20 MICRONS®
L I M I T E D
CIN # L99999GJ1987PLC009768
Regd. Office: 9/10, GIDC Industrial Estate, WAGHODIA, Dist.: Vadodara
Ph. # 75 748 06350 E-Mail : co_secretary@20microns.com
Website : www.20microns.com

17th July, 2023

To:

BSE LIMITED **Department of Corporate Services** **Phiroze Jeejeebhoy Towers,** **Dalal Street, Fort,** **Mumbai – 400 001.** **Scrip Code : 533022**	**National Stock Exchange of India Limited** **Listing Department, Exchange Plaza, Bandra – Kurla Complex,** **Bandra [East], Mumbai – 400 051.** **Symbol : 20 MICRONS**

Dear Sir/Madam,

SUB: Submission of Notice of the 36th Annual General Meeting.

In terms of the provisions of Regulation 30 of Securities and Exchange Board of India [Listing Obligations & Disclosure Requirements] Regulations, 2015, please find enclosed the Notice of 36th Annual General Meeting of the Company to be held on **Thursday, 10th August, 2023.**

Please be informed that in terms of the recent MCA and SEBI circulars, the Electronic copy of the said Notice along with the Annual Report of the Company for the year 2022-23 is being sent by e-mail today i.e. on 17.07.2023 to the respective shareholders whose e-mail id are registered with the respective Depositories and/or Registrar and Transfer Agent of the Company.

Kindly take the above on records.

Thanking you,

Yours faithfully
For 20 Microns Limited

KOMAL PANDEY

Digitally signed by KOMAL PANDEY
DN: c=IN, o=Personal, 2.5.4.20=4324dafb6586212bbd01f41f562cbd265a2bceead35c644371f3a700e693ecfc, postalCode=390019, st=GUJARAT, serialNumber=b9b4841d11180370d92259cebdd7e7b0dc0bdd946be164f219008e00024891c3, cn=KOMAL PANDEY, l=VADODARA, pseudonym=c99da761b6cd4b96960d95eda550a93f, email=CO_SECRETARY@20MICRONS.COM
Date: 2023.07.17 11:12:56 +05'30'

[Komal Pandey]
Company Secretary
Membership # A-37092

Encl.: as above.

20 MICRONS LIMITED

EMBRACING INNOVATION FOR RESPONSIBLE GROWTH

Transcending towards a Sustainable Future

Annual Report | 2022-23

CONTENT

Find this report under INVESTORS section at **https://www.20microns.com/financial-report**

Reporting period and scope

This report covers financial and non-financial information and activities of 20 Microns Limited ('the Company' or '20ML') during the period April 1, 2022, to March 31, 2023. The reported financial figures have been audited by Manubhai & Shah LLP., Chartered Accountants, Ahmedabad.

Materiality

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

Responsiveness

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

Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

Corporate Information

(as on 16th May, 2023)

Board of Directors

Mr. Rajesh C. Parikh
Chairman & Managing Director

Mr. Atil C. Parikh
CEO & Managing Director

Mrs. Sejal R. Parikh
Whole-time Director
(w.e.f. 16th May, 2023)

Mr. Ramkisan A. Devidayal
Independent Director

Mr. Atul H. Patel
Independent Director

Dr. Ajay I. Ranka
Independent Director

Mr. Jaideep B. Verma
Independent Director

Dr Sivaram Swaminathan
Additional-Independent Director
(w.e.f. 16th May, 2023)

Chief Financial Officer

Mr. Narendra R. Patel

Company Secretary

Mrs. Komal Pandey

Audit Committee

Mr. Ramkisan A. Devidayal
Chairman

Mr. Rajesh C. Parikh
Member

Mr. Atul H. Patel
Member

Dr. Ajay I. Ranka
Member

Nomination & Remuneration Committee

Mr. Ramkisan A. Devidayal
Chairman

Mr. Rajesh C 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. Rajesh C. Parikh
Chairman

Mr. Ramkisan A. Devidayal
Member

Mrs. Sejal R. Parikh
Member

Statutory Auditors

M/s.Manubhai & Shah LLP
Chartered Accountants
Ahmedabad

Bankers

State Bank of India
IDBI Bank

Registered Office

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

Corporate Office

134-135, Hindustan Kohinoor
Industrial Estate,
L. B. S. Marg, Vikhroli (W),
Mumbai - 400083, India
Tele-Fax: +91 22 25771325 / 1350 / 1333
E-Mail: corporate@20microns.com

Registrars and Share Transfer Agents

CAMEO CORPORATE
SERVICES LIMITED
"Subramanian Building",
No. 1, Club House Road,
Chennai - 600 002
Tel: 044 4002 0734 / 0735
Email ID: investor@cameoindia.com
Website: http://www.20microns.com
Email: investors@20microns.com

Company Identification No.

L99999GJ1987PLC009768

ISIN

INE144J01027

Since inception, the overarching objective at 20 Microns Limited has been to create long-term value for our stakeholders through continuous and effective product and process innovation.

We were asked multiple times –

Why this was important?

As one of the pioneers of the Indian micronized industrial minerals and specialty chemicals industry, we have been successful in establishing our presence.

Nevertheless, we have come to the realization that in order to be sustainable, consistent innovation and progress is the key to a sustainable tomorrow. As a key player within our industry segment, we realized our responsibility to consistently offer innovative and smarter solutions, attuned to the needs of the future.

Our unwavering desire to explore opportunities and improve efficiencies helped us overcome multiple business challenges over the last three decades and is likely to help us transcend towards a sustainable future. Additionally, our immaculate focus on constantly widening our scope of operations helped us to be on the right track to innovate and succeed in a dynamic business environment. Further, the resilience of our business model and our innovative edge helped us to break new grounds with value-added and high-quality products.

While we continued to adapt to rapid transformations around us, on the other hand, we also focused on fortifying our capabilities with new innovations to initiate new directions of responsible and sustainable growth.

In today's rapidly evolving business landscape, we have realised that innovation and responsible growth are not mutually exclusive but rather intertwined elements for building a sustainable future. By embracing innovation, we focused on unlocking new opportunities, drive sustainable growth, and simultaneously be responsible towards our mother nature. Our focus on customer centricity, and a sharper focus on sustainability, is expected to drive our strategic decisions going forward and help us transcend towards a sustainable tomorrow.

NUMBERS THAT DEFINE 20 MICRONS LIMITED

India's **largest** producer of micronized industrial minerals

Nine state-of-the-art warehouses

Exports products to more than **65 countries**

Two technologically advanced research and development unit

Nine Strategically located integrated manufacturing units

700+ strong and dedicated workforce

Five captive mines

Financial Highlights 2023

₹604.42 crores
Revenues, FY23

₹68.65 crores
EBIDTA*, FY23

₹36.15 crores
PAT, FY23

11.5%
EBIDTA Margin, FY23

6.05%
PAT Margin, FY23

₹10.25
EPS (as of 31st March 2023)

*excluding other income

KNOWING 20 MICRONS LIMITED

More than three and a half decades in the making, we are one of the India's leading producers of ultrafine industrial minerals, functional additives and specialty chemicals, serving the needs of various industries as well as helping advance the everyday life of millions of people.

With our knowledge and foresight, we have marked our presence across the value chain – from mining to micronizing to sub-microns to nano sizing. A unique combination of business acumen, product knowledge and financial planning empowers us to take on the most complex customer requirements.

From being a predominantly manufacturing Company to transforming into an integrated business solution provider, the Company has come a long way in its journey to emerge as India's leading producers of white minerals, ultrafine industrial minerals and specialty chemicals.

How we create value

In an ever-changing world, we provide our customers with new and innovative micronized mineral-based products and solutions that help our customers meet the needs of millions of end-users.

Who we are

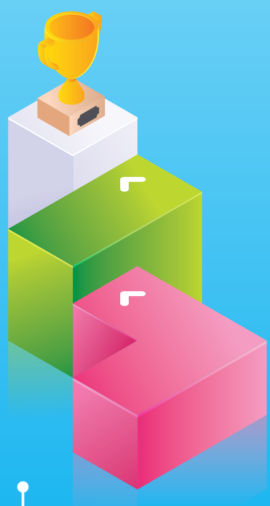
We are a future-focused ultrafine industrial minerals and specialty chemicals manufacturer with a successful track record of operating a robust B2B model. Backed by our strong R&D capabilities, we have been successful in manufacturing a wide range of innovative mineral-based products in the field of functional fillers, extenders and specialty chemicals.

What we offer

We provide a wide variety of innovative solutions in the industrial mineral or functional additive segment. Supported by extensive research and development efforts, our company offers a comprehensive selection of well-known brands and delivers top-notch products that meet the diverse requirements of customers across industries and price ranges.

How we operate

We are India's only manufacturer of micronized minerals with nine state-of-the-art manufacturing facilities and warehouses, strategically located at key manufacturing hubs of our customers or near the key raw material source points. Our strategic objectives guide our daily operations. Further, the captive mines of the Company ensure a steady inflow of raw materials for its manufacturing units at a reasonable cost.



How we are taking steps towards a profitable and sustainable future

To secure our long-term success and value creation, we regularly invested in product innovation, focused on addressing the emerging needs of our clients and launched hundreds of new products and solutions. Efficiency measures were also identified for our next manufacturing footprint program, along with energy reduction and renewable energy investments.

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

"Our performance during the year reflects our commitment to delivering tangible results in terms of sustainability. This accomplishment results from our strategic product shift and superior customer focus."

Dear Shareholders,

I am grateful to all stakeholders who helped catalyse 20 Microns Limited (20ML) evolution into one of India's leading producers of micronised minerals, possessing an operating capacity of 4,50,000 MTPA at the end of FY23.

Despite numerous obstacles, the Company has remained resilient and emerged as a leading manufacturer with a growing international presence. Despite the challenging market circumstances, we achieved double-digit revenue growth and solid profitability growth and continued building on our sustainability strategy. We continued to deliver attractive gains across our different market segments thanks to our innovative portfolio and long-term strategy of emerging as a solution provider. We launched many new products during the year, re-energised our focus on the agrochemicals segment, and undertook many other initiatives to provide stable cash flows and create long-term value for our stakeholders.

Our performance during the year reflects our commitment to delivering tangible results in terms of sustainability. This accomplishment results from our strategic product shift and superior customer focus. These strategic measures have allowed us to successfully shift towards value-added solutions, bolstering our portfolio and enhancing our relevance within the evolving customer ecosystem in India and international markets. Our solution-focused portfolio, underpinned by our growing global presence, has enabled us to create a brand name for ourselves and play an instrumental role in optimising our customers' transformation journey.

Building on our values

Safety and integrity

Integrity is our principal value, and as cited last year, the administration at our Company underlined the pressing need for a significant enhancement in both integrity and performance. Over the past years, we have conceived a specific growth strategy, submitting our enterprising vision of a brighter tomorrow. Accordingly, we have initiated deploying of the diverse strategies outlined in this vision. We aim to transform digitally, integrating our organisation and providing reliable data to all stakeholders, reinforcing our goodwill.

Likewise, we have unfailingly prioritised the safety of our employees throughout our operational facilities by introducing multiple initiatives. While we acknowledge the significance of staying attentive and evading complacency, we are delighted to report a considerable decline in machine-related incidents (resulting from machine failures or accidents) without any fatalities or near-fatal occurrences. This achievement has fortified our resolution to recognise and mitigate risks continuously, as we remain dedicated to additional improvements in the well-being of our people.

Sustainability

Sustainability is at the core of our operations, guiding our management in every significant decision we make. We are proud to have implemented several ground-breaking initiatives to promote sustainability. These include successful water treatment plant implementation, allowing us to reuse wastewater for various supporting activities. Additionally, we have operationalized a solar plant and developed a portfolio of sustainable solutions across industries. Looking ahead to FY24, we have set ambitious plans to reduce our carbon footprint further while also prioritising the expansion of wallet share for our existing client base and the acquisition of new customers. This strategic approach ensures not only business growth but also a sustainable future.

Innovation

A keen emphasis on innovation is the hallmark of our operational excellence. This philosophy allows us to adapt to the changing goalposts of the industry. We continually invest in emerging technologies to escalate product development, accelerate the implementation of new processes, and expedite our digital transformation journey. Our management has earmarked substantial capital for the current year towards these digitisation initiatives, including executing state-of-the-art sorting installations, automating our packaging line, and various other projects. These prudent endeavours should generate sizeable cost savings, yield incremental revenues, and boost profitability by the end of FY26. Our top-notch R&D team helps us determine profitable prospects and fully tap their potential.

Customer focus

In response to various factors, such as COVID-19, the Russian invasion of Ukraine, and climate change, our customers have experienced significant changes. As their trusted business partner, we have been there for them throughout this challenging period, offering innovative products and essential services. To enhance the customer experience, we have improved our range of offerings. As part of our longterm sustainability strategy, we continue to focus on understanding the specific mineral requirements of customers across different industries. This strategy allows us to realign our portfolio to focus more on value-added and solution-concentrated products. Additionally, we plan to establish dedicated channels to connect with our customers and actively listen to their evolving needs and concerns. We seek strategic partnerships with renowned global players to serve our international clientele better. These partnerships will help us expand our knowledge, portfolio, and customer service capabilities, similar to our successful collaboration with Dorfner in FY22.

Accountability

Accountability encompasses fulfilling our obligations with utmost honesty. In the current year, we achieved our targets by attaining the projected growth in profitability, margins, and returns. Furthermore, we have unfailingly repaid loans, strengthening our standing and credibility in the market. Our uncompromising adherence to sustaining robust governance practices has nurtured our brand image as a thoroughly responsible corporate among all our stakeholders.

Together

To accomplish our objectives and uphold our values, we must collaborate as a cohesive team and foster an environment marked by respect and diversity. Through our sustainability initiative, we remain committed to encouraging multiplicity and inclusion, aiming to improve the share of women employees within our organisation and realise our collective dreams.

Sticking to our plans to ensure long-term success

Throughout the year, we have undertaken decisive measures to refine and strengthen our Company's strategy for achieving the long-term vision of 'Velocity Theme'. While the fundamental approach remains intact, we have conducted a comprehensive review with our management team to realise our ambitious sustainability goals. We remain cognizant of the emerging opportunities and challenges as our markets mature rapidly. In response, we increasingly emphasise making the most of organic opportunities, complementing our existing plans for inorganic growth.

Exhibiting unflagging dedication to consolidate our leadership

Our team has displayed extraordinary passion and commitment during another challenging year. Despite the demand to acclimate to a new normal, we have delivered outstanding service to our customers and bolstered the efficiency and well-being of our workforce. I want to thank each team members for their persistent efforts, unique talents, firm resolve, and cooperative temperament. Besides, I value our esteemed clients, suppliers, investors, and other critical stakeholders who have played their part in establishing 20ML as India's leading manufacturer of micronised mineral-based products.

Our focus remains steadfast on delivering on the strategic initiatives, scaling up business and digitally enabling our business to bring in higher agility into our systems to help accelerate our growth. We are committed to continuous innovation as we pave the way for the sustainable future of 20ML. Our unwavering dedication to pushing boundaries and driving transformative solutions will remain at the forefront of our endeavours.

Thanks

Mr. Rajesh C. Parikh
Chairman & Managing Director

OUR CORPORATE SNAPSHOT

Founded in 1987, 20 Microns Limited (20ML) is the leading manufacturer in India of ultrafine industrial minerals, functional additives and specialty chemicals.

With a legacy of more than three decades, 20ML has been successful in building a robust B2B model, catering to the diverse need of ultrafine industrial minerals and specialty chemicals of a wide range of end-user companies. Our pride-enhancing clientele includes major paint manufacturers, rubber and polymer manufacturers, and chemical customers, spread across 65+ countries, including India.

Starting our journey as a small time manufacturer of industrial minerals, over the years we enhanced our capacity to emerge as India's leading producer of industrial minerals and additives. We have established nine strategically positioned factories in India. These plants are equipped with advanced technology, enabling us to smoothly transition between different raw materials, optimize resource utilization, offer a diverse range of product grades, and maintain exceptional quality standards.

Additionally, 20ML's adherence to international standards and quality is confirmed by certifications like ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, among others. These certifications serve as validation that the products produced by 20ML align with global standards and meet high-quality requirements.

In an effort to continuously achieve product and process excellence, we have invested in two state-of-the-art research and development centers in India.

Our Vision

Our brand promise and our deep enrooted commitment is to build a robust, sustainable and responsible business in the long run.

Through adaptive improvement, we will continue to be a leader in the Industrial Minerals & Functional Additives space. We will advance these businesses through continued innovation, hard work and responsible care initiatives and to be known as the employer, supplier, neighbour and investment of choice.

Our Mission

- To provide exceptional product quality which equally matches our excellence in problem-solving capabilities and technical customer services with an extensive operational network.

- With a focus on markets and in-depth understanding of client needs, 20 Microns Limited constantly endeavour to develop newer ultrafine industrial minerals and functional additives for the global markets by providing and enriching careers and creating shareholder value because we care about our employees, our customers and our communities.

- To deliver performance for our shareholders, remaining innovative for our customers, building lasting relationships for our employees, partners and communities and being persistent with precise and efficient manufacturing.

  To provide integral products to our valued clients while sustaining a stable and consistent reputation through innovative intelligence. We do this in a safe and healthy work environment for our employees and adhere to all local, national and international regulations.

OUR PRESENCE

Headquartered in Vadodara, Gujarat, we operate through our corporate office at Mumbai. Additionally, we have sales offices, warehouses, manufacturing units and key sourcing points in different parts of India and selected international locations.

With a total mining reserve of 169.64 lakh million tonnes (MT), the five mines of 20ML are spread across the states of Gujarat, Rajasthan, Andhra Pradesh and Tamil Nadu.

Located in proximity to the key manufacturing units of the Company, the captive mines guarantee a consistent supply of raw materials to the manufacturing units at an affordable price. Additionally, these mines have enabled the Company to perform backward integration successfully while creating critical entry barriers for new entrants. By implementing best mining practices, prioritizing safety measures and employing a skilled workforce, along with embracing advanced technology, we have been able to improve our mining abilities and successfully reduce costs.

Strategic locations of our manufacturing facilities

Sufficient access to necessary resources is crucial for maintaining our business's sustainability and expansion. The primary materials needed for manufacturing our products include calcium carbonate, limestone, China clay (in its crude or powdered form), talc in lumps or powder, mica powder, silica powder, red oxide, dolomite powder and chalk powder, among others. These resources are only found in mineral mines. Being close to both the mines and a port facilitates the smooth and efficient transportation of raw materials from the source to our facilities, establishing robust connections with our suppliers.

Our geographical footprint

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

Mining Resources

1. Rajasthan, Sirohi (Calcite)
2. Gujarat, Bhuj (China Clay, Kaolin & Bentonite) Vadodara (Dolomite)
3. Andhra Pradesh, Anantapur (Dolomite)
4. Tamil Nadu, Tirunelveli (Limestone)
5. Chhota Udaipur, Gujarat (Dolomite)

Reserves in Mining Leases
7.5MIL
Tonnes

Reserves in Private Owned land
9.5MIL
Tonnes

OUR BASKET OF PRODUCTS

Backed by our enviable research and development capabilities, deep industry knowledge, and a keen understanding of customer needs, we have developed an array of well-known brands with top-notch products. Thanks to our innovative portfolio, we have been able to cater to a broad range of customer demands across various industries and price ranges. Throughout the years, we have adapted our product offerings to keep up with changing consumer preferences and market trends. Additionally, we consistently study and analyze these trends to ensure that our offerings stay updated and relevant.

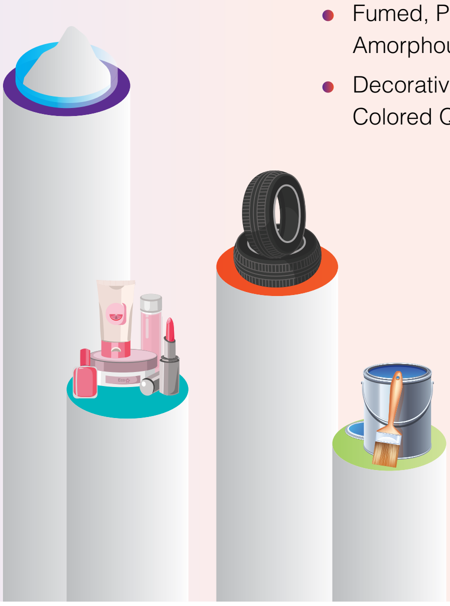
Product segment

Industrial minerals

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

Functional additives

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



Key end users' industry


Paint and Coating


Inks and Pigments


Plastics and Polymer


Paper


Rubber


Cosmetics


Ceramics


Adhesive and sealant


Oil-well drilling


Agrochemicals


Foundry and more

Our Rich Clientele

And many more.....

OUR STRATEGIC FOUR PILLARS

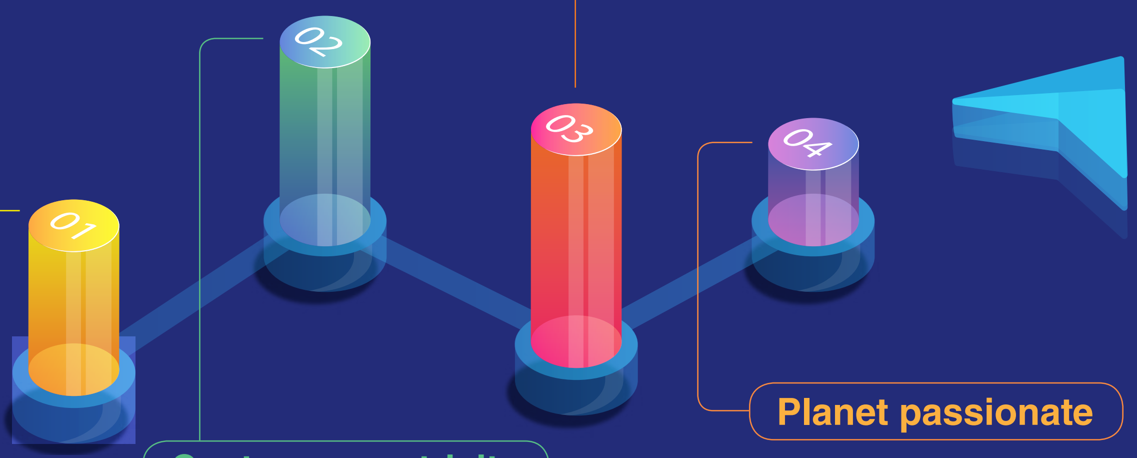
Our strategic pillars enable us to stay on track with our goals set through 'Velocity Theme'. As a business that is driven to stay ahead of the competition, we have continuously invested and will continue to invest in processes, practices and products to retain our competitive advantage and establish a niche for ourselves.

Innovation

Our innovation agenda is driven across four key themes - performance, solutions, sustainability, and digitalisation. We have a persistent focus on iterative performance improvements in our current portfolio. We innovate solutions to enable our B2B customers address the needs of a wider range of end user customers sustainably. And by progressively moving towards a digitally inclusive business environment, we are making it easier to find our products, effectively track our orders and inventories to undertake more informed strategic decisions.

Pushing the envelope

Our strategy of 'Pushing the Envelope' aims to take our innovation and sustainability DNA and apply them to a wider portfolio of products which are complementary to our current offering. Our solutions driven approach deepens our relationships with our customers and extends the opportunities to make buildings better for the future.



Customer centricity

Customers form the cornerstone of 20ML's existence, and this notion is incorporated into our vision, mission, and values. We have retained the position of 'partner of choice' for our customers through our continuous engagement and customised products along with tailored services. We constantly seek new possibilities to add value and discover more efficient and safer approaches to our work. Our primary objective is to refresh and enhance our core business strategy, constantly push the boundaries of innovation and venturing beyond our current offerings. Moreover, we are committed to investing in innovation that directly benefits our consumers and customers, while also strengthening our digital capabilities to foster greater connectivity with them.

Planet passionate

Our planet passionate agenda is inextricably linked with innovation. Planet passionate is 20ML's long-term sustainability programme, which aims to impact three key environmental issues – climate change, reducing carbon footprint and protection of our natural resources. By setting ourselves challenging targets in the areas of carbon, energy, and water, we aim to make significant advances in both our business operations and our products.

OUR THREE-PRONGED STRATEGIC LEVERS

To accelerate progress towards our vision of 'Velocity Theme', we redefined our strategic levers in 2022. Our renewed strategy now comprises three levers: capture profitable and efficient growth, innovate for impact and go for sustainable impact. These are the priorities we want to focus on to remain relevant and flourish in the short-mid-and long-term growth strategies. They help usprioritize our business activities.

MESSAGE FROM THE CEO AND MANAGING DIRECTOR

We will continue the drive to achieve efficiencies from better execution (including the periodical up-gradation of machines and technology), smoother adoption of digital capabilities and better utilisation of data, to capture the increasing opportunities for growth in our core markets.

Dear Shareholders,

For 20 Microns and it's different stakeholders, FY23 was a year dominated by inflation and uncertainty, yet despite this challenging environment, we delivered solid results while taking important strides forward towards our sustainability mission and our 'Velocity Theme' vision.

As well as causing humanitarian tragedy, Russia's invasion of Ukraine exacerbated the existing pressure on global markets and supply chains for the initial few quarters of FY23. This created a highly inflationary and volatile environment for both our raw-materials and finished products. Further, the fear of recession looming over some of the major economies created an environment of panic and dampened business sentiments. However, the sound position of the Indian economy helped us and many other Indian companies to sustain the growth momentum. Also, thanks to efficient planning and strong execution by employees and management, 20ML once again proved agile in navigating these difficult conditions.

Macro-economic scenario

Despite the recessional fears, the growth of the Indian economy in FY23 continued to be resilient despite some signs of moderation in growth. Although significant challenges persisted in the global environment, India was one of the fastest growing economies in the world in FY23. Growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

Inflation remained high, averaging around 6.7% in FY23*, but the current-account deficit narrowed in Q3 on the back of strong growth in service exports and easing global commodity prices. Agriculture, services and infrastructure sector were some of the notable sectors in FY23. Further, enhanced push on the part of the government on capex and infra spending provided the economy with the required boost.

Financial and operational performance In FY23, our financial performance surpassed the previous year's results, although we faced some challenges in a couple of quarters. However, by implementing various strategic measures, we maintained our growth trajectory and met the management's expectations. We witnessed a steady recovery in demand in some of our key sectors, such as paint, coatings, ink, rubber, ceramics, and the construction industry, which enabled us to regain the business lost in the first two quarters of FY23. Additionally, our key products gained significant traction in the market, and our focus on innovation in the industrial mineral and specialty chemicals segment kept us ahead of the competition. These factors collectively contributed to sustainable growth numbers in FY23, culminating in our highest-ever revenue of ₹700 crores, despite the challenging circumstances.

*https://economictimes.indiatimes.com/news/economy/indicators/rural-inflation-higher-in-fy23-heres-the-data/articleshow/99540354.cms

Our revenues for the year increased by 16% to stand at ₹604.42 crores in FY23. EBITDA for the year stood at 11.5% (₹68.65 crores) as compared to 12.77% (₹66.06 crores) in the previous year. Profit After Tax (PAT) stood at ₹36.15 crores as compared to ₹30.87 crore in the previous year, an increase of 17%. Our PAT margin in FY23 improved by 100 bps from the previous year.

In FY23, we remained dedicated to our transformation journey, guided by our vision called 'Velocity Theme'. Throughout the year, we identified areas for improvement and actively worked on them. Whether it was streamlining operations, optimizing sourcing and raw material management, or adapting to the external landscape, we strategically restructured our internal systems and processes. We demonstrated agility by responding promptly to rationalize and optimize our operational and cost structures. Simultaneously, we focused on revamping our processes and implementing advanced technologies to enhance productivity and capacity across all our facilities. This included automating production line feeding, synchronizing classification systems, integrating the supply chain, and automating other manufacturing processes. Our primary goal was to drive efficiency, maintain cost discipline, and ensure a smooth transition to an automated and data driven manufacturing process, prioritizing the safety of our workforce. By simplifying our processes and right-sizing our costs, we achieved significant savings.

In terms of exports, we also did pretty well. Our exports revenue stood at ₹86.30 crores during FY23, an increase of 5% compared to the previous year. This was largely owing to the new customer acquisitions in FY23 and also because of the successful increase in the wallet share with the existing clientele. Our partnership with Dorfner, also played a major role in helping build our international presence.

Opportunities in a progressing landscape

As economic activities worldwide return to pre-Covid levels, business activities have seen a significant increase in various industries. Over the last one year, the Indian infrastructure and real estate sectors experienced strong growth momentum, thanks to the pent-up demand. This has resulted in great demand for different primary and ancillary products, such as paints, construction chemicals, adhesives and plastic pipes, amongst others. This positive trend has created favorable business opportunities for us, as most of these industries are our end user industries. Notably, the Indian agriculture industry has shown a notable shift towards environmentally sustainable practices, favoring agrochemical products with minimal or zero impact on nature. This changing mindset is expected to provide a boost and growth opportunities for our mineral-based agrochemicals segment in the near future.

The plastics industry is undergoing a transformation due to factors such as a rising population, increased affordability, and a growing demand for biodegradable plastic products. There is a noticeable shift towards organized manufacturing that aligns with quality parameters. The government's introduction of a PLI scheme for the plastic sector, similar to other industries, has facilitated increased production and export support for plastic products. Initiatives like 'Atmanirbhar Bharat' and 'Vocal for Local' have further encouraged the industry and boosted exports. With the government's focus on establishing India as a global sourcing hub for plastics, we anticipate significant opportunities in this sector.

The Government's emphasis on indigenous procurement and production, as part of the 'Make in India' vision, will further support growth. Additional policy supports such as the PLI scheme, 'Housing for All,' 'Smart Cities,' and 'Sustainable Farming' practices are expected to provide the necessary boost to various sectors, creating abundant opportunities for our end-user industries.

India's rapid economic growth positions it as one of the world's fastest-growing economies. Majority of our end-user industries are key constituents of the Indian economy and their growth is closely tied to the overall economic progress. As India's leading supplier of micronized industry minerals and chemicals, 20ML is well-positioned to capitalize on these opportunities and establish new benchmarks in the industry.

Responding with effective strategies

To drive sustainable and profitable growth, the Company has prioritised a few strategic focus areas: continued capacity expansion, regular technological up-gradation, product innovation and value-addition, expanding India and global footprint and focused financial planning. These measures are transforming 20ML into a technology-focused and data driven global enterprise.

Capacity expansion

20ML is continuously seeking opportunities to improve its manufacturing capabilities. As part of this commitment, periodically, we have undertaken both brownfield and greenfield capacity expansion plans over the past decade. As a result, our manufacturing capacity has increased substantially during this period. This expansion has not only allowed us to produce more goods, but has also enabled us to rationalise costs while enabling us to meet the demands of various industries. Furthermore, it has strengthened our supply chain capabilities and contributed to the growth of the Company's margins. Looking ahead, our future plans involve establishing industry-specific manufacturing hubs within our facilities to effectively cater to the increasing demand from different industries. Further, during the year, we embarked on our Manufacturing 2.0 journey across in a couple of our manufacturing facilities with the implementation of automation techniques in the logistics movement and integration of our different systems with a centralised ERP system. This has started giving us good control over the quality of our products being manufactured and also a reliable systems integration. In FY24, we plan to replicate the same across our other remaining manufacturing locations.

Product innovation and portfolio expansion

The Company has made significant investments for new value-added and innovative product developments. This focused investment has resulted in development of consolidated 61 products. These products not only match the expected quality standards but also help us meet the evolving needs of our clients. Further, we periodically reviewed the businesses in our portfolio to determine the strategic fit of each product within its's segment and the value it adds to our portfolio and business. Based on the outcome of the review, we have discontinued certain segments, whereas increasing our focus on the high performing ones. When it comes to product innovation and portfolio expansion, our key portfolio objectives revolve around reduction of product complexity, focus on value-addition in the existing products, develop innovative products which helps meet the evolving end-user needs and helps strengthen our market share and the balance sheet. In addition, at 20ML, we have undertaken a fresh initiative to develop new types of micronized mineral products for export markets.

Adding value to business through data and automation

In FY23, we actively prioritized enhancing our business by embracing new automation techniques and adopting a data-centric approach, taking into account the changing times. Recognizing the significance of data and automation in maintaining our position as industry leaders, we acknowledged their pivotal role in adding value to our business. By effectively utilizing data and automating processes, we can improve decision-making, streamline operations, increase efficiency, and foster innovation. In FY23, we implemented automation in business areas such as for creating purchase order to material inward, weight checking and recording it in ERP, intimation to vendor for short receipt/rejection material, automation of payment advice to vendor. We also implemented EPP, CRM, and HRMS systems to collect data across some important modules, such as sales, production, finance, quality control, material management, sales tracking, executive performance and employee activity, among others.

During the year, we directed our efforts towards leveraging cutting-edge technologies as part of our digital transformation journey with the implementation of artificial intelligence, robotics, machine learning, both in mining operations and sustainable manufacturing practices as well as in research and development. Further, we conducted an extensive study to identify areas within our business where automation can be incorporated as part of our digital transformation journey. Our focus areas include predictive maintenance, price forecasting, workflow predictions, quality management, database management, shipping management, invoice processing, document data extraction, and inventory and vendor management, among others.

Dedicated market expansion strategy

During the year, our primary objective was to expand our global presence through effective utilization of export data. It was a challenging year for our export business owing to the ever-changing dynamics of the international market, increasing geopolitical tensions, and mounting foreign exchange pressures in certain countries. Our key market, Europe, experienced a significant slowdown. To mitigate risks, we employed dedicated marketing strategies and adopted a multifaceted approach to establish a strong brand image and reputation in international markets.

Working closely with our marketing team, we collectively analysed sales patterns and pricing based on export data. This analysis enabled us to identify untapped markets and products with the potential for conversion into sales. Additionally, we introduced new specialty products specifically targeted at key international markets, which contributed to an increase in sales. Moreover, in the fiscal year 2023, we expanded into new regions such as the Middle East (including Jordan, Egypt, Saudi Arabia, Iraq, and others) and South East Asia (including Thailand, Indonesia, Japan, Philippines, South Korea, and others) through distributor contracts. Furthermore, we realigned our distributor arrangements in other international markets based on their strengths and weaknesses, optimizing their product portfolios to maximize output. Another accomplishment during the year was successfully negotiating toll manufacturing contracts with certain customers in the international market. We are currently working on ensuring compliance with these contracts and expect them to translate into actual sales soon. Our ability to offer a comprehensive solution package to customers played a crucial role in gaining traction in the international market.

Focused financial planning

Over time, we have recognized that in order to achieve long-term success as a corporate entity, it is essential to ensure financial stability. The strong financial position of 20ML has always been crucial for our growth and expansion. Our success in managing finances can be attributed to our forward-thinking fiscal approach, as demonstrated by our successful emergence from debt restructuring in 2015, which has helped protect the value of our shareholders. Our main focus has been on reducing external borrowing, minimizing interest costs, and maintaining a healthy Return on Capital Employed (RoCE).

The company's financial strategies have consistently supported business growth, as evidenced by the expansion of our portfolio and sustainable product diversification. Our guiding principle has been to increase production, boost sales, generate cash from operations, and invest in capacity enhancement. This is evident from the significant growth in 20ML's overall capacity, which has increased to 4,50,000 MTPA since its inception. Although a considerable portion of this expansion has been financed through external debts, we have still managed to maintain a healthy debt-equity ratio. In FY23, our efforts have been focused on reducing debtor holding days, funding most of our capital expenditure from internal sources, shortening the working capital cycle, and implementing efficient cost management and reduction measures. The company has relied on its solid financial foundation to ensure a steady flow of cash. The increasing book value per share attests to the consistent and dependable performance delivered by 20ML over the years.

Laying foundation for growth

Throughout the year, we continued to make progress in establishing a strong foundation for sustainable and profitable growth. The markets we operate in exhibit promising growth prospects in the medium term, particularly in our primary sector, the Indian paint market. This market is anticipated to experience consistent growth in the coming years due to the government's infrastructure initiatives and positive customer sentiment. Additionally, we capitalized on opportunities in other key sectors, like plastics, construction chemicals, and functional additives, in both domestic and international markets.

Moreover, we dedicated our efforts towards realigning our business strategy, adopting a model that supports and enhances our customers' businesses by offering a diverse range of products and service solutions. We focused on reorienting our business around the principles of availability, affordability, and capability, focusing on meeting the specific requirements of our customers.

Availability

Our customers require highly customised and complex micronized minerals and functional additives for the development of their products. Our customer support and sustainment models are being increasingly geared to higher-value-add availability-based solutions designed to optimise return for our customers.

Affordability

Today, more and more of our customers are demanding value for money on products and solutions we provide. Our deep understanding of our customers' needs, and our ability to bring unique and customised products and technologies together to deliver an integrated solution, enable us to provide the affordability and flexibility they require.

Capability

Our customers operate in complex and ever-changing environments, which drives a continual need to adapt and enhance capability. We apply our understanding of the industry, products we manufacture and customers' needs to build a capability which can help us deliver as per the needs of our clients.

Road ahead

We are pleased with the commendable progress made in FY23 towards our mission 'Velocity Theme' and begin the process of driving improvements in the areas we identified at the beginning of the implementation of 'Velocity Theme'. In particular, the material steps we have taken to address the balance sheet and the quality of our cash flow mean that we ended the year in a far stronger position than we began.

With the business environment stabilising across the globe and the prospects we see in the Indian market, we are in a stronger position, both financially and operationally, to address these opportunities. Although we are not immune to the various macro challenges, such as inflation, that continue to impact and shape the markets in which we operate, we intend to be adaptive and be as agile as we can be in response.

The second year of our 'Velocity Theme' mission will be as important as the first as we continue to build further on the foundations laid for a better and sustainable 20 Microns Limited in FY24 and beyond. We will continue the drive to achieve efficiencies from better execution (including the periodical up-gradation of machines and technology), smother adoption of digital capabilities and better utilisation of data, to capture the increasing opportunities for growth in our core markets. I would also like to take this opportunity to thank our people for their dedicated support and also all our stakeholders for their continued trust and support on 20 Microns Limited.

As we look ahead, and as we continue to make operational progress through the disciplined execution of our strategy, the management is confident of delivering on its expectations of increasingly profitable growth and improved cash flow for FY24. Looking further ahead, we believe our strategy and focus on operational execution will significantly improve the Company's growth, profitability, sustainability and cash generation over the medium term.

Thanks

Mr. Atil C. Parikh
CEO & Managing Director

OUR INVESTMENT CASE

We seek to create sustainable value for our stakeholders, by delivering consistently strong growth and returns and a positive impact for our customers. We set ourselves challenging targets, and aspire to enhance our earnings sustainably, while maintaining a conservative capital structure and delivering high returns.

Positioning

- India's leading micronized to nano sized minerals manufacturer
- Strategically located manufacturing capacities servicing both domestic and international markets
- Wide product portfolio with a growing presence in over 65 countries across continents
- Efficient processes with sustainability deeply imbibed in operations

Strengthening manufacturing capabilities

- Planned strategic implementation of latest technologies and automation process to strengthen capacities
- Undertook strategic collaborations to enhance capabilities

Diverse product portfolio

- Our wide portfolio of trusted brands finds diverse applications
- Extended the portfolio to include other sustainable and innovative products

Enhancing efficiency

- Enhancing operational efficiency through implementation of digital tools and automation across plants
- Undertaking several cost optimisation initiatives
- Use of technology in logistics, blending and packaging, helping in optimising operating cost
- Implementation of solar power plant to reduce cost and reduce carbon footprint
- Successfully implemented state-of-the-art blender system before and after manufacturing line process to ensure uniformity of the end products

Robust financials

- Our superior operating performance has helped us strengthen our financial performance
- Revenue for the year stood at ₹604.42 crores, while EBITDA stood at ₹68.65 crores
- Reported a strong RoCE of 16.88%

Our goal is to transform and become the favoured supplier of industrial minerals, functional additives, and specialties to some of the well-known companies across sectors. Driven by and embracing powerful mega-trends, 20 Microns Limited is set to deliver fast, profitable growth with uninterrupted value creation to 2026 and beyond as we embark on our next strategic growth chapter.

AWARDS AND RECOGNITION FY23



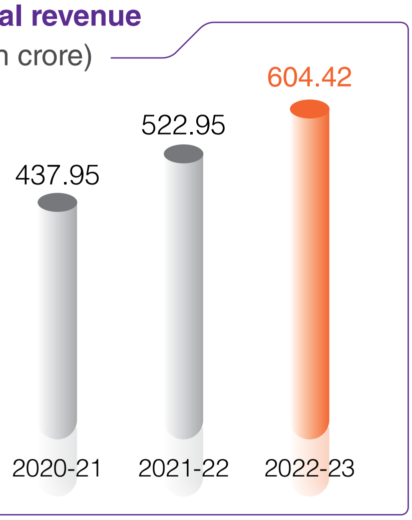




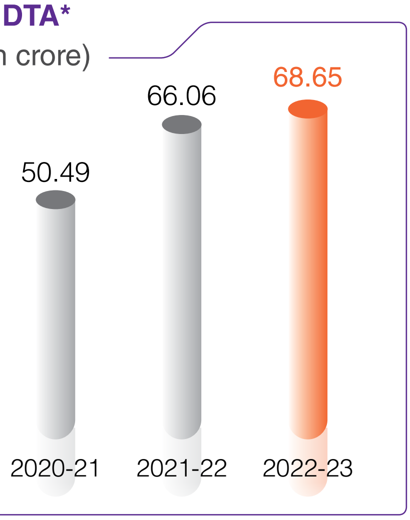
- Received ISO 45001 and ISO 14001 2015 for our Alwar manufacturing unit, accredited by UKAS
- Achieved "Winner" category award in other industry category in competition "GHKC - GreEnv Contest 2022-23 held by Baroda Productivity Council
- Achieved 98 % Score in TFS Audit (Together for Sustainability) – the main focus area of the audit was related to environment, governance practices, social, health and safety, labour law compliances and working conditions for our Alwar plant
- Received Letter of Commitment from United Nations Global for our commitment towards the principles of Human Rights, Labour, Environment and Anti-corruption

OUR PROGRESS IN NUMBERS

Total revenue
(₹ in crore)

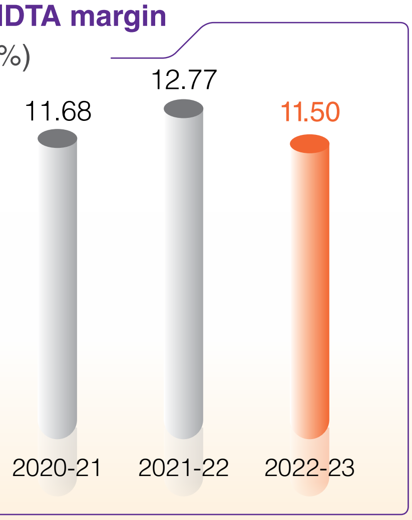


EBIDTA*
(₹ in crore)

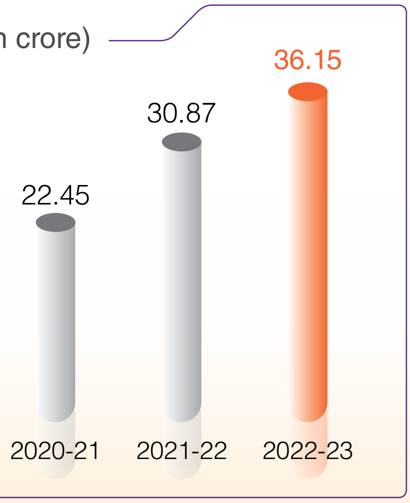


** Excluding other income*

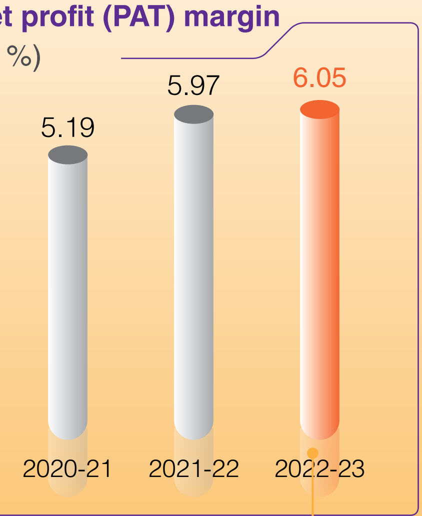
EBIDTA margin
(in %)



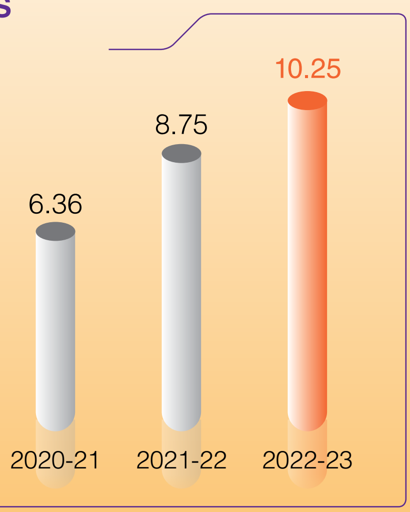
PAT
(₹ in crore)



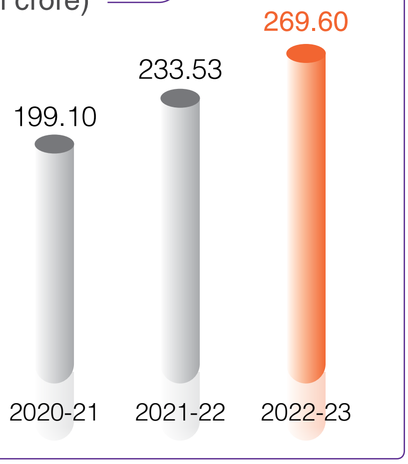
Net profit (PAT) margin
(in %)



EPS
(₹)

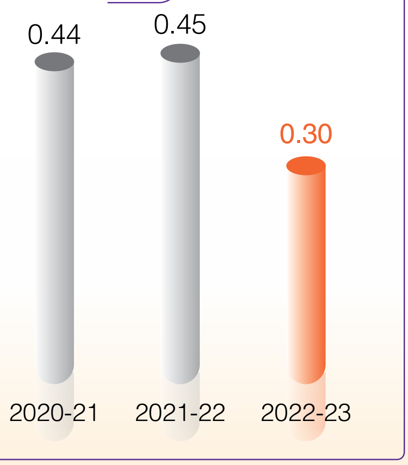


Net worth
(₹ in crore)

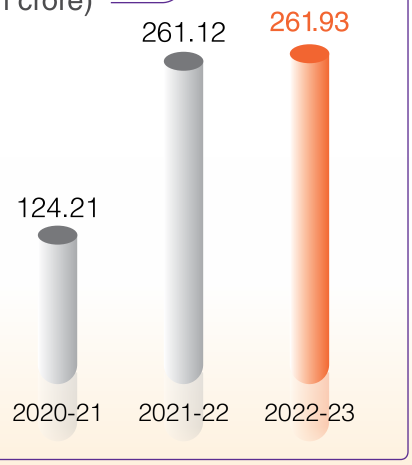


Return on capital employed (RoCE)
(₹ in crore)

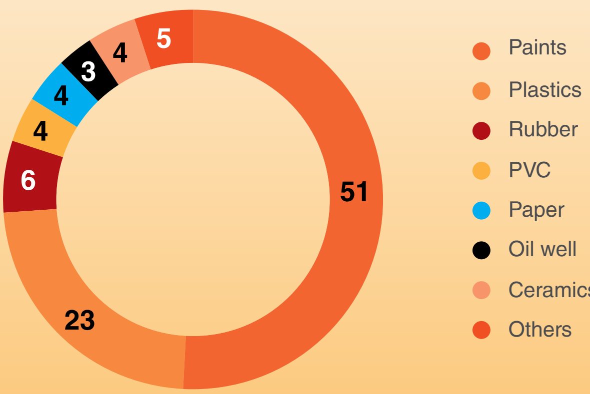
Debt-equity ratio



Market cap
(₹ in crore)



Segment-wise revenue breakup in FY23
(%)



How we plan to RISE in the years ahead

Staying ahead of the curve by focusing on our growth drivers

At 20ML, we have identified RISE as our next strategic growth drivers that will help us capitalise on external opportunities and achieve our growth aspirations. Our upcoming capacity expansions, portfolio enhancements, digitalization efforts, customer-centric approach, and unwavering commitment to innovation form the foundation of our future growth plans. Throughout this journey, we remain dedicated to prioritizing environmental sustainability in all our endeavours.

The RISE strategy ensures the ongoing progression of our strategic path, leveraging our established dominance in micronized industrial minerals and specialty chemicals. This fresh strategic plan aims to expedite sustainable and profitable growth, generating value through 2026 and beyond. It also positions us as a beneficiary of evolving customer preferences.

R — Reliable Business Partner

I — Innovation and Technology Focus

S — Sustainability Champion

E — Excellence in Execution

Reliable Business Partner

Reliability is our identity

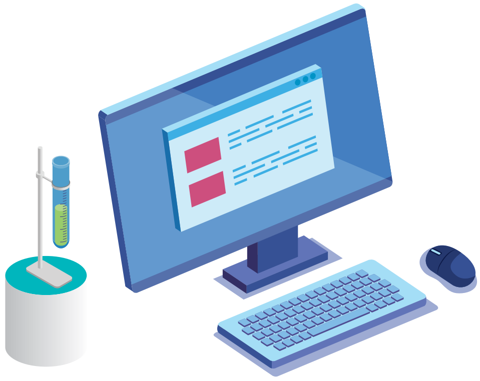
Our reputation for dependability has been a defining characteristic for 20ML. In the dynamic and rapidly evolving modern era, reliability holds even greater significance. The ability to rely on a partner becomes a crucial factor for our customers when confronted with the question - whom to rely on in today's fast changing business environment.

Being a reliable business partner at 20ML encompasses much more than merely providing the necessary products to our clients. It entails establishing and nurturing enduring connections with our customers, actively listening to and comprehending their requirements, prioritizing the resolution of their challenges, and offering support to help them achieve sustainability and prosperity. Thus, we have adapted our business model by forming collaborative partnerships with each of our strategic business units, with the aim of each unit contributing significantly to the overall value generation for our customers across the entire supply chain.

Innovation and Technology Focus

Innovation is a no-brainer!

Innovation and technology form the foundation of 20ML, permeating every aspect of our operations. We have a rich history and an impressive collection of innovations, intellectual property, and the production of ground-breaking products across our organization. Within the Indian micronized mineral industry, 20ML is already a leader in innovation and technology, driving advancements in chemistry, state-of-the-art material science, and metallurgy. Our future success hinges on maintaining this cutting-edge approach, and we are diligently working towards that goal. Whether it's developing specialized chemicals, producing high-quality industrial minerals, creating efficient functional additives and agrochemicals, or discovering novel methods to reduce energy consumption and optimize natural resource utilization, our focus remains on staying at the forefront.



At 20ML, we understand that a one-size-fits-all approach is insufficient. That's why we have made investments in technologies and equipment within the industrial minerals sector, allowing us to customize industrial minerals in various sizes to meet the specific requirements of our customers across industries. Furthermore, we focused on staying ahead of the competition by working on advanced technologies in the functional additives segment, enabling us to serve a broad customer base.

We have also invested in enhancing our manufacturing process by implementing rigorous process control parameters, ensuring the quality of our products. Additionally, we have made substantial investments in sophisticated laboratory technologies and equipment, following well-established test methods and product specifications. In order to enhance our cost structure through automation and digitalization, we have focused on process innovation and improvement.

Sustainability Champion

Sustainability is in our DNA

At 20ML, our primary objective is to become a frontrunner in promoting sustainability within our industry. Our focus goes beyond simply reducing the negative impact of our operations on the climate and the planet. We strive to maximize the positive effects of our products and services as well. Sustainability has always been an essential aspect of our vision, deeply ingrained in our company's DNA as we continuously work towards providing materials that contribute to a better life. It shapes our purpose and permeates every facet of our organization. Sustainability serves as a shared objective for all 20ML colleagues, uniting us together.

Our approach is firmly rooted in our distinctive business model, centered on circularity and sustainability. Alongside this, we are committed to leveraging our expertise and resources to develop solutions that are safe, sustainable, and innovative, ultimately improving the quality of life for both people and the planet. Our ambition is to lead the industry in the transition towards an environmentally conscious business entity, collaborating with partners and customers to achieve ambitious sustainability targets. As environmental concerns continue to rise, customers are increasingly seeking out sustainable products and solutions, driving the demand for eco-friendly alternatives. Case-in-point: Our mineral based agrochemicals can help reduce the environmental impact of synthetic chemical-based ones.

Minimizing environmental impact is also an important part of our what we do. We are committed to minimizing impact beyond our carbon footprint and to seeking opportunities to maximize the positive impact of our operations on water, air, biodiversity, waste and energy.

Excellence in Execution

Operational excellence, digitalization, quality focus and continuous learning will keep us ahead

With the speed at which our world is changing and the scaling up of our business keeping in mind of vision of Velocity Theme, performance is key to success. At 20ML, we strive for excellence in all aspects of our operations to sustain our growth and meet our strategic financial goals.

Transformation to a bigger and bolder 20ML hinges on our continued operational excellence, quality focus, and embracing digital advancements. Our customers trust us because we consistently deliver on our commitments. To meet our projected growth, we must enhance our operations while continuing to exceed customer expectations. Throughout the organization, we continuously ask ourselves how we can better fulfill customer needs, improve efficiency, optimize processes, simplify logistics, enhance sustainability performance, and elevate our quality standards.

Excellence in execution is vital across various areas such as operations, scaling, quality control, research and development, marketing, product innovation, and organizational transformation. This will enable us to meet the requirements of our ambitious growth trajectory.

Given the scale-up of our organization and the rapidly changing world, speed is essential. Digitalization is a critical component of our success, complementing operational excellence. We are integrating digital solutions in several areas, including production optimization, energy monitoring, emissions tracking, safety and training, and product sampling. We firmly believe that focusing on these areas will be the driving force behind achieving our goals outlined in Velocity Theme. By aligning ourselves with these pillars, we can foster collaboration, share knowledge, and leverage our collective strengths. Building upon these strengths, we anticipate emerging as a bigger, bolder, and more resilient entity in the years to come.

DRIVING SUSTAINABLE GROWTH

INPUTS

Financial capital
Funding obtained from the stakeholder's i.e. providers of capital, deployed to invest in our strategy and support business activities.

Capital employed: ₹36,560 lakhs
long-term debt: ₹1,797 lakhs
Short-term debt: ₹6,298 lakhs

Manufactured capital
Our physical infrastructure used to produce, store, sell and distribute the products manufactured by 20ML.

Manufacturing facilities: 9
Storage facilities: 9
Mines: 5

Intellectual capital
Repository of organisational knowledge, insight, systems, protocols and intellectual property, including brands.

R&D Centre: 2
R&D and Technology talent pool: 40
Total R&D spend (in FY23): ₹4.23 crores

Human capital
We rely on our people, and their experiences and skills, to deliver for our customers and solve challenges every day.

Total employees: 700+
Employee remuneration: ₹47.74 crores

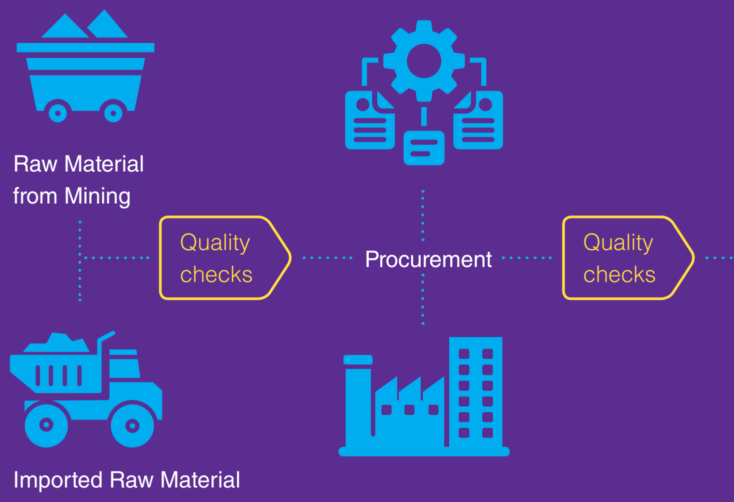
Social and relationship capital
Our role as a socially responsible corporate citizen and how we enrich our relationships with stakeholders, from suppliers to customers, regulators, investors and the communities where we operate.

CSR expenditure: ₹97.25 lakhs
Dealer count: 150+
Key customer associations: 1,400+

Natural capital
Relates to natural resources on which we depend to create value and our role in promoting their conservation.

Captive solar energy generation: 500 KVA
Water consumption: 163 kld per day

VALUE CREATION PARADIGM



Key customer segments*

1. Paints
2. PVC
3. Paper
4. Ceramics
5. Plastics
6. Rubber
7. Oil well drilling
8. Other allied industries

Enablers for vale creation

Research & development

R&D plays a vital role in our process of creating innovative products. It involves gathering insights from both our clients and the marketing team to facilitate the development of new offerings. Additionally, R&D is instrumental in improving the quality of our current product range.

Quality management

Effective quality management enables us to guarantee the intended level of product quality during both the input and output stages.

OUTPUT

Grade wise Distribution to Customers

Information Technology (IT)

IT aids in the collection and distribution of real-time information throughout the organization, enhancing the process of making informed decisions.

Human Resources

By leveraging the knowledge and skill set of our people, we have worked together as a united team with a mindset focused on growth, ultimately enabling us to realize our desired goals.

Paints and coatings

Engineered Kaolin | Calcium Carbonate | Opacifiers | Matting Agent

Polymers, Paper and Rubber

Calcium Carbonate | Talc | Mica | Engineered Kaolin

Construction chemicals

Tigersil | Koolsil | Gypsum | Colour Floor Silica

Agriculture and organic farming

Minfert – BLK | GBR | Geocare | Humicrons

OUTCOMES

Shareholder's and investors

We deliver consistent return to our shareholders and investors

Revenue: ₹604.42 crores
(16% growth from the previous year)

EBITDA: ₹68.85 crores
(4% growth from the previous year)

PAT: ₹36.15 crores
(17% growth from the previous year)

EPS: ₹10.25
(17% growth from the previous year)

Social

- Generated new direct and indirect job opportunities while focusing on enhancing existing employee skills through regular training sessions
- Strengthened customer loyalty and fostered stronger relationships
- Communication of supplier code of conduct to suppliers, conducted virtual training, incorporated sustainable procurement requirements in supplier's assessment and on-site audits
- Built trust and reputation among our domestic and global clientele
- Introduced a range of new products across categories throughout the year to bolster our portfolio

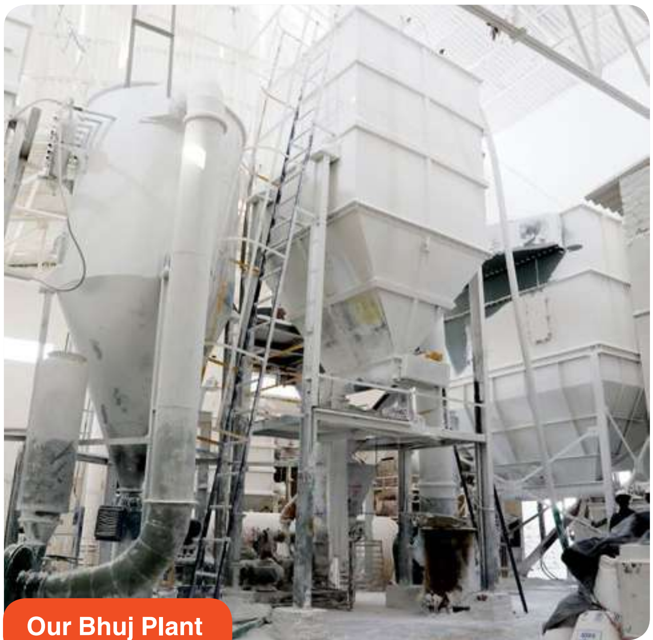
Environmental

- By implementing more streamlined procedures, we can minimize the consumption of natural resources, diminish our impact on the environment, and recycle valuable resources like minerals and water.
- Successfully completed energy audit for our Alwar plant. It has helped to be in sync with India's Greenhouse Gas (GHG) Programme guidelines and has been successful in reducing our emissions by 4.39% at our Alwar plant under Normal Production Quantity.
- Reduced our GHG Emissions from 159.91 KgCO2e per tonne of production in 2021-22 to 148.58 KgCO2e per tonne of production in 2022-23 at our Alwar plant.
- Through increased utilization of advanced technologies and enhanced methods, we have been able to manufacture our customers' products using less energy and water, fewer raw materials.
- Thanks to technological advancements, we achieved greater flexibility in choosing alternative fuel sources instead of relying on fossil fuels.
- We established new solar power facility to decrease our carbon emissions.

BUSINESS ENABLERS

Drivers of our Sustainable Transformation

Our Mining Facility



Our Bhuj Plant

Our R&D Lab

Manufacturing excellence

Our unwavering commitment to prioritizing the needs of our customers lies at the core of our strategy and operational approach. With firm conviction, we capitalize on our manufacturing resources by establishing facilities that adhere to both national and international regulations. Our objective is to enhance our manufacturing capabilities by upholding rigorous technical and quality standards, while also pursuing operational excellence through our ongoing digital transformation endeavours.

Our product pipeline is driven by 9 state-of-the-art manufacturing facilities spread across India. Our commitment to quality is fortified by the implementation of various quality management initiatives at these facilities. To stay aligned with global standards, we consistently pursue upgrades and process automation initiatives across all our facilities. This approach not only helped us improve cost efficiency and achieve optimum capacity utilization, but also helped enhance our capacities and foster synergy among our diverse range of products. Moreover, it enables us to respond to client requests more swiftly by reducing processing time.

We endeavour to ensure our manufacturing facilities remain adequately equipped to meet the ever-changing demands of the business world. This is achieved by consistently improving and modernizing our operations to optimize our production capabilities and maintain an appropriate level of capacity.

Key highlights FY23

- Automation of line feeding and material classification system
- Integration of the supply chain with the manufacturing facilities
- Implemented improved blending and packing system for the finished products
- In order to guarantee the product quality and enhance the process efficiency, an enhanced magnetic mechanism was introduced to capture foreign or iron particles from the material conveying line
- Properly laid out SOPs across processes and product lines to achieve uniformity and higher efficiency

Research and Development (R&D) excellence

As a forward-thinking company, we do not limit ourselves to only manufacturing products, rather we strive to create an organisation which positively impacts the lives of the people we influence. Therefore, innovative thinking is important for achieving our purpose of making a positive difference. We continue to strengthen our R&D capabilities through our world-class laboratories backed by state-of-the-art technologies for achieving operational excellence and creating value for our stakeholders through product innovation.

R&D excellence and innovative mindset play critical roles in driving technical and business growth at 20ML. In recent years, we have enhanced our research capabilities by strategically investing in infrastructure, human resources, and operational procedures. This has strengthened our abilities in product application, process efficiency, and tailored product solutions, contributing to our overall growth.

Our 40+ R&D team represents the bedrock for creating sustainable, social and financial benefits for all our stakeholders. In FY23, our R&D spend stood at ₹4.23 crores with a focus on strengthening our R&D prowess. Further, the Company's R&D expenditure in various technologies is focused on improving the environmental and social impacts of our products / processes.

How our R&D initiatives have positively impacted 20ML

Proactive R&D initiatives have helped build a deep-rooted and innovative products and services bucket demonstrating a commitment to staying at the forefront of industry trends and meeting customers' demands. Driving product improvement or innovation within your existing business offering shows a proactive approach to enhancing your products and services.

Staying ahead of the curve and sustaining industry leadership are critical for long-term success. By investing in R&D and continuously developing new products and services, we have demonstrate agility and adaptability. This allowed us to anticipate and respond to market shifts, emerging technologies, and changing customer preferences. Maintaining industry leadership enhanced our brand reputation, helped attract top talent, and establish ourselves as a go-to player for innovative solutions.

By engaging in R&D, we have not only improved the quality and functionality of our offerings, but also enhance our brand image and reputation. It has also helped built customer trust as customers are more likely to trust and choose a company that consistently delivers innovative solutions.

The development of new products and services through R&D efforts often leads to the generation of new intellectual property (IP). This IP can take the form of patents, trademarks, copyrights, or trade secrets. Having a robust IP portfolio strengthens our competitive advantage and helps create entry barriers.

Successful R&D initiatives have resulted in the development of new and unique products and services, which in turn resulted in a multifaced benefit for 20ML.

- It helped create new revenue streams by introducing fresh offerings that appeal to a wider customer base.
- This diversification helped us weather market fluctuations and achieve sustainable growth.
- The ability to attract new investors is heightened when they see the potential for ongoing innovation and increased profitability.

Collaborating with external partners such as enterprises, universities, and research institutes in our R&D efforts brings multiple benefits. It provides access to diverse perspectives, specialized knowledge, and unique resources, fostering idea exchange and cross-pollination of expertise. This collaboration has led to breakthrough innovations and helped us build strong networks, positioning us at the forefront of industry advancements.

Key R&D initiatives undertaken by the company in FY23

- Adopted new design and optimisation of synthesis process of existing products
- Successful R&D has helped 20ML strengthen its portfolio by introducing 61 new products in FY23 (on a consolidated basis)
- Improved existing R&D infrastructure & developed new micro labs at various plant locations
- Identified the limitations to existing products that prevent achievement of business goals & started improvement on it by creating a new R&D team
- Implemented parallel plans to deliver a higher value next generation of products and services
- Focused on utilisation process wastes to develop new product lines

People excellence

Our people play an instrumental role in turning our vision into tangible achievements. We actively foster an empowering work environment that nurtures continuous learning, encourages employee growth, and cultivates a culture of innovation and inclusivity.

Our people's strategy clearly defines our ambition for the future. It recognises the work we have undertaken and, more importantly, identifies the steps needed to achieve our ambition to make 20 Microns Limited a more efficient, agile, inclusive, sustainable and people-focused business.

Our People Strategy

Enabling everyone to be agile, effective and included so we can meet the evolving needs of customers and our mother nature

Create leaders for tomorrow

Individuals and teams are supported, valued and engaged to succeed

Raise our performance bar

We deliver better outcomes for our business, people, customers and communities

Redefine our ways of working

Focus on building a strong, safe, sustainable and agile business model

Grow our capability

Build an environment where everyone can learn, progress and unleash their potential

Improve our people experience

People feel part of 20ML; listened to, trusted and able to make a difference

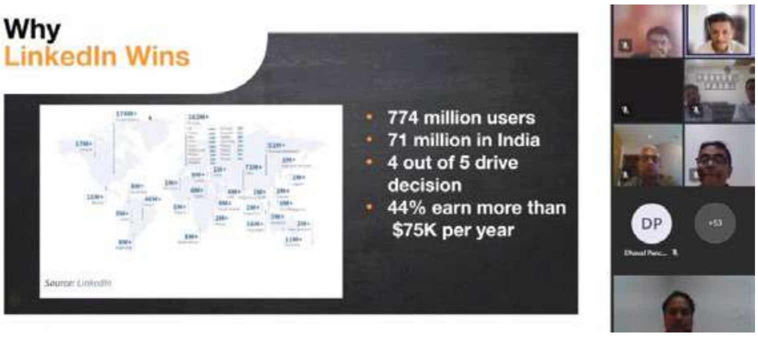
Be curious | Think innovative outcomes | Be kind | Be collaborative | Be courageous | Own, Commit & Deliver

Our ambition is to attract and retain the best possible people by engaging with our employees, promoting their wellbeing, investing in their development, recognising their commitment and ensuring our employee packages are competitive.

During the year, we organised unique events focused on the well-being of our employees and mother nature, on employee engagement and customer engagement.

"You represent yourself not others."

A unique virtual session with aim to improve the LinkedIn presence of our employees and in turn enhance the presence of the Company.



"Living sustainably in Harmony with Nature"

In honor of World Environment Day, our organization, 20ML, organized a remarkable event where every employee enthusiastically participated in a tree-planting initiative across all our manufacturing units. Each individual took part in planting saplings, symbolizing our collective commitment to environmental preservation and sustainable practices.

"Yoga for Humanity"

The 20ML HR team organized a captivating event to commemorate World Yoga Day, fostering a spirit of celebration. Our dedicated employees, joined by their cherished family members, actively engaged in invigorating yoga sessions and enthusiastically captured moments through captivating pictures and videos.

COMMUNITY CARE THROUGH 20 MICRONS FOUNDATION

Promoting inclusive development

At 20ML, community development is a central priority because we recognize the interconnectedness between our progress and the overall well-being of the communities we operate in. As a significant stakeholder, these communities grant us the social license to operate.

In order to promote sustainable and inclusive development for underprivileged and disadvantaged segments of society, we have established the 20 Microns Foundation Trust. Through this trust, we actively engage in various initiatives aimed at providing aid and support during force majeure events, offering medical relief, imparting education, and providing assistance to impoverished and underprivileged sections of the society. Our ultimate goal is to enhance the long-term well-being of these communities.

We maintain long-term relationships with our local communities that uphold our reputation. This is essential as we grow our operations and focus on sustaining our leadership. The processing of mining is critical to our business, but it has some impact on the surrounding communities and mother nature. Thus, our purpose is to focus on adopting sustainable approaches enabling us to meet our sustainability ambitions and help build a sustainable community.

MAKING 20 MICRONS VISIBLE

as one of the leading manufacturers of micronized industrial minerals

Building our presence

By implementing groundbreaking strategies, we have successfully evolved from a small-scale regional player to become India's foremost manufacturer of micronized white minerals. Looking ahead, our goal is not only to build upon these strategies but also to expand our market presence by showcasing our capabilities at both domestic and international events.

With this objective in mind, we actively participated in several regional, domestic and international events in FY23.

Paint India Exhibition, 2023

One such event was the Paint India 2023 exhibition held in Delhi, India. At this exhibition, 20 Microns collaborated with our distributor to set up a stall featuring our premium pigment category. The response we received from customers regarding the distinctiveness of our products was highly encouraging, as evidenced by the significant number of inquiries and footfall we witnessed.

IPCA conference, New Delhi, 2022

We attended the IPCA conference held in New Delhi from September 16th to 18th, 2022. During this significant event, esteemed individuals paid their respects to the late Chandresh Bhai Parikh, the founder of 20 Microns Limited, recognizing his invaluable contributions to the Indian paint industry.

In recognition of his remarkable achievements, Mr. Atil Parikh received a well-deserved token of appreciation and also served as a panelist for a stimulating discussion on the future trends in the paint industry. Our participation in the conference encompassed a compelling technical presentation delivered by Dr. Hemang Patel. Additionally, we presented a memento to Mr. Prashant Bhavsar, exemplifying our strong bond with the organizers of IPCA.

International paint manufacturing association conference, Indore, December 2022

20 Microns Limited actively participated in the prestigious International Paint Manufacturing Association conference held in Indore. We took the opportunity to set up our own stall, where we proudly showcased our exceptional range of nano mineral specialty products. Our team was thrilled and filled with joy as we received an overwhelming response from the numerous customers who visited our stall. Such a fantastic reception further motivates us to strive for excellence and achieve outstanding outcomes for our esteemed company.

Indian Ceramics Asia 2023

20 Microns has actively engaged with our valued customers, partners, and stakeholders by participating in events focused on technical developments and industry trends. This year, we were honored to be a part of Indian Ceramics Asia 2023, demonstrating our strong presence in the industry. The exhibition provided an excellent opportunity for collaboration and communication with our esteemed clients, fellow exhibitors, manufacturers, suppliers, and potential future partners. Indian Ceramics Asia 2023 served as a valuable platform for connecting with both existing and potential clients. We were also able to inform them about our latest developments and offerings, helping them maintain their global and domestic competitiveness while ensuring high-quality standards.

During the event, there was a remarkable exchange of ideas and knowledge, resulting in a high-quality exhibition that showcased our finest specialty and unique mineral products for the ceramic industry. Our active participation in these exhibitions not only allows us to enhance ceramic performance using our specialty mineral products, but also keeps us updated on new technologies and industry best practices. This showcases our dedication to staying current with the latest trends.

Expo Highlights:

250+ exhibiting brands | 1,000+ products & innovative solutions on display | Live demo of machines | Large participation from Italian Companies | New suppliers for machinery & raw materials | Panel discussion, Workshops | Knowledge sharing conferences | Sourcing of high-quality machinery raw material | Ceramics job fair | Buyer-seller meetings

PlastIndia 2023

Plastindia exhibition is a globally recognized event dedicated to promoting excellence in the plastics industry and establishing India as a preferred source for plastic products worldwide. It is the largest plastics and rubber fair in India and ranks as the second largest plastics show globally.

In FY23, we had the privilege of participating in PlastIndia 2023, showcasing our expanding presence in the segment. This exhibition offered a fantastic opportunity for us to engage and connect with esteemed clients, fellow exhibitors, manufacturers, suppliers, and potential future partners. PlastIndia 2023 served as a valuable platform for both maintaining relationships with existing clients and forging connections with potential ones. We effectively communicated our latest advancements and offerings, enhancing our relevance in the global and domestic markets while upholding high-quality standards. On February 1st, 2023, our esteemed Chairman and MD, Rajesh C. Parikh, officially inaugurated our stall at PlastIndia 2023 in New Delhi.

CELEBRATING NATIONAL SAFETY DAY/ WEEK AT 20 MICRONS LTD.

20 Microns groups of companies celebrates National Safety Day/week every year on March 4 to March 10. The main goal of the day is to highlight safety measures and ensure that all employees are aware of them and follow them in order to avoid workplace accidents. In India, the 4th of March is also marks the start of National Safety Week.

This year's theme was "Our Aim - Zero Harm". The theme emphasises the significance of protecting society as a whole. The goal of the event is to cause as little harm as possible. Every year, a new theme is chosen for National Safety Day.

National Safety Day is a significant event because it serves as a reminder of the importance of safety and health in our daily lives, particularly in the workplace. Its goal is to raise awareness about the risks and hazards associated with various occupations and industries, as well as the preventative measures that can be taken.

Occupational safety is critical in India because it protects workers from harm, increases productivity, lowers healthcare costs, increases regulatory compliance, and boosts employee morale. Employers must implement effective safety measures in order to reap these benefits.

The day also serves as a reminder of the importance of employers, employees, and the government in ensuring a safe and healthy workplace. It encourages individuals and organisations to take charge of their own safety

CPR training program

As part of our employee wellbeing program, the 20 Microns Group of companies organized a Cardiopulmonary Resuscitation (CPR) training program, which is an essential procedure performed in emergency situations when the heart ceases to beat. Administering CPR immediately can significantly increase the chances of survival, potentially doubling or even tripling them.

Key pointers, FY 23

- Recorded revenue of ₹604.42 crores (16% growth from FY22)
- Recorded EBITDA of ₹68.65 crores (4% growth from FY22)
- Reported PAT of ₹36.15 crores (17% growth from FY22)
- Reported EPS of ₹10.25 (17% growth from FY22)
- Strengthened the debt-equity ratio from 0.45 to 0.30
- Paints continued to be the biggest contributor to the revenue pie, accounting for 51% of the overall revenue.
- Recorded exports revenue stood of ₹86.30 crores during FY23, an increase of 5% compared to the previous year.
- Strategic implementation of newer technologies and upgraded automation processes to strengthen capacities.
- Received ISO 45001 and ISO 14001 2015 for our Alwar manufacturing unit, accredited by UKAS.
- Expanded our international presence to more than 65 countries.
- Automation has been thoughtfully implemented in various functions of the business, including the creation of purchase orders, tracking and recording the weight of materials in the ERP system, notifying vendors in case of short receipts or rejected materials, and automating payment advice to vendors. Additionally, advanced systems like EPP, CRM, and HRMS have been introduced to gather data from key modules, enabling informed decision-making.
- Focused approach on value-addition resulted in the development of 61 consolidated products in all respective group companies and various industry verticals.
- Achieved "Winner" category award in other industry category in competition "GHKC - GreEnv Contest 2022-23 held by Baroda Productivity Council.
- Boosted our infrastructure capabilities across India to improve on customer service and expanding our customer and distributor network domestically and globally.
- We have successfully conducted an energy audit for our Alwar plant, enabling 20ML to align with India's Greenhouse Gas (GHG) Programme guidelines. As a result, we have effectively reduced 20ML's emissions by 4.39% at our Alwar plant, while maintaining our normal production levels. Specifically, we have decreased 20ML's GHG emissions from 159.91 KgCO2e per tonne of production in 2021-22 to 148.58 KgCO2e per tonne of production in 2022-23 at our Alwar plant.
- Focusing on external validations, certifications and accreditations to improve on our current capabilities.

OUR LEADERS FOR A SUSTAINABLE TOMORROW

Mr. Rajesh C. Parikh
Chairman & Managing Director

Mr. Rajesh C. Parikh is a First-Class Graduate in Bachelor of Mechanical Engineering. Additionally, he has accomplished Master's in Business Administration with a specialization in Finance. Presently, he serves as the Chairman and Managing Director of our esteemed company. Mr. Parikh commenced his professional journey as a Trainee Engineer at Jyoti Limited, an Engineering Company situated in Vadodara, back in 1994. He remained associated with the company and simultaneously undertook several assignments on a part-time basis for the establishment of a new project centered around China Clay. At the age of 27, he ascended to the Board, assuming responsibility for the technical aspects and marketing of the company's product. Through his involvement in diverse industries, Mr. Parikh gained invaluable insights into the business and industrial sectors.

Mr. Atil C. Parikh
CEO & Managing Director

Mr. Atil C. Parikh, the CEO & Managing Director, aged 46 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 2003and 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 to developing certain strategies and revamping few departments within the organization. He is also on the Boards of 20 Microns Nano Minerals Limited; Silicate Minerals[I] Private Limited & 20 MCC Private Limited.

Mrs. Sejal R. Parikh
Non-Executive Woman Director

Mrs. Sejal R. Parikh holds a Bachelor's degree in Production Engineering besides a 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 also on the Boards of Silicate Minerals[I] Private Limited & 20 MCC Private Limited.

Mr. Ramkisan A. Devidayal holds a Master's degree in Commerce and Management. He has rich and extensive experience in the fields of Agrochemicals of about 36 years of which 20 years in the Senior – 1st Line Management of the Companies to which he has been associated as Director. He was the Vice Chairman of Baroda Citizen Council and involved in the 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 A. Devidayal
Independent Director

Mr. Atul H. Patel is a Graduate in Textile Engineering from VJTI, Bombay. He is a Managing Director of Tarak Chemicals Limited, Vadodara engaged in the manufacturing of Oil Field Chemicals and other Specialty Chemicals. He has been deeply involved in the activities of Industrial Association and was closely associated with Federation of Gujarat Industries [FGI, a body looking after interests of the industries]. He had been President of FGI for 1991 and 1992. He was the President of Vadodara Industrial Employers' Union for the period 1993-95 and also a Senate member of M. S. University of Baroda. He has also been attached with Charitable Organizations and Educational Institutions, presently the Trustee of United Way of Baroda and the past Chairman of Baroda Citizen Council, a body activist in the development of Baroda City. Besides, he is the Trustee of GyanaYagna 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 H. Patel
Independent Director

Dr. Ajay I. Ranka is Ph.D. in Polymer Science and Engineering. 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.

Dr. Ajay I. Ranka
Independent Director

Mr. Jaideep B. Verma 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. Jaideep B. Verma
Independent Director

Notice of Annual General Meeting

NOTICE is hereby given that the 36th Annual General Meeting of the Shareholders of **20 Microns Limited** will be held on Thursday, the 10th August, 2023 at 11.00 a.m. **through Video Conference (VC) or Other Audio Visual Means (OAVM)**, to transact the following business -

Ordinary Business

1. To receive, consider and adopt:
   the Audited Standalone and consolidated Financial Statements of the Company for the financial year ended March 31, 2023 including, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Reports of the Board of Directors and the Auditors' thereon and

2. To declare a final dividend @15 % i.e. ₹0.75 per equity share on 3,52,86,502 equity shares of the Face Value of ₹5/- each for the financial year 2022-23.

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

Special Business

4. **To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2024 and in this regard, pass the following resolution as an Ordinary Resolution.**

   To consider and if thought fit, to 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 of ₹90,000 p.a plus applicable taxes and out of pocket expenses, as recommended by the Audit Committee and as approved by the Board of Directors to be paid to M/s. Y.S. Thaker & Co., Cost Accountants (Registration Number 000318) appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2024, be and is hereby ratified.

5. **Appointment of Mrs. Sejal R. Parikh as a Whole time Director of the Company.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, schedule V and any other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of SEBI Listing Regulations, for the time being in force), and the Article of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, the consent of members of the Company be and is hereby accorded for the appointment of Mrs. Sejal R. Parikh (DIN: 00140489) as a Whole time Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from 16th May,2023 on the terms and conditions including the remuneration as set out in the explanatory statement annexed to the notice convening this AGM.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms and conditions as it may deem appropriate in relation to her appointment as the Whole time Director of the Company, in compliance with the applicable provisions of the Act, other applicable laws and SEBI Listing Regulations.

   RESOLVED FURTHER THAT where in any financial year during her tenure, the Company has no profits or profits are inadequate, the remuneration as provided in explanatory statements shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits.

   RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to hereinafter include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

6. **Appointment of Dr. Sivarama Swaminathan as an Independent Director of the Company.**

   To consider and if thought fit, to 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. Sivarama Swaminathan (DIN: 00009900), who was appointed as an Additional and Independent Director and who holds office of Additional Director (Category 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 appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company i.e. upto 09.08.2028"

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 approval be and is hereby granted for re-appointment as well as continuing the directorship of Dr. Sivarama Swaminathan as an Independent Director of the Company who has attained the age of 75 years."

7. **Payment of Commission to the Non-Executive Directors**

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

"RESOLVED THAT pursuant to Section 197 (1) (ii) (A) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Shareholders be and is hereby accorded to pay a commission up to 1% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013 to the Non-Executive Directors of the Company for FY 2022-23, 2023-24 and 2024-25 as may be considered decided by the by Board of Directors of the Company, in the manner as it may deem fit in its absolute discretion."

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

8. **To consider and approve Circular of Unsecured Fixed Deposits Accepted by the Company from shareholders**

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

"RESOLVED THAT in terms of the provisions of Section 73(2) of the Companies Act, 2013 read with Companies [Acceptance of Deposits] Rules, 2014 as may be amended from time to time and the Fixed Deposit Schemes approved by the Shareholders of the Company in their extra-ordinary general meeting held on 22.05.2014, 23.09.2016 22.09.2017 & 22.07.2022, consent of the members be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the members within limits prescribed in the Act and overall borrowing limits of the Company, as approved by the members from time to time and the draft of the Circular for inviting / accepting Deposits from the Members and the terms and conditions contained therein and as given in the Explanatory Statement annexed hereto, be and the same is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to amend the terms and conditions of the said scheme as and when required and to sign and execute deeds, applications, documents and writings that may be required on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution."

By Order of the Board of Directors

Komal Pandey
Company Secretary
& Compliance Officer
ACS: 37092

Place: Waghodia,Vadodara
Date: 16th May, 2023

Notes:

1. In view of and pursuant to the Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs and all other relevant circulars issued from time to time, companies whose AGM are due in the year 2023, to conduct their AGM on or before 30.09.2023, in accordance with the requirements laid down in para 3 & 4 of the General Circular No. 20/2020 dated 05.05.2020 i.e. physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

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

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

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

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

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

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

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

9. The Register of Members and Share transfer book of the Company will remain closed from Thursday, the 27th July, 2023 to Friday, the 04th August, 2023 (both days inclusive) for the purposes of AGM. The cut-off for the purposes shall be 3rd August, 2023.

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

11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 3rd August, 2023 through email on co_secretary@20microns.com. The same will be replied by the Company suitably. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the Registered Office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.

12. The Board of Directors has recommended a final dividend of ₹0.75/- per fully paid-up equity share of ₹5 /- each [15%] for the financial year 2022-23.

13. Members who have not en-cashed their dividend warrants for the financial year 2017-18 onwards are advised to write to the Company immediately for claiming dividends declared by the Company.

Financial Year	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF Account
2017-18 [Interim]	22.11.2017	8%	27.01.2025
2017-18 [Final]	19.09.2018	7%	23.11.2025
2019-20	30.03.2020	12%	06.05.2027

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

15. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 10/2022 dated December 28, 2022.

16. Pursuant to SEBI Circular dated 3rd November, 2021 read with SEBI Circulars dated 14th December, 2021, 25th January, 2022 and 16th March, 2023 on Common and Simplified Norms for processing Investor's Service, the shareholders holding shares in Physical mode are mandatorily require to record their PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination with the Company/ Registrar & Share Transfer Agent (RTA) of the Company. The salient features and requirements of the circular are as follows:

    A) In case of Non - updation of KYC - Folios wherein any ONE of the cited details/documents, (i.e PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination) are not available on or after 1st October, 2023, shall be frozen as per SEBI circular. The securities in the frozen folios shall be eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.

    B) The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company website as well as the website of Cameo Corporate Services Limited, Share Transfer Agent. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook / statement attested by the bank which is mandatory for registering the new bank details.

    C) Mandatory Linkage of PAN with Aadhaar - As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by 30th June, 2023. A communication in this regard was sent to physical shareholders in 14.03.2022 and second reminder on 15.05.2023. Security holders who are yet to link the PAN with Aadhaar number are requested to get the same done before 30th June, 2023. Post 30th June, 2023 or any other date as may be specified by the CBDT, RTAs shall accept only valid PANs and the ones which are linked to the Aadhaar number. The folios in which PAN is / are not valid as on the notified cut-off date of 30th June, 2023 or any other date as may be specified by the CBDT, shall also be frozen. In view of the above, we request you to submit the KYC Form, duly completed along with Investor Service Request Form ISR-1 and the required supporting documents as stated in Form ISR-1 at the earliest to RTA of the Company.

17. SEBI vide its circular dated 30th May, 2022, has provided SOP effective from 1st June, 2022, for resolving disputes between the Company and its all shareholders through the stock exchange arbitration mechanism. In furtherance to this, SEBI directed listed companies to inform its physical shareholders availability of said dispute resolution mechanism through emails or SMS on their mobile. Company has accordingly informed to its physical shareholders whose email ID or mobile no. registered with the company regarding availability of said dispute resolution mechanism. Investor may note that the said SOP is available on the website of the stock exchange and the Company.

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

    2. 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 03rd August 2023 through email on co_secretary@20microns.com. The same will be replied by the Company suitably. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the

Registered Office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.

3. 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 i.e. 03rd August, 2023 only shall be entitled to avail the facility of remote e-voting or voting at the Meeting.

4. During the AGM, the scanned copy of register of Directors, Key Managerial Personnel and their shareholding and the register of Contract maintained under The Companies Act, 2013 will be available for inspection by the members on the website of the Company.

5. Shareholders holding shares in Electronic Form may note that their bank account details as furnished by their depositories to the Company will be used by the Company for payment of Dividend. Members who are holding shares in electronic mode are requested to make sure, that they have updated details of Bank Account Number, Name of Bank, Branch address, MICR Code, IFSC Code with their respective depository participant. The Company will not entertain any direct request from such shareholders for deletion of / change in such bank details. Shareholders who wish to change such bank account details are, therefore, requested to advise their Depository Participants about such change, with complete details of bank account. In case the Company is unable to pay the dividend to any Shareholders by the electronic mode, due to non-availability of the complete details of the Bank account, the Company shall dispatch the dividend warrants to such Shareholders by post.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April, 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates. A separate e-mail will be sent at the registered e-mail ID of the members describing about the detailed process to submit the documents/declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time will be provided for submitting the documents/ declarations by the members who are desiring to claim beneficial tax treatment. The intimation will also be uploaded on the website of the Company

6. Brief resume of directors, who are proposed to be re-appointed at this meeting are given below:

Name of Director	Mr Atil Parikh	Mrs Sejal Parikh	Dr. Swaminathan Sivaram
DIN	00041712	00140489	00009900
Date of Birth	04/09/1977	27/03/1973	04/11/1946
Date of Appointment	29/01/2009	04/05/2017	16/05/2023
Qualification	Bachelor in Chemical Engineering & MBA (Finance)	B.E. [Production] & PGDBA	BSc, Chemistry, Madras Christian College, Chennai (1965) MSc, Chemistry, Indian Institute of Technology, Kanpur (1967) PhD, Purdue University, Lafayette, Indiana, USA (1971)
Brief Resume and Nature of expertise in specific functional areas	Finance, Marketing & Operations	Manufacturing & Marketing of Products	Present Affiliated with Indian Institute of Science Education and Research (IISER, Pune
List of other Directorships	1. 20 Microns Nano Minerals Ltd. 2. 20 MCC Pvt. Ltd. 3. Silicate Minerals [I] Pvt. Ltd. 4. Eriez Industries Pvt. Ltd.	1. 20 MCC Private Limited 2. Silicate Minerals (I) Private Limited	1. Supreme Petrochem Limited 2. Apcotex Industries Limited 3. Gharda Chemicals Limited 4. Vyome Therapeutics Limited 5. I-Hub Quantum Technology Foundation 6. Aic Iiser Pune Seed Foundation
Chairman / Member of the Committees of the Board of other Companies	20 Microns Ltd. Stakeholder Relationship & Share Transfer Committee of Directors - Member	20 Microns Ltd. Corporate Social Responsibility Committee-Member	–

Name of Director	Mr Atil Parikh	Mrs Sejal Parikh	Dr. Swaminathan Sivaram
Terms and conditions of re-appointment	Retirement by rotation and eligible to reappoint.	Appointed as a Whole-time Director of the Company for a period of 3 years w.e.f. 16th May, 2023 subject to approval of shareholders in the ensuing 36th Annual General meeting.	Appointed as Additional Non-executive, Independent Director for a period of 5 (Five) years till 09.08.2028 subject to approval of shareholders in the ensuing 36th Annual General Meeting.
Disclosure of relationship between Director Inter-se	Mr. Rajesh C. Parikh, Chairman & Managing Director-Brother	Mr. Rajesh C. Parikh – Chairman & Managing Director - Spouse	Not applicable
Shareholding in the Company	2021661 shares	2022636 shares	Nil
No. of Board Meetings attended during FY 2022-23	5	5	Not applicable

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

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

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

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

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

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

23. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.20microns.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

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

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

The remote e-voting period begins on Monday, 07th August, 2023 at 10:00 A.M. and ends on Wednesday, 09th August, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 03rd August, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 03rd August, 2023.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **“Beneficial Owner”** icon under **“Login”** which is available under **‘IDeAS’** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **“Access to e-Voting”** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **“Register Online for IDeAS Portal”** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **“NSDL Speede”** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.

Type of shareholders	Login Method
	2. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

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

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

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

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

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

   c) How to retrieve your 'initial password'?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting@parikhdave.com ₹with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

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

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr Hardik Thakkar at evoting@nsdl.co.in

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. M/s Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner. The scrutinizer shall, give their consolidated Scrutinizer report of the total votes cast in favour or against the resolutions proposed in the notice of Annual General Meeting not later than two working days from conclusion of the meeting, to the Chairman or a person authorized by him in writing who shall countersign the same. The Results will be declared on receipt of Scrutinizer's Report at the Registered office of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.20microns.com.

By Order of the Board of Directors

Komal Pandey
Company Secretary
& Compliance Officer
ACS: 37092

Place: Waghodia,Vadodara
Date: 16th May, 2023

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 2023-24 by the Board of Directors of the Company at its meeting held on May 16th , 2023. The Board has on the recommendations of Audit Committee fixed remuneration of ₹90,000/- (Rupees Ninety Thousand only) plus Govt. Levies/Taxes as applicable and out of pocket expenses at actual. XBRL conversion charges, if any, would be levied extra. In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as fixed by the Board of Directors shall be ratified by the members.

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

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

Item Nos. 5

Mrs. Sejal Parikh had been on the Board of the Company since May, 2017 as the Non – Executive Non – Independent Woman Director of the Company.

The Nomination & Remuneration Committee of Directors recommended in its Meeting held on 29.04.2023 to the Board and the Board of Directors, in its Meeting held on 16th May, 2023 appointed , subject to all necessary and required approvals, if any, including the Shareholders of the Company at the ensuing Annual General Meeting, Mrs. Sejal Parikh as the Whole-time Director of the Company for a period of 3 [three] years w.e.f. 16-05-2023 on the following terms and conditions :

I. **Basic Salary:** ₹1,88,625/- per month with annual increment up to 25% in the Basic Salary as may be decided by the Nomination & Remuneration Committee from time to time.

II. **Perquisites:** Not exceeding 19.60% of the Basic Salary. The detailed components of the perquisites shall be worked out by the Company in consultation with CFO.

III. **Incentive:** For the first year of appointment, she will be entitled to incentive of an amount not exceeding ₹3,80,000/-

IV. In addition to the salary as described in (I) above, she shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.

   (i) **Provident Fund:** Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

   (ii) **Gratuity:** The Company shall pay gratuity as per the Company's Rules.

   (iii) Encashment of leave at the end of the tenure.

V. She may be entitled to other benefits as may be available to senior executives.

VI. For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.

VII. Her office shall be liable to retire by rotation.

Brief Profile of Mrs. Sejal Parikh is as under;

Mrs. Sejal Parikh hold a bachelor Degree in Production Engineering besides Post Graduation in Business Administration. She had worked for 2 years as the Trainee Engineer in Planning Department of GMM Pfaudler Limited, Vallabh Vidhyanagar, the Glass line Equipment manufacturing company. She was also a part of projects related to Heritage Preservation of Vadodara in M. S. University. She is a Non-Executive Director of the Company w.e.f. 04th May, 2017 as well as monitoring social activities which are being carried out by 20 Microns Foundation. Apart from that, She also holds directorship in Silicate Minerals (I) Private Limited and 20 MCC Private Limited.

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

I. GENERAL INFORMATION:

1. Nature of industry: Manufacturing of Micronised Minerals & Specialty Chemicals.
2. Date or expected date of commencement of commercial production: 29th June, 1987
3. Financial performance:

(₹ In Lakhs)

Financial Parameters	31.03.2023	31.03.2022	31.03.2021
Turnover (Gross)	60441.75	52295.03	43795.07
Profit before Depreciation, Interest and Tax	7526.77	7188.15	5606.66
Net Profit for the year	**3615.23**	**3086.95**	**2245.15**
Less: Impairment Allowance for Trade Receivables	(142.50)	(147.07)	(165.31)

4. **Foreign investments or collaboration:**

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

During the year company has incorporated one Joint Venture Company named as Dorfner-20 Microns Private Limited, in which company is holding 45% of shares .

II. INFORMATION ABOUT THE APPOINTEES:

1. **Background details and Past Remuneration:**
Mrs. Sejal Parikh hold a Bachelor Degree in Production Engineering besides Post Graduation in Business Administration. She had worked for 2 years as the Trainee Engineer in Planning Department of GMM Pfaudler Limited, Vallabh Vidhyanagar, the Glass line Equipment manufacturing company. She was also a part of projects related to Heritage Preservation of Vadodara in M. S. University. She is a Non-Executive Director of the Company w.e.f. 04th May, 2017 as well as monitoring social activities which are being carried out by 20 Microns Foundation.

2. **Job profile and her suitability:**
Mrs. Sejal Parikh had been on the Board of the Company since May, 2017 as the Non-Executive, Non – Independent Woman Director of the Company. Considering the active participation of Mrs. Sejal Parikh in the business activities and to broad base the executive directorship in present board structure it was proposed to appoint her as a Whole time Director of the Company for the term of 3 years as recommended by the Nomination and Remuneration Committee and consequently approved by the Board of Directors at its meeting held on 16.05.2023 subject to approval by shareholders at the ensuing 36th Annual General Meeting.

3. **Remuneration proposed**
Abstracts of terms of Managerial Remuneration payable to the Managerial Personnel are given in the respective resolutions.

4. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**
Taking into consideration, the size of the Company, the profiles of Managerial Personnel, the responsibilities shouldered by them, the proposed remuneration is commensurate with the remuneration packages being paid to managerial personnel working in the similar position in the industry.

5. **Pecuniary relationship directly or indirectly with the company or relationship with the Managerial Personnel, if any**
Spouse of Mr. Rajesh C. Parikh, Chairman and Managing Director.

III. OTHER INFORMATION:

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

NA

ABSTRACTS OF THE TERMS OF MANAGERIAL REMUNERATION PAYABLE TO THE MANAGERIAL PERSONNEL IS GIVEN IN THE RESPECTIVE RESOLUTIONS.

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

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

IV. DISCLOSURE

As required by the Companies Act, 2013 the information is provided under Corporate Governance Report and Board's Report, forming part of this Annual Report.

The Board felt that the appointment as such shall be in the interest of the Company and hence, decided to recommend the same for approval of the shareholders.

Except Mrs Sejal R Parikh and her immediate relatives, none of the Directors and KMP may be considered to be concerned or interested in passing the Special Resolution at item No. 5 of the notice.

Item No. 6

The 2nd term of Independent Directors namely Mr. Ramkisan Devidayal and Mr. Atul Patel shall be completed in the year 2024 and hence, the Company would be required to appoint atleast one Independent Director on the Board of the Company in terms of the provisions of the Companies Act, 2013 as well as SEBI [Listing Obligations and disclosure Requirements] Regulations, 2015 including other applicable provisions, if any.

The Nomination & Remuneration Committee of Directors recommended in its Meeting held on 29th April, 2023 to the Board and the Board of Directors, in its Meeting held on 16th May, 2023 appointed subject to all necessary and required approvals, if any, including the Shareholders of the Company at the ensuing annual general meeting, Dr Sivaram Swaminathan as an Additional and Independent Director on the Board of the Company. Dr Sivaram Swaminathan is of above 75 years of age. Therefore, he shall be appointed subject to approval of the shareholders by passing special resolution.

He fulfils the requirement of Independent Director as laid down under Section 149 of the Companies Act, 2013 read with the Rules framed thereunder and is eligible for re-appointment as an Independent Director. The Company has received a notice in writing pursuant to Section 160 of the Act, from a Member signifying his intention to propose candidature of Dr Sivaram Swaminathan as an Independent Director, to be appointed under the provisions of Section 149(10) of the Act. The Company has received from him a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act, in connection with his appointment as an Independent Director.

In the opinion of the Board and based on the Board's evaluation, he fulfils the conditions specified in the SEBI Listing Regulations, the Act and the Rules framed thereunder for his appointment as an Independent Director from the Company and he is independent of the Management of the Company.

Considering his educational qualification, experience and expertise (brief profile as mentioned below) and taking into account the fact that his association with the Company will be of immense benefit to the Company and on the basis of recommendation by the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed his appointment as an Independent Director of the Company for a term of five years w.e.f. 16th May, 2023.

Further, as per the Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the approval of the shareholders is also required by way of special resolution for continuing the Directorship of any non-executive Director who have attained the age of 75 years.

Your Directors recommend the passing of the proposed Special Resolution. All the relevant documents, i.e. appointment letter, the terms and conditions of the appointment of Dr Sivaram Swaminathan as an Independent Director of the Company is available for inspection by the Members at the Registered Office of the Company between 10:00 am to 5:00 pm on all working days (Monday to Friday) except Saturdays, Sundays and holidays upto the date of 36th Annual General Meeting.

Brief profile Dr. Sivaram Swaminathan is as under;

Title: Honorary Professor Emeritus and INSA Emeritus Scientist, Indian Institute of Science Education and Research, Pune, India

Present Affiliation: Indian Institute of Science Education and Research (IISER)

Education: BSc, Chemistry, Madras Christian College, Chennai (1965)

MSc, Chemistry, Indian Institute of Technology, Kanpur (1967)

PhD, Purdue University, Lafayette, Indiana, USA (1971)

Research interests:

Polymer chemistry, high performance polymers; surface chemistry of polymers; porous polymers for renewable energy applications; biodegradable polymers, polymers from renewable resources, polymer nanocomposites and organic-inorganic hybrids; structure-property relationship in polymers.

Other Interests:

Sustainability issues; Green-energy technologies and policies; history of science; understanding the inter-play of science, technology and public policies.

The Board felt that the appointment as such shall be in the interest of the Company and hence, decided to recommend the same for approval of the shareholders.

Except Dr. Sivaram Swaminathan, none of the Directors may be considered to be concerned or interested in passing the Special Resolution at item No. 6 of the notice.

Item No. 7

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

In accordance with the provisions of Section 197 (1) (ii) (A) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, remuneration by way of commission upto 1% of the net profits may be paid to the Non-executive Directors, subject to the approval of shareholders. This remuneration will be distributed amongst all the non-executive Directors in the manner as may be decided by the Board of Directors and subject to any other applicable requirements under the Act.

Except Non-Executive Directors and their immediate relatives none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the special resolution at item 7 of the Notice.

Your Directors recommend the Resolution at item no. 7 to the notice, for your approval for the FY 22-23, 23-24 & 24-25.

8. To consider and approve Circular of Unsecured Fixed Deposits Accepted by the Company

The Company has availed necessary approval from shareholders in its meeting held on 22.05.2014, 23.09.2016 , 22.09.2017 & 22.07.2022 for approval of scheme of unsecured fixed deposit accepted from shareholders of the Company including change in interest rate complying with the provision of Section 73(2) of the Companies Act, 2013 and rules made there under.

In terms of the provisions of the Companies Act, 2013 and Companies [Acceptance of Deposits] Rules, 2014 and the relevant Notifications/Circulars/Rules etc. the Company is required to obtain approval of its Shareholders to the above proposal for any change in the unsecured fixed deposits being accepted by the Company and therefore, the Special Resolution at item No. 8 is recommended for your approval.

The draft of the Circular for inviting / accepting Deposits from the Members is given hereunder:

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 & Associates	1. 20 Microns Nano Minerals Ltd 2. 20 Microns FZE 3. 20 Microns SDN. BHD. 4. 20 Microns Vietnam Co. 5. 20 MCC Pvt. Ltd. 6. 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, Bhadralok Apartment, Near Tube Company, Old Padra Road, Vadodara - 390 015	Businessman	00041610
Mr. Atil 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, Bhadralok 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 Bunglows, 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, near ICICI Bank, Aundh, Pune - 411007	Professional	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

a. repayment of Deposits or interest thereon
b. payment of statutory dues
c. repayment of debentures of interest thereon
d. 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, 22.09.2017 & 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-

(₹ in Lakhs)

	Deposits held as on 31.03.2022	Deposits held as on 31.03.2023
From Shareholders	3,246.93	2,959.28
TOTAL	3,246.93	2,959.28

The amount which the company can raise under the Companies Act, 2013 and Companies (Acceptance of Deposit) Rules, 2014	From Shareholders ONLY – ₹85,84,68,402
Amount of Deposit repayable during FY 2023-24	₹1,747.57 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 Months	**Minimum Deposit ₹**	**ROI(P.A)%**	**Yield**	**ROI(P.A)% (SC)**	**Yield (SC)**
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 ₹5,000/-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 ₹1,000/- subject to minimum amount of ₹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 Principal 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**

12. 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 ₹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**

13. 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.
14. 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.
15. 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.
16. 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**

17. 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.
18. 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).
19. 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 :**

20. The shareholder whose deposit is getting matured and is equal to ₹1,00,000/- (Rupees One Lakh Only) will be repaid by the Company. Further the deposit over and above ₹1,00,000/- (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.

21. 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.

22. 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**

23. 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.

24. 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.

25. The company will not recognize any lien on or assignment of unsecured fixed Deposits and/or interest thereon.

26. 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.

27. 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.

28. 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.

29. 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 –

(₹ in Lakhs)

	As on	Number of Depositors	Deposit	Interest
From shareholders	31.03.2022	2280	3246.93	201.01
	31.03.2023	1988	2959.28	213.96
TOTAL				

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 (₹ in Lakhs)

	2022-23	2021-22	2020-2021
Total Income	60,441.75	52,295.03	43,795.07
Profit Before Tax	4,863.85	4,207.09	2,077.66
Profit After Tax	3,615.23	3,086.95	2,245.15
Fixed Assets (Net)	19,729.31	18,911.75	18,132.89
Shareholders' Fund	26,959.50	23,352.50	19,910.21

B. Dividend declared by the Company, in the last three Financial Year

(₹ In Lakhs)

Year	F & G Profit & Dividends			
	Profit Before Tax	Profit After Tax	Dividend On Equity Shares (Interim Dividend)	Interest Coverage Ratio
2022-2023	4,863.85	3,615.23	₹0.75 Per Share (Final Dividend proposed subject to approval by shareholders)	4.24
2021-2022	4,207.09	3,086.95	–	3.34
2020-2021	2,077.66	2,245.15	–	1.88

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

(₹ 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**
ASSESTS			
Fixed Assets (Net)	19,729.31	18,911.75	18,132.88
Non-Current Assets	4,907.50	5,190.90	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

(₹ in Lakhs)

	2022-23	2021-22	2020-2021
Profit/ (Loss) Before Tax	**4,863.85**	**4,207.09**	**2,077.66**
Operating profit before Working Capital Change	7,512.91	7,108.08	5,594.41
Cash flow due to change in Working Capital	(648.79)	1,708.61	630.37
Less : Direct Taxes Paid	1,282.26	952.09	(578.81)
[A] Cash Flow from operating Activities	5,581.85	4,447.38	5,645.97
[B] Cash Flow From Investing Activities	1,397.43	(3,240.11)	(946.57)
[C] Cash Flow From Financing Activities	3,909.22	(366.79)	(4,799.66)
Net Increase In Cash and Cash Equivalents	**275.21**	**840.47**	**(100.26)**
Cash and Cash Equivalents - Opening Balance	1,007.27	166.80	267.06
Cash and Cash Equivalents - Closing Balance	**1,282.48**	**1,007.27**	**166.80**

E. The Company has not changed its accounting policies during the last three years.

5. DECLARATIONS

The Directors hereby declare 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

For 20 Microns Limited

Sd/-

[Rajesh C. Parikh]

Chairman & Managing Director

DIN: 00041610

Place: Waghodia,Vadodara

Date: 16th May, 2023

Board's Report

Dear Members,

The Directors have pleasure to present their 36th Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended March 31, 2023.

Financial Results

The Company's standalone and consolidated financial performance for the year ended March 31, 2023 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Income	60441.74	52295.03	70462.10	61537.05
Profit before Depreciation, Interest and Tax (PBDITA)	**7526.77**	**7188.15**	**8866.99**	**8155.43**
Interest for the year	1499.73	1800.14	1776.32	2024.42
Depreciation for the year	1163.19	1180.92	1380.45	1367.19
Profit/(Loss) before tax and Exceptional items	**4863.85**	**4207.09**	**5710.22**	**4763.82**
Exceptional items	-	-	-	-
Profit/(Loss) for the year	**4863.85**	**4207.09**	**5710.22**	**4763.82**
Add: Share of Net Profit/(Loss) of equity accounted investee			**9.02**	**(1.33)**
Tax liability :				
Current Tax	1285.13	1041.65	1584.55	1227.03
Deferred Tax	(36.51)	78.49	(61.48)	62.64
Prior period Tax		-		-
Net Profit/(Loss) for the year	**3615.23**	**3086.95**	**4196.17**	**3472.82**

Dividend:

Your Directors have pleasure to recommend a dividend @ 15% i.e. ₹0.75/- on equity share of ₹5/- each for the financial year ended March 31, 2023. The dividend, if approved by the members in the ensuing 36th Annual General Meeting, would absorb ₹264.64 Lakhs out of the distributable profits available.

Dividend Distribution Policy of the Company as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is available at the following link: https://www.20microns.com/userfiles/corporate_governance_policies/1663139398.pdf

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 FY23 was ₹60441.74 Lakhs as against ₹52295.03 Lakhs in FY22. The revenues has shown stagnation. As the company was focusing on the organic growth, value added products & robust price-mix effect in business.
- For FY23 PBDITA was at ₹7526.77 Lakhs compared to ₹7188.15 Lakhs in FY22
- The PAT for FY23 stood at ₹3615.23 Lakhs compare to ₹3086.95 Lakhs in FY22.
- Company's debt-equity ratio came to 0.30 in FY 2023 from 0.45 in FY 2022.
- Net Worth of the Company is increased to ₹26959.50 Lakhs as on March 31, 2023 as compared to ₹23352.50 Lakhs as on March 31, 2022.

Investors Education and Protection Fund

During the year, Company was not liable to transfer any amount to the Investor Education and Protection Fund as required under Section 124 and 125 of the Companies Act, 2013. 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 31.03.2023 on the website of the Company, at web link - https://www.20microns.com/unpaid-dividend-deposit

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

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

Corporate Governance Report and Management Discussion & 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 Practicing Company Secretary Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

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

Fixed Deposits

The Company accepts deposits only from the shareholders of the Company pursuant to the provisions of Companies Act, 2013 and Rules made thereunder. The said Scheme was approved by you at your Extra-ordinary General Meeting held on 22nd May, 2014 and subsequently approved the amendment made in the scheme from time to time.

As on 31.03.2023, outstanding Unsecured Fixed Deposits from Shareholders was ₹2959.28 Lakhs. Deposits amounting to ₹1747.57 Lakhs are due for repayment on or before 31.03.2024.

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

Details	
Amount of deposits renewed during the year	₹1747.57 Lakhs
Remained unpaid / unclaimed as at the end of the year	₹13.55 Lakhs
Whether there is any default in repayment, if yes then provide details as below:	There is no default in repayment of deposits or interest due thereon during the year under review.

Particulars	Amount
At the beginning of the year	0.00
Maximum during the year	0.00
At the end of the year	0.00

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

Further, pursuant to the provisions of Section 136 of the Act, the Standalone financial statements of the Company, Consolidated financial statements of the Company and the relevant Consolidated financial statements and separate audited financial statements along with other relevant documents, in respect of Subsidiaries, are available on the website of the Company www.20microns.com with web link https://www.20microns.com/annual-reports-of-all-subsidiaries/. These documents will also be available for inspection through electronic mode.

Performance Highlights of Subsidiaries and Associates

As on 31.03.2023, the Company had 7 [Seven] Subsidiaries including one step down subsidiary and One Associate Company viz. 20 Microns Nano Minerals Limited [20 M NANO]; 20 Microns SDN. BHD [20MSB], 20 Microns FZE [20MFZE], 20 Microns Vietnam Company Ltd [20M Vietnam], 20 MCC Private Limited [20MCC], Silicate Minerals (I) Private Limited [SMIPL] and one Associates Company viz., Dorfner-20 Microns Private Limited [D20MPL].

During the year under review, 20M Nano reported consolidated revenue from operations of ₹8805.32 Lakhs and earned consolidated Net Profit of ₹511.22 Lakhs. 20MSB reported total Revenue of ₹563.12 Lakhs and Net Profit of ₹51.21 Lakhs while 20MFZE reported total Revenue of ₹380.02 Lakhs and the Net Profit of ₹38.49 Lakhs. 20M Vietnam reported the Gross Revenue of ₹1031.68 Lakhs and Net Profit of ₹237.99 Lakhs, 20MCC reported total Revenue of ₹437.03 Lakhs and Net Loss of ₹(47.11) Lakhs, SMIPL reported total revenue of ₹0.15 Lakhs and Net Loss of ₹(0.84) Lakhs and D20MPL reported total revenue of ₹200.30 Lakhs and reported Net Profit of ₹20.04 Lakhs.

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

During the FY 2022-23, 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.

After closure of year, National Company Law Tribunal (NCLT Ahmedabad) has approved merger of step down subsidiary namely Silicate Minerals (I) Private Limited with 20 Microns Nano Minerals Limited, however necessary order is awaited from Hon'ble NCLT.

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 from the Subsidiary company during FY 2022-23 are also given in Annexure B attached to this report. None of the employees listed in the said **Annexure B** are related to any Directors of the Company.

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

In terms of Section 136 of the Companies Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by members at the registered office of the Company during business hours on working days of the Company up-to the ensuing 36th Annual General Meeting.

Related Party Transactions

There were no material related party transactions made by the Company during the year that require shareholders' approval under Regulation 23(4) of the Listing Regulations or Section 188 of Section 188 of the Companies Act, 2013. 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/userfiles/corporate_governance_policies/1663139433.pdf

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

Annual Return

The Annual Return for the Financial Year 2022-23 in prescribed Form No. MGT-7, as required under Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is placed on the Company's Website at web link: https://www.20microns.com/userfiles/Annual/document/1684739864.pdf

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

Information as per the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in **Annexure - D** forming part of this report.

Corporate Social Responsibility

In compliance with Section 135 of the Companies Act, 2013, the Company had undertaken CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII to the Act.

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

During the year, we had 188 Juvenile patients registered with us. Compared to previous year, 25% patients (Total 48 including 20 girls) are increased. All of them are under the watch and availing facility given by us. They are taken to most reputed senior doctors (doing practice at Vadodara) for consultancy and now they are settled with comfortable life. To manage the work at Diabetes Center and to reduce the fear of the parents and patients, (having age group of more than 18 years) are called by us and allowing them to work for the center.

Every month, we are receiving new Juvenile patients from the Government and Private Hospitals located inside, outside & surrounding areas of Vadodara. We are providing them Insulin, Glucometer, Strips, and other stuffs related to Diabetes free of cost. We have arranged experienced doctors from Vadodara to visit our center and check the health of Type 1 patients. Doctors are giving education to parents and making them understood the fact of the diabetes.

- 21st April 2022, Diabetes Camp was organized at Vyara Village near Waghodia.
- 2nd May 2022, Diabetes Camp was organised at Kevdi Village near Chhotaudaipur.
- 8th May 2022, Diabetes Camp was organized at Village Salad Near Dabhoi.
- 4th June 2022, Diabetes Camp was organized at Chuli Village near Chhotaudaipur.
- 11th June 2022, an Educational camp was organized at Avichal Garden, Diwalipura, Vadodara.
- 26th June 2022, Diabetes Camp was organized at Jaspur Village near Padra.

- 11th September 2022, organized a camp for Juvenile patients Kidney function checkup by Dr. Shivangi Dhriya at Vadodara.
- On 15th October 2022, we have organized an Eye checkup camp for all Type 1 patients registered with us at no cost. Approximately more than 65 patients visited for check up with Dr. Sujit Desai, Shubhanpura, Vadodara.
- On 13th November 2022, on the day of WORLD DIABETES DAY, we have arranged awareness program at M.S.University Law Faculty Hall. More than 100 patients with their parents attended where expert Dr. Rupal Panchali given a speech to all in connection with the latest researches done by WORLD DIABETES ASSOCIATION, UK.
- 12th March 2023, organized a camp at Village PANDHRA near Bodeli, Chhotaudaipur. We have conducted checkup of 94 kids of the school (For Type 1 Diabetes) as well village people 257 (For Type 2 Diabetes + Blood Pressure). Out of total 94 kids, we have not found any kids having Type 1 diabetes. From 257 people, we have found 28 people with diabetes.
- On 26th March 2023 a Gujarat level meet was arranged by Dr. Mayur Patel Ahmedabad at AMA Hall, Atira, where in Juvenile patients came from Vadodara, Rajkot, Surat, Ahmedabad. 40 Juvenile patients at the above meet from 20 Microns Foundation, performed a Drama, Garba, Story-telling and Mono Acting related to Diabetes.

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 the 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 the businesses enabling identification of areas where risk managements processes may need to be improved. The Board reviews internal audit findings and provides strategic guidance on internal control, monitors internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented. The combination of policies and procedures adequately addresses the various risks associated with your company's businesses.

Internal Finance Control System Adequacy

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

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

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

Vigil Mechanism / Whistle Blower Policy

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

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

The policy of vigil mechanism may be accessed on the Company's web link - https://www.20microns.com/userfiles/corporate_governance_policies/1663139242.pdf

Prevention of Sexual Harassment at Workplace

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

A Complaint Committee has also been set up to redress complaints received on sexual harassment including such unwelcome sexually determined behavior, whether directly or by implication, such as physical contact and advances, a demand or request for sexual favours, sexually colored remarks, showing pornography, and any other unwelcome physical, verbal or non-verbal conduct of sexual nature.

During the financial year under review, the Company has not received any complaint 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/userfiles/corporate_governance_policies/1663139470.pdf

Industrial Relations

Industrial relations, during the year, remained co-ordial, healthy and harmonious at all the locations of the Company across the country.

General Shareholders Information

General Shareholders 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 all Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Particulars of Loans, Guarantees and Investments

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

Selection and Procedure for Nomination and Appointment of Directors

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

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

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

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

- **Qualifications** - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate higher standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Companies Act, 2013, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 or any other provisions applicable as the case may be.

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 Companies Act, 2013 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 were evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

Remuneration Policy

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

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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/userfiles/corporate_governance_policies/1663139152.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 (including 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 Companies Act, 2013, 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.

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

Board of Directors and meetings

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

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other regular Board businesses. Intimation of Board Meeting date usually be given in advance to help them plan their schedule and ensure meaningful participation in the meetings. 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, by complying with the applicable law.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meeting(s). 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 5 (Five) meetings during FY 2022-23. 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 Companies Act, 2013 and the Listing Regulations, 2015.

Directors and Key Managerial Personnel

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

The Board of Directors at its meeting held on 16th May, 2023, upon recommendation of Nomination and Remuneration Committee, has appointed Dr. Sivaram Swaminathan (DIN: 00009900) as an Independent Director for the term of 5 years from 16th May, 2023 subject to approval of shareholders at the ensuing 36th Annual General Meeting.

Also, Mrs. Sejal Parikh has been appointed as Whole time Director of the Company for the term of 3 years from 16th May, 2023 by the Board of Directors as recommended by Nomination and Remuneration Committee subject to approval of shareholders at the ensuing 36th Annual General Meeting..

Necessary resolutions have been put in the notice of AGM for approval of shareholders for appointment of Directors as mentioned above. The Board recommends passing these resolutions.

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

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

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

Independent Directors' Declaration

The definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of the Listing Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and rules framed thereunder. The Independent Directors have also submitted a declaration that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent judgment and without any external influence, pursuant to Regulation 25 of the Listing Regulations, 2015.

Based on the confirmation/disclosures received from the Directors, the following Non-Executive Directors are Independent as on March 31, 2023:

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 4 (four) Committees of Directors as on March 31, 2023:

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 Companies Act, 2013, SEBI Regulations and other relevant regulations. By way of an induction Programme in the Company, presentations are also being made to the newly appointed Independent Director on relevant information like overview of the Company's businesses, market and business environment, growth and performance, organizational set up of the Company, governance and internal control processes.

Ongoing familiarisation Programme 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 Programme for the Independent Directors is available on the website of the Company. As required under Regulation 46(2)(i) of the Listing Regulations, 2015 and the same can be accessed at the link: https://www.20microns.com/userfiles/corporate_governance_policies/1662094458.pdf

Significant and material orders passed by the Regulators or Courts

There were no significant and material orders passed by the Regulators or Courts or Tribunal including any quasi-judicial authorities impacting the going concern status and Company's operations in future.

Auditors

A. Statutory Auditors

M/s. Manubhai & Shah LLP, Chartered Accountants (Firm Registration No. 106041W/W100136) were appointed as statutory auditors of the company, at the conclusion of 35th AGM of the Company. In terms of their appointment made at the 35th AGM held on 22.07.2022, they are holding office of the auditors as such up to the conclusion of the 40th AGM and hence, would retire at the conclusion of the forthcoming 40th AGM.

The Statutory Auditors' Report received from M/s. Manubhai & Shah LLP, Chartered Accountants for FY 2022-23 on the financial statement of the Company forms part of this Annual Report.

The Statutory Auditors' report on the financial statements for FY 2022-23 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 Companies Act, 2013.

B. Internal Auditors

The Company has re-appointed M/s. Lalit R. Mehta & Associates, Chartered Accountants, Vadodara as the Internal Auditors of the Company for the F.Y. 2023-24.

C. Cost Auditors

Your Board has re-appointed M/s. Y. S. Thaker & Co, Cost Accountants in Practice as Cost Auditors of the Company for conducting cost audit for the FY 2023-24. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2023-24 is provided in the Notice to the ensuing 36th Annual General Meeting.

Cost Records

The Cost accounts and records as required to be maintained under Section 148 (1) of the Companies Act, 2013 are duly made and maintained by the Company.

Cost Report

That cost audit report for FY 2021-22 have been filed with in prescribed limit and cost audit report for FY 2022-23 will be filed on or before prescribed time i.e 30-09-2023

D. Secretarial Auditors

The Secretarial Audit Report for the financial year 2022-23 issued by M/s. Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad is annexed to this Report. There are no qualifications, observations or adverse remark or disclaimer in the said report.

For the FY 2023-24 Company has reappointed M/s. Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad as the Secretarial Auditor of the Company to conduct secretarial audit and to ensure compliance by the Company with various Acts applicable to the Company.

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 2022-23.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, hereby confirm that:

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

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

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

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

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

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

Disclosure about the Application as made or any proceeding is pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the year along with their Status as at the end of the Financial Year.

During the year under review no application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code (IBC), 2016.

Disclosure about the difference between the amounts of Valuation executed at the time of one time Settlement and the Valuation done while taking loan from the Banks or Financial Instituion along with the reason thereof.

During the year under review no valuation has been executed with Bank for one time settlement.

Acknowledgement

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

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

For and on behalf of the Board of Directors

Rajesh C. Parikh
Chairman & Managing Director
DIN: 00041610

Place: Waghodia, Vadodara
Date: 16th May, 2023

Annexure A

FORM AOC - 1

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

Part A: Subsidiaries & Associate

(₹ In Lakhs)

Sr. No	Particulars	20 Microns Nano Minerals Limited (Consolidated)	20 Microns FZE	20 Microns SDN BHD	20 Microns Vietnam Company Ltd	20 MCC Private Ltd.	Dorfner-20 Microns Private Limited
1	The date since when subsidiary was acquired	03.02.2010	07.02.2011	25.02.2008	04.07.2017	21.08.2018	08.10.2021
2	Share Capital	897.00	33.54	93.57	153.08	725.05	50.00
3	Reserve and surplus	3207.39	223.94	242.86	256.78	(414.47)	17.11
4	Total Assets	8101.60	273.50	358.21	548.18	422.54	196.18
5	Total Liabilities	-	16.02	21.78	131.10	111.96	129.07
6	Details of Investment (Except in case of investment in Subsidiaries)	0	0	0	0	0	0
7	Turnover	8805.32	380.02	563.12	1031.68	437.03	200.03
8	Profit/(Loss) before taxation	683.68	38.49	60.25	297.99	(59.78)	26.87
9	Provision for taxation	172.46	0	9.04	60.00	(12.68)	6.81
10	Profit/(Loss) after taxation	511.22	38.49	51.21	237.99	(47.11)	20.05
11	Proposed dividend	--	--	--	--	--	-

1. Name of the Subsidiary which is yet to commence operations –Nil
2. Name of the subsidiaries which have been liquidated or sold during the year: Nil

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

SR. No	Name of the Associate	Dorfner-20 Microns Private Limited
1	Latest audited Balance Sheet Date	31.03.2023
2	Shares of Associates held by the company on the year end:	
	No. of shares	225000 Equity shares
	Amount of Investment in Associate (₹)	22,50,000
	Extend of Holding %	45%
3	Description of how there is significant influence	Joint Venture
4	Reason why the associate is not Consolidated	NA
5	(i) Net worth attributable to Shareholding as per latest audited Balance Sheet as on 31/03/2023 (in ₹)	67.11
	(ii) Net worth attributable to Shareholding as per unaudited Balance sheet as on 31/03/2023 (in ₹)	67.11
	Audited Profit / (Loss) for the FY 2022-23 (₹)	20.05
	Considered in Consolidation (₹)	Yes
	Not Considered in Consolidation (₹)	NA

1. Name of the Associates which is yet to commence operations: Nil
2. Name of the Associates which have been liquidated or sold during the year: Nil

The Company is having One Associate Company /Joint Venture Company as on 31st March, 2023.

For and on behalf of the Board

Place: Waghodia, Vadodara
Date: 16th May, 2023

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

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

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 2022-23

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 2022-23 (₹ in Lakh)	% increase in Remuneration for the Financial Year 2023-24	Ratio of Remuneration of each Director/KMP to the Median Remuneration of Employees
1	Mr. Rajesh C. Parikh - Chairman & Managing Director	189.79	20.00	2.5
2	Mr. Atil C. Parikh - CEO & Managing Director	155.18	20.00	3.06
3	Mrs. Sejal R. Parikh - Non-Executive Director	-	-	-
4	Mr. Ramkisan A. Devidayal - Non-Executive Independent Director	-	-	-
5	Mr. Atul H. Patel - Non-Executive Independent Director	-	-	-
6	Dr. Ajay I. Ranka - Non-Executive Independent Director	-	-	-
7	Mr. Jaideep B. Verma - Non-Executive Independent Director	-	-	-
8	Mr. Narendrakumar R. Patel - Chief Financial Officer	35.85	-	13.23
9	Mrs. Komal Pandey - Company Secretary	7.96	-	59.57

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

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

Remuneration for the purpose of the computation above, in the case of Chairman & Managing Director and CEO & Managing Director, is considered as the income earned during the financial year 2022-23 excluding contribution to provident fund.

The Median Remuneration of Employee (MRE) including Whole Time Directors (WTDs) was ₹4.74 Lakhs in fiscal 2022. There was increase in MRE (including WTDs) in fiscal 2023, as compared to fiscal 2022 is 14.59%

During the year 8% Average percentile increase in salaries of Employees other than managerial personnel.

Comparison between average percentile increase in salaries of Employees other than managerial personnel in the last financial year and percentile increase in the Managerial Remuneration and Justification if there are any exceptional circumstances for increase in Managerial Remuneration:

The number of permanent employees on the rolls of the Company as of March 31, 2023 and March 31, 2022 was 346 and 320 respectively. The rise in remuneration is made as per Remuneration Policy of the Company. During the fiscal 2022-23, no employee received remuneration in excess of the highest-paid director.

Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as no employee is in receipt of the remuneration exceeding the limits specified in Rule 5(2).

During the FY 2022-23, the Non-Executive Independent Directors has been paid the Commission, within the limit as specified in the provisions of Companies Act, 2013.

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

(₹ In Lakhs)

Sr. No.	Name of KMP	Name of Subsidiary Company	Position	Remuneration received during FY 2022-23
1	Mr. Rajesh C. Parikh	20 MCC Pvt. Ltd.	CEO & MD	Nil
2	Mr. Atil C. Parikh	20 Microns Nano Minerals Ltd.	MD	13.77
3	Mr. N.R. Patel	20 Microns Nano Minerals Ltd.	CFO	NIL
4	Mr. Aditya M. Tillu (w.e.f. 11.11.2022)	20 Microns Nano Minerals Ltd.	Company Secretary	1.97

For and on behalf of the Board

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

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

Place: Waghodia, Vadodara
Date: 16th May, 2023

Annexure C

Particulars of Transactions entered 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]

Form 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, 2023, 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, 2023 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 limited	Subsidiary Company	Sale of Material	Not Applicable	Not Applicable	257.87
		Purchase of material	Not Applicable	Not Applicable	294.34
		Royalty Received	Not Applicable	Not Applicable	251.48
		Manpower Services Received	Not Applicable	Not Applicable	-
		Job work Charges Received	Not Applicable	Not Applicable	-
		Job work Charges Paid	Not Applicable	Not Applicable	0.34
		Reimbursement of Expenses Paid (Net)	Not Applicable	Not Applicable	-
		Reimbursement of Expenses received (Net)	Not Applicable	Not Applicable	0.64
		Rent Received	Not Applicable	Not Applicable	43.93
		Manpower Services Payable	Not Applicable	Not Applicable	-
		Rent Paid	Not Applicable	Not Applicable	9.15
		Sale of Fixed Asset	Not Applicable	Not Applicable	-
		Purchase of Fixed Asset	Not Applicable	Not Applicable	695.43
Silicate Minerals (I) Pvt. Ltd.	Stepdown Subsidiary Company	Sale of Material	Not Applicable	Not Applicable	-
		Purchase of material	Not Applicable	Not Applicable	-
		Rent Received	Not Applicable	Not Applicable	7.62
Eriez Industries Private Limited	Entity over which significant influence exists	Rent Received	Not Applicable	Not Applicable	0.42
20 MCC Pvt .Ltd.	Subsidiary	Sale of Material	Not Applicable	Not Applicable	1.88
		Sale of Fixed Asset	Not Applicable	Not Applicable	-
		Reimbursement of Expenses received (Net)	Not Applicable	Not Applicable	-
		Job Work Charges Received	Not Applicable	Not Applicable	-
		Purchase of material	Not Applicable	Not Applicable	0.72
		Rent Received	Not Applicable	Not Applicable	7.06
Dorfner-20Microns Private Limited	Associate company	Royalty Received	Not Applicable	Not Applicable	6.01
Mr. Rajesh C. Parikh	Chairman & Managing Director	Remuneration Paid	Not Applicable	Not Applicable	209.34
Mr. Atil C. Parikh	CEO & Managing Director	Remuneration Paid	Not Applicable	Not Applicable	170.88
		Interest on Deposit Paid	Not Applicable	Not Applicable	0.50
		Deposits received/renewed	Not Applicable	Not Applicable	-
		Deposits Paid	Not Applicable	Not Applicable	-
		Deposit Outstanding	Not Applicable	Not Applicable	5.00

Name of Related Party	Nature of relationship	Type of Transaction	Duration of Contract	Salient Terms	Amount (₹ In Lakhs)
Mrs. Ilaben C. Parikh	Relative of Key Management Personnel	Deposits received/renewed	Not Applicable	Not Applicable	-
		Interest on Deposit Paid	Not Applicable	Not Applicable	9.47
		Deposit Outstanding	Not Applicable	Not Applicable	95.50
Mrs. Sejal R Parikh	Director, Relative of a Key Management personnel	Guest House Rent Paid	Not Applicable	Not Applicable	11.87
		Deposit Received/Renewed	Not Applicable	Not Applicable	-
		Interest on Deposit paid	Not Applicable	Not Applicable	0.09
		Other Benefit	Not Applicable	Not Applicable	2.20
		Director Sitting Fees	Not Applicable	Not Applicable	1.15
		Deposit Outstanding	Not Applicable	Not Applicable	1.00
Mrs. Purvi A. Parikh	Relative of Key Management Personnel	Interest on Deposit paid	Not Applicable	Not Applicable	0.45
		Deposit Outstanding	Not Applicable	Not Applicable	5.00
Mr. N. R. Patel	CFO,Key Management Personnel	Remuneration Paid	Not Applicable	Not Applicable	46.04
Mrs. Komal Pandey	CS, Key Management Personnel	Remuneration Paid	Not Applicable	Not Applicable	9.10
		Deposit Received/Renewed	Not Applicable	Not Applicable	-
		Interest on Deposit paid	Not Applicable	Not Applicable	-
Ms. Vedika R. Parikh	Relative of Key Management Personnel	Interest on Deposit paid	Not Applicable	Not Applicable	0.86
		Deposit Received/Renewed	Not Applicable	Not Applicable	3.00
		Deposit Paid	Not Applicable	Not Applicable	3.00
		Deposit Outstanding	Not Applicable	Not Applicable	10.00
20 Microns Foundation	Entity over which significant influence exists	Contribution towards CSR	Not Applicable	Not Applicable	62.50
Mr. Ramkisan A. Devidayal	Independent Director	Other Benefit	Not Applicable	Not Applicable	6.00
		Director Sitting Fees	Not Applicable	Not Applicable	2.85
Mr. Atul H. Patel	Independent Director	Other Benefit	Not Applicable	Not Applicable	3.00
		Director Sitting Fees	Not Applicable	Not Applicable	1.95
Dr. Ajay I. Ranka	Independent Director	Other Benefit	Not Applicable	Not Applicable	3.00
		Director Sitting Fees	Not Applicable	Not Applicable	1.95
Mr. Jaideep B. Verma	Independent Director	Other Benefit	Not Applicable	Not Applicable	2.20
		Director Sitting Fees	Not Applicable	Not Applicable	1.30

a. From 01.04.2022 to 31.03.2023 every transactions were reviewed and approved by Audit committee and Board on Quarterly/Yearly basis.

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

For and on behalf of the Board

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

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

Place: Waghodia, Vadodara
Date: 16th May, 2023

Annexure D

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

Particulars pursuant to the Companies (Accounts) Rules, 2014

(A) Conservation of Energy-

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

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

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

(B) Technology absorption-

(i) the efforts made towards technology absorption - NIL

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

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) NOT APPLICABLE

- (a) the details of technology imported – NA
- (b) the year of import - NA
- (c) whether the technology been fully absorbed - NA
- (d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof - NIL

Expenditure incurred on research and development is ₹0.05 crores.

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: ₹8176.35 Lakhs

ii. Foreign Exchange Used: ₹7735.24 Lakhs

For and on behalf of the Board

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

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

Place: Waghodia, Vadodara
Date: 16th May, 2023

Annexure E:

Annual Report on Corporate Social Responsibility (CSR) Activities during the year 2022-23

1. Brief outline on CSR Policy of the Company:

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Committee Member	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajesh C Parikh	Chairman & Managing Director-Chairman of the Committee	1	1
2	Mrs. Sejal R Parikh	Non-Executive Director-Member of the committee	1	1
3	Mr. Ramkisan A. Devidayal	Independent Director-Member of the Committee	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.20microns.com/userfiles/corporate_governance_policies/1662094415.pdf

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if an:

   a. FY 2020-2021 Company was required to spend ₹65.32 Lakhs but company has spent ₹79.42 Lakhs, excess amount of ₹14.10 Lakhs spent during 2020-21.

      The Board of Directors at its meeting held on 28.06.2021 has authorised carrying forward excess payment of ₹14.10 Lakhs of FY: 2020-21 till next 3 Financial years.

   b. In FY 2022-23 Company was required to spend ₹69.40 Lakhs. Against which the Company has spent ₹97.25 Lakhs only.

      As in the FY 2022-2023 Company was required to spend ₹69.40 Lakhs but company has spent ₹97.25 Lakhs. Further, excess amount of ₹27.85 Lakhs spent during FY: 2022-23, could be carried forward upto next 3 [three] financial years i.e. till FY 2025-26 for set off.

      The Board of Directors at its meeting held on 16.05.2023 has authorised carrying forward excess payment of ₹27.85 Lakhs of FY: 2022-23 till next 3 Financial years.

   c. Further there was excess amount of ₹14.10 Lakhs of FY 2020-21 which was required to be set off till the FY 23-24. Out of which ₹6.12 Lakhs has been set off in the FY 2021-22 and remaining ₹7.98 Lakhs can be carried forward in the FY 23-24 and if the same amount is not utilized in the FY 23-24 then the same will not be available for set- off.

6. Average net profit of the company as per section 135(5) (calculated for 3 preceding financial years i.e. FY 2020-21, FY 2021-22 & FY 2022-23: **₹3,193.06 Lakhs**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹69.40 Lakhs**

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

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

(d) Total CSR obligation for the financial year (7a+7b- 7c).: ₹69.40 Lakhs

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

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

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No).	Location of the project.		Amount spent for the project (in ₹).	Mode of Implementation- Direct (Yes /No).	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Community Healthcare	Promoting health care including preventive health care	Yes	Gujarat	Vadodara	62.50 Lakhs	No	20 Microns Foundation	CSR00002755
2.	Helping blind and handicapped people	health care including preventive health care	No	Maharashtra	Mumbai	25.00 Lakhs	Yes	Omkar Andh-Apang Samajik Sanstha	CSR00003196
3	Community Healthcare	Promoting rural development	No	Gujarat	Kutch	7.75 Lakhs	Yes	Mamuara Gram Panchayat	NA
4	Community Healthcare	Promoting rural development	No	Gujarat	Kheda	2.00 Lakhs	Yes	Matar Kelavani Mandal	NA

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹97.25 Lakhs

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

S. No	Particulars	Amount (₹ in Lakhs)
i	Two percent of average net profit of the company as per section 135(5)	69.40
ii	Total amount spent for the Financial Year	97.25
iii	Excess amount spent for the financial year [(ii)-(i)]	27.85
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	27.85

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

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

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

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

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

(asset-wise details):Not Applicable

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

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

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

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

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

For and on behalf of the Board

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

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

(Narendra R. Patel)
Chief Financial Officer

Place: Waghodia, Vadodara
Date: 16th May, 2023

Management Discussion and Analysis

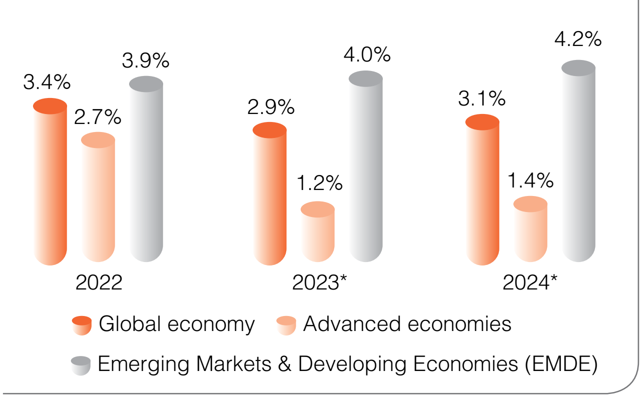
Global economic growth

The global economy walked on a tightrope in the last couple of years as the impacts of the COVID-19 pandemic continue to reverberate worldwide, the war in Ukraine unleashed a new crisis, disrupting food and energy markets and exacerbating food insecurity and malnutrition in many developing countries.

Further, high inflation continued to erode real incomes, triggering a global cost-of-living crisis that has pushed millions into poverty and economic hardship. At the same time, the climate crisis continued to take a heavy toll on many countries, with heat waves, wildfires, floods, and hurricanes inflicting massive humanitarian and economic damage.

These shocks continue to weigh heavy on the global economy in 2023. According to the International Monetary Fund (IMF), the global economy is expected to grow at 2.9% in 2023 – up from the previous forecast of 2.7%, compared to 3.4% growth achieved in 2022. This growth is expected to be driven by the "surprisingly resilient" demand in the United States and Europe in the last quarter of 2022, easing energy costs and the reopening of China's economy after Beijing abandoned its strict COVID-19 restrictions. According to IMF, Global inflation is expected to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, still above pre-pandemic (2017–19) levels of about 3.5%.

Global economic growth



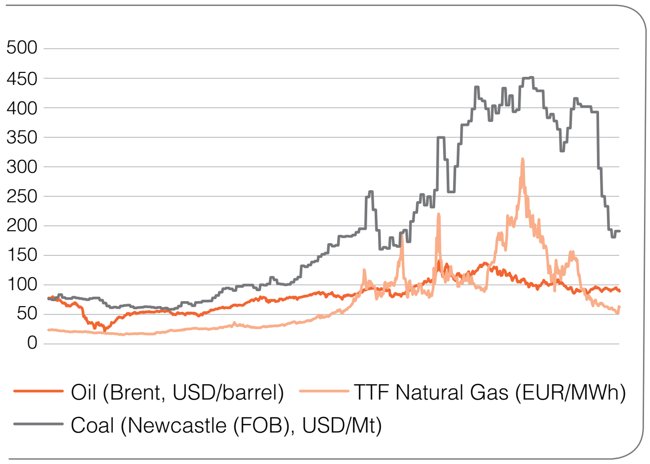
(Source: https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023) [*Projected]

According to IMF, US GDP is expected to grow by 1.4% in 2023 compared to 2.0% in 2022. Stronger-than-expected consumption and investment in the third quarter of 2022, a robust labour market and strong consumer balance sheets is expected to drive growth in the US markets. The Eurozone is expected to grow at 0.7% compared to 3.5% in 2022, largely owing to the higher energy cost and lower investment sentiment. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. As a result, IMF revised China's growth outlook sharply higher, to 5.2% in 2023 compared to the previous estimate of 4.4%. The earlier-than-expected re-opening in China has resulted in a positive impact on global activity, reducing supply chain pressures and giving a boost to international tourism. India's outlook remains robust, with unchanged forecasts for a dip in 2023 growth to 6.1% but a rebound to 6.8% in 2024, matching its 2022 performance. Amongst the developing nations and major economies, IMF expects Britain's economy to shrink in 2023 and forecasts a 0.6% fall in GDP as households struggle with rising living costs, including for energy and mortgages.

Key trends to guide the global economy in 2023 and beyond

Declining energy prices may help in the global recovery

A key factor in the improvement in activity and sentiment in early 2023 was the recent decline in energy and food prices witnessed across economies. Brent oil prices reduced from $130 in June 2022 to $80 in March 2023.



(Source: https://www.oecd.org/economic-outlook/march-2023/)

Although the current price levels are still relatively high compared to pre-war levels, but the drop in price of nearly $50 has helped boost the purchasing power for most firms and households and is helping to lower headline inflation.

According to IMF, US GDP is expected to grow by 1.4% in 2023 compared to 2.0% in 2022. Stronger-than-expected consumption and investment in the third quarter of 2022, a robust labour market and strong consumer balance sheets is expected to drive growth in the US markets. The Eurozone is expected to grow at 0.7% compared to 3.5% in 2022, largely owing to the higher energy cost and lower investment sentiment. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. As a result, IMF revised China's growth outlook sharply higher, to 5.2% in 2023 compared to the previous estimate of 4.4%. The earlier-than-expected re-opening in China has resulted in a positive impact on global activity, reducing supply chain pressures and giving a boost to international tourism. India's outlook remains robust, with unchanged forecasts for a dip in 2023 growth to 6.1% but a rebound to 6.8% in 2024, matching its 2022 performance. Amongst the developing nations and major economies, IMF expects Britain's economy to shrink in 2023 and forecasts a 0.6% fall in GDP as households struggle with rising living costs, including for energy and mortgages.

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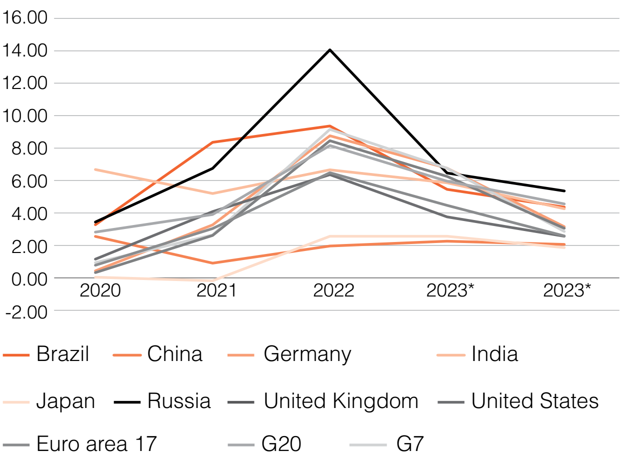
Easing of headline inflation



(Source: https://www.oecd.org/economic-outlook/march-2023/)
[*Projected]

Global monetary policy tightening and balanced macroeconomic policies would continue to support growth

According to World Bank, 2023 is expected to be a tough year for the central banks and policy makers as monetary policies are expected to play a key role in steering the economies through the current crises and supporting an inclusive and sustainable recovery. Many developed country central banks, including the Federal Reserve and the European Central Bank, were initially reluctant to raise policy rates, perceiving the rising inflation as transitory. But, as inflationary pressures were more persistent and risked de-anchoring inflation expectations, the central banks embarked on an aggressive monetary tightening path in 2022 and 2023, raising rates at a very fast clip.

In 2023, the central banks find themselves at a critical juncture as economic prospects have weakened, while inflation is not yet fully under control and fiscal challenges remain. Rapid and synchronized monetary tightening by the world's major central banks has pulled out substantial liquidity out of markets too quickly.

However, over-tightening of monetary policy would drive the world economy into an unnecessarily harsh slowdown – an outcome that could be avoided if rate increases by individual central banks accurately considered the reciprocal impacts of similar rate hikes by others. This will require more effective coordination among major central banks, supported with clear policy messages to manage and moderate inflationary expectations.

EMDEs will remain resilient during 2023

Higher interest rates in advanced economies, in combination with the expiration of most COVID-19 support measures in 2022, is expected to have spillover effects for Emerging and developing economies (EMDEs).

The risks of higher default rates among domestic borrowers and sovereign debt restructuring have increased, but a wave of crises remains unlikely. Real GDP growth will be more vulnerable in EMDEs with slow policy responses, higher debt loads, and smaller external buffers.

The possibility of debt restructuring under the G-20 common framework, instead of disorderly defaults, is more likely for low-income, debt-distressed countries, especially in sub-Saharan Africa.

As a region, Asia Pacific has adopted more prudent policies in the post covid era and has more manageable debt levels and healthier external buffers. Some of the key Asia Pacific economies will also benefit from lingering pent-up demand with the withdrawal of COVID-19 lockdown measures, the resumption of pandemic-delayed infrastructure programs, relatively low inflation, and the modest recovery in mainland China's growth.

In contrast, emerging Europe will be severely affected by the slowdown in the Eurozone and the continued impact of Russia's war in Ukraine.

Outlook

Still recovering from the unprecedented upheavals thrown by the global pandemic over the last three years, the global economy expects rocky recovery over the next couple of years as events, such as the recent banking turmoil, have increased uncertainties. According to IMF, the global output growth is expected to fall from 3.4% in 2022 to 2.8% in 2023, before rising to 3% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown from 2.7% in 2022 to 1.3% in 2023. However, the global headline inflation is set to fall from 8.7% in 2022 to 7% in 2023 on the back of lower commodity prices but underlying core inflation is proving to be stickier.

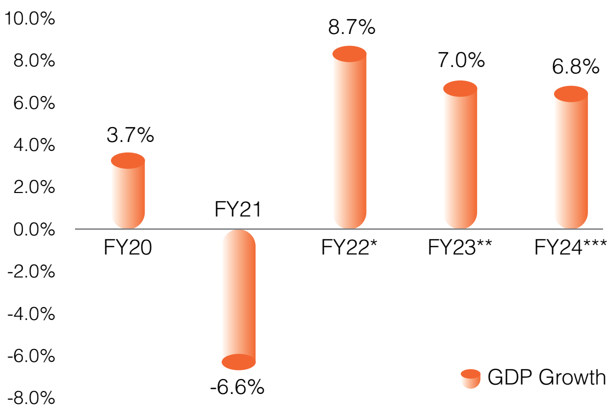
Indian economy overview

Over the course of the last two years, up to FY23, the Indian economy has shown impressive fortitude in the face of a worsening external economic situation, growing at a rate that outstrips all the other emerging economies.

According to the second advance estimates released by the Ministry of Statistics and Programme Implementation, the Indian GDP is expected to have grown by 7% in FY23, supported by increased public investment in infrastructure and a pickup in private investment. Economic activity in India strengthened in the first half of FY23 despite challenging global growth conditions caused by slowing growth in major trade partners (such as the US, UK and China), the Russia-Ukraine war and persistent global supply disruptions (caused by the global shortage of shipping containers and supply bottlenecks). This resilience can be attributed to large domestic markets, coupled with consistent efforts on the part of the Government to strengthen the supply side through reforms like PLI schemes, national logistic reforms, and fostering ease of doing business through digitization, among others.

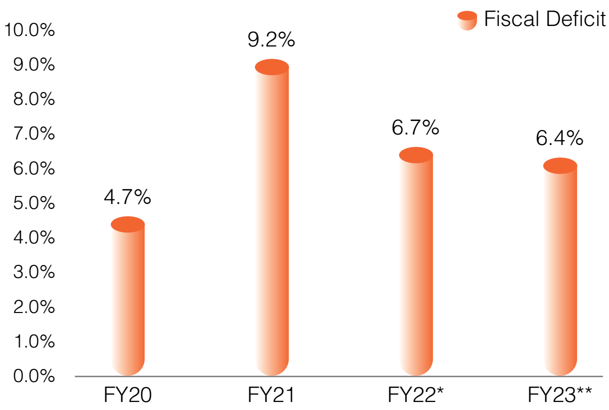
Snapshot of the Indian economy

GDP growth at constant prices (in percentage)



(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=1894932) [*Provisional Estimates | **1st Advanced Estimates | ***Projected]

Fiscal deficit as a percentage of GDP



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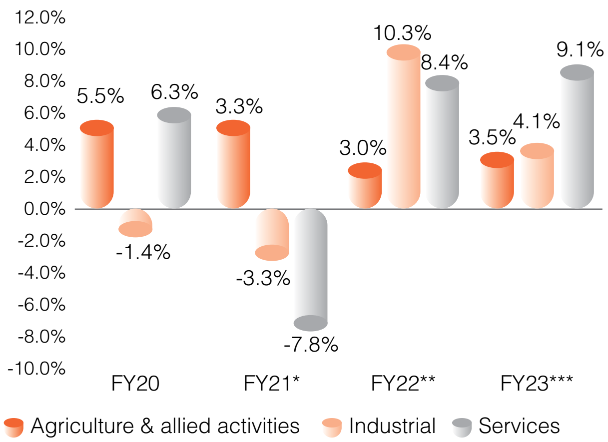
Sector-wise growth



(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=1894932) [* 1st Revised Estimates | ** Provisional Estimates | *** 1st Advanced Estimates]

Strong economic growth in the first half of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector emerged as one of the key drivers of growth in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

In FY23, the Indian Government has introduced several measures to support economic growth, including increased spending on infrastructure, tax incentives for businesses, and reforms to attract foreign investment. These initiatives may contribute to boosting economic growth in the years ahead. However, structural issues such as high levels of non-performing loans in the banking sector, a complex tax system, and limited access to credit for small and medium-sized enterprises have emerged as the new set of challenges to sustained economic growth in India.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

In the first nine months of FY23, the FDI inflow, which includes equity inflows, re-invested earnings and other capital, declined to USD 55.27 billion during this period as against USD 60.4 billion in the year-ago period. As per the data published by GOI, the total Foreign direct investment (FDI) into India declined by 15% to USD 36.75 billion for the first nine months of FY23. The FDI inflows stood at USD 43.17 billion during the corresponding period of the previous year.

Indian MSME sector

Today, the Indian MSME sector contributes ~33% to the Indian GDP and accounts for around 120 million jobs across industries and regions. The MSMEs sector is a major contributor to the socio-economic development of the country and has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. In India, the sector has gained significant importance because of its contribution to the Gross Domestic Product (GDP) of the country and exports. The sector has also contributed immensely regarding entrepreneurship development, especially in semi-urban and rural areas of India.

The introduction of micro, small, and medium enterprise (MSME) financing in India has recently been a catalyst for the expansion of the MSME sector, supported by the growth of neobanks and digital payment channels. MSMEs have benefited greatly from digitalization, including a larger client base, less need for staff, production efficiency during an economic downturn, ease of facilitating transactions between buyers and sellers, and many other things since the Government has been consciously advancing initiatives to support the growth of MSMEs in India. India's MSMEs sector is rapidly moving from offline mode to online as far as conducting business is concerned. They are adopting technology to improve their operations and increase efficiency while providing timely services to their customers and clients.

Stating that the MSME sector is a "growth engine", and amongst the biggest employers in India, the Government in its recently concluded budget has announced to allocate a record ₹22,138 crore on the MSME sector.

Here are a few key budget allocations:

i) The Government plans to infuse ₹9,000 crore into the Credit Guarantee Fund Trust for Micro and Small Enterprises Credit Guarantee Scheme. Further, the Government is expected to provide additional collateral-free credit of ₹2 lakh crore to MSMEs, while reducing the credit cost by 1%.

ii) The Government has also announced the expansion of the turnover limit for micro units for presumptive taxation from ₹2 crores in the last fiscal year to ₹3 crore. Additionally, the Government stated that under presumptive taxation, individuals and businesses are no longer required to maintain account books or get their account audited.

iii) To help the micro, small and medium enterprises (MSME) sector become more resilient, competitive, and efficient, the Government announced the Raising and Accelerating MSME Performance (RAMP) program will be rolled out with an initial outlay of ₹6,000 crores spread over five years.

iv) The Government has earmarked ₹10,000 crore for the creation of the Urban Infrastructure Development Fund (UIDF), which is expected to empower small cities to set up the infrastructure necessary for maintaining adequate sanitation and hygiene. The Government aims to make these cities more sustainable and cleaner through this move.

v) To enable traditional artisans to improve the scale, quality and reach of products and integrate them with the value chain of MSME, the Government has announced an assistance packaged named 'PM Vishwakarma Kaushal Samman'. Stating that the products created by the art and handicraft industry represents the "true spirit of Atmanirbhar Bharat", the Government, through this scheme is expected to provide financial support along with advanced skill training, efficient green technologies, and knowledge of modern digital techniques designed to benefit artisans from economically weaker sections.

vi) MSMEs are often burdened with compliance regulations that are too complicated relative to their scale. The Government plans to simplify these regulations and make it easier and cost-efficient for MSMEs to comply. As part of this change, the Government in the recent budget introduced one specific recommendation wherein a single registration process for MSMEs across the country, which can be done online, similar to the Udyam Registration launched by the Government of India in 2020.

vii) With an aim to have last mile connectivity, the Government, in its recently concluded budget announced the initiation of about 100 transport infrastructure projects to boost India's MSME sector.

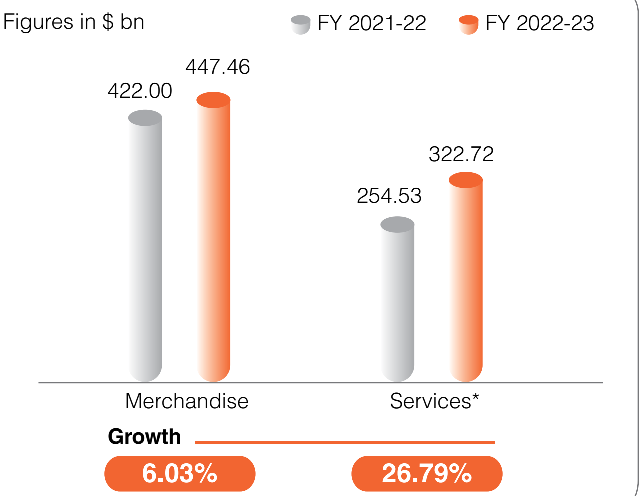
viii) The Budget 2023 provided relief to startups by giving the benefit of carry forward of losses on a change of shareholding of startups from seven years to ten years. The condition of continuity of a minimum of 51% shareholding to set off of carried-forward losses is relaxed for eligible startups if all company shareholders continue to hold those shares.

Export scenario

India's overall exports (including merchandise and services) is expected to have increased by 13.84% to a record $770.18 billion in 2022-23, while overall imports are expected to have surged 17.38% to $892.18 billion over the previous year. A strong trade performance on the services front helped boost the overall export numbers in 2022-23, even as the impact of a global economic slowdown was visibly felt in the case of merchandise trade. Services exports are estimated to have grown by 26.79%, as compared to merchandise exports at just over 6% during the fiscal.

During FY23, oil imports rose 29.5% to $209.57 billion, reflecting the impact of high crude oil prices in the aftermath of the Russia-Ukraine war. Among countries, while China's share in India's import basket declined to 13.79% from 15.43% in the previous year, it continued to be at first place in the top 10 import sources, with imports at $98.51 billion in 2022-23.

Export Data



*Data for services sector released by RBI is for Feb 2023 for March 2023 is estimation. Source: Ministry of Commerce & Industry

> The decorative segment is the largest and the most rapidly growing segment in the Indian paint industry. It accounts for almost 75% of the total paint market and the demand for decorative paints is driven by the growing construction industry, which includes residential, commercial, and infrastructure projects.

Outlook

Despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development is expected to contribute significantly to raising industrial competitiveness and boosting future growth.

Improving labour market conditions and growing consumer confidence is expected to drive growth in private consumption. The Central Government's commitment to significantly increase capital expenditure in the years ahead is also expected to spur demand. Helped by recovery in tourism and other contact services, the services sector will grow strongly in the years ahead as the impact of COVID-19 wanes. However, manufacturing growth is expected to be tamped down by a weak global demand, but it will probably improve in FY24. Recent announcements to boost agricultural productivity, such as setting up digital services for crop planning and support for agriculture startups, will be important in sustaining agriculture growth in the medium term.

Indian paint and coating industry

The Indian paint industry is one of the fastest-growing and most dynamic industries in the country. It has witnessed a remarkable growth in the past few years and is expected to continue to do so in the coming years. The paint industry in India has two major segments - decorative and industrial. The decorative segment includes household paints, while the industrial segment includes paints for automobiles, industrial machinery, and marine applications.

The Indian paint industry has undergone a major transformation in the last decade. The introduction of new technologies and innovative products has revolutionized the Indian paint industry. The market is dominated by major players such as Asian Paints, Berger Paints, Kansai Nerolac and AkzoNobel. These companies have a significant market share and are constantly investing in research and development to produce high-quality, eco-friendly paints.

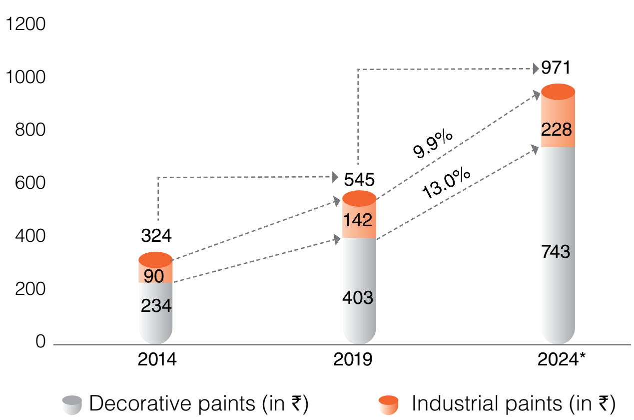
The decorative segment is the largest and the most rapidly growing segment in the Indian paint industry. It accounts for almost 75% of the total paint market and the demand for decorative paints is driven by the growing construction industry, which includes residential, commercial, and infrastructure projects. The growth of the middle class and an increase in disposable income have also contributed to the growth of the decorative paint segment. Further, this has boosted the demand in the industrial segment, with the growing demand for automotive products and consumer goods.

The industrial segment is relatively smaller than the decorative segment but has great potential for growth. The industrial segment includes automotive coatings, powder coatings, marine coatings, and protective coatings. The automotive coatings segment is the largest in the industrial segment and is driven by the growing automobile industry in India.

The Indian paint industry has been witnessing a gradual shift in the preferences of people from the traditional whitewash to high-quality paints, like emulsions and enamel paints, which are providing the basic stability for the growth of the Indian paint industry. Besides, it is creating a strong competitive market, where players are utilizing different strategies to tap the growing demand in the market for a larger share. Moreover, rise in disposable income of the average middle class coupled with increasing investment on education; urbanization; development of the rural market; and various launches of many innovative products, like friendly, odour free, and dust & water-resistant paints, are major drivers that are propelling the growth of the paint market in India.

Valued at around ₹62,000 crores, the Indian paint and coatings industry is expected to grow to ₹1 lakh crore over the next five years, backed by consistent double-digit CAGR growth observed over the last few years. According to the industry experts, positive correlation between the industry and the economy is expected to drive growth.

Indian Paint Industry's growth



(Source: Frost & Sullivan) [*Expected]

Key drivers of the Indian paint industry

- The Indian construction industry is expected to receive a significant boost in 2023, which will be supported by a sharp increase in capital expenditure and pent-up real estate demand. The Government increased its total expenditure by 7.5%, from an estimated expenditure of ₹41.9 trillion (US$522.2 billion) in the FY23 to ₹45 trillion (US$561.6 billion) in FY24
- Population and economic growth have accelerated urbanization across the country, and there are now significantly more metropolitan villages and cities.
- The residential real estate market in India witnessed astounding progress in 2022, setting new sales records of 68% YoY, further demonstrating the industry's prominence as one of India's fastest-growing industries.
- India's real estate market is expected to exhibit a growth rate (CAGR) of 9.2% during 2023-2028 backed by the lower housing loan rates, rising income and growing demand for urbanization.
- Moreover, rise in disposable income of the average middle class coupled with increasing investment on education; urbanization; development of the rural market; and various launches of many innovative products, like friendly, odor free, and dust & water-resistant paints, are major drivers that are propelling the growth of the paint market in India.
- The Indian paint industry has been witnessing an increasing shift in upgradation/premiumization for more than a decade now. Increased focus on aesthetics and enhanced availability of quality resources has led to growth in demand for upgradation and premiumization.

New trends

Over the past few years, demand from smaller towns and rural areas for paint has grown more quickly than demand compared to larger cities.

Major players in the paint industry have been taking proactive steps to increase their presence in smaller cities, towns, and rural areas.

With a greater emphasis on innovation and value-addition, organised players in the paint industry have developed features such as water-resistance and improved luminosity.

Outlook

Strong pricing power, good volume growth in the economy products segment and a well-entrenched distribution network is expected to be the key for the organised players in the industry. Despite the positives, there are a few challenges for the Indian paint industry, such as the rising cost of raw materials and intensified competition from unstructured and up-and-coming participants. Furthermore, the industry is also expected to face the pressure to produce eco-friendly products owing to the growing awareness of the environment. Moving ahead, the industry is expected to keep a keen eye on these factors to continue on its growth path.

In conclusion, the Indian paint industry is a rapidly growing and dynamic industry that is set to continue growing in the coming years. The decorative segment is the largest and is driven by the construction industry and the growth of the middle class. The industrial segment has great potential for growth and is driven by the automotive industry. The industry is facing challenges, but with the introduction of new technologies and innovative products, the industry is poised for growth in the future. Further impetus is expected to be provided by the fact low per capita consumption of paint in India compared to its global peers.

Indian plastics industry

Plastics is one of the core and leading sectors of the Indian economy. Established in 1957 with the production of polystyrene, the Indian plastics industry has expanded expressively over the years. Today, the plastics industry in India has now developed to become one of the prominent sectors in the nation's economy, containing of over 30,000 companies and employs more than 4 million people and has also emerged as one of the world's leading exporters of plastics products.

The industry today produces a wide range of products such as plastics and linoleum, houseware products, cordage, fishnets, floor coverings, medical items, packaging items, plastic films, pipes and raw material, among others. Over the years, the Indian plastics industry witnessed phenomenal advancements and has helped boost the Indian small and medium enterprises industry (SME). Thanks to the technological advancement undertaken by the industry in the last decade have made it easier for plastic processors to increase their capacity to serve both the domestic and international markets. Currently, the Indian plastic processing industry uses technologies such as injection moulding, blow moulding, extrusion, and calendaring to create a wide range of products. This has helped enhance the quality of products, thereby, enabling plastic material becoming increasingly important across various industries, and help per capita consumption increase at a faster pace. Traditional materials are being quickly replaced by plastic technology, processing equipment, expertise, and cost-effective manufacturing. This has enabled the industry to serve international markets along with the growing domestic market. Backed by the Government initiatives, the Indian plastics industry is expected to grow to ₹10 lakh crores (US$126 billion) over the next 4 to 5 years from its current level of ₹3 lakh crores (US$37.8 billion) as of December 2022.

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Over the past three decades, the production and consumption of plastics in India has increased immensely thanks to the rising population and growing middle class. For example, from a consumption of 0.9 million MT of plastics in 1990, India is expected to have consumed nearly 22 MT of plastics in FY23. In terms of exports, India today exports plastic products to over 200 countries and the total plastics exports between April 2022 -March 2023 stood at US$ 11,965 as compared to US$ 13,352 in the last year, registering a decline of 10.4%.

Government initiatives for the Indian plastics industry

The Union Ministry of Commerce and Industry of India has set a goal to raise the total plastic exports from India to US$ 25 billion by 2025. To accomplish this, the Government has started several projects, such as the phased establishment of plastic parks across the nation which will assist in increasing the plastic output produced by the country. Under the plastic park schemes, the Government aims to fund of up to 50% of the project costs or a ceiling cost of ₹40 crore (US$ 5 million) per project.

Government initiatives like "Digital India", "Make in India", and "Skill India" is also expected to further boost India's Plastic industry. For instance, under the "Digital India" program, the Government aims to reduce the import dependence of products from other countries, which will lift the local plastic part manufacturers.

The Government also launched a program for building Centres of Excellence (CoEs) to develop the existing petrochemical technology and promote the research environment pertaining to the sector in the country. This will aid in promoting and developing new applications of polymers and plastics in the country. Furthermore, about 23 Central Institute of Plastics Engineering & Technology (CIPET) have been approved to accelerate financial and technological collaboration for promoting skills in chemicals and petrochemicals sector.

Outlook

The Indian plastics industry has grown consistently over the last decade, not just in terms of quantity but also in terms of quality. With the Government's focus on helping India emerge as the manufacturing hub of the world, this is expected to provide the Indian plastics industry with the required impetus for the near future to reach a target of USD 25 billion by 2025.

Further boost to the industry is expected to be driven by the plastics recycling industry, which is slowly maturing thanks to the different favourable Government policies along with new EPR guidelines. The contemporary structure of the economy is configured to enhance plastic production, linking the use of plastics with necessity, development and convenience in popular culture, even as environmentalists capture the extent of inundation of plastics and its worrying impacts on climate, environment and health throughout its lifecycle. But a cumulative approach towards a sustainable use of plastics and effective recycling of plastics is expected to a sustainable growth for the industry. Over the last couple of years, several small and regional unorganised players in the plastics sector have been severely affected by unprecedented volatility in raw material prices and working capital constraints. This has created an opportunity for sectoral consolidation. Hence, large organised manufacturers with country-wide facilities are expected to take full advantage of this consolidation and grow their market share over the next couple of years.

Indian chemicals industry

The Indian chemical industry has emerged to become one of the most important components of the economy today and contributes around 7% to the nation's Gross Domestic Product (GDP). Amidst the global pandemic, the chemical industry has been one of the only few sectors to have not only survived it but also grown by leaps and bounds. Over the years, India has evolved to emerge as the 6th largest producer of chemicals in the world and the 3rd largest in Asia.

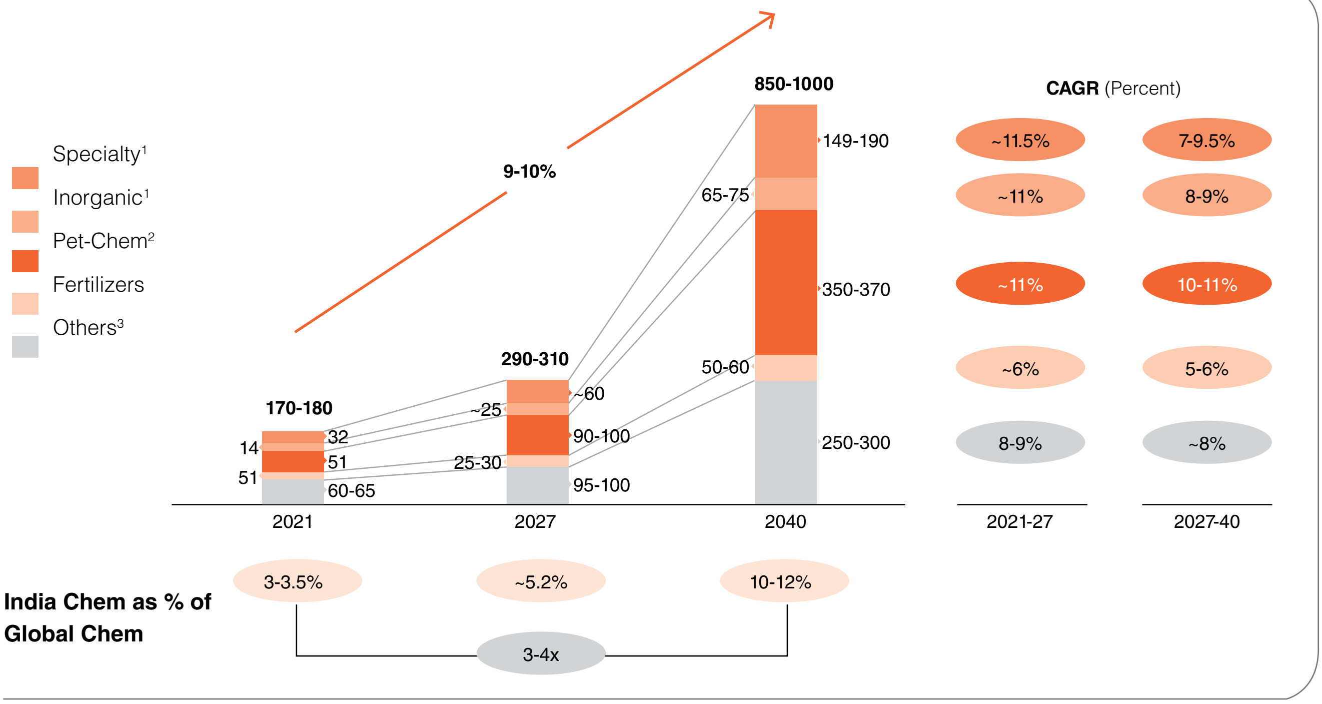
The Indian chemical industry today directly employs more than 2 million people and finds application in kore than 80,000 products. The Indian chemical industry is broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilizers, among others. India's chemicals industry has been a global outperformer in demand growth and shareholder wealth creation for a decade now. Based on the current market situation, the Indian chemicals industry is expected to grow by 11% to 12% during 2021-27 and by 7% to 10% during 2027-40, thereby tripling its global market share by 2040. Indian chemical industry is expected to become a US$ 850 – US$1000 billion chemicals market by 2040, taking 10-12% share of the global chemicals market.

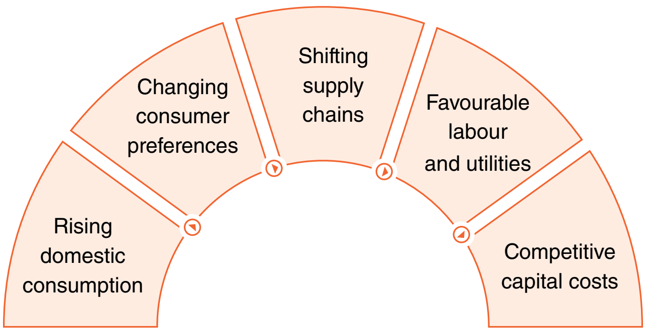
Two major initiatives by the Government, 'Make in India' and 'Atmanirbhar Bharat', are aptly designed for the nation's chemical industry and is expected to further boost the growth of the industry.

The overall world dynamics have encouraged major multinational companies to turn their sights towards downstream chemical opportunities, thus leading to an increase in the focus on petrochemicals and specialty chemicals in India to boost self-sufficiency. Exhibiting great awareness, several Indian companies have embedded sustainability as the centrepiece of their ethos, this has further helped the Indian companies grow their presence in the global market.

Two major initiatives by the Government, 'Make in India' and 'Atmanirbhar Bharat', are aptly designed for the nation's chemical industry and is expected to further boost the growth of the industry. India's attractiveness as a manufacturing destination has been rising because of competitive labour costs, its ability to build manufacturing units at less cost than in the developed world, and recent changes to corporate tax rates that have shaped a more supportive ecosystem. Many Indian specialty chemical players have developed distinctive capabilities and established supply relationships with global networks.

India Chemicals Markets, USD Bn





Rising domestic consumption: India is expected to account for more than 20% of incremental global consumption of chemicals over the next two decades. Analysts project that domestic demand will rise from $170 billion to $180 billion in 2021 to $850 billion to $1,000 billion by 2040.

Changing consumer preferences: The increasing call for eco-friendly products around the world could be beneficial for India, since it is one of the major manufacturers of the chemicals utilized in such products.

Shifting supply chains: The changing geopolitical landscape and the drive to diversify from the existing core manufacturing sectors have caused companies to seek to make their supply chains more resilient. With its strong value proposition, India could be a preferred destination.

Favourable labour and utilities: India have abundant low-cost labour and competitive water & electricity costs. India has the world's highest labour availability after China, with over 470 million. Among its six peers, its labour costs are also one of the lowest, at less than $2 per hour. India's industrial-grid electricity and water costs are also globally competitive, at $0.1 per KWH and $0.6-0.8 per m, respectively.

Competitive capital costs: India's infrastructure costs, across construction, material, and machinery, are up to 70% lower than other global chemicals manufacturing hubs. Similarly, India's material costs are multiple times lower compared other key chemical manufacturing hubs such as Germany and Saudi Arabia, among others. At 25%, India's corporate tax rate is highly competitive, and its average real interest rate is similar to that of global peers.

Favourable regulatory environment: Over the last decade, India has made substantial improvements in its policy and regulatory environment, making it much easier for enterprises to establish themselves and flourish. These improvements have included the introduction of the Insolvency and Bankruptcy Code (IBC) in 2016; a revamped universal tax regime in the form of the Goods and Services Tax (GST); and simplification, digitization, or discontinuation of large numbers of compliance requirements. As a result of these developments, India's Ease of Doing Business Ranking jumped from 143 in 2015 to 63 in 2020.

Key budget allocations for the Indian chemical industry

Proposals in budget	Impact on chemical industry and it's subsegments
Capital investment outlay is being increased by 33% to ₹10 lakh crores. A capital outlay of ₹2.40 lakh crore has also been provided for railways. Further, the newly established Infrastructure Finance Secretariat will provide a boost to private investment in infrastructure, including railways, roads, urban infrastructure and power.	This capital investment is expected to positively impact varied specialty chemicals, including construction chemicals
100 critical transport infrastructure projects for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified. They are proposed to be taken up on priority with investment of ₹75,000 crore, including ₹15,000 crore from private sources.	It is likely to help address the logistic issues faced by the chemical and fertilizer sector
Research & Development grant provided to one of the IITs for 5 years to encourage indigenous production of Lab Grown Diamonds	Positive impact for the chemicals and gases used in the Chemical Vapor Deposition process undertaken for producing Lab grown diamonds
Focus on green growth and announcement of green credit programme for incentivising environmentally sustainable and responsive actions by companies, individuals and local bodies	This is expected to boost green chemistry products and also aid ESG initiatives undertaken by various chemical companies
Boost to research & development to promote innovation in pharmaceutical sector	This is expected to boost the R&D infrastructure for laboratory chemicals, including reagents

Government initiatives to boost the chemical industry

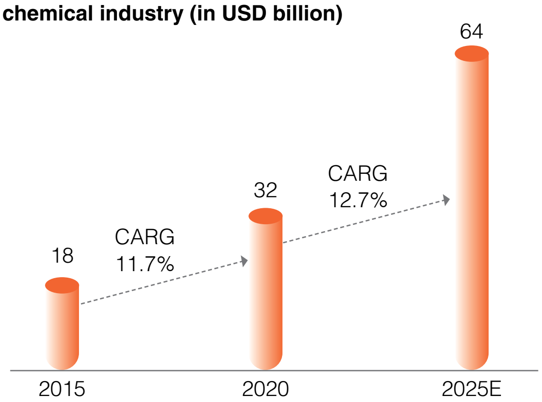
- The Government has allocated USD 27 million under the union budget 2022-23 to the department of chemicals and petrochemicals
- To improve domestic production, reduce imports and attract investments, the Government has set up a 2034 vision to propel the growth of the chemicals and petrochemicals sector.
- To encourage production of agrochemicals, the Government introduced PLI scheme with 10-20% output incentives for the agrochemical sector
- To promote bulk drug parks, the Government has announced PLI schemes worth ₹1,630 crores
- The Government allowed 100% FDI under the automatic route in the chemical manufacturing industry

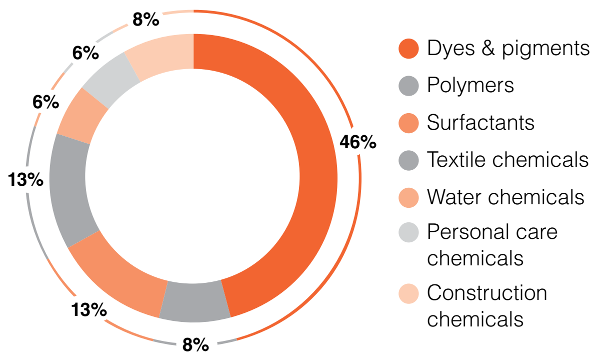
Indian speciality chemicals industry

Constituting nearly 20% of the Indian chemical industry in terms of value, the specialty chemical industry has grown exponentially over the last decade and is projected to reach USD 64 billion by 2025, growing at a CAGR of ~12%. The emergence of the Indian specialty chemicals market has been driven by the country's strong process engineering capabilities, low-cost manufacturing capabilities, and abundant manpower. Further,Government initiatives such as the petroleum, chemicals, and petrochemicals investment region (PCPIR) policy and production-linked incentive (PLI) schemes have strengthened the confidence of manufacturers to invest within the country.

Additionally, both domestic and multinational manufacturers have numerous opportunities due to high demand from user sectors like food, car, property, apparel, cosmetics, and more. This is likely to continue to boost the industry's growth in India and subsequently outpace the rest of the world in the coming years.

Sustained growth of the Indian chemical industry (in USD billion)





(Source: Specialty chemicals industry in India, KPMG, November 2022)

Enablers for growth of the Indian chemicals industry

- Increasing focus on innovation cycle and invest in research and development
- High entry barrier safeguards the interest of the existing players
- To drive further growth in the overall specialty chemicals market, introduction of collaborative platforms/schemes by the Government can drive innovation
- With an increased focus on sustainability and environmental protection initiatives, the Indian companies are expected garner higher acceptability
- Global manufacturers are considering alternatives, and India's favourable ecosystem is positioning itself well as a viable option, poising the Indian specialty chemicals market for substantial and rapid growth

Road ahead

A consistent value creator, India's chemical sector remains an attractive hub of opportunities. The sector has been growing consistently backed by growing in popularity sub-segment such as specialty companies and agrichemicals, which are rising manifold. Robust demand across end-user industries led by rising domestic consumption, strong export growth, and rising import substitutions are expected to be primary growth drivers for the chemical sector.

Growing strong domestic demand and increased exports will continue to fuel the growth of the Indian specialty chemicals industry. The robust performance of the sector is prompting specialty chemical manufacturers to ramp up their production capacity to meet the growing demand for its products. Furthermore, anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

The chemical industry is further anticipated to be augmented and developed through the implementation of fiscal incentives, including tax reductions and exclusive incentives through PCPIRs or SEZs, as additional support. The dedicated integrated manufacturing hubs under the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy would also attract an estimated investment of ₹20 lakh crore (US$ 276.46 billion) by 2035. To put it all together, the speedy growth of the Indian Chemical industry is foreseeable and its trajectory will witness a transition to specialty materials as user industries consistently evolve. The specialty chemicals industry is expected to transform the future of India's economic scene through a revised strategy towards its products and services, and if India's requirements and mega-trends become a reality, the specialty chemicals sector will need to be ready even further, and maybe faster than we had anticipated.

Indian ceramics industry

Accounting for nearly 7% of the global production, the Indian ceramic tiles industry today is the second-largest producer and also the second-largest consumer of ceramic tiles after China. At the end of 2022, India's ceramic consumption stood at estimated 750 msm, accounting for ~6% of the world.

The India ceramic tiles market size reached 1,126.5 million sq. metres in 2022 and is expected to reach 1,451.9 million sq. metres by 2028, exhibiting a CAGR growth rate of 4.1% during 2023-2028. India is one of the fastest-growing ceramic tile marketplaces at the global level. Some of the major factors augmenting the growth of the ceramic tiles demand in India are the growing real estate sector, coupled with Government policies fuelling strong growth in the housing sector. In addition, the shifting consumer preference toward modern residential spaces and rising consumer expenditure power are some of the key factors boosting the market growth in the country. In terms of value, the Indian ceramics industry is projected to grow to US$ 7,144.7 million by 2027 growing by a CAGR of 8.6%.

Additionally, the Government of India (GoI) introduced several favorable initiatives, such as the Pradhan Mantri Awas Yojana, to provide affordable housing to eligible families in urban and rural areas, which, in turn, is creating a positive outlook for the ceramics industry. In line with this, key market players actively introduced innovative product lines such as scratch-free, germ-free, and anti-skid ceramic tiles to boost consumer confidence and accelerate the market growth. Other factors, such as rapid urbanization, increasing investments in infrastructural development, rising migration towards urban areas, and the burgeoning real estate sector, are providing an impetus to market growth.

Additionally, both domestic and multinational manufacturers have numerous opportunities due to high demand from user sectors like food, car, property, apparel, cosmetics, and more. This is likely to continue to boost the industry's growth in India and subsequently outpace the rest of the world in the coming years.

SWOT analysis of the Indian ceramics industry

SWOT Analysis

Strength
The Indian ceramic industry has a stunning reputation worldwide. The industry has been gaining strength since adopting new technologies and techniques in developing and producing goods. With the help of technology, production has become faster and smoother. The abundance availability of different kinds of raw materials used in the ceramic industry is another strength.

Weakness
High degree of unorganised players. Lack of innovation and digital growth is hampering the small time and traditional unorganised player, resulting in lack of competion for the established one. Traditional players lossing relativity.

Opportunities
The industry has adopted new manufacturing and development methods, which is expected to help produce and deliver new designs faster and meet the evolving requirement of the customers. Technology can help the industry meet the growing trends in ceramics industry while meeting the global quality standards and help reduce the environmental impact.

Threats
Higher degrre of innovation in the international market can make the traditional players irrelevant. Not being able to match the global standards for environmental safety, may lead to India lossing its competiveness in the international market.

Indian rubber industry

Rubber industry of India has been one of the important sectors of the Indian economy. Over the years, India has emerged as the sixth largest producer and the second largest consumer of natural rubber in the world. Rubber today is used for diverse purposes ranging from erasing pencil marks to manufacturing tyres, tubes and a wide array of industrial products. India is one of the largest producers and consumers of natural rubber in the world, with the industry being primarily concentrated in the states of Kerala, Tamil Nadu, Karnataka, and Tripura. Among the states, Kerala is the largest producer of natural rubber in India followed by Tamil Nadu, Karnataka, Tripura, Assam, Andaman and Nicobar, and Goa.

Natural rubber is preferred over synthetic rubber due to its high tensile strength and vibration dampening properties, along with tear resistance. This makes it important for the construction and automobile industries. The demand for natural rubber received an impetus because of the growing automobile industry and the rising demand for latex products.

The Indian Rubber Industry is approximately 6,000 units in size, with 30 big scale, 300 middle scales, and over 5600 small scale and tiny sector units. Such units produce over 35,000 rubber goods, employ 400 thousand people, including 22,000 technically competent support employees, and provide ₹40 billion to the national exchequer through taxes, customs, and other levies.

The Indian Rubber Industry is important to the Indian economy since the rubber plantation industry in India generates about 630 thousand tonnes of natural rubber per year, with a predicted production of more than one million tonnes in the near future.

India witnessed a rubber production of 839,000 tonnes in 2022-23, an increase of 8.3% over the output of 775,000 tonnes a year earlier. In terms of consumption, rubber consumption in India has grown 9% to 1.35 million tonnes for the year.

There are as many as 6,711 manufacturing units operating in the non-tyre manufacturing sector in the country. These include tread rubber products, footwear products, foam products, moulded goods, adhesives, gloves, tyre tube and flaps, dipped goods, beltings, auto and cycle parts, among others. Auto tyres and tubes consume the largest share of rubber in the country at 61% which is followed by cycle types and tubes at 10%. The availability of basic raw materials and testing equipment are a boon to the Indian rubber industry.

Company Overview

20 Microns is one of India's leading and fastest-growing micronized industrial minerals and speciality chemical manufacturing companies. Incorporated in 1987, 20ML today is India's largest producer of white minerals offering a wide range innovative products which finds application across different industry such as paint, powder, coating, plastic, textiles, rubber, paper, textiles and sealants industry, among others. Backed by seven mines (five captive and two leased), nine state-of-the-art manufacturing facilities and two R&D centres, the company's white minerals help the Company cater to a cross section of industry across the globe. With the best manufacturing practices and ultra-modern R&D centers the international business forms one-fourth of the company's business with a firm presence in more than 65 countries across Europe, Africa, Australia, South America and Asia Pacific.

Key strategic priorities for the Company

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

Our core strengths

Research – Insights and expertise into complex mineralogy and continued focus on research & development.

Market leadership – The Company is a market leader in the industry segments it operates and enjoys domestic leadership in key segments such as Paint, Coating and Plastic among others.

Product portfolio – The product portfolio comprises niche products assuring integration and synergy in operating facilities.

Strong collaborations – The Company has well-founded technical partnerships with renowned global players.

Synergies – The Company lays great emphasis on synergies, which has augmented its quest for global leadership and helps to keep its competitive advantage.

Our operational excellence

We have integrated operations with processes ranging from manufacturing micro sized to nano-sized industrial mineral and speciality chemicals to niche and complex ones. This allows us flexibility to focus on manufacturing products that enjoy encouraging demand and offer better price. We leveraged this advantage to run our manufacturing units at optimum capacity utilisation to cater to the rising demand.

We undertake initiatives like improving process efficiencies and dedicated research and development on an ongoing basis to drive operational excellence. Our manufacturing is supported by robust inbound and outbound logistics and distribution network that ensure supply reliability. Further, we are focused on enhanced usage of data and analytics to take real-time and focused decisions.

Business segment review

Segment I

Paints and Coatings

One of the core focus sectors for the Company, paints and coating contribution is 51% to the overall revenue mix. The Company is one of the leading suppliers of industrial minerals of different particle sizes from coarser to fine to ultra-fine sizes. Today, the Company is one of the Level1 supplier of micronized industrial minerals to all the leading paint and coating manufacturing companies. We introduced 61 new products introduced during the year, to further bolster our presence in the segment.

Core products

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

Industries served

Paint | Ink | Pigments

Segmental growth drivers

- Rapid urbanization in India, along with increasing investments in infrastructure projects such as residential buildings, commercial complexes, and transportation networks, drives the demand for paints and coatings
- The booming real estate sector, including residential, commercial, and industrial construction, is a significant demand driver for paints in India.
- Rising income levels, changing lifestyles, and Government initiatives like affordable housing schemes contribute to the increased demand for paints in the housing sector
- The steady growth in disposable income among the middle class in India has led to higher spending on home improvement, renovation, and decoration
- The growth of the industrial and automotive sectors in India generates demand for industrial coatings and automotive paints
- The increasing demand for Indian paints in international markets contributes to the growth of the industry and provides additional opportunities for manufacturers

Segment II

Polymers | Paper & Rubber

The second most important sector, after the paint and coatings industry, and contributes nearly 25% to the overall revenue mix. In FY23, the Company continued to cement its market position in India in the polymer, paper and rubber segment. The growth strategy was driven by the introduction of innovative and value-added products, expansion of our product footprint in new geographies, and an increase in the base of OEM clients.

Core products

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

Industries Served

Polymers | Rubber | Cosmetics | Paper

Segmental growth drivers

- India's polymer industry is highly dependent on the packaging industry. With the growth of organized retail, e-commerce, and food processing sectors, there is an increasing need for various types of packaging materials, including polymer-based films, sheets, containers, and bottles
- Polymers are widely used in pipes, fittings, cables, insulation materials, roofing, flooring, and adhesives in the construction industry. The Government's focus on affordable housing and infrastructure development further boosts the demand for polymer-based products

- Polymers and rubber products are used in various automotive components, including interior trims, dashboards, seating, bumpers, exterior body parts, and electrical connectors. As the Indian automotive industry continues to grow, the demand for lightweight, durable, and cost-effective polymer materials increases
- The education sector plays a crucial role in driving the demand for paper products. With a large population and a focus on improving literacy rates and educational infrastructure, the demand for paper in the education sector remains strong
- With the growth of e-commerce, organized retail, and FMCG sectors, there is an increasing demand for paper-based packaging materials as consumers become more and more conscious on the usage of plastics

Segment III

Allied Division

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

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

We are focused upon manufacturing new and innovative products for Ceramics and Refractory industry at our dedicated ceramics application centre. Commercial trials for the multi-functional mineral products for selective ceramics sub applications have been completed and we have also launched a new range of products in the market for which have received positive feedback from our customers and achieving commercialization. Having established dedicated processing platforms of scalable volume for the various grades, we are looking forward to higher sales volume in the foreseeable future in this segment.

Core products

High Plastic Kaolin | Calcined Kaolin | Ball Clay | Bentonite | Carbonate's | Quartz | Talc | Inorganic Thickener | Performance Additives

Key application industry

Ceramics and Refractories |Glass | Agro Chemicals | Adhesive and Sealants | Construction | Hydrocarbon | Steel | Foundry | Animal Feed

Segmental growth drivers

- India is the second largest producer of Ceramic products following China. Because of the recent geopolitical scenario, the industry witnessed a quick upturn. Hence, the demand for Indian ceramic products has increased drastically, which has resulted in generating higher revenue for us during the year.
- India is a bright spot in the rising crop protection industry. Despite the pandemic, in the last couple of year, the industry witnessed a steady growth in sales in line with the expectations.
- Expanding population and scarcity of natural resources and arable land are expected to create a stronger demand for Agro-chemical products. This is likely to create a demand for sustainable solutions to extract more out of the land with less use of water, energy, chemicals, leading to lower carbon footprint and food wastage.
- Indian agriculture industry has been on a growth trajectory and investments in the agrochemicals sector for developing new molecules have grown here as more Indian companies have increased their expenditures in research and innovation.
- Favourable Government policies, the Indian fertilizer and agro chemicals industry is expected witness vigorous growth in the years ahead.
- Indian real estate industry is on a rise thanks rising number of nuclear families and rising working population.
- The Government announced different key initiatives and schemes which have helped in the steady growth of home ownership in India. These schemes are likely to provide the required impetus for growth for the nation's affordable housing segment.
- Record low home loan interest rates, coupled with income tax incentives and concessional stamp duty rates, are expected to bolster the demand for affordable housing, especially among first-time homeowners. As a result, the demand for construction chemicals, ceramic tiles, Sanitary ware is expected to increase, which will help boost our sales.
- In other industry segments, like Adhesive and Sealant, Animal Feed, Hydrocarbon, Detergent and Foundry among others, we have been working to enhance the product portfolios to enhance our offerings and services and to add more value-added products. Value-added products are likely to help 20ML to increase our Domestic and global market share through deeper penetration and to strengthen the presence in existing markets.

USP of our agriculture and organic farming products

- Our thoughtfully designed product and solutions portfolio addresses the evolving needs of farmers that help the farmers increase the productivity by 14% to 18%.
- Use of natural mineral-based products helps restore the fertility of the land over the long-term.
- Helps reduce the usage of synthetic fertilisers and pesticides, making the products healthy
- Our products are natural which encourages organic farming

Segment IV

Construction Chemicals

One of our growing division's, the construction chemical segment has grown considerably over the years. Today we are one of India's fastest growing construction chemical company with a stable and growing portfolio.

The key strategy of the division is to periodically offer new products to emerge as a solution provider. We have been able to achieve competitive strength in a hard-fought market thanks to our products which are top-notch in terms of quality and applicability. With our innovative product-line, we preserve the integrity of concrete, mortar, plaster and other architectural supports used to construct a building's foundation. We are the specialists available around-the-clock for all construction needs.

Key function of construction chemicals

Construction chemicals are nothing but chemical compounds that play a crucial role in strengthening building structures. Its primary use is to speed up the workflow in the formations of various construction sites that may be underdeveloped or already developed. Furthermore, they are blended up with various structure materials to enhance productivity, add strength, durability, boost functionality and act as a protective shield for the other materials.

Core products

Cracksil | Tigersil | Nanosil | Metakrete | Micronsil 30C Plus | Micronsil 30C |

Key application industry

Real estate | Housing industry

Finance review

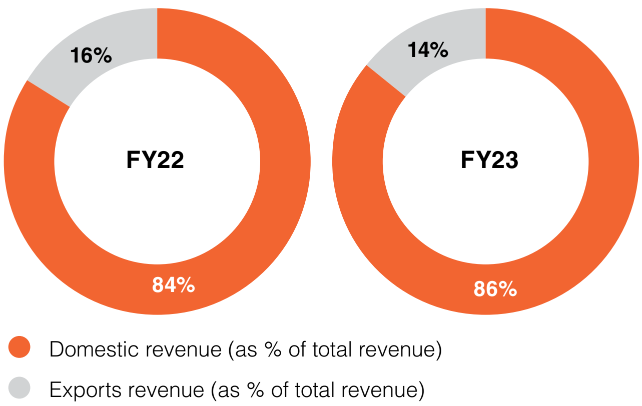
FY23 was marked by another year of commendable performance across different geographies and product categories, with market share gains and improvement in operating margins, as compared to FY22. The year started on a weak note with a subdued demand from our end-customers thanks to the geopolitical tensions and the fear of recession. But, the second half of the year, the performance rebounded strongly thanks to the different strategies adopted by the company during the year. For FY23, we witnessed a revenue growth of 16%, while net profit growth stood at 17%.

During the year, we continued to focus on our customers through focused production innovation and brand building initiatives. Further, new customer addition across different product segments was another focus area for the Company.

In FY23, the Company delivered a remarkable overall performance. This progress was aided by growth across the Company's strategic business units (SBUs). Revenue from operations, including other income, stood at ₹604.42 crores, higher by 16% compared to the previous year. EBITDA(Excl. other income) stood at ₹68.65 crores. EBITDA margins came in at 11.5%, lower by 130 bps compare to the previous year .

The Company undertook several enhancements in the product mix, improved realisations, and cost-reduction efforts that helped deliver better margins. Profit before Tax (PBT) came in at ₹48.64 crores, up by 16% from last year. Profit after Tax (PAT) stood at ₹36.15 crores, delivering a growth of 17% compared to the previous financial year.

Revenue contribution from the domestic market stood at 86% while 14% came in from exports. The Company witnessed robust demand from key end-user industries. Steady demand in key export geographies resulted in higher export revenues. Domestic Revenues for FY23 stood at ₹511.51 crores, compared to ₹434.55 crores in FY22. Revenue contribution from exports stood at ₹86.30 crores, up by 5% compared to ₹82.57 crores in the previous financial year. The Company was swift to target key export geographies that were on the path of quick post-pandemic recovery. Steady revival in economic activity, combined with cost excellence initiatives undertaken by the Company, helped increase market share in the domestic markets.



Resilient realization gains and healthy volume growth aided the financial performance. During the year, the Company's efforts to add innovative products to its portfolio complemented its growth trajectory. End-user demand remained strong, and 20ML capitalized on this opportunity by demonstrating agility throughout its operations.

Total borrowings of 20ML as of March 31, 2023 stood at ₹80.95 crore vis-à-vis ₹104.26 crore as on March 31, 2022. The reduction in borrowings was largely because of the regular repayment of long-term & short term borrowing. This strategy of the Company helped 20ML to reduce its interest cost by 17% during the year from ₹18.00 crore in FY22 to ₹15.00 crore in FY23.

Financial performance summary

	FY23	FY22	% Change
Revenue form operation	597.80	517.13	16%
Total opex	529.15	451.07	15%
EBIDTA (Excl. Other income)	68.65	66.06	4%
Depreciation	11.63	11.81	-
EBIT (Excl. Other Income)	57.02	54.25	5%
Finance cost	15.00	18.00	-17%
Profit before Tax (PBT)	48.64	42.07	16%
Profit after Tax (PAT)	36.15	30.87	17%

Financial performance summary

	FY23	FY22
Equity and liabilities		
Equity share capital	17.64	17.64
Other equity	251.95	215.88
Non-current liabilities	43.61	53.56
Current liabilities	147.16	169.71
Total	**460.37**	**456.80**
Assets		
Non-current assets	49.08	51.91
Fixed assets	197.29	189.12
Current assets	214.00	215.77
Total	**460.37**	**456.80**

Key ratios

	FY23	FY22
EBITDA Margin	11.48%	12.77%
EBIT Margin	9.54%	10.49%
Profit Before Tax Margin	8.14%	8.14%
Profit After Tax Margin	6.05%	5.97%
Inventory turnover	**7.55**	**6.94**
Current ratio	1.46	1.27
Net debt-to-equity ratio	0.30	0.45
Return on Equity (RoE)	14.37%	14.27%
Return of Capital Employed (RoCE)	**16.97%**	**17.15%**

As on March 31, 2023, the Company's Net worth stood at ₹269.60 crores compared to ₹233.53 crores as of March 31, 2022. This is because of 17% increase in reserves and surplus during the year.

The Company's trade payable was of ₹70.86 crores as on March 31, 2023, as against ₹80.40 crores as at March 31, 2022.

The Company's net fixed assets stood at ₹197.29 crores as at March 31, 2023, as against ₹189.12 crore as at March 31, 2022.

The Company's trade receivable was of ₹89.57 crores as on March 31, 2023, as against ₹95.45 crores as at March 31, 2022.

Risk management

A thorough risk-management framework allows us to pre-emptively monitor risks emanating from the internal and external environment. As a result, we have been able to consistently create value for all our stakeholders, despite industry cycles and economic headwinds.

Our risk management process

Identification and assessment approach
Forecasting and calculating the probability of occurrence, magnitude, category and rating of the risk.

Prevention and control strategy
Devising plan of actions to prevent risk, temper its strength and reduce its aftermaths.

Monitoring
Gauging the potency of controls, reacting to the revelations and continuously honing the method.

Reviewing and reporting on the risk
Overseeing the process at regular intervals (at least annually).

Our risk mitigation plan

The Board takes the following steps as a part of its risk management and mitigation plan:

- Defines the roles and responsibilities of the Key Management Personnel participating in the risk management team
- Participates in major decisions affecting the organisation's risk profile
- Integrates risk-management reporting with the Board's overall reporting framework

The Company functions under a well-defined organization structure. Flow of information is well defined to avoid any conflict or communication gap between two or more departments. Second-level positions are created in each department to continue the work without any interruption in case of nonavailability of functional heads. Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes. Effective steps are being taken to reduce the cost of production on a continuing basis, taking various changing scenarios in the market.

Internal control system and adequacy

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

Human resource

Our intellectual capital is the foremost asset of our business and the satisfaction of workers within the organisation is a major factor in its prosperity. 20 Microns think that the Company is governed by its people resources and our success is directly dependent on the success and growth of our people. Our commitment is to create an environment where personal growth is encouraged and supported in an inviting and secure atmosphere. In addition, the Company has often emphasized the importance of having a diverse team on board and cherishes each individual's input. Our aptitude for recognising, enrolling, and preserving skill has propelled our expansion significantly. Our human capital is our greatest tool for shaping the future of the Company and is also critical for our smooth functioning.

The group's strength resides in working and growing as a team. Training and skill development are critical for contributing to the overall growth of personnel and the organisation. The Company organises training and development sessions for its workforce, motivating and empowering them to unleash their full potential. Further, we focus on following a flat communication structure to make it a lucid one when it comes to the employees sharing their view with the management. Such initiatives aid in the recruitment and retention of top talent across the sector and hiss helped the Company enjoy the support of committed and well satisfied human capital. The Company has implemented important HR initiatives and people management practices effectively. As of 31st March 2023, the total workforce of 20ML is well over 700+ employees.

Health and safety measures

Ensuring the safety of our personnel is of the highest importance. The factory heads take the lead on our safety focus, carrying out regular reviews across the factory regarding health, safety, and the environment (HSE). Through their invaluable help, we have taken multiple steps to increase the health and safety of our personnel. In addition, we have organized small teams at every one of our manufacturing sites to rapidly detect and effectively manage safety matters. Our Company maintains an extensive range of health and safety protocols that must be strictly adhered to at all sites and by all personnel.

The focus on health and safety protocols was further stepped up during the year in response to the pandemic. Apart from following the Government guidelines, we carried out regular sanitization and ensured adequate physical distancing. We also swiftly introduced measures to periodically test employees and regulated entry through the oximeter and thermal screening. We also launched wellness programmes for employees and their families to help build resilience, manage change, and enhance their wellbeing during this challenging period.

Cautionary statement

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

Report on Corporate Governance

Compliance of the Corporate Governance Code is given below which forms part of the Board's Report for the year 2022-23:

CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

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

Board of Directors

Composition

The Company has a very balanced and diversed Board of Directors, which primarily take care of the business needs and stakeholders' interest. The Non-executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from the various fields of manufacturing, finance and taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play vital & 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, 2023 was 7 [Seven] Directors. The Board comprises of Executive and Non-Executive Directors. The Chairman & Managing Director, CEO & Managing Director are the two Executive Directors. There are Five Non-Executive Directors, of which Four Directors are Independent Directors. The Board also consists of one Woman Non-Executive Non-Independent Director. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Mr. Rajesh C. Parikh, Chairman and Managing Director is brother of Mr. Atil C. Parikh, CEO & Managing Director and spouse of Mrs. Sejal R. Parikh, Non-Executive Non-Independent Director.

Profile of Directors

The brief profile of each Director is given below:

Mr. Rajesh C. Parikh has graduated with First Class Degree in Bachelor of Mechanical Engineering. He has also completed the Masters in Business Administration in Finance Stream. He is the Chairman and Managing Director of your 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 this Company and held, on part time basis, few assignments of new projects 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 20,22,636 Equity Shares representing 5.73% of the paid-up equity share capital of the Company as on March 31, 2023.

Mr. Atil C. Parikh, the CEO & Managing Director, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career as a Management Trainee and worked 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, Eriez Industries Private Limited& Dorfner-20 Microns Private Limited. He holds 20,21,661 Equity Shares representing 5.73% of the paid-up equity share Capital of the Company as on March 31, 2023.

Mrs. Sejal R. Parikh, the Non-Executive Woman Director, holds a Bachelor degree in Production Engineering and also 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 also on the Boards of 20 MCC Private Limited and Silicate Minerals [I] Private Limited and is also the Member of CSR Committee of Directors.

Mr. Ramkisan A. Devidayal, the Independent Director, holds Master's degree in Commerce and Management. He has rich and extensive experience in the field 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 like Chamber of Commerce in Vadodara; Federations of Gujarat Industries; Gujarat Pesticides Formulators; etc. over a decade. 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 equity share Capital of the Company as on March 31, 2023.

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 and is 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 70,000 Equity Shares representing 0.20% of the paid-up equity share Capital of the Company as on March 31, 2023.

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 credited to 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 2,44,875 Equity Shares representing 0.69% of the paid-up equity share Capital of the Company as on March 31, 2023.

Mr. Jaideep B. Verma, the Independent Director, has bagged BSL, LLB degrees from Symbiosis Law College, Pune. Besides he holds 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 share of the Company.

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

Meetings:

During the year ended on March 31, 2023, the Board of Directors has met 5 times. The last Annual General Meeting (AGM) was held on 22.07.2022. The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2023 and at the last AGM is as under:

Name of Directors	AGM	Board Meetings					% of attendance
	22.07.2022	03.05.2022	28.05.2022	22.07.2022	11.11.2022	25.01.2023	
Mr. Rajesh C. Parikh	Y	Y	Y	Y	Y	Y	100
Mr. Atil C. Parikh	Y	Y	Y	Y	Y	Y	100
Mrs. Sejal R. Parikh	Y	Y	Y	Y	Y	Y	100
Mr. Ramkisan A. Devidayal	Y	Y	Y	Y	Y	Y	100
Mr. Atul H. Patel	Y	Y	Y	Y	Y	A	80
Dr. Ajay I. Ranka	A	A	Y	Y	Y	Y	80
Mr. Jaideep B. Verma	Y	Y	Y	Y	Y	Y	100

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 & Development	Operations & Technology	Promotion & Marketing	International Exposure	Finance, Accounts & Audit	Governance, Legal, Risk & Compliance
1	Mr. Rajesh C. Parikh	Expert	Expert	Expert	Expert	Expert	Expert	Expert
2	Mr. Atil C. Parikh	Expert	Expert	Expert	Expert	Expert	Expert	Expert
3	Mrs. Sejal R. Parikh	Expert	Proficient	Proficient	Proficient	Proficient	Expert	Expert
4	Mr. Ramkisan Devidayal	Expert	Proficient	Proficient	Expert	Proficient	Expert	Expert
5	Mr. Atul H. Patel	Expert	Proficient	Expert	Expert	Expert	Expert	Proficient
6	Dr. Ajay I. Ranka	Expert	Expert	Expert	Proficient	Expert	Expert	Proficient
7	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 25th January, 2023 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. The Independent Directors found the same quiet satisfactory.

Agenda:

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the previous 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 and as per the procedure prescribed under the Secretarial Standard-1 issued by the Institute of Company Secretaries of India. 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 and consultants 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 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Directors acts as a member of more than 10 committees or acts as a Chairman of more than 5 Committees across all Public Limited Companies in which he/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, 2023, 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. Rajesh C. Parikh	20 Microns Ltd.	Chairman & MD	4	2	-
Mr. Atil C. Parikh	20 Microns Ltd.	CEO & Managing Director	4	1	-
Mrs. Sejal R. Parikh	20 Microns Ltd.	Non-Executive Non-Independent Director	3	-	-
Mr. Ramkisan A. Devidayal	20 Microns Ltd.	Independent Director	5	3	2
	Banco Products (India) Ltd.	Independent Director			
	Munjal Auto Ltd.	Independent Director			
Mr. Atul H. Patel	20 Microns Ltd.	Independent Director	6	2	-
	Paushak Ltd.	Independent Director			
Dr. Ajay I. Ranka	20 Microns Ltd.	Independent Director	1	1	-
Mr. Jaideep B. Verma	20 Microns Ltd.	Independent Director	1	-	-

* Audit Committee and Stakeholder Relationship Committee considered

Induction and Training of Board Members:

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

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

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

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

Code of Conduct:

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

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

Prevention of Insider Trading Code:

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

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

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 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 on the criteria like (i) qualification, (ii) experience,

(iii) availability and attendance, (iv) integrity, (v) commitment, (vi) governance, (vii) independence, (viii) communication, (ix) preparedness, (x) participation and (xi) value addition 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, except one who is Executive Director. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. Mrs. Komal Pandey, Company Secretary acts as secretary to the Committee.

Meetings:

The Audit Committee had 5[Five] meetings during the year 2022-23, specifically on 03.05.2022, 28.05.2022, 22.07.2022, 11.11.2022 and 25.01.2023. 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	5 of 5
2	Mr. Atul H. Patel – Member-Independent Director	4 of 5
3	Dr. Ajay I. Ranka – Member-Independent Director	4 of 5
4	Mr. Rajesh C. Parikh – Member-Managing Director	5 of 5

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

Invitees / Participants:

1 Mr. Atil Parikh, CEO & Managing Director of the Company is permanent invitees to all Audit Committee Meetings.

2. The Statutory Auditors have attended all the Audit Committee meetings held during the year.

3. The Business Heads and the CFO also attends all the Committee meetings to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc.

Terms of Reference:

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

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

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

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

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

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

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

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

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

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

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

(f) disclosure of any related party transactions;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(21) To review following –

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

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

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

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

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

(6) statement of deviations:

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

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

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

Nomination and Remuneration Committee of Directors

Composition and Attendance at the Meeting

The Nomination and Remuneration Committee comprises of the members as stated below. The Committee during the year ended on March 31, 2023 had one meeting on 20.04.2022. The attendance of the members was as under:

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Ramkisan A. Devidayal, Chairman - Independent Director	1 of 1
2	Mr. Rajesh C Parikh, Member - Chairman and Managing Director	1 of 1
3	Mr. Atul H. Patel, Member - Independent Director	1 of 1
4	Mr. Jaideep B. Verma, Member - Independent Director	1 of 1

Terms of Reference of the Nomination and Remuneration Committee:

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

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

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

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

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

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

Remuneration Policy

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

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

(₹ in Lakh)

Names of Directors	Basic	HRA	Medical	Incentive	Commission	TOTAL
MANAGING DIRECTORS :						
Mr. Rajesh C. Parikh	162.84	20.62	6.33	0	0	189.79
Mr. Atil C. Parikh	130.81	18.64	5.72	0	0	155.17

Apart from the above remuneration details no other kind of fixed components, performance link incentives are given to the Directors.

Executive Directors of the Company were not paid any Commission during the year.

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

The Non-Executive Independent Directors had been paid the sitting fees for attending the Board and Committee Meetings and Commission which is commensurate with their skills, expertise, experience and time devoted to the Company and also taking into account profits of the Company. The details of payment made to Non-Executive Directors are as under:

(₹ in Lakh)

Non-Executive Directors	Sitting fees	Commission for FY: 2022-23
Mr. Ramkisan A. Devidayal	2.85	6.00
Mr. Atul H. Patel	2.10	3.00
Dr. Ajay I. Ranka	2.95	3.00
Mr. Jaideep B. Verma	1.15	2.20

Apart from aforementioned payment and their shareholding there is no other pecuniary relationship of non-executive directors with the Company.

Directors' Shareholding

Shareholding of the Directors in the company as on March 31, 2023:

Names of Directors	No. of shares held in the Company *	Percentage of holding
Mr. Rajesh C. Parikh	20,22,636	5.73
Mr. Atil C. Parikh	20,21,661	5.73
Mrs. Sejal R. Parikh	Nil	Nil
Mr. Ramkisan A. Devidayal	1,20,000	0.34
Mr. Atul H. Patel	70,000	0.20
Dr. Ajay I. Ranka	2,44,875	0.69
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.

Stakeholder Relationship and Share Transfer Committee

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

The Committee consists of the members as stated below. During the year ended on March 31, 2023, this Committee had 01 meeting on 11.11.2022 which was attended by the members as under:

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

Mrs. Komal Pandey, Company Secretary acts as Compliance Officer.

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.

Status of Investors Complaints

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

CSR Committee of Directors

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee was headed by Mr. Rajesh Parikh, Chairman & Managing Director of the Company and consists of the members as stated below. During the year one Committee Meeting was held on 20.04.2022. The CSR Committee, as on March 31, 2023, comprised of the following members:

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Rajesh C. Parikh – Chairman – Executive Director	1 of 1
2	Mrs. Sejal R. Parikh – Member-Non Executive Director	1 of 1
3	Mr. Ramkisan Devidayal – Member-Independent Director	1 of 1

Policies/Codes

a. Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee reported to the Audit Committee in this regard. The policy of vigil mechanism may be accessed on the Company's website https://www.20microns.com/userfiles/corporate_governance_policies/1663139242.pdf

It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

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. Neither during the year under review nor in the previous financial year, any 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/userfiles/corporate_governance_policies/1663139470.pdf

General Body Meetings

(i) Annual General Meeting:

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

Financial Year	Date	Location	Time	No. of Special Resolutions Passed
2021-22	22.07.2022	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	11:00 a.m.	04
2020-21	28.09.2021	Video Conference (VC) or Other Audio Visual Means (OAVM) in the Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	03
2019-20	25.09.2020	Video Conference (VC) or Other Audio Visual Means (OAVM) in the Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m	01

(ii) Extra Ordinary General Meetings:

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

(iii) Postal Ballot:

During the year, no resolution was passed through Postal Ballot. It is not proposed to conduct any Special resolution through Postal Ballot as on date.

Management review and responsibility

- Formal evaluation of officers

  The Nomination and Remuneration Committee of the Board approves the compensation and benefits for all Sr. Management Employees.

- Board interaction with clients, employees, institutional investors, the government and the media. The Chairman & Managing Director and the Managing Directors 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 Discussions and Analysis forms part of this Annual Report.

Disclosures

1. Suitable disclosure as required by the Ind AS 24 for related party transactions has been made in the Annual Report. The Company has identified that there are no materially significant transactions that may have potential conflict with interest of company at large 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

2. The Company has followed all relevant Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

3. 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.

4. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management. The Company has complied with all the mandatory requirements of the listing regulations in respect of Corporate Governance.

5. As on 31.03.2023, the Company has no material subsidiary as defined in Regulation 16(1)(c) of the Listing Regulation, 2015. Although the Company has framed a policy for determining "material subsidiary" and the same is disclosed on the Company's website at www.20microns.com

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

The Company has received Certificate from M/s. Parikh Dave & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory Authority. The certificate forms part of this report.

TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS,

During the year ₹ 18.29 Lakhs was paid to Statutory Auditors including out of pocket expenses, to M/s. Manubhai & Shah LLP, Statutory Auditors of the Company. Further they have not provided any statutory service to its Indian and Foreign Subsidiary including associate company during the year.

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) (Regulations), 2015.

Plant Locations

As on 31.03.2023 the manufacturing unit of the Company are situated at Nine (9) places situated at Waghodia, Bhuj, Hosur, Haldwani, Tirunelveli, Alwar, Udaipur, Swaroopganj and Mundra.

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 partially adopted non-mandatory requirements as mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Certificate

A certificate from the Practicing Company Secretary 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 newspapers viz. Business Standard and/or Economics Times [English] and Loksatta [Gujarati].

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

Green Initiative

Electronic copy of the Annual Report for FY 2023 and the Notice of the ensuing AGM is being sent to all shareholders whose email addresses are available in records of the company and registered with Company's Registrar and Share Transfer Agent. As per the General Circular No. 20/2020 of Ministry of Corporate Affairs dated May 5, 2020, shareholders holding shares in demat form are requested to update their email addresses with their Depository Participant(s) and for shareholders holding shares in physical form, should get their email registered with Cameo Corporate Services Ltd., Company's Registrar and Share Transfer Agent.

General Shareholders' Information

Annual General Meeting:

Day and Date	:	Thursday, 10th day of August, 2023
Time	:	11.00 a.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 Room, 347, GIDC Industrial Estate, Waghodia – 391 760, Dist. Vadodara

Financial Calendar:

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

First quarterly results*	:	on or before 14th August, 2023
Second quarterly / Half yearly results*	:	on or before 14th November, 2023
Third quarterly results*	:	on or before 14th February, 2024
Fourth quarterly/Annual results*	:	on or before 30th May, 2024

(*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 27th day, July, 2023 till 04th day, August, 2023 (both days inclusive) for the purpose of 36th Annual General Meeting. The cut-off date for the above shall be 3rd August, 2023.

Listing of Shares and Other Securities:

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

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

Demat – ISIN Number for NSDL & CDSL: INE144J01027

Dividend for the year ended 31.03.2023 will be paid to the members whose names will appear in the register of members of the Company, on or before 30 days from the date of Annual General meeting and in respect of shares held in Demat form, the members whose names appear on the statement of beneficial ownership furnished by NSDL and CDSL as on record date fixed for this purpose.

Dividend will be paid within 30 days from the date of approval by the members at the Annual General Meeting either by posting of dividend warrants / demand draft or by direct credit into the members' bank accounts.

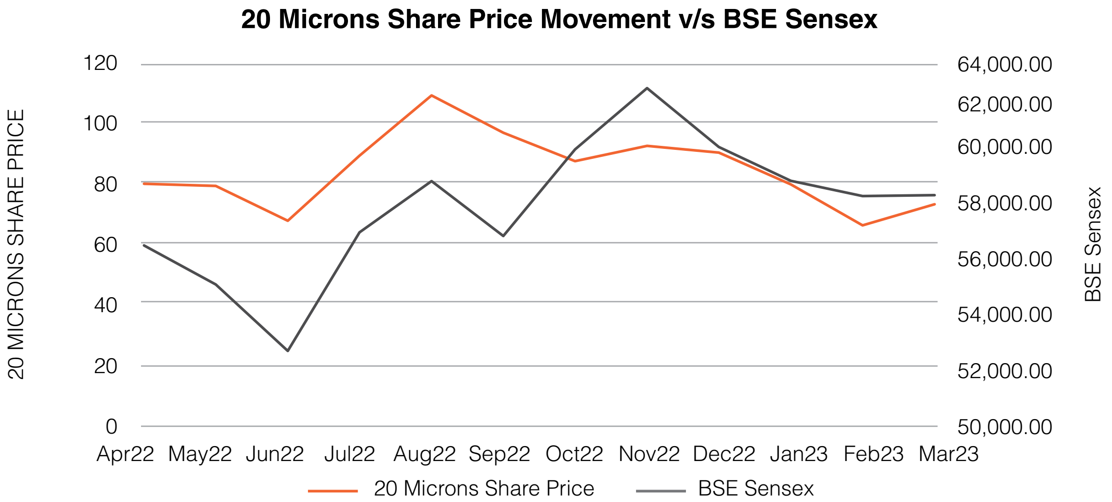
Listing Fees:

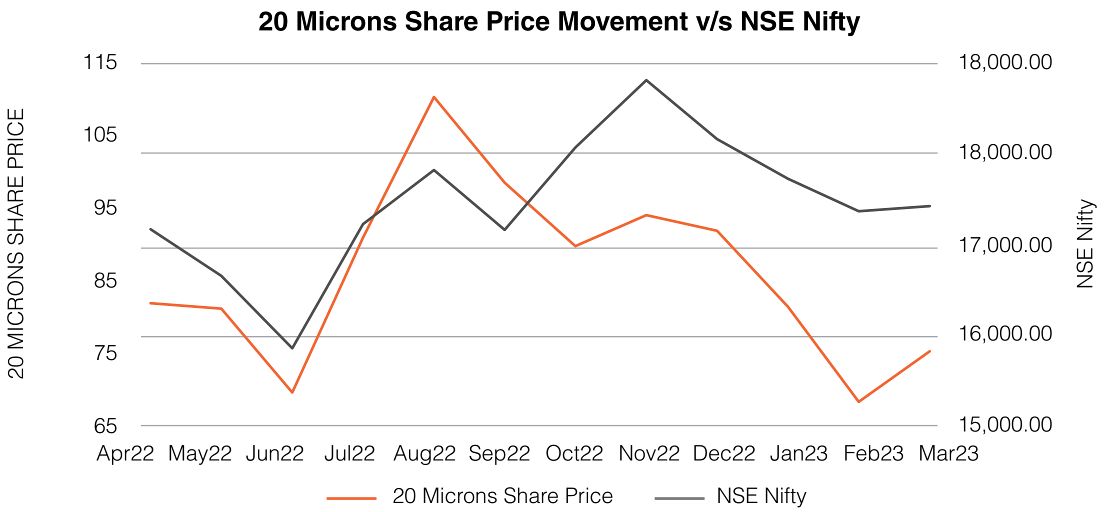
The Company has paid listing fees up to 31st March, 2023 to the BSE Limited and National Stock Exchange of India Ltd. where Company's shares are listed.

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 2022-23 are given hereunder:

Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
Apr-22	94.50	73.30	80.95	94.80	73.10	81.00
May-22	94.15	74.40	80.25	94.30	74.50	80.25
Jun-22	81.80	60.00	68.75	81.90	60.35	68.60
Jul-22	97.50	66.25	90.15	97.80	67.15	90.10
Aug-22	118.90	88.00	109.90	119.70	89.30	109.65
Sep-22	115.50	93.70	97.65	115.65	93.75	97.75
Oct-22	101.90	87.35	88.35	101.95	87.25	88.95
Nov-22	99.50	87.85	93.30	99.90	88.05	93.25
Dec-22	101.70	79.00	91.10	102.00	80.80	91.05
Jan-23	95.40	76.90	80.70	95.30	77.00	80.50
Feb-23	82.45	66.15	67.25	82.45	66.65	67.30
Mar-23	77.15	62.80	74.23	79.00	63.05	74.30





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.

The Company obtains annually certificate from a Company Secretary in Practice confirming the issue of share certificates, sub-division, consolidation, transmission etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI (LODR) Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on yearly basis.

DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the company as on March 31, 2023 is as follows:

Holding		No. of holders	% of Total holders	Total Shares	Total Amount (₹)	% of Total Amount
0	5000	23825	93.5230	3553204	17766020	10.0695
5001	10000	791	3.1050	1231160	6155800	3.4890
10001	20000	418	1.6408	1217128	6085640	3.4492
20001	30000	164	0.6437	817291	4086455	2.3161
30001	40000	46	0.1805	319358	1596790	0.9050
40001	50000	55	0.2158	526597	2632985	1.4923
50001	100000	74	0.2904	1088902	5444510	3.0858
100001	And Above	102	0.4003	26532862	132664310	75.1926
	Total	**25475**	**100.0000**	**35286502**	**176432510**	**100.0000**

Shareholding Pattern:

The shareholding of different categories of the shareholders as on March 31, 2023 is given below:-

S No	Client Type	No. of Shares	% of Holdings
1	Promoters	15819021	44.83
2	Corporate Body	3427979	9.71
3	Directors & their Relatives	456318	1.29
4	Resident	13795488	39.10
5	FPI	329066	0.93
6	NRI	858574	2.43
7	Clearing Member	38948	0.11
8	Financial Institutions/Bank	202	0.00
9	Employees	6147	0.02
10	Hindu Undivided Family	540029	1.53
11	IEPF	14730	0.04
	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/her DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar and Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of shareholder.

About 99.64% of total equity share capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2023. 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 31.03.2023.

CRICIL RATING

Credit Rating Agency viz. ICRA has given below mentioned rating to the Company:

Instrument Type	Rating/Outlook
Long Term Rating	ICRA - A-[Stable]
Short Term Rating	ICRA A2+

Reconciliation of Share Capital Audit:

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

INVESTORS CORRESPONDENCE

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

Mrs. Komal Pandey
Company Secretary and Compliance Officer
20 Microns Limited
9-10, GIDC Industrial Estate,
Waghodia – 391760. Dist. Vadodara, Gujarat, India
Tel : +91 75748 06350 Fax: +91 2668 264003
Email: investors@20microns.com

Registered Office:

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

Subsidiary Companies

As on 31.03.2023, the Company had 6 [Six] Subsidiaries including one step down subsidiary and One Associate Company viz. 20 Microns Nano Minerals Limited; 20 Microns SDN. BHD, 20 Microns FZE, 20 Microns Vietnam Company Ltd ,20 MCC Pvt. Ltd., Silicate Minerals (I) Pvt Ltd and one Associate Company viz., Dorfner-20 Microns Private Limited.

During the year under review no loans and advances in the nature of loans to firms/companies in which the directors are interested has been made.

Unclaimed Dividend

During the year, no Un-claimed Dividend was required to be 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 31.03.2023 on the website of the Company, at web link - https://www.20microns.com/unpaid-dividend-deposit/.

No shares were required to be transfer to Suspense Demat Account by the Company, accordingly providing details under Regulation 39(4) of listing regulations is not applicable.

Other Disclosures:

1. Company does not have any commodity price risks and commodity hedging activities
2. The Company has not raised fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations, 2015
3. The Board has accepted all recommendations of the Committee which is mandatorily required

Place: Waghodia, Vadodara
Date: 16.05.2023

Rajesh C. Parikh
Chairman & Managing Director
DIN: 00041610

Annexure - I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
20 Microns Limited
CIN: L99999GJ1987PLC009768

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of 20 Microns Limited (the Company) having its registered office situated at 9-10, G.I.D.C. Industrial Estate, Waghodia, Baroda 391760, Gujarat, which were produced before us by the Company for the purpose of issuing a certificate as stipulated in Regulation 34 (3) read with Clause (10) (i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In our opinion and to the best of our information and on the basis of the verification of the above stated documents (including the status of Directors Identification Number - DIN on the portal of Ministry of Corporate Affairs - MCA www.mca.gov.in), we hereby certify that none of the Directors on the Board of the Company as on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as a Director of the Company by the Board i.e. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the basis of verification of documents produced before us and made available to us.

For **Parikh Dave & Associates**
Company Secretaries

Umesh Parikh
Practicing Company Secretary
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020
FCS No.:4152 C. P. No.: 2413
UDIN: F004152E000315452

Place: Ahmedabad
Date: 16.05.2023

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

The Board of Directors
20 Microns Limited

Dear Members of the Board,

1. We have reviewed Audited Financial statements and the cash flow statement of 20 Microns Limited for the year ended 31st March, 2023 and that to the best of our knowledge and belief :

    i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.

2. To the best of our knowledge and information, no transactions are entered into by the Company during the year ended 31st March, 2023, which are fraudulent, illegal and violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting. In order to evaluate the effectiveness of internal control systems, pertaining to financial reporting and for risk management we have established internal framework to carry out independent study at regular intervals on risk management and internal controls, which helps in forming the opinion for CEO/CFO certification as required.

4. We have informed to the Auditors and the Audit Committee:

    i) There are no Significant changes in the internal control over financial reporting during the year;

    ii) There are no Significant changes in accounting policies during the year and

    iii) There are no instances of Significant fraud of which we have become aware.

5. We have provided protection to Whistle Blower from unfair termination and other unfair or prejudicial employment practices.

6. We further declare that all Board Members and Senior Management Personnel have affirmed compliance with code of conduct and ethics for the year covered by this report.

Place: Waghodia, Vadodara	**Narendra R. Patel**	**Atil C. Parikh**
Date: 16.05.2023	Chief Financial Officer	CEO and Managing Director

PRACTICING COMPANY SECRETARY CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
20 Microns Limited

We have examined all relevant records of 20 MICRONS LIMITED for the purpose of certifying compliance of conditions of Corporate Governance as stipulated under para C and D of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2023.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the further viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

On the basis of the examination of the records produced, explanations and information furnished, we certify that the Company has complied with the mandatory conditions of the Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Parikh Dave & Associates**
Company Secretaries

Umesh Parikh
Practicing Company Secretary
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020
FCS No.: 4152 C. P. No.: 2413
UDIN: F004152E000315430

Place: Ahmedabad
Date: 16.05.2023

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023
[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 LIMITED
CIN: L99999GJ1987PLC009768
9-10, G.I.D.C. Industrial Estate,
Waghodia, Baroda -391760

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 20 MICRONS LIMITED (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, minute 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 whether electronically or otherwise 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 March 31, 2023 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 March 31, 2023 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, Overseas Direct Investment and External Commercial Borrowings; - Not applicable to the extent of External Commercial Borrowings as there were no reportable events during the financial year under review;

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, 2018 - Not applicable during the year under review;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not applicable during the year under review;

   (e) 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;

   (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021-Not applicable during the year under review;

(g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;

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

(i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the year under review;

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

i. Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.

ii. The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

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

We further report that:
During the audit period under review there were no specific laws which were exclusively applicable to the Company / Industry. However, having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the mining and chemical manufacturing activities:

A. The Mines and Minerals (Development and Regulation) Amendment Act, 2015 and the rules and regulations made thereunder;

B. The Mines Act, 1952

C. Manufacture, Storage, and Import of Hazardous Chemical Rule, 1989

D. The Water (Prevention and Control of Pollution) Act, 1974

E. The Air (Prevention and Control of Pollution) Act, 1981

F. The Environment (Protection) Act, 1984

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. There were no changes which took place in the composition of Board during the year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where meetings are held on shorter notice with necessary consent, 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.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:
Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meetings, 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 general laws, rules, regulations and guidelines.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditors and other designated professionals.

We further report that:

During the audit period under review, entire equity shareholding of one of the founder Promoter and erstwhile Chairman and Managing Director of the Company i.e. Late Shri Chandresh Parikh have been transmitted in favour of other existing Promoters of the Company in due compliance of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Further, there were no instances of:

a) Public/Right issue of shares/ debentures/sweat equity etc.

b) Redemption / buy-back of securities.

c) Obtaining the approval from shareholders under Section 180 of the Companies Act, 2013.

d) Merger / amalgamation / reconstruction, etc.

e) Foreign technical collaborations.

For **Parikh Dave & Associates**
Company Secretaries

Umesh Parikh
Practicing Company Secretary
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020
FCS No.:4152 C. P. No.: 2413
UDIN: F004152E000315397

Place: Ahmedabad
Date: 16.05.2023

Note:

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

ANNEXURE - A

To,
The Members,
20 MICRONS LIMITED
CIN: L26910GJ1998PLC034400

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 process 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 process and practices followed by us provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure 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 **Parikh Dave & Associates**
Company Secretaries

Umesh Parikh
Practicing Company Secretary
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020
FCS No.:4152 C. P. No.: 2413
UDIN: F004152E000315397

Place: Ahmedabad
Date: 16.05.2023

Independent Auditor's Report On Standalone Financial Statements

To
The Members of 20 Microns Limited
Report on the Audit of 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, 2023, 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 ended on that date and notes to the Standalone Financial Statement, including a summary of the 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 (hereinafter referred to as "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, (hereinafter referred to as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, 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 (hereinafter referred to as "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 Matter

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition** The Company has a substantial range of product and a diverse customer base in addition to operating from multiple locations. The risk profile linked to precise revenue recording exhibits varying characteristics. We acknowledge that revenue serves as a vital metric for evaluating the Company's performance, and the annual internal goals and incentive programs are partly influenced by revenue growth. Based on these factors, we have concluded that the potential for a significant misstatement in revenue recognition is a pertinent risk. We have determined this as a Key Audit Matter considering the distinct pricing structure for different customers, extensive product and customer base, management's use of judgment and estimates, and the materiality of the amounts involved.	**Principal Audit Procedure:** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluating the design of internal controls. • Assessing the processes and testing controls over each significant revenue stream. • Carrying out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of the operation of the controls. • Performing full and specific scope audit procedures over this risk area in major locations, which covered the majority of the risk amount. • Evaluating the appropriateness of journal entries impacting revenue, as well as other adjustments made in the preparation of the standalone financial statements. Considering unusual journals such as those posted outside of expected days, or by unexpected individuals. • Evaluating management's controls over such adjustments.

Sr. No.	Key Audit Matter	Auditor's Response
1		• Inspecting a sample of contracts to check that revenue recognition was in accordance with the contract terms and the Company's revenue recognition policies. • Testing a sample of transactions around period end to test that revenue was recorded in the correct period. • Evaluating management's assumptions for revenue streams that have judgemental elements. Evaluated the appropriateness of accounting policies, related disclosure made and overall presentation in the Standalone Financial Statements in terms of Ind AS 115.
2	**Contingent Liabilities** Contingent Liabilities are for ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, claims and legal proceedings. Contingent liabilities are considered as key audit matters as the amount involved is significant and it also involves significant management judgement to determine possible outcome and future cash outflows of these disputes.	Our procedures included the following: • Obtaining details of dispute and claims outstanding as on 31-Mar-2023 from the Management. • Understanding and evaluating the design of operating effectiveness of controls in respect of the legal matters. • Discussed with the management about the significant judgment considered in determining possible outcome and future cash outflows of these disputes. • Verifying relevant documents related to Disputes. Evaluated the appropriateness of accounting policies, related disclosure made and overall presentation in the Standalone Financial Statements in terms of Ind AS 37.

Information Other than the Standalone 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information but does not include the Standalone 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 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 governance.

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 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 Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an 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.

Other Matter

The Standalone Financial Statements of the Company for the year ended March 31, 2022, were audited by predecessor auditor whose report dated May 03, 2022 expressed an unmodified opinion on those Standalone Financial Statements.

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 Flows 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 specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of internal financial control 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 control 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 39 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) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

(iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared any dividend in the previous year and hence reporting requirement for compliance with section 123 of the Act is not applicable.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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.

F**or, Manubhai & Shah LLP**
Chartered Accountants
Firm Registration No.: 106041W/W100136

G R Parmar
Partner
Membership No.: 121462
UDIN: 23121462BGTMUU3208

Place: Waghodia, Vadodara
Date: 16/05/2023

Annexure - A

TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the Standalone Financial statements of 20 Microns Limited ("the Company") as of and for the year ended March 31, 2023, 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 Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

G R Parmar
Partner
Membership No.: 121462
UDIN: 23121462BGTMUU3208

Place: Waghodia, Vadodara
Date: 16/05/2023

Annexure - B

TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Companies (Auditor' Report) Order, 2020, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of 20 Microns Limited ('the Company')

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work in progress and relevant details of right of use Assets.

B. The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment have been physically verified by the Management during the year No material discrepancies were noticed during the process of physical verification of assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company provided to us, we report that, the title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company as at 31st March 2023.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31st March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at any points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising stock and creditor statements, book debt statements and other stipulated financial information filed by the Company with such banks are not having material difference with the unaudited books of account of the Company, of the respective quarters.

(iii) During the year, the Company has not made any investment in, provided any guarantee or security to companies, firms, limited liability partnerships or any other parties. During the year, the Company has granted unsecured loans to other parties in respect of which:

(a) During the year, the Company has provided loans to other parties in respect of which:

- aggregate amount of loan provided to other parties (Employees) is ₹21.90 Lakh and balance outstanding at the balance sheet date is ₹13.84 Lakh.

(b) In our opinion, terms and conditions of grant of loans, during the year, prima facie, are not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest, wherever applicable, have been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(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 granted, investments made and guarantees and securities provided.

(v) In our opinion the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted and amounts deemed to be deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost 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, In respect of Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year except few delays.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there were no undisputed amounts payable as applicable were in arrears as at March 31, 2023 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 , Value Added Tax and Other as at 31st March 2023 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
Value Added Tax (VAT) and Central Sales Tax (CST)	VAT and CST	83.09	Financial Year 2014-15	Joint Commissioner Appeals (State Tax) Uttarakhand
Value Added Tax (VAT) and Central Sales Tax (CST)	VAT and CST	108.00	Financial Year 2015-16	Joint Commissioner Appeals (State Tax) Uttarakhand
Gujarat Minerals (Prevention of illegal mining, transportation and storage) rules, 2017	Mining Royalty	419.13	--	The Commissioner (Geology & Mining, Gandhinagar)
		610.21		

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to the lender during the year.

(b) We are of the opinion that, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the Standalone Financial Statements of the Company, in our opinion funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company and no material fraud on the Company has been, noticed or reported during the year, nor we have been informed of any such case by the Management.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

(xii) In our opinion, the Company is not a Nidhi Company and hence reporting under clause 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 Standalone Financial Statements as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion the Company has an internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to Month of March 2022.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause 3 (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

F**or, Manubhai & Shah LLP**
Chartered Accountants
Firm Registration No.: 106041W/W100136

G R Parmar
Partner
Membership No.: 121462
UDIN: 23121462BGTMUU3208

Place: Waghodia, Vadodara
Date: 16/05/2023

Standalone Balance Sheet

as at 31st March, 2023

(₹ In Lakhs)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment & Intangible Assets			
(i) Property, Plant and Equipment	3.1	18,770.24	18,190.11
(ii) Capital Work in Progress	3.2	683.14	454.58
(iii) Right of Use Assets	3.3	181.23	189.96
(iv) Intangible Assets	4	72.69	77.10
(v) Intangible Assets under Development	4.1	22.01	-
(b) Investments in Subsidiaries	5	2,581.15	2,581.15
(c) Financial Assets			
(i) Investments	6	871.29	864.35
(ii) Other Financial Assets	7	682.69	537.31
(d) Other Non-Current Assets	8	772.37	1,208.09
Total Non-Current Assets		**24,636.82**	**24,102.65**
2 Current assets			
(a) Inventories	9	8,372.16	8,649.25
(b) Financial Assets			
(i) Trade receivables	10	8,956.88	9,544.84
(ii) Cash and Cash Equivalents	11	1,282.48	1,007.27
(iii) Bank Balances other than (ii) above	12	166.15	321.58
(iv) Loans	13	26.95	38.05
(v) Other Financial Assets	14	303.93	297.21
(c) Other Current Assets	15	2,291.29	1,718.87
Total Current Assets		**21,399.84**	**21,577.06**
TOTAL ASSETS		**46,036.66**	**45,679.71**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	16	1,764.33	1,764.33
(b) Other Equity	17	25,195.17	21,588.18
Total equity		**26,959.50**	**23,352.50**
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,797.35	2,741.87
(ii) Trade Payables	22		
Total outstanding dues of Micro and Small Enterprise		-	-
Total outstanding dues of Creditors other than Micro and Small Enterprise		-	84.32
(iii) Lease Liabilities		137.84	80.56
(iv) Other Financial Liabilities	19	42.23	25.92
(b) Deferred Tax Liabilities (Net)	20	2,384.01	2,423.46
Total Non-Current Liabilities		**4,361.43**	**5,356.12**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	6,297.65	7,683.78
(ii) Trade Payables	22		
Total outstanding dues of Micro and Small Enterprise		15.12	26.53
Total outstanding dues of Creditors other than Micro and Small Enterprise		7,071.09	8,013.10
(iii) Lease Liabilities		58.25	123.64
(iv) Other Financial Liabilities	23	922.39	783.59
(b) Other Current Liabilities	24	287.94	259.64
(c) Provisions	25	16.94	15.78
(d) Current Tax Liabilities (Net)	26	46.35	65.03
Total Current Liabilities		**14,715.74**	**16,971.09**
Total Liabilities		**19,077.16**	**22,327.21**
TOTAL EQUITY AND LIABILITIES		**46,036.66**	**45,679.71**
See accompanying notes to the financial statements	1 to 49		

As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G. R. Parmar
Partner
M. No. 130010

Rajesh C. Parikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Place: Waghodia
Date: 16/05/2023

Place: Waghodia
Date: 16/05/2023

Standalone Statement of Profit and Loss

for the year ended on 31st March, 2023

(₹ In Lakhs)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue			
I. Revenue from Operations	27	59,780.35	51,712.50
II. Other income	28	661.40	582.53
III. Total Income (I+II)		**60,441.75**	**52,295.03**
IV. Expenses			
a) Cost of materials consumed	29	31,058.53	26,617.63
b) Changes in inventories of finished goods, stock in trade and work-in-progress	30	17.03	92.73
c) Employee Benefits Expenses	31	4,774.76	3,944.08
d) Finance Costs	32	1,499.73	1,800.13
e) Depreciation, Amortisation and Impairment expense	33	1,163.19	1,180.92
f) Other Expenses	34	17,064.66	14,452.45
Total Expenses (IV)		**55,577.90**	**48,087.94**
V. Profit Before Exceptional Items and Tax (III-IV)		4,863.85	4,207.09
VI. Exceptional Items		-	-
VII. Profit Before Tax (V-VI)		**4,863.85**	**4,207.09**
VIII. Tax expense:	36		
Current Tax		1,285.13	1,041.65
Deferred Tax		(36.51)	78.49
Total Tax Expenses		1248.62	-
IX. Profit for the period (VII-VIII)		**3,615.23**	**3,086.95**
X. Other Comprehensive Income	37		
A. (i) Items that will not be reclassified to profit or loss		(11.19)	463.57
(ii) Income tax related to items that will not be reclassified to profit or loss		2.95	(108.22)
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 (X)		**(8.24)**	**355.35**
XI. Total Comprehensive Income for the period (IX+X)		**3,606.99**	**3,442.30**
Earnings per equity share of Face Value of ₹ 5 each	38		
Basic		10.25	8.75
Diluted		10.25	8.75
Significant Accounting Policies and Notes are an Intergal Part of the Financial Statements.	1 to 49		

As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G. R. Parmar
Partner
M. No. 130010

Rajesh C. Parikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Place: Waghodia
Date: 16/05/2023

Place: Waghodia
Date: 16/05/2023

Standalone Statement of Cash Flow

for the year ended on 31st March, 2023

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	4,863.85	4,207.09
Adjustments for:		
Depreciation, Amortisation and Impairment expense	1,163.19	1,180.92
Loss on sale/disposal of Property, plant and equipment	8.74	6.55
Bad Debts Written Off	-	11.85
Effect of foreign exchange gain/loss	31.73	(0.60)
Finance Costs	1,499.73	1,800.14
Provision/liability no longer required written back	(26.01)	(43.43)
Debit balance written off	13.47	13.89
Profit on derecognition of Lease Liability	(0.44)	-
Provision Reversal of Impairment of investment in subsidiary	-	(25.05)
Interest Income	(41.37)	(43.29)
Operating Profit before Working Capital Changes	**7,512.90**	**7,108.08**
Changes in Working Capital		
Adjustments for (Increase) / Decrease in Operating Assets:		
Trade Receivables	570.10	(1,305.08)
Other - Non Current Assets	(4.00)	2.10
Other financial assets-Non-current	(29.77)	(5.29)
Short Terms Loans and Advances	11.10	(19.15)
Other Current Assets	(612.09)	581.88
Other financial assets-Current	(6.73)	(41.66)
Inventories	277.09	(1,147.88)
Changes in Trade and Other Receivable	**205.71**	**(1,935.10)**
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(1,065.08)	259.36
Other current Liabilities	54.31	125.50
Other Financial current Liabilities	138.80	(118.95)
Other Financial Non-current Liabilities	16.31	3.46
Other non current liabilities		-
Short-term provisions	1.16	(42.87)
Changes in Trade and Other Payables	**(854.49)**	226.49
Cash Generated from Operations	6,864.12	5,399.47
Direct Tax paid (Net of refunds)	(1,282.26)	(952.09)
Net Cash from Operating Activities	**5,581.85**	**4,447.38**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipments/Intangible assets including capital work in progress and capital advances	(1,574.20)	(2,779.63)
Proceeds from sale of Property, plant and equipments	95.59	265.55
Investment in Subsidiary and Associate	-	(722.50)
Investment in Mutual Funds	-	-
(Deposit) in /Maturity of Deposits with original maturity of more than three months	39.81	(46.83)
Interest Received	41.37	43.29
Net Cash used in Investing Activities	**(1,397.43)**	**(3,240.11)**

Standalone Statement of Cash Flow

for the year ended on 31st March, 2023

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Long-term borrowings (Net)	(944.52)	563.91
Proceeds/(Repayment) of Short-term borrowings [Including current maturities of long term debt] (Net)	(1,386.13)	1,024.73
Payment of lease liability	(78.84)	(155.29)
Finance cost Paid	(1,499.73)	(1,800.14)
Net Cash used in Financing Activities	**(3,909.22)**	**(366.79)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**275.21**	**840.47**
Cash and Cash Equivalents at the beginning of the year	1,007.27	166.80
Cash and Cash Equivalents at the end of the year	1,282.48	1,007.27
Closing Cash and Cash Equivalents comprise of:		
Cash in hand	9.04	2.98
Balances with Scheduled Banks		
Balance in Current Account	1,273.43	704.26
Deposits with maturity less than 3 months		300.03
Total	**1,282.48**	**1,007.27**
Less : Amount due to bank in current account	-	-
Total	**1,282.48**	**1,007.27**

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 PPE are stated inclusive of movements of capital work in progress, assets under development and capital advances.

(iii) 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.

(iv) 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 31st March, 2023	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short Term Borrowings (including Current maturities)	7,683.78	(1,396.74)	10.61	6,297.65
Long Term Borrowings	2,741.87	(943.88)	(0.64)	1,797.35
Bank Balances other than Cash and Cash Equivalents	321.58	(155.43)	-	166.15

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

See accompanying notes to the financial statements 1 to 49
As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G. R. Parmar
Partner
M. No. 130010

Rajesh C. Parikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Place: Waghodia
Date: 16/05/2023

Place: Waghodia
Date: 16/05/2023

Standalone Statement of Changes in Equity

for the year ended on 31st March, 2023

(a) Equity share capital

(₹ In Lakhs)

Equity share capital	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the reporting period	1764.33	1764.33
Changes in equity share capital during the year	0	0
Balance at the end of the reporting period	**1764.33**	**1764.33**

(b) Other equity

(₹ In Lakhs)

Other equity	Attributable to Equity Holders of the Company				
	Reserves and Surplus			Other Comprehensive Income -	Total Other Equity
	General Reserve	Securities Premium	Retained earnings	Equity Instruments through OCI	
Balance at 1st April, 2021 (A)	120.54	3,980.33	13,884.96	160.05	18,145.88
Add: Profit during the Period	-	-	3,086.95	-	3,086.95
Add/(less): Other Comprehensive Income for the year (Net of Tax)	-	-	-	346.18	346.18
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	9.17	-	9.17
Balance at 31st March, 2022 (B)	**120.54**	**3,980.33**	**16,981.08**	**506.23**	**21,588.18**
Add: Profit during the Period	-	-	3,615.23	3,615.23	
Add/(less): Other Comprehensive Income for the year(Net of Tax)	-	-	-	5.32	5.32
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(13.56)	-	(13.56)
Balance at 31st March, 2023	**120.54**	**3,980.33**	**20,582.75**	**511.55**	**25,195.17**

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.

Note (ii): Nature and purpose of each reserve is disclosed under note no. 16 -'Other equity'

See accompanying notes to the financial statements

As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G. R. Parmar
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Rajesh C. Parikh
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CEO & MD
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Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Place: Waghodia
Date: 16/05/2023

Place: Waghodia
Date: 16/05/2023

Notes to Standalone Financial statements

for the year ended 31st March, 2023

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 16/05/2023.

Notes to Standalone Financial statements for the year ended 31st March 2023

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 36 Current/deferred tax expense

Note 39 Contingent liabilities and assets

Note 10 Expected credit loss for receivables

Note 42 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

Notes to Standalone Financial statements

for the year ended 31st March, 2023

that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

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

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

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

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

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

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

2.4 Capital Work in Progress:

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

Notes to Standalone Financial statements

for the year ended 31st March, 2023

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 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.

Notes to Standalone Financial statements

for the year ended 31st March, 2023

2.9 Revenue recognition

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

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

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

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

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period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

2.11 Borrowing Cost

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

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

2.12 Financial Instruments

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

2.12.1 Financial Asset

Initial Recognition

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

Initial Measurement

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

Subsequent Measurement

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

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

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

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

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

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

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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.

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

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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.

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.

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Derecognition

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

2.12.3 Derivative Financial Instruments and Hedge Accounting

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

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

Fair Value Hedges:

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

2.12.4 Offsetting financial instruments

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

2.13 Fair Value

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

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

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

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

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

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

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

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- 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 40)

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 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

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the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

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

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

2.16 Foreign Currency Transactions

2.16.1 Functional and Presentation Currency

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

2.16.2 Transactions and balances

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

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

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

2.17 Employee Benefits

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

2.17.1 Post-Employment Benefit Plans

Defined Contribution Plan

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

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

Defined Benefit Plans

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

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

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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 & vehicles. 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.

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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.

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

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in other comprehensive income or directly in equity, respectively.

2.20 Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Provisions, Contingent Liabilities and Contingent Assets

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

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

Provisions are not recognised for future operating losses.

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

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

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

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

2. A present obligation arising from the past events, when no reliable estimate is possible;

3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

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

Notes to Standalone Financial statements

for the year ended 31st March, 2023

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.

2.31 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 3.1. Property, Plant and Equipment (PPE) as at 31st March 2023

(₹ In Lakhs)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 1st April 2022	Addition during the year	Disposal	Adjustment	As at 31st March 2023	As at 1st April 2022	For the year	Disposal	Adjustment	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Freehold land	577.17	-	-	-	577.17	-	-	-	-	-	577.17	577.17
Leasehold land	2,307.89	781.88	-	-	3,089.77	188.88	39.39	-	-	228.27	2,861.50	2,119.01
Free Hold Office Building	293.30	11.54	-	27.02	331.87	57.47	5.79	0.61	-	63.87	268.00	235.83
Lease Hold Office Building	75.20	-	-		75.20	71.43	-	-	-	71.43	3.77	3.77
Factory Building	5,535.40	118.90	-	3.03	5,657.33	1,528.18	176.36	(0.47)	-	1,704.08	3,953.26	4,007.22
Plant & Equipment	20,070.71	689.40	(103.44)	(6.35)	20,650.32	9,247.82	747.13	(22.64)	-	9,972.31	10,678.01	10,822.89
Furniture and Fixtures	315.11	98.49	(7.66)	(14.75)	391.18	204.55	15.59	(24.00)	16.70	212.84	178.35	110.56
Office Equipments	170.22	13.65	(17.77)	(0.30)	165.81	130.80	11.82	(0.22)	(16.88)	125.53	40.27	39.41
Computer Equipments	239.42	13.41	(1.84)	0.30	251.29	116.91	38.51	(2.06)	0.18	153.54	97.75	122.51
Vehicles	435.47	22.38	(124.34)	(8.95)	324.55	283.74	30.13	(101.47)	-	212.40	112.15	151.73
Total PPE	**30,019.90**	**1,749.64**	**(255.05)**	**0.00**	**31,514.49**	**11,829.79**	**1,064.72**	**(150.25)**	**0.00**	**12,744.26**	**18,770.24**	**18,190.11**
Previous year	**28,782.13**	**1,642.06**	**(404.29)**	**-**	**30,019.90**	**11,077.09**	**1,014.88**	**(262.18)**	**-**	**11,829.79**	**18,190.11**	**-**

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 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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

Note 3.1.5 - Borrowing cost amounting to ₹Nil (P.Y. - Nil) has been capitalised in the head plant and equipment as per IND AS - 23 "Borrowing Cost"

Note 3.1.6 - The company has not carried out revaluation of PPE.

Note 3.1.7 - The title deeds are held in the name of the Company for all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee).

Note 3.2 Capital work in progress

(₹ in Lakhs)

Capital work in progress	As at 31st March 2023	As at 31st March 2022
Capital Work-in-Progress	683.14	454.58
Total	**683.14**	**454.58**

Note:- Security Pledge of Assets : Refer to Note 18 on borrowings for details of security pledge of assets.

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 3.3 Right of Use Assets

(₹ in Lakhs)

Particulars	Gross Block					Amortization					Net Block
	As at 1st April 2022	Addition during the year	Disposal	Adjustments	As at 31st March 2023	As at 1st April 2022	For the year	Disposal	Adjustments	As at 31st March 2023	As at 31st March 2022
Right of Use Assets	591.91	77.14	5.97	-	663.08	401.94	79.90	-	-	481.85	181.23
Previous Year	**424.62**	**167.29**	**-**	**-**	**591.91**	**252.62**	**149.32**	**-**	**-**	**401.94**	**189.96**

Note 3.4 Ageing Schedule

As on 31 March 2023:

(₹ in Lakhs)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	381.73	301.41	-	-	683.14
Projects temporarily suspended	-	-	-	-	-
Total	**381.73**	**301.41**	**-**	**-**	**683.14**

As on 31 March 2022:

(₹ in Lakhs)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	454.58	-	-	-	454.58
Projects temporarily suspended	-	-	-	-	-
Total	**454.58**	**-**	**-**	**-**	**454.58**

Note 3.4.1 - There are no projects in CWIP whose completion is overdue or has exceeded cost compared to original plan.

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 4 Intangible assets as at 31st March 2023

(₹ in Lakhs)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2022	Addition during the year	Disposal	Adjustments	As at 31st March 2023	As at 1st April 2022	For the year	Disposal	Adjustments	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
SAP "ERP" License and Development Fees	119.66	14.51			134.16	42.56	18.57		0.34	61.47	72.69	77.10
Total Intangible Assets	119.66	14.51	-	-	134.16	42.56	18.57	-	0.34	61.47	72.69	77.10
Previous year	**119.66**	**-**	**-**	**-**	**119.66**	**25.84**	**16.72**	**-**	**-**	**42.56**	**77.10**	

Note 4.1.1 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 4.1.2 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 4.1.3 There is no restriction on the title of intangible assets.

Note 4.1.4 The company has not carried out revaluation of intangible assets.

Note 4.1 Intangible assets under development

(₹ in Lakhs)

Intangible assets under development	As at 31st March 2023	As at 31st March 2022
SAP "ERP" License and Development Fees	22.01	-
Total	**22.01**	**-**

Note 4.2 Ageing Schedule

As on 31 March 2023:

(₹ in Lakhs)

Capital work in progress	Amount in Intangible asset under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	22.01	-	-	-	22.01
Projects temporarily suspended	-	-	-	-	-
Total	**22.01**	**-**	**-**	**-**	**22.01**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 5. Investment in Subsidiaries and Associates

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in Equity Shares carried At Cost (Fully Paid) Unquoted Equity Shares		
1) 20 Microns Nano Minerals Limited (Subsidiary)	1,590.20	1,590.20
87,20,000 (31st March, 2022: 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 (Subsidiary)	155.11	155.11
5,04,000 shares (31st March, 2022: 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 (Subsidiary)	62.63	62.63
1 shares (31st March, 2022: 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 (Subsidiary)	25.66	25.66
Extent of Holding	100%	100%
Place of business/ country of incorporation	Vietnam	Vietnam
5) 20 MCC Private Limited (Subsidiary)	725.05	725.05
72,50,545 shares (31st March, 2022: 72,50,545) of ₹10 each.		
Extent of Holding	100.00%	100.00%
Place of business/ country of incorporation	INDIA	INDIA
6) Dorfner - 20 Microns Private Limited (Associate)	22.50	22.50
2,25,000 shares (31st March, 2022: 2,25,000) of ₹10 each.		
Extent of Holding	45%	45%
Place of business/ country of incorporation	India	India
Description of method used to account for the investments in Subsidiary and associates (Cost or fair value)	At Cost	At Cost
Total	**2,581.15**	**2,581.15**
(a) Aggregate amount of quoted investments and market value thereof;	-	-
(b) Aggregate amount of unquoted investments; and	2,581.15	2,581.15
(c) Aggregate amount of impairment in value of investments.	-	-

Note 6. Non- current financial assets : Investments

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
6,80,000 (31st March, 2022: 6,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited ₹10 each fully paid up.	870.40	863.46
Extent of Holding	13.58%	13.58%
Investments in Government Securities		
National Savings Certificate	0.89	0.89
Total	**871.29**	**864.35**
(a) Aggregate amount of quoted investments and market value thereof;	-	-
(b) Aggregate amount of unquoted investments; and	871.29	864.35
(c) Aggregate amount of impairment in value of investments.	-	-

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 7. Non- current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposits with maturity over 12 months		
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	332.95	217.46
Deposits given as guarantee to authorities	2.55	2.42
Security Deposits		
To Others [Unsecured, considered good]	347.20	317.43
Total	**682.69**	**537.31**

Note 8. Other non- current assets

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances [Unsecured, considered good]	768.37	1,208.09
Balances with Government authorities paid under protest	4.00	-
Total	**772.37**	**1,208.09**

Note 9. Inventories*

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Finished Goods	1,728.69	1,745.72
Goods in Transit (Raw Materials)	496.51	54.82
Raw Materials	5,530.97	6,277.48
Stores and Spares	615.99	571.23
Total	**8,372.16**	**8,649.25**

*For Valuation-Refer note 2.14 (Accounting Policy)

**Refer to Note 18 on borrowings for details in terms of pledge of assets as security.

Note 10. Current financial assets : Trade receivables*

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered Good	8,956.88	9,544.84
Credit Impaired	142.50	147.07
	9,099.38	**9,691.92**
Less: Impairment Allowance for Trade Receivables	(142.50)	(147.07)
Total	**8,956.88**	**9,544.84**

*Refer to Note 18 on borrowings for details in terms of pledge of assets as Security.

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Trade Receivable ageing schedule:

As on 31 March 2023:

(₹ In Lakhs)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	7,293.25	1,665.00	-	8.63	-	-	8,996.07
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	31.94	7.25	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	1.53	101.78	103.31
(vii) Unbilled								
Total	**-**	**7,325.19**	**1,672.25**	**-**	**8.63**	**1.53**	**101.78**	**9,099.38**
Less: Allowance for bad and doubtful								
(viii) Allowance for doubtful - Undisputed Trade receivables	-	(31.94)	(7.25)	-	-	-	-	(39.19)
(ix) Allowance for doubtful - Disputed Trade receivables	-	-	-	-	-	(1.53)	(101.78)	(103.31)
Net Trade Receivables	-	7,293.25	1,655.00	-	8.63	-	-	8,956.88

As on 31 March 2023:

(₹ In Lakhs)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	-	8,848.20	485.62	211.02	-	-	9,544.84
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	30.19	2.00	-	4.64	9.74	46.56
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	6.31	94.20	100.51
(vii) Unbilled	-	-	-	-	-	-	-	-
Total	**-**	**-**	**8,878.39**	**487.62**	**211.02**	**10.95**	**103.94**	**9,691.92**
Less: Allowance for bad and doubtful								
(viii) Allowance for doubtful - Undisputed Trade receivables	-	-	(30.19)	(2.00)	-	(4.64)	(9.74)	(46.56)
(ix) Allowance for doubtful - Disputed Trade receivables	-	-	-	-	-	(6.31)	(94.20)	(100.51)
Net Trade Receivables	-	-	8,848.20	485.62	211.02	-	-	9,544.84

Note - Above ageing was made from the date of transactions where due dates were not available

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 11. Current financial assets : Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Balance with banks		
Balance in Current accounts	1,273.43	704.26
(b) Deposits with maturity less than 3 months	-	300.03
(c) Cash on hand	9.04	2.98
Total	**1,282.48**	**1,007.27**

Note 12. Current financial assets : Other bank balances

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Earmarked balances In unclaimed dividend accounts (Refer Note 12.1)	1.82	1.85
Deposits with maturity over 3 months but less than 12 months		
Margin Money deposits under lien against Bank Guarantee	98.41	146.62
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	65.92	173.10
Total	**166.15**	**321.58**

Note 12.1

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

Note 13. Current financial assets : Loans

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans to employees [Unsecured, considered good]	13.84	24.92
Employee advance [Unsecured, considered good]	13.11	13.13
Total	**26.95**	**38.05**

Note 14. Current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Insurance claim receivable	1.82	4.53
Balances with Tax authorities	205.90	211.79
Security and other deposits [Unsecured, considered good]	96.22	80.89
Total	**303.93**	**297.21**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 15. Current assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances for expenses[Unsecured, considered good]		
To Related parties	-	-
To Others	1,350.82	587.65
	1,350.82	**587.65**
Prepaid Expenses	162.51	161.30
Indirect Tax credit receivable	539.59	643.04
Advance Payment of Income Tax (Net of Provision : C.Y - ₹1703.09 lakhs, P.Y - ₹1228.21 lakhs) - Refer note no. 26	221.22	242.77
Plan asset of Gratuity (Net of Provision : 31st March, 2023 - ₹899.15 lakhs 31st March, 2022 - ₹814.04 lakhs) - Refer note no. 42	17.14	82.16
Total	**-**	**1.96**
	2,291.29	**1,718.87**

Note 16. Share capital

Note 16.1

Authorised, issued, subscribed, fully paid up share capital (₹ In Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of ₹5 each	6,00,00,000	3,000.00	6,00,00,000	3,000.00
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**

Note 16.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Authorised, issued, subscribed, fully paid up share capital (₹ In Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Equity Shares of ₹5 each fully paid		Equity Shares of ₹5 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Authorised				
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 Company has only one class of shares referred to as equity shares having a par value of ₹5 each.

ii Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.

iii The dividend proposed if any by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.

iv In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 16.4 Shareholders holding more than 5% of total share capital

(₹ In Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of total shareholding	No. of Shares held	% of total shareholding
Equity Shares of ₹5 each fully paid				
Eriez Industries Private Limited	85,91,838	24.35%	85,91,838	24.35%
Late Shri Chandresh S Parikh	-	-	37,27,246	10.56%
Ilaben Chandresh Parikh	31,82,884	9.02%	97,482	0.28%
Rajesh Chandresh Parikh	20,22,636	5.73%	17,01,714	4.82%
Atil Chandresh Parikh	20,21,661	5.73%	17,00,739	4.82%
Total	**1,58,19,019**	**44.83%**	**1,58,19,019**	**44.83%**

Note 16.5 Disclosures of Shareholding of Promoters - Shares held by the Promoters:

(₹ In Lakhs)

Promoter name	Class of Shares	As at 31st March, 2023		As at 31st March, 2022		% Change during the year
		No. of Shares held	% of total shareholding	No. of Shares held	% of total shareholding	
Chandresh S Parikh	Equity	NA	NA	37,27,246	10.56%	100.00%
Atil Chandresh Parikh	Equity	20,21,661	5.73%	17,00,739	4.82%	18.87%
Rajesh Chandresh Parikh	Equity	20,22,636	5.73%	17,01,714	4.82%	18.86%
Ilaben Chandresh Parikh	Equity	31,82,884	9.02%	97,482	0.28%	3165.10%
Vedika Rajesh Parikh	Equity	2	0.00%	2	0.00%	0.00%
Eriez Industries Private Limited	Equity	85,91,838	24.35%	85,91,838	24.35%	0.00%
Total		**1,58,19,021**	**44.83%**	**1,58,19,021**	**44.83%**	

Note 16.6

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 31st March, 2023.

Note 17. Other Equity

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(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	16,981.08	13,884.96
Add: Profit during the year	3,615.23	3,086.95
Add: Remeasurements of post-employment benefit obligation, net of tax	(13.56)	9.17
Total	20,582.75	16,981.08
Total (A)	24,683.62	21,081.95

Notes to Standalone Financial statements

for the year ended 31st March, 2023

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(B) Equity instrument through OCI		
Opening Balance	506.23	160.05
Change in fair value of equity instrument	6.94	451.32
Income tax relating to above item	(1.62)	(105.14)
Total (B)	**511.55**	**506.23**
Total other equity (A+B)	**25,195.17**	**21,588.18**

Nature and purpose of reserves :

a 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.

b Securities Premium Account

Securities premium account represent the premium received at the time of issue of equity share capital.

c Retained Earnings

Retained earnings represents surplus / accumulated earnings of the company available for distribution to shareholders.

d 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 18. Non- current financial liabilities: Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Non-Current	Current*	Non-Current	Current*
Secured				
Term Loan from Banks	525.00	276.00	1,119.84	503.97
Total secured borrowing [A]	**525.00**	**276.00**	**1,119.84**	**503.97**
Unsecured				
Deposits				
From Public & Members	1,227.85	895.29	1,528.03	820.91
From Related Parties	44.50	79.00	94.00	6.00
Total unsecured borrowing [B]	**1,272.35**	**974.29**	**1,622.03**	**826.91**
TOTAL [A+B]	**1,797.35**	**1,250.29**	**2,741.87**	**1,330.88**

*Amount disclosed under the head "Short term borrowings" (Note 21)

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

18.1 Utilisation of borrowed funds

The company has used the borrowings from banks for the specific purpose for which it was taken. The company has not taken any borrowings from financial institution.

18.2 Drawing Power statement in agreement with books

Quarterly returns or statements of current assets filed by the Company with banks are not having material difference with the books of accounts. The company do not have any borrowing from financial institutions

Notes to Standalone Financial statements

for the year ended 31st March, 2023

18.3 Willful Defaulter

The company is not declared as willful defaulter by any bank or financial institution or other lender.

18.4 Maturity Profile of Borrowings [as at 31st March, 2023]

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 60 months. The repayment scheduled as per the sanction terms for sanction amounts of loans is as under:

Year-wise Effective Interest Rate	TL 7.95% to 10.25%
2024-25	276.00
2025-26	249.00
Total	**525.00**

Unsecured Borrowings

Year-wise	Public Deposits
Effective Interest Rate	7.25% - 8.50%
2024-25	896.66
2025-26	375.69
Total	**1,272.35**

18.5 Details of Securities [as at 31st March, 2023 & 31st March, 2022]

The term loans obtained as consortium loans are secured by way of

1 **First pari-passu charge by way of mortgage/hypothecation over :**

i. Plot No. 157 Mamura, Bhuj (admeasuring 3.20 acres)

ii. Negative lien on Plot No. 158,156,149 of Mamuara, Bhuj (admeasuring 74399 sq.mtrs.)

iii. Plot No. 172,174 & 175, Vadadala, Baroda (admeasuring 03.00.01 hectares)

iv. Plot No. F-75/76/82/85 & H-83/84, RIICO I.A., Swaroopganj, Rajasthan (admeasuring 9,457.50 sq.mtrs.)

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

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

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

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

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

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

xi. Plot No. F 140-3, 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 whole time directors & corporate guarantee by “Eriez Industries Private Limited” , a company where significant influence exists.

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 19. Other Non Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	42.23	25.92
Total	**42.23**	**25.92**

Note 20. Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2022-23

(₹ in Lakhs)

Particulars	As at April 1, 2022	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2023
Deferred tax Liabilities	-		-	-	-
Property, plant and equipment and Intangible Assets	2,314.09	(22.94)	-	-	2,291.15
Investments	177.85	(1.03)	1.62	-	178.43
Employee benefits	20.68	(11.80)	(4.56)	-	4.31
Disallowance u/s 43 B of Income Tax Act, 1961	(6.39)	(1.56)		-	(7.95)
Loans and borrowings	9.63	(2.08)	-	-	7.55
Total	**2,515.85**	**(39.41)**	**(2.95)**	**-**	**2,473.50**
Deferred tax asset					
Provisions	40.99	(0.86)		-	40.14
Lease liability	51.40	(2.04)		-	49.36
Total	**92.39**	**(2.90)**	**-**	**-**	**89.49**
Net deferred tax Liabilities	**2,423.46**	**(36.51)**	**(2.95)**	**-**	**2,384.01**

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.

Note 21. Current financial liabilities : Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured (Repayment on Demand)		
Loan from Banks (Cash credit):	4,156.99	5,392.18
(Effective Rate of Interest being 7.95% to 10.15%)		
Unsecured		
Deposits		
From Public and Members	890.36	960.72
(Effective Rate of Interest being 7.25% - 8.50%)		
	5,047.36	**6,352.90**
Current maturities of long term borrowings - (Refer Note 18):-		
Term Loan		
-From Banks (Secured)	276.00	503.97
-Deposits(Unsecured)		
From Public and Members	895.29	820.91
From Related Parties	79.00	6.00
	1,250.29	**1,330.88**
Total	**6,297.65**	**7,683.78**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

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 18.

All the term loans are further collaterally secured by personal guarantee of whole time directors & corporate guarantee by "Eriez Industries Private Limited" , a company where significant influence exists.

Note 22. Trade Payable

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non Current		
Total outstanding dues of Micro and Small Enterprise	-	-
Total outstanding dues of Creditors other than Micro and Small Enterprise	-	84.32
Sub-Total (a)	**-**	**84.32**
Current		
Total outstanding dues of micro enterprises and small enterprises - Trade payables (Refer Note 22.1)	15.12	26.53
Total outstanding dues of creditors other than micro and small enterprises:-		
Trade payables - Others	7,071.09	8,013.10
Sub-Total (b)	**7,086.21**	**8,039.63**
Total	**7,086.21**	**8,123.95**

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:

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
the principal amount remaining unpaid to any supplier at the end of each accounting year	15.12	26.53
Interest due on (1) above and remaining unpaid as at the end of accounting period	0.22	0.22
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting yearInterest paid on all delayed payments under MSMED Act,2006	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Notes to Standalone Financial statements

for the year ended 31st March, 2023

22.2 Trade Payable ageing schedule:

As on 31 March 2023: (₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	15.12	-	-	-	15.12
(ii) Others	-	5,541.45	1,349.48	178.68	1.48	-	7,071.09
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-	-
Total	**-**	**5,541.45**	**1,364.60**	**178.68**	**1.48**	**-**	**7,086.21**

As on 31 March 2022: (₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	26.53	-	-	-	26.53
(ii) Others	-	-	8,066.67	12.06	18.70	-	8,097.42
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-	-
Total	**-**	**-**	**8,093.19**	**12.06**	**18.70**	**-**	**8,123.95**

Note - Above ageing was made from the date of transactions where due dates were not available

Note 23. Current financial liabilities : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unclaimed dividend (Refer Note 23.1)	1.82	1.85
Unclaimed Matured public deposits and Interest	3.18	20.50
Employee Benefits Payable	211.88	178.35
Liabilities for expenses at the year end	705.50	582.89
Total	**922.39**	**783.59**

Note 23.1

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 24. Current liabilities: Others

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance from Customers	165.41	155.16
Statutory Dues	122.54	104.48
Total	**287.94**	**259.64**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 25. Current provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits (Refer note 42)		
Provision for leave encashment	16.94	15.78
Total	**16.94**	**15.78**

Note 26. Details of Income tax assets and income tax liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current income tax liabilities (Net of Advance Tax : C.Y - ₹1233.42 lakhs, P.Y - ₹947.35)	46.35	65.03
Net Asset (Asset - Liability)	**46.35**	**65.03**

26.1 Movement in current income tax asset/(liability)

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Net income tax asset/(liability) at the beginning	177.73	267.30
Income tax paid for the year	1282.26	952.09
Prior Year tax adjustment	(5.35)	(29.26)
Provision for Income tax for the year (Refer Note 36)	(1,279.78)	(1,012.39)
Net income tax asset/(liability) at the end	**174.87**	**177.73**

26.2 Components of Net income tax asset/(liability) at the end

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Payment of Income Tax (Net of Provision : C.Y - ₹1703.09 lakhs, P.Y - ₹1228.21 lakhs) - Refer note no. 26	221.22	242.77
Current income tax liabilities (Net of Advance Tax : C.Y - ₹1233.42 lakhs, P.Y - ₹947.35)	46.35	65.03
	174.87	**177.74**

Note 27. Revenue from Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from Operations		
Sale of products	59,499.37	51,428.02
Other operating revenues	280.98	284.48
Total	**59,780.35**	**51,712.50**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 27.1 Details of other operating revenues of the company are as under:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Export Incentives	4.31	17.72
Royalty Received	257.49	252.24
Scrap Sales	3.11	5.69
Job work charges	-	3.00
Transport Services	16.07	5.83
Total	**280.98**	**284.48**

Note 28. Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income*	41.37	43.29
Rent	463.75	411.39
Net Gain on Foreign Currency Transactions	89.32	27.94
Liability no longer required written back	4.02	31.65
Excess Provision written back	21.98	11.78
Reversal of Impairment loss of investment in subsidiary	-	25.05
Profit on de-recognition of Lease liability	0.44	-
Other Non-Operating Income	40.51	31.43
Total	**661.40**	**582.53**

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

Note 29. Cost of Materials Consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Stock of Material	6,277.48	4,794.01
Opening Stock Material in Transit	54.82	189.48
Add : Purchases	30,753.72	27,966.43
	37,086.01	32,949.92
Less : Material in Transit	496.51	54.82
Less: Closing Stock of Materials	5,530.97	6,277.48
Total	**31,058.53**	**26,617.63**

Note 30. Changes in inventories of finished goods, stock in trade and work in progress

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventory at the beginning of the year	1,745.72	1,838.45
Less: Inventory at the end of the year	1,728.69	1,745.72
Changes in inventories of finished goods, stock in trade and work in progress	**17.03**	**92.73**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 31. Employee benefit expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salary, Wages, Bonus & Allowances	3,930.86	3,285.90
Contribution to Provident and Other Funds	319.47	265.99
Managerial Remuneration	361.37	203.32
Ex-gratia payment to Director	-	72.58
Staff Welfare Expenses	163.07	116.29
Total	**4,774.76**	**3,944.08**

Note 32. Finance Costs

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest on Term Loans	116.79	150.35
Recompense Charges	-	322.00
Interest on Working Capital Loans	943.19	736.79
Other Interests	280.03	300.26
Other Borrowing Costs	159.72	290.74
Total	**1,499.73**	**1,800.13**

Note 33. Depreciation, Amortisation and Impairment expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation of Property, Plant and Equipment (refer note 3.1)	1,064.72	1,014.88
Amortisation of Intangible Assets (refer note 4)	18.57	16.72
Right of Use Assets (refer note 3.3)	79.90	149.32
Total	**1,163.19**	**1,180.92**

Note 34. Other Expenses

Note 34.1 Manufacturing Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of Stores and Spare Parts	539.67	646.28
Power and Fuel	4,820.52	3,775.82
Rent	106.62	84.51
Repairs :		
Buildings	44.65	24.27
Plant and Machinery	265.10	206.41
Other Manufacturing & Factory Expenses	300.34	286.02
Sub Total (A)	**6,076.90**	**5,023.30**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 34.2 Administrative & Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Rent	20.73	9.00
Rates & Taxes	18.99	7.45
Insurance	116.90	87.88
Post, Telephone & Courier	86.29	72.43
Printing and Stationary expenses	27.25	20.74
Legal, Licenses and Renewal expenses	35.01	36.37
Software and Computer Maintenance	63.01	42.42
Travelling & Conveyance	170.04	87.86
Vehicle Running & Maintenance	119.84	81.57
Professional Fees	203.58	147.77
Auditors Remuneration (refer note 34.4)	18.29	9.64
Directors Sitting Fees	9.20	11.25
Loss on Disposal of Tangible Assets (Net)	8.74	6.55
Donation	2.60	0.42
Remission of Debit balance	13.47	13.89
Fine and penalty	138.75	1.72
Miscellaneous Expenses	145.42	133.36
CSR Expenditure (refer note no. 35)	95.25	57.88
Sub Total (B)	**1,293.37**	**828.20**

Note 34.3 Marketing, Selling & Distribution Expenses:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Selling Expenses		
Travelling Expenses	411.83	188.11
Sales Commission	185.26	73.18
Bad Debts written off	-	11.85
Rent	338.98	178.91
Other Selling Expenses	246.34	117.64
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	6,158.09	5,419.58
Freight and Logistic Expenses (Export)	2,353.89	2,611.69
Sub Total (C)	**9,694.39**	**8,600.94**
Total (A+B+C)	**17,064.66**	**14,452.45**

Note 34.4 Payment to Auditors

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Audit Fees	16.65	8.70
In Other Capacity	0.30	0.48
Out of Pocket Expense	1.34	0.47
Total	**18.29**	**9.64**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 35. Corporate Social Responsibilty

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Gross amount required to be spent by the company during the year	69.40	64.00
Excess Amount spent in last year carried forward to this financial year	7.98	14.10
Amount spend and paid on CSR activities included in the statement of profit and loss for the year	95.25	57.88
Amount utilised from amount carried forward from last year	-	6.12
Amount carried forward to Next year	25.85	7.98
Spend details		
Promoting healthcare and environment	87.50	57.88
Rural development and education promotion	7.75	-
Contribution to trust controlled by the Company (refer note - 43.2)	62.50	43.60

Note 36. Tax Expense

(a) Amounts recognised in profit and loss

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax		
(a) Current income tax	1,279.78	1,012.39
(b) Short/(Excess) provision of Income Tax in respect of previous years	5.35	29.26
Sub Total (a)	**1,285.13**	**1,041.65**
Deferred tax		
(a) Deferred tax expense / (Income)-net		
Origination and reversal of temporary differences	(36.51)	78.49
Sub Total (b)	(36.51)	78.49
Tax expense for the year (a+b)	1,248.62	1,120.14

(b) Reconciliation of effective tax rate

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit before tax	4,863.85	4,207.09
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)	1,224.33	1,059.01
Tax effect of:		
Expenses Disallowed	391.69	353.15
Expenses Allowed	(336.24)	(399.69)
Short/(Excess) provision of income tax in respect of previous years	5.35	29.26
Current Tax Provision (A)	**1,285.13**	**1,041.73**
Increase/ (Decrease) in Deferred Tax Liability	(39.41)	37.11
Decrease/(Increase) In Deferred Tax Assets	2.90	41.38
Deferred Tax Provision (B)	**(36.51)**	**78.49**
Total	**1,248.62**	**1,120.22**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

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.

Note 37. Statement of other comprehensive income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - Gain /(loss)	6.94	451.32
Tax impact on unquoted investments	(1.62)	(105.14)
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	(18.13)	12.25
Tax impact on Actuarial gains and losses	4.56	(3.08)
Total (i)	**(8.24)**	**355.35**
(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)	**(8.24)**	**355.35**

Note 38. Earning per Share - (EPS)

Earnings per equity share of FV of ₹5 each

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations: (₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit for the year (Profit attributable to equity shareholders) (₹ in Lakhs)	3,615.23	3,086.95
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	3,52,86,502	3,52,86,502
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	3,52,86,502	3,52,86,502
Face Value of equity share (₹)	5.00	5.00
Basic EPS (₹)	10.25	8.75
Diluted EPS (₹)	10.25	8.75

Note 39. Contingent Liabilities & Contingent Assets and Capital Commitments

A) CONTINGENT LIABILITIES (₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Contingent liabilities (to the extent not provided for)		
(a) Statutory claims (Refer Note 39.1)	709.42	388.85
(b) Claims against the company not acknowledged as debt (Refer Note 39.2)	438.51	438.51
(c) Guarantees Given to subsidiary company	2,700.00	1,225.00
Total	**3,847.93**	**2,052.36**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 39.1 Statutory claims

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Demand of Income Tax	140.08	10.60
Labour disputed cases	378.25	378.25
VAT and CST Assessment pending at various forums for various Assessment Years	191.10	Not ascertainable
Total	**709.42**	**388.85**

Note 39.2 Claims against the company not acknowledged as debt

39.2.1

The Company had received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch whereby a penalty of ₹419.13 lakhs is levied on the Company. Company had filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority(additional director [Appeal and flying squad], vide its order dated 17th January, 2020 has passed final order and continued order dated 06th August, 2016 passed by the Geologist, Bhuj. The company Filed a REVISION application on dated 20/02/2020 to The Commissioner Shri (Geology & Mining , Gandhinagar) against the order passed by Additional Director (Appeal & Flying Squad), Gandhinagar, dated 17/01/2020.The Commissioner shri has directed geology department to submit detailed report on the same.

39.2.2

Vendors of the company have made claims against company amouting to ₹19.38 Lakh (P.Y - 19.38 Lakh)

Note 39.3

The company has purchased various capital item during the Financial Year 2008-09 to 2017-18 under EPCG scheme at a NIL rate of custom duty, the value of duty approximately saved being ₹49.94 lakh/- . The company has given an undertaking to make exports worth ₹299.64 Lakh/- over a period of Six years from the date of license / authorization.

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 as on 31st March, 2023, not provided for amounting to ₹654.38 Lakhs (Net of Advance ₹768.37 Lakhs) [31st March, 2022 ₹322.20 Lakhs (Net of Advance ₹1208.09 Lakhs)]

Note 40. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

(₹ In Lakhs)

31st March, 2023	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	-	870.40	0.89	871.29	-	-	871.29	871.29
Loans (Non-current)	-	-	-	-	-	-	-	-
Other financial assets (Non-Current)	-	-	682.69	682.69	-	682.69	-	682.69
Loans (Current)	-	-	26.95	26.95	-	-	-	-
Other financial assets (Current)	-	-	303.93	303.93	-	-	-	-
Trade receivables	-	-	8,956.88	8,956.88	-	-	-	-

Notes to Standalone Financial statements

for the year ended 31st March, 2023

(₹ In Lakhs)

31st March, 2023	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
Cash and cash equivalents	-	-	1,282.48	1,282.48	-	-	-	-
Other bank balances	-	-	166.15	166.15	-	-	-	-
	-	**870.40**	**11,419.97**	**12,290.37**	**-**	**682.69**	**871.29**	**1,553.98**
Financial liabilities								
Non current borrowings	-	-	1,797.35	1,797.35	-	1,797.35	-	1,797.35
Other Non Current financial liabilities	-	-	42.23	42.23	-	42.23	-	42.23
Lease laibilities - Noncurrent	-	-	137.84	137.84	-	137.84	-	137.84
Lease laibilities - current	58.25	58.25	-	-	-	-		
Current borrowings	-	-	6,297.65	6,297.65	-	-	-	-
Trade payables (Current)	-	-	7,086.21	7,086.21	-	-	-	-
Other Current financial liabilities	-	-	922.39	922.39	-	-	-	-
Total	**-**	**-**	**16,341.92**	**16,341.92**	**-**	**1,977.42**	**-**	**1,977.42**

(₹ In Lakhs)

31st March, 2022	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		863.46	0.89	864.35	-	0.89	863.46	864.35
Financial assets measured at amortised cost								-
Loans (Non-current)	-	-	-	-	-	-	-	-
Other financial assets (Non-Current)	-	-	537.31	537.31	-	537.31	-	537.31
Loans (Current)	-	-	38.05	38.05	-	-	-	-
Other financial assets (Current)	-	-	297.21	297.21	-	-	-	-
Trade receivables	-	-	9,544.84	9,544.84	-	-	-	-
Cash and cash equivalents	-	-	1,007.27	1,007.27	-	-	-	-
Other bank balances	-	-	321.58	321.58	-	-	-	-
	-	**863.46**	**11,747.14**	**12,610.60**	**-**	**538.20**	**863.46**	**1,401.66**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	2,741.87	2,741.87	-	2,741.87	-	2,741.87
Other Non Current financial liabilities	-	-	25.92	25.92	-	25.92	-	25.92
Lease laibilities - Noncurrent			80.56	80.56	-	80.56	-	80.56
Trade payables (Non-current)	-	-	84.32	84.32	-	84.32	-	84.32
Lease laibilities - current			123.64	123.64	-	-	-	-
Current borrowings	-	-	7,683.78	7,683.78	-	-	-	-
Trade payables	-	-	8,039.63	8,039.63	-	-	-	-
Other financial liabilities	-	-	783.59	783.59	-	-	-	-
Total	**-**	**-**	**19,563.30**	**19,563.30**	**-**	**2,932.66**	**-**	**2,932.66**

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. The fair valuation of lease liabilities are not required.

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The fair value of investment in equity shares of other entity is determined based on market value of the shares. The approach taken for valuation is Book value of the equity instruments. The investee company is IND AS compliant company.

Financial instruments measured at fair value - FVTOCI in unquoted equity shares

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2023 and 31st March 2022 is as below:

(₹ In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	863.47	412.15
Acquisitions/ (disposals)	-	-
Gains/ (losses) recognised in other comprehensive income	6.94	451.32
Gains/ (losses) recognised in statement of profit or loss	-	-
Closing Balance	**870.40**	**863.47**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2023 and the year ended 31st March 2022.

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 2023 is provided below.

(₹ In Lakhs)

Significant observable inputs	As at 31st March 2023	As at 31st March 2022
	OCI (Decrease)/ Increase	OCI (Decrease)/ Increase
Equity securities in unquoted investments measured through OCI		
If increase in market value of investments made in Eriez Finance and Investment Limited by 5%	43.52	43.17
If decrease in market value of investments made in Eriez Finance and Investment Limited by 5%	(43.52)	(43.17)

Notes to Standalone Financial statements

for the year ended 31st March, 2023

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- **Credit risk ;**
- **Liquidity risk ; and**
- **Market risk**

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has a well-define Risk Management framework for reviewing the major risks and taking care of all the financial risks. The risk management framework aims to :

a. create a stable business planning environment by reducing the impact of currency and interest rate fluctuation on company's business plan.

b. achieve greater predictability to earnings by determining the financial value of the expected earning in advance.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities and loans given.

The carrying amount of following financial assets represents the maximum credit exposure:

(a) Cash and Cash equivalent and Other Bank Balances

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's major customer base is paints, plastic, rubber and other misc. industries.

The Commercial and Marketing department has established a credit policy.

The Company raises the invoice based on the quantities sold. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 10

Movement in Allowance for bad and doubtful Trade receivable (₹ In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Allowance for bad and doubtful Trade receivable	147.07	165.31
Provision during the year	-	-
Recovery/Adjustment during the year	-	-
Write off during the year	(4.57)	(18.24)
Closing Allowance for bad and doubtful Trade receivable	**142.50**	**147.07**

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 ₹470.36 Lakhs on 31st March, 2023 and ₹436.36 Lakhs on 31st March, 2022.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of ₹801.00 Lakhs (at amortised cost) that is secured as mentioned in Note 18. Interest would be payable at the rate of varying from 7.95% to 10.25%.

(b) The company has also accepted deposit from share holders and directors amounting to ₹3137.01 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 7.25% - 8.50%.

(c) For maintaining working capital liquidity company avails cash credit limit from bank. The amount availed as at 31/03/2023 is ₹4156.99 Lakhs (at amortised cost). Effective Rate of Interest is 7.95 to 10.15%

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)

As at 31st March 2023		Contractual cash flows			
	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non current borrowings	1,797.35	-	1,797.35	-	1,797.35
Non current financial liabilities	42.23	-	42.23	-	42.23
Lease laibilities - Noncurrent	137.84	-	137.84	-	137.84
Lease laibilities - current	58.25	58.25	-	-	58.25
Short term Borrowings	6,297.65	6,297.65	-	-	6,297.65
Current Trade payables	7,086.21	7,086.21	-	-	7,086.21
Current Other financial liabilities	922.39	922.39	-	-	922.39
	16,341.92	**14,364.50**	**1,977.42**	**-**	**16,341.92**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

(₹ In Lakhs)

As at 31st March 2022	Carrying amount	Contractual cash flows Less than 12 months	1-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non current borrowings	2,741.87	-	2,741.87	-	2,741.87
Non current financial liabilities	25.92	-	25.92	-	25.92
Lease laibilities - Noncurrent	80.56	-	80.56	-	80.56
Trade payables (Non-current)	84.32	-	84.32	-	84.32
Lease laibilities - current	123.64	123.64	-	-	123.64
Short term Borrowings	7,683.78	7,683.78	-	-	7,683.78
Current Trade payables	8,039.63	8,039.63	-	-	8,039.63
Current Other financial liabilities	783.59	783.59	-	-	783.59
	19,563.30	**16,630.63**	**2,932.66**	**-**	**19,563.30**

iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

a) Currency risk

The functional currency of the Company is Indian Rupee. The Company have transaction of import of materials, other foreign expenditures and export of goods. hence the company is exposed to currency risk on account of payables and receivables in foreign currency. Company have outstanding balances in Euro, USD and GBP.

(₹ In Lakhs)

Details of foreign currency balances	As at 31st March 2023	As at 31st March 2022
Trade and Other Payables (Net of advances)		
Euro	-	12.54
GBP	(1.63)	-
USD	(40.79)	841.68
Trade Receivables (Net of advances)		
Euro	4.18	54.04
USD	1,762.93	1,632.65
GBP	5.54	54.03

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 2023 (₹ in Lakhs)

Details of foreign currency balances	Profit or (Loss) 5% increase	Profit or (Loss) 5 % Decrease	Equity (net of tax) 5% increase	Equity (net of tax) 5 % Decrease
Trade and Other Payables (Net of advances)	2.12	(2.12)	1.59	(1.59)
Trade Receivables (Net of advances)	88.63	(88.63)	66.32	(66.32)

Notes to Standalone Financial statements

for the year ended 31st March, 2023

As at 31st March 2022 (₹ 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	(42.71)	42.71	(31.96)	31.96
Trade Receivables and advances	87.04	(87.04)	65.13	(65.13)

b) Derivative Instruments used for Hedging:

The company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party of such contracts are generally a Bank.

The foreign exhange forward contracts mature within 12 months. The table below analyses the derivative financial instruments in to relevant maturity groupings based on the remaining period as at balance sheet date.

Derivative outstanding as at reporting date	Amount in USD (lakhs)		Amount in ₹ (lakhs)	
Nature of instrument	**As at 31st March 2023**	As at 31st March 2022	**As at 31st March 2023**	As at 31st March 2022
Later than one month and not later than 3 months	-	-	-	-

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

c) Interest rate risk

Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company's interest rate exposure is mainly related to debt obligation. On period under review the Company do not have any term loans at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate. The company have accepted deposits from share holders which are fixed rate instruments.

(₹ In Lakhs)

Interest bearing instruments	**As at 31st March 2023**	As at 31st March 2022
Non current - Borrowings	1,797.35	2,741.87
Short term Borrowings	6,297.65	7,683.78
Total	**8,095.00**	**10,425.65**

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
As at 31st March 2023				
Non current - Borrowings	(17.97)	17.97	(13.45)	13.45
Short term borrowings	(62.98)	62.98	(47.13)	47.13
Total	**(80.95)**	**80.95**	**(60.57)**	**60.57**
As at 31st March 2022				
Non current - Borrowings	(27.42)	27.42	(20.52)	20.52
Short term borrowings	(76.84)	76.84	(57.50)	57.50
Total	**(104.26)**	**104.26**	**(78.02)**	**78.02**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

d) Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of raw Material and other consumables. The company has risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The company's commodity risk is managed centrally through well established trading operations and control processes."

e) Equity Price Risk

The Company do not have any investment in quoted equity shares hence not expose to equity price risk.

Note 41. Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of the annual business plan coupled with long term and short term strategic investments and expansion plans. The funding needs are met through equity, cash generated from operations, long terms and short term bank borrowings and deposits.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

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

(₹ In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Interest bearing borrowings	8,095.00	10,425.65
Less : Cash and bank balances	(1,784.13)	(1,548.72)
Adjusted net debt	**6,310.87**	**8,876.93**
Borrowings	8,095.00	10,425.65
Total equity	26,959.50	23,352.50
Adjusted net debt to adjusted equity ratio	0.23	0.38
Debt equity ratio	0.30	0.45

Note 42. Disclosure of Employee Benefits

The Company has implemented Ind AS - 19 on "Employee Benefits".

(a) Defined Contribution Plan

(₹ In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Provident Fund	237.75	173.92
Superannuation Fund	31.78	28.21
ESIC Contribution	1.84	2.06
Total	**271.37**	**204.19**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

(b) Gratuity & Leave Encashment - Defined Benefit Plans

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

(₹ In Lakhs)

	Assumptions	As at 31st March, 2023		As at 31st March, 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
A.	**Discount rate**	7.40%	7.40%	6.95%	-
	Salary Growth rate	7.50%	7.50%	7.50%	-
B.	**Reconciliation of Defined Benefit Obligation**				
	Opening Defined Benefit Obligation	814.05	-	786.54	-
	Current Service Cost	54.49	16.94	52.08	-
	Interest Cost	54.81	-	48.14	-
	Components of acturial gain/losses on obligations:	-	-	-	-
	Due to change in financial assumptions	(30.80)	-	(40.10)	-
	Due to change in Demographic assumptions	-	-	-	-
	Due to experience adjustments	39.07	-	27.03	-
	Past Service Cost	-	-	-	-
	Benefits Paid	(32.47)	-	(59.65)	-
	Closing Defined Benefit Obligation	**899.15**	**16.94**	**814.05**	**-**
C.	**Reconciliation of Planned Asset**				
	Opening fair Value of plan assets	896.20	-	739.77	-
	Interest Income	62.42	-	46.89	-
	Return on plan assets excluding amounts included in interest income	(9.85)	-	(0.81)	-
	Contributions by employer	-	-	170.00	-
	Benefits Paid	(32.47)	-	(59.65)	-
	Closing Value of plan assets	**916.30**	**-**	**896.20**	**-**
D.	**Profit and Loss Account for the current Period**				
	Current Service Cost	54.49	16.94	52.08	-
	Net Interest Cost	(7.60)	-	1.25	-
	Past service cost and loss/(gain) on curtailments and settlements		-	-	-
	Total included in 'Employee Benefit Expense'	**46.89**	**16.94**	**53.33**	**-**
	Other Comphrehensive Income for the current Period				
	Components of acturial gain/losses on obligations:				
	Due to change in financial assumptions	(30.80)	-	(40.10)	-
	Due to change in Demographic assumptions	-	-	-	-
	Due to experience adjustments	39.07	-	27.03	-
	Return on plan assets excluding amounts included in interest income	9.85	-	0.81	-
	Amount recognized in Other Comprehensive Income	**18.13**	**-**	**(12.25)**	**-**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

(₹ In Lakhs)

Assumptions		As at 31st March, 2023		As at 31st March, 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
E.	**Reconciliation of Net defind Benefit Obligation**				
	Net opening provisions in Books of accounts	(82.17)	-	46.75	-
	Employee Benefit Expense	46.89	16.94	53.33	-
	Amount recognized in Other Comprehensive Income	18.13	-	(12.25)	-
	Contributions to Plan asset	-	-	(170.00)	-
	Closing provision in books of accounts	**(17.14)**	**16.94**	**(82.17)**	**-**
F.	**Current/Non-Current Liability :**				
	Current*	(17.14)	0.09	(82.17)	-
	Non-Current	-	16.85	-	-
	Net Liability	**(17.14)**	**16.94**	**(82.17)**	**-**

*The Company liability is calculated as expected reduction in contributions for the next 12 months.

(c) Amounts recognised in current year and previous three years

(₹ In Lakhs)

Particulars		As at 31st March, 2023	As at 31st March, 2022
A.	**Gratuity**		
	Present value of Defined Benefit Obligation	899.15	814.05
	Fair value of Plan Assets	916.30	896.20
	(Surplus) / Deficit in the plan	(17.14)	(82.16)
	Actuarial (Gain) / Loss on Plan Obligation	8.28	(13.07)
B.	**Earned Leave (Leave encashment) ***		
	Present value of Defined Benefit Obligation	16.94	-
	Actuarial (Gain) / Loss on Plan Obligation	-	-

* Leave encashment valuation based on acturial valuer report is done in current financial year only and hence disclosures as per IND AS 19 are made for Financial Year 2022-23 only.

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ In Lakhs)

Particulars	As at 31st March 2023			
	Increase Gratuity	Increase Leave Encashment	Decrease Gratuity	Decrease Leave Encashment
Discount rate (0.5% movement)	866.86	15.99	933.48	17.98
Salary growth rate (0.5% movement)	921.17	17.97	876.76	15.99
Withdrawal rate (W.R.) Sensitivity	902.63	16.20	895.53	17.74

(₹ In Lakhs)

Particulars	As at 31st March 2022			
	Increase Gratuity	Increase Leave Encashment	Decrease Gratuity	Decrease Leave Encashment
Discount rate (0.5% movement)	782.89	-	847.24	-
Salary growth rate (0.5% movement)	836.82	-	791.18	-
Withdrawal Rate	816.45	-	811.46	-

Notes to Standalone Financial statements

for the year ended 31st March, 2023

(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	Last Drawn Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58,67 or 70 years

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

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

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

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

C Liquidity Risk:

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

D Market Risk:

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

E Legislative Risk:

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

Notes to Standalone Financial statements

for the year ended 31st March, 2023

(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)

Particular	As at 31st March, 2023	As at 31st March, 2022
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 31st March 2023

Particulars	1-5 years	6-10 years
Cash flow (₹)	436.54	435.11
Distribution (in %)	25.50%	25.70%

(f) 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 3. Related Party Transactions:

Note 3.1 List of Related Parties

Sr. No.	Name of Related Parties	Nature of Relationship
1	20 Microns Nano Minerals Limited	Subsidiary Company
2	20 MCC Private Limited	Subsidiary Company
3	20 Microns SDN BHD	Subsidiary Company
4	20 Microns FZE	Subsidiary Company
5	Silicate Minerals Private Limited	Subsidiary Company (Step Down)
6	20 Microns Vietnam Limited	Subsidiary Company (Step Down)
7	DORFNER-20 Microns Private Limited	Associate Company
8	20 Microns Foundation trust	Entity over which Significant Influence Exists
9	Shri Rajesh C. Parikh	Chairman & Managing Director, Key Management Personnel
10	Shri. Atil C. Parikh	CEO & Managing Director, Key Management Personnel
11	Smt. Sejal R. Parikh	Director, Key Management Personnel
12	Smt. Ilaben C. Parikh	Relative of Key Management Personnel
13	Smt. Purvi A. Parikh	Relative of Key Management Personnel
14	Smt. Vedika R. Parikh	Relative of Key Management Personnel
15	Mr Narendra R Patel	Chief Financial Officer, Key Management Personnel
16	Smt.Komal Pandey	Company Secretary, Key Management Personnel
17	Shri. Ramkisan A. Devidayal	Independent Director
18	Shri. Atul H. Patel	Independent Director
19	Dr. Ajay I. Ranka	Independent Director
20	Mr.Jaideep B. Verma	Independent Director

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 3.2 Transactions with Related Parties

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2023	For the year ended 31st March, 2022
1	**20 Microns Nano Minerals Limited**	Subsidiary Company		
	Income :			
	Sales		257.87	87.78
	Royalty		251.48	252.24
	Rent		439.30	388.12
	Manpower services provided		-	5.32
	Expenses :			
	Purchases		294.34	294.63
	Rent Paid		9.15	7.91
	Reimbursement of Expenses		0.64	-
	Job work charges Paid		0.34	3.96
	Fixed Asset Purchase		695.43	-
	Amount Receivable / (Payable) at the year end		**462.95**	**1,078.93**
2	**Silicate Minerals Private Limited**	Subsidiary Company (Step Down)		
	Purchase of material		-	0.61
	Rent Received		7.62	7.62
	Amount Receivable / (Payable) at the year end		**-**	**-**
3	**20 Microns Foundation trust**	Entity over which Significant Influence Exists		
	Expenses :			
	Donation paid		**62.50**	**43.60**
4	**20 MCC Private Limited**	Subsidiary Company		
	Income :			
	Sales		1.88	3.01
	Sale of Asset		-	35.67
	Rent		7.06	-
	Investment in Equity share		-	700.00
	Expenses :			
	Purchases		0.72	0.09
	Amount Receivable / (Payable) at the year end		**3.39**	**-**
5	**DORFNER-20 Microns Private Limited**	Joint Venture		
	Income :			
	Sale of Asset			8.05
	Investment in Equity share			22.50
	Royalty Received		6.01	
	Amount Receivable / (Payable) at the year end		**1.77**	**9.50**
6	**Eriez Industries Limited**	Entity over which Significant Influence Exists		
	Income :			
	Rent Received		0.42	-
	Amount Receivable / (Payable) at the year end			
7	**Shri Rajesh C. Parikh**	Chairman & Managing Director, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		189.80	86.56
	Other long-term benefits		**19.54**	**8.69**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2023	For the year ended 31st March, 2022
8	**Shri. Atil C. Parikh**	CEO & Managing Director, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		155.18	78.23
	other long-term benefits		15.70	7.85
	Interest on Deposit		0.49	0.46
	Others :			
	Deposit Received/ Renewed		-	-
	Deposit Paid During the Year		-	-
	Deposit Outstanding		**5.00**	**5.00**
9	**Smt. Ilaben C. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Compansation paid		-	18.00
	Interest on Deposit		9.46	8.70
	Others :			
	Deposit Received / Renewed		-	95.50
	Deposit Paid		-	15.50
	Deposit Outstanding		**95.50**	**95.50**
10	**Smt. Sejal R. Parikh**	Director, Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.09	0.10
	Rent		10.68	9.85
	Other Benefit		2.20	1.75
	Director Sitting fees		1.15	1.35
	Others :			
	Deposit Outstanding		**1.00**	**1.00**
11	**Smt. Purvi A. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.45	0.52
	Others :			
	Deposit Received / Renewed		-	5.00
	Deposit Paid		-	5.00
	Deposit Outstanding		**5.00**	**5.00**
12	**Mr Narendra R Patel**	Chief Financial Officer, Key Management Personnel		
	Expense			
	Remuneration paid			
	short-term employee benefits		33.66	35.46
	other long-term benefits		2.58	2.39
	other benefits		**9.80**	**5.56**
13	**Smt.Komal Pandey**	Company Secretary, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		7.96	4.56
	other long-term benefits		0.62	
	Other Benefit		**0.52**	**0.35**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2023	For the year ended 31st March, 2022
14	**Smt. Vedika R. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.86	0.61
	Others :			
	Deposit Received / Renewed		3.00	10.00
	Deposit Paid		3.00	-
	Deposit Outstanding		**10.00**	**10.00**
15	**Shri. Ramkisan A. Devidayal**	Independent Director		
	Expenses :			
	Other Benefit		6.00	3.50
	Director Sitting fees		**2.85**	**3.05**
16	**Shri. Atul H. Patel**	Independent Director		
	Expenses :			
	Other Benefit		3.00	1.75
	Director Sitting fees		**1.95**	**2.75**
17	**Dr. Ajay I. Ranka**	Independent Director		
	Expenses :			
	Other Benefit		3.00	1.75
	Director Sitting fees		**1.95**	**2.60**
18	**Mr.Jaideep B. Verma**	Independent Director		
	Expenses :			
	Other Benefit		2.20	1.75
	Director Sitting fees		**1.30**	**1.50**

Notes

1 20 Microns Nano Minerals Ltd, 20 Microns SDN BHD, 20 Microns FZE & 20 MCC Private Limited have been using software package being “SAP” by20 MICRONS LIMITED without payment of Consideration.

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

Note 44

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 : ₹--- Lakhs (P.Y - ₹51413.71 Lakhs)

Sale of Herbal Pharma Products : ₹ ---- Lakhs (P.Y - ₹14.31 Lakhs)

b) Information about geographical areas:

1. The Company have revenues from external customers attributable to all foreign countries amounting to ₹8257.06 Lakhs (P.Y - 6360.76 lakhs) and entity’s country of domicile amounting to ₹---- Lakhs (P.Y - 43170.96 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 three (P.Y - two) customers to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹ 32631.52 lakhs (P.Y 21370.79 Lakhs).

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 7

Ratios Analysis

Sr. No.	Particulars	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance %	Reason for variance
1	Current Ratio (times)	Current Assets	Current Liabilities (Excl. Customer deposits)	1.46	1.27	14.53%	--
2	Debt-Equity Ratio (times)	Debt consists of borrowings	Shareholder's Equity	0.30	0.45	(32.74)%	Repayment of term loans and other borrowings
3	Debt Service Coverage Ratio (times)	Earning for Debt Service = Net Profit after taxes + Non-cash expenses/ adjustment + Interest + loss on sale of asset	Interest on Borrowings + Principal Repayments	4.20	1.87	125.01%	Repayment of term loans
4	Net profit ratio (%)	Net Profit after tax	Revenue from operations	6.05%	5.97%	1.31%	--
5	Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	14.37%	14.27%	0.70%	--
6	Return on Capital employed (%)	Profit before tax + Interest on borrowings	Average Capital Employed=Tangible Net Worth + Total Debt + Deferred Tax Liability	16.97%	17.15%	(1.07)%	--
7	Return on investment (%)- unquoted	Income generated from investments	Average investment	0%	0%	0.00%	--
8	Inventory turnover ratio (times)	Revenue from operations	Average Inventory	7.55	6.94	8.78%	--
9	Trade Receivables turnover ratio (times)	Revenue from operations	Average Trade Receivable	6.46	5.81	11.16%	--
10	Trade payables turnover ratio (times)	Net Purchases	Average Trade Payables	4.04	3.49	15.87%	--
11	Net capital turnover ratio (times)	Reveune from operations	Working Capital	8.89	11.16	(20.39)%	--

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 45. Disclosure of IND AS 115 "Contract with Customers"

Contract Balances

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables	8,956.88	9,544.84
Contract Assets	-	-
Contract Liabilities	165.41	155.16

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to ₹155.16 Lakhs .

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

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Revenue as per contracted price	59,815.38	51,739.49
Export Incentives	4.31	17.72
Adjustments		
Discounts	(39.35)	(44.71)
Revenue from contract with customers	58,780.34	51,712.50

Note 46. 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, 2023:

(₹ in Lakhs)

Category of Right of use Assets		Gross Block	Accumulated Depreciation	Carrying Amount
Buildings	**Balance as at 01st April, 2022**	424.62	361.36	63.26
	Additions	-	32.16	(32.16)
	Deletions	5.97	-	5.97
	Balance as at 31st March, 2023	**418.64**	**393.52**	**25.12**
Vehicles	**Balance as at 01st April, 2022**	167.29	40.58	126.71
	Additions	77.14	47.74	29.40
	Deletions	-	-	-
	Balance as at 31st March, 2023	**244.43**	**88.32**	**156.11**

The aggregate depreciation expense amounting to ₹79.90 lakhs (P.Y. ₹149.32 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 31st March, 2023:

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current lease liabilities	58.25	123.64
Non current lease liabilities	137.84	80.56
	196.09	**204.20**

Notes to Standalone Financial statements

for the year ended 31st March, 2023

The following is the movement in lease liabilities during the year ended 31st March, 2023:

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance as at April 01	204.20	192.20
Additions	77.14	168.29
Finance cost accrued	23.34	27.72
Deletions	6.41	-
Payment of lease liabilities	102.18	184.01
Balance as at March 31	**196.09**	**204.20**

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2023 on an undiscounted basis:

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than one year	78.75	100.43
One to five years	165.42	148.26
More than five years	-	-
	244.17	**248.69**

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ₹466.33 lakhs for the year ended March 31, 2023 (P.Y. - ₹272.42 Lakhs).

Note 48. ADDITIONAL REGULATORY INFORMATION DISCLOSURES

Note 48.1 Registration of charges or satisfaction with Registrar of Companies (ROC)

The company has registered charge and satisfaction with ROC within statutory time period.

Note 48.2 Details of Benami Property held

The company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence no proceedings initiated or pending against the company under the said Act and Rules.

Note 48.3 Loans and advances granted to specified person

There are no loans or advances granted to specified persons namely promoters, directors, KMPs and related parties.

Note 48.4 Utilisation of borrowed funds, share premium and other funds

The Company has not given any advance or loan or invested funds from borrowed funds or share premium or any other sources with the understanding that intermediary would directly or indirectly lend or invest in other person or equity identified in any manner whatsoever by or on behalf of the company as ultimate beneficiaries or provide any guarantee or security or the like to on behalf of ultimate beneficiaries.

The Company has not received any fund from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary.

Note 48.5 Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

Notes to Standalone Financial statements

for the year ended 31st March, 2023

Note 48.6 Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 48.7 Undisclosed Income

There is no transaction, which has not been recorded in books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

Note 48.8 Relationship with struck off companies

The company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

Note 49. Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

See accompanying notes to the financial statements

As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G. R. Parmar
Partner
M. No. 130010

Place: Waghodia
Date: 16/05/2023

Rajesh C. Parikh
Chairman & MD
DIN No.: 00041610

Place: Waghodia
Date: 16/05/2023

Atil C. Parikh
CEO & MD
DIN No.: 00041712

Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Independent Auditor's Report on Consolidated Financial Statements

To The Members of **20 Microns Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of 20 Microns Limited ('the Company' or 'the Holding Company'), its subsidiaries and associate company (the Holding company, its subsidiaries and associate company together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, 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 ended on that date and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as the '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 and associate company 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, 2023 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 (hereinafter referred to as "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 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 (hereinafter referred to as "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 Matter

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	Auditors' Response
1	**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.	**Principal Audit Procedure:** 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.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditors' Response</th></tr>
<tr><td></td><td></td><td>• We tested a sample of transactions around period end to test that revenue was recorded in the correct period.
• For revenue streams which have judgemental elements, we evaluated management's assumptions.
Basis the procedures performed, we have not noted any significant exceptions in the management assessment of Revenue Recognition.</td></tr>
<tr><td>2</td><td>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.</td><td>Our procedures included the following:
• Understanding and evaluating the design of operating effectiveness of controls in respect of the legal matters.
• Reading the orders received by the company from authorities.
• Discussing ongoing matters under dispute and developments with the management and the audit committee.
• Where relevant, reading opinions of Managements' external consultants on the tax matters.
• Independently assessing the Management's judgement on contingencies and provisions of statutory claims and other claims.
• Assessing adequacy of disclosure in the Consolidated Financial Statements.
Based on the above procedures, the management's assessment of contingencies in respect of statutory claims and claims against group not acknowledged as debt was considered to be appropriate.</td></tr>
</table>

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 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 and associate Company 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 and associate Company, 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, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows 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; 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing Group's the 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 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 responsible for overseeing the financial reporting 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 financial controls 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 Group'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 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 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 entity included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹ 9,704.04 lakhs as at March 31, 2023, Group's share of total revenues of ₹ 11,486.57 lakhs, total net profit after tax (before consolidation adjustments) of ₹ 791.80 Lakh, total comprehensive income (before consolidation adjustments) of ₹ 792.06 Lakh and cashflows (net) amounting to ₹ 479.75 Lakh for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated financial statements also include

Group's share of net profit/(loss) after tax of ₹ 9.02 lakhs and total comprehensive income/(loss) of ₹ 9.02 Lakhs for the year ended on 31st March, 2023 in respect of an associate. 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 and associate is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our Report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

The Consolidated Financial Statements of the Company for the year ended March 31, 2022, were audited by predecessor auditor whose report dated May 03, 2022 expressed an unmodified opinion on those Standalone Financial Statements.

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 and associate Company 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 including Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated the statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the 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, 2023 taken on record by the Board of Directors of the Holding Company and report of statutory auditor of its subsidiaries and associate companies, none of the directors of the Group Companies is disqualified as on March 31, 2023 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 subsidiaries and associated company 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) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2023

      (iv) a) The Management of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management of the Holding Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us on the Holding Company, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The company has not declared any dividend in the previous year and hence reporting requirement for compliance with section 123 of the Act is not applicable.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

(vii) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries and associate company included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

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

G R Parmar
Partner
Membership No.: 121462
UDIN: 23121462BGTMUV4068

Place: Waghodia, Vadodara
Date: 16/05/2023

ANNEXURE - A

TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the Consolidated Financial Statements of 20 Microns Limited (hereinafter referred to as "Holding Company") and it's subsidiaries and associated company, incorporated in India, as of that date, as of and for the year ended March 31, 2023, we have also audited the internal financial controls over financial reporting of the Companies.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries and associate company, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these 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 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 subsidiaries and associate company, 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 Holding Company and its subsidiaries and associate company, incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiaries and associate company, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by these 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 subsidiaries and associate company, incorporated in India, is based on the corresponding reports of the auditors of the company.

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

G R Parmar
Partner
Membership No.: 121462
UDIN: 23121462BGTMUV4068

Place: Waghodia, Vadodara
Date: 16/05/2023

Consolidated Balance Sheet

as at 31st March, 2023

(₹ In Lakhs)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment & Intangible Assets			
(i) Property, Plant and Equipment	3.1	20,621.94	20,293.26
(ii) Capital Work in Progress	3.2	723.83	484.99
(iii) Right of Use Assets	3.3	561.53	261.09
(iv) Intangible Assets	4.1	163.54	156.29
(v) Intangible Assets under Development	4.2	27.16	5.15
(b) Investment in Associate	5	30.19	21.17
(c) Goodwill on Consolidation		2.16	2.16
(d) Financial Assets			
(i) Investments	6	871.29	864.35
(ii) Other Financial Assets	7	856.26	543.21
(e) Deferred Tax Asset		139.31	127.25
(f) Other Non-Current Assets	8	959.32	1,403.19
Total Non-Current Assets		**24,956.53**	**24,162.10**
TOTAL ASSETS			
2 Current assets			
(a) Inventories	9	11,523.85	12,894.52
(b) Financial Assets			
(i) Trade receivables	10	9746.73	10,020.02
(ii) Cash and Cash Equivalents	11	2028.19	1,273.23
(iii) Bank Balances other than (ii) above	12	965.91	409.29
(iv) Loans	13	36.64	112.49
(v) Other Financial Assets	14	392.62	309.12
(c) Other Current Assets	15	2743.67	2,350.36
Total Current Assets		**27,437.61**	**27,369.03**
TOTAL ASSETS		**52,394.14**	**51,531.13**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	16	1,764.33	1,764.33
(b) Other Equity	17	27,595.69	23,385.08
Total equity		**29,360.02**	**25,149.40**
2 Non Controlling Interest		105.25	91.03
3 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,856.93	2,848.74
(ii) Trade Payables	22		
Total outstanding dues of Micro and Small Enterprise			
Total outstanding dues of Creditors other than Micro and Small Enterprise		-	84.32
(iii) Lease Liabilities		423.77	104.01
(iv) Other Financial Liabilities	19	42.23	25.92
(b) Deferred Tax Liabilities (Net)	20	2,629.41	2,679.60
Total Non-Current Liabilities		**4,952.34**	**5,742.59**
4 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	8,334.97	9,167.01
(ii) Trade Payables	22		
Total outstanding dues of Micro and Small Enterprise		68.28	61.20
Total outstanding dues of Creditors other than Micro and Small Enterprise		7,810.32	9,809.69
(iii) Lease Liabilities		167.25	176.19
(iv) Other Financial Liabilities	23	1,031.02	857.81
(b) Deferred Tax Liabilities (Net)	24	482.10	381.15
(c) Provisions	25	36.24	16.38
(d) Current Tax Liabilities (Net)	26	46.35	78.68
Total Current Liabilities		**17,976.54**	**20,548.11**
Total Liabilities		**22,928.87**	**26,290.70**
TOTAL EQUITY AND LIABILITIES		**52,394.14**	**51,531.13**
See accompanying notes to the financial statements	1 to 51		

As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G R Parmar
Partner
M. No. 130010

Rajesh C. Parikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Place: Waghodia
Date: 16/05/2023

Place: Waghodia
Date: 16/05/2023

Consolidated Statement of Profit and Loss

for the year ended on 31st March, 2023

(₹ In Lakhs)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue			
I. Revenue from Operations	27	70,168.72	61,320.21
II. Other income	28	293.38	216.84
III. Total Income (I+II)		**70,462.10**	**61,537.05**
IV. Expenses			
a) Cost of materials consumed	29	36,063.40	31,622.73
b) Purchases of Stock in trade	30	322.19	305.05
c) Changes in inventories of finished goods, stock in trade and work-in-progress	31	48.29	(53.45)
d) Employee Benefits Expenses	32	5,902.51	4,929.25
e) Finance Costs	33	1,776.32	2,024.42
f) Depreciation, Amortisation and Impairment expense	34	1,380.45	1,367.19
g) Other Expenses	35	19,258.72	16,578.04
Total Expenses (IV)		**64,751.88**	**56,773.23**
V. Profit Before Exceptional Items and Tax (III-IV)		5,710.22	4,763.82
VI. Exceptional Items		-	-
VII. Profit Before Tax (V-VI)		**5,710.22**	**4,763.82**
VIII. Add: Share of net profit/(loss) of equity accounted investee		9.02	(1.33)
IX. Profit Before Tax (VII - VIII)		**5,719.24**	**4,762.49**
X. Tax expense:	37		
Current Tax		1584.55	1227.03
Deferred Tax		(61.48)	62.64
Total Tax Expense		**1,523.07**	**1,289.67**
XI. Profit for the period (IX-X)		**4,196.17**	**3,472.82**
Profit for the Year attributable to			
Owners of the Company		4,181.91	3,458.54
Non Controlling Interest		14.26	14.28
XII. Other Comprehensive Income	38		
A. (i) Items that will not be reclassified to profit or loss		(10.82)	462.02
(ii) Income tax related to items that will not be reclassified to profit or loss		2.83	(107.83)
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		**(7.99)**	**354.19**
XIII. Total Comprehensive Income for the period (XI+XII)		**4,188.18**	**3,827.01**
Total Comprehensive Income for the Year attributable to			
Owners of the Company		4173.96	3812.76
Non Controlling Interest		14.22	14.25
Earnings per equity share of Face Value of ₹ 5 each	39		
Basic		11.85	9.80
Diluted		11.85	9.80
See accompanying notes to the financial statements	1 to 51		

As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G. R. Parmar
Partner
M. No. 130010

Rajesh C. Parikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Place: Waghodia
Date: 16/05/2023

Place: Waghodia
Date: 16/05/2023

Consolidated Statement of Cash Flow

for the year ended on 31st March, 2023

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	5,710.22	4,763.82
Adjustments for:		
Depreciation, Amortisation and Impairment expense	1,195.70	1,367.19
Loss on sale/disposal of Property, plant and equipment	4.68	6.55
Gain on Derecognition of Lease assets and Liabilities	(5.14)	-
Bad Debts Written Off/provision	4.58	11.85
Effect of foreign exchange gain/loss	31.73	(0.60)
Finance Costs	1,776.32	2,024.42
Provision/liability no longer required written back	(33.18)	(54.49)
Debit balance written off	26.61	48.44
Exchange difference on consolidation	38.15	30.05
Interest Income	(77.50)	(62.27)
Operating Profit before Working Capital Changes	**8,672.17**	**8,134.96**
Changes in Working Capital		
Adjustments for (Increase) / Decrease in Operating Assets:		
Trade Receivables	264.33	(1,010.47)
Other - Non Current Assets	(22.47)	(43.02)
Other financial assets-Non-current	(169.75)	(8.63)
Short Terms Loans and Advances	75.85	36.38
Other Current Assets	(432.35)	41.74
Other financial assets-Current	(82.73)	(92.57)
Inventories	1,370.67	(2,837.28)
Changes in Trade and Other Receivables	**1,003.55**	**(3,913.85)**
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(2,070.78)	628.24
Other current Liabilities	100.94	(42.00)
Other Financial Non current Liabilities	16.31	(0.61)
Other Financial current Liabilities	173.21	(105.07)
Short-term provisions	19.86	(20.75)
Changes in Trade and Other Payables	**(1,760.46)**	**459.80**
Cash Generated from Operations	**7,915.25**	**4,680.91**
Direct Tax paid (Net of refunds)	(1,595.60)	(1,148.85)
Net Cash from Operating Activities	**6,319.66**	**3,532.05**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipments/Intangible assets including capital work in progress and capital advances.	(1,248.77)	(2,739.32)
Proceeds from sale of Investments	0.60	28.11
Purchase of Non-current investments	-	(22.50)
(Deposit) in /Maturity of Deposits with original maturity of more than three months	(699.92)	(39.86)
Interest Received	77.50	62.27
Proceeds from sale of Property, plant and equipments	103.18	394.09
Net Cash used in Investing Activities	**(1,767.42)**	**(2,317.22)**

Consolidated Statement of Cash Flow

for the year ended on 31st March, 2023

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Long-term borrowings (Net)	(991.81)	481.09
Proceeds/(Repayment) of Short-term borrowings [Including current maturities of long term debt] (Net)	(832.04)	1,411.76
Share issue expenditure	-	(14.45)
Payment of lease liability	(197.11)	(214.36)
Finance cost	(1,776.32)	(2,024.42)
Net Cash used in Financing Activities	**(3,797.28)**	**(360.37)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**754.96**	**854.46**
Cash and Cash Equivalents at the beginning of the year	1,273.23	418.77
Cash and Cash Equivalents at the end of the year	2,028.19	1,273.23
Closing Cash and Cash Equivalents comprise of:		
Cash in hand	9.04	3.02
Balances with Scheduled Banks		
Balance in Current Account	2,019.15	970.17
Deposits with maturity less than 3 months	-	300.03
Total	**2,028.19**	**1,273.23**
Less : Amount Due to bank in Current Account	-	-
Total	**2,028.19**	**1,273.23**

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 PPE are stated inclusive of movements of capital work in progress, assets under development and capital advances.

(iii) 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.

(iv) 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 31st March, 2023	Opening Balance	Cash Flows	Closing Balance
Short Term Borrowings	9,167.01	(844.95)	8,334.97
Long Term Borrowings (including Current maturities)	4,569.32	(1,086.59)	3,463.57
Bank Balances other than Cash and Cash Equivalents	409.29	556.62	965.91

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

See accompanying notes to the financial statements 1 to 51

As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G. R. Parmar
Partner
M. No. 130010

Rajesh C. Parikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Place: Waghodia
Date: 16/05/2023

Place: Waghodia
Date: 16/05/2023

Consolidated Statement of Changes in Equity (SOCIE)

for the year ended on 31st March, 2023

(a) Equity share capital

(₹ In Lakhs)

Equity share capital	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the reporting period	1,764.33	1,764.33
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	**1,764.33**	**1,764.33**

(b) Other equity

(₹ In Lakhs)

Other equity	Attributable to Equity Holders of the Company						Total Other Equity
	Reserves and Surplus					Other Comprehensive Income -	
	General Reserve	Securities Premium	Retained earnings	Capital Reserve on Consolidation	Foreign Currency Translation Reserve	Equity Instruments through OCI	
Balance at 1st April, 2021 (A)	120.54	3,965.13	15,172.23	92.26	51.16	280.79	19,682.11
Less; Share issue expenditure	-	(14.45)					(14.45)
Add: Profit during the Period	-	-	3,458.54		30.05		3,488.59
Add: Due to change in minority interest			-				
Add: Gain on sale of shares				-		1.35	1.35
Add/(less): Other Comprehensive Income for the year(Net of Tax)						219.47	219.47
Add/(less):Adjustment on account of acquisition of Non Controlling Interest							-
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	8.01				8.01
Dividend Declared	-	-	-			-	-
Corporate Tax on Dividend	-	-	-			-	-
Balance at 31st March, 2022 (B)	**120.54**	**3,950.68**	**18,638.77**	**92.26**	**81.21**	**501.61**	**23,385.08**

Consolidated Statement of Changes in Equity (SOCIE)

for the year ended on 31st March, 2023

(₹ In Lakhs)

Other equity	Attributable to Equity Holders of the Company						Total Other Equity
	Reserves and Surplus					Other Comprehensive Income -	
	General Reserve	Securities Premium	Retained earnings	Capital Reserve on Consolidation	Foreign Currency Translation Reserve	Equity Instruments through OCI	
Less; Share issue expenditure	-	(0.58)					(0.58)
Add: Profit during the Period	-	-	4,181.91		38.15		4,220.06
Add: Due to change in minority interest			-				
Add: Gain on sale of shares				-		-	-
Add/(less): Other Comprehensive Income for the year (Net of Tax)						9.84	9.84
Add/(less):Loss on sale of investments			(5.40)				(5.40)
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(13.31)				(13.31)
Less : Appropriations							-
Dividend Declared	-	-	-				-
Corporate Tax on Dividend	-	-	-				-
Balance at 31st March, 2023	**120.54**	**3,950.10**	**22,801.97**	**92.26**	**119.36**	**511.45**	**27,595.69**

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.

(ii): Nature and purpose of each reserve is disclosed under note no. 16 -'Other equity'

See accompanying notes to the financial statements

As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G. R. Parmar
Partner
M. No. 130010

Rajesh C. Parikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Place: Waghodia
Date: 16/05/2023

Place: Waghodia
Date: 16/05/2023

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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, 2023. 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 31st March

Consolidation Procedure:

The consolidated Financial Statements include the financial statements of 20 Microns Limited and its subsidiaries & Associate (The Group).

Subsidiaries

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.

Associate

Investment in associate has been accounted for using Equity Method in accordance with Ind AS 28 - Investments in Associates

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

and Joint Ventures. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Any excess / short of the amount of Investment in an associate over the cost of acquisition at the date of Investment is considered as Capital Reserve and has been included in carrying amount of Investment and disclosed separately. The carrying amount of Investment is adjusted thereafter for the post acquisition changes in the Share of net Asset of associate.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The financial statements of associates are prepared up to the same reporting date as that of the company i.e. 31st March 2023 for the current year.

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.

Particulars of Consolidation:

The lists of Subsidiary Companies are as under:

Company	Year End	Country of Incorporation	Proportion of Ownership	
			As At 31st March 2023	As At 31st March 2022
20 Microns SDN BHD (Foreign Subsidiary)	March 31, 2023	Malaysia	100%	100%
20 Microns Nano Minerals Limited (Indian Subsidiary)	March 31, 2023	India	97.21%	97.21%
20 Microns Vietnam Limited (Foreign subsidiary)	March 31, 2023	Vietnam	100%	100%
20 Microns FZE (Foreign subsidiary)	March 31, 2023	Sharjah	100%	100%
20 MCC Private Limited(Indian Subsidiary)	March 31, 2023	India	100%	100%
Dorfner - 20 Microns Private Limited	March 31, 2023	India	45%	45%

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

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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.

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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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

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

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

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

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

2.5 Capital Work in Progress:

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

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

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

2.6 Investment Properties

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

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

2.7 Intangible Assets

Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and 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

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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 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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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

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payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

2.12 Borrowing Cost

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

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

2.13 Financial Instruments

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

2.13.1 Financial Asset

Initial Recognition

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

Initial Measurement

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

Subsequent Measurement

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

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

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

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

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

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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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 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

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an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

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

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

2.13.2 Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit 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.

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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:

- 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.

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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 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.

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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.

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.

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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 & Vehicles. 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).

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Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

2.20.1 Current Tax

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

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

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

2.20.2 Deferred Taxes

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

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Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22 Provisions, Contingent Liabilities and Contingent Assets

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

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

Provisions are not recognised for future operating losses.

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

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

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

Contingent liability is disclosed in the case of:

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

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.23 Segment Reporting

The Group primarily operates in the segment of 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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

2.24 Cash Equivalents

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

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

2.25 Statement of Cash Flows

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

2.26 Dividends

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

2.27 Insurance Claims

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

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

2.28 Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not 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.

2.32 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 3.1. Property, Plant and Equipment (PPE) as at 31st March 2023

(₹ In Lakhs)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 31st March, 2022	Addition during the year	Disposal	Adjustment	As at 31st March, 2023	As at 1st April 2022	For the year	Disposal	Adjustment	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Freehold land	600.92	-	-	-	600.92	-	-	-	-	-	600.92	600.92
Leasehold land	3,199.16	126.90	-	-	3,326.05	255.13	46.85	-	-	301.98	3,024.07	2,944.02
Free Hold Office Building	387.85	27.33	(0.90)	27.02	387.26	83.33	8.02	(0.25)	-	91.10	296.15	304.52
Lease Hold Office Building	80.56	-	-	-	80.56	70.04	9.06	-	-	79.10	1.46	10.52
Factory Building	5,915.60	247.62	-	3.03	6,160.19	1,636.68	176.94	(0.47)	-	1,813.16	4,347.03	4,278.92
Plant & Equipment	21,431.50	1,008.12	(120.60)	-6.35	22,325.36	9,747.90	806.12	(37.94)	-	10,516.09	11,809.28	11,683.60
Furniture and office Equipments	586.08	114.33	(38.89)	-15.05	676.57	431.25	28.29	(37.00)	-0.18	422.71	253.86	154.83
Computer Equipments	254.91	23.03	(11.82)	0.30	265.81	131.47	42.09	(11.54)	0.18	161.83	103.98	123.44
Vehicles	527.22	48.29	(135.95)	-8.95	448.51	334.72	41.71	(113.11)	-	263.33	185.19	192.50
Total PPE	**32,983.79**	**1,595.62**	**(308.17)**	**0.00**	**34,271.24**	**12,690.53**	**1,159.07**	**(200.31)**	**0.00**	**13,649.30**	**20,621.94**	**20,293.26**
Previous year	**31,769.51**	**1,818.01**	**(603.72)**	**-**	**32,983.79**	**11,881.83**	**1,141.78**	**(333.08)**	**-**	**12,690.53**	**20,293.26**	**-**

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 NIL (P.Y. - NIL) has been capitalised in the head plant and equipment as per IND AS - 23 “Borrowing Cost”

Note 3.1.6 - The Group has not carried out revaluation of PPE.

Note 3.1.7 - The title deeds are held in the name of the Respective Company for all the immovable properties (other than properties where the Respective Company is the lessee and the lease agreements are duly executed in favor of the lessee).

Note 3.2 Capital work in progress

(₹ In Lakhs)

Capital work in progress	As at 31st March 2023	As at 31st March 2022
Capital Work-in-Progress	723.83	484.99
Total	**723.83**	**484.99**

Note:- Security Pledge of Assets : Refer to Note 18 on borrowings for details of security pledge of assets.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 3.3 Right of Use Assets

(₹ In Lakhs)

Particulars	Gross Block					Amortization						Net Block
	As at 1st April 2022	Addition during the year	Disposal	Adjustments	As at 31st March 2023	As at 1st April 2022	For the year	Disposal	Adjustments	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Right of Use Assets	791.29	507.93	(103.84)	-	1,195.39	530.21	184.74	(81.09)	-	633.86	561.53	261.09
Previous Year	**590.48**	**200.82**	**-**	**-**	**791.29**	**324.20**	**206.01**	**-**	**-**	**530.21**	**261.09**	**-**

Note 3.4 Ageing Schedule

As on 31 March 2023:

(₹ In Lakhs)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	422.42	301.41	-	-	723.83
Projects temporarily suspended	-	-	-	-	-
Total	**422.42**	**301.41**	**-**	**-**	**723.83**

As on 31 March 2022:

(₹ In Lakhs)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	484.99	-	-	-	484.99
Projects temporarily suspended	-	-	-	-	-
Total	**484.99**	**-**	**-**	**-**	**484.99**

Note 3.4.1 - There are no projects in CWIP whose completion is overdue or has exceeded cost compared to original plan.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 4.1 Intangible assets as at 31st March 2023

(₹ In Lakhs)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2022	Addition during the year	Disposal	Adjustments	As at 31st March 2023	As at 1st April 2022	For the year	Disposal	Adjustments	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Product Development	-	-		-	-	-	-		-	-	-	-0.00
Product Development	157.37	29.72	(41.43)	-	145.66	83.42	15.41	(41.43)	-	57.41	88.25	73.94
Softwares	119.66	14.51	-	-	134.16	42.57	18.57	-	0.34	61.48	72.69	77.09
Mine Development	30.17	-	(16.95)	-	13.22	24.93	2.64	(16.95)	-	10.62	2.60	5.25
Total Intangible Assets	307.20	44.22	(58.38)	-	293.04	150.91	36.63	(58.38)	0.34	129.50	163.54	156.29
Previous year	**233.22**	**73.98**	**-**	**-**	**307.20**	**131.51**	**19.40**	**-**	**-**	**150.91**	**156.29**	**-**

Note 4.1.1. Product Development is in respect of expenditure incurred for in house development of of product and recognised as intangible asset. The useful life of the product development is taken 5 years.

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

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

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

Note 4.1.5 - The Group has not carried out revaluation of intangible assets.

Note 4.2 Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	As at 31st March 2023	As at 31st March 2022
SAP "ERP" License and Development Fees	22.01	-
Mining lease rights	5.15	5.15
Total	**27.16**	**5.15**

Note 4.3 Ageing Schedule

As on 31 March 2023:

(₹ In Lakhs)

Capital work in progress	Amount in Intangible asset under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	22.01	-	-	5.15	27.16
Projects temporarily suspended	-	-	-	-	-
Total	**22.01**	**-**	**-**	**5.15**	**27.16**

As on 31 March 2022:

(₹ In Lakhs)

Capital work in progress	Amount in Intangible asset under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	-	-	-	5.15	5.15
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**5.15**	**5.15**

Note 4.3.1 - There are no projects in intangible under developement whose completion is overdue or has exceeded cost

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 5. Investment in Associate

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Dorfner - 20 Microns Private Limited (Investment Amount)	22.50	22.50
Opening balance of share of Profit/(Loss)	(1.33)	-
Add : Share of profit/(Loss)	9.02	(1.33)
Closing balance of share of Profit/(Loss)	**7.69**	**(1.33)**
2,25,000 shares (31st March, 2022: 2,25,000 shares) of INR 10 each.		
Extent of Holding	45%	45%
Place of business/ country of incorporation	India	India
Total	**30.19**	**21.17**
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	30.19	21.17
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

Note 6. Non- current financial assets : Investments

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
6,80,000 (31st March, 2022: 6,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited ₹ 10 each fully paid up.	870.40	863.46
Extent of Holding	13.58%	13.58%
Investments in Government Securities		
National Savings Certificate	0.89	0.89
Total	871.29	864.35
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	871.29	864.35
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

Note 7. Non- current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security Deposits		
To Others [Unsecured, considered good]	412.52	320.77
Deposits with Banks having maturity over 12 months	-	-
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	78.00	-
Margin Money deposits under lien against Bank Guarantee	360.05	217.46
Deposits given as guarantee to authorities	2.55	2.42
Others	3.15	2.56
Total	**856.26**	**543.21**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 8. Other non- current asset

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances [Unsecured, considered good]	955.32	1,395.04
Balances with Government authorities paid under protest	4.00	8.14
Total	**959.32**	**1,403.19**

Note 9. Inventories*

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Finished Goods	2,312.40	2,429.58
Goods in Transit (Raw Materials)	598.46	493.01
Raw Materials	7,766.64	9,123.96
Stores and Spares	773.23	810.15
Stock in trade	73.12	37.82
Total	**11,523.85**	**12,894.52**

*For Valuation- Refer note 2.14 (Accounting Policy)

**Refer to Note 18 on borrowings for details in terms of pledge of assets as security.

Note 10. Current financial assets : Trade receivables

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered Good	9,746.73	10,020.02
Credit Impaired	180.96	185.55
	9,927.69	**10,205.57**
Less: Impairment Allowance for Trade Receivables	(180.96)	(185.55)
Total	**9,746.73**	**10,020.02**

*Refer to Note 18 on borrowings for details in terms of pledge of assets as security.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Trade Receivable ageing schedule:

As on 31st March 2023:

(₹ In Lakhs)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	7,117.80	2,617.90	2.39	8.63	-	-	9,746.72
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	31.94	9.70	-	-	-	-	41.64
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-				1.53	137.79	139.32
(vii) Unbilled	-	-						-
Total	**-**	**7,149.74**	**2,627.60**	**2.39**	**8.63**	**1.53**	**137.79**	**9,927.68**
Less: Allowance for bad and doubtful								
(viii) Allowance for doubtful - Undisputed Trade receivables		(31.94)	(9.70)	-	-	-	-	(41.64)
(ix) Allowance for doubtful - Disputed Trade receivables	-	-	-	-	-	(1.53)	(137.79)	(139.32)
Net Trade Receivables	**-**	**7,117.80**	**2,617.90**	**2.39**	**8.63**	**-**	**-**	**9,746.73**

As on 31st March 2022:

(₹ In Lakhs)

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	-	10,004.97	6.29	0.38	8.38	-	10,020.02
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	30.19	2.00	-	4.64	9.74	46.56
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	0.57	1.52	-	6.31	130.59	138.99
(vii) Unbilled	-	-	-	-	-	-	-	-
Total	**-**	**-**	**10,035.73**	**9.81**	**0.38**	**19.33**	**140.33**	**10,205.59**
Less: Allowance for bad and doubtful								
(viii) Allowance for doubtful - Undisputed Trade receivables	-	-	(30.19)	(2.00)	-	(4.64)	(9.74)	(46.56)
(ix) Allowance for doubtful - Disputed Trade receivables	-	-	(0.57)	(1.52)	-	(6.31)	(130.59)	(138.99)
Net Trade Receivables	**-**	**-**	**10,004.97**	**6.29**	**0.38**	**8.38**	**-**	**10,020.02**

Note - Above ageing was made from the date of transactions where due dates were not available

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 11. Current financial assets : Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Balance with banks		
Balance in Current and Savings accounts	2,019.15	970.17
(b) Deposits with maturity less than 3 months	-	300.03
(c) Cash on hand	9.04	3.02
Total	**2,028.19**	**1,273.23**

Note 12. Current financial assets : Other bank balances

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Earmarked balances In unclaimed dividend accounts (Refer Note 12.1)	1.82	1.85
Deposits with maturity over 3 months but less than 12 months		
Margin Money deposits under lien against Bank Guarantee	121.78	161.04
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	842.31	246.40
Total	**965.91**	**409.29**

Note 12.1

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

Note 13. Current financial assets : Loans (including security deposits)

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans to employees [Unsecured, considered good]	21.71	29.79
Employee advance and other receivables [Unsecured, considered good]	14.93	82.69
Total	**36.64**	**112.49**

Note 14. Current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Insurance claim receivable	14.94	16.44
Balances with Tax authorities	281.46	211.79
Security and other deposits [Unsecured, considered good]	96.22	80.89
Total	**392.62**	**309.12**

Note 15. Current assets : Other

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances for expenses[Unsecured, considered good]		
To Related parties	-	(0.00)
To Staff	0.78	0.48
To Others	1,615.76	869.82
	1,616.54	**870.30**
Prepaid Expenses	188.96	196.61
Indirect Tax credit receivable	553.55	871.36
Advance Payment of Income Tax (Net of Provision : C.Y - ₹ 1918.98 lakhs, P.Y - ₹ 1399.87 lakhs) - Refer note no. 26	311.96	333.24
Plan asset of Gratuity (Net of Provision : 31st March, 2023 - ₹ 899.15 lakhs 31st March, 2022 - ₹ 814.04 lakhs) - Refer note no. 43	17.14	75.65
Other Current Assets	55.51	3.20
Total	**2,743.67**	**2,350.36**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 16: Share capital

Note 16.1

Authorised, issued, subscribed, fully paid up share capital

(₹ In Lakhs)

Particulars	As at 31st March, 2023		As At 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of ₹ 5 each	60,000,000	3,000.00	60,000,000	3,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 5 each fully paid up	35,286,502	1,764.33	35,286,502	1,764.33
Total	**35,286,502**	**1,764.33**	**35,286,502**	**1,764.33**

Note 16.2

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

(₹ In Lakhs)

Particulars	As at 31st March, 2023		As At 31st March, 2022	
	Equity Shares of Rs. 5 each fully paid		Equity Shares of Rs. 5 each fully paid	
Shares outstanding at the beginning of the period	35,286,502	1,764.33	35,286,502	1,764.33
Shares outstanding at the end of the period	35,286,502	1,764.33	35,286,502	1,764.33

Note 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 ₹ 5 each.

ii Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.

iii The dividend proposed if any by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.

iv In the event of liquidation of the Parent company, the holders of equity shares shall be entitled to receive assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Note 16.4

Shareholders holding more than 5 % of total share capital

(₹ In Lakhs)

Name of Shareholder	As at 31st March, 2023		As At 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity Shares of ₹ 5 each fully paid				
Eriez Industries Private Limited	8,591,838	24.35%	8,591,838	24.35%
Late Shri Chandresh S Parikh	-	-	3,727,246	10.56%
Ilaben Chandresh Parikh	3,182,884	9.02%	97,482	0.28%
Rajesh Chandresh Padikh	2,022,636	5.73%	1,701,714	4.82%
Atil Chandresh Parikh	2,021,661	5.73%	1,700,739	4.82%
Total	**15,819,019**	**44.83%**	**15,819,019**	**44.83%**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 16.5

Disclosures of Shareholding of Promoters - Shares held by the Promoters:

(₹ In Lakhs)

Promoter name	As at 31st March, 2023		As At 31st March, 2022		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Chandresh S Parikh	-	-	3,727,246	10.56%	100.00%
Atil Chandresh Parikh	2,021,661	5.73%	1,700,739	4.82%	18.87%
Rajesh Chandresh Parikh	2,022,636	5.73%	1,701,714	4.82%	18.86%
Ilaben Chandresh Parikh	3,182,884	9.02%	97,482	0.28%	3165.10%
Vedika Rajesh Parikh	2	0.00%	2	0.00%	0.00%
Eriez Industries Private Limited	8,591,838	24.35%	8,591,838	24.35%	0.00%
Total	**15,819,021**	**44.83%**	**15,819,021**	**44.83%**	0.00%

Note 16.6

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 31st March, 2023.

Note 17. Other Equity

(₹ In Lakhs)

	Particulars	As at 31st March, 2023	As at 31st March, 2022
(A)	**Reserves & Surplus**		
a.	**General Reserve**		
	Opening Balance	120.54	120.54
	Closing Balance	**120.54**	**120.54**
b.	**Securities Premium Account**		
	Opening Balance	3,950.68	3,965.13
	Add: received for shares issued during the Period	-	-
	Less; Share issue expenditure including tax impact	(0.58)	(14.45)
	Closing Balance	**3,950.10**	**3,950.68**
c.	**Retained earnings**		
	Opening balance	18,638.77	15,172.23
	Add: Profit during the Period	4,181.91	3,458.54
	Add:Due to change in minority interest	-	-
	Less: Bonus Issue	-	-
	Add: Remeasurements of post-employment benefit obligation, net of tax	(13.31)	8.01
	Total	**22,807.37**	**18,638.77**
	Less : Appropriations		
	Add/less: Loss on sale of transfer of investments	(5.40)	-
	Closing Balance	**22,801.97**	**18,638.77**
d	**Foreign Currency Translation Reserve**		
	Opening balance	81.21	51.16
	Add: Change During the year	38.15	30.05
	Balance at the end of the year	**119.36**	**81.21**
e	**Capital reserve on consolidation**	92.26	92.26
	Closing Balance	**92.26**	**92.26**
	Total (A)	**27,084.23**	**22,883.46**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

	Particulars	As at 31st March, 2023	As at 31st March, 2022
(B)	**Equity instrument through OCI**		
	Opening Balance	501.61	280.79
	Add/(Less): Gain on Sale of Shares	-	1.35
	Change in fair value of equity instrument	11.46	324.61
	Income tax relating to above item	(1.62)	(105.14)
	Transfer of gains / losses on disposal of equity investments designated at FVTOCI to Retained Earnings	-	-
Total (B)		**511.45**	**501.61**
Total other equity (A+B)		**27,595.69**	**23,385.08**

Nature and purpose of reserves :

a 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.

b Securities Premium Account

Securities premium account represent the premium received at the time of issue of equity share capital.

c Retained Earnings

Retained earnings represents surplus / accumulated earnings of the company available for distribution to shareholders.

d Foreign Currency Translation Reserve

Foreign Currency Translation Reserve created due to conversion of foreign subsidiaries in to functional currency of holding company & elimination of equity of foreign subsidiaries and investment values in the books of accounts of holding company.

e Capital reserve on consolidation

Capital reserve on consolidation is reserve created due to bargain purchase of subsidiary company at the time of acquisition.

f Equity instrument through OCI

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

Note 18. Non- current financial liabilities : Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2023		As At 31st March, 2022	
	Non-Current	Current*	Non-Current	Current*
Secured				
Term Loan from Banks	525.00	276.00	1,120.21	505.47
Total secured borrowing [A]	**525.00**	**276.00**	**1,120.21**	**505.47**
Unsecured				
From Public & Members	1,287.43	1,251.64	1,634.54	1,209.11
From Related Parties	44.50	79.00	94.00	6.00
Total unsecured borrowing [B]	**1,331.93**	**1,330.64**	**1,728.54**	**1,215.11**
TOTAL [A+B]	**1,856.93**	**1,606.64**	**2,848.74**	**1,720.58**

*Amount disclosed under the head “Short term borrowings” (Note 21)

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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

Utilisation of borrowed funds

The group has used the borrowings from banks for the specific purpose for which it was taken. The group has not taken any borrowings from financial institution.

Drawing Power statement in agreement with books

Quarterly returns or statements of current assets filed by the grooup with banks are in agreement with the books of accounts. The company do not have any borrowing from financial institutions

Willful Defaulter

The Entities in group are not declared as willful defaulter by any bank or financial institution or other lender.

Maturity Profile of Borrowings [as at 31st March, 2023]

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	TL
Effective Interest Rate	**7.95% to 10.25%**
2024-25	276.00
2025-26	249.00
Total	**525.00**

Unsecured Borrowings

Year-wise	Public Deposits
Effective Interest Rate	**7.25% - 8.50%**
2024-25	896.66
2025-26	435.27
Total	**1,331.93**

Details of Securities [As at 31st march, 2023 & 31st March, 2022]

For 20 Microns Limited

The term loans obtained as consortium loans are secured by way of

1 First pari-passu charge by way of mortgage / hypothecation over :

i. Plot No. 157 Mamura, Bhuj (admeasuring 3.20 acres)

ii. Negative lien on Plot No. 158,156,149 of Mamuara, Bhuj (admeasuring 74399 sq.mtrs.)

iii. Plot No. 172,174 & 175, Vadadala, Baroda (admeasuring 03.00.01 hectares)

iv. Plot No. F-75/76/82/85 & H-83/84, RIICO I.A., Swaroopganj, Rajasthan (admeasuring 9,457.50 sq.mtrs.)

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

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

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

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

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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 whole time directors & corporate guarantee by "Eriez Industries Private Limited", a company where significant influence exists.

4 Term loans having from bank includes loans obtained for acquisition of vehicles having outstanding balance of ₹ 0.37 (31st March, 2021: ₹ 52.95 Lakhs) are secured only by the hypothecation of the respective assets financed.

For 20 MCC Private Limited

Term Loans from Bank

Term loans having from bank includes loans obtained for acquisition of vehicles having outstanding balance of ₹ 0.37 Lakhs (31st March, 2021: Nil) are secured only by the hypothecation of the respective assets financed.

Note 19. Other Non Current Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gratutiy Benefits Payable - Long Term	-	-
Security Deposits	42.23	25.92
Lease liability	-	
Total	**42.23**	**25.92**

Note 20. Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2022-23

Particulars	As at 31st March, 2022	Recognised in profit or loss	Recognised in OCI/equity	Other	As at 31st March, 2023
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	2,652.49	(59.24)	-	-	2,593.25
Investments	195.68	(1.11)	3.09	-	197.67
Loans and borrowings	10.93	(2.08)	-	-	8.85
Employee benefits	(5.83)	66.01	(4.56)	-	55.62
Disallowance u/s 43 B of Income Tax Act, 1961	-	(1.56)	-	-	(1.56)
Total	**2,853.28**	**2.02**	**(1.47)**	**-**	**2,853.83**
Deferred tax asset					
Employee benefits	(15.68)	2.85	0.50	-	(12.32)
Tax credit	23.83	(23.83)	-	-	0.00
Provisions	49.88	(0.97)	-	-	48.90
Disallowance u/s 43 B of Income Tax Act, 1961	6.39	-	-	-	6.39
Carried forward tax losses and unabsorbed depreciation	38.16		-		38.16
Impairment loss on asset held for sale	(0.00)	-	-	-	(0.00)
Lease liability	70.53	72.77	-	-	143.30
Share issue expense	0.57	-	-	(0.58)	(0.00)
Total	**173.67**	**50.82**	**0.50**	**(0.58)**	**224.42**
Net deferred tax Liabilities	**2,679.60**	**(48.80)**	**(1.97)**	**0.58**	**2,629.41**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Impact due to change in tax rate

The Government of India, on 20/09/2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The Company has decided to apply the lower income tax rates as per the provisions of the new section 115BAA from the financial year 2020-21. Consequently the Company had applied the lower income tax rates on the deferred tax assets / liabilities to the extent these were expected to be realised or settled in the future period and accordingly reversed net deferred tax liability of ₹ 691.50 Lakhs during the period ended 31/03/2021.

Note 21. Current financial liabilities : Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured (Repayment on Demand)		
Loan from Banks (Cash credit):	5,744.40	6,424.61
(Effective Rate of Interest being 7.95% to 10.15%)		
Unsecured		
Deposits		
From Public and Members	983.56	1,021.82
(Effective Rate of Interest being 7.25% - 8.50%)		
Current maturities of long term borrowings - (Refer Note 19):-		
Term Loan		
- From Banks (Secured)	276.37	505.47
Vehicle Loans (Secured)	-	-
Vehicle Loans (Unsecured)	-	-
- Deposits(Unsecured)		
From Public and Members	1,251.64	1,209.11
From Related Parties	79.00	6.00
	1,607.01	**1,720.58**
Total	**8,334.97**	**9,167.01**

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.

All the term loans are further collaterally secured by personal guarantee of whole time directors & corporate guarantee by “Eriez Industries Private Limited” , a company where significant influence exists.

For 20 Microns Nano Minerals Limited (Subsidiary Company)

Primary Security: Hypothecation of entire current assets on 1st Charge basis.:

Collateral Securtiy: Exclusive Charge over Factory Land Building Plant and Machinery

Corporate Guarantee of 20 Microns Ltd.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 22. Current financial liabilities : Trade payables

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non Current		
Total outstanding dues of Micro and Small Enterprise	-	-
Total outstanding dues of Creditors other than Micro and Small Enterprise	-	84.32
Sub-Total (a)	**-**	**84.32**
Current		
Total outstanding dues of micro enterprises and small enterprises - Trade payables (Refer Note 22.1)	68.28	61.20
Total outstanding dues of creditors other than micro enterprises and small enterprises:-	7,810.32	9,809.69
Sub-Total (b)	**7,878.60**	**9,870.89**
Total	**7,878.60**	**9,955.21**

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 Group are as under:

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
the principal amount remaining unpaid to any supplier at the end of each accounting year	68.28	61.20
Interest due on (1) above and remaining unpaid as at the end of accounting period	0.31	0.69
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting yearInterest paid on all delayed payments under MSMED Act,2006		-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Trade Payable ageing schedule:

As on 31st March 2023:

(₹ In Lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	47.40	20.88	-	-	-	68.28
(ii) Others	-	5,980.72	1,730.81	97.31	1.48	-	7,810.32
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
(v) Unbilled							-
Total	**-**	**6,028.12**	**1,751.69**	**97.31**	**1.48**	**-**	**7,878.60**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

As on 31st March 2022:

(₹ In Lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	61.20	-	-	-	61.20
(ii) Others	-	-	9,853.57	20.53	19.92	-	9,894.01
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-	-
Total	**-**	**-**	**9,914.76**	**20.53**	**19.92**	**-**	**9,955.21**

Note - Above ageing was made from the date of transactions where due dates were not available

Note 23. Current financial liabilities : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Payable for Capital Goods and Services	0.91	1.68
Unclaimed dividend (Refer Note 23.1)	1.82	1.85
Unclaimed Matured public deposits and Interest	3.18	24.27
Employee Benefits Payable	240.06	219.98
Liabilities for expenses at the year end	785.04	610.03
Total	**1,031.02**	**857.81**

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

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance from Customers	197.84	163.99
Other payables	51.27	94.34
Statutory Dues Payable	232.99	122.82
Total	**482.10**	**381.15**

Note 25. Current provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits (Refer note 43)		
Provision for gratuity	18.70	-
Provision for leave encashment	17.54	16.38
Total	**36.24**	**16.38**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 26. Details of Income tax assets and income tax liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current income tax liabilities (Net of Advance Tax : C.Y - ₹ 1233.42 lakhs, P.Y - ₹ 947.35)	46.35	78.68
Net Asset (Asset - Liability)	**46.35**	**78.68**

Note 26.1 Movement in current income tax asset/(liability)

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Net current income tax asset/(liability) at the beginning	254.57	336.75
Income tax paid for the year	1,595.60	1,148.85
Provision for Income tax for the year (Refer Note 37)	(1,564.72)	(1,197.77)
Prior year tax /refund adjusted with tax / other items	(19.84)	(33.26)
Adjustment/Reclassification to MAT	-	-
Net current income tax asset/(liability) at the end	**265.61**	**254.57**

Note 26.2 Components of Net income tax asset/(liability) at the end

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Payment of Income Tax (Net of Provision : C.Y - ₹ 1918.98 lakhs, P.Y - ₹ 1399.87 lakhs)	311.96	333.24
Current income tax liabilities (Net of Advance Tax : C.Y - ₹ 1233.42 lakhs, P.Y - ₹ 947.35)	46.35	78.68
Total	**265.61**	**254.57**

Note 27. Revenue from Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from Operations		
Sale of products	70,075.62	61,144.27
Other operating revenues	93.11	175.95
Total	**70,168.72**	**61,320.21**

Note 27.1

Details of other operating revenues of the Group are as under:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Export Incentives	4.31	17.72
Royalty Received	6.01	0.00
Scrap Sales	3.11	5.69
Jobwork Charges	63.61	125.05
Other	16.07	27.49
Total	**93.11**	**175.95**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 28. Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income	77.50	62.27
Rent	11.69	17.51
Net Gain on Disposal of Tangible Asset	-	40.80
Net Gain on Foreign Currency Transactions	122.80	8.07
Liability no longer required written back	4.79	36.30
Excess Provision written back	28.38	18.18
Gain on Derecognition of Lease Liabilities	5.14	-
Other Non-Operating Income	40.80	31.85
Export Incentives	2.27	1.84
Total	**293.38**	**216.84**

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

Note 29. Cost of Materials Consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Stock of Material	9,561.44	6,528.72
Opening Stock Material in Transit	54.82	189.48
Add : Purchases	34,814.70	34,520.79
	44,430.95	**41,238.98**
Less : Material in transit	597.66	493.01
Less: Closing Stock of Materials	7,769.89	9,123.24
Total	**36,063.40**	**31,622.73**

Note 30. Purchase of Stock in trade

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Purchases of Stock in trade	322.19	305.05
Total	**322.19**	**305.05**

Note 31. Changes in inventories of finished goods, stock in trade and work in progress

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventory at the beginning of the year	2,431.36	2377.91
Less: Inventory at the end of the year	2,383.06	2431.36
Changes in inventories of finished goods, stock in trade and work in progress	**48.29**	**(53.45)**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 32. Employee benefit expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salary, Wages Bonus & Allowances	4,891.18	4119.00
Contribution to Provident and Other Funds	376.57	309.71
Managerial Remuneration	349.68	266.85
Ex-gratia payment to Director	72.58	72.58
Staff Welfare Expenses	212.50	161.12
Total	**5,902.51**	**4,929.25**

Note 33. Finance Costs

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest on Term Loans	116.91	151.76
Recompense Charges	-	322.00
Interest on Working Capital Loans	1,053.79	799.93
Other Interests	373.74	375.69
Other Borrowing Costs	231.88	375.04
Total	**1,776.32**	**2,024.42**

Note 34. Depreciation, Amortisation and Impairment expense

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Depreciation of Property, Plant and Equipment (refer note 3.1)	1,159.07	1141.78
Amortisation of Intangible Assets (refer note 4.1)	36.63	19.40
Amortisation of Right of Use Assets (refer note 3.3)	184.74	206.01
Depreciation of Investment Property (refer note 5)	-	-
Total	**1,380.45**	**1,367.19**

Note 35. Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Note 35.1		
Manufacturing Expenses		
Consumption of Stores and Spare Parts	625.75	715.36
Power and Fuel	5,183.30	4152.17
Rent	86.38	84.37
Repairs :		
Buildings	68.58	91.70
Plant and Machinery	335.53	263.49
Excise Duty	-	0.00
Detention and Demurrage	-	-
Other Manufacturing & Factory Expenses	577.96	567.13
Sub Total (A)	**6,877.49**	**5,874.22**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Note 35.2		
Administrative & Other Expenses		
Rent	38.16	23.13
Rates & Taxes	50.18	11.66
Insurance	128.63	100.27
Post, Telephone & Courier	101.90	86.16
Printing and Stationary expenses	44.50	29.16
Legal, Licenses and Renewal expenses	46.28	51.58
Software and Computer Maintenance	66.25	48.36
Travelling & Conveyance	192.03	106.82
Vehicle Running & Maintenance	139.77	94.59
Professional Fees	271.91	206.00
Auditors Remuneration (refer note no. 35.4)	25.24	16.02
Directors Sitting Fees	14.80	17.05
Loss on Disposal of Tangible Assets (Net)	4.68	6.55
Donation	2.60	0.42
Remission of Debit balance	26.61	48.44
Fine and penalty	168.53	1.72
Miscellaneous Expenses	222.70	257.71
Loss on Foreign Currency Transactions	20.30	2.92
CSR Expenditure (refer note no. 36)	103.75	57.88
Royalty Paid	16.58	8.78
Sub Total (B)	**1,685.38**	**1,175.22**
Note 35.3		
Marketing, Selling & Distribution Expenses :		
Selling Expenses		
Travelling Expenses	464.61	251.43
Sales Commission	209.25	77.02
Bad Debts written off	4.47	11.85
Allowance for impairment loss	0.11	-
Rent	341.85	175.24
Other Selling Expenses	696.72	518.31
Other Expense	35.11	20.90
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	6,500.81	5,642.98
Freight and Logistic Expenses (Export)	2,428.07	2,776.51
Export Expenses	14.86	54.37
Sub Total (c)	**10,695.85**	**9,528.60**
Total (A+B+C)	**19,258.72**	**16,578.04**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 35.4 Payment to Auditors

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Audit Fees	23.29	15.07
In Other Capacity	0.60	0.48
Out of Pocket Expense	1.35	0.47
Total	**25.24**	**16.02**

Note 36. Corporate Social Responsibilty

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Gross amount required to be spent by the company during the year	69.40	64.00
Excess Amount spent in last year carried forward to this financial year	7.98	14.10
Amount spend and paid on CSR activities included in the statement of profit and loss for the year	95.25	57.88
Amount utilised from amount carried forward from last year	-	6.12
Amount carried forward from Previous year	7.98	-
Amount carried forward to Next year	25.85	7.98
Spend details		
Promoting healthcare and environment	87.50	57.88
Rural development and education promotion	7.75	-
Contribution to trust controlled by the Parent Company (refer note - 44.2)	62.50	43.60

Note 37. Tax Expense

(a) Amounts recognised in profit and loss

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current Tax		
(a) Current income tax	1,564.72	1,197.77
(b) Short/(Excess) provision of Income Tax in respect of previous years	19.84	29.26
Sub Total (a)	**1,584.55**	**1,227.03**
Deferred tax		
Origination and reversal of temporary differences	(61.48)	62.64
Sub Total (b)	**(61.48)**	**62.64**
Tax expense for the year (a+b)	**1,523.07**	**1,289.67**

(b) Reconciliation of effective tax rate

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit before tax	5,710.22	4,763.82
Tax using the Individual companies domestic tax rate	1,396.40	1,249.32
Tax effect of:		
Expenses Disallowed	352.02	348.22
Expenses Allowed	(336.24)	(399.76)
Short/(Excess) provision of income tax in respect of previous years	21.03	-
Tax at special rate	151.34	-
Current Tax Provision (A)	**1584.55**	**1227.03**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Increase/ (Decrease) in Deferred Tax Liability	(45.36)	51.43
Decrease/(Increase) In Deferred Tax Assets	(16.12)	11.22
Deferred Tax Provision (B)	(61.48)	62.64
Total	**1,523.07**	**1,289.67**

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 Respective Companies in subsequent years.

Note 38. Statement of other comprehensive income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - Gain /(loss)	6.94	451.32
Tax impact on unquoted investments	(1.62)	(105.14)
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	(17.76)	10.71
Tax impact on Actuarial gains and losses	4.45	(2.69)
Total (i)	**(7.99)**	**354.19**
(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)	**(7.99)**	**354.19**

Note 39. Earning per Share -(EPS)

Earnings per equity share of FV of ₹ 5 each

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit for the year (Profit attributable to equity shareholders) (₹ In Lakhs)	4,181.91	3,458.54
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	35,286,502	35,286,502
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	35,286,502	35,286,502
Face Value of equity share (₹)	5.00	5.00
Basic EPS (₹)	11.85	9.80
Diluted EPS (₹)	11.85	9.80

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 40. Contingent Liabilities & Contingent Assets and Capital Commitments

A) Contingent Liabilities

(₹ In Lakhs)

Contingent Liabilities (to the extent not provided for)	As at 31st March, 2023	As at 31st March, 2022
(a) Statutory claims (Refer Note 40.1)	746.64	426.07
(b) Claims against the group not acknowledged as debt(Refer Note 40.2)	438.51	438.51
(c) Export Obligations	49.94	49.94
Total	**1,235.09**	**914.52**

Note 40.1

Statutory claims

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Demand of Sales Tax, Value Added Tax and Central Sales Tax [Net of An amount of ₹ 4.50 lacs deposited under protest (P.Y. ₹ 4.50 lacs deposited under protest)]	228.32	37.22
Demand of Income Tax (Net of Refund adjusted and paid under protest)	140.08	10.60
Labour disputed cases	378.25	378.25
Total	**746.64**	**426.07**

Note 40.2

Claims against the Group not acknowledged as debt

Note 40.2.1

The Parent Company had received an Order dated 06th August, 2016, from Geology and Mining Department, Bhuj, Kutch for excavating the mine beyond the approved lease area, situated at Survey No. 483, Mamuara, Bhuj, Kutch whereby a penalty of ₹ 419.13 lakhs is levied on the Company. Company had filed an appeal against the order of the Geology and Mining Department with the appellate authority as per the rules of Gujarat Mineral (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005. The appellate authority(additional director [Appeal and flying squad], vide its order dated 17th January, 2020 has passed final order and continued order dated 06th August, 2016 passed by the Geologist, Bhuj. The company Filed a REVISION application on dated 20/02/2020 to The Commissioner Shri (Geology & Mining , Gandhinagar) against the order passed by Additional Director (Appeal & Flying Squad), Gandhinagar, dated 17/01/2020.The Commissioner shri has directed geology department to submit detailed report on the same.

40.2.2

Vendors of the Group have made claims against company amouting to ₹ 19.38 Lakh (P.Y - 19.38 Lakh)

40.2.3

The Parent Company has purchased various capital item during the Financial Year 2008-09 to 2017-18 under EPCG scheme at a NIL rate of custom duty, the value of duty approximately saved being ₹ 49.94 lakh/- . The company has given an undertaking to make exports worth ₹ 299.64 Lakh/- over a period of Six years from the date of license / authorization"

B) CONTINGENT ASSETS

The Group is having certain claims which are pursuing through legal processes. The Management believe that probable outcome in all such claims are uncertain. Hence, the disclosure of such claims is not required in the financial statements.

C) CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account as on 31st March, 2023, not provided for amounting to ₹ 654.38 Lakhs (Net of Advance ₹ 768.37 Lakhs) [31st March, 2022 ₹ 322.20 Lakhs (Net of Advance ₹ 1208.09 Lakhs)]

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 41. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

(₹ In Lakhs)

31st March, 2023	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	-	870.40	0.89	871.29	-	0.89	870.40	871.29
Financial assets measured at amortised cost				-				-
Loans (Non-current)	-	-	-	-	-	-	-	-
Other financial assets (Non-Current)	-	-	856.26	856.26	-	856.26	-	856.26
Loans (Current)	-	-	36.64	36.64	-	-	-	-
Other financial assets (Current)	-	-	392.62	392.62	-	-	-	-
Trade receivables	-	-	9,746.73	9,746.73	-	-	-	-
Cash and cash equivalents	-	-	2,028.19	2,028.19	-	-	-	-
Other bank balances	-	-	965.91	965.91	-	-	-	-
	-	**870.40**	**14,027.24**	**14,897.64**	**-**	**857.15**	**870.40**	**1,727.55**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	1,856.93	1,856.93	-	1,856.93	-	1,856.93
Other Non Current financial liabilities	-	-	42.23	42.23	-	42.23	-	42.23
Lease laibilities - Noncurrent	-	-	423.77	423.77	-	423.77	-	423.77
Trade payables (Non-current)	-	-	-	-	-	-	-	-
Lease laibilities - current	-	-	167.25	167.25	-	-	-	-
Current borrowings	-	-	8,334.97	8,334.97	-	-	-	-
Trade payables (Current)	-	-	7,878.60	7,878.60	-	-	-	-
Other Current financial liabilities	-	-	1,031.02	1,031.02	-	-	-	-
Total	**-**	**-**	**19,734.77**	**19,734.77**	**-**	**2,322.93**	**-**	**2,322.93**

(₹ In Lakhs)

31st March, 2022	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	-	863.46	0.89	864.35	-	0.89	863.46	864.35
Financial assets measured at amortised cost								
Loans (Non-current)	-	-	-	-	-	-	-	-
Other financial assets (Non-Current)	-	-	543.21	543.21	-	543.21	-	543.21

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

31st March, 2022	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
Loans (Current)	-	-	112.49	112.49	-	-	-	-
Other financial assets (Current)	-	-	309.12	309.12	-	-	-	-
Trade receivables	-	-	10,020.02	10,020.02	-	-	-	-
Cash and cash equivalents	-	-	1,273.23	1,273.23	-	-	-	-
Other bank balances	-	-	409.29	409.29	-	-	-	-
	-	**863.46**	**12,668.24**	**13,531.71**	**-**	**544.10**	**863.46**	**1,407.56**
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	2,848.74	2,848.74	-	2,848.74	-	2,848.74
Other Non Current financial liabilities	-	-	25.92	25.92	-	25.92	-	25.92
Lease laibilities - Noncurrent	-	-	104.01	104.01	-	104.01	-	104.01
Trade payables (Non-current)	-	-	84.32	84.32	-	84.32	-	84.32
Lease laibilities - current	-	-	176.19	176.19	-	-	-	-
Current borrowings	-	-	9,167.01	9,167.01	-	-	-	-
Trade payables (Current)	-	-	9,870.89	9,870.89	-	-	-	-
Other Current financial liabilities	-	-	857.81	857.81	-	-	-	-
Total	**-**	**-**	**23,134.89**	**23,134.89**	**-**	**3,062.99**	**-**	**3,062.99**

Investment in subsidiaries are carried at cost.

Fair value of financial assets and liabilities which are measured at amortised cost is not materially different from the carrying value (i.e...amortised cost). The carrying amounts of financial assets and liabilities of short term nature are considered to be the same as their fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

B Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The fair value of investment in equity shares of other entity is determined based on market value of the shares. The approach taken for valuation is Book value of the equity instruments. The investee company is IND AS compliant company.

Financial instruments measured at fair value - FVTOCI in unquoted equity shares

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2023 and 31st March 2022 is as below:

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	863.46	593.97
Acquisitions/ (disposals)	-	(181.83)
Gains/ (losses) recognised in other comprehensive income	6.94	451.32
Impairment in value of investment recognised in other comprehensive income	-	-
Closing Balance	**870.40**	**863.46**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2022 and the year ended 31st March 2021.

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 2023 is provided below.

(₹ In Lakhs)

Significant observable inputs	As at 31st March, 2023	As at 31st March, 2022
	OCI	OCI
	(Decrease)/Increase	(Decrease)/Increase
Equity securities in unquoted investments measured through OCI		
If increase in market value of investments made by 5%	43.52	43.17
If increase in market value of investments made by 5%	(43.52)	(43.17)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has a well-define Risk Management framework for reviewing the major risks and taking care of all the financial risks. The risk management framework aims to :

a. create a stable business planning environment by reducing the impact of currency and interest rate fluctuation on company's business plan.

b. achieve greater predictability to earnings by determining the financial value of the expected earning in advance.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities. The Group, 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.

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for the year ended on 31st March, 2023

The audit committee oversees how management monitors compliance with the Parent Company 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 31/03/2023	As At 31/03/2022
Opening Allowance for bad and doubtful Trade receivable	185.55	204.67
Provision during the year	0.11	39.38
Recovery/Adjustment during the year		
Write off during the year	(4.70)	(58.50)
Closing Allowance for bad and doubtful Trade receivable	**180.96**	**185.55**

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, loan to employees and security deposits. The maximum exposure to the credit risk at the reporting date from above amounts to ₹ 545.37 Lakhs on 31st March, 2023 and ₹ 514.14 Lakhs on 31st March, 2022.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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 ₹ 1624.18 Lakhs (at amortised cost) that is secured as mentioned in Note 19. Interest would be payable at the rate of varying from 7.95% to 10.50%. "

(b) The Group has also accepted deposit from share holders and directors amounting to ₹ 3957.26 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 7.50% - 8.75%.

(c) For maintaining working capital liquidity Group avails cash credit limit from bank. The amount availed as at 31/03/2022 is ₹ 6424.61 Lakhs (at amortised cost). Effective Rate of Interest is 7.95% to 10.50%.

Exposure to liquidity risk

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

(₹ In Lakhs)

March 31, 2023	Contractual cash flows				
	Carrying amount	**Less than 12 months**	**1-5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Non current borrowings	1,856.93	-	1,856.93	-	1,856.93
Non current financial liabilities	42.23	-	42.23	-	42.23
Lease laibilities - Noncurrent	423.77	-	423.77	-	423.77
Trade payables (Non-current)	-	-	-	-	-
Lease laibilities - current	167.25	167.25	-	-	167.25
Current Borrowings	8,334.97	8,334.97	-	-	8,334.97
Current Trade payables	7,878.60	7,878.60	-	-	7,878.60
Current Other financial liabilities	1,031.02	1,031.02	-	-	1,031.02
	19,734.77	**17,411.84**	**2,322.93**	**-**	**19,734.77**

(₹ In Lakhs)

March 31, 2022	Contractual cash flows				
	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non current borrowings	2,848.74	-	2,848.74	-	2,848.74
Non current financial liabilities	25.92	-	25.92	-	25.92
Lease laibilities - Noncurrent	104.01	-	104.01	-	104.01
Trade payables (Non-current)	84.32	-	84.32	-	84.32
Lease laibilities - current	176.19	-	176.19	-	176.19
Current Borrowings	9,167.01	9,167.01	-	-	9,167.01
Current Trade payables	9,870.89	9,870.89	-	-	9,870.89
Current Other financial liabilities	857.81	857.81	-	-	857.81
	23,134.89	**19,895.71**	**3,239.17**	**-**	**23,134.89**

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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

iv. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

a) Currency risk

The functional currency of the Group is Indian Rupee. The Group have transaction of import of materials, other foreign expenditures and export of goods. hence the Group is exposed to currency risk on account of payables and receivables in foreign currency. Group have outstanding balances in Euro, USD and GBP.

(₹ In Lakhs)

Details of foreign currency balances	As at 31/03/2023	As at 31/03/2022
Foreign currency short term borrowing (hedged)		
USD	3,008.65	-
Trade and Other Payables		
Euro	-	12.54
USD	24.56	901.09
GBP	(1.63)	-
Trade Receivables and advances		
Euro	4.18	54.04
USD	1,948.35	1,809.47
GBP	5.54	54.03

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 31/03/2023

(₹ In Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(1.15)	1.15	(1.15)	1.15
Trade Receivables and advances	97.90	(97.90)	97.90	(97.90)

As at 31/03/2022

(₹ In Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(45.68)	45.68	(45.68)	45.68
Trade Receivables and advances	95.88	(95.88)	95.88	(95.88)

b) Derivative Instruments used for Hedging:

The Group 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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Derivative outstanding as at reporting date

	Amount in USD (lakhs)		Amount in INR (lakhs)	
Nature of instrument	As at 31/03/2023	As at 31/03/2022	As at 31/03/2023	As at 31/03/2022
Later than one month and not later than 3 months	-	-	-	-

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

c) Interest rate risk

Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Group's interest rate exposure is mainly related to debt obligation. On period under review the Group do not have any term loans at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate. The Group have accepted deposits from share holders which are fixed rate instruments.

(₹ In Lakhs)

Interest bearing instruments	As At 31/03/2023	As At 31/03/2022
Non current - Borrowings	1,856.93	2,848.74
Short term borrowings	8,334.97	9,167.01
Total	**10,191.91**	**12,015.75**

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:

Particular	Profit or (Loss)		Equity	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
31st March 2023				
Non current - Borrowings	(18.57)	18.57	(18.57)	18.57
Short term borrowings	(83.35)	83.35	(83.35)	83.35
Total	**(101.92)**	**101.92**	**(101.92)**	**101.92**
31st March 2022				
Non current - Borrowings	(28.49)	28.49	(28.49)	28.49
Short term borrowings	(91.67)	91.67	(91.67)	91.67
Total	**(120.16)**	**120.16**	**(120.16)**	**120.16**

d) Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of raw Material and other consumables. The Group has risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Group's commodity risk is managed centrally through well established trading operations and control processes."

e) Equity Price Risk

The Group do not have any investment in quoted equity shares hence not expose to equity price risk.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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.

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

(₹ In Lakhs)

Particulars	As at 31/03/2023	As at 31/03/2022
Interest bearing borrowings	10,191.91	12,015.75
Less : Cash and bank balances	(3,437.85)	(1,904.96)
Adjusted net debt	**6,754.06**	**10,110.80**
Borrowings	10,191.91	12,015.75
Total equity	29,360.02	25,149.40
Adjusted net debt to adjusted equity ratio	0.23	0.40
Debt equity ratio	0.35	0.48

Note 43. Disclosure Of Employee Benefit

(a) Defined Contribution Plan

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provident Fund	278.36	210.80
Superannuation Fund	31.78	28.21
ESIC Contribution	1.88	2.06
Total	**312.02**	**241.07**

43.1 In the case of Parent Company

The Company has implemented Ind AS - 19 on "Employee Benefits".

(a) Provident Fund - Defined Contribution Plan

All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the year ended 31st March, 2023 is ₹ 237.75 Lakhs (Previous year ₹ 173.92 Lakhs)

(b) superannuation fund - Defined Contribution Plan

As per scheme and eligibility critaria decided by the company, eligible employees are entitle to super anuuation. Amount charged to profit and loss during the year ended 31st March, 2023 is ₹ 31.78 Lakhs. (P.Y. 28.21 Lakhs)

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(b) 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	Leave Encashment	Gratuity	Leave Encashment
		As at 31st March 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2022
A.	**Discount rate**	7.40%	7.40%	6.95%	-
	Rate of return on plan assets				
	Salary Growth rate	7.50%	7.50%	7.50%	-
B.	**Reconciliation of Defined Benefit Obligation**				
	Opening Defined Benefit Obligation	814.05	-	786.54	-
	Current Service Cost	54.49	16.94	52.08	-
	Interest Cost	54.81	-	48.14	-
	Components of acturial gain/losses on obligations:	-	-	-	-
	Due to change in financial assumptions	(30.80)	-	(40.10)	-
	Due to change in Demographic assumptions	-	-	-	-
	Due to experience adjustments	39.07	-	27.03	-
	Past Service Cost	-	-	-	-
	Benefits Paid	(32.47)	-	(59.65)	-
	Closing Defined Benefit Obligation	**899.15**	**16.94**	**814.05**	**-**
C.	**Reconciliation of Planned Asset**				
	Opening fair Value of plan assets	896.20	-	739.77	-
	Interest Income	62.42	-	46.89	-
	Return on plan assets excluding amounts included in interest income	(9.85)	-	(0.81)	-
	Contributions by employer	-	-	170.00	-
	Benefits Paid	(32.47)	-	(59.65)	-
	Closing Value of plan assets	**916.30**	**-**	**896.20**	**-**
D.	**Profit and Loss Account for the current Period**				
	Current Service Cost	54.49	16.94	52.08	-
	Net Interest Cost	(7.60)	-	1.25	-
	Past service cost and loss/(gain) on curtailments and settlements		-	-	-
	Total included in 'Employee Benefit Expense'	46.89	16.94	53.33	-
	Other Comphrehensive Income for the current Period				
	Components of acturial gain/losses on obligations:				
	Due to change in financial assumptions	(30.80)	-	(40.10)	-
	Due to change in Demographic assumptions	-	-	-	-
	Due to experience adjustments	39.07	-	27.03	-
	Return on plan assets excluding amounts included in interest income	9.85	-	0.81	-
	Amount recognized in Other Comprehensive Income	**18.13**	**-**	**(12.25)**	**-**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

Assumptions		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		As at 31st March 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2022
E.	**Reconciliation of Net defind Benefit Obligation**				
	Net opening provisions in Books of accounts	(82.17)	-	46.75	-
	Employee Benefit Expense	46.89	16.94	53.33	-
	Amount recognized in Other Comprehensive Income	18.13	-	(12.25)	-
	Contributions to Plan asset	-	-	(170.00)	-
	Closing provision in books of accounts	**(17.14)**	**16.94**	**(82.17)**	**-**
F.	**Current/Non-Current Liability :**				
	Current*	(17.14)	0.09	(82.17)	-
	Non-Current	-	16.85	-	-
	Net Liability	**(17.14)**	**16.94**	**(82.17)**	**-**

*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	Gratuity As at 31st March, 2023	Gratuity As at 31st March, 2022
A.	**Gratuity**		
	Present value of Defined Benefit Obligation	899.15	814.05
	Fair value of Plan Assets	916.30	896.20
	(Surplus) / Deficit in the plan	(17.14)	(82.16)
	Actuarial (Gain) / Loss on Plan Obligation	8.28	(13.07)
B.	**Earned Leave (Leave encashment)***		
	Present value of Defined Benefit Obligation	16.94	-

*Leave encashment valuation based on acturial valuer report is done in current financial year only and hence disclosures as per IND AS 19 are made for Financial Year 2022-23 only.

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ In Lakhs)

Particulars	As at 31st March 2023			
	Increase Gratuity	Increase Leave Encashment	Decrease Gratuity	Decrease Leave Encashment
Discount rate (0.5% movement)	866.86	15.99	933.48	17.98
Salary growth rate (0.5% movement)	921.17	17.97	876.76	15.99
Withdrawal rate (W.R.) Sensitivity	902.63	16.20	895.53	17.74

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

Particulars	As at 31st March 2022			
	Increase Gratuity	Increase Leave Encashment	Decrease Gratuity	Decrease Leave Encashment
Discount rate (0.5% movement)	782.89	-	847.24	-
Salary growth rate (0.5% movement)	836.82	-	791.18	-
Withdrawal Rate	816.45	-	811.46	-

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58,68 or 72 years

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

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

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

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

C Liquidity Risk:

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

D Market Risk:

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

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

E **Legislative Risk:**

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

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

(a) Composition of the plan assets

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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 2023

Particulars	1-5 years	6-10 years
Cash flow (₹)	436.54	435.11
Distribution (in %)	25.50%	25.70%

F **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 ₹ 32.90 Lakhs (Previous year ₹ 30.59 Lakhs)

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(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 As at 31st March 2023	Gratuity As at 31st March 2022
A.	**Discount rate**	7.45%	7.15%
	Rate of return on plan assets	7.45%	7.15%
	Salary Escalation	6.00%	6.00%
B.	**Change in Defined Benefit Obligations**		
	Liability at the beginning of the year	22.89	14.69
	Interest Cost	1.62	0.92
	Current Service Cost	9.70	6.65
	Past service cost	-	-
	Prior year Charge	-	-
	Due to change in Financial assumptions	(0.89)	(0.75)
	Due to change in Demographic assumptions	-	1.37
	Due to experience adjustments	2.53	
	Benefits Paid	(0.74)	-
	Actuarial loss/ (gain) due to experience adjustment	-	-
	Actuarial (Gain) / Loss due to change in financial estimate	-	-
	Total Liability at the end of the year	**35.11**	**22.89**
C.	**Change in Fair Value of plan Assets**		
	Opening fair Value of plan assets	23.30	13.20
	Interest Income	2.00	1.05
	Return on plan assets excluding amounts included in interest income	(0.36)	(0.95)
	Contributions by employer	-	10.00
	Benefits Paid	(0.74)	-
	Closing fair Value of plan assets	**24.19**	**23.30**
D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	9.70	6.65
	Net Interest Cost	(0.38)	(0.13)
	Past service cost and loss/(gain) on curtailments and settlements	-	-
	Total included in 'Employee Benefit Expense'	9.33	6.53
	Other Comphrehensive Income for the current Period		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	(0.89)	(0.75)
	Due to change in Demographic assumptions	-	-
	Due to experience adjustments	2.53	1.37
	Return on plan assets excluding amounts included in interest income	0.36	0.95
	Amount recognized in Other Comprehensive Income	**2.00**	**1.57**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

Assumptions		Gratuity As at 31st March 2023	Gratuity As at 31st March 2022
E.	**Balance Sheet Reconciliation**		
	Opening Net Liability	(0.41)	1.50
	Employee Benefit Expense	9.33	6.53
	Amounts recognized in Other Comprehensive Income	2.00	1.57
	Contributions to Plan Assets	-	(10.00)
	Benefits Paid	-	-
	Closing Liability	**10.92**	**(0.41)**
F.	**Current/Non-Current Liability :**		
	Current*	9.75	(0.41)
	Non-Current	1.17	-

*The Group liability is calculated as expected reduction in contributions for the next 12 months.

(c) Amounts recognised in current year and previous three years

(₹ In Lakhs)

Particulars		As at 31st March, 2023	As at 31st March, 2022
A.	**Gratuity**		
	Present value of Defined Benefit Obligation	35.11	22.89
	Fair value of Plan Assets	24.19	23.30
	(Surplus) / Deficit in the plan	10.92	(0.41)
	Actuarial (Gain) / Loss on Plan Obligation	1.65	0.62
	Actuarial Gain / (Loss) on Plan Assets	0.36	0.95

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ In Lakhs)

Particulars	As at March 31, 2023	
	Increase Gratuity	Decrease Gratuity
Discount rate (0.5% movement)	33.72	36.61
Salary growth rate (0.5% movement)	36.54	33.79
Withdrawal rate (W.R.) Sensitivity	35.08	35.14

(₹ In Lakhs)

Particulars	As at March 31, 2022	
	Increase Gratuity	Decrease Gratuity
Discount rate (0.5% movement)	21.72	24.16
Salary growth rate (0.5% movement)	24.06	21.79
Withdrawal rate (W.R.) Sensitivity	22.86	22.91

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20 Lakhs was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

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

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date."

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is 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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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

(a) Composition of the plan assets

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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 2023.

Particulars	1-5 years	6-10 years
Cash flow (₹)	17.45	14.29
Distribution (in %)	18.30%	19.90%

(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 ₹ 7.71 Lakh (P.Y. 6.29 Lakh) towards Provident Fund Contribution during the financial year 2022-23 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	Gratuity
		As at 31st March 2023	As at 31st March 2022
A.	**Discount rate**	7.50%	6.90%
	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	30.00% p.a at younger ages reducing to 2.00% p.a% at older ages
	Salary Growth rate	7.50%	7.50%

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

Assumptions		Gratuity As at 31st March 2023	Gratuity As at 31st March 2022
B.	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	6.92	4.09
	Current Service Cost	2.76	2.58
	Interest Cost	0.48	0.26
	Components of acturial gain/losses on obligations:		-
	Due to change in financial assumptions	(0.39)	(0.34)
	Due to change in Demographic assumptions		-
	Due to experience adjustments	(1.98)	0.32
	Past Service Cost		-
	Benefits Paid		-
	Closing Defined Benefit Obligation	**7.78**	**6.92**
C.	**Reconciliation of net defined benefit liability**		
	Net opening provision in books of accounts	6.92	4.09
	Transfer in/(out) obligation		-
	Transfer (in)/out plan assets		-
	Employee Benefit Expense	3.24	2.84
	Amounts recognized in Other Comprehensive (Income) / Expense	(2.37)	(0.01)
	Amounts recognized in Other Comprehensive (Income) / Expense		-
	Contributions to plan assets		-
	Closing Value of plan assets	**7.78**	**6.92**
D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	2.76	2.58
	Net Interest Cost	0.48	0.26
	Past service cost and loss/(gain) on curtailments and settlements		-
	Total included in 'Employee Benefit Expense'	**3.24**	**2.85**
E.	**Other Comphrehensive Income for the current Period**		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	(0.34)	(0.34)
	Due to change in Demographic assumptions		-
	Due to experience adjustments	(1.98)	0.32
	Return on plan assets excluding amounts included in interest income		-
	Amount recognized in Other Comprehensive Income	**(2.37)**	**(0.02)**
F.	**Reconciliation of Net defind Benefit Obligation**		
	Net opening provisions in Books of accounts	-	-
	Employee Benefit Expense	2.91	2.91
	Amount recognized in Other Comprehensive Income	-	-
	Contributions to Plan asset	-	-
	Closing provision in books of accounts	**2.91**	**2.91**
G.	**Current/Non-Current Liability :**		
	Current*	0.04	0.04
	Non-Current	7.74	6.88
	Net Liability	**7.78**	**6.92**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

Funded status of the plan

Particulars	As at March 31, 2023 (12 months) ₹	As at March 31, 2022 (12 months) ₹
Present value of unfunded obligations	7.78	6.92
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	7.78	6.92

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 Rajesh C. Parikh	Chairman & Managing Director, Key Management Personnel
3	Shri. Atil C. Parikh	CEO & Managing Director, Key Management Personnel
4	Smt. Sejal R. Parikh	Director, Key Management Personnel
5	Smt. Ilaben C. Parikh	Relative of Key Management Personnel
6	Smt. Purvi A. Parikh	Relative of Key Management Personnel
7	Smt. Vedika R. Parikh	Relative of Key Management Personnel
8	Mr Narendra R Patel	Chief Financial Officer, Key Management Personnel
9	Smt.Komal Pandey	Company Secretary, Key Management Personnel
10	Shri. Ramkisan A. Devidayal	Independent Director
11	Shri. Atul H. Patel	Independent Director
12	Dr. Ajay I. Ranka	Independent Director
13	Mr.Jaideep B. Verma	Independent Director
14	Mr. Aditya Tillu	Company Secretary - Key management Personnel (Subsidiary Company)
15	Mr. Ram Devidayal	Director, Key Management Personnel
16	Mrs.Darsha Kikani	Director, Key Management Personnel
17	Mr. Sudhir Parikh	Director, 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, 2023	For the Year ended 31st March, 2022
1	**20 Microns Foundation trust**	Entity over which Significant Influence Exists		
	Expenses :			
	Donation paid		62.50	43.60
2	**Shri Rajesh C. Parikh**	Chairman & Managing Director, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		189.80	100.00
	other long-term benefits		19.54	8.69

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
3	**Shri. Atil C. Parikh**			
	Expenses :			
	Remuneration paid			
	short-term employee benefits	CEO & Managing Director, Key Management Personnel	168.95	90.00
	other long-term benefits		15.70	7.85
	Interest on Deposit		0.49	0.46
	Others :			
	Deposit Received/ Renewed		-	-
	Deposit Paid During the Year		-	-
	Deposit Outstanding		5.00	5.00
4	**Smt. Ilaben C. Parikh**			
	Expenses :			
	Compansation paid	Relative of Key Management Personnel	-	18.00
	Interest on Deposit		12.27	8.70
	Others :			
	Deposit Received / Renewed		-	95.50
	Deposit Paid		-	15.50
	Deposit Outstanding		123.31	95.50
5	**Smt. Sejal R. Parikh**			
	Expenses :			
	Interest on Deposit	Director, Key Management Personnel	0.09	0.10
	Rent		10.68	9.85
	Other Benefit		2.20	1.75
	Director Sitting fees		1.15	1.35
	Others :			
	Deposit Received / Renewed		-	-
	Deposit Outstanding		1.00	1.00
6	**Smt. Purvi A. Parikh**			
	Expenses :			
	Interest on Deposit	Relative of Key Management Personnel	0.45	0.52
	Others :			
	Deposit Received / Renewed		-	5.00
	Deposit Paid		-	5.00
	Deposit Outstanding		5.00	5.00
7	**Mr Narendra R Patel**			
	Expense			
	Remuneration paid	Chief Financial Officer, Key Management Personnel		
	short-term employee benefits		33.66	35.46
	other long-term benefits		2.58	2.39
	other benefits		9.80	5.56

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
8	**Smt.Komal Pandey**			
	Expenses :			
	Remuneration paid	Company Secretary, Key Management Personnel		
	short-term employee benefits		7.96	4.56
	other long-term benefits		0.62	
	Other Benefit		0.52	0.35
9	**Smt. Vedika R. Parikh**			
	Expenses :			
	Interest on Deposit		0.86	0.61
	Others :	Relative of Key Management Personnel		
	Deposit Received / Renewed		3.00	10.00
	Deposit Paid		3.00	-
	Deposit Outstanding		10.00	10.00
10	**Shri. Ramkisan A. Devidayal**			
	Expenses :	Independent Director		
	Commission		6.00	3.50
	Director Sitting fees		2.85	5.45
11	**Shri. Atul H. Patel**			
	Expenses :	Independent Director		
	Commission		3.00	1.75
	Director Sitting fees		1.95	2.75
12	**Dr. Ajay I. Ranka**			
	Expenses :	Independent Director		
	Commission		3.00	1.75
	Director Sitting fees		1.95	2.60
13	**Mr.Jaideep B. Verma**			
	Expenses :	Independent Director		
	Commission		2.20	1.75
	Director Sitting fees		1.30	1.50
14	**Mr. Aditya Tillu**	Company Secretary - Key management Personnel (Subsidiary Company)		
	Expenses :			
	Short-term employee benefits		1.97	-
15	**Mr. Ram Devidayal**			
	Expenses :	Director and Key management Personnel		
	Director Sitting Fees		2.20	-
16	**Mrs.Darsha Kikani**			
	Expenses :	Director and Key management Personnel		
	Director Sitting Fees		2.20	-
17	**Mr. Sudhir Parikh**			
	Expenses :	Director and Key management Personnel		
	Director Sitting Fees		1.20	-

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Notes

1 The following are the list of Independent Directors with whom no transaction have been occurred during the Financial Year 2022-23 other than payment of sitting fees:

a) Mr. Sudhir Parikh

b) Mrs. Darsha Kikani

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 : ₹ 61119.08 Lakhs (P.Y - ₹ 48,250.71 Lakhs)

Sale of Herbal Pharma Products : ₹ 14.31 Lakhs (P.Y - ₹ 23.49 Lakhs)

Sale of construction Material - ₹ 186.83 (P.Y - ₹ 78.47 Lakhs)"

b) Information about geographical areas:

1. The Company have revenues from external customers attributable to all foreign countries amounting to ₹ 9,571.46 Lakhs (P.Y - ₹ 8,296.35 Lakhs) and entity's country of domicile amounting to ₹ 51,748.75 Lakhs (₹ P.Y 40,034.88 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 (P.Y - two) customers to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹ 15,739.16 lakhs (P.Y - ₹ 12,391.21 lakhs).

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 46. Ratios Analysis

Sr. No.	Particulars	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance %	Reason for variance
1	Current Ratio (times)	Current Assets	Current Liabilities (Excl. Customer deposits)	1.53	1.33	14.72%	--
2	Debt-Equity Ratio (times)	Debt consists of borrowings	Shareholder's Equity	0.35	0.48	-27.34%	Repayment of term loans and other borrowings
3	Debt Service Coverage Ratio (times)	Earning for Debt Service = Net Profit after taxes + Non-cash expenses/adjustment + Interest + loss on sale of asset	Interest on Borrowings + Principal Repayments	4.57	1.81	152.34%	Repayment of term loans
4	Net profit ratio (%)	Net Profit after tax	Revenue from operations	5.98%	5.66%	5.59%	--
5	Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	15.40%	14.91%	3.29%	--
6	Return on Capital employed (%)	Profit before tax + Interest on borrowings	Average Capital Employed=Tangible Net Worth + Total Debt + Deferred Tax Liability	17.96%	17.54%	2.39%	
7	Return on investment (%)-unquoted	Income generated from investments	Average investment	0.00%	0.00%	0.00%	--
8	Inventory turnover ratio (times)	Revenue from operations	Average Inventory	6.16	5.80	6.14%	--
9	Trade Receivables turnover ratio (times)	Revenue from operations	Average Trade Receivable	7.10	6.44	10.18%	--
10	Trade payables turnover ratio (times)	Net Purchases	Average Trade Payables	3.94	3.60	9.36%	
11	Net capital turnover ratio (times)	Reveune from operations	Working Capital	7.38	8.96	-17.56%	--

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

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

Contract Balances

(₹ In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Trade receivables	9,746.73	10,020.02
Contract Liabilities	197.84	163.99

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to ₹ 194.69 Lakhs .

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

(₹ In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Revenue as per contracted price	70,209.36	61,347.44
Export Incentives	4.31	17.72
Adjustments		
Discounts	(44.95)	(44.95)
Revenue from contract with customers	**70,168.72**	**61,320.21**

Note 48 Lease - Disclosures pursuant to Ind AS 116:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:

(₹ In Lakhs)

Category of Right of use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
Buildings			
Balance as at 01st April, 2022	624.01	489.63	134.39
Additions	317.03	115.33	201.69
Deletions	(103.84)	(81.09)	(22.75)
Balance as at 31st March, 2023	**837.21**	**523.87**	**313.33**
Plant and Machinery			
Balance as at 01st April, 2022	-	-	-
Additions	113.76	21.67	92.09
Deletions	-	-	-
Balance as at 31st March, 2023	**113.76**	**21.67**	**92.09**
Vehicles			
Balance as at 01st April, 2022	167.28	40.58	126.70
Additions	77.14	47.74	29.40
Deletions	-	-	-
Balance as at 31st March, 2023	**244.42**	**88.32**	**156.10**

The aggregate depreciation expense amounting to ₹ 206.01 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 31st March, 2023:

(₹ In Lakhs)

Particulars	31st March 2023	31st March 2022
Current lease liabilities	167.25	176.19
Non current lease liabilities	423.77	104.01
	591.02	**280.20**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

The following is the movement in lease liabilities during the year ended 31st March, 2023:

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance as at April 01	280.20	280.20
Additions	196.77	196.77
Finance cost accrued	43.19	43.19
Deletions	-	-
Payment of lease liabilities	253.50	253.50
Balance as at March 31	**266.66**	**266.66**

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2022 on an undiscounted basis:

(₹ In Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than one year	152.98	189.06
One to five years	171.72	131.97
More than five years	-	-
	324.70	**321.03**

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ₹ 466.38 Lakhs (P.Y. - 282.74 lakhs) for the year ended March 31, 2023.

Note 49. Additional Regulatory Information Disclosures

Note 49.1 Registration of charges or satisfaction with Registrar of Companies (ROC)

The group has registered charge and satisfaction with ROC within statutory time period.

Note 49.2 Details of Benami Property held

The group does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence no proceedings initiated or pending against the group under the said Act and Rules.

Note 49.3 Loans and advances granted to specified person

There are no loans or advances granted to specified persons namely promoters, directors, KMPs and related parties.

Note 49.4 Utilisation of borrowed funds, share premium and other funds

The group has not given any advance or loan or invested funds from borrowed funds or share premium or any other sources with the understanding that intermediary would directly or indirectly lend or invest in other person or equity identified in any manner whatsoever by or on behalf of the group as ultimate beneficiaries or provide any guarantee or security or the like to on behalf of ultimate beneficiaries. The group has not received any fund from any person or entity with the understanding that the group would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary.

Note 49.5 Compliance with number of layers of companies

The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Note 49.6 Details of Crypto Currency or Virtual Currency

The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2023

Note 49.7 Undisclosed Income

There is no transaction, which has not been recorded in books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

Note 49.8 Relationship with struck off companies

The group do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

Note 50. Additional Information required by Schedule III

Sr. no.	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolid-ated net assets	Amount	As % of consolid-ated profit or Loss	Amount	As % of other compreh-ensive income	Amount	As % of total compreh-ensive income	Amount
A	**Parent**								
	20 Microns Limited	91.34%	26,913.91	85.07%	3,569.62	103.19%	(8.24)	85.03%	3,561.37
B	**Subsidiaries**								
I	**India**								
	20 Microns Nano Minerals Limited	13.93%	4,104.40	12.18%	511.22	18.77%	(1.50)	12.17%	509.72
	20 MCC Private Limited	1.05%	310.58	-1.12%	(47.11)	-21.96%	1.75	-1.08%	(45.35)
II	**Foreign**								
	20 Microns SDN BHD	1.14%	336.44	1.22%	51.21	0.00%	-	1.22%	51.21
	20 Microns FZE	0.87%	257.48	0.92%	38.49	0.00%	-	0.92%	38.49
	20 Microns Vietnam Limited	1.42%	417.08	5.67%	237.99	0.00%	-	5.68%	237.99
C	**Associates (Investment as per Equity Method)**								
	DORFNER-20 Microns Private Limited	0.10%	30.19	0.21%	9.02	0.00%	-	0.22%	9.02
	Total	**109.86%**	**32,370.09**	**104.15%**	**4,370.44**	**100.00%**	**-7.99**	**104.16%**	**4,362.45**
	Adjustment due to consolidation	-9.86%	(2,904.82)	-4.15%	(174.27)	0.00%	-	-4.16%	(174.27)
	Total	**100.00%**	**29,465.27**	**100.00%**	**4,196.17**	**100.00%**	**(7.99)**	**100.00%**	**4,188.18**

Note 51. Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

See accompanying notes to the financial statements

As per Our Report Attached

For **Manubhai & Shah LLP**
Chartered Accountants
Firm Reg. No. 106041W/W100136

For and on behalf of Board of Directors

G. R. Parmar
Partner
M. No. 130010

Rajesh C. Parikh
Chairman & MD
DIN No.: 00041610

Atil C. Parikh
CEO & MD
DIN No.: 00041712

Narendra R. Patel
Chief Financial Officer

Komal Pandey
Company Secretary
M.NO. A-37092

Place: Waghodia
Date: 16/05/2023

Place: Waghodia
Date: 16/05/2023

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20MCC
20 Microns Construction Chemicals
Improve The Life Of Your Construction
Waterproofing Ka Boss
• Increases Compressive & Flexural Strength
• Providing Resistance to Chemical Attack
• Preventing Alkali – Silica Reaction
MICRONSIL 30C PLUS
FAST SETTING ADMIXTURE
FOR STOPPAGE OF RUNNING WATER
MICRONSIL 30C
ROADSIL
NANOSIL
TIGERSIL
Cracksil
MICRONSIL 30C
Cracksil
NANOSIL
TIGERSIL


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Sustainable Solutions for Growers
• Increases Nutrient Value of the Farming Land
• Better Agricultural Output From Farming
• Training and Spreading Awareness amongst the farmers.
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All types of pulses, cereals, For edible crops, flowers of all kinds
In soil and directly in drip as well Can be used with compost
An acre in 25 kg or 8 Litres
Available in granules & liquid
blk
All types of cash crops and For all types of vegetables
In soil and directly in drip as well Can be used with compost
An acre in 25 kg or 8 Litres
Available in granules & liquid
GEO CARE
Fruits of every kind, Horticulture and Plantation
Directly into the soil as well as compost Can be used with
An acre in 25 kg
Available in granules
Tio Tiko
Soil conditioner for all kinds of soil and crops
Directly into the soil as well as compost Can be used with
An acre in 100 kg
Available in powder
HUMICRONS
For all types of crops
Flowers, fruits and new shoots Useful for the development of
Pump a 50 to 75 ml
Available in liquid
reskue
For all types of crops
All kinds of diseases Useful for protection against
An acre in 3 kg & Pump 75 to 100gm
Available in powder
Thrips kranti
All kinds of vegetables, For fruit and oil crops
Useful for protection against thrips
Pump a 50 ml
Available in liquid
TIGERBOOSTER
For all types of crops
Growth and development in flowers, fruits useful for
Pump a 50 ml
Available in liquid

20 MICRONS®
LIMITED
L99999GJ1987PLC009768

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