	10281	0.0291
	Purchase 20-Sep-2019	2683	0.0076	12964	0.0367
	Sale 27-Sep-2019	-12964	0.0367	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
11	EDELWEISS CUSTODIAL SERVICES LTD				
	At the beginning of the year 30-Mar-2019	23120	0.0655	23120	0.0655
	Purchase 08-Nov-2019	300	0.0008	23420	0.0663
	At the end of the Year 31-Mar-2020	23420	0.0663	23420	0.0663
12	AJAYA JAIN				
	At the beginning of the year 30-Mar-2019	200000	0.5667	200000	0.5667
	Purchase 27-Mar-2020	350000	0.9918	550000	1.5586
	At the end of the Year 31-Mar-2020	550000	1.5586	550000	1.5586

(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	Increase – Market Purchase	94328	3790728	10.74	3790728	10.74
2	Mr. Rajesh C. Parikh	1659956	4.70		41758	1701714	4.82	1701714	4.82
3	Mr. Atil C. Parikh	1659956	4.70		40783	1700739	4.82	1700739	4.82
4	Mrs. Sejal R. Parikh	0	0.00	NA	0	NA	NA	0	0.00
5	Mr. Ramkisan A. Devidayal	120000	0.34	NA	0	NA	NA	120000	0.34
6	Mr. Atul H. Patel	118912	0.34	NA	0	NA	NA	118912	0.34
7	Dr. Ajay I. Ranka	0	0.00	Increase – Market Purchase	188658	188658	0.53	188658	0.53
8	Mr. Jaideep B. Verma	0	0.00	NA	0	NA	NA	0	0.00
8	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 (₹ In Lakhs)

	Secured Loans	Unsecured Loan	Unsecured Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	8606.28	-	2940.81	13325.81
ii) 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**
Change in Indebtedness during the financial year				
· Addition	1149.03	-	2117.35	3266.38
· Reduction	1933.62	-	1865.31	3798.92
Net Change	**(784.59)**	**-**	**252.04**	**(532.55)**
Indebtedness at the end of the financial year				
i) Principal Amount	7811.40	-	3120.80	10932.20
i) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	47.40	-	184.48	231.89
Total (i+ii+iii)	**7858.80**	**-**	**3305.28**	**11164.08**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of Director / KMP			Total Amount ₹ in Lakhs
		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	61.04 0.29 -	53.31 0.29 -	43.60 0.29 -	157.95 0.87 -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify…Incentives	- 22.74 24.76	- 17.05 14.99	- 15.91 14.99	- 110.44 110.44
5	Others, please specify Provident Fund	7.00	5.35	4.38	16.73
	Total	115.93	90.98	79.17	285.97
	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					₹ in Lakhs
		Mr. Ramkisan Devidayal	Mr. Atul	Dr. Ajay	Mr. Jaideep	Mrs. Sejal Parikh	
1.	**Independent Directors**						
	Fee for attending Board/Committee meetings	2.60	2.10	1.90	0.95	0	7.55
	Commission	3.50	1.75	1.75	0	0	7.00
	Others, please specify	0	0	0	0	0	0
	Total (1)	6.10	3.85	3.65	0.95	0	14.55
2.	**Other Non-Executive Directors**						
	Fee for attending Board/Committee meetings	0	0	0	0	0.80	0.80
	Commission	0	0	0	0	1.75	1.75
	Others, please specify	0	0	0	0	0	0
	Total (2)	0	0	0	0	2.55	2.55
	Total (B)=(1+2)	6.10	3.85	3.65	0.95	2.55	17.10
	Total Managerial Remuneration (A + B)						303.08
	Overall Ceiling as per the Act	The Company has paid sitting fees and Commission to Non-Executive Directors. 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 ₹ in Lakhs
		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	25.94	10.72	36.67
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 * Car	0.22	-	0.22
	(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	- - 5.92	- - 0.41	- - 6.32
5	Others, please specify			
	Provident Fund	2.01	0.83	2.84
	Total	34.09	11.96	46.06

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March 31, 2020.

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 mill at Alwar, energy saving was achieved by 15% – 20% with same production capacity compared to typical mineral grinding equipment.*

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

(iii) the capital investment on energy conservation 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 2019-20

(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 ₹ 82.51 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: ₹ 7,199.02 Lakhs

ii. Foreign Exchange Used: ₹ 8,773.20 Lakhs

For and on behalf of the Board

Place : Vadodara
Date : 13th August, 2020

(Chandresh S. Parikh)
Executive Chairman

(Rajesh C. Parikh)
CEO & Managing Director

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 the activities covered under Schedule VII of 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
- Mrs. Sejalben R. Parikh
- Mr. Ramkisan A. 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/2019/12/20ML_CSR-Policy_2019.pdf

Financial Details

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribed that every company having a net worth of Rs. 500 Crs or more or turnover of Rs. 1000 Crs or more or net profit of Rs. 5 Crs or more during previous 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	2723.18
Prescribed CSR expenditure (2% of the average net profit as computed above)	54.46
Details of CSR Expenditure during the financial year	114.95
Total amount to be spent for the financial year	54.46
Amount Spent	104.95
Amount Unspent	0.00

BOARD'S REPORT [Contd.]

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

(₹ in Lakhs)

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	80.00	104.95	104.95	Through Foundation
Meal to Villagers during Covid-19	Eradicating Hunger	Bhuj	0	0.50	0.50	Direct

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

Place : Vadodara
Date : 13th August, 2020

(Chandresh S. Parikh)
Executive Chairman

(Rajesh C. Parikh)
CEO & Managing Director

Management Discussions and Analysis

Management Discussions and Analysis

Analysis of sector-wise performance of the Company for the fiscal year 2019-20 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, Opportunities-Threats & Outlook

The Indian Mining Industry has always been overlooked by the Central Government in the past many years not announcing major reforms or policy changes in this sector to boost the confidence of the mining industry and attract investors to drive the industry and step up into the next level. While India boasts of significant reserves of various minerals in significant belts across the diverse country landscape, the significant depletion of good quality reserves against the rapid production by companies is generating an imbalance in various minerals and creating the vacuum by not incentivising the mining activities in virgin areas and identified belts by the State and Central governments.

A significant driver for change in India is the National Mineral Policy (NMP), a directive released in 2019 that will govern the country's mining sector, and replaces the 2008 version of the policy that has been in place for the last decade. The NMP grants states some powers with regard to mineral exploration and permitting, but stresses that local governments are encouraged to "endeavour to auction mineral blocks with pre-embedded statutory clearances" in order to avoid delays in the process of mine permitting and construction. The aim of National Mineral Policy 2019 is to have a more effective, meaningful and implementable policy that brings in further transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices. As a result, the NMP could be described as company-friendly, with an emphasis on streamlining the permitting and construction processes. The new law also designated mineral-rich areas as "Mining Land," which are to be reserved for mineral development, enabling companies to quickly build mines without obstacles. However, the policy also applies to deposits that have been claimed and on which mining work has not yet begun. The policy places a lot of trust in both private companies and, where applicable, government bodies tasked to develop mining projects, to develop the land responsible and in a timely fashion.

The Indian mining industry is home to various different mineral categories – fuel related minerals; metallic minerals; non-metallic minerals; atomic minerals and minor minerals. The Metals and Mining sector in India is expected to witness a major reform in the next few years, owing to reforms such as Make in India Campaign, Smart Cities, Rural Electrification and a focus on building renewable energy projects under the National Electricity Policy as well as the rise in infrastructure development.

The Industrial Minerals industry in which your company belongs to, hasn't witnessed many dramatic changes or revolutionary regulation overhauls to be excited about. 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 government is taking effective steps in monitoring the movement of minerals within the country to restrict illegal mineral transportation. The introduction of the E-Way Bill has been a great tool to monitor the transactions and illegal practices being followed in the industry since many years. In continuity to the last year implementations, mining activities operating without Environmental Clearance Licenses have streamlined to an extent and constant involvement and tracking by government should streamline many processes within the industry benefitting the overall scenario. However, 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.

Management Discussions and Analysis (continue)

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 are required.

Product/Division wise performance -

CNC – Coating & Construction Division (Paints, Paper, Ink & Allied Applications)

The segment, covers many industries with the majority share lying with the Paint Industry, inclusive of Architectural, Powder Coatings, Industrial and Special purpose coating and focused share with developing applications of allied base industries like Agrochemicals, Adhesives & Sealants, Construction, Hydrocarbon, Foundry, Ceramics, Detergent, Textile and other established industries i.e. Paper and Ink etc.

Our sales growth is dependent upon the growth of overall market Consumption of Paint, Print Media, Ceramics Products, Construction Chemicals, Automobile etc. The financial year 2019-20 was quite challenging in itself due to the conservative spending approach in the market especially the real-estate segment.

Household beautification and Automobile segment where our overall client base have a majority sales. These segments have had a major impact on our overall market growth. Despite of that, CNC division was able to manage growth @ 15% over the previous financial year and our growth has been maintained from last few years by introducing various new and Innovative products to match the industry needs.

We have always been a step ahead by introducing conceptual products early on, in the market and our product development and marketing strategies are aligned in such a way so as to maintain and increase the growth of the applications, whether it is for a specialty product range or commodity sales segment.

The paint and other related industries would have easily grown by more than 10%, going by estimates made in the past few years. However, considering current scenario of a complete global lockdown due to the COVID-19 outbreak, it has become much more difficult to predict what the near future holds for the economy and for our segment, especially the market segment of tier 2 and tier 3 cities, where Decorative Paints including exterior wall paints, interior wall paints, and ancillary products such as primers, putties, etc., which may experience a major sales contraction compared to our earlier estimate. On the other side, sales growth of our product in Industrial paint segment is also difficult to predict now. However, being a premium mineral producer and having close associations with the market leaders of the segment, we can expect to get the sales volume back as expected in future when the market conditions returns to normal. Also, in the recent past, we have introduced many high end specialty mineral products and performance additives like Opacifiers, Matting Agents and range of Wax and Wax emulsion, which can give an advantage to us over the imported products to economize the overall formulation cost during this tough time ahead.

With respect to the Allied based industries which includes Agrochemicals, Ceramics, Hydrocarbon, Construction and Adhesive, etc., we have achieved about 40% growth in the year 2019-20 over the sales of previous financial year. The growth of Agro Chemicals is expected to be positive in the coming years since the government is taking lots of initiatives to aid the farmers to grow by way of providing many incentives. Hence, our Agriculture segment is looking forward for moderate sales growth despite of Covid-19 outbreak. The energy segment also seems to be difficult to grow this year or even maintain its pace, due to the global oil price situation which will have a major impact on our sales in this segment in the future. We are working upon the newer and innovative product mix for Ceramics, Detergent and Foundry industries, which are gaining confidence amongst our customers and can support to bridge the gap of sales reduction due the unpredicted time ahead.

The future of Paper Industry is going to change dramatically, mainly due to shift from paper or print media to online / e-media, in view of this, consumption of paper products is expected to go down in the coming few years. However the COVID-19 outbreak has preponed the trend. It is going to be a challenging time for the paper industry and limited growth is expected, except for some high-end products for specialty papers.

With respect to overall growth aspects 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.

The road forward looks difficult to predict for the near future, considering the failing status of the economy since last few quarters and also the current economic shutdown due to the COVID-19 outbreak.

Though we have a vast and varied segment covered in the CNC Division, the sales of our customers base are distributed into 2 segments i.e. the ‘project and industrial’ sales (B2B), and the ‘retail and luxury’ sales (B2C). We are predicting little bit of a contraction in the ‘retail and luxury’ segment, compared to the ‘project and industrial’ sales, which is likely to affect our product sales pattern. We foresee a negative growth in coming year. COVID-19 has impacted SMEs financial conditions badly, so it is a challenging time to maintain our current client base and the pricing structures etc.

We may have to re-work and re-set our sales policies, which would affect our efforts to maintain the sales in the coming year.

Management Discussions and Analysis (continue)

Hence, we are predicting a U-shaped growth in the sales of our segment rather than predicting much optimistic or pessimistic growth. Even during the lockdown situation, we are always trying to explore the potentiality of our client requirement by concentrating more towards the newer applications with the best possibilities of a great mix of commodity and specialty products.

C&P - Consumer & Polymers

Polymer Application

The year 2019 – 20 has seen a tectonic shift in the polymer industry as lot of conventional products are getting replaced by biodegradable plastics taking into account the environmental safety norms as per the latest guidelines issued by the Government. This along with the volatile market scenario of oil and petroleum globally, Indian plastic industry has passed through a roller coaster ride all throughout the fiscal year. Also the last phase of the year has observed a disturbance followed by a nationwide lockdown due to COVID-19 spread globally. In spite of such an inconsistent market scenario achieving overall 9 % volume growth compared to last year is a laudable performance.

Visionary Management diversification policy apart from as a minerals fillers core company, giving special emphasis on installing new plant and aggressively providing the Import substitute of Micronized Wax series and Oleo chemicals based polymer processing aid cum new generation polymer processing lubricants along with cost optimization and import substitute specialty products basket and flushing world best quality calcium carbonate in Indian polymer market from our Vietnam and Malaysia unit is paying dividends at this challenging moment. Products like Wax & Processing Additive, desiccants, Opacifiers for partial TiO_2 replacement, processing additives and anti-blocking agents are slowly spreading its wings in the polymer industry. More and more opportunities are emerging in aerospace, automotive, packaging, medical, and many other industries. Our technocrats Team's driven mindset with robust development and newly set-up application based research center has helped us in developing 10 new specialty additives for plastics application in the year 2019 -20. Our techno-commercial team is relentlessly working to introduce these products in the plastics industry in coming year.

Rubber Application

The year 2019-20 continued to experience challenging business conditions with the slowing down of GDP growth in India. In line with the depressed automobile sector demand, majority of our customers undertook production cuts at periodical intervals to align their production with demand. As a result there was negligible growth in demand for Rubber Chemicals in the country. On the backdrop of these challenges, our company has achieved a commendable growth of 6.5% in its sales volumes as compared to the previous year.

It would be worthwhile mentioning that your company has successfully developed and marketed specialty products, specifically tailor made for corporate customers, as a result it enjoys a niche position in the segment. Synthetic Magnesium Oxide, Micronized Wax, Precipitated Silica are some of the specialty products which gathered momentum in the Rubber industry.

Cosmetics Application

Cosmetics industry in India is mainly dominated by multinational and corporate companies. In the year 2019-20 we have got a major breakthrough in one of the major corporate company in home care segment by promoting our super specialty fumed silica and as a result of that we have achieved a growth in sales value by 33 %. Also we are on the verge of achieving landmark breakthrough in some multinational oral care company. This was chiefly due to the fact that we have concentrated on the super specialty products and also observing all of the regulatory compliances required to adhere the need of these multinational customers. With such unilateral focus we hope to achieve monumental growth in the coming years in this segment.

Finally your company's strategy of increasing dealer network to cater small and medium scale market, we are expecting a positive response in Plastic, Rubber and Cosmetics application.

Construction & Chemicals Division

"Redefining the Waterproofing Solutions"

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 manufacture products which is a two-in-one solution that ensures high level of protection and waterproofing for industrial, commercial and residential buildings. We work with the moto to empower our customers with efficiently customized products based on their unique and tailored requirements.

During the year 2019-20 your Company introduced new products viz. Tigersil, Koolsil, Gypsum, Color Floor Silica, which are gradually picking up the targeted markets. By following B2C model with adoption of the progressive strategies, growing year-by-year on track, we have been able to successfully mark our presence to the potential regions in the States of not only in Gujarat but also in Maharashtra; Rajasthan and Madhya Pradesh and the process is perpetual to reach every nooks and corners of the country slowly but strongly.

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, Nadiad, Baroda, Bharuch, Surat, Bilimora, Bardoli, Valsad, Vapi, and Daman, 20MCC is now a brand of every contractor, constructor and architects 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 the state of Rajasthan at Alwar, Tapukheda, and Bhiwadi. In Maharastra state we have big presence in Mumbai. We are now steadily growing our roots throughout India.

Management Discussions and Analysis (continue)

With splendid products like Micronsil 30C, Micronsil 30C+, Nanosil, Metakrete, and Cracksil, your company has now introduced new products like Tigersil, Koolsil, Gypsum, Color Floor Silica for which team is getting wonderful response. Adding to the present product basket, your company is planning to introduce few more innovative and cost effective products in the market. Your company also conducted 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 efficiently they can grow well in their respective work and generate a handsome income. Currently, such seminars and roadshows are being carried out in cities like Vadodara, Surat, Vapi, Indore, Bhopal, Mumbai, etc. In the coming year, your company is all set to conduct 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 these products. The products are all manufactured from the highest quality Environment Friendly raw materials that are available to us globally. Not only do we incorporate Environment friendly and Eco-Friendly raw materials into our products, but our Manufacturing processes are also based on minimizing the use of our natural resources.

Fertilizer Division:

Opportunities Ahead for Agriculture based products.

The global economy mainly depends upon the agriculture, as basic needs of food and food related products which are coming from this sector. Day-by-day Agricultural lands are being occupied for urbanization which affects availability of farming lands for this sector for building constructions and for creation of infrastructures. Due to which available land for agriculture has reduced. This has led to the challenges to increase productivity within the limited available sources. Under such circumstances there are lots of challenges to increase agricultural productivity with limited resources. 20 Microns Limited has come out with innovative solutions for farmers to increase the productivity by 14 to 18% with the modern option to reduce the synthetic fertilizers, which always leads to curtail the fertility of the very land as also works against the nature. By using 20 Microns Limited products Farmers can increase their productivity and they have option to reduce synthetic Fertilizers which they have been using since many years. However these synthetic fertilizers reduce fertility of soil and work against nature.

Organic plant growth promoters better Soil fertility and for High-Yield Farming.

Over all in this segment now most of farmers are educated and they have started making their mind to use natural plant growth promoters instead of synthetic fertilizers. Trend is now towards organic farming and even urban society has also started paying little higher price to use organic product for their day to day consumption.

Our Product is designed in Pallet form which dilute and disperse slowly over the period and feed nutrient gradually which makes crop healthy.

The trend is now setting up to educate the farmers and cultivators to switch over to the Organic farming instead of synthetic ones in the interests of all.

Your Company has come out with couple of products for different agricultural segment which are completely natural and produced from mineral bland which helps to improve soil fertility and crops to get required nutrients to withstand against decease. This also help farmers to reduces usage of pesticides. Since soil become fertile with 20 Microns product and crop remains decease free which helps to increase productivity.

Herbal Division:

Herbal Supplements & Ayurvedic Developing Immunity in Humans.

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

In the present scenario, increasing immunity of the human beings is the need of hour in the society at large, Your Company's products line is the best suited as such for all age groups.

Natural & Scientifically 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 Ayurvedic principles, which has a proven track record to help and benefit in many problems that we are facing during our life.

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, malfunctions and overcoming them with ease.

Right now, 20 Microns Herbal produces remarkable supplements Karela Extract, Garlic Extract, Ashwagandha Extract, Shilajit Extract, Curcumin Extract, Pomegranate Peel Extract, Ginger Extract and many more.

After Therapeutics like Pain Kranti, Koff Kranti, Cough Syrup, Micronflax natural omega fatty acid supplement, Dia-B-Micron Forte for Diabetes Cure, and Arthritol for Arthritis Cure during past year, this year we have introduced a dedicated Essential series for Female Healthcare like Menstrostab Syrup, Herbcos tablets, an authentic effective formula for liver care & weight management LIV n LIV syrup, Klean Kranti sanitizer to keep all sanitized round the clock.

In near future, we are planning to launch Immune boosting supplements to be healthy and supportive during time of any viral infection. Also we plan to introduce herbs and mineral based herbal cosmetic products like cream and Hair care products. Our R&D Team is actively working towards better and more efficient under the active guidance of the Company's CEO & Managing Director for healthcare solutions so as to make a better and healthier India.

Management Discussions and Analysis (continue)

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

Your company has 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, everything is now available online through their dedicated official websites and even some of the renowned 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.

Your company is also effectively utilizing Social Media platforms for spreading awareness of its products used by B2B and B2C segments.

Exports

Growth Opportunities for Export:

India's Overall Export grew @10%. The current pandemic situation across Globe has put a brake on prospects of growth this year. But even under tough situation we were able to introduce some high value products in Exports (viz. Zinkomer) and we expect to add further new products. The challenges for exports will be meeting compliances for the new speciality products which 20 Microns is gearing up.

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 restrictions in Europe and USA for discouraging mining has played an active role to search resources from India. Indian minerals 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 contribution in future as we have formed a separate team and already seen positive results.

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 consumers. Our focus will be to promote more such products which are cost effective to the end users.

Mining

Our Company has been a pioneer in White Industrial Minerals and possesses our mining leases having sizable mineral reserves of **73.145** 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.

MINING LEASES RESERVES

Status as on 31.03.2020

Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves (₹ In Lacs)
1	China Clay – Mines, Bhuj, Dist. Kutchh, Gujarat. Area – 11.89 Hector	17.673	2562.63
2	Dolomite Mine, Taluka – Chhota Udepur, Dist. Vadodara, Gujarat, Area – 6.25 Hector.	13.89	4860.75
3	Calcite Mine, Dist. Sirohi, Rajasthan, Area – 49.25 Hector.	8.34	5002.52
4	Limestone Mines, Dist. Tirunelveli, TamilNadu, Area – 4.43 Hector.	10.3	4635.00
5	Dolomite Mine, Anantapur, Andhra Pradesh, Ares – 4.767 Hector	22.942	4591.47
TOTAL		**73.145**	**21652.37**

PRIVATE OWNED LAND RESERVES

Status as on 31.03.2020

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

CONSISTENT ACTION CREATES CONSISTENT RESULTS

In a world where change occurs at a frenetic pace and the needs of society become increasingly sophisticated each day, 20 Microns future depends greatly on the success of its R&D efforts. Your company has therefore structured its R&D organization to function as efficiently as possible. Strategically distributed groups focus on particular technical fields and functions, but all work in concert to cultivate ideas and to develop and rapidly commercialize products in ultrafine Industrial Minerals, as identified by 20 Microns for high growth potential.

Our progress, over the years, is largely driven by our ability to develop a portfolio of high end products. Our philosophy has been to enter a market with a basket of products that provides us a larger market value and significantly minimizes our risks and reduces our dependence on a single product. The diversified products portfolio was developed by the efforts of our R&D team under the able leadership of our Chairman.

The Company's Research & Development (R&D) activities focuses on providing cost-effective and sustainable solutions to support consistent growth of business. During the year under review, the Company carried out research & development activities in the field of cost effective Hydrous as well as Calcined Kaolin. Below are the mentioned grades.

- HYPERSCRUB 300
- Alsil Matt,
- Alco 60,
- Alsil GF 80,
- Alshine,
- Alsil Fine

QUALITY CONTROL

Our commitment to quality - "Quality is not an act. It is a habit"

At 20 Microns quality control laboratories, latest technological 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 are 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 and satisfaction while deepening our understanding of market-specific requirements.

Human Resources

Building tomorrow together- Great vision without great people is irrelevant.

HR emphasizes primarily on its strategic contributions and its closer alignment to business goal. HR works to ensure that a company's most important asset - that is human capital - is being nurtured and supported through the creation and management of programs, policies and procedures and by fostering a positive work environment through effective employee-employer relations. HR makes every effort to understand what candidates and employees do best and put them into roles where they can play to their strengths as much as possible.

Company's constant endeavor has been to invest in people and processes to improve human capital for the organization and service delivery to its customers. Attracting, developing and retaining the right talent will continue to be a key strategic initiative and the organization continues to be focused on building up the capabilities of its people. HR strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of productivity, efficiency and customer delight.

20 Microns is not just a company, but it is one big family and every member of this family is dedicated to its growth and success. With a well-nourished feeling of belongingness, the employees are not only satisfied but also encouraged enough to give their best at all the time. They are always inspired to hold a greater vision for a better tomorrow and are 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. Achievements are being aligned with the organization's objectives so as to build a successful and sustainable organization.HR persistently works on upgrading skills of employees by providing them to participate in 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.

Management Discussions and Analysis (continue)

ENVIORNMENT; SAFETY & HEALTH

Celebration of the World Environment Day : 5th June, 2019 :-

"We can't stop breathing – but we can do something about the quality of Air that we breathe "

"Beat Air Pollution"

Each **World Environment Day** is organized around a theme that focuses attention on a particular pressing **environmental** concern. The theme for **2019**, "Beat Air Pollution", is a call to action call, to combat this global crisis.

For healthy living, environment plays an important role. It provides us air, water, food, etc. It is correctly said that 'the difference between animals and humans is that animals change themselves for the environment, but humans change the environment for themselves. Environment is just like our neighborhood; its surrounding conditions influence us and modify growth and development.

We are committed to make our manufacturing units cleaner and greener place. On the celebration of world environment day more than one thousand tree plant have been planted at all the locations of your Company.

Your Company has been fulfilling the global environment standard.

Celebration of the 49th National Safety Day/Week 4th March to 10th March 2020 :-

The **National safety day** is observed every year on **4th March and** this year i.e. in 2020, we celebrated the same day as **49th** National Safety day organized by 20 Microns groups of company. The National safety day/week is celebrated throughout the country to reiterate the importance of safety and create awareness throughout all the locations of the Company. The theme of National Safety day 2020 was **"Enhance Health & Safety Performance by Use of Advanced Technology".**

To promote use of participative approach by employers by involving their employees in H S E activities as a part of which we have conducted emergency fire mock drills, safety rally for awareness of all employees with our interested party and also demonstrating various safety techniques by way of Posters and painting competitions for our employees, were also organized to mark the day.

Your Company conducted basic awareness program on COVID-19 The disease causes respiratory illness (like the flu) with symptoms such as a fever, cough and in more severe cases, difficulty in breathing. The protective measures were explained thoroughly to combat the pandemic. You can protect yourself by washing your hands frequently, avoiding touching your face, and avoiding close contact (2 meter or 6 feet) with people who are unwell.

Management Discussions and Analysis (continue)

Occupational Health Examination – 2019 :-

Surveillance is a core activity in the practice of occupational health and your Company has been constantly endeavoring to comply and complete in so far as its office and plants people are concerned. Your company arranges to conduct physiological assessment of individual workers, or the public health review of the health status of groups of workers. Steps in setting up a specific occupational health surveillance program. Last year your company included 450 employees and workers for medical examination.

Health surveillance can either take the form of periodic clinical and/or physiological assessment of individual workers or the public health review of the health status of groups of workers. For the individual, the rationale is to detect adverse health effects resulting from occupational exposures at as early a stage as possible, so that appropriate preventive measures can be instituted promptly. This is a form of secondary prevention. The findings from health surveillance can be used to indicate the absence of a significant hazard, the adequacy of control measures, individuals at increased risk, baseline medical data, benchmarks for preventive action, and opportunities to provide health education. Another function is to quantify the incidence and prevalence of occupational and work related disease.

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 2019-20 are as follows:

Financial Performance (₹ in Lakhs)

	2020	2019	Variance
Revenue from operations	49005.19	43,566.78	5438.41
Profit before exceptional items and taxes	3514.22	3,393.94	120.28
Profit before tax	3514.22	3,393.94	120.28
Profit after tax	2496.65	2,171.28	325.37

Key Financial Ratios:

Ratios	2020	2019	Change %
Debtors Turnover Ratio	60.80	56.57	7
Inventory Turnover Ratio	6.53	6.18	6
Interest Coverage Ratio	2.75	2.63	5
Current Ratio	1.14	1.11	3
Debt Equity Ratio	0.65	0.77	-16
Operating Profit Margin [%]	9.72	11.97	-19
Net Profit Margin [%]	5.02	4.98	1
Return on Net Worth [%]	13.77	14.3	-4

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 Boards' Report for the year 2019-20:

CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

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

Board of Directors

Composition

The Company has a very balanced and 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 important role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The strength of Board as on March 31, 2020 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. Jaideep Verma was appointed as an additional director in the category of Independent Director w.e.f. 28.05.2019 and he was appointed as an Independent Director in previous Annual General Meeting held on 13th August, 2019 for period of five years.

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

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

Profile of Directors

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

Mr. 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 52 years of experience, in India and abroad, in various fields such as product development and commercialization of products developed through R & D etc. He started his career as R & D Chemist in the year 1968 with Suhrid Geigy Limited; Vadodara till 1972. Thereafter he joined in as a Chief Chemist with General Foam Products, Mombassa, Kenya in 1972 and continued with them till 1975. Thereafter he held Senior Executive positions as Technical Director and Executive Director in Banco Products (T) Ltd., Dar E Salaam from 1975-82. As Technical Director he was in-charge of Production and technical matters and as an Executive Director he was in overall charge and management of the affairs of that Company. He was a Managing Director in Aerofoam (Nigeria) Ltd., Lagoa, Nigeria during 1982-88. He came to India for the formation of 20 Microns Private Limited and started commercial production from 1988. He holds 37,90,728 Equity Shares representing 10.74% 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 thereafter he was associated with the Company and held, on part time basis, few assignments for a new project to be established for China Clay. At the age of 27 he joined the Board and was in-charge of Technical matters and Marketing of the product of the Company. His exposure to the consuming industries brought in him insight for business and industry. He holds 17,01,714 Equity Shares representing 4.82% of the paid-up Capital of the Company.

REPORT ON CORPORATE GOVERNANCE [Contd.]

Mr. Atil C. Parikh, the **Managing Director**, aged 42 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, the Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he re-joined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Boards of 20 Microns Nano Minerals Limited; Silicate Minerals [I] Private Limited & 20 MCC Private Limited. He holds 17,00,739 Equity Shares representing 4.82% of the paid-up Capital of the Company.

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

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

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

Dr. Ajay I. Ranka, the **Independent Director,** is Ph.D. in Polymer Science and Engg. from USA besides, a Chemical Engineer. He has worked with PPG Industries, USA, as R & D Specialist. He is recognized as a top notch scientist for outstanding pioneering work in Polymer Chemistry and Nanotechnology. He has to his credit many American, European and Indian patents. He is associated with many social, business and trade organizations and a staunch supporter of education through philanthropy. He is presently working as Managing Director of Zydex Industries Pvt. Ltd. He is member of Audit Committee of the Company. He holds 188658 Equity Shares representing 0.53% of the paid-up Capital of the Company.

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

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

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

Meetings:

The Board generally meets 4 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. During the year ended on March 31, 2020, the Board of Directors had 05 Meetings. The last Annual General Meeting (AGM) was held on 13th August, 2019. The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2020, and at the last AGM is as under:-

Name of Director	AGM	Board Meetings					% of attendance
	13.08.2019	28.05.2019	13.08.2019	07.11.2019	12.02.2020	11.03.2020	
Mr. Chandresh S. Parikh	Y	Y	Y	Y	Y	Y	100
Mr. Rajesh C. Parikh	Y	A	Y	Y	Y	Y	83
Mr. Atil C. Parikh	Y	Y	Y	Y	Y	Y	100
Mrs. Sejal R. Parikh	Y	A	Y	Y	Y	Y	83
Mr. Ramkisan A. Devidayal	Y	Y	Y	Y	Y	Y	100
Mr. Atul H. Patel	Y	Y	Y	Y	Y	A	83
Dr. Ajay I. Ranka	Y	Y	Y	Y	Y	Y	100
Mr. Jaideep B. Verma [*w.e.f. 28.05.2019*]	Y	Y	Y	A	Y	Y	83

Y - Attended, A - Absent

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

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

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

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

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 12th February, 2020 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

REPORT ON CORPORATE GOVERNANCE [Contd.]

enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board, Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Any Other Agenda" are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the Board Meeting for noting.

Invitees and Proceedings:

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

Post Meeting Action:

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

Support and Role of Company Secretary:

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

Other Directorships etc.:

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

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on March 31, 2020, 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	1	-
Mr. Atil C. Parikh	20 Microns Ltd.	MD	2	1	-
Mrs. Sejal R. Parikh	20 Microns Ltd.	Non-Executive Non-Independent Director	1	-	-
Mr. Ramkisan A. Devidayal	20 Microns Ltd.	Independent Director	8	2	5
	Banco Products (India) Ltd.	Independent Director			
	Munjal Auto Ltd.	Independent Director			
Mr. Atul H. Patel	20 Microns Ltd.	Independent Director	6	2	-
	Paushak Ltd.	Independent Director			
Dr. Ajay I. Ranka	20 Microns Ltd.	Independent Director	1	1	-
Mr. Jaideep B. Verma	20 Microns Ltd.	Independent Director	1	-	-

* Audit Committee and Stakeholder Relationship Committee considered

Induction and Training of Board Members:

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

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

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

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

Evaluation of the Board's Performance:

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

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

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

Audit Committee of Directors

Composition

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

Meetings

The Audit Committee had 4 meetings during the year 2019-20, specifically on 28.05.2019, 13.08.2019, 07.11.2019 and 12.02.2020. The attendance of each committee member was as under:-

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Ramkisan A. Devidayal, Chairman – Independent Director	4 of 4
2	Mr. Atul H. Patel - Independent Director	4 of 4
3	Dr. Ajay I. Ranka – Independent Director [*w.e.f. 28.05.2019*]	4 of 4

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

REPORT ON
CORPORATE GOVERNANCE [Contd.]

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

Terms of Reference:-

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

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

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

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

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

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

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

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

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

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

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

   (f) disclosure of any related party transactions;

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

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

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the 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;

REPORT ON
CORPORATE GOVERNANCE [Contd.]

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

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

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

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

(21) To review following –

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions, submitted by management;
- (3) management letters/letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses;
- (5) the appointment, removal and terms of remuneration of the chief internal auditor
- (6) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s)
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice.

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

Nomination and Remuneration Committee of Directors

Composition and Attendance at the Meeting

The Nomination and Remuneration Committee comprises of the members as stated below. The Committee during the year ended on March 31, 2020 had one meeting on 18.05.2019. The attendance of the members was as under:-

Sr. No.	Name of Committee Members	No of Meetings held / attended
1	Mr. Ramkisan A. Devidayal - Independent Director	1 of 1
2	Mr. Atul H. Patel - Independent Director	0 of 1
3	Mr. Chandresh S. Parikh - Executive Chairman	1 of 1
4	Mr. Jaideep B. Verma – Independent Director	NA*

*The Committee was reconstituted on 28th May, 2020 and Mr. Jaideep Verma was appointed and added as Committee Member.

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.

REPORT ON CORPORATE GOVERNANCE [Contd.]

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

[Rs. in Lakhs]

Names of Directors	Basic	HRA	Medical	PF	Incentive	Commission	TOTAL
EXECUTIVE DIRECTORS :							
Mr. Chandresh S. Parikh	58.35	0	2.68	7.00	24.76	22.74	115.53
Mr. Rajesh C. Parikh	44.57	6.69	2.05	5.35	14.98	17.05	90.70
Mr. Atil C. Parikh	36.49	5.46	1.67	4.37	14.99	15.92	78.88

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 Independent Directors had been 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 2019-20 which is as under -

Non-Executive Directors	Sitting fees [Rs. In Lakhs]	Commission Paid [Rs. In Lakhs]
Mrs. Sejal R. Parikh	0.80	1.75
Mr. Ramkisan A. Devidayal	2.60	3.50
Mr. Atul H. Patel	2.10	1.75
Dr. Ajay I. Ranka	1.90	1.75
Mr. Jaideep B. Verma	0.95	-

*Mr. P.M. Shah, Independent Director was resigned on 29th April, 2019.

Incentive to Whole Time Directors includes two types of incentives i.e. performance Linked Incentive which was calculated on 0.2% to 0.3% of quarterly profit after tax and Executive Directors Incentive paid to Mr. Chandresh Parikh, Mr. Rajesh Parikh and to Mr. Atil Parikh at 0.79%, 0.36% and 0.36%, respectively, on quarterly profit after tax. These both incentives were paid on quarterly basis.

Executive Directors of the Company were also paid with Commission on quarterly profit after tax at the rate mentioned in the agreement entered into with them at the time of their reappointment, respectively. This commission also 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 March 31, 2020:

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

* Considered holding as a First holder.

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

Stakeholder Relationship and Share Transfer Committee

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

Mr. P. M. Shah, Independent Directors of the Company who was the Chairman of the said Committee has resigned on 29.04.2019 and the Committee at its Meeting held on 12.02.2020 appointed Mr. Ramkisan Devidayal as the Chairman of the Committee.

The Committee consists of the members as stated below. During the year ended on March 31, 2020, this Committee had 01 meeting on 12.02.2020 which was attended by the members as under:-

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

Terms of Reference of Stakeholders Relationship and Share Transfer Committee

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

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

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

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

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

Status of Investors Complaints

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

CSR Committee of Directors

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee is headed by Mr. Chandresh S. Parikh, Executive Chairman and consists of the members as stated below. During the year ended on March 31, 2020, one Committee Meeting was held on 18.05.2019. The CSR Committee, as on March 31, 2020, 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	Mrs. Sejal R. Parikh – Non-Executive Woman Director	0 of 1
3	Mr. Ramkisan Devidayal – Independent Director	1 of 1

Independent Directors:

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

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

Separate meeting of Independent Directors:

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

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

b. Review the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-Executive Directors;

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

Policies/Codes

a. Vigil Mechanism / Whistle Blower Policy

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

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

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

General Body Meetings

(i) Annual General Meeting (AGM):

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

Financial Year	Date	Location	Time	No. of Special Resolutions passed
2018-19	13.08.2019	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	05
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

(ii) Extra Ordinary General Meetings:

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

(iii) Postal Ballot:

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

Management review and responsibility

- Formal evaluation of officers

The nomination and remuneration Committee of the Board approves the compensation and benefits for all Sr. Management Employees.

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

Disclosures

1. Transactions with related parties, as per requirements of Indian Accounting Standard [Ind AS] 24, are disclosed in notes to accounts annexed to the financial statements.
2. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Ind AS 24 has been made in the Annual Report. The Company has identified that there are no materially significant transactions with the related parties pursuant to the material related party transaction policy formulated by the Company. The said policy is available at web-link - https://www.20microns.com/wp-content/uploads/2019/12/20ML_Material-Related-Party-Transaction-Policy.pdf

REPORT ON
CORPORATE GOVERNANCE [Contd.]

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 in following cases, 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 –
   i. SEBI had during the FY 2017-18, imposed penalty of Rs. 2,00,000.00 for non-adhering the provision of the Listing Agreement.
   ii. BSE and NSE has charged penalty for delayed submission of Annual Report as required under Regulation 34 of SEBI (LODR) Regulations 2015 but thereafter both Stock Exchanges have withdrawn fine imposed.
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 31.03.2020, the Company has a material unlisted subsidiary company viz. 20 Microns Nano Minerals Ltd. as defined in Regulation 16(1)(c) of the Listing Regulation, 2015. The Company has framed a policy for determining "material subsidiary" and the same is disclosed at https://www.20microns.com/wp-content/uploads/2019/12/20ML_Material-Related-Party-Transaction-Policy.pdf
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 as on March 31, 2020

Plant Location Address

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
T'Velli	104, Thaenkasi Road, Pathur Village, Alangulam Via, Tirunelveli,T.N.- 627851.
Haldwani	Village: Haripur,Bareilly Road, Taluka: Haldwani,Dist. Nainital,Utarakhand. -263139
Alwar	Plot No. F-140 and B-77-78, M.I.A., Alwar, Rajasthan.
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 the Annual Report.

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

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

Certificate

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

Means of Communication

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

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

Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and Rules made there under, the Board of Directors of the Company appointed M/s. J. J. Gandhi and Co., Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the company. The Secretarial Audit Report confirms that the Company has complied with all the provisions of Companies Act, 2013, Depositories Act, 1996, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the Regulations and Guidelines of the Securities and Exchange Board of India, as applicable to the Company.

REPORT ON CORPORATE GOVERNANCE [Contd.]

General Shareholders' Information

Annual General Meeting:

Day and Date	:	Friday, 25th September, 2020
Time	:	3.00 p.m.
Venue	:	Meeting is to be conducted **through Video Conference (VC) or Other Audio Visual Means (OAVM)** The venue of the meeting shall be deemed to be at the Conference Hall, 347, GIDC Industrial Estate, Waghodia – 391 760, Dist. Vadodara

Financial Calendar:

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

First quarterly results*	:	on or before 14th August, 2020
Second quarterly / Half yearly results*	:	on or before 14th November, 2020
Third quarterly results*	:	on or before 14th February, 2021
Fourth quarterly / annual results*	:	on or before 30th May, 2021
Annual General Meeting for the year ending on March 31, 2021	:	on or before 30th September 2021

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

Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 18th September, 2020 till Friday, 25th September, 2020 (both days inclusive) for the purpose of 33rd 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 March 31, 2021 to the Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. where Company's shares are listed.

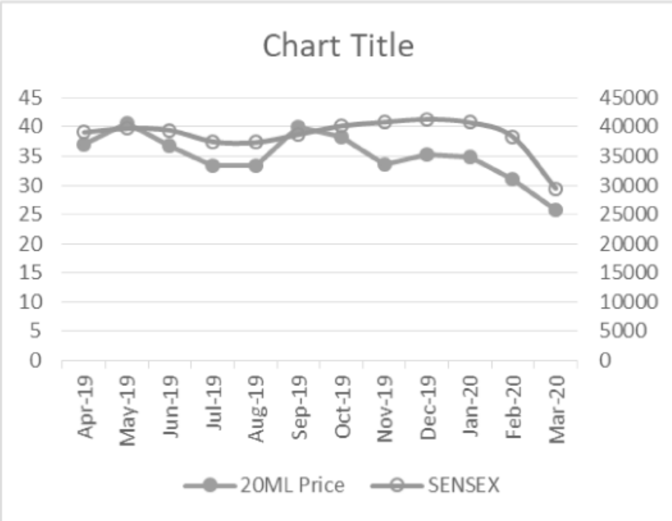
MARKET PRICE DATA

The monthly high and low prices of the shares of the company as quoted on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the FY 2019-20 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-19	41.95	36.35	36.95		40.55	36.55	37.1
May-19	44.3	31.8	40.7		44.15	32.25	40.6
Jun-19	40.05	33	36.8		40.7	33.45	37.05
Jul-19	40.3	33.05	33.35		40.4	33.55	33.8
Aug-19	38.5	28.55	33.45		38	30.7	33.75
Sep-19	42.1	32.45	39.95		42	32.5	40.05
Oct-19	42	36.05	38.25		41.8	36.1	38.35
Nov-19	41	32.8	33.7		41	32.85	33.55
Dec-19	37	31.4	35.2		37.4	31.35	35.2
Jan-20	38	32.2	34.95		38	32.2	34.9
Feb-20	35.9	30.9	31.15		35.95	31	31.2
Mar-20	32.2	19.2	25.7		32.6	19	25.55

REPORT ON CORPORATE GOVERNANCE [Contd.]

Performance in comparison to broad based indices - SENSEX:



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

Registrars & Share Transfer Agents:

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

CAMEO CORPORATE SERVICES LIMITED
SUBRAMANIAN BUILDING, NO. 1, CLUB HOUSE ROAD,
CHENNAI – 600 002.
TELE FAX: +91 044 4002 0734 / 0735
EMAIL : investor@cameoindia.com

SHARE TRANSFER SYSTEM

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

As directed by the SEBI's Circular, Share Transfers in Physical mode has been discontinued w.e.f. 01.04.2019.

DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the company as on March 31, 2020 is as follows:

Holding		No. of holders	% of Total holders	Total Shares	Total Amount (Rs.)	% of Total Amount
5	5000	11117	89.7473	2306895	11534475	6.5376
5001	10000	579	4.6742	908192	4540960	2.5737
10001	20000	323	2.6075	962785	4813925	2.7284
20001	30000	145	1.1705	721568	3607840	2.0448
30001	40000	49	0.3955	338522	1692610	0.9593
40001	50000	44	0.3552	411248	2056240	1.1654
50001	100000	56	0.4520	790965	3954825	2.2415
100001	And Above	74	0.5974	28846327	144231635	81.7488
	Total	**12387**	**100.0000**	**35286502**	**176432510**	**100.0000**

REPORT ON
CORPORATE GOVERNANCE [Contd.]

Shareholding Pattern:

The shareholding of different categories of the shareholders as on March 31, 2020 is given below:-

SLNO	CLIENT TYPE	NO. OF SHARES	% OF HOLDINGS
1	Promoters	15819019	40.83
2	Corporate Body	5973328	16.93
3	Directors & their Relatives	631566	1.79
4	Resident	10084061	28.57
5	NRI	1705576	4.83
6	Clearing Member	52538	0.15
7	Trusts	206	0.00
8	Financial Institutions/Bank	590	0.00
9	Employees	5580	0.02
10	Hindu Undivided Family	1005401	2.85
11	IEPF	8637	0.02
	Total	**35286502**	**100.00**

Dematerialization of Shares:

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

About 99.64% of total equity share capital is held in dematerialized form with NSDL and CDSL as on March 31, 2020. The Promoter holding is 44.83% as against Non-Promoter holding of 55.17%.

Foreign Exchange Risk

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

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:

During the year under review, the Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments. There is no outstanding GDRs/ADRs/Warrants as on 31.03.2020.

CRICIL RATING

Credit Rating Agency viz. Brickwork Ratings India Pvt. Ltd. given the company BBB (Stable) 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 Muley
Company Secretary and Compliance Officer
20 Microns Limited
9/10, GIDC Industrial Estate, Waghodia – 391760. Dist. Vadodara, Gujarat, India
Tel : +91 75748 06350 Fax: +91 2668 264003
Email: investors@20microns.com

Registered Office:

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

REPORT ON CORPORATE GOVERNANCE [Contd.]

Subsidiary Companies

As on 31.03.2020, the Company has 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 10% of the consolidated income or net worth of the Company and its respective subsidiary in the preceding financial year. The Policy for determining material subsidiaries is posted at web-link - https://www.20microns.com/wp-content/uploads/2019/12/20ML_Material-Subsidiaries.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, 2012 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 and 2011-12 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 2012-13 is 28.11.2020. 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) of Listing Regulations, 2015.
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. Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are provided in the Notes to accounts forming part of this Annual Report.

Place: Vadodara
Date: 13.08.2020

Chandresh S. Parikh
Executive Chairman

REPORT ON CORPORATE GOVERNANCE [Contd.]

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

The Board of Directors
20 Microns Limited

Dear Members of the Board,

1. We have reviewed Audited Financial statements and the cash flow statement of 20 Microns Limited for the year ended March 31, 2020 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 March 31, 2020, 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 : Vadodara
Date : 13th August, 2020

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, 2020 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 March 31, 2020.

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, 2020.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted affairs of the Company.

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

Naitik J. Mehta
Partner
Membership No.130010

Place: Ahmedabad
Date : 13th August, 2020

SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31st March, 2020)

[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, 2020**, 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, 2020**, according to the provisions of:

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

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

(i) The Mandatory Secretarial Standards (SS1 and SS2) issued by The Institute of Company Secretaries of India.

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

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

We further report that;

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

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

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

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

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

Place: Vadodara
Date: 8th June, 2020

(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515
UDIN F003519B000326556

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: 8th June, 2020

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

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

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

for J. J. Gandhi & Co.
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

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **20 Microns Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	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 standalone financial statements. We considered unusual journals such as those posted outside of expected days, or by unexpected individuals. • We also evaluated management's controls over such adjustments. • We inspected a sample of contracts to check that revenue recognition was in accordance with the contract terms and the Company's revenue recognition policies. • We tested a sample of transactions around period end to test that revenue was recorded in the correct period.

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 standalone financial statements. Based on the above procedures, the management's assessment of contingencies in respect of statutory claims and claims against company not acknowledged as debt was considered to be appropriate.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Board's Report and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such

controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

   (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial statements – Refer Note 40 to the Standalone Financial statements.

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

   (iii) The amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020 have been transferred by the Company during the year ended March 31, 2020.

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

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

(Naitik J Mehta)
Partner
Membership No. 130010
UDIN : 20130010AAAAAQ5049

Place: Ahemdabad
Date: 08/06/2020

ANNEXURE - A
TO INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the Standalone Financial statements of **20 Microns Limited** ("the Company") as of and for the year ended March 31, 2020, we have also audited the internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Naitik J Mehta)
Partner
Membership No. 130010
UDIN : 20130010AAAAAQ5049

Place: Ahemdabad
Date: 08/06/2020

ANNEXURE - B
TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report the members of 20 Microns Limited of even date) **Report on the Companies (Auditor' Report) Order, 2016, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of 20 Microns Limited ('the Company')**

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at 31st March 2020.

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

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

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

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

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

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess, duty of customs and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Excise Duty, Goods and Service Tax, Custom duty and other material statutory dues which have not been deposited on account of any dispute.The particulars of dues of income tax as at 31st March 2020 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
Income Tax Act, 1961	Income Tax	26.36	Assessment Year 2014-15	Commissioner of Income Tax, Appeals
		32.32		

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

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

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

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

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

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

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

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

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

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

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

(Naitik J Mehta)
Partner
Membership No. 130010
UDIN : 20130010AAAAAQ5049

Place: Ahemdabad
Date: 08/06/2020

STANDALONE FINANCIAL STATEMENT

STANDALONE BALANCE SHEET
as at March 31st, 2020

(₹ In Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.1	17,329.82	17,444.03
(b) Capital Work in Progress	3.2	757.31	169.40
(c) Intangible Assets	4.1	414.74	15.74
(d) Intangible Assets under Development	4.2	58.76	101.80
(e) Investments in Subsidiaries	5	1,858.65	1,855.82
(f) Financial Assets			
(i) Investments	6	61.55	205.22
(ii) Loans	7	350.43	320.05
(iii) Other Financial Assets	8	245.14	45.39
(g) Other Non-Current Assets	9	368.74	573.66
Total Non-Current Assets		**21,445.13**	**20,731.12**
2 Current assets			
(a) Inventories	10	7,620.83	7,091.24
(b) Financial Assets			
(i) Trade receivables	11	8,141.95	6,737.32
(ii) Cash and Cash Equivalents	12	309.59	132.70
(iii) Bank Balances other than (ii) above	13	195.45	340.62
(iv) Loans	14	186.21	124.72
(v) Other Financial Assets	15	117.88	182.29
(c) Other Current Assets	16	2,148.76	1,369.22
Total Current Assets		**18,720.67**	**15,929.39**
TOTAL ASSETS		**40,165.80**	**36,660.51**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	17	1,764.33	1,764.33
(b) Other Equity	18	15,576.33	13,443.91
Total equity		**17,340.66**	**15,208.23**
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	3,635.36	4,429.12
(ii) Other Financial Liabilities	20	317.70	9.14
(b) Deferred Tax Liabilities (Net)	21	2,841.46	2,602.54
Total Non-Current Liabilities		**6,794.52**	**7,040.79**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	6,095.28	5,820.74
(ii) Trade Payables	23		
Total outstanding dues of Micro and Small Enterprise		117.67	28.90
Total outstanding dues of Creditors other than Micro and Small Enterprise		7,304.03	6,076.55
(iii) Other Financial Liabilities	24	2,193.07	2,187.11
(b) Other Current Liabilities	25	160.79	222.03
(c) Provisions	26	159.80	68.70
(d) Current Tax Liabilities (Net)	27	-	56.18
Total Current Liabilities		**16,030.64**	**14,411.50**
Total Liabilities		**22,825.15**	**21,452.29**
TOTAL EQUITY AND LIABILITIES		**40,165.80**	**36,709.23**

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

Place : Ahmedabad
Date : 08/06/2020

Place : Vadodara
Date : 08/06/2020

Standalone Statement of Profit and Loss
for the year ended on 31st March 2020

(₹ In Lakhs)

Particulars		Notes	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Revenue				
I.	Revenue from Operations	28	49,005.19	43,566.78
II.	Other income	29	761.38	264.01
III.	**Total Income (I+II)**		**49,766.57**	**43,830.80**
IV.	**Expenses**			
	a) Cost of materials consumed	30	26,674.93	21,046.35
	b) Changes in inventories of finished goods, stock in trade and work in progress	31	87.67	(244.93)
	c) Employee Benefits Expenses	32	4,099.35	4,259.89
	d) Finance Costs	33	2,011.54	2,085.99
	e) Depreciation and Amortization Expenses	34	1,118.73	937.29
	f) Other Expenses	35	12,260.13	12,352.25
	Total Expenses (IV)		**46,252.35**	**40,436.84**
V.	Profit/(Loss) Before Exceptional Items and Tax(III-IV)		3,514.22	3,393.93
VI.	Exceptional Items			
VII.	**Profit/(Loss) Before Tax (V-VI)**		**3,514.22**	**3,393.94**
VIII.	**Tax expense:**	37		
	Current Tax		921.11	1,065.30
	Deferred Tax		96.46	157.37
IX.	**Profit/(Loss) for the period(VII-VIII)**		**2,496.65**	**2,171.28**
X.	**Other Comprehensive Income**	38		
	A. (i) Items that will not be reclassified to profit or loss		(209.71)	(139.83)
	(ii) Income tax related to items that will not be reclassified to profit or loss		57.16	33.28
	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		**(152.55)**	**(106.56)**
XI.	**Total Comprehensive Income for the period(IX+X)**		**2,344.10**	**2,064.72**
	Earnings per equity share of Face Value of Rs 5 each	39		
	Basic		7.08	6.15
	Diluted		7.08	6.15

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

Place : Ahmedabad
Date : 08/06/2020

Place : Vadodara
Date : 08/06/2020

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2020

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax	3,514.22	3,393.93
	Adjustments for:		
	Depreciation and Amortisation	1,118.73	937.29
	Loss on sale/disposal of Property, plant and equipment	7.58	20.97
	Bad Debts Written Off	0.12	0.29
	Provision made/reversed for Doubtful Debts (Trade Receivables)	(6.57)	(16.44)
	Effect of foreign exchange gain/loss	(18.14)	27.54
	Finance Costs	2,011.54	2,085.99
	Provision/liability no longer required written back	(81.48)	(19.06)
	Debit balance written off	24.61	23.56
	Dividend Income	(255.03)	(69.76)
	Interest Income	(47.93)	(47.88)
	Gain on Fair value of Financial Assets	-	(0.30)
	Operating Profit before Working Capital Changes	**6,267.64**	**6,336.14**
	Adjustments for changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	(1,359.63)	(568.93)
	(Increase)/Decrease in Other - Non Current Assets	5.61	(3.49)
	(Increase)/Decrease in Other financial assets-Non-current	(199.75)	109.61
	(Increase)/Decrease in Short Terms Loans and Advances	(61.49)	(23.43)
	(Increase)/Decrease in Other Current Assets	(668.97)	(92.31)
	(Increase)/Decrease in Other financial assets-Current	64.41	(30.86)
	(Increase)/Decrease in Inventories	(529.59)	(836.24)
	(Increase)/Decrease in Long-term loan and advances	(30.38)	(30.08)
	Changes in Trade and Other Receivables	**(2,779.79)**	**(1,475.73)**
	Increase/(Decrease) in Trade Payables	1,352.72	291.92
	Increase/(Decrease) in Other current Liabilities	(61.24)	13.88
	Increase/(Decrease) in Other Financial current Liabilities	(84.62)	73.61
	Increase/(Decrease) in Other non current liabilities	(0.15)	(4.00)
	Increase/(Decrease) in Short-term provisions	19.77	0.85
	Changes in Trade and Other Payables	**1,226.48**	**376.26**
	Cash Generated from Operations	**4,714.34**	**5,236.67**
	Direct Tax paid (Net of refunds)	(888.25)	(684.64)
	Net Cash from Operating Activities	**3,826.09**	**4,552.03**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Property, Plant and Equipments/Intangible assets including capital work in progress and capital advances.	(1,333.33)	(1,323.33)
	Sale of investment in subsidiary	-	1.25
	Proceeds from sale of Property, plant and equipments	44.16	91.93
	Investment in Subsidiaries	(2.83)	(22.23)
	Investment in Mutual Funds	-	(5.00)
	Proceeds from sale of Investment	5.30	
	Maturity of Deposits with original maturity of more than three months	145.17	(78.59)
	Interest Received	47.93	47.88
	Dividend Income	255.03	69.76
	Net Cash used in Investing Activities	**(838.57)**	**(1,218.33)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Long-term borrowings (Net)	(795.41)	(1,180.93)
	Repayment of Short-term borrowings (Net)	274.54	(14.34)
	Payment of lease liability	(108.10)	-
	Finance cost Paid	(2,011.54)	(2,085.99)
	Dividend Paid (including tax thereon)	(211.68)	(134.55)
	Net Cash from Financing Activities	**(2,852.19)**	**(3,415.81)**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2020 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**135.33**	**(82.11)**
Cash and Cash Equivalents at the beginning of the year	131.74	213.84
Cash and Cash Equivalents at the end of the year	267.06	131.74
Closing Cash and Cash Equivalents comprise:		
Cash in hand	21.00	22.20
Balances with Scheduled Banks		
Balance in Current Account	288.58	110.50
Total	**309.59**	**132.70**
Less : Amount due to bank in current account	(42.52)	(0.96)
Total	**267.06**	**131.74**

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, 2020	Opening Balance	Cash Flow	Non Cash Changes	Closing Balance
Short Term Borrowings	5,820.74	262.12	12.42	6,095.28
Long Term Borrowings (including Current maturities)	5,840.21	(776.99)	(18.42)	5,044.80
Bank Balances other than Cash and Cash Equivalents	340.62	(145.17)	-	195.45

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

Place : Ahmedabad
Date : 08/06/2020

Place : Vadodara
Date : 08/06/2020

STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCIE)
FOR THE YEAR ENDED 31ST MARCH 2020

(a) Equity share capital

(₹ In Lakhs)

	As at March 31, 2020 Amount	As at March 31, 2019 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
Other equity	General Reserve	Securities Premium Account	Retained earnings	Equity Instruments through OCI	
Balance at April 1, 2018 (A)	**120.54**	**3,980.33**	**7,313.64**	**99.23**	**11,513.74**
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
Balance at March 31, 2019 (B)	**120.54**	**3,980.33**	**9,346.45**	**(3.41)**	**13,443.91**
Less; Share issue expenditure	-	-	-	-	-
Add: Profit during the Period	-	-	2,496.65	-	2,496.65
Add/(less): Other Comprehensive Income for the year(Net of Tax)	-	-	-	(106.14)	(106.14)
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(46.40)	-	(46.40)
Less : Appropriations	-				
Dividend Declared	-	-	211.68	-	211.68
Corporate Tax on Dividend	-	-	-	-	-
Closing Balance	**120.54**	**3,980.33**	**11,585.02**	**(109.56)**	**15,576.33**

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

Place : Ahmedabad
Date : 08/06/2020

Place : Vadodara
Date : 08/06/2020

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020

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 08th June, 2020.

Notes to Standalone Financial statements for the year ended 31st March 2020

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 Micronised Minerals 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 40 Contingent 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

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

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

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

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

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

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

2.4 Capital Work in Progress:

Expenditure on projects pending capitalization is shown under the head “Capital Work In Progress” which will be capitalized to respective heads of Property, Plant and Equipment on commencement of commercial production.

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

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

2.5 Investment Properties

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

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

2.6 Intangible Assets

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

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

Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits. ERP Project fees are amortized over a period of seven years. Costs of all other software are 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 property net of the estimated residual values over the estimated useful life. Depreciation is computed using Straight Line

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

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 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 equipment are reviewed at the end of each financial year and adjusted prospectively if appropriate.

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

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

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

2.8 Impairment of non-financial assets

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

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

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

2.9 Revenue recognition

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

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

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) Rental income is recognised as revenue on accrual basis as per the terms of the underlying contract with customers.

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

Contract Balances:

Contract assets

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

Trade receivables

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

Contract liabilities

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

2.10 Borrowing

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

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

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

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

2.11 Borrowing Cost

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

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

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

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 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 and Loss.

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.

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended March 31st, 2020 [Contd.]

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 financial instruments in an effective hedge, as appropriate.

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

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

Subsequent measurement

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

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

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

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 and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial Guarantee Contracts

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

Loan and Borrowings

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

Derecognition

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

2.12.3 Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes exchange rates. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Fair Value Hedges:

The Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in foreign exchange rates. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

2.12.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.13 Fair Value

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

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

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

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 Financial Officer.

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 location and 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

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

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

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

2.17.2 Short Term Employee Benefits

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

2.18 Leases

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

As a lessee

The Company's leased assets consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense as per the terms of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Refer note 48 for transition disclosures.

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

2.19 Taxation

Tax expenses is the aggregate amount included in the determination of profit or loss for the period in respect of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

2.19.1 Current Tax

The current tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

2.19.2 Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred taxes are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

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

STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended March 31st, 2020 [Contd.]

take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

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 Industrial Micronized Minerals and Speciality chemicals. The Managing Director of the Company allocate resources and assess the performance of the Company, thus they are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

2.23 Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.24 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.25 Dividends

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Insurance Claims

The company accounts for insurance claims when there is certainty that the claims are realizable and acknowledged by insurance company and amount recognized in books of accounts is as under:

- In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head “Claims Recoverable-Insurance”.
- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

2.27 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.28 Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors’ Report.

2.29 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.30 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020

Notes to Standalone financial statements for the year ended 31st March 2020

3.1 Property, Plant and Equipment (PPE) as at 31st March 2020

(₹ In Lakhs)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2019	Addition during the year	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	For the year	Disposal/ Adjustment	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Freehold land	562.39	14.78	-	577.17	-	-	-	-	577.17	562.39
Leasehold land	2,397.75	-	-	2,397.75	94.25	34.64	-	128.90	2,268.85	2,303.50
Free Hold Office Building	120.24	11.33	-	131.57	45.91	10.16	-	56.07	75.50	74.34
Lease Hold Office Building	75.20	-	-	75.20	62.04	-	-	62.04	13.16	13.16
Factory Building	4,761.95	123.28	-	4,885.23	1,063.25	152.08	-	1,215.33	3,669.90	3,698.71
Plant & Equipment	17,818.50	699.46	(60.80)	18,457.16	7,441.83	679.36	(31.72)	8,089.47	10,367.69	10,376.68
Furniture and Fixtures	232.46	3.99	-	236.45	179.63	17.03	-	196.66	39.79	52.82
Office Equipments	141.69	10.97	(0.50)	152.16	112.65	9.17	(0.47)	121.34	30.81	29.04
Computer Equipments	238.07	26.65	(0.12)	264.59	174.12	22.22	(0.12)	196.22	68.37	63.95
Vehicles	549.96	17.31	(34.29)	532.98	280.51	45.58	(11.67)	314.42	218.56	269.45
Total PPE	**26,898.21**	**907.77**	**(95.71)**	**27,710.26**	**9,454.18**	**970.25**	**(43.98)**	**10,380.45**	**17,329.82**	**17,444.03**
Previous year	**25,007.66**	**2,103.20**	**(212.65)**	**26,898.21**	**8,635.92**	**918.01**	**(99.75)**	**9,454.18**	**17,444.03**	

Note 3.1.1 Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on “Impairment of Assets”. Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 3.1.2 Security Pledge of Assets : Refer to Note 19 on borrowings for details in terms of pledge of assets as security.

Note 3.1.3 Refer to note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 3.1.4 There is no restriction on the title of property, plant and equipments.

Note 3.1.5 Borrowing cost amounting to Rs. 61.09 lakhs (P.Y. - 29.47 lakhs) 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, 2020 [Contd.]

3.2 Capital work in progress

(₹ In Lakhs)

Capital work in progress	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Capital Work-in-Progress	757.31	108.31
Interest during the construction period	-	61.09
Total	**757.31**	**169.40**

Note:- Security Pledge of Assets : Refer to Note 19 on borrowings for details of security pledge of assets.

4.1 Intangible assets as at 31st March 2020

(₹ In Lakhs)

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	As at 1st April 2019	Addition during the year	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	For the year	Disposal/ Adjustment	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Product Development	269.58	-	-	269.58	256.57	10.29	-	266.86	2.73	13.01
SAP "ERP" License and Development Fees	192.46	80.00	-	272.46	189.73	11.06	-	200.79	71.67	2.73
Right to Use	-	467.47	-	467.47	-	127.13	-	127.13	340.34	-
Total Intangible Assets	**462.04**	**547.47**	**-**	**1,009.51**	**446.30**	**148.48**	**-**	**594.78**	**414.74**	**15.74**
Previous year	462.04	-	-	462.04	427.02	19.28	-	446.31	15.74	-

Note 4.1.1 Product Development is acquired know how . The useful life of the product development is taken 5 years.

Note 4.1.2 Software includes SAP ERP Licence and Development Fees and Other softwares. For SAP ERP Licence and Development Fees useful life is considered as 7 years and for other softwares the useful life is 5 years.

Note 4.1.3- Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 4.1.4 There is no restriction on the title of intangible assets.

4.2 Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Product Development In Progress	21.80	21.80
SAP "ERP" License and Development Fees	36.96	80.00
Total	**58.76**	**101.80**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 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, 2019: 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, 2019: 5,04,000 shares) of RM 1 each.		
Extent of Holding	100.00%	100.00%
Place of business/ country of incorporation	Malaysia	Malaysia
3) 20 Microns FZE	62.63	62.63
1 shares (31st March, 2019: 1) of AED 1,50,000 each.		
Extent of Holding	100.00%	100.00%
Place of business/ country of incorporation	Sharjah	Sharjah
4) 20 Microns Vietnam Limited	25.66	25.66
Extent of Holding	100%	100%
Place of business/ country of incorporation	Vietnam	Vietnam
5) 20 MCC Private Limited	25.05	22.23
2,50,545 shares (31st March, 2019: 2,22,313) of INR 10 each.		
Extent of Holding	100.00%	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	At Cost
Total	**1,858.65**	**1,855.82**
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	1,858.65	1,855.82
(c) Aggregate amount of impairment in value of investments.	Nil	Nil
Note 6 Non-current financial assets : Investments		
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
6,80,000 (31st March, 2019: 6,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited ₹ 10 each fully paid up.	60.66	199.04
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
NIL (31st March, 2019: 50,000) units of IDBI Long term value fund - direct plan growth.		
Total	**61.55**	**205.22**
(a) Aggregate amount of quoted investments and market value thereof;	-	5.30
(b) Aggregate amount of unquoted investments; and	61.55	199.93
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 7 Non- current financial assets : Loans		
Security Deposits		
To Others [Unsecured, considered good]	350.43	320.05
Total	**350.43**	**320.05**
Note 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	245.14	45.39
Total	**245.14**	**45.39**
Note 9 Other non- current assets		
Capital advances [Unsecured, considered good]	366.64	565.95
Balances with Government authorities paid under protest	2.10	7.71
Total	**368.74**	**573.66**
Note 10 Inventories*		
Finished Goods	1,942.63	2,030.30
Goods in Transit (Raw Materials)	911.56	281.64
Raw Materials	4,129.52	4,200.02
Stores and Spares	637.13	579.28
Total	**7,620.83**	**7,091.24**
* For Valuation- Refer note 2.14 (Accounting Policy)		
** Refer to Note 22 on borrowings for details in terms of pledge of assets as security.		
Note 11 Current financial assets : Trade receivables		
Unsecured, Considered Good	8,141.95	6,737.32
Credit Impaired	160.00	181.31
	8,301.95	6,918.63
Less: Impairment Allowance for Trade Receivables	(160.00)	(181.31)
Total	**8,141.95**	**6,737.32**
* Refer to Note 22 on borrowings for details in terms of pledge of assets as security.		
Note 12 Current financial assets : Cash and cash equivalents		
(a) Balance with banks		
Balance in Current and Savings accounts	288.58	110.50
(b) Cash on hand	21.00	22.20
Total	**309.59**	**132.70**
Note 13 Current financial assets : Other bank balances		
Earmarked balances In unclaimed dividend accounts (Refer Note 13.1)	1.67	2.17
Margin Money deposits under lien against Bank Guarantee	88.32	62.64
Deposits with maturity over 3 months but less than 12 months		
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	105.46	275.81
Total	**195.45**	**340.62**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 13.1

The balances in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 14 Current financial assets : Loans (including security deposits)		
Loans to employees [Unsecured, considered good]	117.94	72.06
Security and other deposits [Unsecured, considered good]	68.27	52.66
Total	**186.21**	**124.72**
Note 15 Current financial assets : Others		
Balances with Tax authorities	96.83	152.42
Other Current financial assets	-	29.87
Foreign Currency Forward contracts	21.04	-
Total	**117.88**	**182.29**
Note 16 Current assets : Others		
Advances for expenses[Unsecured, considered good]		
To Related parties	337.16	5.53
To Others	1,233.13	1,089.24
	1,570.29	1,094.77
Prepaid Expenses	96.42	110.29
Indirect Tax credit receivable	256.03	48.72
Advance Payment of Income Tax (Net of Provision : 31.03.2020 - Rs. 3738.15 lakhs, 31.03.2019 - Rs. 2,165.65 Lakhs)	226.01	115.44
Total	**2,148.76**	**1,369.22**

Note 17 Share capital

17.1 Authorised, issued, subscribed, fully paid up share capital

(₹ In Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	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 2020		As at 31st March 2019	
	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

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

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 Rs. 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

Name of Shareholders	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 5 each fully paid				
Eriez Industries Private Limited	85,91,838	24.35%	84,84,664	24.05%
Chandresh S Parikh	37,90,728	10.74%	36,96,400	10.48%
Pratik Minerals Private Limited	30,36,206	8.60%	30,36,206	8.60%
Total	**1,54,18,772**	**43.70%**	**1,52,17,270**	**43.12%**

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, 2020

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 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	9,346.45	7,313.64
Add: Profit during the Period	2,496.65	2,171.28
Add: Remeasurements of post-employment benefit obligation, net of tax	(46.40)	(3.91)
Total	11,796.70	9,481.00
Less : Appropriations		
Dividend Declared	211.68	123.50
Corporate Tax on Dividend	-	11.05
Closing Balance	11,585.02	9,346.45
Total (A)	**15,685.89**	**13,447.32**
(B) Equity instrument through OCI		
Opening Balance	(3.41)	99.23
Change in fair value of equity instrument	(138.38)	(133.82)
Income tax relating to above item	32.24	31.18
Total (B)	**(109.56)**	**(3.41)**
Total other equity (A+B)	**15,576.33**	**13,443.91**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Nature and purpose of reserves :

i General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

ii Equity instrument through OCI

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

Note 19 Non- current financial liabilities : Borrowings

(₹ In Lakhs)

Secured	As at 31st March 2020		As at 31st March 2019	
	Non-Current	Current*	Non-Current	Current*
Term Loan from Banks	2,118.29	799.37	3,069.75	885.51
Total secured borrowing [A]	2,118.29	799.37	3,069.75	885.51
Unsecured				
Deposits				
From Public & Members	1,434.56	555.08	1,271.87	524.28
From Related Parties	82.50	55.00	87.50	1.30
Total unsecured borrowing [B]	1,517.06	610.08	1,359.37	525.58
TOTAL [A+B]	**3,635.36**	**1,409.45**	**4,429.12**	**1,411.09**

*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, 2020]

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 12.50%
2021-22	968.62
2022-23	720.53
2023-24	429.14
Total	**2,118.29**

Unsecured Borrowings

Year-wise Effective Interest Rate	Public Deposits 10.25% - 11.75%
2021-22	831.13
2022-23	685.93
Total	**1,517.06**

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.)

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

v. 307/308, Arundeep Complex, Race Course, Baroda (admeasuring 1,405 super built up area)

vi. 134,135 1st Floor, Hindustan Kohinoor Ind. Complex, LBs Marg, Vikhroli (W), Mumbai (admeasuring 870 sq. ft.)

vii. Plot No. B-77 (Admeasuring 8825 sq. mts.) and B-78 (Admeasuring 8480 sq. mts), Matsya Industrial Area, Alwar, Rajasthan.

viii. Plot no. 253-254 (area 3000 sq.mtrs.) GIDC, Waghodia

ix. Plot no.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu

x. Plot no.104/3 of land located at survey no 65 , village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)

xi. Plot No. F 140, Alwar , Rajasthan

xii Plant and machinery, both present and future, wherever situated at all factories and premises pertaining to above locations.

2 **Second pari-passu charge by way of mortgage / hypothecation over :**

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

3 All the term loans are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, of the company and corporate guarantee by “Eriez Industries Private Limited” , a company where significant influence exists and pledge of shareholding of promoters of the Company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of Corporate Promoter being “Eriez Industries Private Limited

4 Term loans having from bank includes loans obtained for acquisition of vehicles having outstanding balance of Rs. 108.25 Lakhs (31/03/2019: Rs.183.28 Lakhs) are secured only by the hypothecation of the respective assets financed.

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 20 Other Non Current Financial Liabilities		
Security Deposits	9.00	9.14
Lease liability	308.71	-
Total	**317.70**	**9.14**

Note 21 Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2019-20 (₹ In Lakhs)

Particulars	April 1, 2019	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2020
Deferred tax Liabilities	-	-	-		
Property, plant and equipment and Intangible Assets	2,843.82	224.59	-	-	3,068.41
Investments	25.78	(0.66)	(32.24)	-	(7.12)
Loans and borrowings	27.98	(2.10)	-	-	25.88
Total	**2,897.59**	**221.83**	**(32.24)**	**-**	**3,087.17**
Deferred tax asset					
Employee benefits	20.34	6.91	24.93	-	52.17
Tax credit	199.63	-	-	(199.63)	-
Provisions	67.03	(7.45)	-	-	59.58
Disallowance u/s 43 B of Income Tax Act, 1961	8.05	0.33	-	-	8.38
Lease liability	-	125.58	-	-	125.58
Total	**295.05**	**125.37**	**24.93**	**(199.63)**	**245.71**
Net deferred tax Liabilities	**2,602.54**	**96.46**	**(57.16)**	**199.63**	**2,841.46**

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, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 22 Current financial liabilities : Borrowings		
Secured (Repayment on demand)		
Loan from Banks (Cash credit):	4,941.14	4,688.13
(Effective Rate of Interest being 9.75% to 12.50%)		
Unsecured		
Deposits		
From Public and Members	1,154.14	1,132.61
From Related Parties	-	
(Effective Rate of Interest being 10.25% - 11.75%)		
Total	**6,095.28**	**5,820.74**

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

Details of Securities

First pari-passu charge by way of hypothecation of:

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

Second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 20.

The working capital finance facilities are further collaterally secured by personal guarantee of Executive Chairman , CEO and Managing Director, Managing Director of the company and corporate guarantee by "Eriez Industries Private Limited", a company where significant influence exists and pledge of share holding of promoters of the company i.e. of 85,00,547 shares including 15,50,235 unencumbered shares of corporate promoter being "eriez Industries Private Limited"

Note 23 Current financial liabilities : Trade payables

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises - Trade payables (Refer Note 23.1)	117.66	28.89
Total outstanding dues of creditors other than micro enterprises and small enterprises :-		
Trade payables - Others	7,304.03	6,076.55
Total	**7,421.70**	**6,105.44**

Note 23.1 The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
the principal amount remaining unpaid to any supplier at the end of each accounting year	116.68	26.83
Interest due on (1) above and remaining unpaid as at the end of accounting period	0.98	2.05
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, 2020 [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	-	-

Note 24 Current financial liabilities : Others

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term borrowings - (Please refer Note 19):-		
Term Loan		
- From Banks (Secured)	799.37	885.51
- Deposits(Unsecured)		
From Public and Members	555.08	524.28
From Related Parties	55.00	1.30
	1,409.45	1,411.09
Unclaimed dividend (Refer Note 24.1)	1.63	2.17
Unclaimed Matured public deposits and Interest	24.00	35.69
Dues to Bank in Current Account	42.52	0.96
Employee Benefits Payable	186.82	184.78
Liabilities for expenses at the year end	477.97	552.43
Lease liability	50.67	-
Total	**2,193.07**	**2,187.12**

Note 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.

Note 25 Current liabilities : Others

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from Customers	59.99	108.51
Statutory Dues	100.80	113.52
Total	**160.79**	**222.03**

Note 26 Current provisions

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer note 43)		
Provision for gratuity	149.30	58.20
Provision for leave encashment	10.50	10.50
Total	**159.80**	**68.70**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 27 Details of Income tax assets and income tax liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Payment of Income Tax (Net of Provision : 31.03.2020 - Rs. 690.59 lakhs, 31.03.2019 - Rs. 2,165.65 Lakhs)	226.01	115.44
Current income tax liabilities (Net of Advance Tax : 31.03.2020 - Rs. NIL, 31.03.2019 - Rs. 659.22 Lakhs)	-	56.18
Net Asset (Asset - Liability)	**226.01**	**59.26**

Movement in current income tax asset/(liability)

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Net income tax asset/(liability) at the beginning	59.25	90.02
Income tax paid for the year	888.25	684.64
Provision for Income tax for the year (Refer Note 37)	(947.41)	(1,065.30)
Prior year tax /refund adjusted with tax / other items	26.30	-
Adjustment/Reclassification to MAT	199.63	349.89
Net income tax asset/(liability) at the end	**226.01**	**59.25**

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Note 28 Revenue from Operations		
Revenue from Operations		
Sale of products	48,878.05	43,466.64
Other operating revenues	127.13	100.14
Total	**49,005.19**	**43,566.78**
Note 28.1 Details of other operating revenues of the company are as under:		
Export Incentives	10.22	11.33
Royalty Received	114.36	76.98
Scrap Sales	2.55	11.83
Total	**127.13**	**100.14**
Note 29 Other Income		
Interest Income	47.93	47.88
Dividend Income	255.03	69.76
Rent	328.21	69.84
Net Gain on Foreign Currency Transactions	4.15	21.16
Liability no longer required written back	25.41	19.06
Excess Provision written back	62.64	16.44
Gain on Fair value of Financial Assets	-	0.30
Other Non-Operating Income	38.01	19.58
Total	**761.38**	**264.01**

*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Note 30 Cost of Materials Consumed		
Opening Stock of Material	4,200.02	3,797.88
Opening Stock Goods in Transit	281.64	105.13
Add : Purchases	27,234.35	21,625.00
	31,716.01	25,528.01
Less : Goods in transit	911.56	281.64
Less: Closing Stock of Materials	4,129.52	4,200.02
Total	**26,674.93**	**21,046.35**
Note 31 Changes in inventories of finished goods, stock in trade and work in progress		
Inventory at the beginning of the year	2,030.30	1,785.37
Less: Inventory at the end of the year	1,942.63	2,030.30
Changes in inventories of finished goods, stock in trade and work in progress	**87.67**	**(244.93)**
Note 32 Employee benefit expense		
Salary, Wages Bonus & Allowances	3,507.26	3,693.35
Contribution to Provident and Other Funds	290.63	281.28
Managerial Remuneration	168.45	151.09
Staff Welfare Expenses	133.00	134.17
Total	**4,099.35**	**4,259.89**
Note 33 Finance Costs		
Interest on Term Loans	413.66	638.39
Recompense Charges (Refer note no. - 40.2(b))	100.00	-
Interest on Working Capital Loans	924.43	1,005.26
Other Interests	263.23	252.04
Other Borrowing Costs	310.22	190.30
Total	**2,011.54**	**2,085.99**
Note 34 Depreciation and amortisation expense		
Depreciation of Property, Plant and Equipment (refer note 3.1)	970.25	918.01
Amortisation of Intangible Assets (refer note 4.1)	148.48	19.28
Total	**1,118.73**	**937.29**
Note 35 Other Expenses		
Note 35.1 Manufacturing Expenses		
Consumption of Stores and Spare Parts	441.98	455.59
Power and Fuel	3,404.56	3,947.52
Rent	75.40	104.02
Repairs :		
Buildings	15.65	19.37
Plant and Machinery	232.76	323.17
Other Manufacturing & Factory Expenses	274.76	361.09
Sub Total (A)	**4,445.10**	**5,210.76**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Note 35.2 Administrative & Other Expenses		
Rent	19.25	27.60
Rates & Taxes	39.65	28.19
Insurance	77.53	73.72
Post, Telephone & Courier	97.92	100.08
Printing and Stationary expenses	32.81	35.54
Legal, Licenses and Renewal expenses	47.54	12.18
Software and Computer Maintenance	46.58	30.63
Travelling & Conveyance	173.79	213.09
Vehicle Running & Maintenance	67.82	79.40
Professional Fees	150.52	144.82
Auditors Remuneration	10.15	10.49
Directors Sitting Fees	8.35	8.10
Loss on Disposal of Tangible Assets (Net)	7.58	20.97
Donation	0.50	5.05
Remission of Debit balance	24.61	23.56
Miscellaneous Expenses	182.37	196.03
CSR Expenditure (refer note no. 36)	104.75	41.38
Sub Total (B)	**1,091.70**	**1,050.82**
Note 35.3 Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	367.21	331.10
Rebate and Discount	0.00	1.20
Sales Commission	57.80	45.02
Bad Debts written off	0.12	0.29
Rent	84.27	148.07
Other Selling Expenses	355.78	252.68
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	4,763.08	4,174.60
Freight and Logistic Expenses (Export)	1,095.06	1,137.71
Sub Total (c)	**6,723.33**	**6,090.68**
Total (A+B+C)	**12,260.13**	**12,352.26**
Note 35.4 Payment to Auditors		
Audit Fees	8.70	8.70
In Other Capacity	0.80	0.60
Out of Pocket Expense	0.65	1.19
Total	**10.15**	**10.49**
Note 36 Corporate social responsibilty		
Gross amount required to be spent by the company during the year		
Amount spend and paid on CSR activities included in the statement of profit and loss for the year	**104.75**	**41.38**
Promoting healthcare and environment	104.75	6.00
Chief minister distress relief fund	**-**	4.00
Rural development and education promotion	-	31.38

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Note 37 Tax expense		
(a) Amounts recognised in profit and loss		
Current Tax		
(a) Current income tax	947.41	1,065.30
(b) Short/(Excess) provision of Income Tax in respect of previous years	(26.30)	-
Sub Total (a)	921.11	1,065.30
Deferred tax		
(a) Deferred tax expense / (Income)- net Origination and reversal of temporary differences	96.46	157.37
	96.46	**157.37**
(b) Recognition of tax credit	-	
Sub Total (b)	96.46	157.37
Tax expense for the year (a+b)	**1,017.57**	**1,222.67**
(b) Reconciliation of effective tax rate		
Profit before tax	**3,514.22**	**3,393.94**
Tax using the Company's domestic tax rate (Current year 29.12% and Previous Year 34.94%)	1,023.34	1,185.98
Tax effect of:		
Expenses Disallowed	411.59	414.08
Expenses Allowed	(532.08)	(537.23)
Short/(Excess) provision of income tax in respect of previous years	(26.30)	-
Tax at special rate	44.56	2.47
Current Tax Provision (A)	**921.11**	**1,065.30**
Increase/ (Decrease) in Deferred Tax Liability	221.83	147.77
Decrease/(Increase) In Deferred Tax Assets	(125.37)	9.60
Deferred Tax Provision (B)	**96.46**	**157.37**
Total	**1,017.57**	**1,222.67**

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.

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Note 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)	(138.38)	(133.82)
Tax impact on unquoted investments	32.24	31.18
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	(71.33)	(6.01)
Tax impact on Actuarial gains and losses	24.93	2.10
Total (i)	**(152.55)**	**(106.55)**
(ii) Items that will be reclassified to profit or loss	-	
Income tax relating to items that will be reclassified to profit or loss - Gain /(loss)	-	-
Total (ii)	**-**	**-**
Total (i+ii)	**(152.55)**	**(106.55)**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 39 Earning per Share -(EPS)

Earnings per equity share of FV of Rs 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Profit for the year (Profit attributable to equity shareholders) (Rs. In Lakhs)	2,496.65	2,171.28
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 (Rs.)	5.00	5.00
Basic EPS (Rs.)	7.08	6.15
Diluted EPS (Rs.)	7.08	6.15

Note 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, 2020	As at March 31, 2019
(a) Statutory claims (Refer Note 40.1)	429.95	469.34
(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	**2,074.08**	**2,113.47**
Note 40.1 Statutory claims		
Demand of Central Excise [Net of An amount of Rs. 5.62 lacs deposited under protest]	Nil	31.50
Demand of Income Tax (Net of Refund adjusted and paid under protest)	32.32	5.96
Labour disputed cases	378.25	378.25
Other disputed cases	19.38	53.63

In respect of assessment pending at various forums for various Assessment Years, the amount of contingent liability in respect of VAT is not quantifiable.

Note 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 Rs. 419.13 lakhs is levied on the Company. Company had filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority(additional director [Appeal and flying squad], vide its order dated 17th January, 2020 has passed final order and continued order dated 06th August, 2016 passed by the Geologist, Bhuj. The company Filed a REVISION application on dated 20/02/2020 to The Commissioner Shri (Geology & Mining, Gandhinagar) against the order passed by Additional Director (Appeal & Flying Squad), Gandhinagar, dated 17/01/2020.The revision application is pending for hearing.

b In terms of loan arrangement with the 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 is not ascertainable. in the current financial year, pursuant to the lending terms, company had sought approval of the lender to declare Interim Dividend and lenders had asked Company to make interim payment of Rs. 100.00 Lakhs as recompenses amount for approving the declaration and payment of Interim Dividend to its Shareholders. The Company has paid this amount to the lenders and have considered it as Finance Cost for the year.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

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 Rs. 513.77 Lakhs (Net of Advance Rs. 407.63 Lakhs [31.03.2019 Rs. 378.20 lakhs (Net of Advances of Rs. 596.11 lakhs)

Note 41 Financial instruments – Fair values and risk management

A. Accounting classification and fair values **(₹ in lakhs)**

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	-	60.66	0.89	61.55	-	0.89	60.66	61.55
Financial assets measured at amortised cost	-	-						
Loans (Non-current)	-	-	350.43	350.43	-	350.43	-	350.43
Other financial assets (Non-Current)	-	-	245.14	245.14	-	245.14	-	245.14
Loans (Current)	-	-	186.21	186.21	-	-	-	-
Other financial assets (Current)	-	-	117.88	117.88	-	-	-	-
Trade receivables	-	-	8,141.95	8,141.95	-	-	-	-
Cash and cash equivalents	-	-	309.59	309.59	-	-	-	-
Other bank balances	-	-	195.45	195.45	-	-	-	-
	-	**60.66**	**9,547.53**	**9,608.19**	**-**	**596.46**	**60.66**	**657.12**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	3,635.36	3,635.36	-	3,635.36	-	3,635.36
Other Non Current financial liabilities	-	-	317.70	317.70	-	317.70	-	317.70
Current borrowings	-	-	6,095.28	6,095.28	-	-	-	-
Trade payables (Current)	-	-	7,421.70	7,421.70	-	-	-	-
Other Current financial liabilities	-	-	2,193.07	2,193.07	-	-	-	-
Total	**-**	**-**	**19,663.10**	**19,663.10**	**-**	**3,953.06**	**-**	**3,953.06**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

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	205.23	5.30	0.89	199.04	205.23
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	-	-	-	-
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**	**8,088.32**	**5.30**	**366.33**	**199.04**	**570.67**
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	-	-	6,105.44	6,105.44	-	-	-	-
Other financial liabilities	-	-	2,187.11	2,187.11	-	-	-	-
Total	**-**	**-**	**18,551.55**	**18,551.55**	**-**	**4,438.26**	**-**	**4,438.26**

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 STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2020 and 31 March 19 is as below:

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**199.04**	**332.86**
Acquisitions/ (disposals)	-	-
Gains/ (losses) recognised in other comprehensive income	(138.38)	(133.82)
Gains/ (losses) recognised in statement of profit or loss	-	-
Closing Balance	**60.66**	**199.04**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2020 and the year ended 31st March 2019.

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 2020 is provided below.

(₹ In Lakhs)

Significant observable inputs	31-03-2020	31-03-2019
	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%	3.03	9.95
If decrease in market value of investments made, by Eriez Finance and Investment Limited by 5%	(3.03)	(9.95)

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.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

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.

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 **(Rs. In Lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Allowance for bad and doubtful Trade receivable	181.31	198.47
Provision during the year	-	-
Recovery/Adjustment during the year	(6.57)	(10.00)
Write off during the year	(14.74)	(7.16)
Closing Allowance for bad and doubtful Trade receivable	**160.00**	**181.31**

The impairment provisions above are based on management judgment / assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

(c) Loans and deposits

Company has given loans to employees and security deposits. The maximum exposure to the credit risk at the reporting date from above amounts to Rs. 545.64 Lakhs on March 31, 2020 and Rs. 453.91 Lakhs on March 31, 2019.

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.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

The Company maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of Rs. 2,917.66 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 12.50%.

(b) The company has also accepted deposit from share holders and directors amounting to Rs. 3281.28 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 10.25% - 11.75%.

(c) For maintaining working capital liquidity company avails cash credit limit from bank. The amount availed as at 31/03/2020 is Rs. 4920.09 Lakhs (at amortised cost). Effective Rate of Interest is 9.75% to 12.50%

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

(₹ In Lakhs)

		Contractual cash flows			
March 31, 2020	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	3,635.36	-	3,635.36	-	3,635.36
Non current financial liabilities	317.70	-	317.70	-	317.70
Current Borrowings	6,095.28	6,095.28	-	-	6,095.28
Current Trade payables	7,421.70	7,421.70	-	-	7,421.70
Current Other financial liabilities	2,193.07	2,193.07	-	-	2,193.07
	19,663.10	**15,710.04**	**3,953.06**	**-**	**19,663.10**

(₹ In Lakhs)

		Contractual cash flows			
March 31, 2020	**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	2,187.12	2,187.11	-	-	2,187.11
	18,551.56	**14,113.29**	**4,438.26**	**-**	**18,551.55**

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.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Details of foreign currency balances	As at March 31, 2020	As at March 31, 2019
Trade and Other Payables		
USD	1,030.29	728.52
Trade Receivables and advances		
Euro	40.84	61.52
USD	1,181.79	1,230.62
GBP	12.27	4.29

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 2020

(₹ In Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity (net of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(51.51)	51.51	(33.51)	33.51
Trade Receivables and advances	61.75	(61.75)	40.17	(40.17)

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	(23.70)	23.70
Trade Receivables and advances	64.82	(64.82)	42.17	(42.17)

b) **Derivative Instruments used for Hedging:**

Derivative outstanding as at reporting date

Nature of instrument	As at March 31, 2020 Amount in USD	As at March 31, 2020 Amount INR (Lakhs)
Foreign currency forward contract	42,20,000	3,048.11

Foreign currency forward contract are used for hedging Foregin currency short term borrowing and not for trading or speculative purpose

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 and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate. The company have accepted deposits from share holders which are fixed rate instruments.

(₹ In Lakhs)

Interest bearing instruments	As at March 31, 2020	As at March 31, 2019
Non current - Borrowings	3,635.36	4,429.12
Current portion of Long term borrowings	1,409.45	1,411.09
Short term borrowings	6,095.28	5,820.74
Total	**11,140.08**	**11,660.95**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates

Based on the composition of debt a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(₹ In Lakhs)

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
31st March 2020				
Non current - Borrowings	(36.35)	36.35	(23.65)	23.65
Current portion of Long term borrowings	(14.09)	14.09	(9.17)	9.17
Short term borrowings	(60.95)	60.95	(39.65)	39.65
Total	**(111.40)**	**111.40**	**(72.47)**	**72.47**
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**

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.

Note 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.

The Company's adjusted net debt to equity ratio is as follows.

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest bearing borrowings	11,140.08	11,660.95
Less : Cash and bank balances	(750.17)	(518.71)
Adjusted net debt	10,389.91	11,142.24
Borrowings	11,140.08	11,660.95
Total equity	17,340.66	15,208.23
Adjusted net debt to adjusted equity ratio	0.60	0.73
Debt equity ratio	0.64	0.77

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 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 Rs. 191.86 Lakhs (Previous year Rs. 179.36 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 Rs. 29.60 Lakhs. (P.Y. 36.27 Lakhs)

(c) Gratuity - Defined Benefit Plans

Provision has been made for gratuity as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

(₹ In Lakhs)

	Assumptions	**Gratuity As at March 31, 2020**	**Gratuity As at March 31, 2019**
A.	Discount rate	6.55%	7.65%
	Salary Growth rate	7.50%	7.50%
B.	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	771.94	686.31
	Current Service Cost	57.51	53.32
	Interest Cost	55.53	48.72
	Components of acturial gain/losses on obligations:	-	
	Due to change in financial assumptions	77.66	(3.01)
	Due to change in Demographic assumptions	(0.39)	(2.37)
	Due to experience adjustments	(5.54)	14.73
	Past Service Cost	-	
	Benefits Paid	(39.47)	(25.76)
	Closing Defined Benefit Obligation	**917.24**	**771.94**
C.	**Reconciliation of Planned Asset**		
	Opening fair Value of plan assets	713.74	629.72
	Interest Income	53.28	46.45
	Return on plan assets excluding amounts included in interest income	0.40	3.33
	Contributions by employer	40.00	60.00
	Benefits Paid	(39.47)	(25.76)
	Closing Value of plan assets	**767.95**	**713.74**
D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	57.51	53.32
	Net Interest Cost	2.25	2.27
	Past service cost and loss/(gain) on curtailments and settlements	-	-
	Total included in ‘Employee Benefit Expense’	**59.76**	**55.60**
	Other Comphrehensive Income for the current Period		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	77.66	(3.01)
	Due to change in Demographic assumptions	(0.39)	**(2.37)**
	Due to experience adjustments	(5.54)	14.73
	Return on plan assets excluding amounts included in interest income	(0.40)	(3.33)
	Amount recognized in Other Comprehensive Income	**71.33**	**6.01**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Assumptions	Gratuity As at March 31, 2020	Gratuity As at March 31, 2019
E. Reconciliation of Net defind Benefit Obligation		
Net opening provisions in Books of accounts	58.20	56.59
Employee Benefit Expense	59.76	55.60
Amount recognized in Other Comprehensive Income	71.33	6.01
Contributions to Plan asset	(40.00)	(60.00)
Closing provision in books of accounts	**149.29**	**58.20**
F. Current/Non-Current Liability :		
Current*	149.29	58.20
Non-Current	-	-
Net Liability	**149.29**	**58.20**

*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, 2020	As at March 31, 2019
A. Gratuity		
Present value of Defined Benefit Obligation	917.24	771.94
Fair value of Plan Assets	767.95	713.74
(Surplus) / Deficit in the plan	149.29	58.20
Actuarial (Gain) / Loss on Plan Obligation	71.73	9.34

(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-20	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	880.58	956.37
Salary growth rate (0.5% movement)	944.02	891.69
Withdrawal rate (W.R.) Sensitivity	918.66	915.63

	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	775.43	768.26

(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 Rs.20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58,68 or 72 years

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(i) **Entity responsibilities for the governance of the plan**

Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The company has participated in Group Gratuity Scheme Plan with SBI Life insurance to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year.

(a) Composition of the plan assets

(₹ In Lakhs)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
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.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(c) Expected benefit payments as on 31 March 2020.

Particulars	1-5 years	6-10 years
Cash flow (Rs.)	386.48	423.76
Distribution (in %)	22.70%	25.00%

(g) Other Notes:

(i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.

(ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

Note 44 Related Party Transactions:

Note 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
8	Shri Chandresh S. Parikh	Chairman & Managing Director, Key Management Personnel
9	Shri Rajesh C. Parikh	Managing Director, Key Management Personnel
10	Shri. Atil C. Parikh	Whole Time Director, Key Management Personnel
11	Smt. Ilaben C. Parikh	Relative of Key Management Personnel
12	Smt. Sejal R. Parikh	Director, Key Management Personnel
13	Smt. Purvi A. Parikh	Relative of Key Management Personnel
14	Mr Narendra R Patel	Chief Financial Officer, Key Management Personnel
15	Smt.Anuja K. Muley	Company Secretary, Key Management Personnel

Note 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, 2020	For the year ended 31st March, 2019
1	**20 Microns Nano Minerals Limited**	**Subsidiary**		
	Income :	**Company**		
	Sales		1,970.04	968.63
	Royalty		134.95	90.83
	Rent		328.08	40.61
	Reimbursement of Expenses		0.10	1.49
	Sale of Fixed Asset		13.02	74.58
	Dividend Income		-	69.76
	Manpower services provided		180.33	-
	Expenses :			
	Purchases		1,963.79	369.99
	Rent		4.54	0.65
	Reimbursement of Expenses		1.03	0.65
	Job work charges Paid		-	1.78
	Manpower services received		19.20	-
	Fixed Asset Purchase		3.26	19.48
	Amount Receivable / (Payable) at the year end		**855.84**	**798.70**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2020	For the year ended 31st March, 2019
2	**Silicate Minerals Private Limited**	Subsidiary Company (Step Down)		
	Sales		-	77.24
	Purchase of material		2.08	-
	Rent Received		17.70	16.20
	Amount Receivable / (Payable) at the year end		**171.22**	**160.59**
3	**20 Microns Foundation trust**	Entity over which Significant Influence Exists		
	Expenses :			
	Donation paid		104.45	6.00
4	**20 MCC Private Limited**	Subsidiary Company		
	Income :			
	Sales		3.95	49.80
	Sale of Fixed Asset		8.87	18.23
	Rent		35.40	16.20
	Reimbursement of Expenses		0.47	-
	Expenses :			
	Purchases		37.33	50.12
	Amount Receivable / (Payable) at the year end		**466.65**	**96.11**
5	**20 Microns FZE**			
	Income :			
	Dividend Income		74.06	-
6	**20 Microns SND BHD**			
	Income :			
	Dividend Income		180.96	-
7	**Shri Chandresh S. Parikh**	Chairman & Managing Director, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		108.53	61.41
	other long-term benefits		7.00	6.36
	Interest on Deposit		7.85	7.32
	Others :			
	Deposit Received / Renewed		-	10.00
	Deposit Outstanding		60.00	60.00
8	**Shri Rajesh C. Parikh**	Managing Director, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		85.34	54.38
	other long-term benefits		5.34	4.86

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2020	For the year ended 31st March, 2019
9	**Shri. Atil C. Parikh**	Whole Time Director, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		74.50	45.43
	other long-term benefits		4.37	3.96
	Interest on Deposit		0.67	0.60
	Others :			
	Deposit Outstanding		5.00	5.00
10	**Smt. Ilaben C. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Interest on Deposit		1.70	2.03
	Others :			
	Deposit Received / Renewed		-	15.50
	Deposit Outstanding		15.50	15.50
11	**Smt. Sejal R. Parikh**	Director, Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.10	0.12
	Rent		8.08	7.10
	Others :			
	Deposit Received / Renewed		-	1.00
	Deposit Outstanding		1.00	1.00
12	**Smt. Purvi A. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.54	0.61
	Others :			
	Deposit Received / Renewed		-	5.00
	Deposit Outstanding		5.00	5.00
13	**Mr Narendra R Patel**	Chief Financial Officer, Key Management Personnel		
	Expense			
	Remuneration paid			
	short-term employee benefits		37.79	31.86
	other long-term benefits		2.13	2.00
14	**Smt.Anuja K. Muley**	Company Secretary, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		12.00	11.13
	other long-term benefits		0.89	0.80
	Interest on Deposit		0.24	0.24
	b) **Others :**			
	Deposit Received / Renewed		-	1.00
	Deposit Paid		1.30	-
	Deposit Outstanding		1.00	2.30

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Notes

1 The following are the list of Independent Directors with whom no transaction have been occurred during the Financial Year 2019-20 other than payment of sitting fees:

a) Mr. Pravinchandra M Shah (upto 29.04.2019)

b) Mr. Ram Devidayal

c) Mr. Atul Patel

d) Dr. Ajay Ranka

e) Mr. Jaydeep Verma (from 28.05.2019)

2 20 Microns Nano Minerals Ltd, 20 Microns SDN BHD, 20 Microns FZE have been using software package being "SAP" by 20 Microns Limited without payment of Consideration.

3 As the liability for gratuity are provided on actuarial basis for the Company as a whole, the amounts mentioned are exclusive of gratuity.

Note 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 : Rs.48864.26 Lakhs

Sale of Herbal Products : Rs. 13.79 Lakhs

b) Information about geographical areas:

1. The Company have revenues from external customers attributable to all foreign countries amounting to Rs.6844.94 Lakhs and entity's country of domicile amounting to Rs. 32033.10 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 Rs. 19180.42 lakhs.

Note 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 2020	For the Year ended 31st March 2019
Revenue expenditure		
Employee benefit expenses	67.78	80.19
Other expenses	13.20	12.04
Total	**80.78**	**92.23**

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 47 Disclosure of IND AS 115 "Contract with Customers"

Contract Balances

(₹ In Lakhs)

Particulars	March 31, 2020	April 01, 2019
Trade receivables	8,141.95	6,737.32
Contract Assets	-	-
Contract Liabilities	59.99	108.51

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to rs. 108.51 Lakhs.

Reconciliation of the amount of revenue reconised in the statement of profit and loss and contracted price

Particulars	March 31, 2020
Revenue as per contracted price	49,138.76
Adjustments	
Discounts	(133.58)
Revenue from contract with customers	**49,005.19**

Note 48

Note 48.1 Transition to Ind AS 116:

The Company has adopted Ind AS 116 on "Leases" with effect from April 01, 2019 and applied on all contracts of leases existing on April 01, 2019 by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 have not been restated. The Company has recognised and measured the Right-of-Use (ROU) asset and the lease liability on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU asset of Rs. 205.99 lakhs and corresponding lease liability of Rs. 205.99 lakhs as at April 01, 2019. Further, the nature of expenses in respect of operating leases has changed from lease rent in the previous year to depreciation for the ROU asset and finance costs for interest accrued on lease liability. The impact of adoption of Ind AS 116 on the profit before tax and earning per share for the year ended March 31, 2020 is not material.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases and low-value assets.

Note 48.2 Disclosures pursuant to Ind AS 116:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(₹ In Lakhs)

Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at April 01, 2019	**-**	**-**	**-**
Additions	**467.47**	**127.13**	**340.34**
Deletions	**-**	**-**	**-**
Balance as at March 31, 2020	**467.47**	**127.13**	**340.34**

The aggregate depreciation expense amounting to Rs 127.13 lakhs on ROU assets is included under Depreciation and Amortization Expense in the Statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	(₹ In Lakhs)
Current lease liabilities	**50.67**
Non current lease liabilities	**308.71**
	359.38

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	(₹ In Lakhs)
Balance as at April 01, 2019	205.99
Additions	261.48
Finance cost accrued	39.38
Deletions	-
Payment of lease liabilities	147.48
Balance as at March 31, 2020	**359.38**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

	Particulars	Amount (₹ In Lakhs)
a	Less than one year	**187.73**
	One to five years	**236.48**
b	More than five years	**-**
		424.21

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ₹ 178.92 lakhs for the year ended March 31, 2020.

Note 49 Impact of Covid - 19

The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown of the plant and all offices from 24th March 2020. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Note 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 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

Place : Ahmedabad
Date : 08/06/2020

Place : Vadodara
Date : 08/06/2020

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To

The Members of 20 Microns Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **20 Microns Limited** ('the Company' or 'the Holding Company'), and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the paragraph of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	How out Audit Addressed the Key Audit Matter
1.	**Aspects of Revenue Recognition** The Group has large product and customer portfolio and multiple business locations. The nature of the risk associated with the accurate recording of revenue varies. We recognise that revenue is a key metric upon which the Group is judged, that the Group has annual internal targets, and that the Group has incentive schemes that are partially impacted by revenue growth. We have determined that there is a risk of material misstatement in recognition of revenue considering the above. We have determined this to be a key audit matter in view of exercise of management judgement and estimates and the significance of the amounts involved.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • We evaluated the design of internal controls relating to revenue recognition. • We performed full and specific scope audit procedures over this risk area in major locations, which covered majority of the risk amount. • We assessed the processes and tested controls over each significant revenue stream. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of the controls. • We evaluated the appropriateness of journal entries impacting revenue, as well as other adjustments made in the preparation of the consolidated financial statements. We considered unusual journals such as those posted outside of expected days, or by unexpected individuals. • We also evaluated management's controls over such adjustments. • 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 40 to the Consolidated Financial Statements. The assessment of the likely outcome of the matters and related outflow of resources involves significant judgement on the positions taken by the management which are based on the application and interpretation of law. We have considered these matters to be a key audit matter given the materiality of the potential outflow of economic resources and uncertainty of the possible outcome.	Our procedures included the following: • Understanding and evaluating the design of operating effectiveness of controls in respect of the legal matters. • Reading the orders received by the company from authorities. • Discussing ongoing matters under dispute and developments with the management and the audit committee. • Where relevant, reading opinions of Managements' external consultants on the tax matters. • Independently assessing the Management's judgement on contingencies and provisions of statutory claims and other claims. • 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 Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of Rs.7,446.12 Lakh as at 31st March, 2020, total revenues of Rs. 7,332.93 Lakh, total net profit after tax (before consolidation adjustments) of Rs. 158.63 Lakh, total comprehensive income (before consolidation adjustments) of Rs. 111.42 Lakh and cash outflows (net) amounting to Rs. 257.69 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.

We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs. 305.35 Lakh as at 31st March, 2020, total revenues of Rs. 353.56 Lakh, total net profit after tax (before consolidation adjustments) of Rs.7.09 Lakh, total comprehensive income (before consolidation adjustments) of Rs. 7.09 Lakh and cash outflows (net) amounting to Rs.17.34 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statement have been furnished to us by the Board of Director and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Board of Directors, the financial statement is not material to the Group.

Our opinion on the consolidated financial statements, and our Report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the Financial Results certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

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

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

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

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure A** which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.

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

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

        (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 40 to the consolidated financial statements.

        (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

        (iii) The amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020 have been transferred by the Holding Company during the year ended March 31, 2020

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

(Naitik J Mehta)
Partner
Membership No. 130010
UDIN : 20130010AAAAAR4099

Place: Ahemdabad
Date: 08/06/2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the consolidated financial statements of **20 Microns Limited** (hereinafter referred to as "Company") and its subsidiary company, which is company incorporated in India, as of that date, as of and for the year ended March 31, 2020, we have also audited the internal financial controls over financial reporting of the Companies.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

CONSOLIDATED ANNEXURE TO INDEPENDENT AUDITORS' REPORT [Contd.]

Opinion

In our opinion, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary companies, which are the company incorporated in India, is based on the corresponding reports of the auditors of the company.

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

(Naitik J Mehta)
Partner
Membership No. 130010
UDIN : 20130010AAAAAR4099

Place: Ahemdabad
Date: 08/06/2020

CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET
as at March 31st, 2020

(₹ In Lakhs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.1	19,491.94	19,441.12
(b) Capital Work in Progress	3.2	1,073.53	286.58
(c) Intangible Assets	4.1	572.75	56.14
(d) Intangible Assets under Development	4.2	63.91	113.27
Investment in Subsidiary		0.00	
(e) Goodwill on Consolidation		2.16	2.16
(f) Financial Assets			
(i) Investments	5	182.87	388.22
(ii) Loans	6	370.63	324.84
(iii) Other Financial Assets	7	246.77	55.27
(g) Deferred Tax Asset		73.09	
(h) Other Non-Current Assets	8	755.69	1,102.74
Total Non-Current Assets		**22,833.35**	**21,770.35**
2 Current assets			
(a) Inventories	9	9772.18	8362.88
(b) Financial Assets			
(i) Trade receivables	10	8209.91	6961.12
(ii) Cash and Cash Equivalents	11	610.57	708.70
(iii) Bank Balances other than (ii) above	12	234.89	365.50
(iv) Loans	13	424.32	294.06
(v) Other Financial Assets	14	238.47	222.19
(c) Other Current Assets	15	2144.05	1673.72
Total Current Assets		**21,634.39**	**18,588.17**
TOTAL ASSETS		**44,467.74**	**40,358.53**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	16	1,764.33	1,764.33
(b) Other Equity	17	17,015.99	14,981.45
Total equity		**18,780.32**	**16,745.78**
2 Non Controlling Interest		74.98	79.34
3 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	3,892.34	4,566.09
(ii) Other Financial Liabilities	19	393.90	9.14
(b) Deferred Tax Liabilities (Net)	20	3,113.25	2,896.03
Total Non-Current Liabilities		**7,399.49**	**7,471.26**
4 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	6,535.84	6,384.00
(ii) Trade Payables	22		
Total outstanding dues of Micro and Small Enterprise		183.11	113.63
Total outstanding dues of Creditors other than Micro and Small Enterprise		8,613.99	6,543.38
(iii) Other Financial Liabilities	23	2,409.08	2,325.91
(b) Other Current Liabilities	24	298.90	556.89
(c) Provisions	25	164.06	71.97
(d) Current Tax Liabilities (Net)	26	7.97	66.37
Total Current Liabilities		**18,212.95**	**16,062.15**
Total Liabilities		**25,612.44**	**23,533.41**
TOTAL EQUITY AND LIABILITIES		**44,467.74**	**40,358.53**
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.	**1 to 52**		

As per our audit report of even date attached

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

For and on behalf of Board of Directors

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

Place : Ahmedabad
Date : 08/06/2020

Place : Vadodara
Date : 08/06/2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
as at March 31st, 2020

(₹ In Lakhs)

	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
Revenue				
I.	Revenue from Operations	27	52,932.29	47,966.92
II.	Other income	28	265.94	193.17
III.	**Total Income (I+II)**		**53,198.23**	**48,160.09**
IV.	**Expenses**			
	a) Cost of materials consumed	29	28,020.46	22,996.71
	b) Purchases of Stock in trade	30	63.85	43.60
	c) Changes in inventories of finished goods, stock in trade and work in progress	31	(113.19)	(224.33)
	d) Employee Benefits Expenses	32	4,866.17	4,683.07
	e) Finance Costs	33	2,153.17	2,189.99
	f) Depreciation and Amortization Expenses	34	1,251.07	1,046.77
	g) Other Expenses	35	13,501.35	13,578.20
	Total Expenses (IV)		**49,742.87**	**44,314.01**
V.	Profit/(Loss) Before Exceptional Items and Tax(III-IV)		3,455.36	3,846.08
VI.	Exceptional Items		-	-
VII.	**Profit/(Loss) Before Tax (V-VI)**		**3,455.36**	**3,846.08**
VIII.	**Tax expense:**	37		
	Current Tax		1025.58	1190.35
	Deferred Tax		12.17	151.80
IX.	**Profit/(Loss) for the period(VII-VIII)**		**2,417.61**	**2,503.94**
	Profit/(Loss) for the Year attributable to			
	Owners of the Company		2,411.71	2,498.11
	Non Controlling Interest		5.90	5.83
X.	**Other Comprehensive Income**	38		
	A. (i) Items that will not be reclassified to profit or loss		(269.69)	(527.22)
	(ii) Income tax related to items that will not be reclassified to profit or loss		69.94	109.18
	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		**(199.75)**	**(418.04)**
XI.	**Total Comprehensive Income for the period(IX+X)**		**2,217.86**	**2,085.90**
	Total Comprehensive Income for the Year attributable to			
	Owners of the Company		2211.94	2115.39
	Non Controlling Interest		5.92	(29.49)
	Earnings per equity share of Face Value of Rs 5 each	39		
	Basic		6.83	7.08
	Diluted		6.83	7.08

Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements. **1 to 52**

As per our audit report of even date attached

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

For and on behalf of Board of Directors

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

Place : Ahmedabad
Date : 08/06/2020

Place : Vadodara
Date : 08/06/2020

CONSOLIDATED CASH FLOW STATEMENT
as at March 31st, 2020

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax	3,455.36	3,846.08
	Adjustments for:		
	Depreciation and amortisation	1,251.07	1,046.77
	Loss on sale/disposal of Property, plant and equipment	7.32	19.39
	Bad Debts Written Off	2.93	0.29
	Provision made/reversed for Doubtful Debts (Trade Receivables)	(11.33)	28.93
	Effect of foreign exchange gain/loss	(18.14)	
	Finance Costs	2,153.17	2,189.99
	Provision/liability no longer required written back	(112.72)	(32.88)
	Debit balance written off	25.00	23.93
	Exchange difference on consolidation	26.59	10.25
	Gain on Fair value of Financial Assets	-	(0.30)
	Interest Income	(76.26)	(73.48)
	Operating Profit before Working Capital Changes	**6,702.99**	**7,058.97**
	Adjustments for changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	(1,202.23)	(366.13)
	(Increase)/Decrease in Other - Non Current Assets	6.19	(0.10)
	(Increase)/Decrease in Other financial assets-Non-current	(191.50)	117.94
	(Increase)/Decrease in Short Terms Loans and Advances	(130.26)	(37.25)
	(Increase)/Decrease in Other Current Assets	(358.07)	(235.96)
	(Increase)/Decrease in Other financial assets-Current	(10.74)	19.63
	(Increase)/Decrease in Inventories	(1,409.29)	(1,139.68)
	(Increase)/Decrease in Long-term loan and advances	(45.79)	(30.08)
	Changes in Trade and Other Receivables	**(3,341.70)**	**(1,671.64)**
	Increase/(Decrease) in Trade Payables	2,207.79	531.64
	Increase/(Decrease) in Other current Liabilities	(257.99)	267.62
	Increase/(Decrease) in Other Financial Non current Liabilities	(0.14)	(4.00)
	Increase/(Decrease) in Other Financial current Liabilities	(54.32)	(19.24)
	Increase/(Decrease) in Short-term provisions	22.47	19.93
	Changes in Trade and Other Payables	**1,917.81**	**795.95**
	Cash Generated from Operations	**5,279.09**	**6,183.28**
	Direct Tax paid (Net of refunds)	(996.94)	(849.47)
	Net Cash from Operating Activities	**4,282.15**	**5,333.81**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Property, Plant and Equipments/Intangible assets including capital work in progress and capital advances.	(1,659.46)	(1,975.44)
	Payment of purchase consideration for acquisition of subsidiary company	-	(22.23)
	Proceeds from sale of Investments	5.29	34.59
	Purchase of Non-current investments	-	(5.00)
	Maturity of Deposits with original maturity of more than three months	130.61	(93.67)
	Interest Received	76.26	73.48
	Proceeds from sale of Property, plant and equipments	46.11	108.44
	Net Cash used in Investing Activities	**(1,401.19)**	**(1,879.83)**

CONSOLIDATED CASH FLOW STATEMENT
as at March 31st, 2020 [Contd.]

(₹ In Lakhs)

	Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Long-term borrowings	(679.28)	(1,191.60)
	Proceeds from Short-term borrowings	151.84	272.39
	Share issue expenditure	-	(11.47)
	Payment of lease liability	(128.37)	-
	Finance cost	(2,153.17)	(2,189.99)
	Dividend Paid (including tax thereon)	(211.68)	(151.30)
	Net Cash from Financing Activities	**(3,020.66)**	**(3,271.96)**
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(139.70)**	**182.01**
	Cash and Cash Equivalents at the beginning of the year	707.74	519.38
	Cash acquired at the time of acquisition of Subsidiary Company	-	6.35
	Cash and Cash Equivalents at the end of the year	568.05	707.74
	Closing Cash and Cash Equivalents comprise:		
	Cash in hand	21.45	22.20
	Balances with Scheduled Banks		
	Balance in Current Account	589.12	686.50
	Total	**610.57**	**708.70**
	Less : Amount Due to bank in Current Account	(42.52)	(0.96)
	Total	**568.05**	**707.74**

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, 2020	Opening Balance	Cash Flow	Non Cash Changes	Closing Balance
Short Term Borrowings	6,384.00	138.93	12.91	6,535.84
Long Term Borrowings (including Current maturities)	6,060.31	(660.12)	(19.16)	5,381.02
Bank Balances other than Cash and Cash Equivalents	365.50	(130.61)	-	234.89

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

Place : Ahmedabad
Date : 08/06/2020

Place : Vadodara
Date : 08/06/2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)
FOR THE YEAR ENDED 31ST MARCH 2020

(a) Equity share capital (₹ In Lakhs)

Equity share capital	**As at March 31, 2020 Amount**	**As at March 31, 2019 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**

Note:- Security Pledge of Assets : Refer to Note 20 on borrowings for details of security pledge of assets.

(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, 2018 (A)	**120.54**	**3,980.13**	**8,306.96**	**48.88**	**20.05**	**530.76**	**13,007.32**
Add: Profit during the Period	-	-	2,498.11		10.25		2,508.36
Add/(less): Other Comprehensive Income for the year(Net of Tax)						(413.57)	(413.57)
Add:Capital Reserve on acquisition of subsidiary company				43.38			
Add/(less):Adjustment on account of acquisition of Non Controlling Interest			-				
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(4.65)			-	(4.65)
Less : Appropriations							
Dividend Declared	-	-	123.16			-	123.16
Corporate Tax on Dividend	-	-	25.80			-	25.80
Balance at March 31, 2019 (B)	**120.54**	**3,969.70**	**10,651.46**	**92.26**	**30.30**	**117.19**	**14,981.45**
Less; Share issue expenditure	-	(2.62)					(2.62)
Add: Profit during the Period	-	-	2,411.71		26.59		2,438.31
Add: Due to change in minority interest			10.28				
Add:Capital Reserve on acquisition of subsidiary company				-			-
Add/(less): Other Comprehensive Income for the year(Net of Tax)						(154.62)	(154.62)
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(45.13)				(45.13)
Less : Appropriations							-
Dividend Declared	-	-	211.68				211.68
Corporate Tax on Dividend	-	-	-				-
Closing Balance	**120.54**	**3,967.08**	**12,816.65**	**92.26**	**56.89**	**(37.43)**	**17,016.00**

Note (i): The Group has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through OCI.

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

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 08th June, 2020.

Notes to Consolidated Financial statements for the year ended 31st March 2020

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 Micronised Minerals and Speciality Chemicals.

Basis of Consolidation:

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31st March, 2020. Control is achieved when the group is exposed or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Specifically, the group controls an investee if and only if the group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure or rights to variable returns from the involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there us a presumption that a majority of the voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group consider all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangement
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The group re-assesses whether or not it control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the dare the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e year ended on 31 March

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, 2020 [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 2020	As At 31st March 2019
20 Microns SDN BHD (Foreign Subsidiary)	March 31, 2020	Malaysia	100%	100%
20 Microns Nano Minerals Limited (Indian Subsidiary)	March 31, 2020	India	97.21%	97.21%
20 Microns Vietnam Limited (Foreign subsidiary)	March 31, 2020	Vietnam	100%	100%
20 Microns FZE (Foreign subsidiary)	March 31, 2020	Sharjah	100%	100%
20 MCC Private Limited (Indian Subsidiary)	March 31, 2020	India	100%	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 10 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 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.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

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 Property, Plant and Equipment on commencement of commercial production.

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

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

2.6 Investment Properties

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

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

2.7 Intangible Assets

Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Internally

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

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

Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits. ERP Project fees are amortized over a period of seven years. Costs of all other software are 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 property net 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 equipment are reviewed at the end of each financial year and adjusted prospectively if appropriate.

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

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

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

2.9 Impairment of non-financial assets

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

Assessment is also done at each Balance Sheet date as

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

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

2.10 Revenue recognition

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

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

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

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

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

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

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

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

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

Contract Balances:

Contract assets

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

Trade receivables

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

Contract liabilities

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

2.11 Borrowing

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

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

2.12 Borrowing Cost

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

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

2.13 Financial Instruments

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

2.13.1 Financial Asset

Initial Recognition

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

Initial Measurement

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

Subsequent Measurement

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

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

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

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

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

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

Equity Investments:

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

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

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

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

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

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

2.13.2 Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

- Financial liabilities measured at amortised cost

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

- 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 and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Financial Guarantee Contracts

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

Loan and Borrowings

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

Derecognition

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

2.13.3 Derivative Financial Instruments and Hedge Accounting

The Group uses derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes exchange rates. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Fair Value Hedges:

The Group designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in foreign exchange rates. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

2.13.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.14 Fair Value

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

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

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

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

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

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

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

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

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

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 location and 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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

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

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

2.17 Foreign Currency Transactions

2.17.1 Functional and Presentation Currency

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

2.17.2 Transactions and balances

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

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

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

2.18 Employee Benefits

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

2.18.1 Post-Employment Benefit Plans

Defined Contribution Plan

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Group does 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.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

2.18.2 Short Term Employee Benefits

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

2.19 Leases

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

As a lessee

The Group's leased assets consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense as per the terms of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Refer note 48 for transition disclosures.

2.20 Taxation

Tax expenses is the aggregate amount included in the determination of profit or loss for the period in respect of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

2.20.1 Current Tax

The current tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis.

2.20.2 Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred taxes are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.23 Segment Reporting

The Group primarily operates in the segment of Industrial Micronized 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”.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020 [Contd.]

- In case insurance claim is, less than carrying cost the difference is charged to Profit and Loss statement. As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

2.28 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

2.29 Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

2.30 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.31 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

Notes to Consolidated financial statements for the year ended 31st March 2020

3.1 Property, Plant and Equipment (PPE) as at 31st March 2020

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2019	Addition during the year	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	For the year	Disposal/ Adjustment	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Freehold land	586.14	14.78	-	600.92	-	-	-	-	600.92	586.14
Leasehold land	3,246.80	42.21	-	3,289.02	126.83	45.50	-	172.33	3,116.68	3,119.97
Free Hold Office Building	204.36	21.76	-	226.11	57.59	11.68	-	69.27	156.85	146.77
Lease Hold Office Building	80.56	-	-	80.56	62.04	-	-	62.04	18.52	18.52
Factory Building	5,091.26	123.28	-	5,214.54	1,156.68	159.54	-	1,316.22	3,898.31	3,934.57
Plant & Equipment	18,905.27	914.20	(69.95)	19,749.52	7,788.43	738.90	(39.16)	8,488.17	11,261.35	11,116.83
Furniture and office Equipments	473.75	15.11	(0.50)	488.37	364.49	35.21	(0.47)	399.23	89.14	109.26
Computer Equipments	250.19	27.76	(0.12)	277.83	187.81	22.44	(0.12)	210.14	67.69	62.38
Vehicles	677.54	17.31	(34.29)	660.57	330.88	58.88	(11.67)	378.09	282.48	346.66
Total PPE	**29,515.88**	**1,176.41**	**(104.86)**	**30,587.43**	**10,074.76**	**1,072.15**	**(51.43)**	**11,095.49**	**19,491.94**	**19,441.12**
Previous year	**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**	**-**

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 Rs. 61.09 lakhs (P.Y. - 29.47 Lakhs) 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, 2020 [Contd.]

3.2 Capital work in progress

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Work-in-Progress	1073.53	225.49
Interest during the construction period	-	61.09
Total	**1,073.53**	**286.58**

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 2020

(₹ In Lakhs)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2019	Addition during the year	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	For the year	Disposal/ Adjustment	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Product Development	236.62	-	-	236.62	236.62	-	-	236.62	-0.00	-0.00
Process Know how	200.68	-	-	200.68	153.71	23.84	-	177.54	23.14	46.98
Softwares	192.46	80.00	-	272.46	189.73	11.06	-	200.79	71.67	2.72
Mine Development	23.85	6.32	-	30.17	17.41	2.23	-	19.64	10.54	6.44
Right to Use	0.00	609.20	-	609.20	0.00	141.79	-	141.79	467.41	0.00
Total Intangible Assets	**653.61**	**695.52**	**-**	**1,349.13**	**597.47**	**178.91**	**-**	**776.38**	**572.75**	**56.14**
Previous year	**646.71**	**6.90**	**-**	**653.61**	**569.33**	**28.14**	**-**	**597.47**	**56.14**	**-**

Note 4.1.1. Product Development is acquired know how . The useful life of the product development is taken 5 years.

Note 4.1.2 Software includes SAP ERP Licence and Development Fees and Other softwares. For SAP ERP Licence and Development Fees useful life is considered as 7 years and for other softwares the useful life is 5 years.

Note 4.1.3- Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on “Impairment of Assets”. Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of intangible assets.

Note 4.1.4 - There is no restriction on the title of intangible assets.

4.2 Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	As at March 31, 2020	As at March 31, 2019
Product Development In Progress	21.80	21.80
SAP “ERP” License and Development Fees	36.96	80.00
Mining lease rights	5.15	11.47
Total	**63.91**	**113.27**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 5 Non- current financial assets : Investments		
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
9,80,000 (31st March, 2019: 9,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited Rs. 10 each fully paid up.	87.42	286.85
Extent of Holding	19.57%	0.20
DMC Pvt. Ltd. (Formerly known as Dispersive Minerals & Chemicals India Limited) - 60,000 shares @ 10/- each (31st March 2019 : 60,000 shares)	94.33	94.96
Investments in Government Securities		
National Savings Certificate	1.12	1.12
Quoted Investments		
Investments in Mutual Funds		
IDBI Mutual Funds	-	5.30
Nil (31st March, 2019: 50,000) units of IDBI Long term value fund - direct plan growth.		
Total	**182.87**	**388.22**
(a) Aggregate amount of quoted investments and market value thereof;	Nil	5.30
(b) Aggregate amount of unquoted investments; and	182.87	382.93
(c) Aggregate amount of impairment in value of investments.	Nil	Nil
Note 6 Non- current financial assets : Loans		
Security Deposits		
To Others [Unsecured, considered good]	370.63	324.84
	370.63	324.84
Total	**370.63**	**324.84**
Note 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	245.14	53.23
Margin Money deposits under lien against Bank Guarantee	1.63	2.03
Total	**246.77**	**55.27**
Note 8 Other non- current assets		
Capital advances [Unsecured, considered good]	753.59	1,094.46
Balances with Government authorities paid under protest	2.10	7.71
Interest Receivable on Deposits	-	0.57
Total	**755.69**	**1,102.74**
Note 9 Inventories*		
Finished Goods	2,349.15	2,252.48
Goods in Transit (Raw Materials)	911.56	281.64
Raw Materials	5,627.47	5,066.86
Stores and Spares	853.57	748.01
Stock in trade	30.43	13.90
Total	**9,772.18**	**8,362.88**

* For Valuation- Refer note 2.14 (Accounting Policy)
**Refer to Note 18 on borrowings for details in terms of pledge of assets as security.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 10 Current financial assets : Trade receivables		
Unsecured, Considered Good	8,209.92	6,961.12
credit impaired	210.93	212.15
	8,420.85	**7,173.27**
Less: Impairment Allowance for Trade Receivables	(210.93)	(212.15)
Total	**8,209.91**	**6,961.12**
*Refer to Note 18 on borrowings for details in terms of pledge of assets as security.		
Note 11 Current financial assets : Cash and cash equivalents		
(a) Balance with banks		
Balance in Current and Savings accounts	589.12	686.50
(b) Cash on hand	21.45	22.20
Total	**610.57**	**708.70**
Note 12 Current financial assets : Other bank balances		
Earmarked balances In unclaimed dividend accounts (Refer Note 12.1)	1.67	2.17
Margin Money deposits under lien against Bank Guarantee	88.55	62.64
Deposits with maturity over 3 months but less than 12 months		
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	144.67	300.68
Total	**234.89**	**365.50**

Note 12.1

The balances in dividend accounts are not available for use by the Group and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment. No amount is due at the end of the period for credit to Investor Protection and Education fund.

Particulars	As at March 31, 2020	As at March 31, 2019
Note 13 Current financial assets : Loans (including security deposits)		
Inter Corporate Deposits	149.70	133.82
Loans to employees [Unsecured, considered good]	119.52	75.23
Security and other deposits [Unsecured, considered good]	155.10	85.01
Total	**424.32**	**294.06**
The Inter corporate deposit is unsecured in nature and carrying 14% rate of interest. The same ICD is repayable on demand.		
Note 14 Current financial assets : Others		
Balances with Tax authorities	215.33	177.02
Foreign Currency Forward contracts	21.04	-
Other Current financial assets	2.10	45.17
Total	**238.47**	**222.19**
Note 15 Current assets : Others		
Advances for expenses[Unsecured, considered good]		
To Related parties	-	28.96
To Staff	-	0.18
To Others	1,444.07	1,294.08
	1,444.07	1,323.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	105.87	117.88
Sales Tax Paid Under Protest	8.14	8.14
Indirect Tax credit receivable	54.85	61.65
Advance Payment of Income Tax (Net of Provision : 31.03.2020 - Rs. 1079.78 Lakhs, 31.03.2019 - Rs. 2,469.12 Lakhs) Refer note no. 27	275.08	162.82
Total	**2,144.05**	**1,673.72**

Note 16 Share capital

Note 16.1 Authorised, issued, subscribed, fully paid up share capital

(₹ In Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of Rs.5 each	6,00,00,000	3,000.00	6,00,00,000	3,000.00
Issued, Subscribed and Paid up				
Equity Shares of Rs.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**

Note 16.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

(₹ In Lakhs)

Particulars	As at 31st March 2020 Equity Shares of ₹ 5 each fully paid		As at 31st March 2019 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

Note 16.3 Terms/ rights attached to equity shares

i The Parent company has only one class of shares referred to as equity shares having a par value of Rs. 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

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 5 each fully paid				
Eriez Industries Private Limited	85,91,838	24.35%	84,84,664	24.05%
Chandresh S Parikh	37,90,788	10.74%	36,96,400	10.48%
Pratik Minerals Private Limited	30,36,206	8.60%	30,36,206	8.60%
Total	**1,54,18,832**	**43.70%**	**1,52,17,270**	**43.12%**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 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, 2020

(₹ In Lakhs)

	Particulars	As at March 31, 2020	As at March 31, 2019
Note 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	3,969.70	3,980.13
	Add: received for shares issued during the Period	-	-
	Less; Share issue expenditure	(2.62)	(10.43)
	Closing Balance	**3,967.08**	**3,969.70**
c.	**Retained earnings**		
	Opening balance	10,651.47	8,306.96
	Add: Profit during the Period	2,411.71	2,498.11
	Add:Due to change in minority interest	10.28	-
	Less: Bonus Issue	-	0.00
	Add: Remeasurements of post-employment benefit obligation, net of tax	(45.13)	(4.65)
	Total	**13,028.33**	**10,800.42**
	Less : Appropriations		
	Dividend Declared	211.68	123.16
	Corporate Tax on Dividend	-	25.80
	Closing Balance	**12,816.65**	**10,651.47**
d	**Foreign Currency Translation Reserve**		
	Opening balance	30.30	20.05
	Add: Change During the year	26.59	10.25
	Balance at the end of the year	**56.89**	**30.30**
e	Capital reserve on consolidation	92.26	92.26
	Closing Balance	**92.26**	**92.26**
	Total (A)	**17,053.42**	**14,864.26**
(B)	**Equity instrument through OCI**		
	Opening Balance	117.19	530.76
	Change in fair value of equity instrument	(200.07)	(520.13)
	Income tax relating to above item	45.45	106.56
	Total (B)	**(37.43)**	**117.19**
	Total other equity (A+B)	**17,015.99**	**14,981.45**

Nature and purpose of reserves :

i General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

ii Equity instrument through OCI

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instrument through OCI reserve within equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 18 Non- current financial liabilities : Borrowings

(₹ In Lakhs)

Secured	As at 31st March 2020		As at 31st March 2019	
	Non-Current	Current*	Non-Current	Current*
Term Loan from Banks	2,137.27	817.96	3,104.91	930.80
Total secured borrowing [A]	2,137.27	817.96	3,104.91	930.80
Unsecured				
Deposits				
From Public & Members	1,671.91	614.46	1,371.74	560.96
From Related Parties	82.50	55.00	87.50	1.30
Vehicle loan	0.67	1.27	1.94	1.16
Total unsecured borrowing [B]	1,755.07	670.73	1,461.18	563.42
TOTAL [A+B]	**3,892.34**	**1,488.68**	**4,566.09**	**1,494.22**

*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, 2020]

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 12.50%
2021-22	983.36
2022-23	724.77
2023-24	429.14
Total	**2,137.27**

Unsecured Borrowings

Year-wise Effective Interest Rate	Public Deposits 8.5% - 12%
2021-22	898.49
2022-23	856.58
Total	**1,755.07**

Details of Securities: For 20 Microns Ltd.

The term loans obtained as consortium loans are secured by way of

1 <u>**First pari-passu charge by way of mortgage / hypothecation over :**</u>

- 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 CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [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 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 Rs. 157.24 Lakhs (31/03/2019: Rs.234.14 Lakhs) obtained for acquisition of assets (vehicles) are secured only by the hypothecation of the respective assets financed.

For 20 Microns Nano Minerals Ltd.

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 13.70%.

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 19 Other Non Current Financial Liabilities		**(₹ In Lakhs)**
Security Deposits	9.00	9.14
Lease liability	384.90	-
Total	**393.90**	**9.14**

Note 20 Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2019-20

(₹ In Lakhs)

Particulars	As at April 1, 2019	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2020
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	3,157.64	248.44	-	-	3,406.08
Investments	51.95	(8.46)	(32.41)	-	11.08
Loans and borrowings	28.94	(2.19)	-	-	26.75
Employee benefits	(0.00)	-	-	-	(0.00)
Total	**3,238.55**	**237.78**	**(32.41)**	**-**	**3,443.91**
Deferred tax asset					
Employee benefits	21.30	6.77	24.50	-	52.57
Tax credit	223.60	-	-	(199.63)	23.97
Provisions	74.01	(9.32)	-	-	64.70
Disallowance u/s 43 B of Income Tax Act, 1961	8.05	0.33	-	-	8.38
Carry forward losses	8.45	10.03	-	-	18.48
Lease liability	-	158.10	-	-	158.10
Share issue expense	7.10	-	-	(2.63)	4.47
Total	**342.52**	**165.90**	**24.50**	**(202.26)**	**330.66**
Net deferred tax Liabilities	**2,896.03**	**71.88**	**(56.91)**	**202.26**	**3,113.25**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 21 Current financial liabilities : Borrowings		
Secured (Repayment on Demand)		
Loan from Banks (Cash credit):	5,052.92	5,076.00
(Effective Rate of Interest being 9.75% to 12.50%)		
Unsecured		
Deposits		
From Public and Members	1,482.92	1,308.00
(Effective Rate of Interest being 10.25% - 11.75%)		
Total	**6,535.84**	**6,384.00**

The Group does not have any continuing defaults in repayment of loans and interest as at the reporting date.

Details of Securities

For 20 Microns Limited (Parent Company)

First pari-passu charge by way of hypothecation of:

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

Second pari-passu charge on factories and premises and plant and machineries, both present and future, wherever situated, but pertaining to the locations stated in note 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 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 March 31, 2020	As at March 31, 2019
Note 22 Current financial liabilities : Trade payables		
Total outstanding dues of micro enterprises and small enterprises - Trade payables (Refer Note 22.1)	183.11	113.63
Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
Trade payables - Others	8,613.99	6,543.38
Total	**8,797.10**	**6,657.01**

Note 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:

the principal amount remaining unpaid to any supplier at the end of each accounting year	181.67	111.17
Interest due on (1) above and remaining unpaid as at the end of accounting period	1.44	2.45
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting yearInterest paid on all delayed payments MSMED Act, 2006	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Note 23 Current financial liabilities : Others		
Current maturities of long term borrowings - (Please refer Note 18):-		
Term Loan		
- From Banks (Secured)	817.97	930.80
Vehicle Loans (Unsecured)	1.27	1.16
- Deposits(Unsecured)	-	-
From Public and Members	614.46	560.96
From Related Parties	55.00	1.30
	1,488.69	**1,494.22**
Unclaimed dividend (Refer Note 23.1)	1.63	2.17
Unclaimed Matured public deposits and Interest	32.21	44.74
Dues to Bank in Current Account	42.52	0.96
Employee Benefits Payable	199.31	195.64
Liabilities for expenses at the year end	548.78	588.19
Lease liability	95.94	-
Total	**2,409.08**	**2,325.91**

Note 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.

Note 24 Current liabilities : Others		
Advance from Customers	182.72	359.60
Other payables	-	60.53
Statutory Dues Payable	116.18	136.76
Total	**298.90**	**556.89**
Note 25 Current provisions		
Provision for employee benefits (Refer note 43)		
Provision for gratuity	153.26	61.17
Provision for leave encashment	10.80	10.80
Total	**164.06**	**71.97**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 26 Details of Income tax assets and income tax liabilities		
Current income tax liabilities (Net of Advance Tax : 31.03.2020 - Rs. Nil , 31.03.2019 - Rs. 659.22 Lakhs)	7.97	66.37
Net Asset (Asset - Liability)	**7.97**	**66.37**
Movement in current income tax asset/(liability)		
Net current income tax asset/(liability) at the beginning	96.45	93.95
Income tax paid for the year	996.94	849.47
Provision for Income tax for the year (Refer Note 33)	(1,051.86)	(1,190.20)
Prior year tax /refund adjusted with tax / other items	25.95	(6.53)
Adjustment/Reclassification to MAT	199.63	349.76
Net current income tax asset/(liability) at the end	**267.11**	**96.45**

Components of Net income tax asset/(liability) at the end (₹ In Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Advance Payment of Income Tax (Net of Provision : 31.03.2020 - Rs. 1079.78 Lakhs, 31.03.2019 - Rs. 2,469.12 Lakhs) Refer note no. 27	275.08	162.82
Current income tax liabilities (Net of Advance Tax : 31.03.2020 - Rs. Nil , 31.03.2019 - Rs. 659.22 Lakhs)	7.97	66.37
	267.11	**96.45**
Note 27 Revenue from Operations		
<u>**Revenue from Operations**</u>		
Sale of products	52,919.01	47,943.76
Other operating revenues	13.28	23.16
Total	**52,932.29**	**47,966.92**
Note 27.1 Details of other operating revenues of the Group are as under:		
Export Incentives	10.73	11.33
Scrap Sales	2.55	11.83
Total	**13.28**	**23.16**
Note 28 Other Income		
Interest Income	76.26	73.48
Rent	6.99	6.03
Net Gain on Foreign Currency Transactions	37.07	40.77
Liability no longer required written back	34.80	20.21
Excess Provision written back	66.59	29.11
Gain on Fair value of Financial Assets	-	0.30
Other Non-Operating Income	44.23	21.99
Export Incentives	-	1.29
Total	**265.94**	**193.17**

*Includes interest income on deposits, staff advances, employee loans and delayed payments from customers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Note 29 Cost of Materials Consumed		
Opening Stock of Material	5,066.86	4,330.94
Opening Stock Goods in Transit	281.64	105.13
Add : Purchases	29,210.98	23,889.78
	34,559.48	28,325.85
Less : Goods in transit	911.56	281.64
Less: Closing Stock of Materials	5,627.47	5,066.86
Total	**28,020.46**	**22,996.71**
Note 30 Purchase of Stock in trade		
Purchases of Stock in trade	63.85	43.60
Total	**63.85**	**43.60**
Note 31 Changes in inventories of finished goods, stock in trade and work in progress		
Inventory at the beginning of the year	2,266.38	2042.05
Less: Inventory at the end of the year	2,379.57	2266.38
Changes in inventories of finished goods, stock in trade and work in progress	**(113.19)**	**(224.33)**
Note 32 Employee benefit expense		
Salary, Wages Bonus & Allowances	4,178.34	4041.47
Contribution to Provident and Other Funds	306.97	293.69
Managerial Remuneration	221.17	201.65
Staff Welfare Expenses	159.69	146.26
Total	**4,866.17**	**4,683.07**
Note 33 Finance Costs		
Interest on Term Loans	420.65	651.24
Recompense Charges (Refer note no. 40.2(b))	100.00	-
Interest on Working Capital Loans	977.17	1043.77
Other Interests	325.98	286.92
Other Borrowing Costs	329.37	208.06
Total	**2,153.17**	**2,189.99**
Note 34 Depreciation and amortisation expense		
Depreciation of Property, Plant and Equipment (refer note 3.1)	1,072.15	1018.63
Amortisation of Intangible Assets (refer note 4.1)	178.91	28.14
Total	**1,251.07**	**1,046.77**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Note 35 Other Expenses		
Note 35.1 Manufacturing Expenses		
Consumption of Stores and Spare Parts	491.73	485.53
Power and Fuel	3,669.61	4226.31
Rent	73.87	100.51
Repairs :		
Buildings	17.16	19.84
Plant and Machinery	274.12	360.20
Other Manufacturing & Factory Expenses	404.67	439.31
Sub Total (A)	**4,931.15**	**5,631.68**
Note 35.2 Administrative & Other Expenses		
Rent	27.27	37.85
Rates & Taxes	44.61	36.97
Insurance	84.24	78.74
Post, Telephone & Courier	112.11	105.86
Printing and Stationary expenses	43.52	42.58
Legal, Licenses and Renewal expenses	53.48	20.39
Software and Computer Maintenance	47.79	31.31
Travelling & Conveyance	206.00	225.66
Vehicle Running & Maintenance	78.68	85.57
Professional Fees	181.24	161.92
Auditors Remuneration	14.30	14.65
Directors Sitting Fees	13.25	14.10
Loss on Disposal of Tangible Assets (Net)	7.32	19.39
Donation	0.61	7.05
Remission of Debit balance	25.00	23.93
Miscellaneous Expenses	238.60	223.30
Loss on Foreign Currency Transactions	12.23	0.00
CSR Expenditure (refer note no. 36)	104.75	41.38
Sub Total (B)	**1,294.97**	**1,170.65**
Note 35.3 Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	398.09	351.01
Rebate and Discount	0.00	3.01
Sales Commission	64.13	50.88
Bad Debts written off	2.93	0.29
Allowance for impairment loss	20.31	28.93
Rent	86.49	149.69
Other Selling Expenses	500.98	419.97
Other Expense	-	0.09
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	4,850.34	4,375.75
Freight and Logistic Expenses (Export)	1,312.62	1,363.77
Export Expenses	28.84	32.49
Service Tax	10.49	-
Sub Total (c)	**7,275.23**	**6,775.87**
Total (A+B+C)	**13,501.35**	**13,578.20**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Note 35.4 Payment to Auditors		
Audit Fees	12.85	12.86
In Other Capacity	0.80	0.60
Certification Charges and other reimbursement (inluded in Share Issue Expense)	-	2.99
Out of Pocket Expense	0.65	1.19
Total	**14.30**	**17.64**
Note 36 Corporate Social Responsibilty		
Gross amount required to be spent by the company during the year		
Amount spend and paid on CSR activities included in the statement of profit and loss for the year	**104.75**	**41.38**
Promoting healthcare and environment	104.75	6.00
Chief minister distress relief fund	**-**	4.00
Rural development and education promotion	-	31.38
Note 37 Tax Expense		
(a) Amounts recognised in profit and loss		
Current Tax		
(a) Current income tax	1,051.86	1,190.20
(b) Short/(Excess) provision of Income Tax in respect of previous years	(26.28)	0.15
Sub Total (a)	**1,025.58**	**1,190.35**
Deferred tax		
(a) Deferred tax expense / (Income)- net		
Origination and reversal of temporary differences	12.17	151.80
	12.17	**151.80**
(b) Recognition of tax credit		
Sub Total (b)	12.17	151.80
Tax expense for the year (a+b)	**1,037.75**	**1,342.15**
(b) Reconciliation of effective tax rate		
Profit before tax	3,455.36	**3,134.31**
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.61%)	1,111.82	1,206.63
Tax effect of:		
Expenses Disallowed	427.55	416.88
Expenses Allowed	(532.05)	(539.85)
Short/(Excess) provision of income tax in respect of previous years	(26.30)	0.15
Capital Gain Tax on Sale of Freehold Land	44.56	2.47
Current Tax Provision (A)	**1,025.58**	**1,086.27**
Increase/ (Decrease) in Deferred Tax Liability	137.54	150.42
Decrease/(Increase) In Deferred Tax Assets	(125.37)	9.82
Deferred Tax Provision (B)	**12.17**	**160.24**
Total	**1,037.76**	**1,246.51**

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 CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Note 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)	(200.07)	(520.13)
Tax impact on unquoted investments	45.45	106.74
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	(69.63)	(7.08)
Tax impact on Actuarial gains and losses	24.50	2.43
Total (i)	**(199.75)**	**(418.05)**
(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)	**(199.75)**	**(418.05)**

Note 39 Earning per Share -(EPS)

Earnings per equity share of FV of Rs 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:

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit for the year (Profit attributable to equity shareholders) (Rs. In Lakhs)	2,411.71	2,498.11
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 (Rs.)	5.00	5.00
Basic EPS (Rs.)	6.83	7.08
Diluted EPS (Rs.)	6.83	7.08

Note 40 CONTINGENT LIABILITIES & CONTINGENT ASSETS AND CAPITAL COMMITMENTS

A) CONTINGENT LIABILITIES

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent liabilities (to the extent not provided for)		
(a) Statutory claims (Refer Note 40.1)	156.49	195.88
(b) Claims against the company not acknowledged as debt(Refer Note 40.2)	419.13	419.13
Total	**575.62**	**615.01**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 40.1 Statutory claims		
Demand of Sales Tax, Value Added Tax and Central Sales Tax [Net of An amount of Rs. 4.50 lacs deposited under protest (P.Y. Rs. 4.5 lacs deposited under protest)]	37.22	37.22
Demand of Central Excise [Net of An amount of Rs. 5.62 lacs deposited under protest]	-	31.50
Demand of Income Tax (Net of Refund adjusted and paid under protest)	91.92	65.56
Labour disputed cases	378.25	7.97
Other disputed cases	19.38	53.63

In respect of assessment pending at various forums for various Assessment Years, the amount of contingent liability in respect of VAT is not quantifiable.

Note 40.2 Claims against the Group not acknowledged as debt

a The Parent had received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch whereby a penalty of Rs. 419.13 lakhs is levied on the Company. Company had filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority(additional director [Appeal and flying squad], vide its order dated 17th January, 2020 has passed final order and continued order dated 06th August, 2016 passed by the Geologist, Bhuj. The parent Filed a REVISION application on dated 20/02/2020 to The Commissioner Shri (Geology & Mining , Gandhinagar) against the order passed by Additional Director (Appeal & Flying Squad), Gandhinagar, dated 17/01/2020.The revision application is pending for hearing.

b In terms of loan arrangement with the 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 is not ascertainable. in the current financial year, pursuant to the lending terms, parent company had sought approval of the lender to declare Interim Dividend and lenders had asked parent company to make interim payment of Rs. 100.00 Lakhs as recompens amount for approving the declaration and payment of Interim Dividend to its Shareholders. The parent company has paid this amount to the lenders and have considered it as Finance Cost for the year.

B) CONTINGENT ASSETS

The Group is having certain claims which are pursuing through legal processes. The Management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

C) CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to Rs. 1007.26 Lakhs (Net of Advance Rs. 407.63 Lakhs [31.03.2019 Rs. 871.69 lakhs (Net of Advances of Rs. 766.86 lakhs)

Note 41 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments	-	181.75	1.12	182.87	-	1.12	181.75	182.87
Financial assets measured at amortised cost	-	-						
Loans (Non-current)	-	-	370.63	370.63	-	370.63	-	370.63
Other financial assets (Non-Current)	-	-	246.77	246.77	-	246.77	-	246.77
Loans (Current)	-	-	424.32	424.32	-	-	-	-
Other financial assets (Current)	-	-	238.47	238.47	-	-	-	-
Trade receivables	-	-	8,209.91	8,209.91	-	-	-	-
Cash and cash equivalents	-	-	610.57	610.57	-	-	-	-
Other bank balances	-	-	234.89	234.89	-	-	-	-
	-	**181.75**	**10,336.68**	**10,518.43**	**-**	**618.52**	**181.75**	**800.27**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Financial liabilities measured at amortised cost								
Non current borrowings	-	-	3,892.34	3,892.34	-	3,892.34	-	3,892.34
Other Non Current financial liabilities	-	-	393.90	393.90	-	393.90	-	393.90
Current borrowings	-	-	6,535.84	6,535.84	-	-	-	-
Trade payables (Current)	-	-	8,797.10	8,797.10	-	-	-	-
Other Current financial liabilities	-	-	2,409.08	2,409.08	-	-	-	-
Total	**-**	**-**	**22,028.26**	**22,028.26**	**-**	**4,286.24**	**-**	**4,286.24**

	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	-	381.81	1.12	382.93	-	1.12	381.81	382.93
Financial assets measured at amortised cost	-							
Loans (Non-current)	-	-	324.84	324.84	-	324.84	-	324.84
Other financial assets (Non-Current)	-	-	55.27	55.27	-	55.27	-	55.27
Loans (Current)	-	-	294.06	294.06	-	-	-	-
Other financial assets (Current)	-	-	3.20	3.20	-	-	-	-
Trade receivables	-	-	6,961.12	6,961.12	-	-	-	-
Cash and cash equivalents	-	-	708.70	708.70	-	-	-	-
Other bank balances	-	-	365.50	365.50	-	-	-	-
	-	**381.81**	**8,713.80**	**9,095.61**	**-**	**381.23**	**381.81**	**763.04**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	4,566.09	4,566.09	-	4,566.09	-	4,566.09
Other Non Current financial liabilities	-	-	9.14	9.14	-	9.14	-	9.14
Current borrowings	-	-	6,384.00	6,384.00	-	-	-	-
Trade payables	-	-	6,657.01	6,657.01	-	-	-	-
Other financial liabilities	-	-	2,325.91	2,325.91	-	-	-	-
Total	**-**	**-**	**19,942.15**	**19,942.15**	**-**	**4,575.23**	**-**	**4,575.23**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

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 2020 and 31 March 2019 is as below:

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**381.81**	**901.94**
Acquisitions/ (disposals)	-	
Gains/ (losses) recognised in other comprehensive income	(200.07)	(520)
Gains/ (losses) recognised in statement of profit or loss	-	-
Closing Balance	**181.74**	**381.81**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2020 and the year ended 31st March 2019.

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

The sensitivity analysis for investments as as 31st March 2020 is provided below.

(₹ In Lakhs)

Significant observable inputs	As at March 31, 2020	As at March 31, 2019
	OCI	OCI
	(Decrease)/Increase	(Decrease)/Increase
Equity securities in unquoted investments measured through OCI		
If increase in market value of investments made by 5%	9.09	19.09
If increase in market value of investments made by 5%	(9.09)	(19.09)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has a well-define Risk Management framework for reviewing the major risks and taking care of all the financial risks. The risk management framework aims to :

a. create a stable business planning environment by reducing the impact of currency and interest rate fluctuation on company's business plan.

b. achieve greater predictability to earnings by determining the financial value of the expected earning in advance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities and loans given.

The carrying amount of following financial assets represents the maximum credit exposure:

(a) Cash and Cash equivalent and Other Bank Balances

The Group maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The Group's exposure to credit Risk is the exposure that Group has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Group's major customer base is paints, plastic, rubber and other misc. industries.

The Commercial and Marketing department has established a credit policy.

The Group raises the invoice based on the quantities sold. The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 10

Movement in Allowance for bad and doubtful Trade receivable

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Allowance for bad and doubtful Trade receivable	(212.15)	(231.75)
Provision during the year	(20.31)	-
Recovery/Adjustment during the year	11.33	(7.21)
Write off during the year	10.20	26.81
Closing Allowance for bad and doubtful Trade receivable	**(210.93)**	**(212.15)**

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 Rs. 803.95 Lakhs on March 31, 2020 and Rs. 628.04 Lakhs on March 31, 2019 .

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

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 Group maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of Rs. 2955.22 Lakhs (at amortised cost) that is secured as mentioned in Note 18. Interest would be payable at the rate of varying from 8.30% to 12.50%.

(b) The Group has also accepted deposit from share holders and directors amounting to Rs. 3934.28 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 8.50% - 12.00%.

(c) For maintaining working capital liquidity Group avails cash credit limit from bank. The amount availed as at 31/03/2020 is Rs. 5052.92 Lakhs (at amortised cost). Effective Rate of Interest is 8.30% to 12.50%

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

(₹ In Lakhs)

		Contractual cash flows			
March 31, 2020	**Carrying amount**	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	3,892.34	-	3,892.34	-	3,892.34
Non current financial liabilities	393.90	-	393.90	-	393.90
Current Borrowings	6,535.84	6,535.84	-	-	6,535.84
Current Trade payables	8,797.10	8,797.10	-	-	8,797.10
Current Other financial liabilities	2,409.08	2,409.08	-	-	2,409.08
	22,028.26	**17,742.02**	**4,286.24**	**-**	**22,028.26**

(₹ 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	4,566.09	-	4,566.09	-	4,566.09
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	2,325.91	2,325.91	-	-	2,325.91
	19,942.15	**15,366.92**	**4,575.23**	**-**	**19,942.15**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

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, 2020	As at March 31, 2019
Trade and Other Payables		
USD	1,195.96	728.66
Trade Receivables and advances		
Euro	40.84	61.52
USD	1,323.01	1,307.21
GBP	12.27	4.29

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:

Details of foreign currency balances	Profit or (Loss)		Equity (net of tax)	
	5% Increase	5% Decrease	5% Increase	5% Decrease
As at 31st March 2020				
Trade and Other Payables	(59.80)	59.80	(59.80)	59.80
Trade Receivables and advances	68.81	(68.81)	68.81	(68.81)
As at 31st March 2019				
Trade and Other Payables	(36.43)	36.43	(36.43)	36.43
Trade Receivables and advances	68.65	(68.65)	68.65	(68.65)

b) **Derivative Instruments used for Hedging:**

The company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party of such contracts are generally a Bank.

The foreign exhange forward contracts mature within 12 months. The table below analyses the derivative financial instruments in to relevant maturity groupings based on the remaining period as at balance sheet date.

	Amount in USD	Amount in INR (lakhs)

Derivative outstanding as at reporting date	Amount in USD		Amount in INR (lakhs)	
Nature of instrument	**As at 31st 2020**	**As at 31st 2019**	**As at 31st 2020**	**As at 31st 2019**
Later than one month and not later than 3 months	42,20,000.00	-	30,48,10,600.00	-

Foreign currency forward contract are used for hedging Foregin currency short term borrowing and not for trading or speculative purpose

c) **Interest rate risk**

Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Group's interest rate exposure is mainly related to debt obligation. On period under review the Group do not have any term loans at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate. The Group have accepted deposits from share holders which are fixed rate instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(₹ In Lakhs)

Interest bearing instruments	As at March 31, 2020	As at March 31, 2019
Non current - Borrowings	3,892.34	4,566.09
Current portion of Long term borrowings	1,488.68	1,494.22
Short term borrowings	6,535.84	6,384.00
Total	**11,916.86**	**12,444.31**

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:

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
31st March 2020				
Non current - Borrowings	(38.92)	38.92	(38.92)	38.92
Current portion of Long term borrowings	(14.89)	14.89	(14.89)	14.89
Total	**(53.81)**	**53.81**	**(53.81)**	**53.81**
31st March 2019				
Non current - Borrowings	(45.66)	45.66	(45.66)	45.66
Current portion of Long term borrowings	(14.94)	14.94	(14.94)	14.94
Total	**(60.60)**	**60.60**	**(60.60)**	**60.60**

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.

d) **Equity Price Risk**

The Group do not have any investment in quoted equity shares hence not expose to equity price risk.

Note 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.

(₹ In Lakhs)

The Group's adjusted net debt to equity ratio is as follows.	As at March 31, 2020	As at March 31, 2019
Interest bearing borrowings	11,916.86	12,444.31
Less : Cash and bank balances	(1,092.23)	(1,129.46)
Adjusted net debt	10,824.63	11,314.85
Borrowings	11,916.86	12,444.31
Total equity	18,780.32	16,745.78
Adjusted net debt to adjusted equity ratio	0.58	0.68
Debt equity ratio	0.63	0.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 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 Rs. 191.86 Lakhs (Previous year Rs. 179.36 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 Rs. 29.60 Lakhs. (P.Y. 36.27 Lakhs)

(c) Gratuity - Defined Benefit Plans

Provision has been made for gratuity as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

(₹ In Lakhs)

	Assumptions	Gratuity March 31, 2020	Gratuity March 31, 2019
A.	Discount rate	6.55%	7.65%
	Salary Growth rate	7.50%	7.50%
B.	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	771.94	686.31
	Current Service Cost	57.51	53.32
	Interest Cost	55.53	48.72
	Components of acturial gain/losses on obligations:	-	
	Due to change in financial assumptions	77.66	(3.01)
	Due to change in Demographic assumptions	(0.39)	(2.37)
	Due to experience adjustments	(5.54)	14.73
	Past Service Cost	-	
	Benefits Paid	(39.47)	(25.76)
	Closing Defined Benefit Obligation	**917.24**	**771.94**
C.	**Reconciliation of Planned Asset**		
	Opening fair Value of plan assets	713.74	629.72
	Interest Income	53.28	46.45
	Return on plan assets excluding amounts included in interest income	0.40	3.33
	Contributions by employer	40.00	60.00
	Benefits Paid	(39.47)	(25.76)
	Closing Value of plan assets	**767.95**	**713.74**
D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	57.51	53.32
	Net Interest Cost	2.25	2.27
	Past service cost and loss/(gain) on curtailments and settlements	-	-
	Total included in 'Employee Benefit Expense'	**59.76**	**55.60**
	Other Comphrehensive Income for the current Period		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	77.66	(3.01)
	Due to change in Demographic assumptions	(0.39)	(2.37)
	Due to experience adjustments	(5.54)	14.73
	Return on plan assets excluding amounts included in interest income	(0.40)	(3.33)
	Amount recognized in Other Comprehensive Income	**71.33**	**6.01**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

E.	**Reconciliation of Net defind Benefit Obligation**		
	Net opening provisions in Books of accounts	58.20	56.59
	Employee Benefit Expense	59.76	55.60
	Amount recognized in Other Comprehensive Income	71.33	6.01
	Contributions to Plan asset	(40.00)	(60.00)
	Closing provision in books of accounts	**149.29**	**58.20**
F.	**Current/Non-Current Liability :**		
	Current*	149.29	58.20
	Non-Current	-	-
	Net Liability	**149.29**	**58.20**

*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, 2020	As at March 31, 2019
A. Gratuity		
Present value of Defined Benefit Obligation	917.24	771.94
Fair value of Plan Assets	767.95	713.74
(Surplus) / Deficit in the plan	149.29	58.20
Actuarial (Gain) / Loss on Plan Obligation	71.73	9.34

(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-20	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	880.58	956.37
Salary growth rate (0.5% movement)	944.02	891.69
Withdrawal rate (W.R.) Sensitivity	918.66	915.63

	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	775.43	768.26

(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 Rs.20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58,68 or 72 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(i) **Entity responsibilities for the governance of the plan**

Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The company has participated in Group Gratuity Scheme Plan with SBI Life insurance to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year.

(a) Composition of the plan assets

(₹ In Lakhs)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
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 2020

Particulars	**1-5 years**	**6-10 years**
Cash flow (Rs.)	386.48	423.76
Distribution (in %)	22.70%	25.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(g) Other Notes:

(i) The expected rate of return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for the Plan Assets management.

(ii) The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The management has relied on the overall actuarial valuation conducted by the actuary.

43.2 For 20 Micron Nano Minerals Limited

The Group has implemented Ind AS - 19 on "Employee Benefits".

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the period of 12 months ended is Rs. 9,37,754/- (Previous year Rs. 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, 2020**	**Gratuity March 31, 2019**
A.	Discount rate	6.85%	7.55%
	Rate of return on plan assets	6.85%	7.55%
	Salary Escalation	6.00%	6.00%
B.	Change in Defined Benefit Obligations		
	Liability at the beginning of the year	13.65	9.85
	Interest Cost	1.02	0.74
	Current Service Cost	2.94	2.93
	Past service cost	-	-
	Prior year Charge	(0.01)	-
	Benefits Paid	(0.59)	(0.81)
	Actuarial loss/ (gain) due to experience adjustment	(2.73)	0.79
	Actuarial (Gain) / Loss due to change in financial estimate	1.12	0.14
	Total Liability at the end of the year	**15.40**	**13.65**
C.	Change in Fair Value of plan Assets		
	Opening fair Value of plan assets	10.47	10.51
	Interest Income	0.92	0.91
	Return on plan assets excluding amounts included in interest income	0.09	(0.14)
	Contributions by employer	3.25	-
	Benefits Paid	(0.59)	(0.81)
	Closing fair Value of plan assets	**14.14**	**10.47**
D.	Profit and Loss Account for the current Period	-	-
	Current Service Cost	2.94	2.93
	Net Interest Cost	0.10	(0.16)
	Past service cost and loss/(gain) on curtailments and settlements	-	-
	Total included in 'Employee Benefit Expense'	3.04	2.77
	Other Comphrehensive Income for the current Period	**-**	**-**
	Components of acturial gain/losses on obligations:	**-**	**-**
	Due to change in financial assumptions	1.12	0.14
	Due to change in Demographic assumptions	(0.01)	-
	Due to experience adjustments	(2.73)	0.79
	Return on plan assets excluding amounts included in interest income	(0.09)	0.14
	Amount recognized in Other Comprehensive Income	**(1.70)**	**1.07**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

E.	Balance Sheet Reconciliation	-	-
	Opening Net Liability	3.17	(0.67)
	Employee Benefit Expense	3.04	2.77
	Amounts recognized in Other Comprehensive Income	(1.70)	1.07
	Contributions to Plan Assets	(3.25)	-
	Benefits Paid	-	-
	Closing Liability	**1.27**	**3.17**
F.	Current/Non-Current Liability :	-	-
	Current*	1.27	3.17
	Non-Current	-	-

*The Group liability is calculated as expected reduction in contributions for the next 12 months.

(c) Amounts recognised in current year and previous three years

(₹ In Lakhs)

Particulars		**As at March 31, 2020**	**As at March 31, 2019**
A.	**Gratuity**		
	Present value of Defined Benefit Obligation	15.40	13.65
	Fair value of Plan Assets	14.14	10.47
	(Surplus) / Deficit in the plan	1.27	3.17
	Actuarial (Gain) / Loss on Plan Obligation	(1.62)	0.00
	Actuarial Gain / (Loss) on Plan Assets	(0.09)	0.00

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ In Lakhs)

	31-Mar-20	
Particulars	**Increase Gratuity**	**Decrease Gratuity**
Discount rate (0.5% movement)	14.59	16.28
Salary growth rate (0.5% movement)	16.26	14.60
Withdrawal rate (W.R.) Sensitivity	15.42	15.39

	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
Expected working lifetime (varied by 2 years)	13.67	13.62

(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 Rs.20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(i) **Entity responsibilities for the governance of the plan**

Risk to the Plan

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(ii) The Group has participated in Group Gratuity Scheme Plan with SBI Life insurance to meet its gratuity liability. The present value of the plan assets represents the balance available at the end of the year.

(a) Composition of the plan assets

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

(c) Expected benefit payments as on 31 March 2020.

Particulars	1-5 years	6-10 years
Cash flow (Rs.)	2.34	3.12
Distribution (in %)	6.30%	8.94%

(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.

43.3 For 20 MCC Private Limited

(a) Provident Fund - Defined Contribution Plan

Company has contributed ₹ 9,37,234 (P.Y - Nil) towards Provident Fund Contribution during the financial year 2019-20 for all eligible employees and the same has been charged to Statement Of Profit & Loss.

(b) Gratuity - Defined Benefit Plans

Provision has been made for gratuity according to the actuarial valuation. Principal assumptions used in actuarial assumptions are disclosed below:

(₹ In Lakhs)

	Assumptions	Gratuity March 31, 2020	Gratuity March 31, 2019
A.	Discount rate	6.80%	N.A
	Rate of return on plan assets	N.A	N.A
	Withdrawal Rates	30.00% p.a at younger ages reducing to 2.00% p.a% at older ages	N.A
	Salary Growth rate	7.50%	N.A
B.	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	-	-
	Current Service Cost	2.91	-
	Interest Cost	-	-
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	-	-
	Due to change in Demographic assumptions	-	-
	Due to experience adjustments	-	-
	Past Service Cost	-	-
	Benefits Paid	-	-
	Closing Defined Benefit Obligation	**2.91**	**-**
C.	**Reconciliation of net defined benefit liability**		
	Net opening provision in books of accounts	-	-
	Transfer in/(out) obligation	-	-
	Transfer (in)/out plan assets	-	-
	Employee Benefit Expense as per Annexure 2	2.91	-
	Amounts recognized in Other Comprehensive (Income) / Expense	-	-
	Amounts recognized in Other Comprehensive (Income) / Expense	-	-
	Contributions to plan assets	-	-
	Closing Value of plan assets	**2.91**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	2.91	-
	Net Interest Cost	-	-
	Past service cost and loss/(gain) on curtailments and settlements	-	-
	Total included in 'Employee Benefit Expense'	**2.91**	**-**
E.	**Other Comphrehensive Income for the current Period**		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	-	-
	Due to change in Demographic assumptions	-	-
	Due to experience adjustments	-	-
	Return on plan assets excluding amounts included in interest income	-	-
	Amount recognized in Other Comprehensive Income	**-**	**-**
F.	**Reconciliation of Net defind Benefit Obligation**		
	Net opening provisions in Books of accounts	-	-
	Employee Benefit Expense	2.91	-
	Amount recognized in Other Comprehensive Income	-	-
	Contributions to Plan asset	-	-
	Closing provision in books of accounts	**2.91**	**-**
F.	**Current/Non-Current Liability :**		
	Current*	2.91	-
	Non-Current	-	
	Net Liability	**2.91**	**-**

Funded status of the plan (₹ In Lakhs)

Particulars	**31-Mar-20 (12 months) Rs.**	**31-Mar-19 (12 months) Rs.**
Present value of unfunded obligations	2.91	-
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	**2.91**	**-**

Note 44 Related Party Transactions:

Note 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
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
9	Smt.A.K.Muley	Company Secretary, Key Management Personnel

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 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, 2020	For the year ended 31st March, 2019
1	**20 Microns Foundation trust**	**Entity over which Significant Influence Exists**		
	Expenses :			
	Donation paid		104.45	6.00
2	**Shri C.S.Parikh**	**Chairman & Managing Director, Key Management Personnel**		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		108.98	61.51
	other long-term benefits		7.00	6.36
	Interest on Deposit		11.56	12.32
	Commission paid		1.08	1.30
	Others :			
	Deposit Received / Renewed		-	10.00
	Deposit Paid During the Year			
	Deposit Outstanding		60.00	60.00
3	**Shri R.C.Parikh**	**Managing Director, Key Management Personnel**		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		85.69	54.58
	other long-term benefits		5.34	4.86
	Commission paid		1.01	1.20
4	**Shri. A.C.Parikh**	**Whole Time Director, Key Management Personnel**		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		85.40	55.49
	other long-term benefits		4.37	3.96
	Interest on Deposit		0.67	0.60
	Others :			
	Deposit Received/ Renewed		-	-
	Deposit Paid During the Year		-	-
	Deposit Outstanding		5.00	5.00
5	**Smt. I.C.Parikh**	**Relative of Key Management Personnel**		
	Expenses :			
	Interest on Deposit		1.70	2.03
	Others :			
	Deposit Received / Renewed		-	15.50
	Deposit Paid			
	Deposit Outstanding		15.50	15.50
6	**Smt. S.R.Parikh**	**Director, Key Management Personnel**		
	Expenses :			
	Interest on Deposit		0.10	0.12
	Rent		8.08	7.10
	Others :			
	Deposit Received / Renewed		-	1.00
	Deposit Paid			
	Deposit Outstanding		1.00	1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

7	**Smt. P.A.Parikh**	**Relative of Key**		
	Expenses :	**Management Personnel**		
	Interest on Deposit		0.54	0.61
	Others :			
	Deposit Received / Renewed		-	5.00
	Deposit Paid			
	Deposit Outstanding		5.00	5.00
8	**Mr N R Patel**	**Chief Financial Officer,**		
	Expense	**Key Management Personnel**		
	Remuneration paid			
	short-term employee benefits		37.79	31.86
	other long-term benefits		2.13	2.00
9	**Smt. A.K.Muley**	**Company Secretary,**		
	Expenses :	**Key Management Personnel**		
	Remuneration paid			
	short-term employee benefits		15.42	11.12
	other long-term benefits		0.89	0.80
	Interest on Deposit		0.24	0.24
	b) Others :			
	Deposit Received / Renewed		-	1.00
	Deposit Paid		1.30	-
	Deposit Outstanding		1.00	2.30

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 (upto 29.04.2019)

b) Mr. Ram Devidayal

c) Mr. Atul Patel

d) Dr. Ajay Ranka

e) Mr. Sudhir Parikh

f) Mrs. Darsha Kikani

g) Mr. Jaydeep Verma (from 28.05.2019)

Note 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	:	Rs. 52662.86 Lakhs
Sale of Herbal Products	:	Rs. 13.79 Lakhs
Sale of Construction Chemicals	:	Rs. 242.36 Lakhs

b) Information about geographical areas:

1. The Company have revenues from external customers attributable to all foreign countries amounting to Rs.8885.83 Lakhs and entity's country of domicile amounting to Rs. 44033.17 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 Rs. 19180.42 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Note 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 2020	For the year ended 31st March 2019
Revenue expenditure		
Employee benefit expenses	127.16	93.27
Other expenses	93.08	53.63
Depreciation	27.50	27.96
Total	**247.74**	**146.90**

Note 47 Disclosure of IND AS 115 "Contract with Customers"

Contract Balances

Particulars	March 31, 2020	March 31, 2019
Trade receivables	8,209.91	6,961.12
Contract Liabilities	182.72	359.60

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to Rs. 359.60 Lakhs .

Reconciliation of the amount of revenue reconised in the statement of profit and loss and contracted price

Particulars	March 31, 2020
Revenue as per contracted price	53,077.92
Adjustments	
Discounts	(145.63)
Revenue from contract with customers	**52,932.29**

Note 48 Lease

Note 48.1 Transition to Ind AS 116:

The Company has adopted Ind AS 116 on "Leases" with effect from April 01, 2019 and applied on all contracts of leases existing on April 01, 2019 by using modified retrospective approach and accordingly, comparative information for the year ended March 31, 2019 have not been restated. The Company has recognised and measured the Right-of-Use (ROU) asset and the lease liability on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. This has resulted in recognising ROU asset of Rs. 221.58 lakhs and corresponding lease liability of Rs. 221.58 lakhs as at April 01, 2019. Further, the nature of expenses in respect of operating leases has changed from lease rent in the previous year to depreciation for the ROU asset and finance costs for interest accrued on lease liability. The impact of adoption of Ind AS 116 on the profit before tax and earning per share for the year ended March 31, 2020 is not material.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases and low-value assets.

Note 48.2 Disclosures pursuant to Ind AS 116:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(₹ In Lakhs)

Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at April 01, 2019	-	-	-
Additions	**609.20**	**141.79**	**467.41**
Deletions	-	-	-
Balance as at March 31, 2020	**609.20**	**141.79**	**467.41**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

The aggregate depreciation expense amounting to Rs 141.79 lakhs on ROU assets is included under Depreciation and Amortization Expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	(₹ In Lakhs)
Current lease liabilities	**95.94**
Non current lease liabilities	**384.90**
	480.84

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	(₹ In Lakhs)
Balance as at April 01, 2019	221.59
Additions	379.80
Finance cost accrued	44.03
Deletions	-
Payment of lease liabilities	164.48
Balance as at March 31, 2020	**480.84**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Amount (₹ In Lakhs)
Less than one year	**233.00**
One to five years	**312.68**
More than five years	**-**
	545.68

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ¹ 187.62 lakhs for the year ended March 31, 2020.

Note 49 Correction of Errors

Certain material prior period errors relating to fair valuation of investments in equity shares of an unlisted company – Eriez Industries Private Limited and DMC Private Limited and related to recognition of deferred tax asset on carried forward losses under the Income Tax Law – were rectified with retrospective restatement of balance sheets as at March 31, 2019, Statement Of Profit & Loss including Comprehensive Income, Statement Of Changes In Equity and Statement Of Cash Flows for the year ended March 31, 2019 Impact on respective line items in the financial statements affected by such rectification as compared to the audited financial statements of previous years have been tabulated below:

Particulars (details of line items affected - Balance Sheet)	As at 01.04.2019
Investments- restated at fair value as (Fair Value Through Other Comprehensive Income) as at March 31, 2019	
Fair Value as at 31.03.2019	381.81
Carrying Value before correction	235.04
Increase in value of Investments	**146.77**
Increase in Other Comprehensive Income (Net of Deferred Tax)	**120.60**
Recognition of Deferred Tax Liability fair value of Investments	26.17
Recognition of Deferred Tax Assets on carry forward losses	8.45
Net movement in Deferred Tax Liability	**17.72**
Increase in Retained earning	**2.85**
Increase in Non Controling Interest	**5.60**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT
for the year ended March 31st, 2020 [Contd.]

Particulars (details of line items affected - Statement of Profit and Loss)	2018-19
Decrease in Deferred Tax Expense	8.45
Decrease in Profit and Loss	8.45
Increase in Other comprehensive Loss	310.74
Decrease in Total comprehensive Income	302.29
Increase in Earning Per share (basic and diluted)	0.02

Note 50 Additional Information required by Schedule III

Sr. no.	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in Total comprehensive income	
		As % of 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	91.97%	17,340.66	103.27%	2,496.65	76.37%	(152.55)	105.69%	2,344.10
B	**Subsidiaries**								
I	**India**								
	20 Microns Nano Minerals Limited	16.04%	3,024.87	8.74%	211.30	-0.41%	0.81	9.56%	212.11
	20 MCC Private Limited	-0.62%	(116.05)	-7.63%	(184.43)	24.04%	(48.02)	-0.62%	(13.78)
II	**Foreign**								
	20 Microns SDN BHD	1.44%	272.44	3.29%	79.51	0.00%	-	2.96%	65.72
	20 Microns FZE	0.93%	174.79	2.16%	52.23	0.00%	-	2.43%	53.87
	20 Microns Vietnam Limited	0.26%	49.53	0.29%	7.10	0.00%	-	0.47%	10.43
	Total	**110.03%**	**20,746.24**	**110.12%**	**2,662.35**	**100.00%**	**-199.75**	**120.50%**	**2,672.45**
	Adjustment due to consolidation	-10.03%	(1,890.94)	-10.12%	(244.74)	0.00%	-	-20.50%	(454.59)
	Total	**100.00%**	**18,855.30**	**100.00%**	**2,417.61**	**100.00%**	**(199.75)**	**100.00%**	**2,217.86**

Note 51 Impact of Covid 19

The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown of the plant and all offices from 24th March 2020. The Group has resumed operations in a phased manner in line with the directives of the Government of India and other foreign governments for overseas operations. The management has made initial assessment of likely adverse impact on business, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Note 52 Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

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

As per our audit report of even date attached

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

For and on behalf of Board of Directors

Naitik J Mehta Partner M. No. 130010	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


20MCC
20 Microns Construction Chemicals
Improve The Life Of Your Construction
Waterproofing
Ka Boss
MICRONSIL 30C
Cracksil
NANOSIL
TIGERSIL
metakrete


MINFERT
The Mineral Fertilizer Company
जैविक खेती :
नई दिशाएं
blk
GEO CARE
gbr
HUMICRONS
Retains Moisture
Promotes Roots
Sustainable Solutions for Growers

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