

FORM DPT-1

**CIRCULAR FOR ACCEPTANCE OF UNSECURED FIXED DEPOSITS FROM SHAREHOLDERS ONLY
[Pursuant to Section 73 (2)(a) and Rules 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]**

1. GENERAL INFORMATION

A.	Name of Company	20 Microns Ltd. 9/10, GIDC Industrial Estate, Waghodia, Dist. Vadodara (Gujarat) Phone No. – 02668 - 264006 Fax No. 02668 - 264003 Email ID – fd@20microns.com Website – www.20microns.com
B.	Date of Incorporation	29 th June, 1987
C.	Business carried on by the Company	The Company is engaged in Manufacturing, Selling and Export of Micronized Minerals
D.	Name of Subsidiaries	20 Microns Nano Minerals Ltd 20 Microns FZE 20 Microns SDN. BHD. 20 Microns Vietnam Co. 20 MCC Pvt. Ltd. Dorfner-20 Microns Private Limited
E.	Branches	Vadodara, Waghodia, Vadadala, Chhota-Udaipur, Bhuj, Mumbai, Kolkata, Delhi, Chennai, Hosur, Udaipur, Alwar
F.	Brief particulars of Management of the Company	The Company is managed by the Board of Directors.

G. Name, Address, Occupation and DIN of the Directors-

Name of Directors	Address	Occupation	DIN
Mr. Rajesh C. Parikh Chairman & Managing Director	B-604, Bhadrlok Apartment, Near Tube Company, Old Padra Road, Vadodara - 390 015	Businessman	00041610
Mr. Atul C. Parikh CEO & Managing Director	B-201, Silver Springs CHSL, Lokhandwala Complex, Andheri [West], Mumbai – 400 053.	Businessman	00041712
Mrs. Sejal R. Parikh Director	604-B, Bhadrlok Apartment, Near Tube Company, Old Padra Road, Vadodara - 390 015	Business	00140489
Mr. Ramkisan A. Devidayal Independent Director	Flat # 17, Sakseria Bldg., 74, Marine Drive, Mumbai.	Businessman	00238853
Mr. Atul H. Patel Independent Director	1 - 2, Akshvan Bungalows, Gotri - Sevasi Road, Vadodara - 391 101.	Businessman	00009587
Dr. Ajay I. Ranka Independent Director	9/10, Akshwan Complex, Sevasi Vadodara – 391 101	Businessman	01676073
Mr. Jaideep B. Verma Independent Director	Nirvaan, Opp. SRP Group- 9, Makarpura Road, ONGC Col., Vadodara – 390 009	Professional	00323385
Dr. Sivaram Swaminathan Additional [Independent] Director (w.e.f. 16.05.2023)	10, Gulmohar Gory, 5 Gulmohar Park, I T I Road, Nr. ICICI Bank, AUNDH, PUNE-411007	Service	00009900

H. Management Perception of risk factors:-

The deposits accepted by the company are unsecured and rank pari passu with other unsecured liabilities of the company. Pursuant to the provisions of The Companies (Amendment) Act, 2017, now companies accepting deposits need not to take insurance for the deposits accepted by it.

- The Company has not made any default in
- repayment of Deposits or interest thereon
 - payment of statutory dues
 - repayment of debentures of interest thereon
 - Loan from Bank or Financial Institution and interest thereon

2. PARTICULARS OF DEPOSIT SCHEME

A.	Date of Passing Board Resolution	10.04.2014, 08.08.2016, 22.05.2017,21.04.2018, 28.05.2019, 08.06.2020, 28.06.2021, 21.01.2022, 03.05.2022 & 16.05.2023
B.	Date of Passing Resolution at General Meeting	24.05.2014, 23.09.2016, 22.09.2017and 22.07.2022
C.	Type of Deposits	Unsecured
D.	Amount of Deposit the Company can raise by way of deposit as per the provisions of Companies Act, 2013 and Rules made thereunder	Deposits shall be accepted from the Share Holders / Members only upto 35% of aggregate of Paid Up share Capital, Free Reserves and Security Premium Account of the Company

E. The aggregate of deposits actually held on the last date of immediately preceding Financial Year i.e. 31st March, 2022 & as on date of issue of this Circular as per Companies Act, 2013& Rules made thereunder-

(Rs. in Lakhs)

	Deposits held as on 31.03.2022	Deposits held as on 31.03.2023
From Shareholders	3246.93	2959.28
TOTAL	3246.93	2959.28

The amount which the company can raise under the Companies Act, 2013 and Companies (Acceptance of Deposit) Rules, 2014	From Shareholders ONLY – Rs.85,84,68,402.00
Amount of Deposit repayable during FY 2023-24	Rs. 1747.57 Lakhs (01.04.2023 TO 31.03.2024)

F. Terms of Raising of Deposits:-

* Rate of Interest

SCHEME					
Cumulative Deposit Plan - Interest payable on Maturity					
Period	Minimum	ROI(P.A)%	Yield	ROI(P.A) % (SC)	Yield (SC)
Months	Deposit Rs.				
12	1,00,000	7.25	7.38	7.50	7.64
24		7.75	8.21	8.00	8.49
36		8.25	9.15	8.50	9.46

(SC) = Senior Citizens

THE COMPANY WILL ACCEPT UNSECURED FIXED DEPOSITS FROM ITS SHAREHOLDERS ONLY.

Interest will be compounded half yearly basis-

No tax will be deducted at source on interest payment up to Rs. 5000/-in aggregate per annum.

Outstation depositors may send demand drafts/cheques payable at VADODARA only

Senior citizens are required to submit any documents like (i) PAN card (ii) Driving License (iii) Passport copy (iv) Voter Card along with their application for unsecured deposits.

The First named Depositor will be regarded as the beneficial owner of the unsecured deposit and will be treated as the payee for the purpose of deduction of tax under Section 194A of the Income Tax Act, 1961.

Deposits will not be accepted in cash and Unsecured Fixed Deposit Account cannot be opened out of/utilizing any kind of borrowed funds& Depositors will have to give a declaration that the deposits is not made out of the borrowed funds from any source.

Application Forms containing terms and conditions are subject to which application will be accepted are available at the Fixed Deposit Dept. of the company or approved brokers of the Company only.

PRINCIPLE TERMS AND CONDITIONS GOVERNED BY UNSECURED FIXED DEPOSIT SCHEME OF THE COMPANY APPLICATION

1. **APPLICATION FOR UNSECURED DEPOSITS FROM SHAREHOLDERS ONLY.** It will be accepted in the prescribed form, duly completed, at the Fixed Deposit Department of the Company or at the offices of the brokers of the Fixed Deposit Schemes.

2. Deposit should be made by an "A/c Payee" cheque/bank draft payable at Vadodara and drawn in favor of "20 Microns FD Principal and Int. Repayment."

3. Signature should be in English or in any of the Indian languages. Thumb impression must be attested by a Magistrate/Notary Public under his/her Official seal.

4. Unsecured Deposits will be accepted from resident, non-resident individuals, overseas corporate bodies (subject to RBI approval), either in single name or in joint names, registered association of persons, trusts, societies and institutions, domestic companies, minor through their guardians and HUF, who are shareholders of the Company.

Unsecured Deposits will not be accepted from partnership firm. Application for unsecured deposit from registered association of persons, trusts societies and institutions and domestic companies should be supported by additional documentary evidence showing authority to make such deposits.

PERIOD OF DEPOSITS AND INTEREST

5. Unsecured Fixed Deposits are accepted for a period of 12, 24 and 36 months.

6. Unsecured Deposits will be accepted in multiple of Rs. 1,000/- subject to minimum amount of Rs. **1,00,000/-**

7. Interest : On maturity, interest will be paid along with principle Amount.

8. The period of unsecured deposit and calculation of interest will commence from the date of realization of cheque / draft by the Company and will cease to accrue from the maturity of deposit unless the deposits are renewed.

9. Payment of interest along with Principle amount will be made by NEFT/RTGS only from Company's Bankers.

10. Notification to the Company regarding change in address etc. must be lodged at least 45 days before the date of maturity.

11. Each form should be accompanying with the cancel cheques by the respective FD-holder.

INCOME TAX

13. Income Tax, wherever applicable, will be deducted at source in accordance with the provisions of section 194A of Income Tax Act, 1961 as amended from time to time. At present, Income tax is not deductible if the aggregate amount of interest paid or payable to resident individual during financial year does not exceed Rs. 5,000/- In other cases, tax will not be deducted if the necessary statement / declaration in the prescribed form (15H/15G) is lodged with the Company, in duplicate at the beginning of each Financial Year. Tax deducted due to noncompliance with this condition will not be refunded under any circumstances.

JOINT DEPOSITS

14. Unsecured Deposits will be accepted in joint name not exceeding THREE. The First named depositors will be regarded as the beneficial owner of the deposits and will be treated as the payee for the purpose of deducting tax U/S. 194A of the Income Tax Act, 1961.

15. All correspondence in such deposits will be addressed to the person whose name appears first on the unsecured deposit receipt. All cheques / warrants for payment of principal amount will be drawn in favour of the person(s) opted in the application form. Any discharge given by such persons for payment of interest and the principal amount shall be valid and binding on all the joint depositors. No subsequent change in the order of names of depositor/s or replacement of the joint depositor/s will be accepted.

16. In the event of the death of the first named depositor, the repayment of the deposit and payment of interest will be made to the person first in order of the survivor(s) on production of a Death Certificate without reference to either the other survivor or to the heirs and / legal representatives of the deceased.

17. In case of instructions on any matters (except re-payment as opted in the application for overleaf), relating to this fixed deposit are to be given, application in that behalf should be signed by all the joint holders and not by any one of them. The Company shall not act upon instruction of any one of them and they shall not be binding to the Company.

UNSECURED FIXED DEPOSIT RECEIPTS

18. Unsecured Fixed Deposit Receipts will be forwarded by post at the address given in the application form, within 21 days of realization of cheques / demand draft.

19. In the event of loss or destruction or mutilation of a Deposit Receipt, the Company may in its sole discretion, issue a duplicate receipt upon receiving the undertaking or indemnity and surety from the depositor(s).

20. Deposit Receipts are neither transferable nor negotiable. Request for the addition of the name of deposit holder will not be entertained.

RENEWAL / REPAYMENT OF DEPOSITS:

21. The shareholder whose deposit is getting matured and is equal to Rs.1,00,000/-(Rupees One Lakh Only) will be repaid by the Company. Further the deposit over and above Rs.100,000/-(Rupees One Lakh Only) will be renewed for a further period of 12,24 or 36 months as requested by deposit holders within a period of 30 days from the date of maturity. In case no request is received from the shareholder within the timeline then the same will be repaid after a period of 30 days in their respective bank account registered with the company. Fixed Deposit will be repaid only on maturity, however, the Company at the request of depositor may refund Deposit before maturity subject to the provisions of the Companies (Acceptance of Deposit) Rules, 2014, and other Rules and Regulations as may be applicable.

22. The Unsecured Fixed Deposit Receipt, duly discharged on revenue stamp, should be sent to the office of the Company, 30 days before the date of maturity, to enable the Company to refund deposit on due date. In case of renewal of Deposit, application form for renewal duly filled in should be sent to the Company to its administrative address as stated above or through the brokers.

23. Where the date of repayment falls on a Sunday, a public or a Bank holiday or any other day on which the office of the Company is closed, repayment will be made to the depositor on the next working day.

GENERAL

24. In the event of death of the sole depositor fixed deposit amount together with the interest thereon, will be paid to the nominee of the depositor upon production of death certificate, and in absence of nomination to the legal heirs of the deceased on submission of death certificate of the depositor and such other documents viz., probate of the will, succession certificate and letter of administration granted by a court of competent jurisdiction, as the case may be.

25. Nomination Facility

(a) Individual Depositors, singly or jointly, can nominate under this facility. Non - individuals including societies, trusts, bodies corporate, partnership firms, Kartas of Hindu Undivided Families and holders of power of attorney cannot nominate. The nominee shall have the right to receive the amount due in respect of deposits on death of all the depositors.

(b) The nomination stands automatically rescinded upon repayment/renewal of deposits made.

26. The company will not recognize any lien on or assignment of unsecured fixed Deposits and/or interest thereon.
27. The Company reserves the right, subject to the provisions of the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time.
- (a) To accept deposit only for such period as it may decide from time to time
- (b) To reject any application for a fresh deposit or for renewal without assigning any reason.
- (c) To repay deposits prematurely before the due date.
28. Deposits will be subject to the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time and any other regulation prescribed by the Central Government, the Reserve Bank of India, or any other statutory authority.
29. In case of Deposit is made under Power of Attorney; the relevant Power of Attorney must be lodged with the Company at the time of Application.
30. All the correspondence for change of name, address, loss of Fixed Deposit Receipt/Interest Warrant etc., should be addressed to:

9-10, GIDC Industrial Estate,
Waghodia – 391 760 Dist. Vadodara, Gujarat, India.
Monday to Friday 9.30 AM to 01.00 PM and 02.00 PM to 05.30 PM
(Except on Bank/Public Holidays)

Unsecured Fixed Deposits accepted are subject to Waghodia Jurisdiction.

A Stakeholders Relationship & Share Transfer Committee of Directors comprising of Mr. Ramkisan Devidayal, Mr. Rajesh C. Parikh and Mr. Atil C. Parikh has been re-constituted in terms of the resolution passed by the Board of Directors of the Company in their meeting held on 28.05.2019 for redressal of Share Transfers & Stakeholders' Grievances. All complaints / grievances may be sent to any of the above committee members at the address of the company.

G. Proposed Schedule

This Scheme is applicable on the date on which the shareholders of the Company had approved the same. The Circular issued under this scheme is valid until expiry of the six months from the date of closure of Financial Year in which it is issued or until the date on which the financial statement is laid before the company in annual general meeting or, where the annual general meeting for any year has not been held, the latest day on which that meeting should have been held in accordance with the provisions of the Act, whichever is earlier.

H. Object of raising the deposits:

To meet fund requirement for running the business of the Company.

I. Extent of Deposit Insurance:

Pursuant to the provisions of The Companies (Amendment) Act, 2017, now companies accepting deposits need not to take insurance for the deposits accepted by it.

J. **Credit Rating**:- The Company is not falling under definition of Eligible Company and not accepting deposits from public. Therefore, the company is not taking credit rating from recognized credit rating agency.

K. The terms and conditions including rate of interest decided by the company for the acceptance of deposits, applicable to all other depositors are also applicable to Directors, Promoters or Key Managerial Personnel. No special financial or other material benefits are provided to them.

3. DETAILS OF OUTSTANDING DEPOSITS

The details of aggregate amount of unsecured deposits accepted by the Company upto 31st March, 23 and interest thereon, as per the then scheme of the Company, pursuant to Companies Act, 2013 is as under –

	As on	Number of Depositors	[Rs. In Lakhs]	
			Deposit	Interest
From Share Holders	31.03.2022	2280	3246.93	201.01
	31.03.2023	1988	2959.28	213.96

The Company has not made any default in repayment of deposits and payment of Interest thereon. No depositor has waived any interest accrued on the deposits.

4. FINANCIAL POSITION OF THE COMPANY

A. Profit of the Company before and after making provision for tax

FINANCIAL HIGHLIGHTS	(Rs. in Lakhs)		
	2022-23	2021-22	2020-2021
Total Income	60441.75	52295.03	43,795.07
Profit Before Tax	4863.85	4207.09	2077.66
Profit After Tax	3615.23	3086.95	2245.15
Fixed Assets (Net)	19729.31	18911.75	18132.89
Shareholders' Fund	26959.50	23352.50	19910.21

B. Dividend declared by the Company, in the last three Financial Year (Rs. in Lakhs)

Year	F & G Profits & Dividends			
	Profit Before Tax	Profit After Tax	Dividend On Equity Shares	Interest Coverage Ratio
2022-2023	4863.85	3615.23	Rs. 0.75 Per Share (Final Dividend proposed subject to approval by	4.24

			shareholder)	
2021-2022	4207.09	3086.95	-	3.34
2020-2021	2077.66	2245.15	-	1.88

C. Summarized Financial Position of the Company as appearing in the three latest audited Balance Sheet

(Rs. in Lakhs)

LIABILITIES	2022-23	2021-22	2020-21
Share Capital	1,764.33	1,764.33	1,764.33
Advance Money agi. Share warrants	--	--	--
Stock Option Outstanding	--	--	--
Reserve & Surplus	25,195.17	21,588.18	18,145.88
Non-Current Liability	1,977.41	2,932.65	2,273.37
Deferred Tax Liability	2,384.01	2,423.46	2,236.75
Current Liabilities & Provisions	14,715.74	16,971.09	15,778.18
TOTAL	46,036.66	45,679.71	40,198.51
ASSETS			
Fixed Assets (Net)	19,729.31	18,912.75	18,132.88
Non-Current Assets	4,907.50	5,191.90	2,924.93
Current Assets, Loans & Advances	21,399.85	21,577.06	19,140.70
Profit & Loss Account	-	--	--
TOTAL	46,036.66	45,679.71	40,198.51

D. Audited Cash Flow Statement for the last Three Financial Year

(Rs. In Lakhs)

	2022-23	2021-22	2020-21
Profit/ (Loss) Before Tax	4863.85	4207.09	2,077.66
Operating profit before Working Capital Change	7512.91	7108.08	5,594.41
Cash flow due to change in Working Capital	(648.79)	1708.61	630.37
Less : Direct Taxes Paid	1282.26	952.09	(578.81)
[A] Cash Flow from operating Activities	5581.85	4447.38	5,645.97
[B] Cash Flow From Investing Activities	1397.43	(3240.11)	(946.57)
[C] Cash Flow From Financing Activities	3909.22	(366.79)	(4,799.66)
Net Increase In Cash and Cash Equivalents	275.21	840.47	(100.26)
Cash and Cash Equivalents - Opening Balance	1007.27	166.80	267.06

Cash and Cash Equivalents - Closing Balance	1282.48	1007.27	166.80
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E. The Company has not changed its accounting policies during the last three years.

5. DECLARATIONS

The Directors hereby declares that:

- a. the Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest on such deposits and where a default had occurred, the company made good the default and period of five years had lapsed since the date of making good the default; - No Default has been occurred in repayment of deposits ever.
- b. the Board of Directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- c. the company has complied with the provisions of the Act and the rules made thereunder;
- d. the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- e. the deposits accepted by the company before the commencement of the Act have been repaid with interest thereon.
- f. In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty; - Not applicable
- g. the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;
- h. the deposits accepted by the company are unsecured and rank pari passu with other unsecured liabilities of the company.

The Board of Directors of the Company at its Board Meeting held on 16th May, 2023 approved this circular and proposed Shareholders for approval at their meeting (AGM) to be held on 10th August, 2023.

Place: Waghodia - Vadodara
Date: 16.05.2023

For 20 Microns Limited
Sd/-
[Rajesh C. Parikh]
Chairman & Managing Director
DIN: 00041610