20 MICRONS LIMITED
CIN # L99999GJ1987PLC009768
Regd. Office : *9-10, GIDC Industrial Estate, WAGHODIA, Dist. : Vadodara, 391760, Gujarat, India*
Ph. # 75 748 06350 E-Mail: co_secretary@20microns.com

20th June, 2024

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**

SUB: Submission of Annual Report for the year ended March 31, 2024 along with Notice of 37th Annual General Meeting to be held on July 19, 2024

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

We wish to inform you that the 37th Annual General Meeting (AGM) of the 20 Microns Limited (Company) is scheduled to be held on Friday, July 19, 2024 at 11.00 AM through Video Conferencing/Other Audio Visual Means at the common venue at the Conference Room at 347, GIDC Industrial, WAGHODIA, Dist.: Vadodara – 391 760 to transact the business set-out in the Notice of the AGM dated May 17, 2024.

Pursuant to Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we hereby submit the Annual Report of the Company for the Financial Year 2023-24 together with the Notice convening the 37th Annual General Meeting to be held on Friday, July 19, 2024.

Kindly take the above on your record and acknowledge the same.

Thanking you,

Yours faithfully
For 20 Microns Limited

KOMAL PANDEY
Digitally signed by KOMAL PANDEY
Date: 2024.06.20 10:08:44 +05'30'

[Komal Pandey]
Company Secretary
Membership No. : A37092
Encl.: as above.

ANNUAL REPORT
2023-24

20 MICRONS® LIMITED

Building a Greener Future:
Unveiling Our Commitment to Innovate with

Sustainable Excellence

Across the Pages

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, 2023, to March 31, 2024. The report's 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.

Find this report online at
www.20microns.com

Corporate Information

Board of Directors

Mr. Rajesh C. Parikh
Chairman & Managing Director

Mr. Atil C. Parikh
CEO & Managing Director

Mrs. Sejal R. Parikh
Whole Time Director

Mr. Ramkisan A. Devidayal
Independent Director

Mr. Atul H. Patel
Independent Director

Dr. Ajay I. Ranka
Independent Director

Mr. Jaideep B. Verma
Independent Director

Dr. Sivaram Swaminathan
Independent Director

Mr. Dukhabandhu Rath
Additional Director
(Category-Independent
Director)
[w.e.f. 17.05.2024]

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

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 - 400 083, India

Registrars and Share Transfer Agents

CAMEO CORPORATE SERVICES LIMITED
“Subramanian Building”,
No. 1, Club House Road,
Chennai-600 002
Tamilnadu. India
Tel: 044 4002 0700
Online Investor Portal:
https://wisdom.cameoindia.com

Company Identification No.

L99999GJ1987PLC009768

ISIN

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AN ODYSSEY TOWARDS SUSTAINABILITY.

Our allegiance to sustainability goes beyond just a goal among many. Instead, it enlightens and pilots our actions in the expansive corporate cosmos like an immutable lodestar.

This symbol exemplifies our collective commitment to sustainability. Let us embark on a journey towards a future where our actions resonate responsibly through generations.

Amidst this onerous expedition, it's paramount that we demonstrate our resolve and mastery for traversing uncharted waters.

As we navigate the complex seas of global business, we remain firm in our responsibility to the planet and its people, which is at the heart of everything we do. To this end, we would continue to reveal our adherence to Innovate with Sustainable Excellence, showcasing endeavours that interweave cutting-edge technology with eco-conscious approaches. Our efforts are not mere acts but a reflection of our core values, a narrative of transformation and accountability reverberating to every stakeholder.

Our mission is to drive innovation towards a future where businesses and sustainability blossom in unison.

While our journey towards sustainability is afoot, each step bolsters our robust and enduring framework.

We unfurl the sails of advancement and set forth on this grand voyage, leaving a trail of green footprints for generations to follow.

Why this Sustainability is important to US?

Because...

We recognise that our existence and actions revolve around the environment's well-being. To honour this connection, we are committed to creating merchandise that satisfies our customers and contributes to our planet's conservation and safeguarding.

Our mission is to catalyse and balance sustainable progress for the world with a dogged dedication to equity. We believe in being a positive force for change in the global sustainability landscape and strive to practice what we preach.

We are persistent in pursuing excellence and fully committed to creating a sustainable future.

Our every move aims to bring equilibrium back to the intricate ecological system of our planet.

As a company, we take our responsibility to the planet seriously. We understand that progress and sustainability must go hand in hand, and we strive to strike that balance daily. Our commitment to the environment is more than just a corporate value; it's a duty we feel to future generations.

We stand resolute in our commitment to our customers, dedicated to fulfilling their and our communities' needs. We hold your trust in high esteem and endeavour to make a meaningful impact in your lives.

Despite the chaos and unpredictability, we accelerate exploration, consistency, and advancement to pave the way for progress and prosperity.

Let's face today's challenges head-on and turn them into opportunities for tomorrow. We can transform obstacles into stepping stones towards success with determination and forward thinking.

We strive to build resiliency in all that we do while ensuring sustainable growth. Let us work together to create a better tomorrow by adopting a mindful approach to our actions today.

We are 20 Microns Limited.

Corporate Snapshot

Knowing 20 Microns Limited

The story of 20 Microns Limited is not being truly portrayed by the financial growth we achieved over the years.

Rather, it is being truly resonated by the lives that we have touched over the years and would continue to touch. Our products find application in a number of end user industries such as Paints, Polymers, Construction, Paper, Rubber, and Inks among others, thus helping millions of people realise their dreams and contribute towards the improvement of millions of lives.

THIS IS A MATTER OF PRIDE FOR US AND IS WHAT DEFINES US.

Established in 1987, we have put our customers at the core of our every business vertical. We dedicated ourselves to cater the corporate fraternity – from helping them tackle their toughest challenges to help them reduce their import dependency to tailoring our offerings to suit the varying needs and affordability of our customers, is what sets 20 Microns Limited apart and drives us to excel for our customers.

20 Microns Limited, today, is India's leading foremost producers of ultra-fine industrial minerals, functional additives, and specialty chemicals with an enriching industry experience of over three and a half decades. Our success and reputation as a sustainable manufacturer of industrial mineral and specialized chemicals is based on a culture of strong compliance systems and transparency, combined with a friendly, respectful and understanding approach to our customers. Our superior offerings basket, strategic focus on digital and technological advancement, favourable profit margins and sustainable approach are key to staying ahead of the competition.

Our comprehensive expertise spans the entire value chain, from mining to micronization and even down to sub-micron and nano sizing. This unique blend of business acumen, product knowledge, and strategic financial planning equips us to tackle the most intricate customer demands.

Transitioning from a primarily manufacturing-focused company, we have evolved into an integrated business solution provider. This journey has positioned us as India's leading producer of ultra-fine industrial minerals, functional additives, and specialty chemicals.

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, addictives 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 so that help our customers meet the needs of millions of end-users.

How we operate

We are the largest manufacturer of micronized minerals in India, backed by nine cutting-edge manufacturing facilities and strategically located warehouses. These facilities are situated near our customers' key manufacturing hubs or close to essential raw material sources. Additionally, the Company's captive mines guarantee a consistent supply of raw materials to our manufacturing units at a reasonable cost.

What we offer

We provide a wide variety of inventive 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 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.

Corporate Snapshot

Knowing 20 Microns Limited

OUR VISION

- Our brand promise, our deep enrooted commitment to building a robust, sustainable and responsible business for the long run.
- Through adaptive improvement, we will continue to be a leader in the manufacturing of industrial minerals and speciality chemicals. We will advance the speciality chemical intermediate business through our innovation, hard work and responsible care initiatives.

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 an in-depth understanding of their needs, 20 Microns is constantly developing new ultrafine industrial minerals and speciality chemicals with expanding global footprints.
- To deliver performance for our shareholders, remaining innovative for our customers, building lasting relationships for our employees, partners and communities.
- 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.

TRUST

Do business in a fair and sustainable way, work constructively with our regulators, and play our part in ensuring a resilient, efficient and safe operating system, while earning the community's trust.

INVEST

Focus on enhancing our technical capabilities, thereby enabling us to enhance our capacity utilization, reduce cost and emerge energy efficient, among others.

CORE STRENGTHS OF OUR BUSINESS

RETURN

We aim to deliver sector leading returns and return on Capital Employed by focusing on both enhancing operating performace and capitlising on new opportunities.

Corporate Snapshot

Our presence

Headquartered in Vadodara, Gujarat, 20ML also operates from its corporate office in Mumbai and sales offices, warehouses, manufacturing units, and sourcing points across India and selected international locations.

Our eight mines with totalling reserve of 112.75 lakhs Tons, are distributed across the states of Gujarat, Rajasthan, Andhra Pradesh, and Tamil Nadu. These mines, strategically located near our manufacturing facilities, ensure a steady supply of raw materials at competitive prices. They also facilitate successful backward integration and act as barriers for new entrants.

Our ability to scale and concentrate on efficient implementation enables us to offer our clients a more advantageous value proposition in terms of quality, cost, and versatility. With a product presence across the globe, we mark our presence in over 65 countries spread across geographic regions, granting us a well-rounded presence in both established markets and emerging markets that hold promising potential for long-term growth.

Our global presence

8
Mines

9
Manufacturing Units

1
Head Office

12
Warehouse

1
Corporate Office

Mining Resources

1. Rajasthan, Sirohi (Calcite)
2. Gujarat, Bhuj (China Clay)
   Chotta Udaipur (Dolomite)
3. Andhra Pradesh, Anantapur (Dolomite)
4. Tamil Nadu, Tirunelveli (Limestone)

Head Quarter
Corporate Office
Manufacturing Units
Office / Warehouse

Corporate Snapshot

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 analyse these trends to ensure that our offerings stay updated and relevant.

Today, our business has three distinct segments: Industrial Minerals, Functional Additives & Speciality Chemicals, and Retail Segments. Each of these segments acts as individual profit centres and feeds value to other segments through meticulous forward and backward integration.

Product segment

Industrial minerals

- Calcium Carbonate
- Talc
- Hydrous Kaolin
- Calcined Kaolin
- Quartz
- Mica
- Barytes
- Red Oxide
- Feldspar
- Bentonite
- Siliceous Earth

Functional additives & Speciality chemicals

- White Pigment Opacifiers
- Wax & Wax Additives
- Engineered Kaolins
- Matting Agents
- Fumed Silica
- Organoclays
- Rheology Modifiers
- Flame Retardants
- Dessicants
- Activators
- Buff TiO2
- Synthetic Barium Sulfate

Retail Segments

- 20MCC (Construction Chemical)
- MinFert

Insight into our functional additives range

- MICRONLITE is an ultrafine Calcium Carbonate having primary particle size below 100 nm, designed for reactive adhesives and sealants having optimum surface area used to provide rheological modifier profile with true reinforcing properties
- GEOSIL ART is a range of colored quartz aggregates produced with polymer binder and lightfast pigment on base material, can be used as ready fillers for Epoxy tile Joint systems
- Hypertherm is a Thermally treated natural & engineered aluminum silicate, which provides excellent cooling effect when incorporated in water based formulations. It's total solar reflectance according to ASTM C 1549 observed >80%
- MetaCem grades of Calcined clays are reactive alumino-silicate pozzolans that increases compressive & flexural, strength of concrete suitable for High grade concreting

- Fusyl Series is a modified Fumed Silica acting as an excellent thixotropic agent for rheological applications providing anti-settling and viscosity control in Paints & Coatings
- Flowax Series is a set of Wax and Wax Emulsions in oxidised and micronized forms for Surface Protections in Paints, and improving melt rheology, enhancing water repellency and improving flowability in PE/PP masterbatches and PVC Piples and profiles
- RioBent Series is an organically modified montmorillonite derived rheological additive for Paints & Coatings and Oil based drilling fluids
- LC and Lithomer Series is a diversified Pigment Opacifier for TiO2 extensions redefined through Nanotechnology in Polymers & Paints
- Amorphlos is an Antiblocking additive providing excellent clarity and reducing blocking force of PE films
- Vaporoxol Series is a surface treated moisture absorber for desiccant masterbatches and recycled polymer processing
- K Stoff series is a Multi-processing aid as an effective processing and dispersing agent in PP/PE Masterbatches and Automotive compounds as well as PVC Cable compounding to maintain physical, electrical and aesthetic properties
- AL FR and Mag FR are superior Flame Retardants and Smoke Suppressants for PVC Cable compounds

20ML's contribution to different industries

Paint

We develop specialized coatings with engineered pigments and structures. Our collaboration with academic and research entities focuses on advancing traditional extenders into innovative, versatile mineral additives, employing unique chemistry for various types of coatings, including waterborne, solvent-based, and powder forms.

Rubber

In partnership with rubber associations and laboratories, we have innovated specialty compounds that serve as cost-effective alternatives to traditional pigments and chemicals such as Carbon Black, Zinc Oxides, and precipitated silicas.

Plastic

We've pioneered the development of advanced Micronized Waxes, Lubricants, and Processing Aids for the polymer, PVC, and cable sectors, substituting imported goods. Our dedication to industry demands is evident in our emphasis on nano composites and desiccant products.

Paper

Our R&D center has developed a range of innovative and value-added synthetic products, introducing new offerings annually. Our longstanding collaboration with the Central Pulp and Paper Research Institute in India empowers us to meet the evolving needs of major industries that utilize functional fillers and extenders.

Construction

We have developed a pioneering product line that effectively waterproofs and seals homes, offering an economical, eco-friendly solution for more robust concrete foundations and structures.

OUR GROWTH FACILITATORS

- Highly efficient operations
- Comprehensive Product Portfolio
- Skilled workforce
- Manufacturing advantage
- Cost and quality consciousness
- R&D competence

Key end users' industry

OUR RICH CLIENTELE

- asianpaints
- INDIGO Be surprised
- Pidilite
- NIPPON PAINT
- ITC Limited
- OMEGA
- UPL
- MICRO INKS
- ओएनजीसी ONGC
- Henkel
- AkzoNobel
- Berger
- SHALIMAR PAINTS
- JOTUN
- KANSAI NEROLAC PAINTS LIMITED
- Schlumberger
- JSW PAINTS
- Shreyans GROUP
- PLASTIBLENDS Merging Ideas
- SUDARSHAN
- Unilever
- Gates
- COLGATE-PALMOLIVE
- ALOK
- POLYCAB WIRES & CABLES
- ashirvad PIPES
- Supreme
- A. Schulman
- GARWARE bestretch
- RR KABEL
- Parker
- JK TYRE & INDUSTRIES LTD
- DSM
- CEAT
- PolyOne
- lyondellbasell Advancing Possible
- BRIDGESTONE
- FinOlex INDUSTRIES
- Reliance Industries Limited
- Dabur
- opus
- IMCD
- ASTRAL PIPES
- Ampacet

Corporate Snapshot

Numbers That Define Us

NON-FINANCIAL

35+
Over 35 years of industry experience

Largest
India's largest producer of micronized industrial minerals

65+
20ML's product is distributed to a global market of over 65 countries.

5
Subsidiaries

1
Associate – JV Company

9
State-of-the-art manufacturing units

8
Mines

12
State-of-the-art warehouse located across India

2
State-of-the-art R&D unit

800+
Active and motivated workforce

FINANCIAL#

₹ 672.45 crore
Turnover

₹ 85.75 crore
Operating EBIDTA

₹50.15 crore
Net Profit

40.22 crore
Cash From Operations

7.46%
Profit margin

12.75%
EBIDTA margin

₹507.07 crore
Market cap

₹14.21
Earnings Per Share

0.30
Debt equity ratio

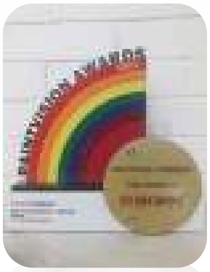
#All figures are related to the Financial Year ending on 31st March 2024

Awards and recognition









- 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

At 20 Microns Limited, we are thrilled to announce that we have been honored with the award for Best Minerals Company in FY24 in India at the PaintVision Conference. This esteemed recognition was determined by the votes of our cherished customers.

Our Certifications

We are certified by

ISO

20 Microns Limited, an internationally recognized company, stand out for its premium products and customized services. Leveraging decades of industry expertise and cutting-edge technology, we maintain ISO 9001:2015; ISO 14001:2015 & ISO 45001:2018ISO 9001:2015 certifications across all our manufacturing units. Our rigorous quality control spans across locations, with central analysis conducted at our headquarters. This ensures consistent quality and adherence to global standards.

ECOVADIS

Besides, 20 Microns (Group) which includes all locations of 20 Microns Limited has been awarded the prestigious Gold Rating by EcoVadis for our outstanding performance in sustainability. EcoVadis is a globally trusted platform that assesses companies' sustainability performance across various criteria, including environment, labor and human rights, ethics, and sustainable procurement. Achieving a Gold Rating signifies that we have excelled in these areas and have demonstrated our unwavering dedication to making a positive impact on the world around us.

Responsible MICA

We are amongst 90 corporates, registered in "Responsible MICA Initiative", an organization for benefits of GLOBAL Initiative for Child Labour to enhance the life of the community in MICA Industries.


Bureau Veritas Certification

20 MICRONS LIMITED

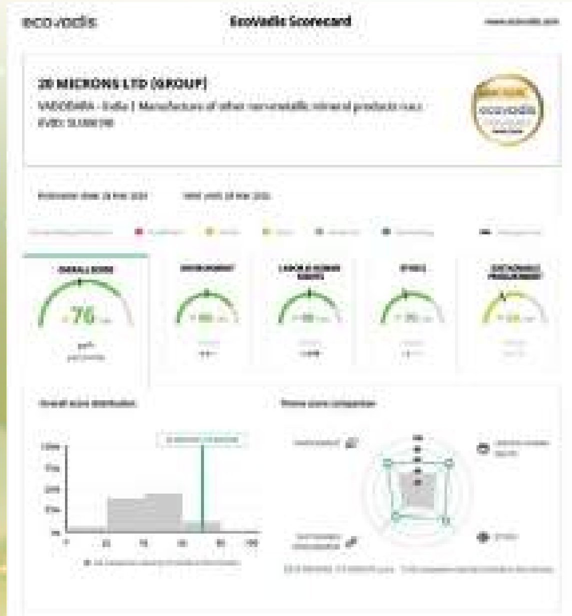
ISO 14001:2015 & ISO 45001:2018

MANUFACTURE AND SUPPLY OF COATED AND UN - COATED MINERAL POWDER SUCH AS DOLOMITE, MARBLE, LIME STONE, TALC & CHINA CLAY


Bureau Veritas Certification

20 MICRONS LIMITED

ISO 14001:2015 & ISO 45001:2018




Certification of Registration

20 MICRONS LIMITED

ISO 14001: 2015 & ISO 45001: 2018

For, EURO CERT


20 MICRONS NANO MINERALS LIMITED

ISO 9001:2015

Bureau Veritas Certification

Message from the CMD's Desk

The core focus of our organization is centered on reducing carbon emissions, conserving invaluable natural resources, promoting the use of renewable energy sources, and encouraging ethical business practices."

Dear Shareholders,

It is always a matter of pride and pleasure for me to pen down my thoughts at the conclusion of yet another exciting year at 20ML. 20ML's journey in FY24 was a case of hard work and dedication. It was, in many ways an exceptional year, in both a positive and a negative way. On the one hand, it was a year with very strong growth not just in terms of revenue but also in terms of our strategic goals such as reducing our carbon footprint and enhancing our social relevance. On the other hand, it was a year where we faced a difficult situation owing to the persistently high ocean freights and geopolitical instability in the EU and Middle-east regions.

Harnessing our strengths

During the year, we continued to adapt to the changing aspirations of the evolving needs of our esteemed clients, driven by our clear purpose and inherent strengths, as we persistently work towards shaping the future in a sustainable way. Throughout the course of FY24, we focused on realigning our working strategy towards exploring the opportunities in new product lines and the development of new value-added products and making them available at a reasonable price. We continued to develop new and value-added products through our subsidiaries, backed by our R&D capabilities, and developed nearly 75 value-added products over the last few years. Although majority of these products have not gained the expected market traction, but I am confident that in the years ahead they would drive the growth for 20 Micron Group of companies. The reason being these products would act as apt import substitute for our customers, help our customers replace synthetic products with green and sustainable products, and growing importance of the China plus one strategy amongst our customers.

Additionally, we concentrated our efforts on exploring opportunities in growing industries such as EV battery and petrochemicals, adopting automating initiatives and technological upgrades to stay competitive. Even when the markets were shaky, we stayed true to our strategy, ensuring that both our customers and shareholders felt the positive impact of our efforts.

Looking back on the year gone by

One of our primary areas of focus during the fiscal year was the expansion of our international presence. Aligning with our overarching strategy, we embarked on ventures in untapped regions, mostly in Middle East and South East Asia, and forged strategic partnerships to bolster our international reach. Moreover, we undertook a robust digital marketing campaign during the year to extend our reach and foster engagement with a wider audience. By implementing focused online strategies, we focused on successfully educating and informing our industry stakeholders about the potential of our products.

Coming to our financial performance, we have achieved consistent results, our total income stood at ₹680.55 crores for FY24; 12.60% increase on a year-on-year basis. Our PBT for FY24 stood at ₹69.74 crores, a 43.39% increase compared to the previous year. This was mainly owing to the positive growth we achieved in some of our key focused product categories, such as organic farming, speciality and construction chemicals, among others. We started exporting our mineral-based organic farming products to new countries such as Africa during the year. Backed by these positives, our net profit also witnessed an increase in FY24 and stood at ₹50.15 crores, after a growth of 38.73% from the previous year.

Embedding sustainability in everything we do

At 20 Microns Limited, we firmly recognize and value the significance of incorporating environmental, social, and governance (ESG) factors into our business practices as they play a crucial role in promoting sustainable development. The passage of time has witnessed our organization's remarkable accomplishments, particularly in the establishment of a strong governance system and the implementation of a comprehensive policy framework, both of which provide invaluable guidance for our ESG initiatives.

The core focus of our organization is centered on reducing carbon emissions, conserving invaluable natural resources, promoting the use of renewable energy sources, and encouraging ethical business practices. Our unwavering commitment lies in looking ahead and ensuring that we deliver sustainable advantages to all our stakeholders. Additionally, we are dedicated to making a positive impact on the environment, with the ultimate goal of creating a cleaner and healthier planet.

Our people focus

A company's true strength lies in its people, and I am humbled to acknowledge the exceptional contribution of our employees. Our dedicated employees are the heart and soul of our success story. Thus, it is our responsibility to ensure that our workforce is inclusive and representative of the communities we serve, and we are committed to taking the necessary steps to achieve this. To secure the recruitment and retention of top talent, it is imperative to establish a work environment that allows for the flourishing of a diverse community of individuals. We are pleased to inform that we have made significant advancements in establishing an organization that genuinely promotes inclusivity and cultivates a joyful work environment for our employees all year round.

As part of CSR focus, we continued to work on helping the underprivileged juvenile diabetic children's and economic upliftment of the villages near our manufacturing units.

Geared to seize the potential that lies ahead

We are looking to broaden our portfolio by exploring opportunities in the construction chemical and Minfert business. By utilizing our expertise and available resources, our goal is to develop innovative and environmentally-friendly solutions that fulfill the requirements of our clients and align with our dedication to ESG. By focusing on our sustainability principles, we aim to develop a comprehensive range of soft mineral and specialized chemical solutions that cater to diverse needs and bring value to our stakeholders. Our plans for the coming years involve expanding our presence in various markets and capitalizing on growth opportunities by diversifying our product offerings.

In response to the global shift towards adopting the 'China plus one' strategy, it has become increasingly pivotal for success and growth. Numerous manufacturing companies today are actively exploring opportunities to reduce their dependency on China for their raw-material requirement. For our organization, this strategic approach will guide our direction over the next few years. By embracing this strategy and realigning our portfolio, we aim to forge new partnerships and position 20 Microns as a dynamic and reliable player on the global stage.

Considering the favourable macroeconomic conditions in India and the increasing focus on the part of the government to help the country emerge as the next manufacturing hub, we are confident that 20ML is strongly positioned to seize market opportunities. This provides us with an excellent chance to generate value, particularly as we focus on growing our international presence to expand and to capitalise on the growth prospects available within India.

On behalf of every member of the 20ML family, we thank our shareholders for the trust they have reposed on us. We are truly grateful for your sustained cooperation throughout our journey. Together, we will achieve a better and more sustainable future.

Thanks

Mr. Rajesh C. Parikh

Chairman & Managing Director

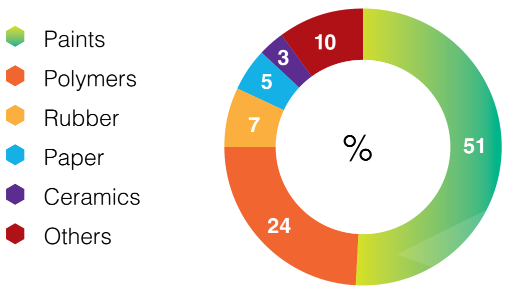
> "At 20 Microns Limited, we firmly recognize and value the significance of incorporating environmental, social, and governance (ESG) factors into our business practices as they play a crucial role in promoting sustainable development."

Corporate Snapshot

Delivering on Commitments

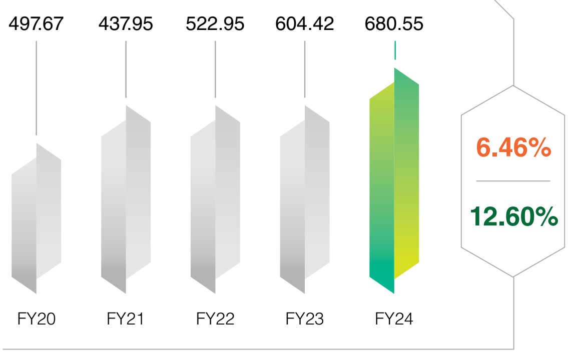
Demonstrated by our growing numbers

Product-wise revenue breakup in FY24



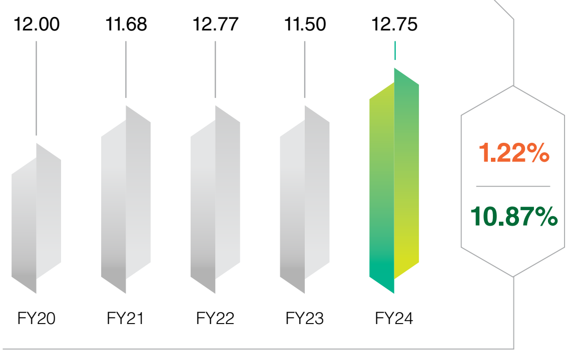
Financial metrics

Total revenue (₹ in crores)

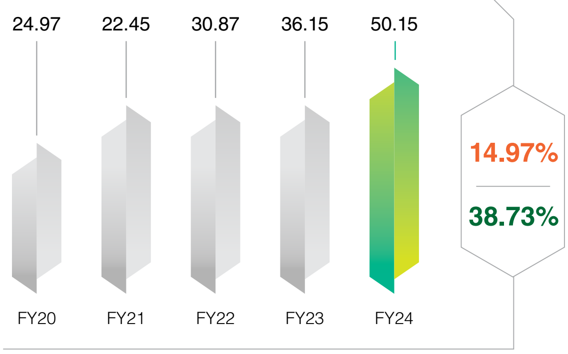


EBIDTA (₹ in crores)

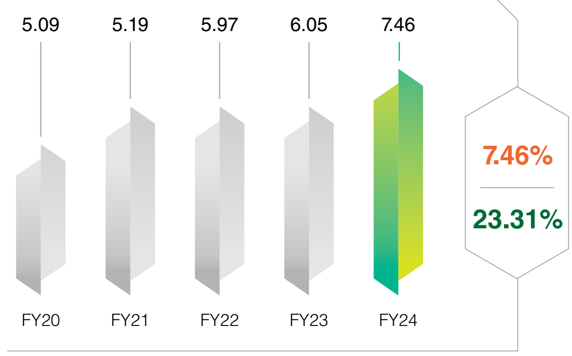
EBIDTA Margin (in %)



PAT (₹ in crores)



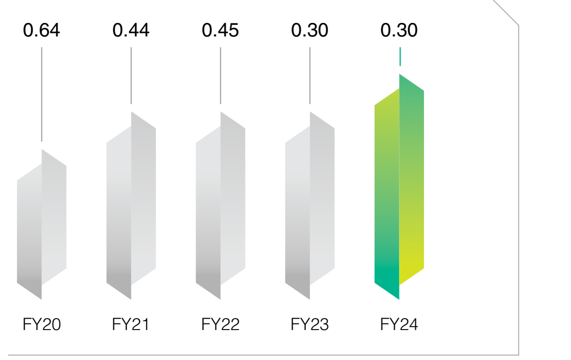
PAT Margin (in %)



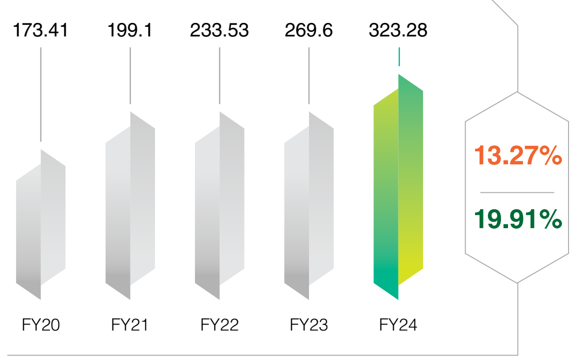
EPS (₹)

Return on Capital Employed [RoCE] (in %)

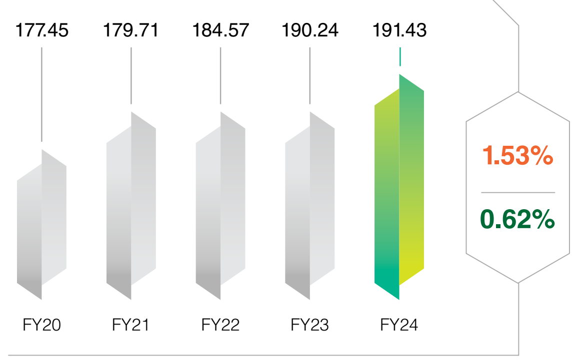
Debt-equity ratio



Net worth (₹ in crores)



Net fixed-assets (₹ in crores)



5 year CAGR growth   Y-O-Y growth

Corporate Snapshot

20 Microns as a sustainable investment

With a competitive product portfolio, a sustainable value chain as well as leading productivity and a sound ability to deliver results, we provide the industrial minerals and speciality chemicals that find application in everyday life.

What makes 20 Microns an ideal investment option?

A sound ability to deliver results

20 Microns have both the expertise and financial position to manufacture and market micronized industrial minerals and speciality chemicals.

Our employees carry a valuable cultural heritage of more than three decades from mining to manufacturing operations. The value chain from mines to manufacturing creates synergies between the business areas and increases stability in the Company's earnings potential. This stability is reinforced by our research focused mindset. Over time, our focus on research and development has enabled us to expand our presence from micronizing to sub-microns to nano sizing minerals.

20 Microns strives to maintain a sound balance sheet and have defined financial targets that are adapted to prepare for market fluctuations, value-creating investments and sustainable return for shareholders.

A stable and sustainable value chain

Our excellent technical know-how coupled with our sustainable raw-material sources and focus on technological advancements together makes for manufacturing processes with world-class productivity and environmental performance.

20 Microns Limited, India's sole and largest manufacturer of micronized to nano-sized minerals, combines technical expertise, sustainable raw materials, and technological advancements to achieve world-class manufacturing processes. Our presence across the value chain is fortified by a robust focus on research and development (R&D). Our Innovation & Application center fuels our growth, propelling us to pioneer product innovations. We remain committed to staying at the forefront of technology, continuously exploring new advancements to meet our customers' evolving needs.

20ML manufacturers and markets products such as micronized minerals, functional/ performance additives, speciality chemicals and mineral-based fertilizers needed to improve society for future generations and help build a sustainable society.

20 Microns Limited is unwavering in its commitment to enhance the quality of life. Our primary focus is on delivering value to our customers at scale, with the ultimate goal of benefiting end-users and contributing to a safer, improved world.

A COMPETITIVE PRODUCT PORTFOLIO

Throughout our journey, we have consistently strengthened our bonds with people by developing a diverse range of micronized minerals, functional additives, and specialty chemicals. These product solutions play an essential role in our everyday products.

20ML has progressively ventured into development of high-end Micronized Waxes, Lubricants and Processing Aids for various polymer, PVC and cable industries to help replace many import products traditionally being used in these industries.

Our product solutions have broad applications across various end-user industries. We serve both regulated and semi-regulated markets, engaging with a wide spectrum of stakeholders – from generic players and innovators to end consumers. Our dedication to quality and value solidifies our position as a trusted partner, both in India and abroad.

In conversation with Mr. Atil C. Parikh

CEO & Managing Director 20 Microns Limited

"Throughout the year, we integrated sustainable practices into our manufacturing processes, from energy conservation to waste management and water recycling, paving the way for a greener future."

Q How pleased were you with the Company's working during the financial year under review?

A: During FY24, our journey began on a high, propelled by the eagerness with which the market accepted our products across different categories. We saw a palpable upswing in revenues and heightened profitability thanks to the rising acceptability of our products and our growing presence. Also, during the year, we undertook some decisive steps to propel our ESG quotient, which helped us enhance our brand value in both domestic and international markets.

Before I talk about the Company's performance, it is important to understand at the macroeconomic environment in which the business operated during FY24. The Indian paint industry witnessed an ease in growth in FY24, following two consecutive years of remarkable growth in FY22 and FY23. However, the decline in prices of critical raw materials helped the players of the Indian paint industry sustain operating margin. The adhesives and sealants industry has emerged as a vital component within the country's industrial framework, as it plays an important role across different sectors, such as automotive and construction, among others. The booming construction industry, increased focus on the part of the government to boost the nation's infrastructure and rising urbanization is expected to contribute to the growth of various industries, which include paints, adhesives, construction, and automobiles, other industries. As most of these sectors are our end user industries, we stand to benefit from their growth.

Diving into division-specific performance, our industrial minerals business witnessed steady growth in FY24 as we continued to strengthen our bonding with some of the renowned paint, plastics and rubber industry players. A number of import substitute products that we had introduced in the last couple of years found traction in FY24. Although individually they don't contribute much in the overall revenue mix yet, but the growth we witnessed in the FY24 was a pleasant surprise for all of us. Our anti-blocking additivies, opacifiers, thickeners, activators and finer carbonates, talcs and kaolins saw traction in FY24.

Backed by these positive macro-economic trends, 20ML exhibited significant agility and recorded a revenue from operation of ₹672.45 crores, up by 12.49% over FY23. Our PBT and EBITDA stood at ₹69.74 crores and ₹85.76 crores, respectively. In terms of profitability, also, we showcased commendable growth and grew by 38.73% in FY24 to stand at ₹50.15 crores.

Q How has the ESG mindset shaped up in 20 Microns Limited during FY24?

A: As an organization, we recognize our profound responsibility to create economic value for stakeholders while championing sustainability and inclusivity. To this end, last year we embarked on the journey of sustainability, understanding our impact, and formalizing our ESG practices. As the first step in this journey, with immense pleasure, I would like to highlight our commitment to sustainable and inclusive growth.

In FY24, our focus was on transitioning into a fully ESG-compliant entity. This involved decisive actions and setting internal timelines for the same. We conducted comprehensive Environmental Compliance (ECO) and Information Security (IS) audits across all facilities, identifying areas for improvement. Further, a dedicated ESG team was established to oversee sustainability initiatives, including preliminary measurement of our carbon footprint and other impacts. Sustainability has long been integral to our identity in the industrial mineral and specialty chemicals sector, and we're now deepening this commitment across all our strategic decisions.

Throughout the year, we integrated sustainable practices into our manufacturing processes, from energy conservation to waste management and water recycling, paving the way for a greener future. With investments in a 500 KVA captive solar plant, we currently source a substantial portion of our power from renewable sources. We also plan to increase our renewable energy generation capacity to 3.2 MW by the end of 2024, bolstering our commitment to renewable energy. Additionally, ₹9.45 crores were invested in FY24 for automation and technological upgrades, aligning our processes with sustainability goals.

For us, ESG transcends mere compliance; it's about creating positive impacts for customers and communities while ensuring long-term sustainability. Our sustainability commitment isn't just a goal; it's our contribution to a healthier planet.

Finally, I am delighted to announce that 20 Micron, encompassing all the facilities of 20ML, has received the esteemed Gold Rating from EcoVadis in FY24 in recognition of our exceptional sustainability performance. This is a big recognition considering the fact we are still in our learning phase. I would like to take this opportunity to thank every member of 20 Microns family, who have contributed immensely for this achievement. Whether it is diminishing our carbon footprint, advocating diversity and inclusion, ensuring ethical sourcing practices, or introducing innovative sustainability initiatives, each of you has played an essential role in our accomplishments.

Q What is your strategy for cultivating excellence at 20ML?

A: Throughout the year, we achieved significant milestones through strategic and functional changes. We successfully introduced 12 new products in FY24 in the speciality chemicals, industrial minerals and retail segment, boosting our value-added products portfolio.

Moving forward on our sustainable growth initiatives, we implemented targeted automation and undertook technological upgrades across our facilities. The adoption of automation across our operations during the fiscal year reflects the proactive approach taken by 20 Microns' management, who have devised a roadmap for the coming years to transition the company into a fully automated entity. This underscores our commitment to strategic capacity expansion and meeting the evolving needs of our customers. Thus, we are positioned to reinforce our market presence by capitalizing on increased capacity and investments. Our steadfast dedication to growth and innovation will persist in delivering value to stakeholders and ensuring sustainable success in the future.

As a part of our sustainable growth strategy, we continued to explore new product lines which could prove to be a game changer in the days ahead. Presently, we are still in the research and feasibility study stage. Invested ₹3 crores during the year on our R&D endeavours to bolster our in-house raw material development capacity. These measures were crucial given the recent upheaval in raw material prices.

Furthermore, the year marked a significant journey in establishing a robust foundation for a connected value chain. Our primary thrust revolved around harnessing the wealth of data from diverse customer touchpoints. This strategic utilisation enabled us to discern and seize opportunities to elevate product uptake, propel productivity gains, curtail waste, and boost product and process quality. We successfully implemented various softwares across our different business functions, such as vendor management, order management and HR functions, among others.

As an organisation, we have always promoted excellence and innovation in all that we do. Keeping in line with the same, in FY24, we augmented our value-added product portfolios and enhanced exports.

Q What were the operational challenges that the Company faced during the year under review? How did the Company overcome the same?

In FY24, we faced several challenges such as increased freight charges, volatile raw-material prices, reduced demand in certain international markets, and rising overhead costs. While most of the challenges were attributable to market conditions, we, as a agile and forward-thinking business entity, undertook the necessary actions to alleviate them.

In FY24, freight charges remained high due to disruptions in key sea routes. To address this challenge, we implemented more precise inventory management strategies. Through the dedicated efforts of our procurement team, we closely monitored inventory levels and adjusted our sourcing accordingly. Transitioning from a need-based to a bulk sourcing approach contributed to a reduction in raw material costs per unit. Furthermore, we expanded our international sourcing network to include new sea routes for key raw materials, enabling us to negotiate more favorable freight rates.

We conducted an extensive analysis of our supply chain to tackle pricing pressures, pinpointing segments throughout the value chain where cost efficiencies could be realized without sacrificing quality. We revamped supplier contracts, striving for agreements that were mutually advantageous, enabling us to uphold competitive pricing while securing a stable supply of raw materials from domestic sources. Moreover, we have negotiated favorable electricity rates with state electricity boards and made a shift towards renewable energy sources, which has resulted in reduced power costs. We optimized our internal processes to reduce overhead costs by assessing department operations and implementing technological advancements and lean methodologies to enhance efficiency. We also implemented several automation initiatives aimed at decreasing overhead costs. Additionally, we maintained our commitment to investing in R&D, strategically allocating resources to foster innovation and improve cost management.

The varied industry and customer base provided us with the capability to effectively address the challenges posed by fluctuating demand, particularly the decline in demand within the EU region. In response, we pursued expansion into numerous new markets and concentrated on building a presence in those areas. Regions like Middle East, Africa, South East Asia and Latin American stands out among these new markets, where we established connection in the latter part of FY24 and anticipate commencing exports in FY25.

Q How you are planning to sustain the long-term sustainability of 20 Microns Limited?

A: At 20 Microns Limited, our steadfast focus centres on aligning our goals with two crucial aims: providing our customers with the best possible solution at competitive prices and enhancing shareholder returns. Guided by this, our upcoming capex and technological investments is expected to further improve our competitiveness.

We channelized our energy on product innovation, especially in the value-added sector, with the aim of reducing the overall costs for customers and promoting sustainability. During FY24, we prioritized providing cost-effective alternatives to globally imported products with innovative enhancements within the allied product segment. Sustainability remains a primary focus for the division, aiming to create products using industry by-products and waste. Additionally, seizing the international market with affordable alternatives amidst the current geopolitical climate is a strategic goal. These strategies are projected to maintain the viability of 20 Microns and its products, as many of these items were previously unavailable in the Indian market.

In spite of encountering multiple obstacles, our business has demonstrated exceptional fortitude, resulting in robust expansion. We have observed significant volumetric growth and market share gains across all of our product categories. The successful integration of value-added products and the decentralized approach to plant operations have greatly contributed to maintaining favorable margins, despite the volatility in raw material prices. Moreover, the recent launches of innovative products across product categories have further accelerated growth and profitability.

Q What is the significance of R&D at 20ML?

A: The R&D policy of 20 Microns Limited, a leading industrial minerals company, is pivotal to our business strategy and business success. Utilizing research and development, we intend to maintain our industry leadership, enhance our existing portfolio, and enhance market competitiveness.

We ensure adequate financial resources for investing in advanced technologies, equipment, and talent, demonstrating our dedication to innovation and future growth through prioritizing R&D spending. We focus on key R&D areas aligned with our business goals, involving market research, trend analysis, and customer collaboration to address specific needs.

Investing wisely in R&D yields numerous benefits for us. First, it helps us stay ahead in the increasingly competitive and constantly changing market by continually exploring innovative ideas and technologies to meet and surpass customer expectations. Secondly, R&D grants us a strategic edge by fostering the development of proprietary technologies and processes, which distinguishes us from competitors, thus bolstering our market position and fostering new business prospects.

Additionally, our R&D policy includes strong measures to protect our innovations through actively pursuing patent protection for our proprietary technologies and processes, ensuring recognition and reward for our hard work and creativity.

Q. Where does 20 Microns Limited go from here?

A: 20 Microns is poised to grow from strength to strength. As we progress, our focus remains steadfast on the paint and polymer industry, given its significant contribution to our overall revenue mix. Despite experiencing stagnant growth in the past year, the industry is anticipated to become increasingly appealing to us with the influx of new players. Furthermore, propelled by the nationwide infrastructure boom and the government's push for various housing projects, the industry is projected to witness rapid expansion in the foreseeable future.

Our steadfast commitment to customers, efficient operational management, and optimized supply chain enabled us to navigate volatile market conditions, maintaining and expanding our market share. Our sustained emphasis on cost optimization kept fixed costs in check, while productivity enhancements yielded tangible results, ensuring the long-term sustainability of our business. We will continue these efforts, with a focus on further strengthening our foundation as we aim to cross the ₹1,000 crores revenue milestone in the coming years.

Over the past few years, we've significantly invested in our product lines, technology upgrades, automation, and research and development, bolstering our product range and positioning us for future success. We are assured that our capital expenditure investment of approximately ₹84 crores over the last five years will yield favorable outcomes in the years ahead. Our forthcoming product releases across both traditional and value-added sectors, along with our exploration of new product categories, are expected to strengthen our market presence and open avenues in new markets, aligning with our ambitious expansion strategies

Q What is the agenda for the Company in FY25?

A: In FY24, investments drove improvements in operational excellence, technology, backward integration, R&D, and product launches. Looking ahead to FY25, management prioritizes boosting operational capacity and establishing a robust ESG framework for sustainability.

Moving into our next growth phase, we'll focus on technology, automation, and data-driven strategies, and strengthening our ESG framework. This involves innovative R&D, new product development, and expanding into new markets.

We remain confident in 20 Micron Limited's future, aiming to seize growth opportunities in exports, infrastructure, and data-driven approaches. Our emphasis on strategic initiatives, customer satisfaction, and operational excellence positions us to achieve double-digit growth in both our revenue and profits. We extend gratitude to our shareholders for their unwavering support and trust. We are committed to delivering sustainable value and long-term growth for all stakeholders.

Strategic Priorities

Strategies for Sustainable Growth

We have established specific focus areas that inform our decision-making process. These areas are in alignment with our vision and mission, enabling us to sustain our competitive advantage. Additionally, they provide a well-defined path toward fulfilling our commitment to innovative with sustainable excellence.

Furthermore, we conduct regular reviews of our strategic priorities, taking into account shifts in the business landscape, thereby ensuring our ongoing success and sustainable growth.

Focus on innovation and excellence

20ML prioritizes technological innovations, global accreditations, and a high level of customer satisfaction while maintaining a responsible stance towards health, safety, and environmental concerns. With its customer-centric vision, 20ML distinguishes itself as one of the very few global providers offering comprehensive solutions in the field of micronized minerals and speciality chemicals.

Throughout our journey, the Company has made prudent investments to enhance its capabilities, enhance efficiency and push boundaries, showcasing its potential for outstanding performance.

FY24 Initiatives

- We undertook capex investments in the tune of nearly ₹9.45 crores in FY24 for technological upgradation initiatives

Fortify dealer and distribution channels

While 20 Microns primarily operate as a B2B player, we recognized the importance of expanding our presence both in India and internationally. To achieve this, we have been diligently working on increasing our dealer count and establishing a robust distribution network.

Our sustainable growth over the years has been fuelled by effective collaboration with an extensive network of dealers and distributors. Throughout the year, we have proactively focused on expanding our dealer network. To strengthen our connections even more, we actively engage with our dealers and distributors through regular meetings and various initiatives. Additionally, we have implemented promotional plans and incentives that provide valuable rewards to our dealers and distributors.

FY24 Initiatives

- Effectively engaged with the dealers and distributors by conducting regular trainings.
- Implemented various incentive schemes to enhance our bonding with the dealers and distributors.
- We conducted multiple dealer conferences to disseminate product knowledge among dealers and customers.

Broaden product range to leverage our current network

In our pursuit of growth, we have consistently prioritized the introduction of innovative products and expansion into strategic categories that capitalize on our well-established brand and distribution channels. Additionally, we have actively worked to enhance our profitability by increasing our share of value-added products in the overall revenue mix. Furthermore, we have explored our distribution network to promote these new offerings and create cross-selling opportunities with our existing clients.

FY24 Initiatives

- Developed a novel grade of calcium carbonate tailored for the paint and polymer industry, enhancing paint gloss and opacity while facilitating emulsion reduction.
- Introduced a new mineral-based product tailored for small players in the paint industry. This innovation enables them to substitute imported organic pigments like methyl hydroxy and methyl cellulose in wall putties.

Cultivating future-ready workforce

20 Microns Limited recognizes the pivotal role of skilled and capable human resources in propelling a company toward success. Human capital holds immense value and is essential for our business operations, contributing to the long-term value creation for stakeholders. We are committed to fostering a relationship-oriented company culture—one that appreciates and nurtures the distinct abilities of our employees. Through an environment that encourages professional development, we actively promote diversity and inclusivity within our organization.

FY24 Initiatives

- Implemented employee engagement initiatives including potluck parties, sporting events, and office/factory celebrations to foster stronger bonds among employees.
- Conducted regular health check-up camps to prioritize the well-being and safety of our staff.

Continuing to build on our technological capabilities

In recent times, 20 Microns Limited (20ML) has strategically invested in enhancing our technological capabilities. Going forward, our focus will be on optimizing asset utilization across all facilities, leading to reduced operational expenses. These initiatives aim to not only reduce our labour and energy costs but also enhance our sustainability efforts while expanding our production capabilities. Over the long term, we expect these collective endeavours to significantly improve our return metrics.

FY24 Initiatives

- Developed a customized CRM module to manage raw material quality, track customer samples, inquiries, complaints, dispatches, and other important information.
- Implemented SAP system for streamlined order management, enabling tracking of orders and price fluctuations in comparison to previous orders.

Collaboration and partnership for sustainable R&D practices

R&D initiatives thrive through robust partnerships. We actively pursue research collaborations with global industry leaders, start-ups, and field experts. By uniting our strengths, we confront complex challenges collectively, akin to a superhero team-up, except our mission is to advance science and technology. Academic institutions and research centers also serve as invaluable sources of knowledge and innovation. At 20ML, we actively collaborate with these institutions to leverage their expertise. Through this partnership, we access cutting-edge research, diverse viewpoints, and talented individuals. It's a mutually beneficial arrangement where we support academic pursuits while capitalizing on groundbreaking discoveries.

FY24 Initiatives

- Introduced 12 new products in FY24
- Entered into a partnership with one renowned German company to manufacture construction chemicals and building related products in India.

Strategic Priorities

How we plan to strategize for tomorrow?

For us, growth, profitability, and sustainability are closely interconnected. Our investment philosophy centre's around investing in innovation and leveraging our manufacturing capabilities while maintaining rigorous technical and quality standards. Simultaneously, we strive for operational excellence through ongoing technical and digital transformation initiatives.

Sustainability is deeply ingrained in our core business, forming an essential part of our efforts to enhance overall business performance. Over the years, all our investments have been directed toward sustainable development goals. This approach allows us not only to strengthen our capabilities but also to align our portfolio with the evolving demands of our customers.

Profitability

Niche market positions

Our value creation is based on profitable market positions in growing areas. We believe that sustainable profitability comes from providing high value to our customers through specialisation and competitive market positions.

Scalability and value creation

Scalable business models and capitalising on the expertise we have within the Company allow us to create collaborations and knowledge synergies, streamline our processes and go on increasing our margins.

Supplementary and profitable acquisitions

Growing share of value-added products has helped in our margin growth. At the same time, it has helped broaden our expertise and our offering, further strengthening our opportunities for both growth and margin expansion through economies of scale and cross-selling.

Growth

Long-term demand

The government is increasingly emphasizing on an *'Atmanirbhar Bharat'*. Moreover, business houses are concentrating on sourcing products developed in India that help them replace imports, aligning with the government's 'Make in India' initiative. Given 20ML's extensive reach in various end-user industries, we anticipate a consistent demand for our different product categories.

Growth through research and innovation

We are diligently seeking specialized solutions to meet our clients' essential requirements. With this objective, we are dedicated to creating innovative, value-added products that offer alternatives to conventional chemicals at competitive prices. This strategy enables us to steadily broaden our reach in the market and enhance our range of products in our key areas of focus.

Developing business units

With the industry specific knowledge of our R&D team, our senior management and our group companies help us with the strategic support and develop strategic business units to drive growth. From micronized minerals, we have expanded our presence in other segments like soft minerals, functional additives, specialty chemicals, construction chemicals and mineral based bio-stimulantsl, among others.

Sustainability

Sustainable investment

Our investment strategy focuses channelizing our resources on technology, business, and product segments that create a sustainable framework for 20ML, minimizing sustainability risks. This approach enhances long-term profitability and growth. We embed sustainability principles across every facet of our business, including eco-friendly manufacturing, product safety, economic analysis, sustainable supply chain practices and fulfilling the sustainable needs of society and communities.

Shareholder's and investors

We deliver consistent return to our shareholders and investors

Revenue: ₹680.55 crores
12.60% growth from the previous year

EBITDA: ₹85.76 crores
24.92% growth from the previous year

PAT: ₹50.15 crores
38.73% growth from the previous year

EPS: ₹14.21
38.73% growth from the previous year

Supporting our business units in their sustainability journey

We can use knowledge, advice, policies, processes, training and systems to support our business units, helping them develop even more sustainable portfolio and thereby enhancing quality and becoming more relevant to our customers.

Long-term strategic efforts towards our goals

Our approach emphasizes long-term sustainability, integrating it into product development and innovation. We focus on developing products which have relevance not only today but also for the future. The Company's Innovation and Application centres fuel new product development, process improvements, and sustainability initiatives.

Our business model

Driving sustainable growth

INPUTS

Financial capital

Funding obtained from different sources (debt and equity financing and cash generated by operations and investments), deployed to invest in various CAPEX projects throughout the business.

Revenue: ₹ 680.55 crores | EBITDA: ₹85.76 crores
PAT: ₹50.15 crores

Manufactured capital

Investments are focused on expansion, bringing efficiency and upgrading existing equipment and infrastructure.

Manufacturing facilities: 9
Storage facilities: 12
Mines: 8

Intellectual capital

Periodical investments are focused on the sustainability and innovation agenda for a competitive edge.

R&D Centre: 2
R&D and Technology talent pool: 41
Total R&D spend (in FY24): ₹3 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: 800+
Employee remuneration: ₹49.44 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: ₹73.20 Lakhs
Dealer count: 170+
Key customer associations: Major 25+

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 → Roof Top at VADADALA, Gujarat
Green power capacity: 3.5 MW at HOSUR, Tamil Nadu manufacturing location (Execution of PPA agreement is under process and expected to be operative by December, 2024)

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

OUTPUT

OUTCOMES

Enablers for value creation

Research & development (R&D)

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.

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

Uncoated Calcium Carbonate | Coated Anti blocking and Flame Retardants | Talc | Mica | Engineered Kaolin

Construction chemicals

Tigersil | Rainbowsil | Rumido | Micronsil | Nanosil

Agriculture and organic farming

Tiotiko | Reskue | BLK | Humicron

Shareholder's and investors

We deliver consistent return to our shareholders and investors
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EBITDA: ₹85.76 crores
(24.92% growth from the previous year)
PAT: ₹50.15 crores
(38.73% growth from the previous year)
EPS: ₹14.21
(38.73% growth from the previous year)

Social

- Generated both direct and indirect job opportunities
- Enhanced employee skills through regular training sessions
- Strengthened customer loyalty and fostered stronger relationships
- 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.
- 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.

Our operating context

Navigating the turbulent waters

In the last financial year, the global economy continued to be grappled with issues such as geopolitical conflicts, rising inflation, increasing interest rates, and supply chain disruptions. These external factors proved to be road blockers on our growth path. However, being an agile and resilient business entity, we adopted different strategies to navigate the challenges.

Challenges

De-stocking and drop in realisations

In FY24, industries experienced de-stocking challenges as business houses strategically adjusted their inventory levels to match demand trends and improve working capital efficiency. This move was largely driven by the volatile economic climate. At the same time, industries encountered a decline in earnings stemming from fierce competition, diminished demand, and pressure on prices.

Our de-risking strategies

In order to address these challenges, we focused on improving inventory management, optimizing costs, enhancing operational efficiency, diversifying our portfolio, and differentiating our products. These measures were taken to ensure sustained profitability and minimize the risks associated with pricing fluctuations.

Challenges

Volatility in raw material prices

Global commodity prices experienced abrupt fluctuations owing to geopolitical tensions and supply chain issues, leading to a sense of uncertainty. Businesses had to manage the varying prices of materials affecting their input costs and profitability.

Our de-risking strategies

To effectively address the challenges, we implemented agile procurement methods, prioritized the exploration of new sources for raw materials, and meticulously planned our procurement activities to ensure the stability of our operations. The company navigated price changes by effectively monitoring market trends and engaging with suppliers.

Challenges

Rising freight charges

One of the primary impediments faced by companies is the escalation in freight charges. The escalation in freight costs, attributed to disruptions in the supply chain and imbalances in global trade, imposed additional pressures on the industry's operations and cost frameworks.

Our de-risking strategies

Agile logistics management, strategic cost optimization, and proactive collaboration with our shipping partners were instrumental in preserving the efficiency of the supply chain throughout the year. Furthermore, the Company engaged in bulk procurement of raw materials wherever feasible to counteract the escalating freight costs.

Challenges

Rising geopolitical tensions resulting in slowdown

The primary concern for the world economy is the rise in tensions leading to increased uncertainty that has negatively impacted investments and economic expansion. The global economic slowdown, triggered by an energy crisis in Europe and unexpected inflation worldwide, has led to a decline in export prospects and a drop in demand.

Our de-risking strategies

The Company adeptly navigated the challenges by strategically expanding its product portfolio and customer base. Moreover, the company concentrated on penetrating new markets to alleviate the risks associated with geographical concentration and established new satellite centers in pivotal international markets to enhance business growth.

Our competitive landscape

Harnessing the power of our core competencies

In a competitive industry like ours, it's imperative to stand out and gain a competitive edge in the market. To achieve this, we continually strive to amplify our core competencies, adopt international standards of excellence, and develop robust growth strategies. These efforts have significantly bolstered our market presence, expanded our supply chain network, and elevated the quality of our products. Moreover, these efforts have enabled us to maintain cost-effective operations, provide superior customer service, and ensure consistent profitability.

Visionary leadership with in-depth industry know-how

Our team of leaders consists of seasoned professionals with diverse and extensive industry knowledge. Their amalgamated knowledge furnishes the Company with invaluable insights poised to propel future growth and expansion. Furthermore, our management steadfastly adheres to the Company's founding vision and mission, fostering an ethos of innovation and high-performance that continually propels us towards novel avenues of growth.

Robust distribution capabilities

Our extensive distribution network provides us with a significant competitive edge. Supported by our dedicated in-house marketing team, we consistently deliver superior products and services to our wide-ranging clientele. This team actively acquires critical customer feedback, which serves as a catalyst for our innovation endeavours. Many of our long-standing dealers and distributors have also played a crucial role in solidifying our market leadership. Initially focused on India, we've strategically expanded our international presence, now reaching over 65 countries. Thanks to our committed international marketing team, we've established an impressive global dealer network and aim to continue expanding our global presence.

Strategies for the development of innovative products.

20ML has established itself as a leading brand known for quality and value-added products. We have bolstered our industry legacy through investments in research and product development to increase brand value and market share. Our innovative spirit has made the 20ML brand widely acknowledged for surpassing customer expectations. We remain dedicated to maintaining this reputation through ongoing efforts to expand and innovate.

Innovation has been key to our product differentiation and offering unique value proposition for consumers. Our dedication to innovation and customer engagement drives investments in R&D. The allocation of capital towards these areas has ensured that these investments support our business growth objectives while generating a sustainable return on investment for our shareholders. Our commitment to innovation has enabled us to introduce new and value-added products, recycle process waste to develop new product & services.

Our Innovation and Application centers host dedicated teams adept at creating unique, cost-effective, and eco-friendly products. In FY24, we maintained our commitment to innovation by allocating a specific portion of our profits towards research and development. The investments is expected to drive operational expansion and solidifying 20ML's position.

Recycling waste

Our dedicated R&D team helped make a remarkable transformation – turning manufacturing waste into sustainable marvels.

Here's how they redefine production practices:

Resource reimagined: Rather than viewing waste as a burden, our team sees it as a valuable resource. This mindset shift fuels innovation.

Circular approach: Collaborating closely with manufacturing units, we analyze waste by-products rigorously. Treatment and transformation follow suit, yielding usable materials and ingenious products.

Eco-economic synergy: Responsible production practices not only benefit the environment but also enhance our bottom line. It's a win-win situation for all, a greener future with economic gains.

For instance, our Minfert products - mineral-based fertilizers and plant growth promoters

Steady balance sheet

In FY24, our Company exhibited a strong financial position with exceptionally healthy financial ratios. Our Net Debt-Equity ratio stood at 0.18, indicating a low level of debt in relation to equity. Furthermore, our current ratio stands at 1.67, highlighting a healthy working capital position, while our Cash & Bank balances reached -₹39.01 crores.

The net asset turnover ratio of the Company stood at 3.56 in FY24. Our total assets have seen a notable increase, rising from ₹307.31 crores in FY22 to ₹332.68 crores in FY24. Moreover, we've achieved a reduction in both receivable and inventory days to well below the industry average — 61 days for receivables and 44 days for inventory, demonstrating our effective control over receivables and inventory management.

Strengthening our leadership position in the industry

We're a leading micronized mineral product provider in India, catering to various industries like paint, ceramic, ink, polymers, rubber, paper and agriculture. Our advanced manufacturing facilities ensure operational efficiency and meet customer demands. Leveraging our distribution strengths and industry experience, we've seen substantial growth in construction chemicals, adhesives, and fertilizers. We're dedicated to expanding into new product categories to broaden our impact and reach across diverse industries.

The Company continued to focus on strengthening it's partnerships with internationally acclaimed entities in the global micronized mineral sector, fostering long-term contracts and collaborative innovation. These alliances have played a pivotal role in extending the company's market presence and securing higher wallet share. Further, these associations helped the company understand the client requirements better and provide customized solutions, fortifying its status as a favoured supplier across diverse industries.

Focus on export market and diversification

The company has been strategically working on broadening and fortifying its customer base by focusing on expanding its export operations. Through consistent efforts to reach out to new markets and customers globally, the company has grown its international footprint and boosted its export earnings. To ensure prompt and dependable deliveries to customers abroad, the company has set up subsidiaries in key foreign markets, that improve supply chain efficiency and showcase its dedication to customer service. This year, we made our debut in the thriving Russian market with plans to solidify our position in the years ahead.

Unveiling our commitment

Towards ESG

We firmly uphold the Environmental, Social and Governance (ESG) principles with the aim of making a significant social impact and creating sustainable value for all our stakeholders.

Our transformative initiatives have been successful in promoting environmental stewardship, mitigating climate change risks, and effectively managing waste and resources. Additionally, we prioritise the health and safety of our teams, promote diversity and inclusion, and actively engage in community development programmes.

Our governance structure prioritizes transparency, ethical behaviour, and adherence to applicable laws and regulations. Our aim is to generate enduring value for all stakeholders while fostering a more environmentally friendly and fairer future. Sustainability is ingrained in our fundamental principles as a conscientious entity. Our commitment to people and the environment is evident in our evolving policies and guiding philosophy. We meticulously manage our operations to ensure benefits for all stakeholders. Our overarching organizational ethos encompasses environmental, social, and governance considerations.

Environment

We are dedicated to environmental stewardship by actively reducing our carbon footprint through various strategies, such as adopting renewable energy, optimizing resource utilization, implementing waste reduction and recycling programs, enhancing energy efficiency, and emphasizing water conservation. Furthermore, we affirm our steadfast dedication to executing comprehensive compliance monitoring and reporting, thereby promoting sustainable business practices and actively advancing the achievement of an environmentally conscious future.

Climate action

Our organization has been diligently conducting a thorough materiality assessment across our value chain to determine the primary areas impacted by climate change. To enhance resource efficiency, optimize waste management, and reduce our carbon footprint, we carried out a series of actions which included technological upgradation and capex investment in state-of-the-art machinery. Through these concerted efforts, we strive to step up our environmental performance and contribute to the larger goal of combating climate change.

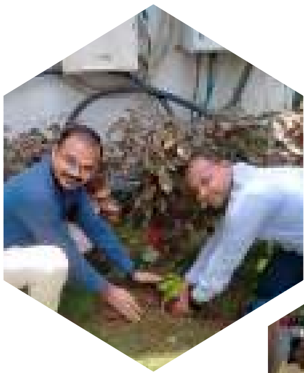
Energy management

As a manufacturing organization, energy holds significant importance in our daily operations. We've enacted multiple strategies to reduce energy consumption, enhance efficiency, and integrate renewable energy sources into our plant operations.

500 KVA
Solar Power Generated

Waste management

We've developed a thorough waste management plan aimed at minimizing waste generation. Our strategy emphasizes reducing waste at its origin, prioritizing recycling when possible, and strictly adhering to proper disposal methods. Through consistent implementation of these methods, our goal is to decrease the overall volume of waste generated.



Social

Social factors are pivotal in our journey towards long-term sustainability as it enhances our ability to combat challenges. This includes safety of our employees, providing equal opportunities and our community outreach programmes. We have implemented various training programmes aimed at skills upgradation of our work force, promoting social awareness and responsibility and focusing on health, safety, and environmental aspects. Our goal is to ensure the effective implementation of ESG and wider sustainability principles across all departments for an overall positive impact.

Health and safety

Our organization places utmost importance on the well-being and safety of our employees. We adhere to this commitment through a multifaceted strategy that encompasses the implementation of rigorous safety protocols, ongoing training programs, and by laying detailed SOPs ensuring the safety of our people.

Additionally, we maintain a secure working environment and adhere to all pertinent health and safety regulations to ensure the highest standards of protection for our valued workforce. Furthermore, we organise regular health check-up camps across our facilities to ensure the safe and sound health of our people.

Community development programmes

Through a multitude of impactful programs, 20 Microns Foundation demonstrate our deep commitment to fostering community development, with a particular focus on education, employment, vocational skill development, and the support of individuals with different abilities. Our comprehensive CSR initiatives extend to promoting gender equality and empowering women through the establishment of homes, hostels, and various vocational trainings. We also demonstrate our dedication to the welfare of society by aiding educational institutes with different equipment, day care centres, and other essential resources.

Promoting diversity and inclusion

Our diversity, equity, and inclusion policy underscores the importance of cultivating an inclusive and equitable environment that values and respects individuals with diverse backgrounds. Various measures taken to promote diversity across the organisation include:

- By implementing diverse hiring practices, the goal is to attract candidates with diverse backgrounds and experiences.
- Providing diversity and inclusion training programmes to enhance understanding, awareness, and skills among employees.
- Guaranteeing equitable access to opportunities for career growth, progression, and acknowledgement for every individual.
- Nurturing a culture of inclusivity that fosters open dialogue, acknowledges diverse perspectives, and confronts instances of discrimination or bias.
- The purpose of establishing employee resource groups or affinity networks is to foster networking, support, and representation for underrepresented groups.
- To guarantee equitable treatment for all employees, it is crucial to assess performance in a fair and unbiased manner, free from any form of discrimination.

Environment, Health and Safety (EHS) at 20 Microns Limited

Environment, Health, and Safety (EHS) is a critical aspect of workplace management that focuses on ensuring safe and healthy working conditions while minimizing the environmental impact of operations. AT 20ML, EHS programs are not just a legal requirement but a moral imperative that contributes to our employee engagement, satisfaction, and overall productivity.

Some of the EHS achievements for FY24

- Received Eco Vadis certification for Our Alwar Plant in Silver category in May'23
- Achieved 98 % Score in Together for Sustainability Audit (TfS) for Bhuj Plant in Dec'23
- United Nations Global Compact Membership taken for 20 Microns Group level in Dec'23
- Submitted COP (Communication on Progress) on 10 Principles of Human right of United Nations Global Compact (UNGC) - 13.01.2024
- Received Certification of ISO 14001, ISO 45001 for Udaipur, Hosur, Haldwani, Tirunelveli from Certification agency – Eurocert in Dec'23
- Celebration of world environment day – 5th June, 2023
- Registered under the EPR Regulation for the Plastic in the Importer category for both 20 Microns and 20 Microns Nano minerals and in Brand owner category for 20 Microns limited
- Installation of the Training Kiosk for visitor induction and internal safety trainings of the workers at 20 Microns limited – Hosur Plant in Nov'23
- Installation of Fall arrester system at 20 Microns limited, Hosur plant to ensure safety while working on height e.g Roof in Aug'23
- Installation of the Fire Suppression system at 20 Microns Limited, Head office – 347, for IT Server room, to protect from damage to server in case of any fire in Dec'23
- Completed Customer audit from KLJ Plasticizers – Silvassa, on Quality, Environment and Safety, received Score of 87.50 %
- CEAT Audit completed with 82 % score at 20 Microns Limited, Alwar Plant in June'23
- CEAT Audit completed with 79 % score at 20 Microns Nano Minerals Limited at Vadadala Plant

By setting clear EHS objectives and fostering a culture of safety, we intend to enhance our reputation, attract top talent, and ultimately improve our bottom line. A strong commitment to EHS reflects responsible corporate behavior and aligns with our broader goal of creating a community unified in its mission to improve the quality of life.

Employee Engagement Activities

WEEKLY MEDITATION

Instituting quarter-hour meditation sessions every Monday has proven beneficial in refocusing employees amidst the rapidly evolving digital landscape. Moreover, prioritizing employee wellness is essential for maintaining robust mental health. Ultimately, enhancing employee well-being is a pivotal factor in boosting productivity.

PoSH - AWARENESS TRAINING

In an effort to empower our female workforce and foster sensitivity among all staff regarding respect for women and appropriate workplace conduct, the organization has held educational sessions on “Prevention of Sexual Harassment (POSH)” at various sites. These sessions, aimed at both female and male employees, are integral to cultivating a secure and positive work environment.

ANNUAL HEALTH CHECK-UPS

To monitor the health of our employees and keep them informed about their vital statistics, we conducted Annual Medical Check-ups for all employees and workers. We also offer comprehensive healthcare services and advice, which support our employees in seamlessly enhancing both their personal and professional lives.

VADODARA MARATHON

In a show of solidarity and team spirit, our employees turned out in large numbers for the Vadodara Marathon. Numerous staff members laced up their sneakers to hit the pavement, motivated by health and wellness. Group runs not only add to the enjoyment but also strengthen the camaraderie among colleagues.

ANNUAL SPORTS EVENT

Maintaining the vibrant, sportsmanlike enthusiasm of our staff, we organized the annual Inter-location Cricket Tournament once again this year. The Vadadala team emerged victorious, clinching the championship, while Unit – 9/10 achieved the commendable status of Runner Up.

Governance

We firmly uphold the principles of robust and transparent governance, which serve as the foundation of our organisation. Our governance framework is designed to propagate and uphold ethical values while safeguarding the interests of all stakeholders.

Our Board of Directors comprises visionaries and accomplished leaders, possessing extensive experience spanning various industries. Their collective expertise ensures the effective oversight and strategic guidance necessary to steer our organisation towards continued success and sustainable growth.

Promoting transparency

We have implemented several measures to promote transparency and disclosure of information to stakeholders. These measures help us foster transparency and disclosure, enabling stakeholders to make informed decisions and maintain trust in the Company.

- Regular financial reporting helps stakeholders understand the financial health and performance of the Company.
- Relevant business information is publicly available through various channels like the annual report, website, press releases, emails, etc.
- Management presents information about the performance, strategy, and future plans in the shareholder meetings, which allows stakeholders to ask questions and gain a deeper understanding of the business operations of the Company.
- We have established clear governance policies to ensure transparency indecision making processes. These policies outline our commitment to integrity and accountability.
- Active stakeholder's engagement through various channels, such as meetings, investor's calls, and emails.

Our policies

To ensure effective governance, we have implemented a range of policies and practices. We comply with all relevant laws and regulations and have established frameworks that emphasise transparency, accountability, and ethical behaviour.

Our code of conduct address concerns such as bribery and insider trading, while our risk management processes identify and mitigate potential risks. We maintain robust financial controls and reporting systems, and our whistleblower policy encourages transparency and accountability.

Additionally, we prioritise diversity and inclusion, ensuring equal opportunities for all employees. These measures collectively uphold our commitment to sound and responsible governance.

Committees driving excellence

The governance structure at 20ML consists of four Board level committees with well-defined roles and responsibilities to protect the interests of all shareholders. The committees are instrumental in contributing to the Company's journey to market leadership and help in maximising value for all stakeholders.

Audit Committee

The Committee oversees the review and approval of the internal audit plan, financial reporting systems, and whistleblower mechanism. It ensures adherence to regulatory guidelines, facilitates discussions on quarterly, half-yearly, and annual financial results, and interacts with statutory auditors.

It consists of four members, including three Independent Directors.

Nomination and Remuneration Committee

The Committee is responsible for assessing the qualification of a director, proposing policies on board diversity and undertaking performance evaluations of directors.

It consists of four members, including three Independent Directors.

Stakeholders' Relationship and Share Transfer Committee

The stakeholder relationship committee oversees the grievance related aspects of all concerned stakeholders.

It consists of three members, including one Independent Director.

CSR Committee

The Committee is responsible for handling matters related to spending on CSR funds,monitoring of CSR activities and so on.

The committee consists of three members, including one Independent Director

Our guides 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, 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, Dorfner-20 Microns Private Limited, 20 MCC Private Limited & Eriez Industries Private Limited.

Mrs. Sejal R. Parikh
Whole-time 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.

Mr. Ramkisan A. Devidayal
Independent Director

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 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.

Mr. Atul H. Patel
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 Patel is Member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Dr. Ajay I. Ranka
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. He is member of Audit Committee of the Company.

Mr. Jaideep B. Verma

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.

Dr. Sivaram Swaminathan

Independent Director

Dr. Sivaram Swaminathan, the Independent Director, is is a polymer chemist by profession and a science administrator of distinction. He is a former Director of the CSIR – National Chemical Laboratory, Pune (2002-10), Shanti Swarup Bhatnagar Fellow of CSIR and J. C. Bose Fellow of the Department of Science and Technology. Currently, he is an Honorary Professor and INSA Emeritus Scientist of the Indian Institute of Science Education and Research (IISER), Pune.

Dr. Sivaram is a highly decorated scientist / technologist with numerous awards and honours to his credit. He was conferred Padma Shri by the President of India in 2006. He is a recipient of the Gold Medal of the Chemical Research Society of India for his life-time achievements in chemistry (2019) and the International Award for distinguished contributions to polymer science, awarded by the Society of Polymer Science, Japan (2017). Dr. Sivaram earned his Bachelor of Science degree in Chemistry from Madras Christian College (1965) and is a distinguished alumnus of IIT-Kanpur (M.Sc., 1967). He earned a PhD in Chemistry and DSc (h.c) from Purdue University, W. Lafayette, Indiana, USA. He is an elected Fellow of all the learned academies of science and engineering in India. He is a technical consultant to several reputed Indian companies and serves on the Board of Directors of several leading Indian companies dealing with chemicals and materials

He has authored over two hundred and fifty papers in peer-reviewed journals, edited two books and authored one book. He is cited as an inventor in fifty-one issued US and European patents and fifty-two Indian patents. He has supervised the doctoral thesis of over forty students and mentored over fifteen post-doctoral fellows in a research career spanning fifty years.

Mr. Dukhabandhu Rath

Additional Director

Mr. Dukhabandhu Rath, the Additional Director (Non-executive, Independent Director, w.e.f. 17.05.2024), is a senior Top Executive Banker and former Chief General Manager of SBI. He headed SBI operations of Gujarat and Union Territories. With nearly four decades of dedicated service in the Indian Banking Industry, including 36 years at SBI, he carries an extensive skill set encompassing SME and Corporate Credit, Retail Credit, Branch Operations, Customer Service, Risk Management, Audit & Compliance, Digitization & IT, Strategic Planning & Budgeting, Human Resources Management and Resources Mobilization. His career began in 1984 as a Probationary Officer (Scale I) at SBI, following prior roles in two other esteemed Public Sector Banks. He also served as Managing Director of Gujarat Venture Finance. He is a certified Corporate Director from the Institute of Directors, India. He is a certified Associate of the Indian Institute of Banking and Finance. He was recognized for his exceptional leadership and outstanding performance across a diverse range of responsibilities.

Notice of Annual General Meeting

NOTICE is hereby given that the 37th Annual General Meeting of the Shareholders of **20 Microns Limited** will be held on Friday,19th July, 2024 at 11.00 a.m. **through Video Conference (VC) or Other Audio Visual Means (OAVM)**, to transact the following business :-

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 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.

2. To declare a final dividend @25 % i.e. ₹1.25 per equity share on 3,52,86,502 equity shares of the Face Value of ₹5/- each for the financial year 2023-24.

3. To appoint a Director in place of Mrs. Sejal R. Parikh (DIN 00140489), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, has offered herself for re-appointment.

SPECIAL BUSINESSES:

4. To ratify the remuneration payable to the Cost Auditors for the financial year 2024-25.

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, payable to M/s. Y.S. Thakar & Co., Cost Accountants (Registration Number 000318) who have been appointed by the Board of Directors on the recommendation of the Audit Committee, to conduct the audit of cost records of the Company for the financial year 2024-25, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution."

5. To re-appoint Mr. Rajesh C. Parikh(DIN:00041610) as Chairman and Managing Director.

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 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals, permissions and sanctions as may be required and subject to such conditions and modifications, as may be prescribed, approval of the Company be and is hereby accorded to the re-appointment of Mr. Rajesh C. Parikh (DIN 00041610) as the Chairman & Managing Director of the Company under the Companies Act, 2013, for a further period of five years and payment of remuneration for the term of three years w.e.f. 01st April, 2025, whose office shall not be liable to retire by rotation, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions more particularly set out in the Agreement to be entered into with him, detailing, inter alia, the pattern of remuneration and Commission payable to him, in accordance with the requirements of the Section 197, Schedule V of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."

RESOLVED FURTHER THAT pursuant to Section 197(3) of the Act read with Schedule V and other applicable provisions of the Companies Act, as amended and subject to such approvals as may be necessary, in the absence or inadequacy of the Profit, he will be paid the said remuneration as minimum remuneration in compliance of provisions of Companies Act, including any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members that shall be deemed to have their approval thereto expressly by the authority of this resolution."

6. To re-appoint Mr. Atil C. Parikh (DIN:00041712) as CEO & Managing Director.

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 and 203 and all other applicable provisions of the

Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals, permissions and sanctions, as may be required, approval of the Company be and is hereby accorded to the re-appointment of Mr. Atil C. Parikh (DIN 00041712) as CEO & Managing Director under the Companies Act, 2013, for a further period of five years and payment of remuneration for the term of three years w.e.f. 01st April, 2025, whose office shall be liable to retire by rotation, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions more particularly set out in the Agreement to be entered into with him, detailing interalia the pattern of remuneration and Commission payable to him, in accordance with the requirements of the Section 197, Schedule V of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT pursuant to Section 197(3) of the Act read with Schedule V and other applicable provisions of the Companies Act, 2013, as amended and subject to such approvals as may be necessary, in absence or inadequacy of the Profit, he will be paid the said remuneration as minimum remuneration, within the ceiling limit in compliance of provisions of Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

7. Revision in remuneration of Mrs. Sejal R. Parikh (DIN: 00140489), Whole-time Director.

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

"RESOLVED THAT in partial modification of the special resolution passed at the 36th Annual General Meeting held on 10.08.2023 for the appointment and payment of remuneration to Mrs. Sejal R. Parikh, Whole-time Director (DIN: 00140489), and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act, including any statutory modification(s) or re-enactment thereof, Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other permissions, sanction(s) as may be required, the consent of the Members of the Company be and is hereby accorded for revision in the remuneration of Mrs. Sejal R. Parikh with effect from 1st April, 2024 till the remaining period of her present term as a Whole time Director on the terms and conditions as detailed in the explanatory statement.

RESOLVED FURTHER THAT pursuant to Section 197(3) of the Act read with Schedule V and other applicable provisions of the Companies Act, 2013, as amended and subject to such approvals as may be necessary, in the absence or inadequacy of the Profit, she will be paid the said remuneration as minimum remuneration in compliance of provisions of Companies Act including any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

8. To approve increase in remuneration of Mrs. Purvi A. Parikh, holding Office or Place of Profit in the Company:

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

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), consent of the members be and is hereby accorded to increase the remuneration for the year 2024-25 to Mrs. Purvi A. Parikh, Senior Executive (Accounts), relative of CEO & Managing Director of the Company on the terms and conditions as detailed in the explanatory statement.

RESOLVED FURTHER THAT the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Mrs. Purvi A. Parikh the remuneration payable to her, without further approval of Members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution."

9. **To re-appoint Mr. Jaideep B Verma (DIN: 00323385) as an Independent Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Jaideep B. Verma (DIN:00323385), who was appointed as a Non-executive Independent Director of the Company for a term of five consecutive years being eligible for re-appointment and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term upto 27.05.2029.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

10. **To appoint Mr. Dukhabandhu Rath (DIN: 08965826) 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), Mr. Dukhabandhu Rath (DIN: 08965826), who was appointed as an Additional Director (category as an Independent Director) w.e.f. 17th May, 2024 and who holds office as an Additional Director upto the date of ensuing General Meeting or upto three months from the date of his appointment, whichever is earlier, 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, being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a first term of 5 (five) consecutive years on the Board of the Company i.e. upto 16.05.2029."

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors
For 20 Microns Limited

Komal Pandey
Company Secretary &
Compliance Officer
Membership # A - 37092

Place: Waghodia,Vadodara
Date: 17th May, 2024

Registered Office:
9-10, GIDC Industrial Estate, WAGHODIA, Dist.:Vadodara, 391760, Gujarat, India

Notes:

1. In view of and pursuant to the Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs and all other relevant circulars issued from time to time, Ministry of Corporate Affairs have extended relaxation to companies to conduct their AGM on or before 30.09.2024, in accordance with the requirements laid down in para 3 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 the procedure mentioned in the Notice hereafter. 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 at venue voting on the date of the AGM will be provided by NSDL..

8. In view of above MCA Circulars, SEBI vide its circular dated 7th October, 2023 also relaxed from the requirement of sending hard copy of annual report to shareholders who have not registered their email address. In compliance of the same 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 and all other relevant circulars issued from time to time, 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 Saturday, the 13th July, 2024 to Friday, the 19th July, 2024 (both days inclusive) for the purpose of AGM. The record and cut-off Date for the purposes shall be 12th July, 2024.

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 12th July, 2024 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. upto the conclusion of this meeting.

12. SEBI vide its circular dated 31st July, 2023, introduced an Online Dispute Resolution Portal (ODR Portal) for resolving disputes of the investors in the Indian Securities Market. The ODR Portal integrates time bound online conciliation and arbitration methods to facilitate dispute resolution effectively. Investors are encouraged to initially address their concerns with market participants and may escalate to the Company through the SEBI SCORES guidelines, if not

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%	22.12.2024
2017-18 [Final]	19.09.2018	7%	19.10.2025
2019-20	30.03.2020	12%	29.04.2027
2022-23	10.08.2023	15%	09.09.2030

satisfied with the resolution provided earlier. If they remain unsatisfied with the resolutions exhausting all options, they have the opportunity to seek resolution through the ODR Portal. The ODR Portal is available only when complaint is not under consideration with market participants or the Company or pending before the judicial or quasi-judicial body. Such circular is available on the website of the BSE & NSE and the Company for reference.write to the Company immediately for claiming dividends declared by the Company.

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

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. The details of unclaimed dividends are also available on the Company's website at https://www.20microns.com/unpaid-dividend-deposit. Such shareholders are requested to claim their shares and unclaimed / unpaid dividend immediately..

15. SEBI, vide circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16.03.2023 (now rescinded due to issuance of Master Circular for Registrars to an Issue and Share Transfer Agents dated 17.05.2023) had simplified norms for processing investor's service request by RTAs and for furnishing PAN, KYC details and Nomination

    Based on representations received from the Registrars' Association of India, feedback from investors, and to mitigate unintended challenges on account of freezing of folios and referring frozen folios to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, para 19.2 of the Master Circular for Registrars to an Issue and Share Transfer Agents dated 17.05.2023 has been amended by SEBI as follows

    1. Reference to the term 'freezing/ frozen' has been deleted.

    2 Referral of folios by the RTA/listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, has been done away with.

    Henceforth, folio without PAN, KYC details and nomination

    1. will not be frozen

    2. will not be referred to administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/ or Prevention of Money Laundering Act, 2002.

    However, in Folios without PAN, KYC details and Nomination i,e wherein any one of the cited document/details are not available.

    1. The share holder(s) of such folio(s) shall be eligible to lodge grievance or avail any service request from the RTA on or after 01.01.2024 only upon completely complying with the requirements of furnishing PAN, KYC details and Nomination

    2. SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023, November 17, 2023 and June 10, 2024) mandated that the security holders (holding securities in physical form), whose folios) do not have PAN or Contact Details (Postal Address with PIN) or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024

16. 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. 12th July, 2024 only shall be entitled to avail the facility of remote e-voting or voting at the Meeting.

17. 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.

18. 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 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 along with BSE & NSE of the Company.

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

The remote e-voting period begins on Tuesday, 16th July, 2024 at 10:00 A.M. and ends on Thursday, 18th July, 2024 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. 12th July, 2024, 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 12th July, 2024.

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	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. vookAfter 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. 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 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. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 

Individual Shareholders holding securities in demat mode with CDSL	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. 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. 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. 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.com 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?

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, 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.

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******.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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***

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

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.

How to retrieve your 'initial password'?

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'.

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

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

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.

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

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

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

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

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

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.com. 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 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.com

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.com for procuring user id and password for e-voting by providing above mentioned documents.

4. 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.

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. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least (3) three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at co_secretary@20microns.com.

6. 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
For 20 Microns Limited

Komal Pandey
Company Secretary &
Compliance Officer
ACS: A37092

Place: Waghodia,Vadodara
Date: 17th May, 2024

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

Item No. 4

Pursuant to section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors of the Company, based on the recommendations of Audit Committee, approved the reappointment of M/s. Y.S. Thakar & Co., Cost Accountants as Cost Auditors to conduct audit of cost records of the company for the Financial Year 2024-25 at fixed remuneration of ₹90,000/- (Rupees Ninety Thousand only) plus Govt. Levies/Taxes as applicable and out of pocket expenses at actual. 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 ordinary resolution as set out in the Notice.

None of the Directors/Key Managerial Personnel of the Company/ their relatives, in any way, concerned or interested, financially or otherwise in the proposed resolution.

Item Nos. 5 & 6

It is informed that Mr. Rajesh C. Parikh and Mr. Atil C. Parikh were re-appointed for a period of 3 years effective from 1st April, 2022 as the Chairman & Managing Director and Chief Executive Officer & Managing Director of the Company respectively by the shareholders of the Company by way of passing separate special resolutions at the Annual General Meeting held on 28.09.2021. The term of their respective offices therefore would expire on 31st March, 2025.

Looking to the responsibilities undertaken and contributions made by the aforesaid Directors viz., Mr. Rajesh C. Parikh, Chairman & Managing Director & Mr. Atil C. Parikh, CEO & Managing Director in development & growth of the Company and keeping pace with the present scenario and trends of further enhanced and improved qualities of Management in a totality viz. business acumen, ongoing innovative vision to grow, sagacity, practical wisdom and such other qualities which they developed during the tenure of their respective offices, as recommended by Nomination and Remuneration Committee and approved by Audit Committee, the Board of Directors at their meeting held on 17.05.2024 re-appointed the said Directors, subject to the approval of the Shareholders, viz. Mr. Rajesh C. Parikh as the Chairman & Managing Director and Mr. Atil C. Parikh as the CEO & Managing Director, for a further period of 5 [five] years and payment of remuneration for the term of three years commencing from 01st April, 2025 on the following terms and conditions as stated below and further outlined in agreement to be executed with the Executive Directors.

Necessary Agreements for re-appointments of the above Directors will be executed after approval of the shareholders.

Both the aforementioned Directors have also confirmed that they are not debarred from holding the office of Director by virtue of any SEBI Order or any such authority. Mr. Rajesh C. Parikh and Mr. Atil C. Parikh have given their consent to act as the Chairman & Managing Director and as the CEO & Managing Director respectively subject to the approval of the Members. Both the Directors satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for their re-appointment. In terms of Section 164 of the Act, they are not disqualified from being re-appointed as a Director.

The re-appointments of the above Directors are completely in accordance with the norms laid down in Schedule V to the Companies Act, 2013. However, as per Part II of Section II of the Schedule V, approval of the shareholders would be necessary for such re-appointments.

The accompanying notice together with Explanatory Statement is to be treated as an abstract of the terms and memorandum of interest as required under the Companies Act, 2013.

A combined statement containing therein information as required under Schedule V of the Companies Act, 2013 including abstract of the terms of remuneration is reproduced hereunder.

Your Directors recommend the special resolutions at Item Nos. 5 & 6 for your approval and acceptance.

Except, Mr. Rajesh C. Parikh, Mr. Atil C. Parikh and Mrs. Sejal R. Parikh along with their relatives, none of the other Directors and Key Managerial Personnel and their relatives are concerned or interested in passing the aforementioned special resolutions.

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**: Not applicable as the company has already undertaken commercial activities long back.

3. I**n case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**: Not applicable

3. **Financial performance:**

(₹ In Lacs)

Financial Parameters	31.03.2024	31.03.2023	31.03.2022
Turnover (Gross)	**67,245.00**	59,780.35	51,712.50
Profit before Depreciation, Interest & Tax [PBDITA]	**9,385.47**	7,526.77	7,188.16
Net Profit for the year	**5,015.29**	3,615.22	3,086.95

4. **Foreign investments or collaboration: T**he Company has three Subsidiaries outside India viz. 20 Microns SDN. BHD. (Malaysia); 20 Microns FZE (Sharjah) and 20 Microns Vietnam Company Limited (Vietnam).

   The Company has one Associate viz. Dorfner-20 Microns Private Limited.

   During the year, the Company has entered into Joint Venture Agreement with Sievert Baustoffe Auslandsbeteiligungen GmbH, a German base company for the purpose of establishing a Joint Venture Company (limited by shares) in India for manufacturing of Construction Chemicals and Building Material related products.

II. INFORMATION ABOUT THE APPOINTEES:

1. Background details and Past Remuneration:

Mr. Rajesh C. Parikh designated as the Chairman & Managing Director of the Company, reports to the Board and looks after Production, Sales, Purchase matter and such other matters as may be assigned by the Board from time to time.

Mr. Atil C. Parikh designated as the CEO & Managing Director of the Company, reports to the Chairman & Managing Director and looks after Marketing, Technical matters, Finance, HR, Legal & Secretarial matters and such other matters as may be assigned by the Chairman & Managing Director from time to time

2. Job profile and his suitability:

Mr. Rajesh C. Parikh holds First Class Degree in Mechanical Engineering besides, Master in Business Administration. He started his career as a Trainee Engineer in Jyoti Limited for about 8 months and thereafter was associated with the Company and held, on a part time basis, few assignments for a new project to establish for China Clay. At the young age of 27, he joined the Board and was incharge of Technical Operations and Marketing of the products of the Company. His exposure to consumer industry brought in him insight for business and industry later he started taking keen interest in Administration too.

Mr. Atil C. Parikh holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, The Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he rejoined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization.

The Directors have on-going innovative vision and farsightedness, with imbibed business acumen and developed other qualities of Management which could not only lead them to greater heights, but have the expertise to place the Company on the Globe on a sound footing front, YoY.

3. Award/ Recognition Received

No awards/recognition has been received during the year.

4. Remuneration proposed:

Abstracts of terms of Managerial Remuneration payable to the Directors are given in the subsequent paras.

5. 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 Directors, the responsibilities shouldered by them the proposed remuneration are in consonance with the remuneration packages being paid to managerial personnel working in the similar position in the industry.

6. **Pecuniary relationship directly or indirectly with the company or relationship with the Managerial Personnel, if any**

Both the Directors have pecuniary transactions in the company to the extent of their shareholding in the Company, their offices held as Managing Directors and other transactions covered in notes to accounts.

III. OTHER INFORMATION:

Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

During the FY24 the profit of the Company has increased by 38.72% and the Company has on-going process of reducing expenses wherever possible which consequentially leads to increase in profitability.

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.

ABSTRACTS OF THE TERMS OF MANAGERIAL REMUNERATION PAYABLE TO THE MANAGERIAL PERSONNEL

1. **MR. RAJESH C. PARIKH**

a. **Salary:**

Salary plus allowances with different breakup to be payable monthly /yearly basis within overall limit of yearly package not exceeding of ₹285.96 Lakhs for a period of 3 years.

b. **Perquisites:**

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

(i) 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 payable at a rate not exceeding half month's salary for each completed year of service.

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

c. He may be entitled to other perquisites/ benefits as may be available to senior executives of the Company.

d. He will be entitled for annual increment at the rate not exceeding 30% on the gross salary as may be recommended by Nomination and Remuneration Committee and as may be approved by Board of Directors.

e. He shall not be liable to retire by rotation.

2. **MR. ATIL C. PARIKH**

a. **Salary:**

Salary plus allowances with different breakup to be payable monthly /yearly basis within overall limit of yearly package not exceeding of ₹233.08 Lakhs for a period of 3 years.

b. **Perquisites:**

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

(i) 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 payable at a rate not exceeding half month's salary for each completed year of service.

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

c. He may be entitled to other perquisites/ benefits as may be available to senior executives of the Company.

d. He will be entitled for annual increment at the rate not exceeding 30% on the gross salary as may be recommended by Nomination and Remuneration Committee and as may be approved by Board of Directors.

e. He shall be liable to retire by rotation.

Subject to the overall ceiling laid down in Section 197 read with Schedule V of the Companies Act, 2013, they would 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.

If the tenure of their respective offices is determined by any reason whatsoever before the expiration of his term of office, they shall be entitled to compensation for loss of office in accordance with the applicable provisions of the Companies Act, 2013. The said appointments as such may be terminated by giving 90 [ninety] days of notice on either side or equivalent payment of salary in lieu thereof.

Item No. 7

Mrs. Sejal R Parikh was appointed for a period of 3 years effective from 1st April, 2023 as the Whole Time Director of the Company and her appointment and payment of remuneration was approved by the shareholders of the Company by way of passing special resolution at the 36th Annual General Meeting held on 10.08.2023.

Considering the outstanding responsibilities undertaken and contributions made by the aforesaid Whole Time Director in development of the Company and on account of trends of improved qualities of Management viz. business acumen, sagacity, practical wisdom and such other qualities which she developed during the tenure of her office, Nomination and Remuneration Committee at its meeting held on 15th May, 2024 recommended the revision in remuneration payable to Whole-time Director and the same has been approved by Audit Committee and the Board of Directors of the Company at their respective meetings held on 17th May, 2024 as mentioned here in below till her remaining tenure of present term as a Whole time Director.

As stipulated in Section 198(3) of the Companies Act, 2013 read with Schedule V, she would receive the said remuneration as minimum remuneration in absence or inadequacy of profits.

The proposed remuneration will be in compliance with Regulation 17(1) (e) of SEBI (LODR) Regulations, 2015.

A combined statement containing therein information as required under Schedule V of the Companies Act, 2013 including abstract of the terms of remuneration is reproduced hereunder.

Your Directors recommend the special resolution for your approval and acceptance.

Mr. Rajesh C. Parikh, Mr. Atil C. Parikh and Mrs. Sejal R. Parikh, Directors along with their relatives are deemed to be interested in the resolution. Except them none of the other Directors and Key Managerial Personnel and their relatives are concerned or interested in passing the special resolution at item 7 above.

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:** Not applicable as the company has already undertaken commercial activities long back
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
4. **Financial performance:**

(₹ In Lacs)

Financial Parameters	31.03.2024	31.03.2023	31.03.2022
Turnover (Gross)	**67,245.00**	59,780.35	5,1712.50
Profit before Depreciation, Interest & Tax [PBDITA]	**9385.47**	7,526.77	7,188.16
Net Profit for the year	**5015.29**	3615.22	3,086.95

5. **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).

The Company has one Associate viz. Dorfner-20 Microns Private Limited.

During the year, the Company has entered into Joint Venture Agreement with Sievert Baustoffe Auslandsbeteiligungen GmbH, a Germany company for the purpose of establishing a Joint Venture Company (limited by shares) in India for manufacturing of Construction Chemicals and Building Material related products.

IV. INFORMATION ABOUT THE APPOINTEES:

1. Background details and Past Remuneration:

Mrs. Sejal R Parikh designated as the Whole Time Director of the Company, reports to the Chairman and Managing Director and looks after Marketing, Technical and Administrative and such other matters as may be assigned by the Chairman and Managing Director from time to time. She was drawing the remuneration approved by the shareholders in the 36th Annual General Meeting.

2. Job profile and her suitability:

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. Before being appointed as a Whole time Director she was associated as a Non-Executive Director of the Company w.e.f. 04th May, 2017 and was monitoring social activities which are being carried out by 20 Microns Foundation.

3. Remuneration proposed:

Abstracts of terms of Managerial Remuneration payable to the Director is given in the subsequent paras.

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 profile of Director, the responsibilities shouldered by her and the proposed remuneration is in consonance 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

She has pecuniary transactions in the company to the extent of her office held as Whole time Director and other transactions covered in notes to accounts.

V. OTHER INFORMATION:

Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

During the FY24 the profit of the Company has increased by 38.72% and the Company has on-going process of reducing expenses wherever required which consequentially leads to increase in profitability.

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.

ABSTRACTS OF THE TERMS OF MANAGERIAL REMUNERATION PAYABLE TO THE MANAGERIAL PERSONNEL

MRS. SEJAL R. PARIKH

a. **Salary:**

Salary plus allowances with different breakup to be payable monthly /yearly basis within overall limit of yearly package not exceeding of ₹ 44.84 Lakhs.

b. **Perquisites:**

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

(i) 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 payable at a rate not exceeding half month's salary for each completed year of service.

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

c. She may be entitled to other perquisites/ benefits as may be available to senior executives of the Company.

d. She will be entitled for annual increment at the rate not exceeding 30% on the gross salary as may be recommended by Nomination and Remuneration Committee and as may be approved by Board of Directors.

e. She shall be liable to retire by rotation.

Subject to the overall ceiling laid down in Section 197 read with Schedule V of the Companies Act, 2013, she would 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.

If the tenure of her office is determined by any reason whatsoever before the expiration of her term of office, she shall be entitled to compensation for loss of office in accordance with the applicable provisions of the Companies Act, 2013. The said appointment as such may be terminated by giving 90 [ninety] days of notice on either side or equivalent payment of salary in lieu thereof.

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.

Item No.8

Pursuant to recommendation of the Nomination and Remuneration Committee, Audit committee, provisions of Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force) and considering the increased responsibility and her aptitude, the board of directors of the company at its Meeting held on May 17, 2024 have accorded its consent for increment in remuneration payable to Mrs. Purvi Parikh [Designation: Senior Executive (Accounts)] (relative of Mr. Atil Parikh, CEO & Managing Director) from the year 2024-25 subject approval of members in ensuing annual general meeting on the terms and conditions as mentioned below:

Remuneration:

a. Gross Salary not exceeding ₹43.56 Lakhs and with suitable breakup as decided by the Managing Directors.

b. She will be entitled for annual increment at the rate not exceeding 30% as may be recommended by Nomination and Remuneration Committee and as may be approved by Board of Directors.

c. She will also be entitled for perquisites/ benefits as per policy of the Company.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 disclosures on Related Party Transaction Approval:

(i) Name of the related parties with the name of Director or Key Managerial Personnel who is related, if any and Nature of relationship:

Name of Related Parties	Name of Interested Director or KMP	Nature of relationship
Mrs. Purvi A Parikh	Mr. Atil C Parikh (CEO & Managing Director (DIN:00041712)	Mrs. Purvi A Parikh is the wife of Mr. Atil C Parikh, CEO & Managing Director of the Company.

(ii) Nature, material terms, monetary value and particulars of the contract or arrangement:

Nature	Material Terms	Monetary Value	Particulars of the contract or arrangement
Remuneration	As per Human Resource policy of the Company	As mentioned above	Her appointment is governed as per the HR policy of the Company

Any other information relevant or important for the members to take a decision on the proposed resolution:

Pursuant to provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and rules notified there under the Company is required to obtain consent of the Members by passing ordinary resolution, in case if certain transactions with related parties exceeds prescribed amount as specified in Rules. Payment of Remuneration to Mrs. Purvi A. Parikh exceeds prescribed amount as specified in Rules. As the value of transactions exceeds the limit prescribed under the provisions of the Companies Act, 2013 approval of the members by way of an ordinary resolution is sought.

Interested Shareholders would not be eligible to vote on the said resolution in term of Section 188 of the Companies Act, 2013. The Board recommends the Ordinary Resolution set out in Item No. 8 of the Notice for approval of the Members.

Mr. Rajesh C. Parikh, Mr. Atil C. Parikh and Mrs. Sejal R. Parikh, Directors along with their relatives are deemed to be interested in the resolution. Except them none of the other Directors and Key Managerial Personnel and their relatives are concerned or interested in passing the resolution.

Item No. 9

This resolution pertains to proposal of appointment of Mr. Jaideep Verma (DIN: 00323385) for second and final term as an Independent Director.

The Nomination and Remuneration Committee of the Board of Directors on the basis of the report of performance evaluation of Independent Director, has recommended his reappointment as an Independent Director for a second term on the Board of the Company.

The Board, based on the performance evaluation of Independent Director and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Verma would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Jaideep Verma, as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term on the Board of the Company upto 27.05.2029.

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

Mr. Jaideep Verma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given his consent to act as Director. The Company has also received declarations that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Jaideep Verma fulfils the conditions for reappointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Verma is independent of the management. In terms of Regulation 25(8) of the SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority.

Copy of draft letter of appointment of Mr. Jaideep Verma, setting out the terms and conditions of appointment shall be available for inspection by the members at the Registered Office of the Company between 11:00 am to 4:00 pm on all working days (Monday to Friday) except Saturday & Sunday upto the date of Annual General Meeting.

Except Mr. Jaideep Verma being appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out in the Notice for approval by the members.

Item No. 10

The Board of Directors at its Meeting held on 17th May, 2024, based on the recommendation of the Nomination & Remuneration Committee approved the appointment of Mr. Dukhabandhu Rath as an Additional Director (Categorized as an Independent Director) subject to the approval of members in the ensuing General Meeting for a term of 5 years upto 16th May, 2029.

Brief profile Dukhabandhu Rath is as under:

Mr. Dukhabandhu Rath, the Independent Director, is a senior Top Executive Banker and former Chief General Manager of SBI. He headed SBI operations of Gujarat and Union Territories. With nearly four decades of dedicated service in the Indian Banking Industry, including 36 years at SBI, he carries an extensive skill set encompassing SME and Corporate Credit, Retail Credit, Branch Operations, Customer Service, Risk Management, Audit & Compliance, Digitization & IT, Strategic Planning & Budgeting, Human Resources Management and Resources Mobilization. His career began in 1984 as a Probationary Officer (Scale I) at SBI, following prior roles in two other esteemed Public Sector Banks. He also served as Managing Director of Gujarat Venture Finance. He is a certified Corporate Director from the Institute of Directors, India. He is a certifi¬ed Associate of the Indian Institute of Banking and Finance. He was recognized for his exceptional leadership and outstanding performance across a diverse range of responsibilities.

The Company has received from him requisite consent, intimation and 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. The Company has also received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company.

In the opinion of the Board, he fulfills the conditions of Independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the promoters and Management of the Company. In terms of Regulation 25(8) of the SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority.

Pursuant to the provisions of Section 149 and other applicable provisions if any of Companies Act, 2013 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approval of members by way of Special resolution is required for appointment of Independent Director.

The Board is of opinion that considering his experience and acumen the appointment as such shall be in the interest of the Company and hence, decided to recommend the same for approval of the shareholders.

Copy of draft letter of appointment for Independent Director, setting out the terms and conditions of appointment shall be available for inspection by the members at the Registered Office of the Company between 11:00 am to 4:00 pm on all working days (Monday to Friday) except Saturday & Sunday upto the date of Annual General Meeting.

Except Mr. Dukhbandhu Rath, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out in the Notice for approval by the members.

By Order of the Board of Directors
For 20 Microns Limited

Komal Pandey
Company Secretary &
Compliance Officer
ACS: A37092

Place: Waghodia,Vadodara
Date: 17th May, 2024

Registered Office:

9-10, GIDC Industrial Estate, WAGHODIA, Dist.: Vadodara, 391760, Gujarat, India

ANNEXURE TO ITEMS NO. 3, 5, 6, 9 & 10 OF THE NOTICE

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

Name of Director	Mrs Sejal Parikh	Mr. Rajesh Parikh	Mr Atil Parikh	Mr. Jaideep Verma	Mr. Dukhabandhu Rath
DIN	00140489	00041610	00041712	00323385	08965826
Date of Birth	27/03/1973	28/12/1971	04/09/1977	02/11/1967	27/11/1960
Date of Appointment	04/05/2017	02/07/1998	29/01/2009	28/05/2019	17/05/2024
Qualification	B.E. [Production] & PGDBA	B.E. [Mech.] & MBA [Finance]	Bachelor in Chemical Engineering & MBA (Finance)	BSL & LL.B.	Graduated in Political Science and Economics
Brief Resume and Nature of expertise in specific functional areas	Manufacturing & Marketing of Products and CSR activities	Operations, Marketing & Business Development	Finance, Marketing, Secretarial and Legal, HR & Operations	Pan Gujarat Practice in District Courts, Revenue Courts, Consumer Courts, Judicial and quasi-judicial authorities, Documentation and Title Clearance work	Banking & Financial matters
Names of listed entities in which the person also holds the directorship	20 Microns Limited	20 Microns Limited	20 Microns Limited	20 Microns Limited	1. 20 Microns Limited 2. SG Finserve Ltd 3. KP Energy Ltd 4. SG Mart Ltd
Name of the listed entities in which the person holds membership of Committees of the board	–	1. 20 Microns Ltd.:– a. Audit Committee b. Statekholder Relationship & Share Transfer Committee	1. 20 Microns Limited:- Stakeholder Relationship & Share Transfer Committee	–	1. S. G Finserve Limited:-Audit Committee & Stakeholder Relationship & Share Transfer committee 2. Armee Infotech Limited Audit Committee & Stakeholders Relationship & Share Transfer Committee
Name of listed entities from which the person has resigned in the past three years	NIL	NIL	NIL	NIL	NIL
List of other Directorships	1. 20 MCC Private Limited	1. 20 Microns Nano Minerals Limited 2. 20 MCC Pvt. Ltd. 3. Eriez Industries Pvt. Ltd.	1. 20 Microns Nano Minerals Ltd. 2. 20 MCC Pvt. Ltd. 3. Eriez Industries Pvt. Ltd. 4. Dorfner-20 Microns Pvt. Ltd.	NIL	1. Falcon Marine Exports Limited 2. Shiva Pharmachem Limited 3. Armee Infotech Limited
Terms and conditions of re-appointment	As detailed in the respective resolutions and explanatory statement				
Disclosure of relationship between Director Inter-se	Mr. Rajesh C. Parikh – Chairman & Managing Director - Spouse	Mr. Atil C. Parikh – Brother & Mrs. Sejal Parikh – Spouse	Mr. Rajesh C. Parikh, Chairman & Managing Director - Brother	NA	NA
Remuneration last drawn	As mentioned in respective resolutions			NA	NA
Remuneration proposed to be paid				NA	NA
Shareholding in the Company	Nil	20,26,636	20,21,661	NIL	NIL
No. of Board Meetings attended during FY 2023-24	5	5	5	5	NA
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	As mentioned in respective resolutions				

[*] = Audit Committee & Stakeholder Relationship Committee of Directors only considered.

Board's Report

Dear Members,

The Directors have pleasure to present their 37th Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended March 31, 2024.

Financial Results

The Company's standalone and consolidated financial performance for the year ended March 31, 2024 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operation	67245.00	59780.35	77749.29	70168.72
Other Income	809.90	661.40	406.51	293.38
Total Income	**68054.91**	**60441.74**	**78155.80**	**70462.10**
Profit before Depreciation, other income , Interest and Tax (PBDIT)	8575.57	6865.36	10513.41	8573.61
Interest for the year	1252.17	1499.73	1646.21	1776.32
Depreciation for the year	1158.88	1163.19	1434.93	1380.45
Profit/(Loss) before tax and Exceptional items	6974.42	4863.85	7838.78	5710.22
Exceptional items	155.56	-	155.56	-
Profit/(loss) for the year	**6818.85**	**4863.85**	7683.22	5710.22
Add: Share of net profit/(loss) of equity accounted investee	-	-	15.26	9.02
Tax liability :-				
Current Tax	1750.26	1285.13	2012.48	1584.55
Deferred Tax	53.30	(36.51)	69.98	(61.48)
Prior period Tax	-	-	-	-
Net Profit/(Loss) for the year	**5015.29**	**3615.23**	**5616.03**	**4196.17**

Dividend:

Your Directors have pleasure to recommend a dividend @ 25% i.e. ₹1.25/- on equity share of ₹5/- each for the financial year ended March 31, 2024. The dividend, if approved by the members in the ensuing Annual General Meeting, would absorb ₹441.08 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/corporate-governance-policies-codes**

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 -

- Total Income for the FY24 was ₹68054.91 Lakhs as against ₹60441.74 Lakhs in FY23. The income is increased by 12.6% YOY.
- For FY24 EBIDTA was at ₹8575.57 Lakhs compared to ₹6865.36 Lakhs in FY23
- The PAT for FY24 stood at ₹5015.29 Lakhs compare to ₹3615.23 Lakhs in FY23.
- Company's debt-equity ratio remains same as 0.30 in 2024 and in 2023. While Net debt-equity ratio came to 0.18 in FY24 from 0.23 in FY23
- Net Worth of the Company is increased to ₹32327.67 Lakhs as on March 31, 2024 as compared to ₹26959.49 Lakhs as on March 31, 2023.

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 31.03.2024 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 Discussions & Analysis

As required by Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Report on Corporate Governance is given as a part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The 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 Discussions and Analysis forms an integral part of this report and also covers the consolidated operations and nature of our business.

Fixed Deposits

The Company accepts deposits only from the shareholders of the company pursuant to the provisions of Companies Act, 2013 and Rules made thereunder.

As on 31.03.2024, outstanding Unsecured Fixed Deposits from Shareholders was ₹2661.28 Lakhs. Deposits amounting to ₹1761.59 Lakhs are due for repayment on or before 31.03.2025.

Details		
Amount of deposit renewed during the year		₹1463.47 Lakhs
Remained unpaid / unclaimed as at the end of the year		Nil
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**.

During the year, the Company has entered into Joint Venture Agreement with Sievert Baustoffe Auslandsbeteiligungen GmbH, a Germany company for the purpose of establishing a Joint Venture Company (limited by shares) in India for manufacturing of Construction Chemicals and Building Material related products.

Further, pursuant to the provisions of Section 136 of the Act, the Standalone & Consolidated Financial Statements of the Company and separate audited financial statements along with other relevant documents, in respect of subsidiaries and associate, are available on the website of the Company at 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 in AGM.

Performance Highlights of Subsidiaries

As on 31.03.2024, the Company had 5 [Five] Subsidiaries viz. 20 Microns Nano Minerals Limited [20 M NANO]; 20 Microns SDN. BHD [20MSB], 20 Microns FZE [20MFZE], 20 Microns Vietnam Company Ltd [20M Vietnam], 20 MCC Private Limited [20MCC], and 1 [one] Associate Company viz., Dorfner-20 Microns Private Limited [D20MPL]. During the year under review, the financial highlights of the above Subsidiaries and Associate are as under:

(₹ in Lakhs)

Name of Subsidiaries/ Associate	Revenue of FY24	Profit of FY24
20 M NANO	9213.86	324.40
20 MSB	227.68	(35.03)
20 M FZE	428.70	30.02
20M VIETNAM	963.65	309.44
20MCC	585.87	38.44
D20MPL	331.56	33.92

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

During the FY24, no company ceased as subsidiary or associate or joint venture of the company, except the step down subsidiary viz. Silicate Minerals [India] Private Limited, which got amalgamated with Company’s one of the subsidiaries – 20 Microns Nano Minerals Limited and certified copy of the Order passed by the Hon’ble NCLT at Ahmedabad was received during FY24 i.e. on 09.06.2023. For further analysis on the consolidated performance, attention is invited to the notes to the consolidated financial statements.

Particulars of Employees

The information as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure B** which forms part of this report. Pursuant to Section 197(14) of the Act, the details of remuneration received by the Managing Directors from the subsidiary company during FY 2023-24 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 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 the Act. All related party transactions are reported to the Audit Committee. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are planned and/or repetitive in nature.

Policy for determining material related party is available at link **https://www.20microns.com/corporate-governance-policies-codes**

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 2023-24 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/annual-returns**

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

Information as per Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in **Annexure - 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 and same can be accessed at web-link **https://www.20microns.com/corporate-governance-policies-codes**.

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.

ANNUAL ACTIVITIES BY 20MICRONS FOUNDATION DIABETES CENTER DURING FY24.

We have 219 Juvenile patients registered with us. Compared to previous year, Total 31 patients (Boys 19 + Girls 12) 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.

On 23rd April 2023, camp was organized at Tanakhla, Ambamata Mandir. Total 213 patients were checked for Diabetes.

On 3rd September 2023, we have organized an Eye checkup camp for all Type 1 patients registered with us at no cost. Approximately more than 57 patients visited the facility of Dr. Anal Shah, at Global Hospital, Manjalpur, Vadodara.

A yoga camp was organized on 24th September 2023. Total 38 patients attended Diabetes Yoga Camp at Avichal Garden, Diwalipura, Vadodara.

On 1st October 2023, A 20Microns Foundation delegation of total 6 persons (Mr. Anand Honwadkar + 5 Type 1 patients) was invited by M/s. Dia Con Foundation, Ahmedabad, organized by Dr. Bansi Sabu in the event of distribution of AWARD on account of giving best services to Type 1 child and parents in the state of Gujarat. Mr. Anand Honwadkar received the award from Ms.Mallika Sarabhai, Ms. Manjula Pooja Shroff & Ms. Ruzan Khambatta on behalf of 20Microns Foundation.

On 3rd December 2023, on the day of WORLD DIABETES DAY, we have arranged a function at M.S. University, Social Faculty Hall. More than 200 patients including parents attended the function and expert doctors Dr. Mudrik Patel given a speech to all in connection with the latest researches done by WORLD DIABETES ASSOCIATION, UK. Dr. Swati Dhruv from M. S. University, Department of Food & Nutrition also given a guideline for parents to arrange food for Type 1 Diabetic Patients.

On 7th January 2024, 20Microns Foundation participated in VADODARA MARATHON. Total 87 persons including Type 1 patients & Parents run in the FUN RUN event of 5 Kilometers.

On 30th January 2024, we have visited Maharshi School, Karodiya, Undera, Vadodara. We have checked 100 students of different standard classes. On the same day, we have visited Vithal Vidyalay, Near Genda Circle, Race course. We have checked 130 students of different standard classes. We have not found any TYPE 1 Student.

On 31st January, 2024, we have visited Om School, Vadsar, Vadodara. We have checked 93 students of different standards and have not found any TYPE 1 student.

On 2nd February 2024, executed a camp for checkup of Diabetes at village Chalamali near Kosindra, Gujarat. Total 295 patients were checked for diabetes and found approximately 55 people found having diabetes. Our appointed doctor had given medicine to 55 people for 15 days FREE OF COST and asked them to meet doctor and take further advice.

On 23rd February 2024, Camp is completed at Village Makani, Near Sankheda, Gujarat. Total 355 patients visited the camp for diabetes checkup. Approximately 62 patients were found having diabetes and were given medicine for 15 days FREE OFF COST.

Impact of giving a FREE medicine to the diabetic patients of interior villages, need to be verified. On the basis of the same, decision shall be taken for continuation of the same or not.

It is also under the process that now we shall start again visit the location (Second Time) to visualize the effect of previous camp what sort of changes or improvement is required to be done.

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 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/corporate-governance-policies-codes**.

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 year under review, the HR Dept. had conducted training for awareness on the subject – PoSH, amongst the employees of the Company

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/corporate-governance-policies-codes**

Industrial Relations

Industrial relations, during the year, remained co-cordial, 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 applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Particulars of Loan, Guarantees or Investments

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

Selection and Procedure for Nomination and Appointment of Directors

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects 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 obligation 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 Regulations and Obligations 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 was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

Remuneration Policy

Pursuant to the provisions of Section 178(3) of the Act and Regulation 19 of the Listing Regulations, 2015, the NRC has formulated a policy relating to the remuneration for the 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/corporate-governance-policies-codes.**

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 Act, the Non-Executive Directors including Independent Directors were also paid a commission, the amount whereof was recommended by the NRC and approved by the Board during FY 2023-24.

The basis of determining the specific amount of commission payable to a 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) board meetings during FY 2023-24. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations, 2015.

Directors and Key Managerial Personnel

The term of Managing Directors namely Mr. Rajesh C. Parikh and Mr. Atil C. Parikh is ending on 31st March, 2025. Hence, their reappointment for the further period of 5 (five) years and payment of remuneration for term of 3 (three) years w.e.f. 1st April, 2025 is proposed at the ensuing Annual General Meeting. Further, appointment of Mr. Jaideep Verma as an independent Director is proposed for 2nd term at the ensuing Annual General Meeting.

In accordance with the Articles of Association of the Company, Mrs. Sejal R. Parikh [DIN # 00140489], Whole-time Director, retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends her re-appointment. The board has approved the revision in remuneration w.e.f 01-04-2024 to Mrs. Sejal R Parikh, Whole-time Director and the same will be subject to approval of shareholders in the ensuing Annual General Meeting.

The Board of Directors at its meeting held on 17th May, 2024, upon recommendations of Nomination and Remuneration Committee, has appointed Mr. Dukhabandhu Rath (DIN: 08965826) as an Additional Director (Category-Independent) and his term of office will conclude at the ensuing Annual General Meeting and notice is being placed before shareholders in the ensuing Annual General Meeting for his appointment for the first term of consecutive 5 years from 17th May, 2024.

Necessary resolutions have been included in the notice of ensuing AGM for approval of shareholders for appointment of Directors as mentioned above. The Board recommends passing of 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, Mr. Jaideep Verma and Dr. Sivaram Swaminathan 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.

Company meets the requirement of Section 203 of the Companies Act, 2013 of having Key Managerial Personnel (KMP) such as Mr. Rajesh C Parikh, Chairman & Managing Director (DIN:00041610), Mr. Atil C. Parikh, CEO & Managing Director (DIN: 00041712), Mr. Narendrakumar R. Patel, Chief

Financial Officer and Mrs. Komal Pandey, Company Secretary are the KMP of the Company.

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

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

Based on the confirmation/disclosures received from the Directors, the following Non-Executive Directors are Independent as on March 31, 2024:

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

Committees of the Board

The Company has 4 (four) Committees of Directors as on March 31, 2024:

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 Program for Independent Directors

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

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

The Director is also explained in detail the compliances required from him/her under the Act, SEBI Regulations and other relevant regulations. By way of an induction programs 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 familiarization program aims to provide insights into the Company and the business environment to enable all the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company. The details for familiarization program 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/corporate-governance-policies-codes**.

Significant and material orders passed by the Regulators or Courts

The Stock Exchanges [SEs] had imposed penalty for alleged violation of Regulation 17[1A] of SEBI (LODR) Regulations, 2015, against the report on Corporate Governance filed by the Company for the Quarter ended 30.06.2023, which was pertaining to appointment of Mr. Swaminathan Sivaram as an Independent Director who has exceeded the age of 75 years without prior approval of shareholders. The company had paid the said penalty under protest to the SEs. This was reported to the SEs and the Board of Directors at its meeting held on 25.10.2023.

Similarly, SEs had also imposed penalty for violation of Regulation 17[1A] of SEBI (LODR) Regulations, 2015, against the report on Corporate Governance filed by the Company for the Quarter ended 30.09.2023. The company had paid the said penalty also under protest to the SEs. This was reported to the SEs and the Board of Directors at its meeting held on 25.01.2024.

The Company had made appeal[s] before the Hon'ble Securities Appellate Tribunal (SAT) in this regard. The Hon'ble SAT have pronounced its order in favour of the Company saying that there was no violation by the Company and no penalty could have been imposed on the Company.

The Company had initiated actions for getting the Refunds of the said fines in view of the said order passed by the Hon'ble SAT. The Company has received refund from both stock exchanges (BSE & NSE) for Q1 & Q2 of the FY 24.

Apart from above, no Significant and material orders passed by the Regulators or Courts during the year under review.

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 40th AGM.

The Statutory Auditors' Report received from M/s. Manubhai & Shah LLP, Chartered Accountants for FY 2023-24 on the financial statement of the Company forms part of this Annual Report.

The Statutory Auditors' report on the financial statements for FY 2023-24 does not contain any qualifications, reservations or adverse remarks or disclaimer.

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

B. Internal Auditors

M/s Lalit R. Mehta & Associates, Chartered Accountants, the Internal Auditors have merged their existing practice with Vadodara based firms and the firm will be continuing its services based on the on-going engagements without any changes but under the revised name M/s V L S & Co.

The Company has appointed M/s. V L S & Co, Chartered Accountants, Vadodara as the Internal Auditors of the Company for the F.Y. 2024-25.

C. Cost Auditors

Your Board has re-appointed M/s. Y. S. Thakar & Co., Cost Accountants in Practice as Cost Auditors of the Company for conducting cost audit for the FY 2024-25. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2024-25 is provided in the Notice to the ensuing Annual General Meeting.

Cost Records

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

Cost Report

That cost audit report for FY 2023-24 have been filed with in prescribed limit and cost audit report for FY 2023-24 will be filed on or before prescribed time i.e. 30-09-2024

D. Secretarial Auditors

The Secretarial Audit Report for the financial year 2023-24 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 2024-25 Company has reappointed M/s. Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad as the Secretarial Auditors 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 2023-24.

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

TThe 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: 17th May, 2024

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 subsidiaries companies or associate companies or joint venture.

Part A: Subsidiaries & Associate

(₹ In Lakhs)

Sr. No	Particulars	20 Microns Nano Minerals Limited	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	34.04	93.57	146.90	725.05	50.00
3	Reserve and surplus	3533.31	174.14	183.95	552.30	-370.56	51.01
4	Total Assets	7425.04	306.77	597.73	775.19	518.78	261.65
5	Total Liabilities	2994.74	98.59	312.69	75.99	164.28	160.64
6	Details of Investment (Except in case of investment in Subsidiaries)	0.00	0.00	0.00	0.00	0.00	0.00
7	Turnover	9213.86	428.70	227.68	963.65	585.87	331.55
8	Profit/(loss) before taxation	521.26	30.02	-31.45	386.92	39.47	45.60
9	Provision for taxation	196.86	0.00	-3.58	77.47	1.03	11.68
10	Profit/(loss) after taxation	324.40	30.02	-35.02	309.44	38.44	33.92
11	Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil

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:**
   Silicate Mineral (I) Private Limited step down subsidiary merged with its holding company 20 Microns Nano Minerals Limited

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	31.03.2024
2	Shares of Associates held by the company on the year end:	
	No. of shares	2,25,000
	Amount of Investment in Associates (₹)	22.50 Lakh
	Extend of Holding %	45.00
3	Description of how there is significant influence	Associate/Joint venture
4	Reason why the associate is not Consolidated	N.A.
5	(i) Net worth attributable to Shareholding as per latest audited Balance Sheet	101.01 Lakhs
	(ii) Net worth attributable to Shareholding as per unaudited Balance sheet as on 31/03/2024 (₹)	NA
	audited Profit / Loss for the FY 2023-24 (₹)	33.92 Lakhs
	Considered in Consolidation (₹)	Yes
	Not Considered in Consolidation (₹)	NA

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

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: 17th May, 2024

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 2023-24

   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 2023-24 (₹ 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	252.19	20.00	49.04
2	Mr. Atil C. Parikh – CEO & Managing Director	205.31	20.00	39.92
3	Mrs. Sejal R. Parikh Whole-time Director (Appointed as WTD w.e.f 17.05.2024)	31.53	NA	6.13
4	Mr. Narendra kumar R. Patel -Chief Financial Officer	40.70	8.00	7.91
5	Mrs. Komal Pandey - Company Secretary	10.01	8.00	1.94

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 Managing and Executive Directors and Key Managerial Personnel is considered as the income earned during the financial year 2023-24 including contribution to provident fund.

The Median Remuneration of Employee (MRE) including Whole Time Directors (WTDs) was ₹5.25 Lakhs in fiscal 2024. There was increase in MRE (including WTDs) in fiscal 2024, as compared to fiscal 2023 is 1.10%

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: Looking into contribution of Chairman and Managing Director and CEO & MD, Company has increased the % of remuneration as approved by Board and shareholders.

The parameter for variable component of remuneration availed by the directors: Not Applicable

The number of employees of the Company as of March 31, 2024 and March 31, 2023 was 384 and 346, respectively. The rise in remuneration is made as per Remuneration Policy of the Company. During the fiscal 2023-24, 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 2023-24, the Non-Executive Independent Directors have 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 is as unde –**

(₹ In Lakhs)

Sr. No.	Name of Director/KMP	Name of Subsidiary Company	Position	Remuneration received during FY 2023-24
1	Mr. Atil C. Parikh	20 Microns Nano Minerals Ltd.	Managing Director	16.55
2	Mr. N.R. Patel	20 Microns Nano Minerals Ltd.	CFO	NIL

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: 17th May, 2024

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, 2024, 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, 2024 are as follows-

Name of Related Party	Nature of relationship	Type of Transaction	Duration of Contract	Silent Terms & Amount (₹ In Lakhs)
20 Microns Nano Minerals limited	Subsidiary Company	Sales of Material	01.04.2023 to 31.03.2024	293.74
		Purchase of material	01.04.2023 to 31.03.2024	333.88
		Royalty Received	01.04.2023 to 31.03.2024	264.01
		Manpower Services Received	01.04.2023 to 31.03.2024	-
		Job work Charges Received	01.04.2023 to 31.03.2024	-
		Job work Charges Paid	01.04.2023 to 31.03.2024	-
		Reimbursement of Expenses Paid (Net)	01.04.2023 to 31.03.2024	-
		Reimbursement of Expenses received (Net)	01.04.2023 to 31.03.2024	0.64
		Rent Received	01.04.2023 to 31.03.2024	429.25
		Manpower Services Payable	01.04.2023 to 31.03.2024	-
		Rent Paid	01.04.2023 to 31.03.2024	6.18
		Sale of Fixed Asset	01.04.2023 to 31.03.2024	-
		Purchase of Fixed Asset	01.04.2023 to 31.03.2024	268.16
Eriez Industries Private Limited	Entity Exercising significant influence over Company	Rent Received	01.04.2023 to 31.03.2024	0.42
20 MCC Pvt .Ltd.	Subsidiary company	Sale of Material	01.04.2023 to 31.03.2024	0.04
		Royalty received	01.04.2023 to 31.03.2024	8.12
		Reimbursement of Expenses received (Net)	01.04.2023 to 31.03.2024	
		Job Work Charges Received	01.04.2023 to 31.03.2024	
		Purchase of material	01.04.2023 to 31.03.2024	0.64
		Rent Received	01.04.2023 to 31.03.2024	18.54
Dorfner-20Microns Private Limited	Associate/Joint venture	Royalty Received	01.04.2023 to 31.03.2024	26.52
ZYDEX Industries Private Limited	Entity over which significant influence of Independent Director exists	Sale of Material	01.04.2023 to 31.03.2024	37.44
Mr. Rajesh C. Parikh	Chairman & Managing Director & KMP	Remuneration Paid	01.04.2023 to 31.03.2024	252.20
Mr. Atil C. Parikh	CEO & Managing Director	Remuneration Paid	01.04.2023 to 31.03.2024	205.31
		Interest on Deposit Paid	01.04.2023 to 31.03.2024	0.46
		Deposits received/renewed	01.04.2023 to 31.03.2024	5.00
		Deposits Paid	01.04.2023 to 31.03.2024	5.00
		Deposit Outstanding	01.04.2023 to 31.03.2024	5.00

Name of Related Party	Nature of relationship	Type of Transaction	Duration of Contract	Silent Terms & Amount (₹ In Lakhs)
Mrs. Ilaben C. Parikh	Promoter Group and Relative of Key Management Personnel	Deposits received/renewed	01.04.2023 to 31.03.2024	70.00
		Interest on Deposit Paid	01.04.2023 to 31.03.2024	9.43
		Deposits Paid	01.04.2023 to 31.03.2024	70.00
		Deposit Outstanding	01.04.2023 to 31.03.2024	95.50
Mrs. Sejal R Parikh	Director, Key Management personnel	Guest House Rent Paid	01.04.2023 to 31.03.2024	13.06
		Remuneration Paid	01.04.2023 to 31.03.2024	31.53
		Interest on Deposit paid	01.04.2023 to 31.03.2024	0.10
		Other Benefit	01.04.2023 to 31.03.2024	-
		Director Sitting Fees	01.04.2023 to 31.03.2024	0.95
		Deposit Outstanding	01.04.2023 to 31.03.2024	1.00
Mrs. Purvi A. Parikh	Relative of Key Management Personnel	Interest on Deposit paid	01.04.2023 to 31.03.2024	0.49
		Deposit Outstanding	01.04.2023 to 31.03.2024	5.00
		Remuneration Paid	01.04.2023 to 31.03.2024	27.40
		Other Benefit	01.04.2023 to 31.03.2024	-
Mr. N. R. Patel	CFO, Key Management Personnel	Remuneration Paid	01.04.2023 to 31.03.2024	40.71
Ms. Komal Pandey	CS, Key Management Personnel	Remuneration Paid	01.04.2023 to 31.03.2024	10.02
		Deposit Received/Renewed	01.04.2023 to 31.03.2024	-
		Interest on Deposit paid	01.04.2023 to 31.03.2024	-
Smt. Vedika R. Parikh	Relative of Key Management Personnel	Interest on Deposit paid	01.04.2023 to 31.03.2024	0.89
		Deposit Received/Renewed	01.04.2023 to 31.03.2024	3.00
		Deposit Paid	01.04.2023 to 31.03.2024	3.00
		Deposit Outstanding	01.04.2023 to 31.03.2024	10.00
20 Microns Foundation	Entity over which significant influence exists	Contribution towards CSR	01.04.2023 to 31.03.2024	72.70
Shri. Ramkisan A. Devidayal	Independent Director	Other Benefit	01.04.2023 to 31.03.2024	7.00
		Director Sitting Fees	01.04.2023 to 31.03.2024	2.60
Shri. Atul H. Patel	Independent Director	Other Benefit	01.04.2023 to 31.03.2024	3.30
		Director Sitting Fees	01.04.2023 to 31.03.2024	2.10
Dr. Ajay I. Ranka	Independent Director	Other Benefit	01.04.2023 to 31.03.2024	3.30
		Director Sitting Fees	01.04.2023 to 31.03.2024	2.00
Mr. Jaideep B. Verma	Independent Director	Other Benefit	01.04.2023 to 31.03.2024	2.50
		Director Sitting Fees	01.04.2023 to 31.03.2024	1.30
Dr. Sivaram Swaminathan	Independent Director w.e.f 16.05.2023	Other Benefit	01.04.2023 to 31.03.2024	--
		Director Sitting Fee	01.04.2023 to 31.03.2024	1.15

a. From 01.04.2023 to 31.03.2024 every transaction is 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

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: 17th May, 2024

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:** The Company has taken measures and applied strict system to monitor day to day power consumption, to endeavor and to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy. The office area is designed in such a way that during day time not much artificial lighting is necessary in the office

(ii) **the steps taken by the company for utilizing alternate sources of energy:** Company is continuously monitoring and making efforts for optimum utilization of equipment's which ensures to conserve energy during routine operations itself

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

(B) Technology absorption-

(i) **the efforts made towards technology absorption -** Company has always been making best effort towards technology absorption, adaptation and innovation to improve the quality.

(ii) **the benefits derived like product improvement, cost reduction, product development or import substitution -** It improves the quality of company's products being manufactured and reduces the cost of production.

(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: Not Applicable

Total Foreign Exchange used and earned:

i. Foreign Exchange Earned: ₹8805.28 Lakhs

ii. Foreign Exchange Used: ₹10297.91 Lakhs

For and on behalf of the Board

	(Rajesh C. Parikh)	**(Atil C Parikh)**
Place: Waghodia, Vadodara	Chairman & Managing Director	CEO & Managing Director
Date: 17th May, 2024	(DIN: 00041610)	(DIN: 00041712)

Annexure – E

Annual Report on Corporate Social Responsibility (CSR) Activities 2023-24

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 Director	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	Whole-time Director-Member of the committee	1	1
3	Mr. Ramkisan Devidayal	Independent Director-Member of the Committee	1	1

3. 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/corporate-governance-policies-codes**.

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 any:

   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 2020-21can carried forward for the FY 2023-24..

   b. As in the FY 2021-22 Company was about to spend ₹64.00 Lakhs but company has spent ₹57.88 Lakhs which is less amounting to ₹6.12 lakhs which was set off from excess amount of ₹14.10 Lakhs spent during 2020-21, and remaining ₹7.98 Lakhs could be carried forwarded upto next 3 [three] years I,e. till 2023-24.

   c. In FY 2022-23 Company was required to spend ₹69.40 Lakhs, against which the Company has spent ₹98.25 Lakhs. Further, excess amount of ₹28.85 Lakhs spent during FY: 2022-23, could be carried forward upto next 3 [three] financial years i.e. till FY 2025-26.

   d. As in the FY 2023-24 Company was required to spend ₹74.63 Lakhs but company has spent 73.20 Lakhs i.e. ₹1.43 Lakhs less spent towards CSR for the FY 2023-24, the set off of which could be available from that of the excess spent in 2020-21 wherein available set off of ₹7.98 Lakhs and out of that Company utilized ₹1.43 Lakhs from the set off of the amount available from the FY 2020-21 and remaining ₹6.55 Lakhs is liable to be write off.

6. Average net profit of the company as per section 135(5) (calculated for 3 preceding financial years i.e. FY 2021-22, FY 2022-23 & FY 2023-24: ₹**3731.33 Lakhs**

7. (a) Two percent of average net profit of the company as per section 135(5): ₹**74.63 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: ₹**1.43 Lakhs**

   (d) Total CSR obligation for the financial year (7a+7b- 7c).: ₹**73.20 Lakhs**

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

Total Amount Spent for the Financial Year. (in ₹)	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.
73.20 Lakhs	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(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												

(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	72.70 Lakhs	No	20 Microns Foundation	CSR00002755
2.	Promoting sports	training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	No	Gujarat	Ahmedabad	0.50 Lakhs	Yes	ACE TENNIS AND SPORTS ASSOCIATION	CSR00012589.

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

(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): ₹73.20 Lakhs

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

S. No.	Particulars	Amount (₹ in Lakhs)
1	Two percent of average net profit of the company as per section 135(5)	74.63
2	Total amount spent for the Financial Year	73.20
3	Excess amount spent for the financial year [(ii)-(i)]	(1.43)
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any [Excess spending in the year 2020-21]	7.98
5	Amount available for set off in succeeding financial years	28.85

*Amount available for set off in succeeding financial years is ₹28.85 lakhs of FY 2022-23

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: 17th May, 2024

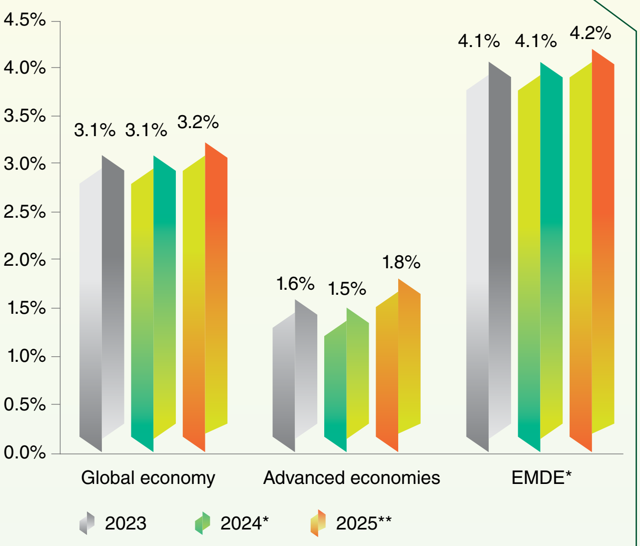
Management Discussion and Analysis

Global economic growth

The International Monetary Fund (IMF) has reported that the global economy began the year 2024 on a stable footing, with a growth rate of 3.1%. It is projected to further increase to 3.2% in 2025, surpassing the previous forecast. This growth is anticipated to be primarily driven by the unexpected resilience of the US economy, several large emerging markets, and developing economies, along with fiscal support in China.

Despite these positive indicators, potential challenges may arise due to factors such as restrictive monetary policies, the withdrawal of fiscal support, and low underlying productivity growth. It will be crucial for policymakers to carefully navigate these obstacles to ensure sustained economic growth in the coming years.

Global economy growth



*(Source: https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024) [*Emerging Market and Developing Economies] [**Projected]*

> Global trade growth is projected to grow at 3.3% in 2024 and 3.6% in 2025, below its historical average growth rate of 4.9%. Rising trade distortions and geoeconomic fragmentation are expected to continue to weigh on the level of global trade.

For advanced economies, growth is projected to decline slightly from 1.6% in 2023 to 1.5% in 2024 before rising to 1.8% in 2025. An upward revision of 0.1% point for 2024 reflects stronger-than-expected US growth, partly offset by weaker-than-expected growth in the euro area. Growth in the euro area is projected to recover from its low rate of an estimated 0.5% in 2023, which reflected relatively high exposure to the war in Ukraine, to 0.9% in 2024 and 1.7% in 2025. Stronger household consumption as the effects of the shock to energy prices subside and inflation falls, supporting real income growth, is expected to drive the recovery.

In emerging market and developing economies, growth is expected to remain at 4.1% in 2024 and to rise to 4.2% in 2025. Growth in China is projected at 4.6% in 2024 and 4.1% in 2025, backed by stronger-than-expected growth in 2023 and increased government spending on capacity building against natural disasters. Growth in India is projected to remain strong at 6.5% in both 2024 and 2025, reflecting resilience in domestic demand.

According to IMF, global headline inflation is expected to fall to 5.8% in 2024 and 4.4% in 2025, but still it would be above pre-pandemic (2017–19) levels of about 3.5%. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0% points in 2024 to 2.6%. For emerging market and developing economies inflation is expected to decline by just 0.3% point to 8.1%.

Global trade growth is projected to grow at 3.3% in 2024 and 3.6% in 2025, below its historical average growth rate of 4.9%. Rising trade distortions and geoeconomic fragmentation are expected to continue to weigh on the level of global trade. However, growing government and private spending, real disposable income gains supporting consumption amid still-tight – though easing – labour markets and households drawing down on their accumulated pandemic-era savings may help in trade growth.

Outlook

The global economy has shown signs of improvement compared to a year ago, with the risk of a global recession diminishing, largely due to the strength of the U.S. economy. However, global growth is expected to slow down further this year due to tight monetary policy, restrictive financial conditions, and sluggish global trade and investment. While labor market conditions have improved, unit labor cost growth remains higher than desired for medium-term inflation goals.

In the U.S., GDP growth is forecasted to be supported by robust household spending and a strong labor market. In the Euro area, GDP growth is projected to be 0.6% in 2024 and 1.3%

in 2025, with credit conditions expected to be tight in the short term before improving as real incomes rise. China's growth is anticipated to slow to 4.7% in 2024 and 4.2% in 2025, despite additional policy stimulus, due to subdued consumer demand, high debt levels, and a weak property market.

Overall, while there are positive developments in the global economy, challenges remain that could impact growth in the near future.

Potential risks include an increase in escalating geopolitical tensions, financial strain, ongoing inflation, trade disruptions, and climate-related disasters. It is imperative for global cooperation to address these challenges by providing debt relief, promoting trade integration, combating climate change, and addressing food insecurity.

Emerging market and developing economies (EMDEs), particularly commodity exporters, are facing challenges related to fiscal policy pro-cyclicality and volatility. Effective macroeconomic and structural policies, along with strong institutions, are essential for boosting investment and enhancing long-term prospects across all EMDEs.

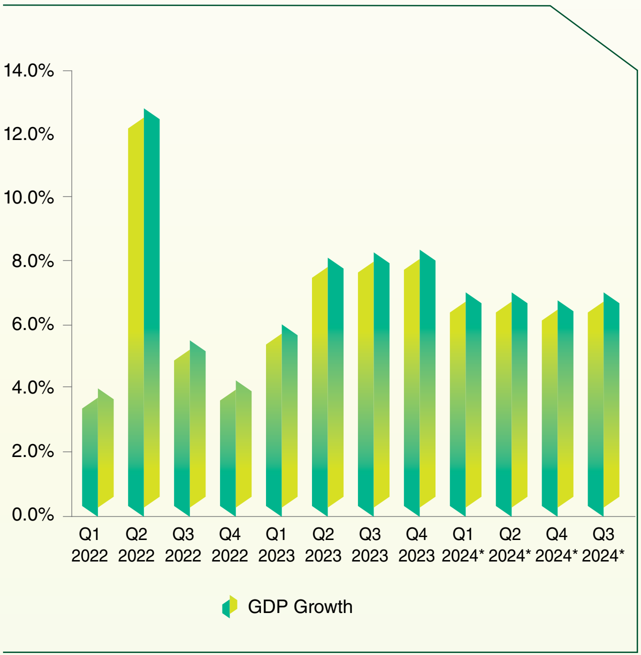
The medium-term outlook for many developing economies has dimmed due to slowing growth in major economies, sluggish global trade, and the most stringent financial conditions in decades. Global trade growth in 2024 is projected to be only half of the average seen in the decade prior to the pandemic. Additionally, borrowing costs for developing economies, especially those with poor credit ratings, are expected to remain high as global interest rates remain at four-decade highs in inflation-adjusted terms.

Indian economy overview

One of the fastest growing economies in the world, the Indian economy is anticipated to experience a consistent growth of 6.7% annually from 2024 to 2031, as per the latest report by CRISIL. This projection slightly surpasses the pre-pandemic average of 6.6%. CRISIL attributes this growth trend to capital, highlighting the government's investment-driven approach during a period when the private sector hesitated to make substantial investments. The government's notable increase in capital expenditure, supporting infrastructure projects and offering interest-free loans to states, is identified as a pivotal factor.

Expected to grow by 7.3% in the current financial year (FY24), according to the first advance estimate released by the National Statistical Office, reflects both global and domestic optimism in the country's economy on the back of robust manufacturing activity and infrastructure spending. India's inflation level stood at 5.7%, primarily driven by fluctuating vegetable prices and food grain inflation. India's economy grew at its fastest pace in one-and-half years in the final three months of 2023, led by strong manufacturing and construction activity. Additionally, the Government's emphasis on monitoring the Middle East conflict's impact on energy and logistics costs helped the Indian economy remain resilient throughout the 2023 despite the challenging global environment. The Indian economy soared ahead in the December quarter (the third quarter of FY24) with a surprise growth of 8.4%, belying fears of tempering as the manufacturing, electricity and construction sectors put up a robust show.

Indian economic growth projects



*(Source: https://tradingeconomics.com/india/gdp-growth-annual) [*Projected]*

Year-on-year growth (%) in GDP

*(Source: Ministry of statistics and programme implementation) [*First revised estimate; **Second advance estimate]*

This strong growth of GDP was mainly propelled by large government expenditure on the demand side. There was approximately 31% YoY increase in Central Government capital expenditure (CapEx) and 43% increase in State Government CapEx during April–November 2023. On the supply side, mining, manufacturing, construction and certain services helped the economy sustain growth momentum. Mining sector benefitted from policy reforms, increased domestic and global demand and rising prices which led to robust production of several minerals including coal, natural gas and iron ore. The strong growth in manufacturing was driven mainly by the easing of global commodity prices across energy, metal, and food categories, which boosted profitability of manufacturing firms. Construction sector gained from higher government CapEx and an increase in demand for office spaces and housing, especially in urban areas. Additionally, financial, real estate and professional services are expected to witness robust growth, likely due to buoyant bank credit growth, strong demand for real estate, especially in urban areas and growth in professional services, especially global capability centres in India.

Indian MSME sector

The Indian Micro, small and medium-sized enterprises (MSMEs) is one of the pillars the Indian economy as it is one of the primary drivers of economic development, innovation, and employment in India. MSMEs sector is characterized by minimal investment, increased job opportunities, operational flexibility, reduction in regional disparities and import substitution. In India, more than 95% units are engaged in the MSME sector and contribute to approx. 30% of India GDP, 45% of manufacturing output, 40% of the country's total export and creates around 11.10 crore jobs.

The introduction of micro, small, and medium enterprise (MSME) financing in India has served as a catalyst for the expansion of the MSME sector. This growth has been further supported by the emergence of neo-banks and digital payment channels. The digitalization of MSMEs has brought about numerous benefits, including access to a larger client base, reduced reliance on staff, increased production efficiency during economic downturns, streamlined transactions between buyers and sellers, and more.

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The Government of India has been actively promoting initiatives to bolster the growth of MSMEs in the country, leading to a significant shift from offline to online business operations within the sector. MSMEs are increasingly leveraging technology to enhance their processes, improve efficiency, and deliver prompt services to their customers and clients. This transition underscores the sector's commitment to embracing digital advancements and adapting to the evolving business landscape.

Key Budget takeaways for the Indian MSME Sector

Credit Guarantee for MSMEs: A significant initiative aimed at supporting first-generation entrepreneurs in their pursuit of self-employment. The scheme encourages entrepreneurs by providing credit guarantee funding for third-party guarantee-free and collateral-free loans. A part of the Credit Guarantee scheme, the government revamped the Credit guarantee trust for the small micro-enterprises scheme with a required infusion of ₹9,000 crore, effective April 1, 2023.

Increased allocation for MSME sector: The budget allocation for the MSME for FY2021-22 was more than doubled to ₹15,700 crore from ₹7,000 crore in 2019-20. In the Union Budget 2023-24, the allocation was further enhanced to ₹22,138 crores.

Changes in presumptive taxation rules: The government has raised turnover limits for presumptive taxation, increasing it from ₹2 crore to ₹3 crore for micro units and from ₹50 lakh to ₹75 lakh for certain professionals this fiscal year. However, those opting for presumptive taxation must ensure cash receipts don't exceed 5% of total receipts. Also, under this system, individuals and businesses are relieved from maintaining account books or undergoing audits.

Reduced cost of financing for MSMEs: With the new credit guarantee programme, the government plans to reduce the cost of financing for MSMEs by 1% and enable them to obtain an additional 2 lakh crore in collateral-free credit guarantees. Further, another programme called Raising and Accelerating MSME Performance (RAMP) with an outlay of ₹6,000 crore was also announced as part of the budget.

Subordinated Debt for MSMEs: Under this scheme, the government announced subordinate debt for MSMEs in the tune of ₹20,000 crore ($3 trillion) Automatic loans without collateral for businesses, particularly MSMEs MSME Fund of Funds equity infusion of ₹50,000 crore MSMEs are now being registered using "Udyam Registration" for the convenience of doing business There are no international bids for purchases under ₹200 crores.

Vishwas-I voluntary initiative: During the MSME Budget 2023, the FM also stated that MSME suppliers who were unable to fulfil contracts during the Coronavirus pandemic will get 95% of their forfeited amount back from the government and the government undertakings with which they were working. The FM announced this relief measure under the Vivad Se Vishwas-I voluntary initiative, which was launched in 2020 to resolve pending direct tax disputes. This move will benefit MSMEs who do not have access to institutional financing.

Contractual dispute settlement (Vivad Se Vishwas-II): Under the Vivad se Vishwas II scheme, all commercial disputes involving the government or government undertakings will be settled through a "voluntary settlement scheme," containing standardized terms. The settlements will be graded according to the pendency of the dispute.

Enhancing last-mile connectivity: About 100 transport infrastructure projects have been identified in the Union Budget, that will help sectors like coal, fertilizer, food grain, steel and shipping. These projects, amounting to ₹75,000 crore, will be funded in part by private players to the tune of ₹15,000 crore.

Ensuring infra boost for Tier-I and Tier-II cities: The government has earmarked ₹10,000 crore for the creation of the Urban Infrastructure Development Fund (UIDF), which will 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.

Outlook

The latest report released by the Indian Finance Ministry indicates a promising economic growth outlook for India in the fiscal year 2025. Strong growth and robust fundamentals are contributing to this positive forecast. Factors such as a healthy rabi harvest, sustained manufacturing profitability, resilience in the services sector, and an expected improvement in household consumption and private capex cycle are expected to drive economic activity in the upcoming financial year.

The Indian economy has demonstrated resilience over the past three years, with high growth rates attributed to strong private consumption. Investment in the economy is on the rise, with public capex encouraging private investment. This has led to the establishment of new plants and the acquisition of machinery to meet increasing capacity utilization. According to the Reserve Bank of India, India's GDP is expected to grow by more than 7% in FY25 also.

Despite these positive trends, there are some challenges on the horizon. Geopolitical tensions, supply chain disruptions, higher logistics costs, volatility in international financial markets, and geoeconomic fragmentation are concerns that the government will need to address.

Overall, the economic outlook for India in FY25 is optimistic, with strong growth prospects supported by various factors. It will be important for policymakers to navigate potential challenges effectively to ensure continued economic growth and stability.

Indian paint and coating industry

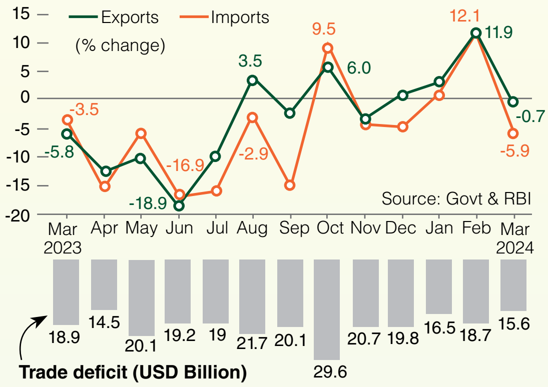
After experiencing two years of consistent growth, the Indian paint and coating industry is expected to see a minor dip in growth in FY24, with projected expansion of 9 – 10% during

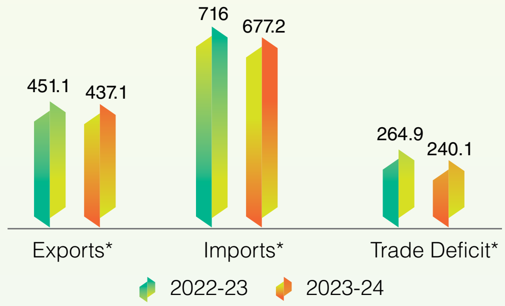
Export scenario

India's strong GDP growth fundamentals and expected global easing of monetary tightening helped spur global demand, thereby resulting in a positive growth sentiment for the exports during the fiscal.

Due to geopolitical conflicts and interruptions in trade routes, India experienced a 3% decline in merchandise exports, amounting to USD 437 billion in the fiscal year 2023-24. Concurrently, imports decreased by 5.4%, totaling USD 677 billion. This contraction in trade activity contributed to a reduction in the trade deficit, which shrank to USD 240 billion in FY24 from $265 billion in the preceding fiscal year. Over the entire year, the country's exports of goods and services reached an unprecedented high of USD 776.7 billion, while imports combined to approximately USD 855 billion.

Trade deficit at 11 month low - India's export statics in the last financial year





(Source: https://timesofindia.indiatimes.com/business/india-business/goods-exports-dip-3-imports-5-in-2023-24/articleshow/109326390.cms)

Petroleum products significantly impacted export figures, with a 14% reduction to $84 billion in the last fiscal year, partly due to decreasing global prices. Conversely, electronics and pharmaceuticals stood out as key sectors. Mobile phones drove electronics exports up by 23.6%, surpassing USD 29 billion, while pharmaceutical exports from the country are believed to have grown by 9.7%, reaching USD 27.8 billion. Engineering goods also saw an increase, with shipments exceeding USD 109 billion, a 2.1% increase. Similarly, on the import side, there was a 14% decrease in crude oil imports, amounting to USD 179.6 billion.

the fiscal year. This moderation in growth is expected to be partially offset by improvements in operating margins, which are anticipated to increase by 100 to 200 basis points. These improvements can be attributed to the decrease in prices of critical raw materials and price increases implemented by key industry players during the fiscal year under review.

Estimated to be valued at ₹630 billion (nearly US$8 billion) at the end of the FY23, the Indian paint industry exhibits an oligopolistic structure, with the top five players dominating approximately 90% of the organized market. Factors such as a growing population, positive demographics, increasing urbanization, rising disposable income, and the government's focus on infrastructure development have directly and indirectly contributed to the increased demand for paint and coatings products in India, thereby driving growth in the industry.

In terms of consumption, decorative paints hold a majority share, contributing to about 70% of the market, while industrial paints account for the remaining 30%. Demand dynamics are largely shaped by the real estate sector, which commands approximately 70% of the total market demand. The remaining demand emanates from diverse sectors including automotive, oil and gas, aerospace, and marine, among others.

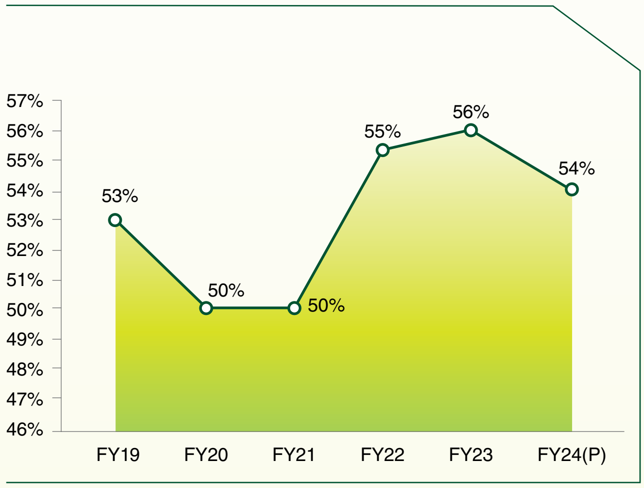
Over the years, the paint industry market size in India has grown into a dynamic and rapidly expanding landscape. Thus, the India paints and coatings market size is estimated to be valued at USD 9.56 billion by the end of 2024, and is expected to reach USD 15.00 billion by 2029, growing at a CAGR of 9.38% over the five years.

Key trends observed in the Indian paint industry

Softening raw material prices expected to help in margin expansion in FY24

The cost of raw materials makes up 50-60% of total sales in the paint manufacturing industry. Key raw materials include titanium dioxide, phthalic anhydride, solvents, pigments, resins, and other derivatives of crude oil. Prices of these key raw materials have remained high in fiscal years 2022 and 2023 due to disruptions in the supply chain caused by the pandemic and the Russia-Ukraine war, which in turn affected crude oil prices. However, in the first half of FY24 with a decrease in crude oil prices, the prices of key raw materials witnessed a decline. As a result, with the paint prices remaining stable, the industry is projected to see an increase in profit margins in fiscal year 2024, ranging from 100 to 200 basis points.

Average Raw Material Cost as % of Sales of Top 5 Players



(Source: CareEdge Ratings report on Indian Paints Industry)
[P: Projected]

Growing competition with new entrants entering the market

In recent years, new entrants like Grasim Industries, Pidilite, and the JSW Group have entered the paint industry, challenging established players. Despite their strong financial backing, it's expected to take them five to seven years to establish a significant market presence. Success in this industry hinges on distribution and advertising spending. The top five players have extensive dealer networks nationwide, requiring significant time and investment for newcomers to match. Thereby, resulting in enhanced competition.

Demand from key end-user industries to support growth

About 70% of paint usage stems from the real estate sector, projected to experience robust demand in FY24 and the years ahead due to the completion of major projects and increased government investment in affordable housing and infrastructure. The industry expects a 10% rise in residential property sales across the top fifteen cities in CY2024. Demand for decorative paints is increasing due to more repainting and home sales. While new construction typically accounts for 20% of decorative paint demand, the remaining 80% from repainting is also growing due to demographic growth, more rental properties, and higher consumer incomes. Moreover, homeowners are repainting more frequently. Industrial paints constitute the remaining 30% of paint demand, driven by sectors like automotive, oil and gas, aerospace, marine, and electronics. The automotive industry, in particular, is set for significant growth in FY24 and beyond, influencing industrial paint demand.

Rising capacity expansion plans by the key players

The capacity of the top five players is pegged at around 4.22 Mn KL per annum as of the end of FY23. The industry has a planned capex of ₹20,000-22,000 crore over the next three to four years with ₹10,000 crore planned by Grasim Industries and ₹8,750 crore by Asian Paints. This is expected to increase the overall capacity by 20% in turn increasing the competitive intensity and restricting the margins for top players over the long term.

Key factors to drive the growth of the Indian paint industry

1. Architectural coatings are used for commercial purposes, such as office buildings, warehouses, retail convenience stores, shopping malls, and residential buildings. Demand from the architectural segment is expected to be robust in 2024, with an expectation of significant project completion and increased government spending on affordable housing and infrastructure.

2. Demand from repainting, which accounts for a significant share in the total decorative paint demand, has been gradually picking up in India due to factors such as a growing population, an increase in rental homes and growth in the income levels of consumers.

3. Value added and premium products in the Indian architectural segment are growing at a very healthy rate as builders, contractors and architects are becoming more aware of the benefits of using value-added paints and coatings to improve the aesthetic and functional benefits of the construction.

4. India has been experiencing rapid urbanization and infrastructure development, which has led to a surge in construction projects. Thus, this has directly increased the demand for architectural paints used in buildings and structures.

5. The residential sector in the country is on an increasing trend, with government support and initiatives that are further boosting the demand. For instance, the Ministry of Housing and Urban Development (MoHUA) allocated the funds of ₹76,549.46 crore in the 2022-23 budget for the construction of houses and the creation of funds in order to complete the halted projects.

6. Furthermore, according to Business Today, the government has allocated ₹80,671 crore for initiatives, such as the Pradhan Mantri Awas Yojana (PMAY) program, which is intended to provide affordable homes to many people. Also, the government offers subsidies for interest on housing loans if the citizens wish to build or buy their first house.

7. According to the Economic Times, in July - September 2023, compared with a year earlier, the construction sector grew by 13.3%, up from 7.9% in the previous quarter and its best performance in five quarters.

8. Home sales in India's seven most prominent cities, including Mumbai, New Delhi, and Bangalore, increased by 36% in the July-September quarter in 2023 from the previous year to more than 112,000 units, with an 8-18% increase in prices, according to data released by the Economic Times.

9. Also, the country is expanding its commercial sector, which has a positive impact on the architectural emulsion coatings market.

10. Over the past decade, India's automotive production has steadily risen, making it a crucial market for domestic automotive paint and coating manufacturers. The consistent double-digit growth in the Indian automotive industry has propelled the automotive coating sector to new heights. Furthermore, India is anticipated to play a significant role in the global automotive industry in the medium and long term.

Outlook

The Indian paint industry is experiencing a transformative shift as consumer preferences evolve from traditional whitewashing to premium quality emulsions and enamels. This transition is fostering a stable foundation for the industry's expansion. Concurrently, a fiercely competitive landscape is emerging, with companies deploying diverse strategies to capture a larger slice of the burgeoning demand. Additionally, the upward trajectory of the middle class's disposable income, combined with increased investments in education, the urbanization wave, the rural market's development, and the introduction of innovative products like eco-friendly, odorless, and resilient paints against dust and water, are pivotal factors fueling the Indian paint market's robust growth.

Analysts anticipate robust demand from the real estate sector in FY25 due to expectations of substantial project completions and increased government expenditure on affordable housing and infrastructure. The recent government announcement to construct two crore affordable houses over the next five years under the PM Awas Yojana (Grameen), in addition to the three crore houses already under implementation, is expected to sustain the momentum in demand for the Indian paint industry while also encouraging new players to invest in the sector.

Indian Plastics Industry

Since its inception in 1957, the Indian plastics industry has witnessed significant growth and expansion. Today, it stands as a prominent sector within the nation's economy, comprising over 30,000 companies and employing more than 4 million people. India also ranks among the world's top exporters of plastic products. These exports include a diverse range of raw materials, laminates, electronic equipment, medical devices, and consumer goods, reaching more than 150 countries, with a firm presence in Europe, Africa, and Asia.

With the potential to emerge as the global plastics supplier, the Indian plastics industry is expected to more than triple to reach ₹10 lakh crore by 2027-28 with import substation offering a huge growth opportunity to the industry and with plastics consumption rising at 16% per year, according to the All-India Plastics Manufacturers Association (AIPMA). Considering a rising middle class with low per capita consumption of plastics. This high progress rate is expected to continue, as the per capita consumption of plastics will certainly increase. According to the Government of India, India is the third largest consumer of plastic after USA and China, where almost an average Indian consumes 13 kg annually versus 27 kg globally. Valued at around USD 43.68 billion at the end of 2023, the Indian plastics industry has a growing export presence and has more than 2,000 exporters and exports plastic products to more than 200 countries. India manufactures various products such as plastics and linoleum, houseware products, cordage, fishnets, floor coverings, medical items, packaging items, plastic films, pipes, raw materials, etc. While the country majorly exports plastic raw materials, films, sheets, woven sacks, fabrics, and tarpaulin.

Growing popularity of Engineered Plastics

Engineering plastics fall into the category of high-performance polymers. They exhibit superior mechanical properties, high thermal resistance, excellent insulation, and better chemical characteristics compared to other alternatives. As a result, engineering plastics find widespread use across various industries due to their exceptional performance traits. Notably, they demonstrate excellent mechanical properties, including high strength and stiffness. Their robust strength enables them to withstand heavy loads, ensuring structural integrity in applications where strength is crucial. Additionally, their high stiffness contributes to dimensional stability and resistance against deformation under mechanical stress.

Growth in plastic recycling industry

- Plastic waste recycling is emerging as a key aspect of plastic industry waste management.
- Packaging plastics have the shortest product lifetime and have a significant impact on the waste component generated in the recent years. The current 'Linear model' of plastic production, usage and disposal is not effective in managing this waste.
- Moreover, its handling by the informal sector, which recycles (downcycle) only 60% of plastics, indicates inefficiency and mismanagement.
- This calls for a circular economic model, in which, efforts are made to enhance resource efficiency by increasing the usage of recycled plastics (Secondary plastic) as a substitute for 'Virgin Polymers'.
- Industry has recognized the need to drive change upstream, midstream and downstream across the value chain to encourage circularity.
- Large companies have already committed to move to 100% recyclable plastic packaging by 2025. Other sub-sectors are expected to follow in the years ahead.

SWOT analysis of Indian Plastics Industry

Strength

- Accelerated urbanisation
- Growing consumerism
- Growing public & private investments
- Expanding market size
- Supportive government schemes
- Growing demand for affordable packaging
- Low entry barriers

Weakness

- Nationwide power deficit
- Lack of skilled and formally trained workforce
- Lack of advanced technology
- Limited infrastructure
- High fragmentation due to low capital intensity
  - low technological barriers
  - Lack of recycling options

Opportunities

- Ever-increasing consumption trend
- Growing export demand
- Trend of shift from metal to polymer based parts due to low weight and durability
- Government focus to help synergize production capacities

Threats

- Volatility in exchange rate
- Volatility in feedstock prices
- New plastic variants with higher longibity

Government initiatives

The Plastic Export Promotion Council (PLEXCONCIL) has aimed to boost the country's plastic exports to US$ 25 billion by 2027. The establishment of several plastic parks across the nation in stages is expected to enhance the country's plastic manufacturing capacities. Through the plastic park initiatives, the Government of India offers financial assistance of up to 50% of the project expenses or a maximum of ₹40 crore (US$ 5 million) per project.

Initiatives by the government such as "Digital India," "Make in India," and "Skill India" are set to provide a significant boost to India's plastic industry. For example, within the "Digital India" campaign, the government's goal is to diminish the reliance on imported goods, a move that will benefit domestic plastic component 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. Additionally, about 23 Central Institute of Plastics Engineering & Technology (CIPET) have been approved to accelerate financial and technological collaboration for promoting skills in the chemicals and petrochemicals sector.

Outlook

The Indian plastics industry is poised for significant growth in the coming years, driven by several critical factors. The increasing popularity of bioplastics and the preference for engineering plastics over traditional variants are expected to act as major growth catalysts. Furthermore, the sector will receive a boost from the expanding plastic manufacturing landscape and rising demand from pivotal end-user industries, such as automotive, electrical & electronics, and consumer goods.

Additionally, the industry benefits from a thriving ecosystem of ancillary sectors, including machinery, technology, exporters, importers, recyclers, and more, all of which play integral roles across the value chain.

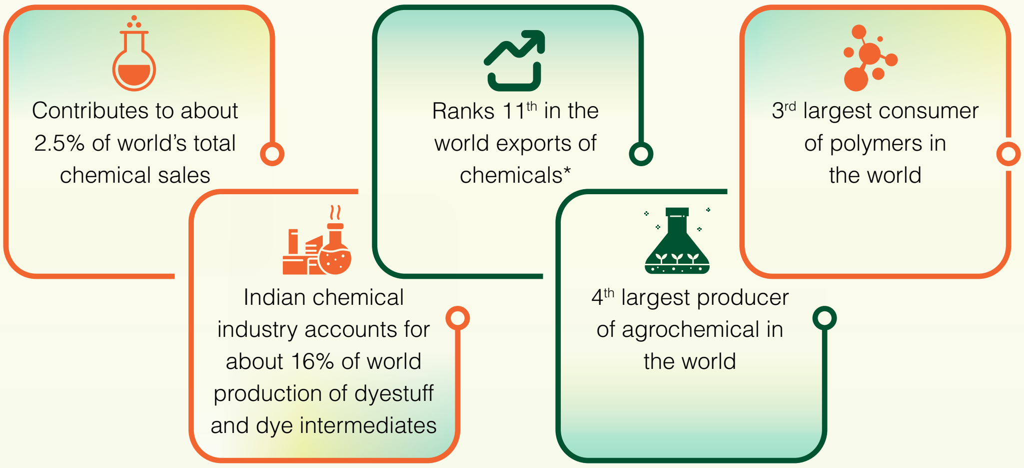
With import substitution estimated at ₹37,500 crores and a plethora of emerging opportunities, the prospects extend far beyond mere growth figures. This scenario not only promises substantial potential for employment generation but also opens doors to greater entrepreneurship opportunities.

Indian chemicals industry

The Indian chemical industry holds a significant stature globally, consistently ranking as the world's sixth-largest producer and Asia's fourth-largest chemical producer. It accounts for approximately 2.6% of the global chemical industry, with projections indicating a growth rate of 9.3%, potentially reaching a valuation of US$ 304 billion by the year 2025 and expected to reach US$ 1 trillion mark by FY 2040. Encompassing a broad array of segments including basic chemicals, specialty chemicals, textiles, paper, paints, soaps, agrochemicals, pharmaceuticals, and petrochemicals, the Indian chemical industry is witnessing substantial expansion. This growth is propelled by increasing domestic consumption, export prospects, and supportive government policies, such as the 'Make in India' initiative.

The chemical industry can be segmented into four main categories based on functionality and application: (a) Pharmaceuticals, (b) Agrochemicals, c) Industrial Chemicals (which encompasses solvents, lubricants, and catalysts), and (d) Specialty Chemicals (comprising specialized products such as specialty polymers, coatings, and electronic chemicals). Of these, the Specialty Chemicals segment is poised for the most rapid growth, with expectations to reach a market value of around $50 billion by 2025. India's chemical sector is remarkably diverse, spanning over 80,000 products and providing employment to more than two million individuals.

India in comparison with the world



(excluding pharmaceutical products)

Amidst the China-plus-one strategy, which aims to establish alternative manufacturing hubs, India emerges as a significant beneficiary. Countries and corporations alike are actively diversifying and mitigating risks in their supply chains. Factors such as shifting geopolitics, trade conflicts, stringent environmental regulations, and rising labor costs in China contribute to this trend. Additionally, the chemical manufacturing sector is poised to play a pivotal role in India's journey towards becoming the world's third-largest economy. It aligns with the government's vision of an 'Aatmanirbhar Bharat' and supports the ambitious goal of achieving a $30 trillion economy by 2047.

Key government initiatives to boost India's chemical sector

Increased budget allocation: In the Union Budget 2023-24, the central government allocated US$20.93 million to the Department of Chemicals and Petrochemicals. This allocation underscores the government's commitment to support and further develop the chemical sector.

PCPIR (Petroleum, Chemicals and Petrochemical Investment Regions) Policy 2020-35: The PCPIR Policy 2020-2035 aims for substantial investments in all PCPIRs across the country. By 2035, a total investment of US$ 284 billion is anticipated. These initiatives are expected to create employment opportunities for approximately 33.83 lakh people, with around 3.50 lakh people already employed in direct and indirect PCPIR-related activities as of 2020.

Chemical Promotion and Development Scheme (CPDS): The CPDS aims to foster growth in the chemical and petrochemical industry by disseminating knowledge through studies, surveys, data banks, and promotional materials. Its key components include creating knowledge products, sharing information, and recognizing excellence in research and innovation. Additionally, the Indian government has established research entities, schemes, and councils to enhance skilled manpower, boost manufacturing competitiveness, and support the development of petrochemical technology and polymer applications. Initiatives like the Centre of Excellence (CoE) and funding for the Central Institute of Plastic Engineering and Technology (CIPET) contribute to this endeavor.

E-Vehicle Ecosystem Boost: The government seeks to enhance the electric vehicle (e-vehicle) ecosystem by bolstering manufacturing and charging infrastructure. A key emphasis is on promoting wider adoption of e-buses in public transport networks, facilitated by a payment security mechanism. This effort is anticipated to have a favorable effect on specialty chemicals, including those used in construction and battery manufacturing for EV components.

Green Growth Initiatives: The budget introduces a new scheme for bio-manufacturing and bio-foundry to promote green growth. This initiative focuses on producing environmentally friendly alternatives like biodegradable polymers, bio-plastics, bio-pharmaceuticals, and Bio-Agri-inputs. It represents a crucial move towards sustainable practices by embracing regenerative principles in manufacturing.

Towards 'Net-Zero' Commitment: The budget aligns with the commitment to achieve 'net-zero' emissions by 2070. It introduces several measures, including viability gap funding for offshore wind energy, coal gasification and liquefaction capacity expansion, and mandatory blending of compressed biogas (CBG) in natural gas for transport and domestic use.

Product Linked Incentive (PLI) scheme for chemicals: The demand for chemicals in India has surged and is expected to persist for the next two decades. To boost domestic manufacturing, the government could introduce a Production Linked Incentive (PLI) scheme for the chemical industry. Despite having the potential to be a global manufacturing hub, the Indian Chemical industry is still awaiting the eagerly anticipated production-linked incentive program, which was absent in the recent budget.

Key government initiatives to kick-start journey towards net-zero

Increasing FDI to bring in international expertise in India: The chemicals sector permits 100% FDI via the automatic route, with minimal exceptions. FDI in chemicals surged by 91% in FY 2023, driven by heightened global investment. This influx facilitates the adoption of advanced technologies and sustainable methods, promoting eco-friendly manufacturing. Consequently, it bolsters sectoral efficiency while supporting India's environmental objectives, advancing towards a greener tomorrow.

Focus on skill development: The Indian government is actively promoting skill training, technology, academia, and research to enhance the chemicals sector. This is exemplified by the establishment of Centers of Excellence (COEs) under the National Policy on Petrochemicals and the Chemicals Promotion Development Scheme (CPDS).

Boosting the production of non-hazardous chemicals and curbing imports of substandard products: To support local manufacturers, the Indian government deregulated non-hazardous chemical production and imposed anti-dumping duties on inferior imports. These measures aim to boost domestic producers, leading to greater scale and profitability in the industry.

Initiatives in the pipeline: The proposed reform involves a significant overhaul of the 2007 Petroleum, Chemicals & Petrochemical Investment Regions (PCPIRs) policy, which aimed to create integrated chemical complexes and shared infrastructure. This policy is awaiting a comprehensive review. Furthermore, the government is promoting the establishment of plastic park clusters and chemical manufacturing units in designated areas, including SEZ/NIMZ and regions like North-east, Jammu & Kashmir, Himachal Pradesh, and Uttarakhand, to boost the chemical sector's growth. Additionally, the Centre is working on a Production Linked Incentive (PLI) scheme for the chemical sector, focusing on agrochemical intermediates, pharmaceutical intermediates, dyes, and multi-use chemicals, to improve manufacturers' cost competitiveness.

Digital transformation and data analytics: Catalyst for change in the chemical industry

Digital technologies and data analytics transformation involves developing organizational capabilities to enhance customer experience and reduce costs. By embracing end-to-end technology-driven initiatives, companies can boost EBITDA by 5-10% across manufacturing, supply chain, and procurement. Indian MSME chemical firms have the potential to double their EBITDA margins through digital and analytics strategies.

Technology improves production efficiency and quality without significant capital investment. Insights gained from digital initiatives extend beyond the plant, enhancing supply chain resilience. Smart pricing models align sales, manufacturing, and procurement functions. Additionally, informed decisions about sourcing and manufacturing benefit from production network models and regional cost analysis.

Demand drivers

- Increased disposable income, a growing urban population, and rising demand from rural markets.
- A shift in production and consumption towards Asian and Southeast Asian countries, driving demand for chemicals and petrochemicals.
- Consumer preferences favoring healthier lifestyles and eco-friendly products.

- The Production Linked Incentives scheme for Advanced Cell Chemistry Batteries under the Atmanirbhar Bharat Abhiyaan.
- The skilled and low-cost labour, world-class engineering and strong R&D set-up is expected to propel the growth of the Indian chemicals industries.
- The dedicated integrated manufacturing hubs under PCPIR policy is expected to attract an investment of ₹20 lakh crores (US$ 276.46 billion) by 2035.

Outlook

Disruptions in China's supply chain have sparked numerous opportunities within India's chemical manufacturing industry. These emerging prospects align with India's ambition to cater to evolving global needs and position itself as a frontrunner in the international chemical market. Anchored by the Petroleum, Chemicals, and Petrochemical Investment Region (PCPIR) policy, India targets an investment inflow of $284 billion (₹20 lakh crores) by 2035, strategically clustering investments to propel the chemical sector forward significantly. Moreover, China's anti-pollution measures are expected to further bolster Indian chemical manufacturers.

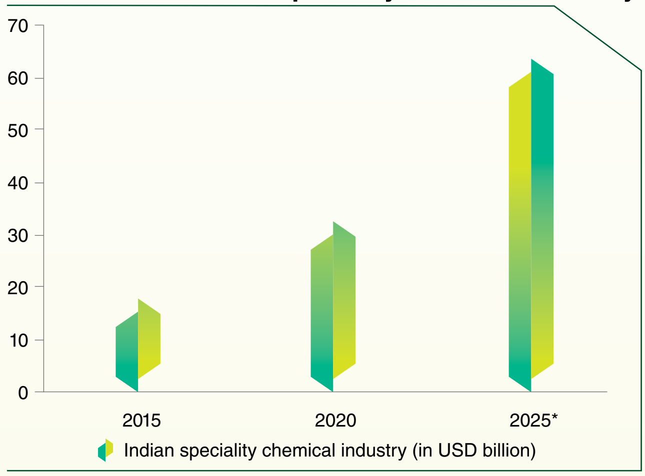
India's chemical industry holds a promising outlook, offering a plethora of growth opportunities and the potential for global leadership. Favorable growth projections and key metrics point towards India's trajectory to become the foremost chemical manufacturing hub over the next two decades. With mounting domestic demand and expanded export avenues, chemical and petrochemical companies are poised to play pivotal roles in this transformative journey. The leadership of India's prominent petroleum and chemical industry players, along with the support of the central government, will be instrumental in shaping the nation's advancement in this sector.

Indian speciality chemicals industry

The Indian specialty chemicals industry has expanded exponentially in recent years. Speciality chemicals are a new area mostly used for industry purposes and also have applications in the agrochemical and food industries. Distinguished by their specialized attributes and performance advantages tailored for specific applications, these chemicals often command a higher price point compared to commodity chemicals.

The Indian specialty chemicals sector looks at a period of fast-paced growth driven by several market forces. India is emerging as a preferred manufacturing hub for specialty chemicals for domestic and export markets. Specialty chemicals constitute approximately 20% of the total chemicals market in India by value and it is projected to reach USD 64 billion by 2025. Manufacturers of specialty chemicals can target segments such as agrochemicals, pharmaceuticals, textiles, and polymers, among others. India is on the path to doubling its specialty chemicals market share in 5 years, as China has been losing its cost-competitiveness and dominance in the market due to increased environmental costs and reduced government sops.

Growth of the Indian Speciality Chemical Industry



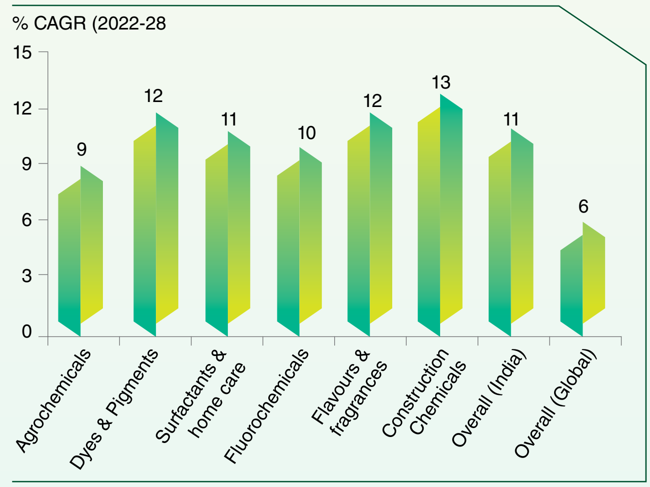
*(Source: https://www.ey.com/en_in/chemicals/indian-specialty-chemicals-industry-ready-for-a-quantum-leap) [*Projected]*

The rise of India's specialty chemicals market owes much to the nation's robust process engineering capabilities, cost-effective manufacturing prowess, and abundant skilled workforce. Moreover, strategic government initiatives like the Petroleum, Chemicals, and Petrochemicals Investment Region (PCPIR) policy and production-linked incentives (PLI) schemes have bolstered manufacturers' confidence in investing domestically.

India, currently holding a modest 3.6% share in the global specialty chemicals industry, is on the brink of significant growth. With a projected CAGR of 11% until FY26, India is positioning itself for a substantial leap forward.

As environmental regulations tighten and labor costs escalate elsewhere, manufacturers seek diversification. India's favorable ecosystem positions it as a compelling alternative for global players, propelling rapid growth in the Indian specialty chemicals market. Construction chemicals, flavours and fragrances and dyes and pigments can drive the growth of the domestic specialty chemicals industry.

Indian specialty chemicals space is poised to grow at 11% against 5.7% globally



(Source: Indian specialty chemicals sector: https://www.thehindubusinessline.com/portfolio/in-charts-indian-specialty-chemicals-sector/article67817659.ece)

The Indian specialty chemicals industry is experiencing rapid growth, but companies must remain agile to adapt to changing macroeconomic and industry dynamics. Sustainable and transformative growth requires customer-centric strategies, resilient supply chains, and investments in R&D and digitalization. Reducing the carbon footprint and seeking government support are crucial. While population growth and rising income drive the industry, innovation, decarbonization, and workforce development are essential for a quantum leap.

Company overview

20 Microns Limited is one of India's leading and fastest-growing micronized industrial minerals and speciality chemical manufacturing company with over three decades of enriching industry experience. Leveraging extensive industry expertise and in-depth domain knowledge, the Company manufactures and supplies a wide range of micronized minerals, white minerals and specialty chemicals to both local and international markets.

Our specialized micronized mineral products and speciality chemicals find applications in various industries such as paints, powder coating, plastics and polymers, rubber, paper, adhesives and sealants industry, among others. Backed by eight mines (five captive and two leased), nine state-of-the-art manufacturing facilities and two R&D centres, 20ML's commitment to product quality enables it to export its product to Asia, Europe and the Latin America, alongside its domestic sales in India.

With a successful record of innovation and pioneering new products and processes, we have a leading presence in the product segments such as Calcined & Hydrous Kaolins, Coated & Uncoated Calcium Carbonates, Talcs, Barytes and Quartz among others. Our competitive edge is further enhanced by the diversity of our product portfolio moving towards high-value-added specialty chemicals.

India ceramics Industry

The Indian ceramic tiles market is projected to grow substantially, estimated at USD 6.14 billion in 2024 and anticipated to reach USD 9.23 billion by 2029, reflecting a CAGR of 8.49% during the forecast period (2024-2029). Despite steady growth in recent years, the sector faced significant challenges during the COVID-19 pandemic, with India's GDP plummeting and the economy contracting by 7.3% in the April-June quarter of 2021. The national lockdown in March 2020 prompted approximately 10 million migrant workers to return to their native regions, leading to a labor shortage and hindering timely project completion for ceramic tile manufacturers. However, as the lockdown measures eased, the ceramic tile industry emerged from the crisis resiliently, and post-COVID, demand for ceramic tiles in India is expected to surge.

India stands as one of the fastest-growing markets for ceramic tiles globally, propelled by factors such as the burgeoning real estate sector and supportive government policies stimulating growth in housing. Furthermore, increasing disposable income and a growing aspiration for aesthetically pleasing living and working spaces are driving demand for ceramic tiles. Emerging trends like touchless and hygiene-focused bath ware products and germ-resistant tiles are gaining traction and are expected to witness increased demand in the forecast period. Government initiatives like 'Pradhan Mantri Awas Yojana' and 'Smart Cities' are poised to further boost the real estate market in India.

The Real Estate (Regulation and Development) Act (RERA) has brought transparency and process efficiency to the real estate sector, with significant implications for the ceramic industry. Remodeling activities are anticipated to surge during the forecast period, driving demand in the residential segment of the Indian ceramic tiles market. Consumers are increasingly investing in enhancing the aesthetic appeal of their walls and floors, a trend expected to significantly boost product demand in the residential market in the years to come.

20 Micron Limited boasts a diverse product portfolio that spans three main categories: industrial minerals, specialty chemicals, and plant growth stimulators and construction chemicals. Within this portfolio, our value-added industrial minerals and functional additives in the specialty range have experienced substantial growth over the years. Today, we proudly stand as one of India's fastest-growing Industrial Minerals & Additives companies, offering a stable and expanding range of innovative products. Looking ahead, 20 Microns Limited aims to concentrate on the specialty chemical and value-added segment, gradually enhancing its capabilities. Our focus remains on achieving stability in the bottom line while expanding profit margins. With a track record of successful innovation and the development of new products and processes, our company is committed to establishing a robust presence in the specialty chemical, value-added product, and mineral-based fertilizer business sectors.

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Manufacturing and operational capacity

The company excels in manufacturing high-quality industrial minerals and specialty chemicals across nine integrated production sites located across different states. These facilities are strategically designed to cater to a diverse range of requirements and industries.

With a history of over thirty years, the Company specializes in various industrial minerals and speciality chemicals such as talcs, barytes, bentonite, calcined kaolin, calcium carbonate, dolomite, opacifiers, wax and wax additives, rheological additives and flame retardant, among others. This broad expertise within the organization enables forms the cornerstone of our offerings and enables us to deliver exceptional quality and cater to diverse industry needs.

Business segment review

Segment I

Paints and Coatings

One of the Company's core focus sectors, the paints and coatings segment, significantly contributes to the overall revenue mix. As a leading supplier of industrial minerals across various particle sizes (from coarser to fine and ultra-fine), the Company holds a prominent position. Today, we proudly serve as a Level 1 supplier of micronized industrial minerals to major paint and coating manufacturing companies. Additionally, we introduced a couple of new products during the year to strengthen our presence in this segment.

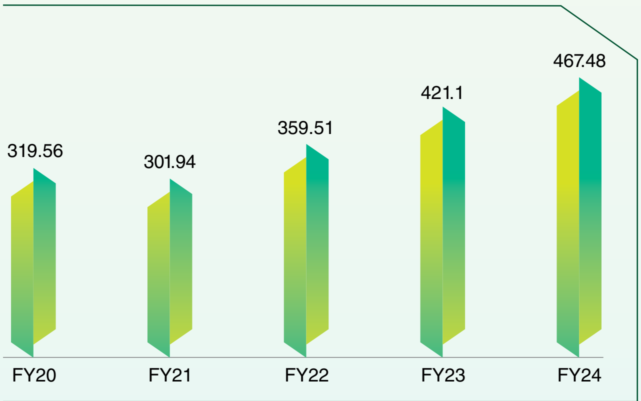
Core products

Engineered Kaolin | Calcium Carbonate | Talc | Mica | Silica | Opacifiers | Matting Agent | Rheological Modifiers | Colored Quartz | Wax Emulsions

Industries served

Paint | Ink | Pigments

Revenue (₹ in crores)



Segment II

Polymers | Paper & Rubber

As the second most important sector after the paint and coatings industry, it significantly contributes to the overall revenue mix. In FY23, the Company further solidified its market position in India within this segment. The growth strategy was fuelled by the introduction of innovative and value-added products, expansion into new geographies, and an increase in the base of OEM clients.

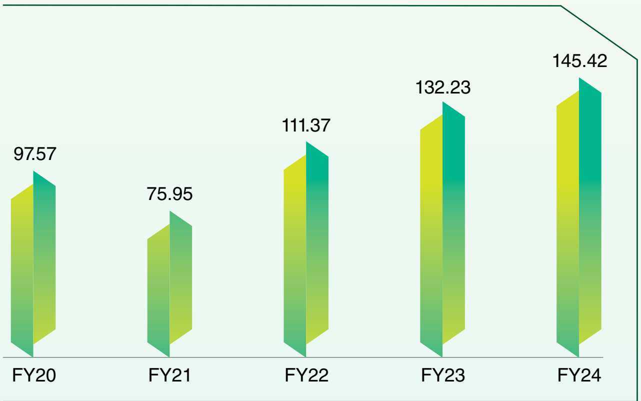
Core products

Calcium Carbonates | Talc | Silica | Dessicants | Flame Retardants | White Pigment Opacifiers | Mica | Wax & Wax Additives | Engineered Kaolins

Industries served

Polymers | Rubber | Cosmetics | Paper

Revenue (₹ in crores)



Segment III

Allied Division

20 Micron Limited's third-largest division within its revenue mix, catering to various industries such as ceramics, adhesive and sealants, agrochemicals, construction chemicals, oil & gas, foundry, and other verticals. The division's key strategy revolves around consistently offering new products to enhance our customers' competitiveness in terms of quality. Additionally, we aim to provide competitive alternatives to global mineral players.

Our focus lies in manufacturing innovative products for the ceramics and refractory industry at our dedicated ceramics application center. We've successfully completed commercial trials for multi-functional mineral products designed for selective ceramics sub-applications. Furthermore, we've recently launched a new range of products in the market, receiving positive feedback from our customers. With dedicated blending platforms established for various grades, we anticipate higher sales volumes in this segment in the foreseeable future.

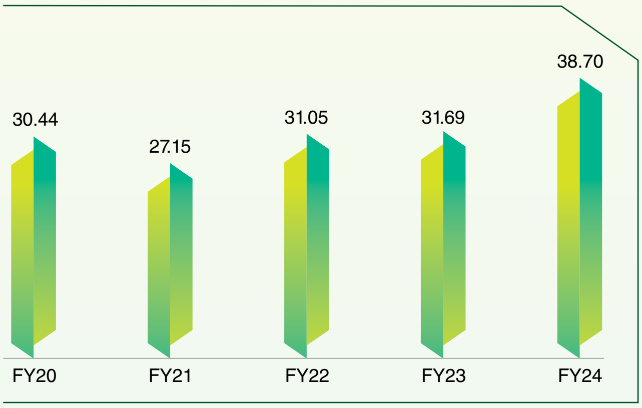
Core products

Calcium Carbonates | Talcs | Barytes | Hydrous Kaolins | Ball Clays | Silica | Organoclays | Rheological Thickeners

Industries served

Ceramics | Agrochemicals | Oil & Gas | Construction Chemicals | Adhesives & Sealants

Revenue (₹ in crores)



Segment IV

Construction Chemicals

One of our rapidly growing subsidiaries, the construction chemical segment, has experienced decent growth over the years. Today, we proudly stand as one of India's new-age and innovative construction chemical companies, boasting a stable and expanding portfolio.The division's key strategy revolves around periodically introducing new products to position ourselves as solution providers. Our competitive strength in a fiercely contested market is attributed to our top-notch products, renowned for their quality and applicability. Through our innovative product line, we safeguard the integrity of concrete, mortar, plaster, and other architectural elements used in constructing building foundations. Whether it's day or night, we're the specialists available to meet all your 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

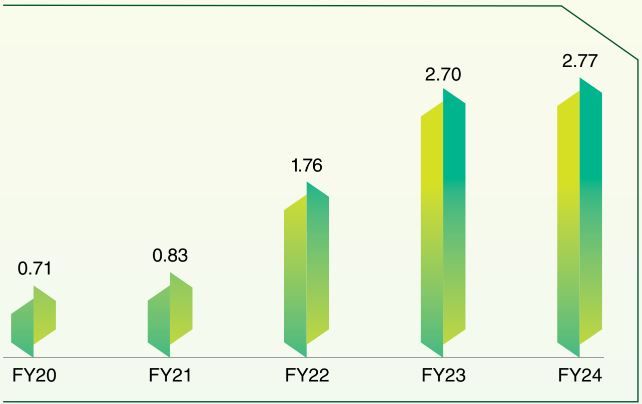
Core products

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

Key application industry

Real estate | Housing industry

Revenue (₹ in crores)



Segment V

Minfert

MINFERT, one of our fastest-growing business segments, is a pioneering agricultural firm specializing in the production of bio-stimulants and bio-pesticides. Our mineral-based products are designed to promote sustainable and eco-friendly farming practices, enhancing crop health, improving yield, and protecting the environment. Our innovative array of high-quality organic products has gained traction among the farming community. At MINFERT, we are equipped with a state-of-the-art research center and technical expertise in the fields of farming, life science, and chemistry. We offer a range of mineral-based fertilizers, insecticides, and soil conditioners to help farmers achieve better yield and higher-quality crops.

Key USP of our MINFERT products

Embracing the potential of organic farming to nurture a healthy and harmonious ecosystem, our team of experts is dedicated to creating and producing bio-stimulants, bio-pesticides, and plant growth stimulators. These innovative solutions offer a more natural approach to agriculture, plant growth, and crop protection by harnessing the inherent properties of plants and minerals. By eliminating harmful synthetic chemicals, our goal is to enhance soil fertility, preserve biodiversity, and promote long-term sustainability.

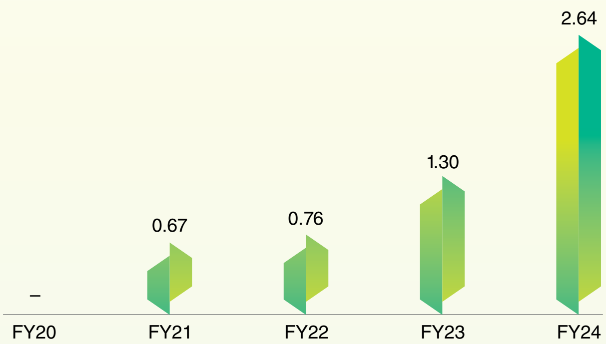
Core products

Tio Tiko | Nipho | Blk | Gbr | Humicrons | Tiger-Booster | Reskue | Thrips Kranti | Stilk

Key application industry

Agriculture

Revenue (₹ in crores)

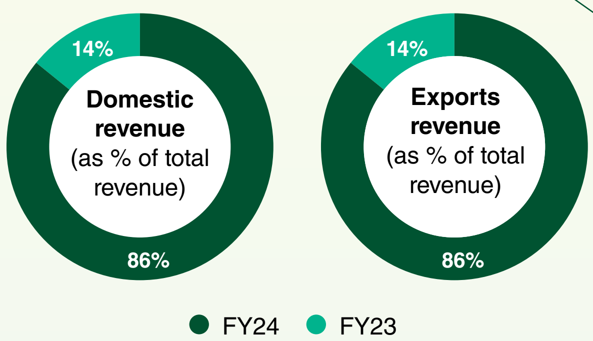


Financial review

Revenue from operation achieved during FY2024 was ₹672.45 crores, as against ₹597.80 crores in the previous year, registering 12.49% year-on-year growth. Profit before tax (PBT) was recorded at ₹69.74 crores against ₹48.64 crores during the previous year. Profit after tax (PAT) for the year stood at ₹50.15 crores against ₹36.15 crores in the previous year. For FY2024, EBITDA grew by 24.91% YoY to ₹85.76 crores in FY2024, compared to ₹68.65 crores in FY2023. EBITDA margin for FY2024 stood at 12.75%, improved by 127 bps on a YoY basis. Various cost control measures coupled with better market dynamics led to higher growth in EBITDA.

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. Domestic Revenues for FY24 stood at ₹581.42 crores, compared to ₹511.51 crores in FY23. Revenue contribution from exports stood at ₹91.03 crores, up by 5.48% compared to ₹86.30 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.

Region-wise revenue share



Total borrowings of 20ML as of March 31, 2024 stood at ₹96.04 crores vis-à-vis ₹80.95 crores as on March 31, 2023. Vide Net Debt stood at ₹56.97 crores vis-à-vis ₹63.11 crores as on March 31, 2023. 20ML reduce its interest cost by 16.51% during the year from ₹15.00 crores in FY23 to ₹12.52 crores in FY24.

Financial performance summary

	FY24	FY23	% Change
Revenue from Operation	**672.45**	**597.80**	**12.49%**
Other Income	8.10	6.61	
EBIDTA	85.76	68.65	24.91%
Depreciation	11.59	11.63	[0.37%]
EBIT	74.17	57.02	30.08%
Finance cost	**12.52**	**15.00**	**[16.51%]**
Profit before Tax and Exceptional Item (PBT)	69.74	48.64	43.39%
Exceptional Items	**1.56**	**-**	
Profit after Tax (PAT)	**50.15**	**36.15**	**38.73%**

Summary of Balance Sheet

	FY24	FY23
Equity and liabilities		
Equity share capital	17.64	17.64
Other equity	305.63	251.95
Non-current liabilities	40.58	43.61
Current liabilities	160.87	147.16
Total	**524.73**	**460.37**
Assets		
Non-current assets	54.26	49.08
Fixed assets	203.36	197.29
Current assets	267.11	214.00
Total	**524.73**	**460.37**

Key ratios

	FY24	FY23
EBITDA Margin	12.75%	11.48%
EBIT Margin	11.03%	9.54%
Profit Before Tax Margin	10.37%	8.14%
Profit After Tax Margin	7.46%	6.05%
Inventory turnover ratio (times)	8.46	7.55
Debt Service Coverage Ratio (times)	11.07	4.20
Current ratio	1.67	1.46
Debt-Equity ratio	0.30	0.30
Adjusted Net debt-to-equity ratio	0.18	0.23
Return on Equity (RoE)	16.92%	14.37%
Return of Capital Employed (RoCE)	19.30%	16.97%

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.

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 Risk Management Committee
- 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.

Risks and Concerns

Risk	Definition	Mitigation
Regulatory Risk	The risk of regulation changes can affect operations in multiple global markets.	The Company conscientiously adheres to all Safety, Health, and Environment (SH&E) standards. It implements various waste minimization and recycling practices and ensures strict adherence to all pollution control and emission regulations.
Raw Material Risk	The unavailability of raw materials and fluctuation in raw material prices are significant threats to the business.	The Company has long-term contracts with both domestic and international suppliers to ensure an uninterrupted supply of raw materials at competitive prices. Further, the Company has five captive mines to ensure a consistent supply of raw materials. Additionally, the company invested in backward integration to reduce external dependency on raw materials.
Forex Risk	The risk of unfavourable movement in any currency, leading to financial losses.	The majority of the Company's export earnings and imports are denominated in the US dollars, which limits exposure to fluctuations across various currencies. As a net importer in the US dollar terms, the Company effectively offsets currency volatility risks through the domestic sale of import-substituting products. Furthermore, the Company keeps a vigilant eye on currency market trends and engages in currency hedging for various durations as needed.
Innovation Risk	The ability to innovate and improvise in the specialty chemical business is crucial for growth and profitability.	The Company is an R&D-driven organization with a team of technically competent persons in the metallurgy and chemical industry. The Company has registered various patents and trademarks in its name.

Risk	Definition	Mitigation
Customer Retention Risk	The risk of being unable to retain clients due to the rising complexity in demand.	The Company has a wide array of products enabling 20ML to cater a wide range of end-user industries and also long-term contract with its clients to supply different products. The Company's strong emphasis on research and development, innovation, and offering effective value for money products is why our clients find 20ML's products appealing and continue to be interested in them.
Quality Risk	Any divergence in the quality standards may cause loss of customers, revenue, and reputation.	20ML is a quality conscious and quality focused player. The quality of the products is monitored rigorously by the dedicated quality control team. 20ML holds certifications such as ISO and ECOVADIS certifications, upholding the Company's quality focus mindset.
Geo-political Risk	The risk of adverse effects due to geo-political events, such as China's dumping of goods on the Indian market, which can disrupt local markets and competition.	The company closely monitors geopolitical developments and their potential impact on its operations. To reduce this risk, the company has diversified its supplier base and formed strategic partnerships with local suppliers. This helps reduce reliance on foreign sources for key materials. Furthermore, the company regularly assesses market trends and adjusts its product offerings to adapt to changing conditions.

Information Technology

Your Company recognizes the critical role of a robust IT infrastructure, both in scale and technology, as the cornerstone of stable IT systems and superior support. Boasting state-of-the-art IT systems, it possesses a comprehensive IT framework essential for managing service administration and delivery. The Company's IT setup is instrumental in generating a variety of business intelligence reports for production management, electronic procurement, paperless transactions, budgeting, forecasting, and cash flow analysis, supporting 20ML. It adheres to international benchmarks in information automation, performance metrics, remote working capabilities, and managerial excellence. The technical team is tasked with system programming and providing user support for technological advancements.

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

The Company's seasoned leadership and deep industry expertise furnish it with a distinct edge as it continues to broaden its reach in current markets and venture into new territories. 20ML steadfastly invests in its 'Human Capital'. By integrating skilled professional management and essential staff, 20ML is fortified to operate autonomously. The company remains committed to fostering a culture of meritocracy, integrity, and adherence to legal and compliance standards. It has introduced numerous governance policies to empower employees to voice concerns without fear of retaliation or bias. The Company's Code of Conduct includes pertinent regulations aimed at preventing sexual harassment and features a whistleblower policy for the prompt reporting and resolution of issues.

The collective growth and unity of the team are the group's core strengths. Training and skill enhancement are pivotal for the personal and organizational development of the workforce. The Company conducts regular training and development programs, inspiring its employees to realize their utmost potential. Additionally, we prioritize a transparent communication hierarchy to facilitate clear dialogue between employees and management. These efforts are instrumental in attracting and retaining elite talent within the industry, contributing to the Company's reputation for having dedicated and content human resources. The Company has effectively put into practice significant HR strategies and people management techniques. As of 31st March 2024, 20ML proudly employs over 384 individuals.

Health and safety measures

The well-being of our staff is of paramount importance. Leadership in our factories spearheads our commitment to health, safety, and environmental (HSE) standards, conducting frequent audits to bolster our workforce's health and safety. With their guidance, we've implemented numerous initiatives to enhance our personnel's safety. Additionally, we have formed teams dedicated to quickly identifying and addressing safety issues at each manufacturing location. Our Company enforces a comprehensive set of health and safety guidelines that all employees across every site must rigorously follow.

In light of the pandemic, we intensified our focus on these protocols. Beyond adhering to governmental regulations, we've instituted regular sanitization processes and enforced proper social distancing measures. Proactive steps, including routine employee health checks and controlled access via oximeter and thermal screenings, were promptly put in place. Moreover, we initiated wellness programs for our employees and their families, aimed at fostering resilience, adapting to change, and improving overall well-being during these trying times.

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 2023-24:

Company's Philosophy on Corporate Governance:

The Company's philosophy on corporate governance is to have prudent business strategies and ensures ethical corporate behavior, fiscal accountability and fairness to all stakeholders like but not limited to regulators, customers, vendors, investors, employees and the society at macro level and its effectiveness always constitute the strong foundation on which successful commercial enterprises are built to gradually grow on an on-going basis.

Board of Directors

Composition

The Company has a very balanced and diversed Board of Directors, which primarily takes 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 technical, manufacturing, finance and taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable inputs to the Management on various aspects of business, policy directions, governance, compliances etc. and equally play vital and important role on strategic issues, which enhances the transparency and add value in the decision making process of the Management through Board of Directors.

The strength of Board as on March 31, 2024 is 8 [Eight] Directors. The Board comprises of Executive and Non-Executive Directors. There are 3 [three] Executive / Whole-time Directors consisting of the Chairman & Managing Director, CEO & Managing Director and Whole-time Director. There are Five Non-Executive independent Directors. 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. In accordance with Regulation 25(8) of the Listing Regulations, the Independent Directors have affirmed that they are not aware of any circumstances that could compromise their ability to discharge their duties with impartiality and without external influence. During the year under review, no Independent Director resigned before the expiry of his tenure from the Board of the Company.

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, Whole-time 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, 2024.

Mr. Atil C. Parikh, the **CEO & Managing Director**, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, the Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he re-joined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Boards of 20 Microns Nano Minerals Limited; 20 MCC Private Limited; Eriez Industries Private Limited and 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, 2024.

Mrs. Sejal R. Parikh, the **Whole-time 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 Board of 20 MCC Private Limited and is also the Member of CSR Committee of Directors.

Mr. Ramkisan A. Devidayal, the **Independent Director** [2nd Term expiring on 12.08.2024], holds Master's degree in Commerce and Management. He has rich and extensive experience in the fields of Agrochemicals of about 36 years of which 20 years in the senior – 1st Line Management of the Companies to which he has been associated as Director. He was the Vice Chairman of Baroda Citizen Council and involved in Social activities of many NGOs. He has also been actively attached with various Associations 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 92,000 Equity Shares representing 0.26% of the paid-up equity share Capital of the Company as on March 31, 2024.

Mr. Atul H. Patel, the **Independent Director** [2nd Term expiring on 12.08.2024], 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, 2024.

Dr. Ajay I. Ranka, the **Independent Director**, 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 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, 2024.

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.

Dr. Sivaram Swaminathan, the **Independent Director**, is a polymer chemist by profession and a science administrator of distinction. He is a former Director of the CSIR – National Chemical Laboratory, Pune (2002-10), Shanti Swarup Bhatnagar Fellow of CSIR and J. C. Bose Fellow of the Department of Science and Technology. Currently, he is an Honorary Professor and INSA Emeritus Scientist of the Indian Institute of Science Education and Research (IISER), Pune.

Dr. Sivaram is a highly decorated scientist / technologist with numerous awards and honours to his credit. He was conferred Padma Shri by the President of India in 2006. He is a recipient of the Gold Medal of the Chemical Research Society of India for his life-time achievements in chemistry (2019) and the International Award for distinguished contributions to polymer science, awarded by the Society of Polymer Science, Japan (2017). Dr. Sivaram earned his Bachelor of Science degree in Chemistry from Madras Christian College (1965) and is a distinguished alumnus of IIT-Kanpur (M.Sc., 1967). He earned a PhD in Chemistry and DSc (h.c) from Purdue University, W. Lafayette, Indiana, USA. He is an elected Fellow of all the learned academies of science and engineering in India. He is a technical consultant to several reputed Indian companies and serves on the Board of Directors of several leading Indian companies dealing with chemicals and materials

He has authored over two hundred and fifty papers in peer-reviewed journals, edited two books and authored one book. He is cited as an inventor in fifty-one issued US and European patents and fifty-two Indian patents. He has supervised the doctoral thesis of over forty students and mentored over fifteen post-doctoral fellows in a research career spanning fifty years.

He is neither a chairman/member of any committee of the company nor hold any share in the Company.

Mr. Dukhabandhu Rath, Additional Director (Non-executive, Independent Director, w.e.f. 17.05.2024), is a senior Top Executive Banker and former Chief General Manager of SBI. He headed SBI operations of Gujarat and Union Territories. With nearly four decades of dedicated service in the Indian Banking Industry, including 36 years at SBI, he carries an extensive skill set encompassing SME and Corporate Credit, Retail Credit, Branch Operations, Customer Service, Risk Management, Audit & Compliance, Digitization & IT, Strategic Planning & Budgeting, Human Resources Management and Resources Mobilization. His career began in 1984 as a Probationary Officer (Scale I) at SBI, following prior roles in two other esteemed Public Sector Banks. He also served as Managing Director of Gujarat Venture Finance. He is a certified Corporate Director from the Institute of Directors, India. He is a certified Associate of the Indian Institute of Banking and Finance. He was recognized for his exceptional leadership and outstanding performance across a diverse range of responsibilities.

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

During the year ended on March 31, 2024, the Board of Directors have met 5 [five] times. The last Annual General Meeting (AGM) was held on 10.08.2023. The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2024 and at the last AGM is as under:

Name of Director	AGM	Board Meetings					% of attendance
	10.08.2023	16.05.2023	21.07.2023	25.10.2023	25.01.2024	24.02.2024	
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	A	Y	Y	Y	Y	80
Dr. Ajay I. Ranka	Y	Y	Y	Y	Y	Y	100
Mr. Jaideep B. Verma	Y	Y	Y	Y	Y	Y	100
Dr. Sivaram Swaminathan	Y	Y	Y	Y	Y	Y	100

Y – Attended and A-Absence

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
8	Dr. Sivaram Swaminathan	Expert	Expert	Expert	Proficient	Proficient	Proficient	Proficient
9	Mr. Dukhabandhu Rath [w.e.f. 17.05.2024]	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, 2024 to review the performance of Non-Independent Directors (including the Executive Director's) 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. 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 at 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 inter-alia for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the respective 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, 2024, 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. excluding 20ML	Committee * Membership	Committee * Chairmanship
	Name of Company	Category		in Public Companies (whether listed or not)	
Mr. Rajesh C. Parikh	20 Microns Limited	Chairman & MD	2	3	-
Mr. Ramkisan A. Devidayal	20 Microns Limited	CEO & Managing Director	2	1	-
Mrs. Sejal R. Parikh	20 Microns Limited	Whole Time Director	1	-	-
Mr. Ramkisan A. Devidayal	20 Microns Limited	Independent Director	4	2	4
	Banco Products (India) Limited	Independent Director			
	Munjal Auto Industries Limited	Independent Director			
Mr. Atul H. Patel	20 Microns Limited	Independent Director	5	1	1
	Paushak Limited	Independent Director			
Dr. Ajay I. Ranka	20 Microns Ltd.	Independent Director	-	1	-
Mr. Jaideep B. Verma	20 Microns Limited	Independent Director	-	-	-

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. excluding 20ML	Committee * Membership	Committee * Chairmanship
	Name of Company	Category		in Public Companies (whether listed or not)	
Dr. Sivaram Swaminathan	20 Microns Limited	Independent Director	2	-	-
	Supreme Petrochem Limited	Independent Director			
	Apcotex Industries Limited	Independent Director			
Mr. Dukhabandhu Rath [w.e.f. 17.05.2024]	20 Microns Limited	Independent Director	3	3	1
	K.P. Energy Limited	Independent Director			
	SG Finserve Limited	Independent Director			
	SG Mart Limited	Independent Director			

* Audit Committee and Stakeholder Relationship Committee are only considered.

Induction and Training of Board Members:

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

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

1. The Role, Rights, Responsibilities and Duties of Independent Directors; and

2. The Company, Nature of Industry in which the Company operates, business model of the Company etc.

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

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. The Audit Committee comprises of 3 Independent Directors including Chairman and Managing Director(CMD). 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 4[Four] meetings during the year 2023-24, specifically on 16.05.2023, 21.07.2023, 25.10.2023 and 25.01.2024. The attendance of each committee members was as under:

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Ramkisan A. Devidayal, Chairman – Independent Director	4 of 4
2	Mr. Atul H. Patel – Member-Independent Director	4 of 4
3	Dr. Ajay I. Ranka – Member-Independent Director	4 of 4
4	Mr. Rajesh Parikh –Member- CMD	4 of 4

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

Invitees / Participants:

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

2. The Statutory & Internal 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. This 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, 2024 had one meeting on 29.04.2023. 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 CMD	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 senior management 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 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 Schedule V of the Companies Act, 2013.

The remuneration to the Managing Directors and Whole-Time Director 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, Provident Fund contributed as per Provident Fund Act and Rules, the details of which are as under -

(₹ in Lakh)

Names of Directors	Basic	HRA	Medical	Other Perquisites	Bonus + Ex Gratia	Professional Tax	TOTAL
MANAGING/WHOLE-TIME DIRECTORS :							
Mr. Rajesh C. Parikh	1,95,41,184	25,51,200	7,82,364	-	-	23,44,943	2,52,19,691
Mr. Atil C. Parikh	1,56,98,304	22,56,660	6,92,040	-	-	18,83,796	2,05,30,800
Mrs. Sejal R. Parikh	19,77,520	2,96,631	94,837	-	5,47,058	2,37,302	31,53,348

Apart from the above remuneration details, no other kind of fixed components, performance link incentives are given to the Directors.

The term of Mr. Rajesh C. Parikh and Mr. Atil C. Parikh will expire on 31st March, 2025. Further, the notice period is of 90 days for both as per the agreement. The notice period for Mrs. Sejal Parikh is 90 days as per policy of the Company.

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 was also recommended to pay Commission for the financial year 2022-23 as per the approval received from the shareholders in the Annual General Meeting held on 10th August, 2023, within the limit as specified in the provisions of Companies Act, 2013 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	2.40	7.00
Mr. Atul H. Patel	2.10	3.30
Dr. Ajay I. Ranka	1.80	3.30
Mr. Jaideep B. Verma	0.95	2.50
Dr. Sivaram Swaminathan	1.15	-

Apart from aforementioned payment there is no other pecuniary relationship or transactions of non-executive directors with the Company.

Directors' Shareholding

Shareholding of the Directors in the company as on March 31, 2024:

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	92,000	0.26
Mr. Atul H. Patel	70,000	0.20
Dr. Ajay I. Ranka	2,44,875	0.69
Mr. Jaideep B. Verma	Nil	NIL
Dr. Sivaram Swaminathan	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, 2024, this Committee had 01 [one] meeting on 25.10.2023 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-CMD	1 of 1
3	Mr. Atil C. Parikh – Member-CEO & MD	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, there are no complaints remaining unsolved to the satisfaction of shareholders and there are no pending complaints. The company has reported the details of investor grievance on quarterly basis to BSE and NSE to that effect.

CSR Committee of Directors

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee is headed by Mr. 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 29.04.2023. The CSR Committee, as on March 31, 2024, comprised of the following members:

Sr. No.	Name of Committee Members	No of Meetings held/ attended
1	Mr. Rajesh C. Parikh – Chairman –CMD	1 of 1
2	Mrs. Sejal R. Parikh – Member-Whole time Director	1 of 1
3	Mr. Ramkisan Devidayal –Member-Independent Director	1 of 1

Following are the Senior Management Personnel of the Company:

Sr. No.	Employee Name	Department	Designation
1	Prashant C. Bhavsar	Marketing CNC	President-Marketing
2	K. K. Mishra	Marketing VAD	President-Marketing
3	Ajay P. Joshi	Operations	President-Operations
4	Rakesh S. Parikh	Operations	President-Operations
5	Milind A. Ranade	Export	Sr. Vice President Marketing
6	Peshank K. Patel	Sourcing	Vice President-Sourcing
7	Vipul Chawda	HR & Admin	Vice President -Business Development & HR
8	Pranit Shah	Accounts	Sr. Finance Controller
9	Hemang Patel	R & D	GM-Research & Development
10	Sunil Mistry	Marketing	AVP-Marketing

There were no changes in the senior management since the close of the previous financial year.

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/corporate-governance-policies-codes**.

It is affirmed that no personnel of the Company have 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. During the year under review, no sexual Harassment Complaint has been received by the Company. The HR Department of the Company had conducted program of awareness and training amongst the employees and all concerned about the policy and its impacts as such. The policy of Sexual Harassment at workplace may be accessed at the web-link – **https://www.20microns.com/corporate-governance-policies-codes**.

General Body Meetings

(i) Annual General Meeting (AGM):

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

Financial Year	Date	Location	Time	No. of Special Resolutions Passed
2022-23	10.08.2023	Video Conference (VC) or Other Audio Visual Means (OAVM) in the Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	11:00 a.m.	04
2021-22	22.07.2022	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	11:00 a.m.	03
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

(ii) Extra Ordinary General Meetings:

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

(iii) Postal Ballot:

No Special Resolution was passed last year through postal ballot. It is not proposed to conduct any Special resolution through Postal Ballot in ensuing AGM.

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/corporate-governance-policies-codes**.

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 except during the year FY 2023-24. The details are as follows:

   Pursuant to Regulation 17 (1A) of SEBI (LODR) Regulations, 2015 provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. The special resolution should be passed within 3 months from the date of the appointment.

   In this regard, upon recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 16th May, 2023 appointed Dr. Swaminathan Sivaram as Additional Director of the Company in the category of Non-executive, Independent Director which was subject to approval of shareholders at the 36th Annual General Meeting to be held on 10th August, 2023. The BSE Ltd and National Stock Exchange of India Ltd ("**the Stock exchanges**") imposed separate fine of ₹108560/- plus GST on the Company on the basis of Corporate Governance report filed for the quarter ended on 30th June, 2023 i.e. for the period from 16th May, 2023 till 30th June, 2023. The stock exchanges observed that Mr. Swaminathan Sivaram, aged more than 75 years has been appointed as an Independent Director without prior approval of shareholders by way of Special Resolution.

   Further, the Stock exchanges imposed separate fine of ₹94,400/- plus GST on the Company on the basis of Corporate Governance report filed for the quarter ended on 30th September, 2023 i.e. for the period from 1st July, 2023 till 9th August, 2023.

   It was claimed by NSE and BSE that appointment of Dr. Swaminathan Sivaram (Independent Director) who has attained the age of 75 years has been made without prior approval of the shareholders by way of special resolution which is not as per requirement of Regulation 17 (1A) of SEBI (LODR) Regulations.

   Dr. Swaminathan Sivaram who has attained the age of 75 years has been appointed as an Independent Director of the Company with effect from 16th May, 2023 by the Board of Directors. His appointment is further approved by shareholders at 36th Annual General Meeting held on 10th August, 2023 by way of special resolution.

   NSE and BSE had raised the query that for appointment of Non-Executive Director who has attained that age of 75 years the Company shall take prior approval of shareholders by way of special resolution. The Company has replied that the word "prior" is not specifically written in the Regulation 17 (1A) of SEBI (LODR) Regulations. The appointment of Mr. Swaminathan Sivaram who has attained the age of 75 years as an Independent Director has been made by Company in due compliance of law as his appointment is approved by shareholders by way of special resolution at the immediate next Annual General Meeting held within 3 months from his appointment.

Since prior approval of shareholders was not required company filed an appeal before Hon'ble SAT and the matter has been decided in favor of the Company and hence there was no non-compliance on the part of the Company. The penalty amount has been remitted back to the Company by both the stock exchanges.

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 31.03.2024, the Company has one material subsidiary named 20 Microns Nano Minerals Limited as defined in Regulation 16(1)(c) of the Listing Regulation, 2015. Accordingly, the Company has framed a policy for determining "material subsidiary" and the same is disclosed on the Company's website at https://www.20microns.com/corporate-governance-policies-codes

   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 TO ITS STATUTORY AUDITOR AND ITS SUBSIDIARIES, IF ANY ON A CONSOLIDATED BASIS.

During the year ₹ 16.25 Lakhs was paid to Statutory Auditor including out of pocket expenses, further M/s. Manubhai & Shah LLP, Statutory Auditors of the Company has 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 31.03.2024 the manufacturing unit of the Company are situated at Nine (9) places situated at Waghodia, Vadadala, Bhuj, Hosur, Haldwani, Tirunelveli, Alwar, Udaipur and Makrana.

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.

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

The Company has adopted mandatory as well as non-mandatory requirements as mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Certificate

A certificate from M/s Parikh Dave & Associates, Ahmedabad, the Practicing Company Secretary 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 2024 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 and any other circular as may be issued by MCA in this regard, 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.

Green initiatives that have implemented and promoted sustainability and reduce, their environmental impact are Creating Regenerative Supply Chains. Track and Measure Carbon Footprint, Content creators and companies are partnering with organizations to track and measure their carbon footprint. This includes analysing emissions from various activities, such as animation productions, and identifying ways to reduce their overall impact.

General Shareholders' Information

Annual General Meeting:

Day and Date	:	Friday, 19th day of July, 2024
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, 2024
Second quarterly / Half yearly results*	:	on or before 14th November, 2024
Third quarterly results*	:	on or before 14th February, 2025
Fourth quarterly/Annual results*	:	on or before 30th May, 2025

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

Official news releases and presentations made to Institutional investors or to the analysts on quarterly and annual basis and the disclosure of the same is available on the respective stock exchange's along with website of the company.

Dividend payment date: On or before 30 days from the date of AGM

Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from 13th day, July, 2024 to 19th day, July, 2024 (both days inclusive) for the purpose of 37th Annual General Meeting. The Record and cut-off date 12th day of July, 2024.

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

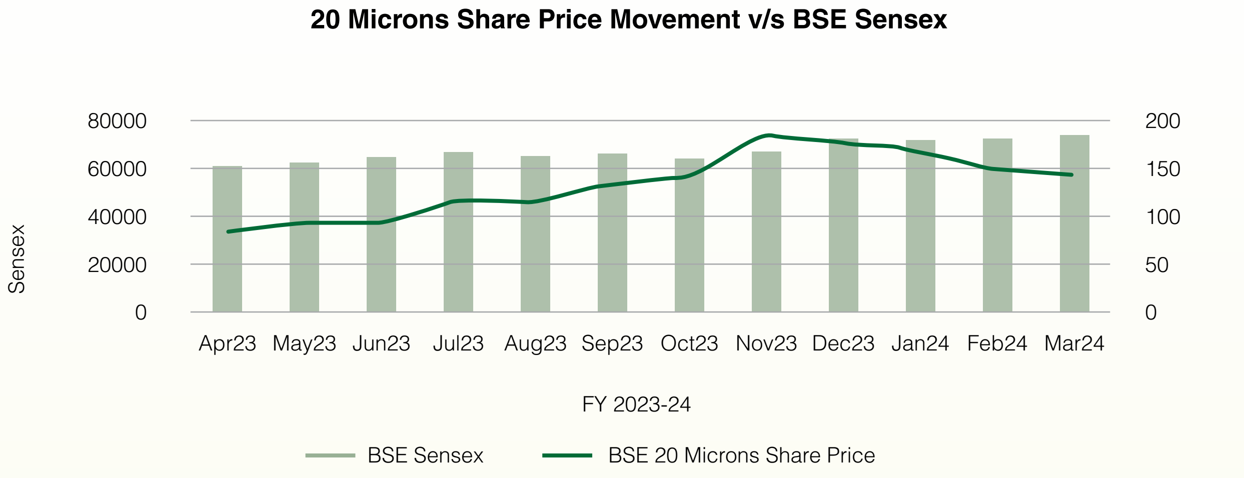
Listing Fees:

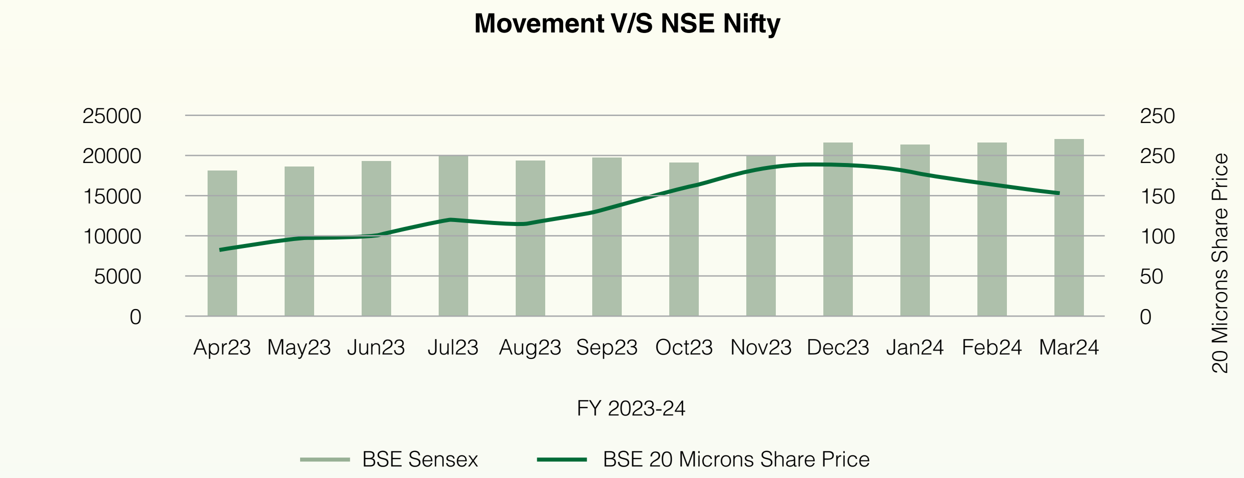
The Company has paid listing fees up to 31st March, 2024 to the BSE Limited and National Stock Exchange of India Ltd. where Company's shares are listed.

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 2023-24 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-23	85.88	73.2	83.81	85.70	82.60	84.60
May-23	100.7	81.75	92.26	101.45	92.20	98.30
Jun-23	104	89.9	93.87	104.10	97.60	100.25
Jul-23	121.8	90	116.47	122.00	118.95	122.00
Aug-23	118.75	105.4	116	119.30	116.55	116.55
Sep-23	139.5	112.9	133.4	139.70	129.00	133.90
Oct-23	161.7	130.5	141.25	161.95	154.50	159.50
Nov-23	190.1	144.05	183.45	190.50	180.00	183.90
Dec-23	200	159.95	176.55	201.00	185.85	192.85
Jan-24	183.05	162.6	168.85	183.20	177.00	180.00
Feb-24	173	143	149.25	169.85	165.20	166.15
Mar-24	174.05	131.25	143.7	155.75	150.25	154.40





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
Tamilnadu. India
Tel: 044 4002 0700
Online Investor Portal: https://wisdom.cameoindia.com
Website: www.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.

DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the company as on March 31, 2024 is as follows:

Holding		No. of holders	% of Total holders	Total Shares	Total Amount (₹)	% of Total Amount
1	5000	21065	92.5811	3255129	16275645	9.2248
5001	10000	811	3.5643	1243040	6215200	3.5227
10001	20000	431	1.8942	1267888	6339440	3.5931
20001	30000	145	0.6372	723825	3619125	2.0512
30001	40000	60	0.2637	420670	2103350	1.1921
40001	50000	47	0.2065	448075	2240375	1.2698
50001	100000	91	0.3999	1286649	6433245	3.6462
100001	And Above	103	0.4526	26641226	26641226	75.4997
	Total	**22753**	**100.00**	**35286502**	**35286502**	**100.00**

Shareholding Pattern:

The shareholding of different categories of the shareholders as on March 31, 2024 is given below:-

S No	Client Type	No. of Shares	% of Holdings
1	Promoters	15860521	44.95
2	Corporate Body	3330385	9.44
3	Directors & their Relatives	423818	1.20
4	Resident	13908347	39.41
5	FPI	256850	0.73
6	NRI	795038	2.25
7	KMP	2000	0.00
8	Financial Institutions/Bank	202	0.00
9	Employees	3147	0.01
10	Hindu Undivided Family	691464	1.96
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 99.97% of total equity share capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2024. 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 31.03.2024.

CREDIT RATING

Credit Rating Agency viz. ICRA (an S & P global Company) has given below mentioned rating maintained by 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

Disclosure of certain types of agreements binding listed entities Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations: No such event occurred during the year.

Subsidiary & Associate Companies

As on 31.03.2024, the Company has 5 [five] Subsidiaries and viz. 20 Microns Nano Minerals Limited; 20 Microns SDN. BHD, 20 Microns FZE, 20 Microns Vietnam Company Limited and 20 MCC Private Limited and 1 [one] Associate Company viz., Dorfner-20 Microns Private Limited.

Disclosure by listed entities and its subsidiaries of "Loan and advances in the nature of loans to firms/companies in which directors are interested by name and amount": 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.

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.:

Company has one material subsidiary named 20 Microns Nano Minerals Limited which was incorporated on 28th October, 1993 at Waghodia, Dist. Vadodara, Gujarat. Further M/s N.C. Vaishnav, Chartered Accountant, Vadodara were appointed as Statutory Auditors of the Company at the shareholders meeting held on 21st September, 2020.

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 31.03.2024 on the website of the Company, at web link - https://www.20microns.com/unpaid-dividend-deposit/.

Other Disclosures:

1. The Company does not have any commodity price risks and commodity hedging activities
2. The Company has not raised fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations, 2015
3. The Board has accepted all recommendations of the Committee which is mandatorily required

Rajesh C. Parikh
Chairman & Managing Director
DIN: 00041610

Place: Waghodia, Vadodara
Date: 17.05.2024

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, 2024 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
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020
FCS No.:4152 C. P. No.: 2413
UDIN: F004152F000389702

Place: Ahmedabad
Date: 17.05.2024

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, 2024 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, 2024, 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
Date: 17.05.2024

Narendra R. Patel
Chief Financial Officer

Atil C. Parikh
CEO and Managing Director
DIN: 00041712

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, 2024.

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
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020
FCS No.: 4152 C. P. No.: 2413
UDIN: F004152F000389680

Place: Ahmedabad
Date: 17.05.2024

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

[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, 2024 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, 2024 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the year under review;

   (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not applicable during the year under review;

   (e) 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) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable during the year under review;

   (g) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;

   (h) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (i) 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 generally 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. The changes in the composition of the Board during the year under review were carried out in compliance of the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, Independent Director(s) were present at Board Meeting which were called at a shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. 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 and 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, the Board of Directors of company at its meeting held on 25th January, 2024 has approved entering into Joint Venture agreement with Sievert Baustoffe Auslandsbeteiligungen GmbH, a Germany company for the purpose of establishing a Joint Venture Company (limited by shares) in India for manufacturing of Construction Chemicals and Building Material related products.

Except this, there were no other 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: F004152F000389625

Place : Ahmedabad
Date : 17.05.2024
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: F004152F000389625

Place : Ahmedabad
Date : 17.05.2024

Secretarial Audit Report (Form No. MR-3) of the 20 Microns Nano Minerals Limited (Material Subsidiary of 20 Microns Limited as per Regulation 16(1)(C) of the SEBI LODR Regulation, 2015)

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

20 MICRONS NANO MINERALS LIMITED

CIN: U15543GJ1993PLC020540

9-10 GIDC Industrial Estate,

Waghodia, Vadodara-391760.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 20 MICRONS NANO MINERALS 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, 2024 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, 2024, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. 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** as there are no reportable events during the year;

1) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are **Not Applicable** to the Company as the Securities of the Company are not listed on any Stock Exchange during the year under review:

(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;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(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;

(g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;

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

(i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and made effective from time to time.

ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if any. (**Not Applicable** as the securities of the Company are not listed on any Stock Exchange during the year under review).

During the audit period under review, the Company has generally complied with all material aspects of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

Having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test - check basis, the Company has complied with the material aspects of the following laws specifically applicable to the Company being engaged in the Nano sizing chemistry of Minerals and Specialty Chemicals manufacturing activities:

1. The Mines and Minerals (Development and Regulation) Amendment Act, 2015 and the rules and regulations made thereunder;
2. The Mines Act, 1952
3. Manufacture, Storage and Import of Hazardous Chemical Rule, 1989
4. The Water (Prevention and Control of Pollution) Act, 1974
5. The Air (Prevention and Control of Pollution) Act, 1981
6. The Environment (Protection) Act, 1984

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings and agenda and detailed notes on agenda were sent at least seven days in advance. Further, Independent Director(s) were present at Board Meeting which were called at a shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. 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 and 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 report placed before the Audit Committee Meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable 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, the Hon'ble National Company Law Tribunal, Ahmedabad Bench on 6th June, 2023 has approved the Scheme of Amalgamation of subsidiary company namely Silicate Minerals [I] Private Limited [Transferor Company] with 20 Microns Nano Minerals Limited [Transferee Company], having 1st April, 2021 as the Appointed Date.

Except this, there were no other 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) 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: F004152F000389614

Place : Ahmedabad
Date : 17.05.2024

Notes:

1. 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 NANO MINERALS LIMITED

CIN: U15543GJ1993PLC020540

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

1. Maintenance of secretarial records 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 responsible assurance about the correctness of the contents of 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 provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedure on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor 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: F004152F000389614

Place : Ahmedabad
Date : 17.05.2024

Standalone Financial Section

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, 2024, 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 material 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, 2024, 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(s)

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

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
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. • 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.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1		• 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-2024 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 Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the Standalone and 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 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 other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and 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 and Board of Directors 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 and the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Company's Management and 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 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.

Report on Other Legal and Regulatory Requirements

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 except for the matters stated in the paragraph 1(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 1(b) above on reporting under Section 143(3)(b) of the Act and paragraph (i)(iv)(e) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g) With respect to the adequacy of internal financial control with reference to the Financial Statements 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 with reference to the Financial Statements.

h) 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 Directors during the year is in accordance with the provisions of section 197 of the Act.

i) 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 41 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, 2024.

(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.

d) The Final Dividend proposed in the previous year , declared and paid during the year is in compliance with the section 123 of the Companies Act, 2013.

As stated in Note No. 51, to the Standalone Financial Statement, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act.

e) Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of accounts.
- The feature of recording audit trail (edit log) was not available in one accounting software relating to Deposits accepted by the Company for the financial year ended March 31, 2024.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with during the course of our audit.

As proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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 Annexure B, a statement on the matters specified in the paragraphs 3 and 4 of the order.

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

G R Parmar
Partner
Membership No.: 121462
UDIN: 24121462BKCSHD5347

Place: Waghodia, Vadodara
Date: 17/05/2024

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 with reference to the Financial Statements 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, 2024, we have also audited the internal financial controls with reference to the Financial Statements 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 with reference to the Financial Statements 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 with reference to the Financial Statements 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 with reference to the Financial Statements 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 with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, 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 with reference to the Financial Statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

A company's internal financial control with reference to the Financial Statements 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 with reference to the Financial Statements 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 with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Financial Statements, 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 with reference to the Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Financial Statements 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 to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to the Financial Statements 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: 24121462BKCSHD5347

Place: Waghodia, Vadodara
Date: 17/05/2024

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's 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 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 2024.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) or intangible assets or both 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 of 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except good in transit 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 ₹33.50 Lakh and the balance outstanding at the balance sheet date is ₹25.48 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 overdue 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, 2024 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.

particulars of dues of Income Tax , Value Added Tax and Other as at 31st March 2024 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	11.12	AY 2018-19	CIT (A)
Income Tax Act, 1961	Income Tax	16.76	AY 2020-21	Assessing Officer
Gujarat Minerals (Prevention of illegal mining, transportation and storage) rules, 2017	Mining Royalty	419.13	--	The Commissioner (Geology & Mining, Gandhinagar)
		447.01		

(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 2024.

(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 Company is not CIC 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.

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

G R Parmar
Partner
Membership No.: 121462
UDIN: 24121462BKCSHD5347

Place: Waghodia, Vadodara
Date: 17/05/2024

Standalone Balance Sheet

as at 31st March, 2024

(₹ In Lakhs)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment & Intangible Assets			
(i) Property, Plant and Equipment	3.1	18,869.77	18,770.24
(ii) Capital Work in Progress	3.2	1,192.73	683.14
(iii) Right of Use Assets	3.4	188.18	181.23
(iv) Intangible Assets	4	84.97	72.69
(v) Intangible Assets under Development	4.1	-	22.01
(b) Investments in Subsidiaries & Associate	5	2,581.15	2,581.15
(c) Financial Assets			
(i) Investments	6	1,694.09	871.29
(ii) Other Financial Assets	7	441.63	682.69
(d) Other Non-Current Assets	8	709.35	772.37
Total Non-Current Assets		**25,761.88**	**24,636.82**
2 Current assets			
(a) Inventories	9	8,802.71	8,372.17
(b) Financial Assets			
(i) Trade receivables	10	11,255.22	8,956.88
(ii) Cash and Cash Equivalents	11	3,359.06	1,282.48
(iii) Bank Balances other than (ii) above	12	542.40	166.15
(iv) Loans	13	43.11	26.95
(v) Other Financial Assets	14	336.02	303.93
(c) Other Current Assets	15	2,084.64	2,291.29
(d) Asset held for sale	16	288.13	-
Total Current Assets		**26,711.29**	**21,399.84**
TOTAL ASSETS		**52,473.18**	**46,036.66**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	17	1,764.33	1,764.33
(b) Other Equity	18	30,563.33	25,195.17
Total equity		**32,327.66**	**26,959.49**
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,186.61	1,797.35
(ii) Trade Payables	24		
Total outstanding dues of Micro and Small Enterprise		-	-
Total outstanding dues of Creditors other than Micro and Small Enterprise		-	-
(iii) Lease Liabilities	48	141.83	137.84
(iv) Other Financial Liabilities	20	50.80	42.23
(b) Provisions	21	54.48	-
(c) Deferred Tax Liabilities (Net)	22	2,624.42	2,384.01
Total Non-Current Liabilities		**4,058.13**	**4,361.43**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	8,417.58	6,297.65
(ii) Trade Payables	24		
Total outstanding dues of Micro and Small Enterprise		3,712.58	15.12
Total outstanding dues of Creditors other than Micro and Small Enterprise		2,144.66	7,071.09
(iii) Lease Liabilities	48	65.83	58.25
(iv) Other Financial Liabilities	25	1,236.37	922.39
(b) Other Current Liabilities	26	336.50	287.94
(c) Provisions	27	4.08	16.94
(d) Current Tax Liabilities (Net)	28	169.78	46.35
Total Current Liabilities		**16,087.39**	**14,715.74**
Total Liabilities		**20,145.52**	**19,077.17**
TOTAL EQUITY AND LIABILITIES		**52,473.18**	**46,036.66**
See accompanying notes to the financial statements	1 to 53		

As per Our Report of even date 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. 121462

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: 17/05/2024

Place: Waghodia
Date: 17/05/2024

Standalone Statement of Profit and Loss

for the year ended on 31st March, 2024

(₹ In Lakhs)

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue			
I. Revenue from Operations	29	67,245.00	59,780.35
II. Other income	30	809.90	661.40
III. Total Income (I+II)		**68,054.90**	**60,441.74**
IV. Expenses			
a) Cost of materials consumed	31	35,724.37	31,058.53
b) Changes in inventories of finished goods, stock in trade and work-in-progress	32	(72.35)	17.03
c) Employee Benefits Expenses	33	5,410.08	4,774.76
d) Finance Costs	34	1,252.17	1,499.73
e) Depreciation, Amortisation and Impairment expense	35	1,158.88	1,163.19
f) Other Expenses	36	17,607.35	17,064.66
Total Expenses (IV)		**61,080.50**	**55,577.90**
V. Profit Before Exceptional Items and Tax (III-IV)		6,974.41	4,863.84
VI. Exceptional Items	52	155.56	-
VII. Profit Before Tax (V-VI)		**6,818.84**	**4,863.84**
VIII. Tax expense:	38		
Current Tax		1,750.26	1,285.13
Deferred Tax		53.30	(36.51)
Total Tax Expenses		1,803.56	1,248.62
IX. Profit for the period (VII-VIII)		**5,015.28**	**3,615.22**
X. Other Comprehensive Income	39		
A. (i) Items that will not be reclassified to profit or loss		804.63	(11.19)
(ii) Income tax related to items that will not be reclassified to profit or loss		(187.11)	2.95
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)		**617.52**	**(8.24)**
XI. Total Comprehensive Income for the period (IX+X)		**5,632.81**	**3,606.98**
Earnings per equity share of Face Value of ₹ 5 each	40		
Basic		14.21	10.25
Diluted		14.21	10.25
See accompanying notes to the financial statements	1 to 53		

As per Our Report of even date 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. 121462

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: 17/05/2024

Place: Waghodia
Date: 17/05/2024

Standalone Statement of Cash Flow

for the year ended on 31st March, 2024

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	6,818.84	4,863.85
Adjustments for:		
Depreciation, Amortisation and Impairment expense	1,158.88	1,163.19
Loss on sale/disposal of Property, plant and equipment (Net)	52.87	8.74
Bad Debts Written Off	0.05	-
Effect of unrealised foreign exchange gain/loss	(3.39)	31.73
Finance Costs	1,252.17	1,499.73
Provision/liability no longer required written back	(54.98)	(26.01)
Debit balance written off	5.03	13.47
Profit on derecognition of Lease Liability	-	(0.44)
Dividend Income	(81.86)	-
Interest Income	(62.28)	(41.37)
Operating Profit before Working Capital Changes	**9,085.34**	**7,512.90**
Changes in Working Capital		
Adjustments for (Increase) / Decrease in Operating Assets:		
Trade Receivables	(2,297.64)	570.10
Other - Non Current Assets	4.00	(4.00)
Other financial assets-Non-current	(89.19)	(29.77)
Short Terms Loans and Advances	(16.16)	11.10
Other Current Assets	169.47	(612.09)
Other financial assets-Current	(32.09)	(6.73)
Inventories	(430.54)	277.09
Changes in Trade and Other Receivable	**(2,692.14)**	**205.71**
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(1,230.17)	(1,065.08)
Other current Liabilities	103.53	54.31
Other Financial current Liabilities	312.78	138.80
Other Financial Non-current Liabilities	8.57	16.31
Short-term provisions	23.45	1.16
Changes in Trade and Other Payables	**(781.84)**	**(854.49)**
Cash Generated from Operations	5,611.36	6,864.12
Direct Tax paid (Net of refunds)	(1,589.65)	(1,282.26)
Net Cash from Operating Activities	**4,021.71**	**5,581.85**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipments/Intangible assets including capital work in progress and capital advances	(1,993.20)	(1,574.20)
Proceeds from sale of Property, plant and equipments	26.08	95.59
(Deposit) in /Maturity of Deposits with original maturity of more than three months	(46.00)	39.81
Interest Received	62.28	41.37
Dividend Income	81.86	-
Net Cash used in Investing Activities	**(1,868.98)**	**(1,397.43)**

Standalone Statement of Cash Flow

for the year ended on 31st March, 2024

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Long-term borrowings (Net)	(610.74)	(944.52)
Proceeds/(Repayment) of Short-term borrowings [Including current maturities of long term debt] (Net)	2,119.93	(1,386.13)
Payment of lease liability	(68.52)	(78.84)
Finance cost Paid	(1,252.17)	(1,499.73)
Dividend Paid (including tax thereon)	(264.65)	-
Net Cash used in Financing Activities	**(76.14)**	**(3,909.22)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**2,076.58**	**275.21**
Cash and Cash Equivalents at the beginning of the year	1,282.48	1,007.27
Cash and Cash Equivalents at the end of the year	3,359.06	1,282.48
Closing Cash and Cash Equivalents comprise of:		
Cash in hand	8.87	9.04
Balances with Scheduled Banks		
Balance in Current Account	3,350.19	1,273.43
Total	**3,359.06**	**1,282.48**

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, 2024	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short Term Borrowings (including Current maturities)	6,297.65	2,117.72	2.21	8,417.58
Long Term Borrowings	1,797.35	(610.74)	-	1,186.61
Bank Balances other than Cash and Cash Equivalents	166.15	376.25	-	542.40

(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 53

As per Our Report of even date 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. 121462

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: 17/05/2024

Place: Waghodia
Date: 17/05/2024

Standalone Statement of Changes in Equity

for the year ended on 31st March, 2024

(a) Equity share capital

(₹ In Lakhs)

Equity share capital	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the reporting period	1764.33	1764.33
Changes in equity share capital during the year	-	-
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				Total Other Equity
	Reserves and Surplus			Other Comprehensive Income -	
	General Reserve	Securities Premium	Retained earnings	Equity Instruments through OCI	
Balance at 1st April, 2022 (A)	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 (B)	**120.54**	**3,980.33**	**20,582.75**	**511.55**	**25,195.17**
Add: Profit during the Period	-	-	5,015.28	-	5,015.28
Add/(less): Other Comprehensive Income for the year (Net of Tax)	-	-	-	631.12	631.12
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(13.60)	-	(13.60)
Less : Appropriations	-	-	-	-	-
Dividend Declared	-	-	264.65	-	264.65
Corporate Tax on Dividend	-	-	-	-	-
Balance at 31st March, 2024	**120.54**	**3,980.33**	**25,319.78**	**1,142.67**	**30,563.33**

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

Note (ii): Nature and purpose of each reserve is disclosed under note no. 18 -'Other equity'

See accompanying notes to the financial statements

As per Our Report of even date 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. 121462

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: 17/05/2024

Place: Waghodia
Date: 17/05/2024

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

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 17/05/2024.

Notes to Standalone Financial statements for the year ended 31st March 2024

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 Manufacturing and selling of Industrial Micronised Minerals and Speciality Chemicals.

Note 2. Material Accounting Policies

This note provides a list of the Material 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 and assets held for sale which is measured at lower of the carrying amount and fair value less estimated cost to sell, 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 is 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.

Note 42 Fair value of Financial Instruments

Note 3 useful life of Property, Plant and Equipment

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.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

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

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

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

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

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

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

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

2.4 Capital Work in Progress:

Expenditure on projects pending capitalization is shown under the head "Capital Work In Progress" which will be capitalized to respective heads of 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. Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Acquired Intangible Assets in the form of "Process Know How" is recognized at the cost of acquisition and amortized on straight line basis. Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits.

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

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

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

Depreciation is calculated to systematically allocate the cost of property, plant and equipment, intangible asset and investment property net of the estimated residual values over the estimated useful life. Depreciation is computed using Straight Line 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 assets 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.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

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

2.9 Revenue recognition

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

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

vi) Other operating income and misc. income are accounted on an 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

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or other expenses as well as through the EIR amortization process.

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

2.11 Borrowing Cost

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

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

2.12 Financial Instruments

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

2.12.1 Financial Asset

Initial Recognition

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

Initial Measurement

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

Subsequent Measurement

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

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

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

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

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

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

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity Investments:

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

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

De-recognition

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

1. The contractual rights to the cash flows from the financial asset have expired, or

2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   (1) The Company has transferred substantially all the risks and rewards of the asset, or

   (2) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

and changes in the forward-looking estimates are analysed.

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

- Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

- Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

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

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

2.12.2 Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

- Financial liabilities measured at amortised cost.

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

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

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

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

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

2.12.3 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

2.12.4 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.

2.12.5 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

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for the year ended on 31st March, 2024

use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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

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

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

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

Net realisable value is the estimated selling price in the normal course of business less estimated costs of completion and estimated costs to complete the sale.

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for the year ended on 31st March, 2024

2.15 Investment in Subsidiaries, Associates and Joint Venture

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 5. Impairment policy applicable on such investments is same as mentioned in note 2.12.1 above.

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.

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.

2.17 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 Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

2.17.2 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 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.

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Defined Benefit Plans

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

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

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

2.18.2 Short Term Employee Benefits

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

2.19 Leases

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

As a lessee

The Company's leased assets consist of leases for land, 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

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for the year ended on 31st March, 2024

of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

As a lessor

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

2.20 Taxation

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

2.20.1 Current Tax

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

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.

2.20.2 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 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.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.21 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.

2.22 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.

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for the year ended on 31st March, 2024

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

An operating segment is component of the company that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance.

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

2.24 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.

2.25 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 Company are segregated.

2.26 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 Final dividend is authorised when it is approved by the shareholders and Interim Dividend is authorised when it is approved by the Board of Directors. A corresponding amount is recognised directly in equity.

2.27 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.

2.28 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 Company is such that its disclosure improves the understanding of the performance of the Company, such

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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for the year ended 31st March, 2024

Note 3.1. Property, Plant and Equipment (PPE) as at 31st March 2024

(₹ In Lakhs)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 1st April 2023	Addition during the year	Disposal	Transfer to Asset held for Sale	As at 31st March 2024	As at 1st April 2023	For the year	Disposal	Transfer to Asset held for Sale	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Freehold land	577.17	-	-	-	577.17	-	-	-	-	-	577.17	577.17
Leasehold land	3,089.77	-	-	(249.46)	2,840.31	228.27	43.31	-	(26.00)	245.58	2,594.72	2,861.50
Free Hold Office Building	331.87	90.15	-	-	422.02	63.87	11.05	-	-	74.91	347.11	268.00
Lease Hold Office Building	75.20	-	-	-	75.20	71.43	-	-	-	71.43	3.77	3.77
Factory Building	5,657.33	347.99	-	(150.41)	5,854.92	1,704.08	183.80	-	(86.28)	1,801.60	4,053.32	3,953.26
Plant & Equipment	20,650.32	870.33	(193.84)	(10.87)	21,315.95	9,972.31	722.32	(133.20)	(10.33)	10,551.10	10,764.85	10,678.01
Furniture and Fixtures	391.18	33.10	-	-	424.29	212.84	19.51	-	-	232.34	191.94	178.35
Office Equipments	165.81	18.05	-	-	183.86	125.53	12.27	-	-	137.80	46.05	40.27
Computer Equipments	251.29	37.44	-	-	288.73	153.54	38.21	-	-	191.75	96.98	97.75
Vehicles	324.55	130.68	(83.66)	-	371.57	212.40	30.66	(65.35)	-	177.71	193.86	112.15
Total PPE	**31,514.49**	**1,527.75**	**(277.50)**	**(410.74)**	**32,354.01**	**12,744.26**	**1,061.14**	**(198.55)**	**(122.60)**	**13,484.24**	**18,869.77**	**18,770.24**
Previous year	**30,019.90**	**1,749.64**	**(255.05)**	**-**	**31,514.49**	**11,829.79**	**1,064.72**	**(150.25)**	**-**	**12,744.26**	**18,770.24**	**-**

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

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

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

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

Note 3.1.5 - Borrowing cost amounting to ₹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 2024	As at 31st March 2023
Capital Work-in-Progress	1,192.73	683.14
Total	**1,192.73**	**683.14**

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

Notes to Standalone Financial statements

for the year ended 31st March, 2024

Note 3.3 Ageing Schedule

As on 31 March 2024:

(₹ 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	975.23	197.53	-	-	1,172.76
Projects temporarily suspended	-	19.97	-	-	19.97
Total	**975.23**	**217.50**	**-**	**-**	**1,192.73**

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**

Note 3.3.1 - There are no projects in CWIP whose completion is overdue or has exceeded cost compared to original plan.

Note 3.4 Right of Use Assets

(₹ in Lakhs)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2023	Addition during the year	Disposal	Adjustments	As at 31st March 2024	As at 1st April 2023	For the year	Disposal	Adjustments	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Right of Use Assets	663.08	80.09	-	-	743.17	481.85	73.14	-	-	554.98	188.18	181.23
Previous Year	**591.91**	**77.14**	**5.97**	**-**	**663.08**	**401.94**	**79.90**	**-**	**-**	**481.85**	**181.23**	**-**

Notes to Standalone Financial statements

for the year ended 31st March, 2024

Note 4 Intangible assets as at 31st March 2024

(₹ in Lakhs)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2023	Addition during the year	Disposal	Adjustments	As at 31st March 2024	As at 1st April 2023	For the year	Disposal	Adjustments	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
SAP "ERP" License and Development Fees	134.16	36.88	-	-	171.05	61.47	24.61	-	-	86.08	84.97	72.69
Total Intangible Assets	134.16	36.88	-	-	171.05	61.47	24.61	-	-	86.08	84.97	72.69
Previous year	**119.66**	**14.51**	**-**	**-**	**134.16**	**42.56**	**18.57**	**-**	**0.34**	**61.47**	**72.69**	**-**

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 2024	As at 31st March 2023
SAP "ERP" License and Development Fees	-	22.01
Total	**-**	**22.01**

Note 4.2 Ageing Schedule

As on 31 March 2024:

(₹ 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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

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 on 31st March, 2024

Note 5. Investment in Subsidiaries and Associates

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
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, 2023: 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, 2023: 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, 2023: 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	20.68%	20.68%
Place of business/ country of incorporation	Vietnam	Vietnam
5) 20 MCC Private Limited (Subsidiary)	725.05	725.05
72,50,545 shares (31st March, 2023: 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, 2023: 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, 2024	As at 31st March, 2023
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
6,80,000 (31st March, 2023: 6,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited ₹10 each fully paid up.	1,693.20	870.40
Extent of Holding	13.58%	13.58%
Investments in Government Securities		
National Savings Certificate	0.89	0.89
Total	**1,694.09**	**871.29**
(a) Aggregate amount of quoted investments and market value thereof;	-	-
(b) Aggregate amount of unquoted investments; and	1,694.09	871.29
(c) Aggregate amount of impairment in value of investments.	-	-

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 7. Non- current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deposits with maturity over 12 months		
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	-	332.95
Deposits given as guarantee to authorities	5.24	2.55
Security Deposits		
To Others [Unsecured, considered good]	436.39	347.20
Total	**441.63**	**682.69**

Note 8. Other non- current assets

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital advances [Unsecured, considered good]	709.35	768.37
Balances with Government authorities paid under protest	-	4.00
Total	**709.35**	**772.37**

Note 9. Inventories*

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Finished Goods	1,801.04	1,728.69
Goods in Transit (Raw Materials)	853.93	496.51
Raw Materials	5,486.81	5,530.97
Stores and Spares	660.92	615.99
Total	**8,802.71**	**8,372.17**

*For Valuation-Refer note 2.14 (Accounting Policy)

**Refer to Note 19 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, 2024	As at 31st March, 2023
Unsecured, Considered Good	11,255.22	8,956.88
Credit Impaired	115.60	142.50
	11,370.82	**9,099.38**
Less: Impairment Allowance for Trade Receivables	(115.60)	(142.50)
Total	**11,255.22**	**8,956.88**

*Refer to Note 19 on borrowings for details in terms of pledge of assets as Security.

Notes to Standalone Financial statements

for the year ended 31st March, 2024

Trade Receivable ageing schedule:

As on 31 March 2024:

(₹ 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	-	9,580.34	1,576.65	98.23	-	-		11,255.22
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	0.47	-	-	-	0.47
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	115.13	115.13
(vii) Unbilled								
Total	**-**	**9,580.34**	**1,576.65**	**98.69**	**-**	**-**	**115.13**	**11,370.82**
Less: Allowance for bad and doubtful								
(viii) Allowance for doubtful - Undisputed Trade receivables	-	-		(0.47)	-	-	-	(0.47)
(ix) Allowance for doubtful - Disputed Trade receivables	-	-	-	-	-	-	(115.13)	(115.13)
Net Trade Receivables	**-**	**9,580.34**	**1,576.65**	**98.23**	**-**	**-**	**-**	**11,255.22**

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	1,655.00	-	8.63	-	-	8,956.88
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	31.94	7.25	-	-	-	-	39.19
(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**	**1,662.25**	**-**	**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**

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 on 31st March, 2024

Note 11. Current financial assets : Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Balance with banks		
Balance in Current accounts	3,350.19	1,273.43
(b) Deposits with maturity less than 3 months	-	-
(c) Cash on hand	8.87	9.04
Total	**3,359.06**	**1,282.48**

Note 12. Current financial assets : Other bank balances

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Earmarked balances In unclaimed dividend accounts (Refer Note 12.1)	24.95	1.82
Deposits with maturity over 3 months but less than 12 months		
Margin Money deposits under lien against Bank Guarantee	104.22	98.41
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	413.23	65.92
Total	**542.40**	**166.15**

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, 2024	As at 31st March, 2023
Loans to employees [Unsecured, considered good]	17.77	13.84
Employee advance [Unsecured, considered good]	25.34	13.11
Total	**43.11**	**26.95**

Note 14. Current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Insurance claim receivable	80.00	1.82
Balances with Tax authorities	150.79	205.90
Security and other deposits [Unsecured, considered good]	105.23	96.22
Total	**336.02**	**303.93**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 15. Current assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advances for expenses[Unsecured, considered good]		
To Related parties	-	-
To Others	1,240.64	1,350.82
	1,240.64	**1,350.82**
Prepaid Expenses	164.49	162.51
Indirect Tax credit receivable	494.72	539.59
Advance Payment of Income Tax (Net of Provision : C.Y. - ₹2,982.88 lakhs, P.Y - ₹1703.09 lakhs) - Refer note no. 28	184.05	221.22
Plan asset of Gratuity (Net of Provision : 31st March, 2024 - ₹1,013.47 lakhs 31st March, 2023 - ₹899.15 lakhs) - Refer note no. 44	0.74	17.14
Total	**2,084.64**	**2,291.29**

Note 16. Asset held for Sale

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Property Plant and Equipment		
Leasehold Land	223.46	-
Factory Building	64.13	-
Electrification	0.54	-
Total	**288.13**	**-**

The company has decided to sale the lease hold lands and allied building alongwith electrification situated at the swaroopganj, Rajasthan location in the board meeting dated 25/01/2024. The said assets were not in active use by the company. The company expects to sales these assets within 1 year time frame.

Note 17. Share capital

Note 17.1

Authorised, issued, subscribed, fully paid up share capital

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	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**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 17.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Equity Shares of ₹5 each fully paid		Equity Shares of ₹5 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the period	3,52,86,502	1,764.33	3,52,86,502	1,764.33
Shares outstanding at the end of the period	3,52,86,502	1,764.33	3,52,86,502	1,764.33

Note 17.3 Terms/ rights attached to equity shares

i The Company has only one class of shares referred to as equity shares having a par value of ₹5 each.

ii Each holder of equity shares is entitled to one vote per share which can be exercised either personally or by an attorney or by proxy.

iii The dividend proposed if any by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting except in the case of interim dividend.

iv In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Note 17.4 Shareholders holding more than 5% of total share capital

Name of Shareholder	As at 31st March, 2024		As at 31st March, 2023	
	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	86,33,338	24.47%	85,91,838	24.35%
Ilaben Chandresh Parikh	31,82,884	9.02%	31,82,884	9.02%
Rajesh Chandresh Parikh	20,22,636	5.73%	20,22,636	5.73%
Atil Chandresh Parikh	20,21,661	5.73%	20,21,661	5.73%
Total	**1,58,60,519**	**44.95%**	**1,58,19,019**	**44.83%**

Note 17.5 Disclosures of Shareholding of Promoters - Shares held by the Promoters:

Promoter name	Class of Shares	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
		No. of Shares held	% of total shareholding	No. of Shares held	% of total shareholding	
Atil Chandresh Parikh	Equity	20,21,661	5.73%	20,21,661	5.73%	0.00%
Rajesh Chandresh Parikh	Equity	20,22,636	5.73%	20,22,636	5.73%	0.00%
Ilaben Chandresh Parikh	Equity	31,82,884	9.02%	31,82,884	9.02%	0.00%
Vedika Rajesh Parikh	Equity	2	0.00%	2	0.00%	0.00%
Eriez Industries Private Limited	Equity	86,33,338	24.47%	85,91,838	24.35%	0.00%
Total		**1,58,60,521**	**44.95%**	**1,58,19,021**	**44.83%**	

Note 17.6

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, 2024.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 18. Other Equity

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(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	20,582.75	16,981.08
Add: Profit during the year	5,015.28	3,615.23
Add: Remeasurements of post-employment benefit obligation, net of tax	(13.60)	(13.56)
Total	**25,584.43**	**20,582.75**
Less : Appropriations		
Dividend Declared	264.65	-
Closing Balance	**25,319.78**	**20,582.75**
Total (A)	**29,420.65**	**24,683.62**
(B) Equity instrument through OCI		
Opening Balance	511.55	506.23
Change in fair value of equity instrument	822.80	6.94
Income tax relating to above item	(191.68)	(1.62)
Total (B)	**1,142.67**	**511.55**
Total other equity (A+B)	**30,563.33**	**25,195.17**

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.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 19. Non- current financial liabilities: Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Non-Current	Current*	Non-Current	Current*
Secured				
Term Loan from Banks	248.96	276.00	525.00	276.00
Total secured borrowing [A]	**248.96**	**276.00**	**525.00**	**276.00**
Unsecured				
Deposits				
From Public & Members	857.65	971.49	1,227.85	895.29
From Related Parties	80.00	40.50	44.50	79.00
Total unsecured borrowing [B]	**937.65**	**1,011.99**	**1,272.35**	**974.29**
TOTAL [A+B]	**1,186.61**	**1,287.99**	**1,797.35**	**1,250.29**

*Amount disclosed under the head "Short term borrowings" (Note 23)

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

19.1 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.

19.2 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.

19.3 Willful Defaulter

The company is not declared as willful defaulter by any bank or financial institution or other lender.

19.4 Maturity Profile of Borrowings [as at 31st March, 2024]

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 9.25%
2025-26	248.96
Total	**248.96**

Unsecured Borrowings

Year-wise	Public Deposits
Effective Interest Rate	7.25% - 8.75%
2025-26	463.94
2026-27	473.71
Total	**937.65**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

19.5 Details of Securities [as at 31st March, 2024 & 31st March, 2023]

The term loans obtained as 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. Plot no. 253-254 (area 3000 sq.mtrs.) GIDC, Waghodia

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. 23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu

ix. Land and Building Located at Plot no.104/3, village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)

x. Plot No. 149/P1,149/P2,156,158/P1,158/P2 Mamuara, Bhuj (admeasuring 73664 sq.mtrs.)

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

Current assets existing and proposed such as stocks of raw materials, stocks in process, finished goods , stores, spares, book debts, bills in course of collection etc. of the company.

3 All the term loans are further collaterally secured by personal guarantee of whole time directors of the Company.

Note 20. Other Non Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposits	50.80	42.23
Total	**50.80**	**42.23**

Note 21. Non Current Provision

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits (Refer note 44)		
Provision for leave encashment	54.48	-
Total	**54.48**	**-**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 22. Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2023-24

(₹ in Lakhs)

Particulars	As at April 1, 2023	Recognised in profit or loss	Recognised in OCI	Other	As at 31st March 2024
Deferred tax Liabilities	-		-	-	-
Property, plant and equipment and Intangible Assets	2,291.15	62.77	-	-	2,353.92
Investments	178.43	(1.25)	191.68	-	368.86
Loans and borrowings	7.55	(0.98)	-	-	6.56
Total	**2,477.13**	**60.54**	**191.68**	**-**	**2,729.35**
Deferred tax asset					
Provisions	35.87	(6.77)		-	29.10
Employee benefits	(0.05)	10.03	4.57	-	14.56
Disallowance u/s 43 B of Income Tax Act, 1961	7.95	1.06	-	-	9.01
Lease liability	49.36	2.91		-	52.27
Total	**93.13**	**7.23**	**4.57**	**-**	**104.93**
Net deferred tax Liabilities	**2,384.01**	**53.30**	**187.11**	**-**	**2,624.42**

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 23. Current financial liabilities : Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured (Repayment on Demand)		
Loan from Banks (Cash credit):	6,224.19	4,156.99
(Effective Rate of Interest being 9.15% to 9.50%)		
Unsecured		
Deposits		
From Public and Members	902.41	890.36
From Related Parties	3.00	-
(Effective Rate of Interest being 7.25% - 8.75%)		
	7,129.60	**5,047.36**
Current maturities of long term borrowings - (Refer Note 19):-		
Term Loan		
-From Banks (Secured)	276.00	276.00
-Deposits(Unsecured)		
From Public and Members	971.49	895.29
From Related Parties	40.50	79.00
	1,287.99	**1,250.29**
Total	**8,417.58**	**6,297.65**

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

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Details of Securities

First pari-passu charge by way of hypothecation of:

1. First pari-passu charge by way of mortgage / hypothecation over :

(i) Plot No. 157 Mamura, Bhuj (admeasuring 3.20 acres)

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

(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.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu

(ix) Land and Building Located at Plot no.104/3, village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)

(x) Plot No. 149/P1,149/P2,156,158/P1,158/P2 Mamuara, Bhuj (admeasuring 73664 sq.mtrs.)

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

Current assets existing and proposed such as stocks of raw materials, stocks in process, finished goods , stores, spares, book debts, bills in course of collection etc. of the company.

3. All the term loans are further collaterally secured by personal guarantee of whole time directors of the Company.

Note 24. Trade Payable

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non Current		
Total outstanding dues of Micro and Small Enterprise	-	-
Total outstanding dues of Creditors other than Micro and Small Enterprise	-	-
Sub-Total (a)	**-**	**-**
Current		
Total outstanding dues of micro enterprises and small enterprises - Trade payables (Refer Note 24.1)	3,712.58	15.12
Total outstanding dues of creditors other than micro and small enterprises:-		
Trade payables - Others	2,144.66	7,071.09
Sub-Total (b)	**5,857.24**	**7,086.21**
Total (a + b)	**5,857.24**	**7,086.21**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 24.1

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

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
the principal amount remaining unpaid to any supplier at the end of each accounting year	3,712.50	14.90
Interest due on (1) above and remaining unpaid as at the end of accounting period	0.08	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	-	-

24.2 Trade Payable ageing schedule:

As on 31 March 2024:

(₹ 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	-	3,708.28	1.49	-	-	-	3,709.77
(ii) Others	-	1,835.44	299.12	10.10	-	-	2,144.66
(iii) Disputed dues - MSME	-	-	2.81	-	-	-	2.81
(iv) Disputed dues - Others	-	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-	-
Total	**-**	**5,543.72**	**303.42**	**10.10**	**-**	**-**	**5,857.24**

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**

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 on 31st March, 2024

Note 25. Current financial liabilities : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unclaimed dividend (Refer Note 25.1)	24.95	1.82
Unclaimed Matured public deposits and Interest	2.59	3.18
Dues to Bank in Current Account	48.55	-
Employee Benefits Payable	257.52	211.88
Liabilities for expenses at the year end	902.76	705.50
Total	**1,236.37**	**922.39**

Note 25.1

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 26. Current liabilities: Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance from Customers	121.25	165.41
Statutory Dues	215.25	122.54
Total	**336.50**	**287.94**

Note 27. Current provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits (Refer note 44)		
Provision for leave encashment	4.08	16.94
Total	**4.08**	**16.94**

Note 28. Details of Income tax assets and income tax liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current income tax liabilities (Net of Advance Tax : C.Y - ₹1,539.92 lakhs, P.Y - ₹1,233.42)	169.78	46.35
Net Asset (Asset - Liability)	**169.78**	**46.35**

28.1 Movement in current income tax asset/(liability)

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net income tax asset/(liability) at the beginning	174.87	177.73
Income tax paid for the year	1589.66	1,282.26
Prior Year tax adjustment	(40.56)	(5.35)
Provision for Income tax for the year (Refer Note 38)	(1,709.70)	(1,279.78)
Net income tax asset/(liability) at the end	**14.27**	**174.87**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

28.2 Components of Net income tax asset/(liability) at the end

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Payment of Income Tax (Net of Provision : C.Y - ₹2,982.88 lakhs, P.Y - ₹1,703.09 lakhs) - Refer note no. 28	184.05	221.22
Current income tax liabilities (Net of Advance Tax : C.Y - ₹1,539.92 lakhs, P.Y - ₹1,233.42)	169.78	46.35
	14.27	**174.87**

Note 29. Revenue from Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of products	66,918.51	59,499.37
Other operating revenues	326.50	280.98
Total	**67,245.00**	**59,780.35**

Note 29.1 Details of other operating revenues of the company are as under:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Export Incentives	5.54	4.31
Royalty Received	298.66	257.49
Scrap Sales	4.16	3.11
Transport Services	18.13	16.07
Total	**326.50**	**280.98**

Note 30. Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest Income*	62.28	41.37
Dividend Income	81.86	-
Rent	457.46	463.75
Net Gain on Foreign Currency Transactions	17.40	89.32
Liability no longer required written back	30.41	4.02
Excess Provision written back	24.57	21.98
Profit on de-recognition of Lease liability	-	0.44
Insurance Income	87.50	25.52
Other Non-Operating Income	48.42	15.00
Total	**809.90**	**661.40**

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

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 31. Cost of Materials Consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Stock of Material	5,530.97	6,277.48
Opening Stock - Goods in Transit	496.51	54.82
Add : Purchases	36,037.64	30,753.72
	42,065.12	**37,086.01**
Less : Goods in Transit	853.93	496.51
Less: Closing Stock of Materials	5,486.81	5,530.97
Total	**35,724.37**	**31,058.53**

Note 32. Changes in inventories of finished goods, stock in trade and work in progress

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Inventory at the beginning of the year	1,728.69	1,745.72
Less: Inventory at the end of the year	1,801.04	1,728.69
Changes in inventories of finished goods, stock in trade and work in progress	**(72.35)**	**17.03**

Note 33. Employee benefit expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salary, Wages, Bonus & Allowances	4,429.79	3,930.86
Contribution to Provident and Other Funds	369.75	319.47
Managerial Remuneration	460.48	361.37
Staff Welfare Expenses	150.06	163.07
Total	**5,410.08**	**4,774.76**

Note 34. Finance Costs

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest on Term Loans	62.42	116.79
Interest on Working Capital Loans	168.53	375.55
Other Interests	252.34	280.03
Hundi Discounting Charges	557.75	567.63
Other Borrowing Costs	211.12	159.72
Total	**1,252.17**	**1,499.73**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 35. Depreciation, Amortisation and Impairment expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation of Property, Plant and Equipment (refer note 3.1)	1,061.14	1,064.72
Amortisation of Intangible Assets (refer note 4)	24.61	18.57
Right of Use Assets (refer note 3.4)	73.14	79.90
Total	**1,158.88**	**1,163.19**

Note 36. Other Expenses

Note 36.1 Manufacturing Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Consumption of Stores and Spare Parts	552.82	539.67
Power and Fuel	4,970.45	4,820.52
Rent	124.93	106.62
Repairs :		
Buildings	21.66	44.65
Plant and Machinery	299.10	265.10
Other Manufacturing & Factory Expenses	291.36	300.34
Sub Total (A)	**6,260.33**	**6,076.90**

Note 36.2 Administrative & Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rent	30.13	20.73
Rates & Taxes	55.04	18.99
Insurance	136.41	116.90
Post, Telephone & Courier	99.83	86.29
Printing and Stationary expenses	28.02	27.25
Legal, Licenses and Renewal expenses	27.14	35.01
Software and Computer Maintenance	70.76	63.01
Travelling & Conveyance	228.23	170.04
Vehicle Running & Maintenance	128.06	119.84
Professional Fees	246.69	203.58
Auditors Remuneration (refer note 36.4)	17.85	18.29
Directors Sitting Fees	10.10	9.20
Loss on Disposal of Tangible Assets (Net)	52.87	8.74
Donation	2.33	2.60
Remission of Debit balance	5.03	13.47
Fine and penalty	0.32	138.75
Miscellaneous Expenses	129.11	145.42
CSR Expenditure (refer note no. 37)	73.20	95.25
Sub Total (B)	**1,341.11**	**1,293.37**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 36.3 Marketing, Selling & Distribution Expenses:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Selling Expenses		
Travelling Expenses	456.51	411.83
Sales Commission	173.96	185.26
Bad Debts written off	0.05	-
Rent	410.75	338.98
Other Selling Expenses	296.17	246.34
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	6,926.45	6,158.09
Freight and Logistic Expenses (Export)	1,742.03	2,353.89
Sub Total (C)	**10,005.91**	**9,694.39**
Total (A+B+C)	**17,607.35**	**17,064.66**

Note 36.4 Payment to Auditors

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Audit Fees	16.25	16.65
In Other Capacity	0.40	0.30
Out of Pocket Expense	1.20	1.34
Total	**17.85**	**18.29**

Note 37. Corporate Social Responsibilty

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Gross amount required to be spent by the company during the year	**74.63**	**69.40**
Excess Amount spent in last year carried forward to this financial year	33.83	7.98
Amount spend and paid on CSR activities included in the statement of profit and loss for the year	39.37	95.25
Amount utilised from amount carried forward from last year	33.83	-
Amount carried forward to Next year	32.40	33.83
Spend details		
Promoting healthcare and environment	72.70	87.50
Promotion of Sports	(33.33)	-
Rural development and education promotion	-	7.75
Contribution to trust controlled by the Company (refer note - 45.2)	72.70	62.50

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 38. Tax Expense

(a) Amounts recognised in profit and loss

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax		
(a) Current income tax	1,709.70	1,279.78
(b) Short/(Excess) provision of Income Tax in respect of previous years	40.56	5.35
Sub Total (a)	**1,750.26**	**1,285.13**
Deferred tax		
(a) Deferred tax expense / (Income)-net		
Change in Tax rate	-	
Origination and reversal of temporary differences	53.30	(36.51)
Sub Total (b)	53.30	(36.51)
Tax expense for the year (a+b)	**1,803.56**	**1,248.62**

(b) Reconciliation of effective tax rate

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before tax	**6,818.84**	**4,863.84**
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)	1,716.44	1,224.33
Tax effect of:		
Expenses Disallowed	370.72	391.69
Expenses Allowed	(377.46)	(336.24)
Short/(Excess) provision of income tax in respect of previous years	40.56	5.35
Current Tax Provision (A)	**1,750.26**	**1,285.13**
Increase/ (Decrease) in Deferred Tax Liability	60.54	(39.41)
Decrease/(Increase) In Deferred Tax Assets	(7.23)	2.90
Deferred Tax Provision (B)	**53.30**	**(36.51)**
Total	**1,803.57**	**1,248.62**

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 39. Statement of other comprehensive income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - Gain /(loss)	822.80	6.94
Tax impact on unquoted investments	(191.68)	(1.62)
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	(18.17)	(18.13)
Tax impact on Actuarial gains and losses	4.57	4.56
Total (i)	**617.52**	**(8.24)**
(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)	**617.52**	**(8.24)**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 40. 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, 2024	For the year ended 31st March, 2023
Profit for the year (Profit attributable to equity shareholders) (₹ in Lakhs)	5,015.28	3,615.22
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 (₹)	14.21	10.25
Diluted EPS (₹)	14.21	10.25

Note 41. Contingent Liabilities & Contingent Assets and Capital Commitments

A) CONTINGENT LIABILITIES (₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Contingent liabilities (to the extent not provided for)		
(a) Statutory claims (Refer Note 41.1)	630.17	709.42
(b) Claims against the company not acknowledged as debt (Refer Note 41.2)	438.51	438.51
(c) Guarantees Given to subsidiary company	-	2,700.00
(d) Export Obligations under EPCG Scheme	-	49.94
Total	**1,068.68**	**3,897.87**

Note 41.1 Statutory claims

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Demand of Income Tax	157.36	140.08
Labour disputed cases	472.81	378.25
VAT and CST Assessment pending at various forums for various Assessment Years	-	191.10
Total	**630.17**	**709.42**

Note 41.2 Claims against the company not acknowledged as debt

41.2.1

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.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

41.2.2

Vendors of the company have made claims against company amouting to ₹19.38 Lakh (P.Y - ₹19.38 Lakh)

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, 2024, not provided for amounting to ₹1,099.70 Lakhs (Net of Advance ₹802.82 Lakhs) [31st March, 2023, not provided for amounting to ₹654.38 Lakhs (Net of Advance ₹768.37 Lakhs)]

Note 42. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

(₹ In Lakhs)

31st March, 2024	Carrying amount				Fair Value
	FVTPL	FVTOCI	Amortised Cost	Total	Total
Financial assets					
Investments	-	1,693.20	0.89	1,694.09	1,694.09
Loans (Non-current)	-	-	-	-	-
Other financial assets (Non-Current)	-	-	441.63	441.63	441.63
Loans (Current)	-	-	43.11	43.11	-
Other financial assets (Current)	-	-	336.02	336.02	-
Trade receivables	-	-	11,255.22	11,255.22	-
Cash and cash equivalents	-	-	3,359.06	3,359.06	-
Other bank balances	-	-	542.40	542.40	-
	-	**1,693.20**	**15,978.33**	**17,671.53**	**2,135.72**
Financial liabilities					
Non current borrowings	-	-	1,186.61	1,186.61	1,186.61
Other Non Current financial liabilities	-	-	50.80	50.80	50.80
Lease laibilities - Noncurrent	-	-	141.83	141.83	141.83
Lease laibilities - current			65.83	65.83	-
Current borrowings	-	-	8,417.58	8,417.58	-
Trade payables (Current)	-	-	5,857.24	5,857.24	-
Other Current financial liabilities	-	-	1,236.37	1,236.37	-
Total	**-**	**-**	**16,956.26**	**16,956.26**	**1,379.24**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

(₹ In Lakhs)

31st March, 2023	Carrying amount				Fair value
	FVTPL	FVTOCI	Amortised Cost	Total	Total
Financial assets					
Investments	-	870.40	0.89	871.29	871.29
Financial assets measured at amortised cost					
Loans (Non-current)	-	-	-	-	-
Other financial assets (Non-Current)	-	-	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	-
Cash and cash equivalents	-	-	1,282.48	1,282.48	-
Other bank balances	-	-	166.15	166.15	-
Total	**-**	**870.40**	**11,419.97**	**12,290.37**	**1,553.98**
Financial liabilities measured at amortised cost					
Non current borrowings	-	-	1,797.35	1,797.35	1,797.35
Other Non Current financial liabilities	-	-	42.23	42.23	42.23
Lease laibilities - Noncurrent	-	-	137.84	137.84	137.84
Trade payables (Non-current)	-	-	-	-	-
Lease laibilities - current	-	-	58.25	58.25	-
Current borrowings	-	-	6,297.65	6,297.65	-
Trade payables	-	-	7,086.21	7,086.21	-
Other financial liabilities	-	-	922.39	922.39	-
Total	**-**	**-**	**16,341.92**	**16,341.92**	**1,977.42**

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.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The fair value of investment in equity shares of other entity is determined based on market value of the shares. The approach taken for valuation is Book value of the equity instruments. The investee company is IND AS compliant company.

Financial instruments measured at fair value - FVTOCI in unquoted equity shares

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2024 and 31st March 2023 is as below:

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening Balance	870.40	863.47
Acquisitions/ (disposals)	-	-
Gains/ (losses) recognised in other comprehensive income	822.80	6.94
Gains/ (losses) recognised in statement of profit or loss	-	-
Closing Balance	**1,693.20**	**870.40**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2024 and the year ended 31st March 2023.

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.

Sensitivity analysis

Based on the valuation report for investments in unquoted shares, the sensitivity as as 31st March 2024 is provided below.

(₹ In Lakhs)

Significant observable inputs	As at 31st March 2024 OCI (Decrease)/ Increase	As at 31st March 2023 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%	84.66	43.52
If decrease in market value of investments made in Eriez Finance and Investment Limited by 5%	(84.66)	(43.52)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- **Credit risk ;**
- **Liquidity risk ; and**
- **Market risk**

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has a well-define Risk Management framework for reviewing the major risks and taking care of all the financial risks. The risk management framework aims to :

a. create a stable business planning environment by reducing the impact of currency and interest rate fluctuation on company's business plan.

b. achieve greater predictability to earnings by determining the financial value of the expected earning in advance.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities and loans given.

The carrying amount of following financial assets represents the maximum credit exposure:

(a) Cash and Cash equivalent and Other Bank Balances

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company's major customer base is paints, plastic, rubber and other misc. industries.

The Commercial and Marketing department has established a credit policy.

The Company raises the invoice based on the quantities sold. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 10

Movement in Allowance for bad and doubtful Trade receivable (₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening Allowance for bad and doubtful Trade receivable	142.50	147.07
Provision during the year	-	-
Recovery/Adjustment during the year	-	-
Write off /reduction during the year	(26.90)	(4.57)
Closing Allowance for bad and doubtful Trade receivable	**115.60**	**142.50**

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 ₹584.72 Lakhs on 31st March, 2024 and ₹470.36 Lakhs on 31st March, 2023.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

The Company maintains the following lines of credit outstanding:

(a) Term loans from banks and financial institution of ₹524.96 Lakhs (at amortised cost) that is secured as mentioned in Note 19. Interest would be payable at the rate of varying from 9.15% - 9.50%%.

(b) The company has also accepted deposit from share holders and directors amounting to ₹2,855.05 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 7.25% - 8.75%.

(c) For maintaining working capital liquidity company avails cash credit limit from bank. The amount availed as at 31/03/2024 is ₹6,224.19 Lakhs (at amortised cost). Effective Rate of Interest is 9.15 to 9.50%

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)

As at 31st March 2024	Contractual cash flows				
	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non current borrowings	1,186.61	-	1,186.61	-	1,186.61
Non current financial liabilities	50.80	-	50.80	-	50.80
Lease laibilities - Noncurrent	141.83	-	141.83	-	141.83
Lease laibilities - current	65.83	65.83	-	-	65.83
Short term Borrowings	8,417.58	8,417.58	-	-	8,417.58
Current Trade payables	5,857.24	5,857.24	-	-	5,857.24
Current Other financial liabilities	1,236.37	1,236.37	-	-	1,236.37
	16,956.26	**15,577.02**	**1,379.24**	**-**	**16,956.26**

(₹ 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
Trade payables (Non-current)	-	-	-	-	-
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**

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 Standalone Financial Statements

for the year ended on 31st March, 2024

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 2024	As at 31st March 2023
Trade and Other Payables (Net of advances)		
Euro	12.84	-
GBP	-	1.63
USD	305.59	40.79
Trade Receivables (Net of advances)	-	
Euro	47.84	4.18
GBP	20.45	5.54
USD	1,895.69	1,762.93
Bank Balance in EEFC Account		
USD	236.54	121.89

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 2024 (₹ 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 (Net of advances)	(15.92)	15.92	(11.91)	11.91
Trade Receivables (Net of advances)	98.20	(98.20)	73.48	(73.48)
Bank Balance in EEFC Account	11.83	(11.83)	8.85	(8.85)

As at 31st March 2023 (₹ 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	(2.12)	2.12	(1.59)	1.59
Trade Receivables and advances	88.63	(88.63)	66.32	(66.32)
Bank Balance in EEFC Account	6.09	(6.09)	4.56	(4.56)

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

b) Interest rate risk

Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company's interest rate exposure is mainly related to debt obligation. On period under review the Company do not have any term loans at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate. The company have accepted deposits from share holders which are fixed rate instruments. .

(₹ In Lakhs)

Interest bearing instruments	As at 31st March 2024	As at 31st March 2023
Non current - Borrowings	1,186.61	1,797.35
Short term Borrowings	8,417.58	6,297.65
Total	**9,604.19**	**8,095.00**

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 2024				
Non current - Borrowings	(11.87)	11.87	(8.88)	8.88
Short term borrowings	(84.18)	84.18	(62.99)	62.99
Total	**(96.04)**	**96.04**	**(71.87)**	**71.87**
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**

c) Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of raw Material and other consumables. The company has risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The company's commodity risk is managed centrally through well established trading operations and control processes.

d) Equity Price Risk

The Company do not have any investment in quoted equity shares hence not expose to equity price risk.

Note 43. Capital Management

The Company's objectives when managing capital are to

- safeguard their their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of the annual business plan coupled with long term and short term strategic investments and expansion plans. The funding needs are met through equity, cash generated from operations, long terms and short term bank borrowings and deposits.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

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

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Interest bearing borrowings	9,604.19	8,095.00
Less : Cash and bank balances	(3,906.70)	(1,784.13)
Adjusted net debt	**5,697.49**	**6,310.87**
Borrowings	9,604.19	8,095.00
Total equity	32,327.66	26,959.49
Adjusted net debt to adjusted equity ratio	0.18	0.23
Debt equity ratio	0.30	0.30

Note 44. 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 2024	As at 31st March 2023
Contribution to Provident Fund	278.51	237.75
Contribution to Superannuation Fund	30.96	31.78
Copntribution to Employee State Insurance Corporation (ESIC)	2.01	1.85
Total	**311.48**	**271.38**

(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	Gratuity		Leave Encashment	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
A.	**Discount rate**	7.20%	7.40%	7.20%	7.40%
	Salary Growth rate	7.50%	7.50%	7.50%	7.50%
B.	**Reconciliation of Defined Benefit Obligation**				
	Opening Defined Benefit Obligation	899.15	814.05	17.69	-
	Current Service Cost	61.78	54.49	25.56	17.69
	Interest Cost	64.02	54.81	1.30	-
	Components of acturial gain/losses on obligations:	-	-	-	-
	Due to change in financial assumptions	14.46	(30.80)	1.24	-
	Due to change in Demographic assumptions	-	-	-	-
	Due to experience adjustments	25.78	39.07	12.78	-
	Past Service Cost	-	-	-	-
	Benefits Paid	(51.72)	(32.47)	-	-
	Closing Defined Benefit Obligation	**1,013.47**	**899.15**	**58.56**	**17.69**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

(₹ In Lakhs)

Assumptions		Gratuity		Leave Encashment	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
C.	**Reconciliation of Planned Asset**				
	Opening fair Value of plan assets	916.30	896.20	-	-
	Interest Income	67.57	62.42	-	-
	Return on plan assets excluding amounts included in interest income	22.06	(9.85)	-	-
	Contributions by employer	60.00	-	-	-
	Benefits Paid	(51.72)	(32.47)	-	-
	Closing Value of plan assets	**1,014.21**	**916.30**	**-**	**-**
D.	**Profit and Loss Account for the current Period**				
	Current Service Cost	61.78	52.08	25.56	17.69
	Net Interest Cost	(3.55)	1.25	1.30	-
	Components of acturial gain/losses on obligations:				
	Due to change in financial assumptions			1.24	-
	Due to experience adjustments			12.78	-
	Past service cost and loss/(gain) on curtailments and settlements		-	-	-
	Total included in 'Employee Benefit Expense'	**58.23**	**53.33**	**40.87**	**17.69**
	Other Comphrehensive Income for the current Period				
	Components of acturial gain/losses on obligations:				
	Due to change in financial assumptions	14.46	(30.80)	-	-
	Due to experience adjustments	25.78	39.07	-	-
	Return on plan assets excluding amounts included in interest income	(22.06)	9.85	-	-
	Amount recognized in Other Comprehensive Income	**18.17**	**18.13**	**-**	**-**
E.	**Reconciliation of Net defind Benefit Obligation**				
	Net opening provisions in Books of accounts	(17.14)	(82.16)	17.69	-
	Employee Benefit Expense	58.23	46.89	40.87	17.69
	Amount recognized in Other Comprehensive Income	18.17	18.13	-	-
	Contributions to Plan asset	(60.00)	-	-	-
	Closing provision in books of accounts	**(0.74)**	**(17.14)**	**58.56**	**17.69**
F.	**Current/Non-Current Liability :**				
	Current*	(0.74)	(17.14)	4.08	17.69
	Non-Current	-	-	54.48	-
	Net Liability	**(0.74)**	**(17.14)**	**58.56**	**17.69**

*The Company liability is calculated as expected reduction in contributions for the next 12 months.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

(c) 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 2024			
	Increase Gratuity	Decrease Gratuity	Increase Leave Encashment	Decrease Leave Encashment
Discount rate (0.5% movement)	964.32	1035.81	55.54	61.83
Salary growth rate (0.5% movement)	1023.25	975.70	61.80	55.54
Withdrawal rate (W.R.) Sensitivity	1002.57	995.32	56.36	60.89

(₹ In Lakhs)

Particulars	As at 31st March 2023			
	Increase Gratuity	Decrease Gratuity	Increase Leave Encashment	Decrease Leave Encashment
Discount rate (0.5% movement)	866.86	933.48	16.76	18.69
Salary growth rate (0.5% movement)	921.17	876.76	18.68	16.76
Withdrawal Rate	902.63	895.53	16.98	18.44

(d) 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.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

B Investment Risk:

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

C Liquidity Risk:

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

D Market Risk:

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

E Legislative Risk:

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

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

(a) Composition of the plan assets

(₹ In Lakhs)

Particular	As at 31st March, 2024	As at 31st March, 2023
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 2024

Particulars	1-5 years	6-10 years
Cash flow (₹)	474.62	505.58
Distribution (in %)	25.80%	27.50%

(e) 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.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 45. Related Party Transactions:

Note 45.1 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	Merged with 20 Microns Nano Minerals Limited w.e.f 01.04.2021
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	Eriez Industries Limited	Entity exercising Significant influence over company
10	Zydex Industries Pvt. Ltd	Entity over which Significant influence of Independent Director Exists
11	Shri Rajesh C. Parikh	Chairman & Managing Director, Key Management Personnel
12	Shri. Atil C. Parikh	CEO & Managing Director, Key Management Personnel
13	Smt. Sejal R. Parikh	Director, Key Management Personnel
14	Smt. Ilaben C. Parikh	Relative of Key Management Personnel
15	Smt. Purvi A. Parikh	Relative of Key Management Personnel
16	Smt. Vedika R. Parikh	Relative of Key Management Personnel
17	Mr Narendra R Patel	Chief Financial Officer, Key Management Personnel
18	Smt.Komal Pandy	Company Secretary, Key Management Personnel
19	Shri. Ramkisan A. Devidayal	Independent Director
20	Shri. Atul H. Patel	Independent Director
21	Dr. Ajay I. Ranka	Independent Director
22	Mr.Jaideep B. Verma	Independent Director
23	Dr.Swaminathan Sivaram	Independent Director w.e.f 16.05.2023

Note 45.2 Transactions with Related Parties

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	**20 Microns Nano Minerals Limited**	Subsidiary Company		
	Income :			
	Sales		293.74	257.87
	Royalty		264.01	251.48
	Rent		429.25	446.92
	Reimbursement of Expenses		0.64	0.64
	Expenses :			
	Purchases		333.88	294.34
	Rent Paid		6.18	9.15
	Job work charges Paid		-	0.34
	Fixed Asset Purchase		268.16	695.43
	Amount Receivable / (Payable) at the year end		**-**	**462.95**
2	**20 Microns Foundation trust**	Entity over which Significant Influence Exists		
	Expenses :			
	Donation paid		**72.70**	**62.50**
3	**20 MCC Private Limited**	Subsidiary Company		
	Income :			
	Sales		0.04	1.88
	Royalty Received		8.12	-
	Rent		18.54	7.06
	Expenses :			
	Purchases		0.64	0.72
	Amount Receivable / (Payable) at the year end		**39.76**	**3.39**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2024	For the year ended 31st March, 2023
4	**DORFNER-20 Microns Private Limited**	Joint Venture		
	Income :			
	Royalty Received		26.52	6.01
	Amount Receivable / (Payable) at the year end		**-**	**1.77**
5	**Eriez Industries Limited**	Entity Exercising Significant influence over company		
	Income :			
	Rent Received		0.42	0.42
	Amount Receivable / (Payable) at the year end		**-**	**-**
6	**Zydex Industries Private Limited**	Entity over which Significant Influence of Independent Director Exists		
	Income :			
	Sales		37.44	65.72
	Amount Receivable / (Payable) at the year end		**0.17**	**4.05**
7	**Shri Rajesh C. Parikh**	Chairman & Managing Director, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		228.75	189.80
	Other long-term benefits		23.45	19.54
8	**Shri. Atil C. Parikh**	CEO & Managing Director, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		186.47	155.18
	other long-term benefits		18.84	15.70
	Interest on Deposit		0.46	0.49
	Others :			
	Deposit Received/ Renewed		5.00	-
	Deposit Paid During the Year		5.00	-
	Deposit Outstanding		5.00	5.00
9	**Smt. Ilaben C. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Compansation paid		-	-
	Interest on Deposit		9.43	9.46
	Others :			
	Deposit Received / Renewed		70.00	-
	Deposit Paid		70.00	-
	Deposit Outstanding		95.50	95.50
10	**Smt. Sejal R. Parikh**	Director, Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.10	0.09
	Rent		13.06	10.68
	short-term employee benefits		25.34	-
	other long-term benefits		2.37	
	Other Benefit		3.82	2.20
	Director Sitting fees		0.95	1.15
	Others :			
	Deposit Received / Renewed		-	-
	Deposit Paid		-	-
	Deposit Outstanding		1.00	1.00

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2024	For the year ended 31st March, 2023
11	**Smt. Purvi A. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	short-term employee benefits		22.02	-
	other long-term benefits		2.06	
	other benefit		3.32	
	Interest on Deposit		0.49	0.45
	Others :			
	Deposit Received / Renewed		-	-
	Deposit Paid		-	-
	Deposit Outstanding		5.00	5.00
12	**Mr Narendra R Patel**	Chief Financial Officer, Key Management Personnel		
	Expense			
	Remuneration paid			
	short-term employee benefits		35.93	33.66
	other long-term benefits		2.79	2.58
	other benefits		1.99	9.80
13	**Smt.Komal Pandey**	Company Secretary, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		8.96	7.96
	other long-term benefits		0.70	0.62
	Other Benefit		0.36	0.52
14	**Smt. Vedika R. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.89	0.86
	Others :			
	Deposit Received / Renewed		3.00	3.00
	Deposit Paid		3.00	3.00
	Deposit Outstanding		10.00	10.00
15	**Shri. Ramkisan A. Devidayal**	Independent Director		
	Expenses :			
	Other Benefit		7.00	6.00
	Director Sitting fees		2.60	2.85
16	**Shri. Atul H. Patel**	Independent Director		
	Expenses :			
	Other Benefit		3.30	3.00
	Director Sitting fees		2.10	1.95
17	**Dr. Ajay I. Ranka**	Independent Director		
	Expenses :			
	Other Benefit		3.30	3.00
	Director Sitting fees		2.00	1.95
18	**Mr.Jaideep B. Verma**	Independent Director		
	Expenses :			
	Other Benefit		2.50	2.20
	Director Sitting fees		1.30	1.30
19	**Dr. Swaminathan Sivaram**	Independent Director		
	Expenses :			
	Director Sitting fees		1.15	-

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" by 20 MICRONS LIMITED without payment of Consideration.

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

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 46

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 : ₹66,918.51 Lakhs (P.Y - ₹59,499.37 Lakhs)

b) Information about geographical areas:

1. Company have revenues from external customers attributable to all foreign countries amounting to ₹9,102.60 lakhs (P.Y - ₹8,629.69 Lakhs) and entity's country of domicile amounting to ₹57,815.90 Lakhs (P.Y - ₹50,869.67 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 are two (P.Y - three) customers to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹16,803.85 lakhs (P.Y ₹22,304.76 Lakhs).

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

Contract Balances

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables	11,255.22	8,956.88
Contract Assets	-	-
Contract Liabilities	121.25	165.41

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to ₹165.41 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, 2024	As at 31st March, 2023
Revenue as per contracted price	67,274.81	59,815.38
Export Incentives	5.54	4.31
Adjustments		
Discounts	(35.34)	(39.35)
Revenue from contract with customers	**67,245.00**	**59,780.35**

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 48. 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, 2024:

(₹ in Lakhs)

Category of Right of use Assets		Gross Block	Accumulated Depreciation	Carrying Amount
Buildings	**Balance as at 01st April, 2023**	418.64	393.52	25.12
	Additions	-	17.78	(17.78)
	Deletions	-	-	-
	Balance as at 31st March, 2024	**418.64**	**411.30**	**7.34**
Vehicles	**Balance as at 01st April, 2023**	244.43	88.32	156.11
	Additions	80.09	55.36	24.74
	Deletions	-	-	-
	Balance as at 31st March, 2024	**324.52**	**143.68**	**180.85**

The aggregate depreciation expense amounting to ₹73.14 lakhs (P.Y. ₹79.90 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, 2024:

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current lease liabilities	65.83	58.25
Non current lease liabilities	141.83	137.84
	207.66	**196.09**

The following is the movement in lease liabilities during the year ended 31st March, 2024:

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance as at April 01	196.09	204.20
Additions	80.09	77.14
Finance cost accrued	29.44	23.34
Deletions	-	6.41
Payment of lease liabilities	97.95	102.18
Balance as at March 31	**207.67**	**196.09**

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, 2024	As at 31st March, 2023
Less than one year	87.98	78.75
One to five years	166.07	165.42
More than five years	-	-
	254.05	**244.17**

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ₹565.81 lakhs for the year ended March 31, 2024 (P.Y. - ₹466.33 Lakhs).

Notes to Standalone Financial statements

for the year ended 31st March, 2024

Note 49

Ratios Analysis

Sr. No.	Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	Variance %	Reason for variance
1	Current Ratio (times)	Current Assets	Current Liabilities (Excl. Customer deposits)	1.67	1.46	14.21%	--
2	Debt-Equity Ratio (times)	Debt consists of borrowings	Shareholder's Equity	0.30	0.30	-1.06%	
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	6.18	2.72	127.07%	Due to Increase in Earning for debt service in current year compared to previous year and in the last year principal repayment of TL and interest was higher than the current year.
4	Net profit ratio (%)	Net Profit after tax	Revenue from operations	7.46%	6.05%	23.33%	--
5	Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	16.92%	14.37%	17.73%	--
6	Return on Capital employed (%)	Profit before tax + Interest on borrowings	Average Capital Employed=Tangible Net Worth + Total Debt + Deferred Tax Liability	17.93%	15.42%	16.28%	--
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	8.46	7.55	12.04%	--
9	Trade Receivables turnover ratio (times)	Revenue from operations	Average Trade Receivable	6.65	6.46	2.97%	--
10	Trade payables turnover ratio (times)	Net Purchases	Average Trade Payables	5.57	4.04	37.70%	Increase in purchase in current year compared to previous year and decrease in average trade payable in current year compared to previous year.
11	Net capital turnover ratio (times)	Reveune from operations	Working Capital	6.30	8.89	-29.12%	Increase in working capital in current year compared to previous year

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 50. ADDITIONAL REGULATORY INFORMATION DISCLOSURES

Note 50.1 Registration of charges or satisfaction with Registrar of Companies (ROC)

The company has registered charge and satisfaction with ROC within statutory time period.

Note 50.2 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 50.3 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 50.4 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 50.5 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

Note 50.6 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 50.7 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 50.8 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 51. Dividend on Equity Shares

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Dividend on Equity shares declared and paid during the year		
Final dividend of ₹0.75 per share for the FY 2022-23	264.65	-
Proposed dividend on equiy shares not recognised as liability		
Final Dividend of ₹1.25 per share for the FY 2023-24 (2022-23: ₹0.75 per share)	441.08	264.65

Notes to Standalone Financial Statements

for the year ended on 31st March, 2024

Note 51.1

Proposed Dividend on Equity shares is Subject to the approval of the shareholders of the company at the Ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

Note 52

Due to Cyclon Biparjoy, the Company has suffered the losses amounting to ₹155.56 Lakhs, due to damage to inventories and factory building. These losses, along with the expenses for repairs, have been classified as exceptional items in the company's financial statements. The Company has filed an insurance claim for the full amount of ₹155.56 lakhs with the insurance company. However, taking the conservative estimates based on prudence, the company has recognised ₹80 lakhs as accrued income for insurance receipts which is shown as other income. The residual impact will be taken as and when the insurance claim is settled by the insurance company.

Note 53. Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

As per Our Report of even date 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. 121462

Place: Waghodia
Date: 17/05/2024

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: 17/05/2024

Consolidated Financial Section

Independent Auditor's Report On Consolidated Financial Statements

To
The Members of 20 Microns Limited
Report on the Audit of the 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, 2024, 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 material 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, 2024 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(s)

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

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Revenue Recognition** The Group 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 Group'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.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1		• Evaluating management's controls over such adjustments. • 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 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-2024 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 Financial Statements in terms of Ind AS 37.

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

The Holding Company's Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standalone and 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and 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 Management and 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 and Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Management and 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 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 to 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 (before consolidation adjustments) of ₹9, 623.48 lakhs as at March 31, 2024, Group's share of total revenues of ₹11,419.76 lakhs, total net profit after tax (before consolidation adjustments) of ₹667.34 Lakh, total comprehensive income (before consolidation adjustments) of ₹676.62 Lakh and cashflows (net) amounting to ₹769.91 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 ₹15.26 lakhs and total comprehensive income/ (loss) of ₹15.26 Lakhs for the year ended on 31st March, 2024 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.

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 except for the matters stated in the paragraph 1(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   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, 2024 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 incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 1(b) above on reporting under Section 143(3)(b) of the Act and paragraph (i)(iv)(e) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g) With respect to the adequacy of the internal financial controls with respect to the Financial Statements 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 with respect to the Financial Statements.

   h) 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 holding company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

   i) 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 42 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 Holding Company and it's Subsidiaries and Associate company, incorporated in India during the year ended March 31, 2024

      (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.

d) The Final Dividend proposed by the Holding Company in the previous year, declared and paid during the year is in compliance with the section 123 of the Companies Act, 2013.

As stated in Note No. 52, to the Consolidated Financial Statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act.

e) Based on our examination which included test checks and that performed by the respective auditors of the Subsidiaries and Associate which is company incorporated in India whose Financial Statements have been audited under the Act, and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, except for the instances mentioned below, the Holding Company , Subsidiaries and Associate incorporated India, have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of accounts.

- The feature of recording audit trail (edit log) was not available in one accounting software relating to Deposits accepted by the Company for the financial year ended March 31, 2024.

Further during the course of our audit, where audit trail (edit log) facility was enabled and operate throughout the year, we and respective auditors of the above referred Subsidiaries and Associate did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

(v) 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: 24121462BKCSHE9739

Place: Waghodia, Vadodara
Date: 17/05/2024

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 with reference to the Financial Statements 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 Associate company, incorporated in India, as of that date, as of and for the year ended March 31, 2024, we have also audited the internal financial controls with reference to the Financial Statements 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 with reference to the Financial Statements 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 with reference to the Financial Statements 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 with reference to the Financial Statements 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 with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements , 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 with reference to the Financial Statements reporting of the Holding Company and its Subsidiaries and Associate company, incorporated in India.

Meaning of Internal Financial Controls with reference to the Financial Statements

A company's internal financial control with reference to the Financial Statements 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 with reference to the Financial Statements 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 with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Financial Statements, 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 with reference to the Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Financial Statements 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 to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiaries and Associate company, incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to the Financial Statements 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 with reference to the Financial Statements 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: 24121462BKCSHE9739

Place: Waghodia, Vadodara
Date: 17/05/2024

Consolidated Balance Sheet

as at 31st March, 2024

(₹ In Lakhs)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment & Intangible Assets			
(i) Property, Plant and Equipment	3.1	20,526.88	20,621.94
(ii) Capital Work in Progress	3.2	1,225.91	723.83
(iii) Right of Use Assets	3.3	545.67	561.53
(iv) Intangible Assets	4.1	150.05	163.54
(v) Intangible Assets under Development	4.2	-	27.16
(b) Investments in Associate	5	45.46	30.19
(c) Financial Assets			
(i) Investments	6	1,694.09	871.29
(ii) Other Financial Assets	7	642.44	856.26
(d) Deferred Tax Asset		136.36	139.31
(e) Other Non-Current Assets	8	813.30	959.32
Total Non-Current Assets		**25,780.17**	**24,954.37**
2 Current assets			
(a) Inventories	9	11,282.88	11,523.85
(b) Financial Assets			
(i) Trade receivables	10	12,552.10	9,746.73
(ii) Cash and Cash Equivalents	11	4,874.67	2,028.19
(iii) Bank Balances other than (ii) above	12	1,155.58	965.91
(iv) Loans	13	321.29	36.64
(v) Other Financial Assets	14	475.70	392.62
(c) Other Current Assets	15	2,249.27	2,743.67
(d) Asset held for sale	16	288.13	-
Total Current Assets		**33,199.62**	**27,437.61**
TOTAL ASSETS		**58,979.79**	**52,391.98**
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	17	1,764.33	1,764.33
(b) Other Equity	18	33,531.03	27,593.53
Total equity		**35,295.37**	**29,357.86**
2 Non Controlling Interest		114.40	105.25
3 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,241.25	1,856.93
(ii) Trade Payables	24		
Total outstanding dues of Micro and Small Enterprise			
Total outstanding dues of Creditors other than Micro and Small Enterprise		-	-
(iii) Lease Liabilities	50	372.68	423.77
(iv) Other Financial Liabilities	20	50.80	42.23
(b) Provisions	21	64.46	-
(c) Deferred Tax Liabilities (Net)	22	2,886.89	2,629.41
Total Non-Current Liabilities		**4,616.07**	**4,952.34**
4 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	10,320.78	8,334.97
(ii) Trade Payables	24		
Total outstanding dues of Micro and Small Enterprise		3,804.07	68.28
Total outstanding dues of Creditors other than Micro and Small Enterprise		2,398.93	7,810.32
(iii) Lease Liabilities	50	202.22	167.25
(iv) Other Financial Liabilities	25	1,339.84	1,031.02
(b) Other Current Liabilities	26	635.43	482.10
(c) Provisions	27	82.89	36.24
(d) Current Tax Liabilities (Net)	28	169.78	46.35
Total Current Liabilities		**18,953.96**	**17,976.54**
Total Liabilities		**23,570.02**	**22,928.88**
TOTAL EQUITY AND LIABILITIES		**58,979.79**	**52,391.98**
See accompanying notes to the financial statements	1 to 56		

As per Our Report of even date 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. 121462

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: 17/05/2024

Place: Waghodia
Date: 17/05/2024

Consolidated Statement of Profit and Loss

for the year ended on 31st March, 2024

(₹ In Lakhs)

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue			
I. Revenue from Operations	29	77,749.29	70,168.72
II. Other income	30	406.51	293.38
III. Total Income (I+II)		**78,155.80**	**70,462.10**
IV. Expenses			
a) Cost of materials consumed	31	41,590.08	36,063.40
b) Purchases of Stock in trade	32	95.41	322.19
c) Changes in inventories of finished goods, stock in trade and work in progress	33	(96.08)	48.29
d) Employee Benefits Expenses	34	6,360.38	5,902.51
e) Finance Costs	35	1,646.21	1,776.32
f) Depreciation, Amortisation and Impairment expense	36	1,434.93	1,380.45
g) Other Expenses	37	19,286.09	19,258.72
Total Expenses (IV)		**70,317.02**	**64,751.88**
V. Profit Before Exceptional Items and Tax (III-IV)		7,838.78	5,710.22
VI. Exceptional Items	53	155.56	-
VII. Profit Before Tax (V-VI)		7,683.22	5,710.22
VIII. Add: Share of net profit/(loss) of equity accounted investee		15.26	9.02
IX. Profit Before Tax (VII - VIII)		7,698.49	5,719.24
X. Tax expense:	39		
Current Tax		2,012.48	1,584.55
Deferred Tax		69.98	(61.48)
Total Tax Expenses		2,082.45	1,523.07
XI. Profit for the period (IX-X)		**5,616.03**	**4,196.17**
Profit for the Year attributable to			
Owners of the Company		5,606.98	4,181.91
Non Controlling Interest		9.05	14.26
XII. Other Comprehensive Income	40		
A. (i) Items that will not be reclassified to profit or loss		817.12	(10.82)
(ii) Income tax related to items that will not be reclassified to profit or loss		(190.31)	2.83
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		**626.81**	**(7.99)**
XIII. Total Comprehensive Income for the period (XI+XII)		**6,242.84**	**4,188.18**
Total Comprehensive Income for the Year attributable to			
Owners of the Company		6233.69	4173.96
Non Controlling Interest		9.16	14.22
Earnings per equity share of Face Value of ₹5 each	41		
Basic		15.89	11.85
Diluted		15.89	11.85
See accompanying notes to the financial statements	1 to 56		

As per Our Report of even date 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. 121462

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: 17/05/2024

Place: Waghodia
Date: 17/05/2024

Consolidated Statement of Cash Flow

for the year ended on 31st March, 2024

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	7,683.22	5,710.22
Adjustments for:		
Depreciation, Amortisation and Impairment expense	1,434.93	1,195.70
Loss on sale/disposal of Property, plant and equipment	30.56	4.68
Gain on Derecognition of Lease assets and Liabilities	(5.85)	(5.14)
Bad Debts Written Off/provision	0.39	4.58
Effect of foreign exchange gain/loss	0.37	31.73
Finance Costs	1,646.21	1,776.32
Provision/liability no longer required written back	(61.68)	(33.18)
Debit balance written off	11.08	26.61
Exchange difference on consolidation	(31.51)	38.15
Interest Income	(104.93)	(77.50)
Operating Profit before Working Capital Changes	**10,602.79**	**8,672.17**
Changes in Working Capital		
Adjustments for (Increase) / Decrease in Operating Assets:		
Trade Receivables	(2,815.32)	264.33
Other - Non Current Assets	4.00	(22.47)
Other financial assets-Non-current	213.81	(169.75)
Short Terms Loans and Advances	(284.65)	75.85
Other Current Assets	390.68	(432.35)
Other financial assets-Current	(83.08)	(82.73)
Inventories	240.97	1,370.67
Changes in Trade and Other Receivables	**(2,333.58)**	**1,003.56**
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(1,676.16)	(2,070.78)
Other current Liabilities	215.01	100.94
Other Financial Non current Liabilities	7.36	16.31
Other Financial current Liabilities	308.82	173.21
Short-term provisions	40.97	19.86
Non - Current Provisions	64.46	-
Changes in Trade and Other Payables	**(1,039.54)**	**(1,760.45)**
Cash Generated from Operations	7,229.67	7,915.27
Direct Tax paid (Net of refunds)	(1,785.33)	(1,595.60)
Net Cash from Operating Activities	**5,444.34**	**6,319.67**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipments/Intangible assets including capital work in progress and capital advances.	(1,988.19)	(1,248.77)
Proceeds from sale of Property, plant and equipments	26.08	103.18
Proceeds from sale of Investments	-	0.60
(Deposit) in /Maturity of Deposits with original maturity of more than three months	(189.67)	(699.92)
Interest Received	104.93	77.50
Dividend Paid	(264.65)	-
Net Cash used in Investing Activities	**(2,311.49)**	**(1,767.42)**

Consolidated Statement of Cash Flow

for the year ended on 31st March, 2024

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Long-term borrowings (Net)	(615.68)	(991.81)
Proceeds/(Repayment) of Short-term borrowings [Including current maturities of long term debt] (Net)	1,985.81	(832.04)
Payment of lease liability	(10.27)	(197.11)
Finance cost	(1,646.21)	(1,776.32)
Net Cash used in Financing Activities	**(286.35)**	**(3,797.29)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**2,846.48**	**754.96**
Cash and Cash Equivalents at the beginning of the year	2,028.19	1,273.23
Cash and Cash Equivalents at the end of the year	**4,874.67**	**2,028.19**
Closing Cash and Cash Equivalents comprise of:		
Cash in hand	8.92	9.04
Balances with Scheduled Banks		
Balance in Current Account	4,865.75	2,019.15
Deposits with maturity less than 3 months	-	-
Total	4,874.67	2,028.19
Less : Amount Due to bank in Current Account	-	-
Total	**4,874.67**	**2,028.19**

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, 2024	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short Term Borrowings	8,334.97	1,972.90	3.84	10,320.78
Long Term Borrowings (including Current maturities)	3,463.57	(532.04)	1.83	2,912.37
Bank Balances other than Cash and Cash Equivalents	965.91	189.67	-	1,155.58

(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 56

As per Our Report of even date 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. 121462

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: 17/05/2024

Place: Waghodia
Date: 17/05/2024

Consolidated Statement of Changes in Equity

for the year ended on 31st March, 2024

(a) Equity share capital

(₹ In Lakhs)

Equity share capital	As at 31st March, 2024	As at 31st March, 2023
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, 2022 (A)	120.54	3,950.68	18,636.61	92.26	81.21	501.61	23,385.08
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):Adjustment on account of acquisition of Non Controlling Interest	-	-	(13.31)	-	-	-	(13.31)
Balance at 31st March, 2023 (B)	**120.54**	**3,950.10**	**22,799.81**	**92.26**	**119.36**	**511.45**	**27,593.53**
Less; Share issue expenditure	-	-					-
Add: Profit during the Period	-	-	5,606.98	-	(31.51)	-	5,575.48
Add: Due to change in minority interest	-	-	-	-	-	-	
Add: Gain on sale of shares	-	-	-	-	-	-	-
Add/(less): Other Comprehensive Income for the year(Net of Tax)	-	-	-	-	-	631.12	631.12
Dividend Declared	-	-	(264.65)	-	-	-	(264.65)
Add/(less):Loss on sale of investments	-	-	-	-	-	-	-
Add/(less): Remeasurements of post-employment benefit obligation, net of tax	-	-	(4.45)	-	-	-	(4.45)
Balance at 31st March, 2024	**120.54**	**3,950.10**	**28,137.70**	**92.26**	**87.85**	**1,142.58**	**33,531.03**

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.

Note (ii): Nature and purpose of each reserve is disclosed under note no. 18 -'Other equity'

See accompanying notes to the financial statements

As per Our Report of even date 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. 121462

Place: Waghodia
Date: 17/05/2024

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: 17/05/2024

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Authorization of financial statements:

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 17/05/2024.

Notes to Consolidated Financial statements for the year ended 31st March 2024

Note 1. Corporate Information & Basis of Consolidation

20 Microns Limited ("Holding 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 manufacturing and selling 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, 2024. 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 Holdingparent 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 Holdingparent 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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Associate and Joint Ventures

Investment in associate has been accounted for using Equity Method in accordance with Ind AS 28 - Investments in Associates 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 2024 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 2024	As At 31st March 2023
20 Microns SDN BHD (Foreign Subsidiary)	March 31, 2024	Malaysia	100%	100%
20 Microns Nano Minerals Limited (Indian Subsidiary)	March 31, 2024	India	97.21%	97.21%
20 Microns Vietnam Limited (Foreign subsidiary)*	March 31, 2024	Vietnam	100%	100%
20 Microns FZE (Foreign subsidiary)	March 31, 2024	Sharjah	100%	100%
20 MCC Private Limited (Indian Subsidiary)	March 31, 2024	India	100%	100%
Dorfner - 20 Microns Private Limited	March 31, 2024	India	45%	45%

* The 20 Microns Limited hold 20.68% and 20 Microns SDN BHD hold 79.32% in the 20 Microns Vietnam Limited. 20 Microns Vietnam Limited is owned 100% by the group.

Note 2. Material Accounting Policies

This note provides a list of the material 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 have 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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

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 and assets held for sale which is measured at lower of the carrying amount and fair value less estimated cost to sell, 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 39 Current/deferred tax expense.

Note 42 Contingent liabilities and assets.

Note 10 Expected credit loss for receivables.

Note 45 Measurement of defined benefit obligations.

Note 43 Fair value of Financial Instruments

Note 3 useful life of Property, Plant and Equipment

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 asset 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

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

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

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

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

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

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

2.5 Capital Work in Progress:

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

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

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

2.6 Investment Properties

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

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

2.7 Intangible Assets

Intangible asset is recognized only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Internally 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. Capitalized software includes cost on Enterprise Resource Planning (ERP) project and other Software cost including license fees, which provides significant future benefits.

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

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

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

Depreciation is calculated to systematically allocate the cost of property, plant and equipment, intangible asset and investment property net of the estimated residual values over the estimated useful life. Depreciation is computed

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

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
d)	Trademark	10 Years
e)	Mine Development	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 assets 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.

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

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

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 an 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 an accrual basis as and when the right to receive arises.

Contract Balances:

Contract assets

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

Trade receivables

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

Contract liabilities

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

2.11 Borrowing

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

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group 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

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

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 asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

Equity Investments:

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

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

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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 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.

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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.

2.13.3 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company/ group after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

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2.13.4 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.

2.13.5 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.

The Group's management determines the policies and procedures for both recurring fair value measurement,

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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, moving 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.

Net realisable value is the estimated selling price in the normal course of business less estimated costs of completion and estimated costs to complete the sale.

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 an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

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

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-

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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 include 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 land, 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.

2.20 Taxation

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

2.20.1 Current Tax

The current tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred

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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 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 HoldingParent Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event,

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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

An operating segment is component of the group that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance.

The Group 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 Group, thus they are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

2.24 Cash Equivalents

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

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

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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, Final dividend is authorised when it is approved by the shareholders and Interim dividend is authorised when it is approved by the Boad of Directors. 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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to Consolidated Financial statements

for the year ended 31st March, 2024

Note 3.1. Property, Plant and Equipment (PPE) as at 31st March 2024

(₹ In Lakhs)

Particulars	Gross Block					Depreciation and Amortization					Net Block	
	As at 1st April 2023	Addition during the year	Disposal	Transfer to Asset held for Sale	As at 31st March 2024	As at 1st April 2023	For the year	Disposal	Transfer to Asset held for Sale	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Freehold land	600.92	-	-	-	600.92	-	-	-	-	-	600.92	600.92
Leasehold land	3,326.05	-	-	(249.46)	3,076.59	301.98	48.36	-	(26.00)	324.34	2,752.25	3,024.07
Free Hold Office Building	387.26	90.15	-	-	477.41	91.10	13.10	-	-	104.21	373.20	296.15
Lease Hold Office Building	80.56	-	-	-	80.56	79.10	-	-	-	79.10	1.46	1.46
Factory Building	6,160.19	427.39	-	(150.41)	6,437.18	1,813.16	197.97	-	(86.28)	1,924.85	4,512.32	4,347.03
Plant & Equipment	22,325.36	941.29	(510.10)	(10.87)	22,745.68	10,516.09	788.74	(203.69)	(10.33)	11,090.81	11,654.88	11,809.28
Furniture and office Equipments	676.57	52.96	(1.56)	-	727.97	422.71	32.93	(1.49)	-	454.16	273.81	253.86
Computer Equipments	265.81	37.44	-	-	303.25	161.83	42.17	-	-	204.01	99.24	103.98
Vehicles	448.51	138.36	(83.66)	-	503.21	263.33	46.44	(65.35)	-	244.42	258.79	185.19
Total PPE	**34,271.24**	**1,687.59**	**(595.33)**	**(410.74)**	**34,952.77**	**13,649.30**	**1,169.72**	**(270.53)**	**(122.60)**	**14,425.89**	**20,526.88**	**20,621.94**
Previous year	**32,983.79**	**1,595.62**	**(308.17)**	**-**	**34,271.24**	**12,690.53**	**1,159.07**	**(200.31)**	**-**	**13,649.30**	**20,621.94**	**-**

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

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

Note 3.1.3 - Refer to note 42 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 companies 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 2024	As at 31st March 2023
Capital Work-in-Progress	1,225.91	723.83
Total	**1,225.91**	**723.83**

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

Notes to Consolidated Financial statements

for the year ended 31st March, 2024

Note 3.3 Right of Use Assets

(₹ in Lakhs)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2023	Addition during the year	Disposal	Adjustments	As at 31st March 2024	As at 1st April 2023	For the year	Disposal	Adjustments	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Right to Use	1195.39	262.31	(109.61)	29.72	1,377.81	633.86	231.01	(41.13)	8.39	832.14	545.67	561.53
Previous Year	**791.29**	**507.93**	**(103.84)**	**-**	**1,195.39**	**530.21**	**184.74**	**(81.09)**	**-**	**633.86**	**561.53**	**-**

Note 3.4 Ageing Schedule

As on 31 March 2024:

(₹ 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	1,008.42	197.53	-	-	1,205.95
Projects temporarily suspended	-	19.97	-	-	19.97
Total	**1,008.42**	**217.50**	**-**	**-**	**1,225.91**

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**

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 31st March, 2024

Note 4.1 Intangible assets as at 31st March 2024

(₹ in Lakhs)

Particulars	Gross Block					Amortization					Net Block	
	As at 1st April 2023	Addition during the year	Disposal	Adjustments	As at 31st March 2024	As at 1st April 2023	For the year	Disposal	Adjustments	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Product Development	71.68	-	-	(29.72)	41.95	50.34	-	-	(8.39)	41.95	-	21.34
Trademark	73.98	-	-		73.99	7.07	7.03	-	-	14.10	59.89	66.91
Softwares	134.16	36.88	-	-	171.05	61.48	24.61	-	-	86.08	84.97	72.69
Mine Development	13.22	5.15	(6.90)	-	11.47	10.62	2.56	(6.90)	-	6.27	5.20	2.60
Total Intangible Assets	**293.04**	**42.03**	**(6.90)**	**(29.72)**	**298.46**	**129.50**	**34.19**	**(6.90)**	**(8.39)**	**148.41**	**150.05**	**163.54**
Previous year	**307.20**	**44.22**	**(58.38)**	**-**	**293.04**	**150.91**	**36.63**	**(58.38)**	**0.34**	**129.50**	**163.54**	**-**

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 Useful life of Trademark and Mine Development is considered 10 and 5 years respetively.

Note 4.1.4 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 4.1.5 There is no restriction on the title of intangible assets.

Note 4.1.6 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 2024	As at 31st March 2023
SAP "ERP" License and Development Fees	-	22.01
Mining lease rights	-	5.15
Total	**-**	**27.16**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 4.3 Ageing Schedule

As on 31 March 2024:

(₹ 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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

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**

Note 4.3.1 - There are no projects in intangible under developement whose completion is overdue or has exceeded cost compared to original plan.

Note 5. Investment in Associate

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Dorfner - 20 Microns Private Limited (Investment Amount)	22.50	22.50
Opening balance of share of Profit/(Loss)	7.69	(1.33)
Add : Share of profit/(Loss)	15.26	9.02
Closing balance of share of Profit/(Loss)	**22.96**	**7.69**
2,25,000 shares (31st March, 2023: 2,25,000 shares) of ₹10 each.		
Extent of Holding	45%	45%
Place of business/ country of incorporation	India	India
Total	**45.46**	**30.19**
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	45.46	30.19
(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, 2024	As at 31st March, 2023
Investments in equity shares accounted through OCI (fully paid)		
Unquoted Equity Shares		
6,80,000 (31st March, 2023: 6,80,000) Fully Paid Up Equity Shares of Eriez Industries Private Limited ₹10 each fully paid up.	1,693.20	870.40
Extent of Holding	13.58%	13.58%
Investments in Government Securities		
National Savings Certificate	0.89	0.89
Total	**1,694.09**	**871.29**
(a) Aggregate amount of quoted investments and market value thereof;	Nil	Nil
(b) Aggregate amount of unquoted investments; and	1,694.09	871.29
(c) Aggregate amount of impairment in value of investments.	Nil	Nil

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 7. Non- current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposits		
To Others [Unsecured, considered good]	504.10	412.52
Deposits with Banks having maturity over 12 months		
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	104.94	78.00
Margin Money deposits under lien against Bank Guarantee	25.02	360.05
Deposits given as guarantee to authorities	5.24	2.55
Others	3.15	3.15
Total	**642.44**	**856.26**

Note 8. Other non- current assets

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital advances [Unsecured, considered good]	813.30	955.32
Balances with Government authorities paid under protest	-	4.00
Total	**813.30**	**959.32**

Note 9. Inventories*

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Finished Goods	2,286.28	2,312.40
Material in Transit (Raw Materials)	863.54	598.46
Raw Materials	7,072.09	7,766.64
Stores and Spares	868.11	773.23
Stock in trade	192.86	73.12
Total	**11,282.88**	**11,523.85**

*For Valuation-Refer note 2.15 (Accounting Policy)

**Refer to Note 19 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, 2024	As at 31st March, 2023
Unsecured, Considered Good	12,552.10	9,746.73
Credit Impaired	158.55	180.96
	12,710.65	**9,927.69**
Less: Impairment Allowance for Trade Receivables	(158.55)	(180.96)
Total	**12,552.10**	**9,746.73**

*Refer to Note 19 on borrowings for details in terms of pledge of assets as security.

Notes to Standalone Financial statements

for the year ended 31st March, 2024

Trade Receivable ageing schedule:

As on 31 March 2024:

(₹ 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	-	9,580.34	2,855.17	116.60	-	-	-	12,552.10
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	0.47	-	-	-	0.47
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	158.08	158.08
(vii) Unbilled	-	-	-	-	-	-	-	-
Total	**-**	**9,580.34**	**2,855.17**	**117.06**	**-**	**-**	**158.08**	**12,710.65**
Less: Allowance for bad and doubtful								
(viii) Allowance for doubtful - Undisputed Trade receivables	-	-	-	(0.47)	-	-	-	(0.47)
(ix) Allowance for doubtful - Disputed Trade receivables	-	-	-	-	-	-	(158.08)	(158.08)
Net Trade Receivables	**-**	**9,580.34**	**2,855.17**	**116.60**	**-**	**-**	**-**	**12,552.10**

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	-	7,117.80	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**

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, 2024

Note 11. Current financial assets : Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Balance with banks		
Balance in Current and Savings accounts	4,865.75	2,019.15
(b) Cash on hand	8.92	9.04
Total	**4,874.67**	**2,028.19**

Note 12. Current financial assets : Other bank balances

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Earmarked balances In unclaimed dividend accounts (Refer Note 12.1)	24.95	1.82
Deposits with maturity over 3 months but less than 12 months		
Margin Money deposits under lien against Bank Guarantee	114.50	121.78
Deposits (Liquid Asset on Public Deposits) statutorily required as per Companies Act 2013	1,016.13	842.31
Total	**1,155.58**	**965.91**

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, 2024	As at 31st March, 2023
Loans to employees [Unsecured, considered good]	25.48	21.71
Employee advance and Other Receivable[Unsecured, considered good]	295.81	14.93
Total	**321.29**	**36.64**

Note 14. Current financial assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Insurance claim receivable	88.37	14.94
Balances with Tax authorities	209.96	281.46
Security and other deposits [Unsecured, considered good]	177.37	96.22
Total	**475.70**	**392.62**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 15. Current assets : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advances for expenses[Unsecured, considered good]		
To Staff	0.81	0.78
To Others	1,331.90	1,615.76
	1,332.72	**1,616.54**
Prepaid Expenses	193.33	188.96
Indirect Tax credit receivable	509.61	553.55
Advance Payment of Income Tax (Net of Provision : C.Y - ₹1,670.39 lakhs, P.Y - ₹1,918.98 lakhs) - Refer note no. 28	208.24	311.96
Plan asset of Gratuity (Net of Provision : 31st March, 2024 - ₹1,057.02 lakhs 31st March, 2023 - ₹899.15 lakhs) - Refer note no. 45	4.72	17.14
Other Current Assets	0.65	55.51
Total	**2,249.27**	**2,743.67**

Note 16. Asset held for Sale

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Property Plant and Equipment		
Leasehold Land	223.46	-
Factory Building	64.13	-
Electrification	0.54	-
Total	**288.13**	**-**

The Holding Company has decided to sale the lease hold lands and allied building alongwith electrification situated at the swaroopganj, Rajasthan location in the board meeting dated 25/01/2024. The said assets were not in active use by the company. The company expects to sales these assets within 1 year time frame..

Note 17. Share capital

Note 17.1

Authorised, issued, subscribed, fully paid up share capital

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	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**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 17.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Equity Shares of ₹5 each fully paid		Equity Shares of ₹5 each fully paid	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the period	3,52,86,502	1,764.33	3,52,86,502	1,764.33
Shares outstanding at the end of the period	3,52,86,502	1,764.33	3,52,86,502	1,764.33

Note 17.3 Terms/ rights attached to equity shares

i The Holding 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 Holding 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 17.4 Shareholders holding more than 5% of total share capital

Name of Shareholder	As at 31st March, 2024		As at 31st March, 2023	
	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	86,33,338	24.47%	85,91,838	24.35%
Ilaben Chandresh Parikh	31,82,884	9.02%	31,82,884	9.02%
Rajesh Chandresh Parikh	20,22,636	5.73%	20,22,636	5.73%
Atil Chandresh Parikh	20,21,661	5.73%	20,21,661	5.73%
Total	**1,58,60,519**	**44.95%**	**1,58,19,019**	**44.83%**

Note 17.5 Disclosures of Shareholding of Promoters - Shares held by the Promoters:

Promoter name	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Atil Chandresh Parikh	20,21,661	5.73%	20,21,661	5.73%	0.00%
Rajesh Chandresh Parikh	20,22,636	5.73%	20,22,636	5.73%	0.00%
Ilaben Chandresh Parikh	31,82,884	9.02%	31,82,884	9.02%	0.00%
Vedika Rajesh Parikh	2	0.00%	2	0.00%	0.00%
Eriez Industries Private Limited	86,33,338	24.47%	85,91,838	24.35%	0.00%
Total	**1,58,60,521**	**44.95%**	**1,58,19,021**	**44.83%**	

Note 17.6

The Holding 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, 2024.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 18. Other Equity

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(A) Reserves & Surplus		
a. General Reserve		
Opening Balance	120.54	120.54
Closing Balance	**120.54**	**120.54**
b. Securities Premium Account		
Opening Balance	3,950.10	3,950.68
Less: Share issue expenditure including tax impact	-	(0.58)
Closing Balance	**3,950.10**	**3,950.10**
c. Retained earnings		
Opening balance	22,799.81	18,636.61
Add: Profit during the year	5,606.98	4,181.91
Add: Remeasurements of post-employment benefit obligation, net of tax	(4.45)	(13.31)
Total	**28,402.35**	**22,805.21**
Less : Appropriations		
Dividend Declared	264.65	-
Add/less: Loss on sale of transfer of investments	-	(5.40)
Closing Balance	**28,137.70**	**22,799.81**
d. Foreign Currency Translation Reserve		
Opening balance	119.36	81.21
Add: Change During the year	(31.51)	38.15
Balance at the end of the year	87.85	119.36
e. Capital reserve on consolidation	92.26	92.26
Closing Balance	**92.26**	**92.26**
Total (A)	**32,388.46**	**27,082.07**
(B) Equity instrument through OCI		
Opening Balance	511.45	501.61
Change in fair value of equity instrument	822.80	11.46
Income tax relating to above item	(191.68)	(1.62)
Total (B)	**1,142.58**	**511.45**
Total other equity (A+B)	**33,531.03**	**27,593.53**

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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

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 19. Non- current financial liabilities: Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Non-Current	Current*	Non-Current	Current*
Secured				
Term Loan from Banks	248.96	276.00	525.00	276.00
Vehicle loan	6.78	2.32	-	-
Total secured borrowing [A]	**255.74**	**278.32**	**525.00**	**276.00**
Unsecured				
Deposits				
From Public & Members	905.50	1,352.30	1,287.43	1,251.64
From Related Parties	80.00	40.50	44.50	79.00
Total unsecured borrowing [B]	**985.50**	**1,392.80**	**1,331.93**	**1,330.64**
TOTAL [A+B]	**1,241.25**	**1,671.12**	**1,856.93**	**1,606.64**

*Amount disclosed under the head "Short term borrowings" (Note 23)

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

19.1 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.

19.2 Drawing Power statement in agreement with books

Quarterly returns or statements of current assets filed by the group with banks are in agreement with the books of accounts. The company do not have any borrowing from financial institutions.

19.3 Willful Defaulter

The Entities in group are not declared as willful defaulter by any bank or financial institution or other lender.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

19.4 Maturity Profile of Borrowings [as at 31st March, 2024]

Secured Borrowings

The principal amount of the loans to each of the lenders shall be repayable in equated monthly instalments ranging over a period from 36 months to 72 months. The repayment scheduled as per the sanction terms for sanction amounts of loans is as under:

Year-wise Effective Interest Rate	TL 7.00% to 9.25%
2025-26	251.22
2026-27	2.26
2027-28	2.26
Total	**255.74**

Unsecured Borrowings

Year-wise Effective Interest Rate	Public Deposits 7.00% - 10.00%
2025-26	463.94
2026-27	521.55
Total	**985.50**

19.5 Details of Securities [as at 31st March, 2024 & 31st March, 2023] For 20 Microns Limited

The term loans obtained as 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. Plot no. 253-254 (area 3000 sq.mtrs.) GIDC, Waghodia

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.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu

ix. Land and Building Located at Plot no.104/3, village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)

x. Plot No. 149/P1,149/P2,156,158/P1,158/P2 Mamuara, Bhuj (admeasuring 73664 sq.mtrs.)

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

Current assets existing and proposed such as stocks of raw materials, stocks in process, finished goods , stores, spares, book debts, bills in course of collection etc. of the company.

3 All the term loans are further collaterally secured by personal guarantee of whole time directors of the Company.

For 20 Microns SDN. BHD.

Term Loans from Bank

Term loans from others includes loans obtained for acquisition of vehicles having outstanding balance of ₹9.10 Lakhs (31st March, 2023: Nil) are secured only by the hypothecation of the respective assets financed.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 20. Other Non Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposits	50.80	42.23
Total	**50.80**	**42.23**

Note 21. Non Current Provision

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits (Refer note 45)		
Provision for leave encashment	64.46	-
Total	**64.46**	**-**

Note 22. Deferred tax Liabilities

(a) Deferred tax balances and movement for FY 2023-24

(₹ in Lakhs)

Particulars	As at 31st March, 2023	Recognised in profit or loss	Recognised in OCI/equity	Other	As at 31st March 2024
Deferred tax Liabilities					
Property, plant and equipment and Intangible Assets	2,593.25	71.26	-	-	2,664.51
Investments	197.67	(1.25)	191.68	-	388.10
Loans and borrowings	8.85	(9.01)	-	-	(0.17)
Employee benefits	63.67	(19.13)	(3.29)	-	41.25
Total	**2,863.44**	**41.87**	**188.39**	**-**	**3,093.70**
Deferred tax asset					
Tax credit	-	-	-	(0.14)	(0.14)
Provisions	44.63	(6.68)	-	-	37.95
Disallowance u/s 43 B of Income Tax Act, 1961	7.95	1.06	-	-	9.01
Carried forward tax losses and unabsorbed depreciation	38.16	(18.06)	-	-	20.10
Lease liability	143.30	(3.40)	-	-	139.90
Total	**234.03**	**(27.07)**	**-**	**(0.14)**	**206.82**
Net deferred tax Liabilities	**2,629.41**	**68.95**	**188.39**	**0.14**	**2,886.89**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 23. Current financial liabilities : Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured (Repayment on Demand)		
Loan from Banks (Cash credit):	7,698.20	5,744.40
(Effective Rate of Interest being 8.40% to 9.50%)		
Others	-	-
Unsecured		
Deposits		
From Public and Members	948.46	983.56
From Related Parties	3.00	-
(Effective Rate of Interest being 7.25% - 10.00%)		
Current maturities of long term borrowings - (Refer Note 19):-		
Term Loan		
-From Banks (Secured)	276.00	276.37
Vehicle Loans (Secured)	2.32	-
-Deposits(Unsecured)		
From Public and Members	1,352.30	1,251.64
From Related Parties	40.50	79.00
	1,671.12	**1,607.01**
Total	**10,320.78**	**8,334.97**

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 (Holding Company)

First pari-passu charge by way of hypothecation of:

1. First pari-passu charge by way of mortgage / hypothecation over :

(i) Plot No. 157 Mamura, Bhuj (admeasuring 3.20 acres)

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

(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.23 & 24 (area 3.29 acre), SIPCOT Industrial Estate, Phase-II, Hosur, Krishnagiri, Tamil Nadu

(ix) Land and Building Located at Plot no.104/3, village Puthur, Tirunvelli, Tamil Nadu (admeasuring 20,261 sq.mtrs.)

(x) Plot No. 149/P1,149/P2,156,158/P1,158/P2 Mamuara, Bhuj (admeasuring 73664 sq.mtrs.)

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

Current assets existing and proposed such as stocks of raw materials, stocks in process, finished goods , stores, spares, book debts, bills in course of collection etc. of the company.

3. All the term loans are further collaterally secured by personal guarantee of whole time directors of the Company.

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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 24. Current financial liabilities : Trade payables

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non Current		
Total outstanding dues of Micro and Small Enterprise	-	-
Total outstanding dues of Creditors other than Micro and Small Enterprise	-	-
Sub-Total (a)	**-**	**-**
Current		
Total outstanding dues of micro enterprises and small enterprises - Trade payables (Refer Note 24.1)	3,804.07	68.28
Total outstanding dues of creditors other than micro and small enterprises:-	2,398.93	7,810.32
Sub-Total (b)	**6,203.01**	**7,878.60**
Total (a + b)	**6,203.01**	**7,878.60**

Note 24.1

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

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
the principal amount remaining unpaid to any supplier at the end of each accounting year	3,803.99	67.97
Interest due on (1) above and remaining unpaid as at the end of accounting period	0.08	0.31
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 31 March 2024:

(₹ 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	-	3,794.30	6.96	-	-	-	3,801.26
(ii) Others	-	1,895.12	493.63	10.18	-	-	2,398.94
(iii) Disputed dues - MSME	-	-	2.81	-	-	-	2.81
(iv) Disputed dues - Others	-	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-	-
Total	**-**	**5,689.43**	**503.41**	**10.18**	**-**	**-**	**6,203.01**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

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	-	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**

Note - Above ageing was made from the date of transactions where due dates were not available

Note 25. Current financial liabilities : Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Payable for Capital Goods and Services	-	0.91
Unclaimed dividend (Refer Note 25.1)	24.95	1.82
Unclaimed Matured public deposits and Interest	8.59	3.18
Dues to Bank in Current Account	48.55	-
Employee Benefits Payable	286.18	240.06
Liabilities for expenses at the year end	971.57	785.04
Total	**1,339.84**	**1,031.02**

Note 25.1

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 26. Current liabilities: Others

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance from Customers	297.04	197.84
Statutory Dues Payable	338.38	232.99
Other payables	-	51.27
Total	**635.43**	**482.10**

Note 27. Current provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits (Refer note 45)		
Provision for gratuity	1.55	18.70
Provision for leave encashment	4.55	17.54
Provision for Expenses	76.79	-
Total	**82.89**	**36.24**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 28. Details of Income tax assets and income tax liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current income tax liabilities (Net of Advance Tax : C.Y - ₹1,539.92 lakhs, P.Y - ₹1,233.42)	169.78	46.35
Net Asset (Asset - Liability)	**169.78**	**46.35**

28.1 Movement in current income tax asset/(liability)

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net current income tax asset/(liability) at the beginning	265.61	254.57
Income tax paid for the year	1,785.33	1,595.60
Provision for Income tax for the year (Refer Note 39)	(1,921.16)	(1,564.72)
Prior year tax /refund adjusted with tax / other items	(91.32)	(19.84)
Net current income tax asset/(liability) at the end	**38.46**	**265.61**

28.2 Components of Net income tax asset/(liability) at the end

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Payment of Income Tax (Net of Provision : C.Y - ₹1,670.39 lakhs, P.Y - ₹1,918.98 lakhs)	208.24	311.96
Current income tax liabilities (Net of Advance Tax : C.Y - ₹1,539.92 lakhs, P.Y - ₹1,233.42 lakhs)	169.78	46.35
	38.46	**265.61**

Note 29. Revenue from Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of products	77,598.04	70,075.62
Other operating revenues	151.25	93.11
Total	**77,749.29**	**70,168.72**

Note 29.1 Details of other operating revenues of the Group are as under:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Export Incentives	5.54	4.31
Royalty Received	26.52	6.01
Scrap Sales	4.16	3.11
Jobwork Charges	45.48	63.61
Other	69.54	16.07
Total	**151.25**	**93.11**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 30. Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest Income*	104.93	77.50
Rent	10.84	11.69
Net Gain on Disposal of Tangible Asset	22.48	-
Net Gain on Foreign Currency Transactions	60.30	122.80
Liability no longer required written back	35.31	4.79
Excess Provision written back	26.36	28.38
Gain on Derecognition of Lease Liabilities	5.85	5.14
Other Non-Operating Income	48.62	40.80
Insurance Income	87.50	-
Export Incentives	4.32	2.27
Total	**406.51**	**293.38**

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

Note 31. Cost of Materials Consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Stock of Material	7,769.89	9,561.44
Opening Stock - Goods in Transit	597.66	54.82
Add : Purchases	41,156.11	34,814.70
	49,523.66	**44,430.95**
Less : Goods in transit	853.93	597.66
Less: Closing Stock of Materials	7,079.65	7,769.89
Total	**41,590.08**	**36,063.40**

Note 32. Purchase of Stock in trade

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Purchases of Stock in trade	95.41	322.19
Total	**95.41**	**322.19**

Note 33. Changes in inventories of finished goods, stock in trade and work in progress

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Inventory at the beginning of the year	2,383.06	2,431.36
Less: Inventory at the end of the year	2,479.15	2,383.06
Changes in inventories of finished goods, stock in trade and work in progress	**(96.08)**	**48.29**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 34. Employee benefit expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salary, Wages Bonus & Allowances	5,208.72	4,891.18
Contribution to Provident and Other Funds	484.57	376.57
Managerial Remuneration	477.03	422.26
Staff Welfare Expenses	190.06	212.50
Total	**6,360.38**	**5,902.51**

Note 35. Finance Costs

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest on Term Loans	62.43	116.91
Interest on Working Capital Loans	305.85	486.16
Hundi Discounting Charges	573.60	590.60
Other Interests	447.77	373.74
Other Borrowing Costs	256.56	208.91
Total	**1,646.21**	**1,776.32**

Note 36. Depreciation, Amortisation and Impairment expense

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation of Property, Plant and Equipment (refer note 3.1)	1,169.72	1,159.07
Amortisation of Intangible Assets (refer note 4.1)	34.19	36.63
Amortisation of Right of Use Assets (refer note 3.3)	231.01	184.74
Total	**1,434.93**	**1,380.45**

Note 37. Other Expenses

Note 37.1 Manufacturing Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Consumption of Stores and Spare Parts	650.20	625.75
Power and Fuel	5,217.65	5183.30
Rent	94.08	86.38
Repairs :		
Buildings	26.94	68.58
Plant and Machinery	363.04	335.53
Other Manufacturing & Factory Expenses	534.04	577.96
Sub Total (A)	**6,885.95**	**6,877.49**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 37.2 Administrative & Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rent	39.24	38.16
Rates & Taxes	70.91	50.18
Insurance	147.56	128.63
Post, Telephone & Courier	115.14	101.90
Printing and Stationary expenses	43.36	44.50
Legal, Licenses and Renewal expenses	35.97	46.28
Software and Computer Maintenance	76.30	66.25
Travelling & Conveyance	244.52	192.03
Vehicle Running & Maintenance	147.34	139.77
Professional Fees	314.30	271.91
Auditors Remuneration (refer note no. 37.4)	28.58	25.24
Directors Sitting Fees	14.70	14.80
Loss on Disposal of Tangible Assets (Net)	53.03	4.68
Donation	2.44	2.60
Remission of Debit balance	11.08	26.61
Fine and penalty	2.24	168.53
Miscellaneous Expenses	175.16	222.70
Loss on Foreign Currency Transactions	2.16	20.30
CSR Expenditure (refer note no. 38)	83.70	103.75
Royalty Paid	0.92	16.58
Sub Total (B)	**1,608.65**	**1,685.38**

Note 37.3 Marketing, Selling & Distribution Expenses:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Selling Expenses		
Travelling Expenses	522.71	464.61
Sales Commission	214.33	209.25
Bad Debts written off	0.05	4.47
Allowance for impairment loss	0.33	0.11
Rent	418.67	341.85
Other Selling Expenses	715.61	696.72
Other Expense	-	35.11
Distribution Expenses		
Freight and Logistic Expenses (Domestic)	7,113.15	6,500.81
Freight and Logistic Expenses (Export)	1,790.54	2,428.07
Export Expenses	16.10	14.86
Sub Total (C)	**10,791.49**	**10,695.85**
Total (A+B+C)	**19,286.09**	**19,258.72**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 37.4 Payment to Auditors

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Audit Fees	24.68	23.29
In Other Capacity	2.55	0.60
Out of Pocket Expense	1.35	1.35
Total	**28.58**	**25.24**

Note 38. Corporate Social Responsibilty

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Gross amount required to be spent by the Group during the year	84.30	**77.81**
Excess Amount spent in last year carried forward to this financial year	34.01	7.98
Amount spend and paid on CSR activities included in the statement of profit and loss for the year	49.60	103.75
Amount utilised from amount carried forward from last year	34.01	-
Amount carried forward to Next year	33.32	34.01
Spend details		
Promoting healthcare and environment	72.70	87.50
Promotion of Sports	0.50	-
Rural development and education promotion	-	16.25
Contribution to trust controlled by the Holding Company (refer note - 46.2)	72.70	62.50

Note 39. Tax Expense

(a) Amounts recognised in profit and loss

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax		
(a) Current income tax	1,921.16	1,564.72
(b) Short/(Excess) provision of Income Tax in respect of previous years	91.32	19.84
Sub Total (a)	**2,012.48**	**1,584.55**
Deferred tax		
(a) Origination and reversal of temporary differences	69.98	(61.48)
(b) Recognition of tax credit	-	
Sub Total (b)	69.98	(61.48)
Tax expense for the year (a+b)	**2,082.45**	**1,523.07**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(b) Reconciliation of effective tax rate

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before tax	**7,683.22**	**5,710.22**
Tax using the Individual companies domestic tax rate	1,928.62	1,396.40
Tax effect of:		
Expenses Disallowed	370.72	352.02
Expenses Allowed	(378.18)	(336.24)
Brought Forward Depreciation Set off	-	-
Short/(Excess) provision of income tax in respect of previous years	91.32	21.03
Tax at special rate	-	151.34
Current Tax Provision (A)	**2012.48**	**1584.55**
Increase/ (Decrease) in Deferred Tax Liability	(41.87)	(45.36)
Decrease/(Increase) In Deferred Tax Assets	(28.10)	(16.12)
Deferred Tax Provision (B)	**(69.98)**	**(61.48)**
Total	**1,942.50**	**1,523.07**

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 40. Statement of other comprehensive income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income		
Fair value of unquoted investments - Gain /(loss)	822.80	6.94
Tax impact on unquoted investments	(191.68)	(1.62)
Remeasurement gains (losses) on defined benefit plans		
Actuarial gains and losses - Gain /(loss)	(5.68)	(17.76)
Tax impact on Actuarial gains and losses	1.37	4.45
Total (i)	**626.81**	**(7.99)**
(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)	**626.81**	**(7.99)**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 41. 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 Holding 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 Hodling 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, 2024	For the year ended 31st March, 2023
Profit for the year (Profit attributable to equity shareholders) (₹ In Lakhs)	5,606.98	4,181.91
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 (₹)	15.89	11.85
Diluted EPS (₹)	15.89	11.85

Note 42. Contingent Liabilities & Contingent Assets and Capital Commitments

A) CONTINGENT LIABILITIES (₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Contingent liabilities (to the extent not provided for)		
(a) Statutory claims (Refer Note 42.1)	667.39	746.64
(b) Claims against the group not acknowledged as debt (Refer Note 42.2)	438.51	438.51
(c) Export Obligations	-	49.94
Total	**1,105.90**	**1,235.09**

Note 42.1 Statutory claims

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
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)]	37.22	228.32
Demand of Income Tax (Net of Refund adjusted and paid under protest)	157.36	140.08
Labour disputed cases	472.81	378.25
Total	**667.39**	**746.64**

Note 42.2 Claims against the Group not acknowledged as debt

42.2.1

The Holding 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 Holding Company. Holding 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 Holding 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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

42.2.2

Vendors of the group have made claims against Group amouting to ₹19.38 Lakh (P.Y - ₹19.38 Lakh)

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, 2024, not provided for amounting to ₹1,099.70 Lakhs (Net of Advance ₹802.82 Lakhs) [31st March, 2023, not provided for amounting to ₹654.38 Lakhs (Net of Advance ₹768.37 Lakhs)]

Note 43. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

(₹ In Lakhs)

31st March, 2024	Carrying amount				Fair Value
	FVTPL	FVTOCI	Amortised Cost	Total	Total
Financial assets					
Investments	-	1,693.20	0.89	1,694.09	1,694.09
Financial assets measured at amortised cost				-	-
Loans (Non-current)	-	-	-	-	-
Other financial assets (Non-Current)	-	-	642.44	642.44	642.44
Loans (Current)	-	-	321.29	321.29	-
Other financial assets (Current)	-	-	475.70	475.70	-
Trade receivables	-	-	12,552.10	12,552.10	-
Cash and cash equivalents	-	-	4,874.67	4,874.67	-
Other bank balances	-	-	1,155.58	1,155.58	-
	-	**1,693.20**	**20,022.68**	**21,715.88**	**2,336.53**
Financial liabilities measured at amortised cost					
Non current borrowings	-	-	1,241.25	1,241.25	1,241.25
Other Non Current financial liabilities	-	-	50.80	50.80	50.80
Lease laibilities - Noncurrent	-	-	372.68	372.68	372.68
Trade payables (Non-current)	-	-	-	-	-
Lease laibilities - current	-	-	202.22	202.22	-
Current borrowings	-	-	10,320.78	10,320.78	-
Trade payables (Current)	-	-	6,203.01	6,203.01	-
Other Current financial liabilities	-	-	1,339.84	1,339.84	-
Total	**-**	**-**	**19,730.57**	**19,730.57**	**1,664.72**

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for the year ended on 31st March, 2024

(₹ In Lakhs)

31st March, 2023	Carrying amount				Fair value
	FVTPL	FVTOCI	Amortised Cost	Total	Total
Financial assets					
Investments	-	870.40	0.89	871.29	871.29
Financial assets measured at amortised cost					-
Loans (Non-current)	-	-	-	-	-
Other financial assets (Non-Current)	-	-	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**	**1,727.55**
Financial liabilities measured at amortised cost					
Non current borrowings	-	-	1,856.93	1,856.93	1,856.93
Other 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	-
Current borrowings	-	-	8,334.97	8,334.97	-
Trade payables	-	-	7,878.60	7,878.60	-
Other financial liabilities	-	-	1,031.02	1,031.02	-
Total	**-**	**-**	**19,734.77**	**19,734.77**	**2,322.93**

#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, 2024

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March 2024 and 31st March 2023 is as below:

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Opening Balance	870.40	863.46
Acquisitions/ (disposals)	-	-
Gains/ (losses) recognised in other comprehensive income	822.80	6.94
Impairment in value of investment recognised in other comprehensive income	-	-
Closing Balance	**1,693.20**	**870.40**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March 2024 and the year ended 31st March 2023.

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 2024 is provided below.

(₹ In Lakhs)

Significant observable inputs	As at 31st March 2024 OCI (Decrease)/ Increase	As at 31st March 2023 OCI (Decrease)/ Increase
Equity securities in unquoted investments measured through OCI		
If increase in market value of investments made by 5%	84.66	43.52
If increase in market value of investments made by 5%	(84.66)	(43.52)

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 group'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's 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.

The audit committee oversees how management monitors compliance with the Holding company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Board of Directors reviews and agrees policies for managing each of these risks.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

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 Group maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(b) Trade and other receivables

The Group's exposure to credit Risk is the exposure that Group has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Group's major customer base is paints, plastic, rubber and other misc. industries.

The Commercial and Marketing department has established a credit policy.

The Group raises the invoice based on the quantities sold. The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the group continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are 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 2024	As at 31st March 2023
Opening Allowance for bad and doubtful Trade receivable	180.96	185.55
Provision during the year	0.33	0.11
Recovery/Adjustment during the year		
Write off/reduction during the year	(22.74)	(4.70)
Closing Allowance for bad and doubtful Trade receivable	**158.55**	**180.96**

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 ₹1,002.75 Lakhs on 31st March, 2024 and ₹545.37 Lakhs on 31st March, 2023.

Notes to Consolidated Financial Statements

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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 ₹534.06 Lakhs (at amortised cost) that is secured as mentioned in Note 19. Interest would be payable at the rate of varying from 7.00% to 9.25%.

(b) The Group has also accepted deposit from share holders and directors amounting to ₹3,326.77 Lakhs (at amortised cost) of unsecured nature. Interest would be payable at the rate of varying from 7.00% - 10.00%.

(c) For maintaining working capital liquidity Group avails cash credit limit from bank. The amount availed as at 31/03/2024 is ₹7,698.20 Lakhs (at amortised cost). Effective Rate of Interest is 8.40% to 9.50%.

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)

As at 31st March 2024	Contractual cash flows				
	Carrying amount	Less than 12 months	1-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non current borrowings	1,241.25	-	1,241.25	-	1,241.25
Non current financial liabilities	50.80	-	50.80	-	50.80
Lease laibilities - Noncurrent	372.68	-	372.68	-	372.68
Trade payables (Non-current)	-	-	-	-	-
Lease laibilities - current	202.22	202.22	-	-	202.22
Current Borrowings	10,320.78	10,320.78	-	-	10,320.78
Current Trade payables	6,203.01	6,203.01	-	-	6,203.01
Current Other financial liabilities	1,339.84	1,339.84	-	-	1,339.84
	19,730.57	**18,065.85**	**1,664.72**	**-**	**19,730.57**

(₹ 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	1,856.93	-	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**

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

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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 31st March 2024	As at 31st March 2023
Trade and Other Payables		
Euro	12.84	-
USD	349.65	24.56
GBP	-	1.63
Trade Receivables and advances		
Euro	47.84	4.18
USD	2,032.37	1,948.35
GBP	20.45	5.54
Bank Balance in EEFC Account		
USD	283.32	166.96

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 2024 (₹ in Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity (Gross of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(18.12)	18.12	(18.12)	18.12
Trade Receivables and advances	105.03	(105.03)	105.03	(105.03)
Bank Balance in EEFC Account	14.17	(14.17)	14.17	(14.17)

As at 31st March 2023 (₹ in Lakhs)

Details of foreign currency balances	Profit or (Loss)		Equity (Gross of tax)	
	5% increase	5 % Decrease	5% increase	5 % Decrease
Trade and Other Payables	(1.31)	1.31	(1.31)	1.31
Trade Receivables and advances	97.90	(97.90)	97.90	(97.90)
Bank Balance in EEFC Account	8.35	(8.35)	8.35	(8.35)

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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.

(₹ In Lakhs)

Derivative outstanding as at reporting date	Amount in USD (lakhs)		Amount in INR (lakhs)	
	As at 31st March 2024	As at 31st March 2023	**As at 31st March 2024**	As at 31st March 2023
Nature of instrument				
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 31st March 2024**	As at 31st March 2023
Non current - Borrowings	1,241.25	1,856.93
Short term Borrowings	10,320.78	8,334.97
Total	**11,562.03**	**10,191.91**

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 (Gross of tax)	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
As at 31st March 2024				
Non current - Borrowings	(12.41)	12.41	(12.41)	12.41
Short term borrowings	(103.21)	103.21	(103.21)	103.21
Total	**(115.62)**	**115.62**	**(115.62)**	**115.62**
As at 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**

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.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

e) Equity Price Risk

The Group do not have any investment in quoted equity shares hence not expose to equity price risk.

Note 44. 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 31st March 2024	As at 31st March 2023
Interest bearing borrowings	11,562.03	10,191.91
Less : Cash and bank balances	(6,168.60)	(3,437.85)
Adjusted net debt	**5,393.43**	**6,754.06**
Borrowings	11,562.03	10,191.91
Total equity	35,295.37	29,357.86
Adjusted net debt to adjusted equity ratio	0.15	0.23
Debt equity ratio	0.33	0.35

Note 45. Disclosure of Employee Benefits

(a) Defined Contribution Plan

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Contribution to Provident Fund	316.79	278.36
Contribution to Superannuation Fund	30.96	31.78
Contribution to Employee Stock Insurance Corporation (ESIC)	4.64	4.96
Total	**352.38**	**315.10**

45.1 In the case of Parent Company

The Company has implemented Ind AS - 19 on "Employee Benefits".

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(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	
		As at 31st March 2024	As at 31st March 2023	**As at 31st March 2024**	As at 31st March 2023
A.	**Discount rate**	7.20%	7.40%	7.20%	7.40%
	Salary Growth rate	7.50%	7.50%	7.50%	7.50%
B.	**Reconciliation of Defined Benefit Obligation**				
	Opening Defined Benefit Obligation	899.15	814.05	17.69	-
	Current Service Cost	61.78	54.49	25.56	17.69
	Interest Cost	64.02	54.81	1.30	-
	Components of acturial gain/losses on obligations:				
	Due to change in financial assumptions	14.46	(30.80)	1.24	-
	Due to change in Demographic assumptions	-	-	-	-
	Due to experience adjustments	25.78	39.07	12.78	-
	Past Service Cost	-	-	-	-
	Benefits Paid	(51.72)	(32.47)	-	-
	Closing Defined Benefit Obligation	**1,013.47**	**899.15**	**58.56**	**17.69**
C.	**Reconciliation of Planned Asset**				
	Opening fair Value of plan assets	916.30	896.20	-	-
	Interest Income	67.57	62.42	-	-
	Return on plan assets excluding amounts included in interest income	22.06	(9.85)	-	-
	Contributions by employer	60.00	-	-	-
	Benefits Paid	(51.72)	(32.47)	-	-
	Closing Value of plan assets	**1,014.21**	**916.30**	**-**	**-**
D.	**Profit and Loss Account for the current Period**				
	Current Service Cost	61.78	54.49	25.56	17.69
	Net Interest Cost	(3.55)	(7.60)	1.30	-
	Components of acturial gain/losses on obligations:				
	Due to change in financial assumptions			1.24	-
	Due to change in Demographic assumptions			-	-
	Due to experience adjustments			12.78	-
	Past service cost and loss/(gain) on curtailments and settlements			-	-
	Total included in 'Employee Benefit Expense'	**58.23**	**46.89**	**40.87**	**17.69**
	Other Comphrehensive Income for the current Period				
	Components of acturial gain/losses on obligations:				
	Due to change in financial assumptions	14.46	(30.80)	-	-
	Due to change in Demographic assumptions	-	-	-	-
	Due to experience adjustments	25.78	39.07	-	-
	Return on plan assets excluding amounts included in interest income	(22.06)	9.85	-	-
	Amount recognized in Other Comprehensive Income	**18.17**	**18.13**	**-**	**-**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(₹ In Lakhs)

Assumptions		Gratuity		Leave Encashment	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
E.	**Reconciliation of Net defind Benefit Obligation**				
	Net opening provisions in Books of accounts	(17.14)	(82.17)	17.69	-
	Employee Benefit Expense	58.23	46.89	40.87	17.69
	Amount recognized in Other Comprehensive Income	18.17	18.13	-	-
	Contributions to Plan asset	(60.00)	-	-	-
	Closing provision in books of accounts	**(0.74)**	**(17.14)**	**58.56**	**17.69**
F.	**Current/Non-Current Liability :**				
	Current*	(0.74)	(17.14)	4.08	0.09
	Non-Current	-	-	54.48	17.60
	Net Liability	**(0.74)**	**(17.14)**	**58.56**	**17.69**

*The Company liability is calculated as expected reduction in contributions for the next 12 months.

(c) Amounts recognised in current year and previous year

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
A. Gratuity		
Present value of Defined Benefit Obligation	1,013.47	899.15
Fair value of Plan Assets	1,014.21	916.30
(Surplus) / Deficit in the plan	(0.74)	(17.14)
Actuarial (Gain) / Loss on Plan Obligation	40.24	8.28
B. Earned Leave (Leave encashment)		
Present value of Defined Benefit Obligation	58.56	17.69
Actuarial (Gain) / Loss on Plan Obligation	14.01	-

(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 2024			
	Increase Gratuity	Decrease Gratuity	Increase Leave Encashment	Decrease Leave Encashment
Discount rate (0.5% movement)	964.32	1035.81	55.54	61.83
Salary growth rate (0.5% movement)	1023.25	975.70	61.80	55.54
Withdrawal rate (W.R.) Sensitivity	1002.57	995.32	56.36	60.89

(₹ 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	16.76	933.48	18.69
Salary growth rate (0.5% movement)	921.17	18.68	876.76	16.76
Withdrawal Rate	902.63	16.98	895.53	18.44

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(e) Gratuity Benefits Plan:

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹20,00,000 was applied.
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58, 68 or 72 years

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

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

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

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

C Liquidity Risk:

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

D Market Risk:

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

E Legislative Risk:

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

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

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(a) Composition of the plan assets

(₹ In Lakhs)

Particular	As at 31st March, 2024	As at 31st March, 2023
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 2024

Particulars	1-5 years	6-10 years
Cash flow (₹)	474.62	505.58
Distribution (in %)	25.80%	27.50%

(g) Other Notes:

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

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

45.2 For 20 Micron Nano Minerals Limited

(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		Leave Encashment	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
A.	**Discount rate**	7.20%	7.45%	7.20%	-
	Rate of return on plan assets	7.20%	7.45%	7.20%	-
	Salary Escalation	6.00%	6.00%	6.00%	-
B.	**Change in Defined Benefit Obligations**				
	Liability at the beginning of the year	35.11	22.89	-	-
	Interest Cost	2.60	1.62	-	-
	Current Service Cost	9.75	9.70	10.46	-
	Past service cost	-	-	-	-
	Prior year Charge	-	-	-	-
	Due to change in Financial assumptions	0.92	(0.89)	-	-
	Due to change in Demographic assumptions	-	-	-	-
	Due to experience adjustments	(4.83)	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	**43.55**	**35.11**	**10.46**	**-**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(₹ In Lakhs)

Assumptions		Gratuity		Leave Encashment	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
C.	**Change in Fair Value of plan Assets**				
	Opening fair Value of plan assets	24.19	23.30	-	-
	Interest Income	2.15	2.00	-	-
	Return on plan assets excluding amounts included in interest income	1.18	(0.36)	-	-
	Contributions by employer	20.00	-	-	-
	Benefits Paid	-	(0.74)	-	-
	Closing fair Value of plan assets	**47.53**	**24.19**	**-**	**-**
D.	**Current Service Cost**				
	Net Interest Cost	9.75	9.70	10.46	-
	Past service cost and loss/(gain) on curtailments and settlements	0.45	(0.38)	-	-
	Total included in 'Employee Benefit Expense'	-	-	-	-
	Other Comphrehensive Income for the current Period	10.20	9.33	10.46	-
	Components of acturial gain/losses on obligations:				
	Due to change in financial assumptions				
	Due to change in Demographic assumptions	0.92	(0.89)	-	-
	Due to experience adjustments	-	-	-	-
	Return on plan assets excluding amounts included in interest income	(4.83)	2.53	-	-
	Amount recognized in Other Comprehensive Income	(1.18)	0.36	-	-
	Amount recognized in Other Comprehensive Income	**(5.10)**	**2.00**	**-**	**-**
E.	**Balance Sheet Reconciliation**				
	Opening Net Liability	10.92	(0.41)	-	-
	Employee Benefit Expense	10.20	9.33	10.46	-
	Amounts recognized in Other Comprehensive Income	(5.10)	2.00	-	-
	Contributions to Plan Assets	(20.00)	-	-	-
	Benefits Paid	-	-	-	-
	Closing Liability	**(3.97)**	**10.92**	**10.46**	**-**
F.	**Current/Non-Current Liability :**				
	Current*	(3.97)	9.75	0.47	-
	Non-Current	**-**	**1.17**	**9.98**	**-**

*The Group liability is calculated as expected reduction in contributions for the next 12 months.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(c) Amounts recognised in current year and previous year

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
A. Gratuity		
Present value of Defined Benefit Obligation	43.55	35.11
Fair value of Plan Assets	47.53	24.19
(Surplus) / Deficit in the plan	(3.97)	10.92
Actuarial (Gain) / Loss on Plan Obligation	(3.91)	1.65
Actuarial Gain / (Loss) on Plan Assets	(1.18)	0.36
B. Leave Encashment		-
Present value of Defined Benefit Obligation	10.46	-
Fair value of Plan Assets	-	-
(Surplus) / Deficit in the plan	10.46	-
Actuarial (Gain) / Loss on Plan Obligation	-	-
Actuarial Gain / (Loss) on Plan Assets	-	-

(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 2024			
	Increase Gratuity	Increase Leave encashment	Decrease Gratuity	Decrease Leave Encashment
Discount rate (0.5% movement)	41.75	10.00	45.49	10.94
Salary growth rate (0.5% movement)	45.20	10.94	42.00	10.00
Withdrawal rate (W.R.) Sensitivity	43.57	10.27	43.50	10.65

(₹ In Lakhs)

Particulars	As at 31st March 2023			
	Increase Gratuity	Increase Leave encashment	Decrease Gratuity	Decrease Leave Encashment
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	-

(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

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(i) Entity responsibilities for the governance of the plan

Risk to the Plan

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

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

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

C Liquidity Risk:

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

D Market Risk:

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

E Legislative Risk:

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

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

(a) Composition of the plan assets

(₹ In Lakhs)

Particular	As at 31st March, 2024	As at 31st March, 2023
Bank balance	0.00%	0.00%
Policy of insurance	100.00%	100.00%
Others	0.00%	0.00%

(b) The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(c) Expected benefit payments as on 31 March 2024.

(₹ In Lakhs)

Particular	1-5 years	6-10 years
Cash flow (₹)	19.02	20.22
Distribution (in %)	20.60%	21.80%

(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.

45.3 For 20 MCC Private Limited

(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	
		As at 31st March 2024	As at 31st March 2023
A.	**Discount rate**	7.20%	7.50%
	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 Escalation	7.50%	7.50%
B.	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	7.78	6.92
	Current Service Cost	0.58	2.76
	Interest Cost	0.58	0.48
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	0.03	(0.39)
	Due to change in Demographic assumptions	-	-
	Due to experience adjustments	(7.43)	(1.98)
	Past Service Cost	-	-
	Benefits Paid	-	-
	Closing Defined Benefit Obligation	**1.55**	**7.78**
C.	**Reconciliation of net defined benefit liability**		
	Net opening provision in books of accounts	7.78	6.92
	Transfer in/(out) obligation		
	Transfer (in)/out plan assets		
	Employee Benefit Expense	1.16	3.24
	Amounts recognized in Other Comprehensive (Income) / Expense	(7.40)	(2.37)
	Amounts recognized in Other Comprehensive (Income) / Expense		
	Contributions to plan assets		
	Closing Value of plan assets	**1.55**	**7.78**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(₹ In Lakhs)

Assumptions		Gratuity	
		As at 31st March 2024	As at 31st March 2023
D.	**Profit and Loss Account for the current Period**		
	Current Service Cost	0.58	2.76
	Net Interest Cost	0.58	0.48
	Past service cost and loss/(gain) on curtailments and settlements		-
	Total included in 'Employee Benefit Expense'	**1.16**	**3.24**
E.	**Other Comprehensive Income for the current Period**		
	Components of acturial gain/losses on obligations:		
	Due to change in financial assumptions	0.03	(0.34)
	Due to change in Demographic assumptions		
	Due to experience adjustments	(7.43)	(1.98)
	Return on plan assets excluding amounts included in interest income		
	Amount recognized in Other Comprehensive Income	**(7.40)**	**(2.37)**
F.	**Current/Non-Current Liability :**		
	Current*	0.07	0.04
	Non-Current	1.48	7.74
	Net Liability	**1.55**	**7.78**

Funded status of the plan

(₹ In Lakhs)

Particular	(12 Months)	
	As at 31st March, 2024	As at 31st March, 2023
Present value of unfunded obligations	1.55	7.78
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	1.55	7.78

(c) 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 2024	
	Increase Gratuity	Decrease Gratuity
Discount rate (0.5% movement)	1.49	1.6
Salary growth rate (0.5% movement)	1.6	1.49
Withdrawal rate (W.R.) Sensitivity	1.55	1.55

(₹ In Lakhs)

Particulars	As at 31st March 2023	
	Increase Leave encashment	Decrease Leave Encashment
Discount rate (0.5% movement)	7.48	8.10
Salary growth rate (0.5% movement)	8.09	7.48
Withdrawal rate (W.R.) Sensitivity	7.64	7.83

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 46. Related Party Transactions:

Note 46.1 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	Dorfner-20 Microns Private Limited	Associate Company
3	Zydex Industries Private Limited	Entity over which Significant Influenceof independent director Exists
4	Eriez Industries Limited	Entity exercising Significant Influence over Company
5	Shri Rajesh C. Parikh	Chairman & Managing Director, Key Management Personnel
6	Shri. Atil C. Parikh	CEO & Managing Director, Key Management Personnel
7	Smt. Sejal R. Parikh	Director, Key Management Personnel
8	Smt. Ilaben C. Parikh	Relative of Key Management Personnel
9	Smt. Purvi A. Parikh	Relative of Key Management Personnel
10	Smt. Vedika R. Parikh	Relative of Key Management Personnel
11	Mr Narendra R Patel	Chief Financial Officer, Key Management Personnel
12	Smt.Komal Pandy	Company Secretary, Key Management Personnel
13	Shri. Ramkisan A. Devidayal	Independent Director
14	Shri. Atul H. Patel	Independent Director
15	Dr. Ajay I. Ranka	Independent Director
16	Mr.Jaideep B. Verma	Independent Director
17	Mr. Aditya Tillu	Company Secretary - Key management Personnel (Subsidiary Company)
18	Mrs.Darsha Kikani	Director, Key Management Personnel
19	Dr.Swaminathan Sivaram	Independent Director w.e.f 16.05.2023
20	Mr. Sudhir Parikh	Director, Key Management Personnel

Note 46.2 Transactions with Related Parties

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	**20 Microns Foundation trust**	Entity over which Significant Influence Exists		
	Expenses :			
	Donation paid		72.70	62.50
2	**DORFNER-20 Microns Private Limited**	Associtate Company		
	Income :			
	Sales of Material		65.98	50.59
	Rent Received		0.12	0.12
	Royalty Received		26.52	6.01
	Amount Receivable / (Payable) at the year end		**6.78**	**22.52**
3	**Zydex Industries Private Limited**	Entity over which Significant Influence of Independent Director Exists		
	Income :			
	Sales of Material		37.44	65.72
	Amount Receivable / (Payable) at the year end		**0.17**	**4.05**
4	**Eriez Industries Limited**	Entity exercising significant influence over Company		
	Income :			
	Rent Received		0.42	0.42
	Amount Receivable / (Payable) at the year end		**-**	**-**
5	**Shri Rajesh C. Parikh**	Chairman & Managing Director, Key Management Personnel		
	Remuneration paid			
	short-term employee benefits		228.75	189.80
	Other long-term benefits		23.45	19.54

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2024	For the year ended 31st March, 2023
6	**Shri. Atil C. Parikh**	CEO & Managing Director, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		203.02	168.95
	other long-term benefits		18.84	15.70
	Interest on Deposit		0.46	0.49
	Others :			
	Deposit Received/ Renewed		5.00	-
	Deposit Paid During the Year		5.00	-
	Deposit Outstanding		5.00	5.00
7	**Smt. Ilaben C. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Interest on Deposit		10.62	12.27
	Others :			
	Deposit Received / Renewed		70.00	-
	Deposit Paid		70.00	-
	Deposit Outstanding		121.70	123.31
8	**Smt. Sejal R. Parikh**	Director, Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.10	0.09
	Rent		13.06	10.68
	short-term employee benefits		25.34	-
	other long-term benefits		2.37	-
	Other Benefit		3.82	2.20
	Director Sitting fees		0.95	1.15
	Others :			
	Deposit Outstanding		1.00	1.00
9	**Smt. Purvi A. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	short-term employee benefits		22.02	-
	other long-term benefits		2.06	-
	other benefits		3.32	-
	Interest on Deposit		0.49	0.45
	Others :			
	Deposit Received / Renewed		-	-
	Deposit Paid		-	-
	Deposit Outstanding		5.00	5.00
10	**Mr Narendra R Patel**	Chief Financial Officer, Key Management Personnel		
	Expense			
	Remuneration paid			
	short-term employee benefits		35.13	33.66
	other long-term benefits		2.79	2.58
	other benefits		1.99	9.80

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(₹ In Lakhs)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2024	For the year ended 31st March, 2023
11	**Smt.Komal Pandey**	Company Secretary, Key Management Personnel		
	Expenses :			
	Remuneration paid			
	short-term employee benefits		8.96	7.96
	other long-term benefits		0.70	0.62
	Other Benefit		0.36	0.52
12	**Smt. Vedika R. Parikh**	Relative of Key Management Personnel		
	Expenses :			
	Interest on Deposit		0.89	0.86
	Others :			
	Deposit Received / Renewed		3.00	3.00
	Deposit Paid		3.00	3.00
	Deposit Outstanding		10.00	10.00
13	**Shri. Ramkisan A. Devidayal**	Independent Director		
	Expenses :			
	Commission		7.00	6.00
	Director Sitting fees		4.20	5.05
14	**Shri. Atul H. Patel**	Independent Director		
	Expenses :			
	Commission		3.30	3.00
	Director Sitting fees		2.70	1.95
15	**Dr. Ajay I. Ranka**	Independent Director		
	Expenses :			
	Commission		3.30	3.00
	Director Sitting fees		2.00	1.95
16	**Mr.Jaideep B. Verma**	Independent Director		
	Expenses :			
	Commission		2.50	2.20
	Director Sitting fees		1.30	1.30
17	**Mr. Aditya Tillu**	Company Secretary - Key management Personnel (Subsidiary Company)		
	Expenses :			
	short-term employee benefits		4.02	1.97
18	**Mrs.Darsha Kikani**	Director and Key management Personnel		
	Expenses :			
	Director Sitting Fees		1.60	2.20
19	**Mr. Sudhir Parikh**	Director and Key management Personnel		
	Expenses :			
	Director Sitting Fees		0.80	1.20
20	**Dr. Swaminathan Sivaram**	Independent Director		
	Expenses :			
	Director Sitting fees		1.15	-

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 47

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 : ₹77,057.66 lakhs (P.Y - ₹69,671.52 Lakhs)

Sale of Herbal Pharma Products : Nil (P.Y - ₹ NIL)

Sale of construction Material - ₹540.39 lakhs (P.Y - ₹404.10 Lakhs)

b) Information about geographical areas:

1. The Group have revenues from external customers attributable to all foreign countries amounting to ₹10,198.32 Lakhs (P.Y - ₹10,604.51 Lakhs) and entity's country of domicile amounting to ₹67,399.72 Lakhs (₹59,471.11 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 are one (P.Y - Three) customers to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹9,707.54 lakhs (P.Y - ₹22,304.76 lakhs).

c) Information about major customers:

There are two (P.Y - three) customers to the company which accounts for more than 10% of aggregate sales. Net sales made to this customer amounts to ₹16,803.85 lakhs (P.Y ₹22,304.76 Lakhs).

Notes to Consolidated Financial statements

for the year ended 31st March, 2024

Note 48

Ratios Analysis

Sr. No.	Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	Variance %	Reason for variance
1	Current Ratio (times)	Current Assets	Current Liabilities (Excl. Customer deposits)	1.76	1.53	14.80%	--
2	Debt-Equity Ratio (times)	Debt consists of borrowings	Shareholder's Equity	0.33	0.35	-5.64%	--
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	3.90	2.81	38.87%	Due to Increase in Earning for debt service in current year compared to previous year and in the last year principal repayment of TL and interest was higher than the current year.
4	Net profit ratio (%)	Net Profit after tax	Revenue from operations	7.22%	5.98%	20.79%	--
5	Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	17.37%	15.40%	12.83%	--
6	Return on Capital employed (%)	Profit before tax + Interest on borrowings	Average Capital Employed=Tangible Net Worth + Total Debt + Deferred Tax Liability	20.08%	18.02%	11.46%	--
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	7.35	6.16	19.36%	--
9	Trade Receivables turnover ratio (times)	Revenue from operations	Average Trade Receivable	6.97	7.10	-1.78%	--
10	Trade payables turnover ratio (times)	Net Purchases	Average Trade Payables	5.86	3.94	48.69%	Increase in purchase in current year compared to previous year and decrease in average trade payable in current year compared to previous year.
11	Net capital turnover ratio (times)	Reveune from operations	Working Capital	5.44	7.38	-26.35%	Increase in working capital in current year compared to previous year

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 49. Disclosure of IND AS 115 "Contract with Customers"

Contract Balances

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables	12,552.10	9,746.73
Contract Liabilities	297.04	197.84

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to ₹197.84 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, 2024	As at 31st March, 2023
Revenue as per contracted price	77,836.30	70,210.51
Export Incentives	5.54	4.31
Adjustments		
Discounts	(92.55)	(46.10)
Revenue from contract with customers	**77,749.29**	**70,168.72**

Note 50. 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, 2024:

(₹ in Lakhs)

Category of Right of use Assets		Gross Block	Accumulated Depreciation	Carrying Amount
Buildings	**Balance as at 01st April, 2023**	837.21	523.87	313.33
	Additions	182.14	138.44	43.70
	Deletions	(109.61)	(41.13)	(68.49)
	Balance as at 31st March, 2024	**909.73**	**621.18**	**288.55**
Plant and Machinery	**Balance as at 01st April, 2023**	113.76	21.67	92.09
	Additions	29.80	45.60	(15.79)
	Deletions	-	-	-
	Balance as at 31st March, 2024	**143.56**	**67.27**	**76.30**
Vehicles	**Balance as at 01st April, 2023**	244.42	88.32	156.10
	Additions	80.09	55.36	24.74
	Deletions	-	-	-
	Balance as at 31st March, 2024	**324.51**	**143.68**	**180.84**

The aggregate depreciation expense amounting to ₹231.01 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, 2024:

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current lease liabilities	202.22	167.25
Non current lease liabilities	372.68	423.77
	574.89	**591.02**

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

The following is the movement in lease liabilities during the year ended 31st March, 2024:

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance as at April 01	591.02	280.20
Additions	266.56	522.34
Finance cost accrued	65.27	51.96
Deletions	79.13	25.38
Payment of lease liabilities	268.82	238.10
Balance as at March 31	**574.89**	**591.02**

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, 2024	As at 31st March, 2023
Less than one year	224.36	187.75
One to five years	396.91	451.35
More than five years	-	-
	621.28	**639.10**

Rental expense for short-term leases recognised in the Statement of Profit and Loss was ₹551.99 Lakhs (P.Y. - ₹466.38 lakhs) for the year ended March 31, 2024.

Note 51. ADDITIONAL REGULATORY INFORMATION DISCLOSURES

Note 51.1 Registration of charges or satisfaction with Registrar of Companies (ROC)

The group has registered charge and satisfaction with ROC within statutory time period..

Note 51.2 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 51.3 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 51.4 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 51.5 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 51.6 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, 2024

Note 51.7 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 51.8 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 52. Dividend on Equity Shares by the Holding Company

(₹ In Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Dividend on Equity shares declared and paid during the year		
Final dividend of ₹0.75 per share for the FY 2022-23	264.65	-
Proposed dividend on equiy shares not recognised as liability		
Final Dividend of ₹1.25 per share for 2023-24 (2022-23: ₹0.75 per share)	441.08	264.65

Note 52.1

Proposed Dividend on Equity shares is Subject to the approval of the shareholders of the Holding Company at the Ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date..

Note 53

Due to Cyclon Biparjoy, the Holding Company has suffered the losses amounting to ₹155.56 Lakhs, due to damage to inventories and factory building. These losses, along with the expenses for repairs, have been classified as exceptional items in the holding company's financial statements. The Holding Company has filed an insurance claim for the full amount of ₹155.56 with the insurance company. However, taking the conservative estimates based on prudence, the company has recognised ₹80.00 lakhs as accrued income for insurance receipts which is shown as other income. The residual impact will be taken as and when the insurance claim is settled by the insurance company.

Note 54. Business Combinations and Acquisitions

Note 54.1 Business Combination under Common Control

(i) Amalgamation of Silicate Minerals (I) Private Limited ('Amalgamating Company') with 20 Microns Nano Minerals Limited

The Board of Directors of the 20 Microns Nano Minerals Limited, in its meeting held on 23-09-2021, approved the Scheme of Amalgamation and Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 for amalgamation of Silicate Minerals (I) Private Limited ('Amalgamating Company') with 20 Microns Nano Minerals Limited ('Scheme').

The aforesaid Scheme was sanctioned by Hon'ble National Company Law Tribunal (NCLT) Ahmedabad Bench vide order dated June 09, 2023. The Scheme has become effective on 29-06-2023 upon filing of the certified copy of the orders passed by NCLT with the relevant Registrar of Companies. In terms of the Scheme, the name of the Company has been remained unchanged and all the assets, liabilities, reserves and surplus of the Amalgamating Company have been transferred to and vested in 20 Microns Nano Minerals Limited. The Appointed Date of the Scheme is April 01, 2021.

Accounting Treatment

The amalgamation has been accounted in accordance with "Pooling of interest method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as specified in the scheme, such that:

(a) All assets and liabilities of the Amalgamating Company are stated at the carrying values as appearing in the consolidated financial statements of Amalgamating Company.

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

(b) The identity of the reserves have been preserved and are recorded in the same form and at the carrying amount as appearing in the consolidated financial statements of Amalgamating Company.

(c) The inter-company balances between both the companies have been eliminated.

(d) Comparative financial information in the financial statements of the Amalgamated Company has been restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

The difference, if any, between the amount recorded as share capital issued and the amount of share capital of the amalgamating company has been transferred to capital reserve and presented separately from other capital reserves.

Details of assets and liabilities of Erstwhile Silicate Minerals (I) Private Limited added to the opening balances of 20 Microns Nano Minerals Limited (i.e., April 1, 2021) and consequential adjustment to Capital Reserve:

(₹ In Lakhs)

Particulars	Amount
Non-current Assets	
Intangible assets under development	5.15
Other Financial Assets	2.78
Deferred Tax Asset	19.54
Other Non-Current Assets	386.95
Current Assets	
Inventories	211.00
Cash and Cash Equivalents	1.00
Trade Receivables	2.65
Other Financial Assets	1.48
Other Current ASsets	131.39
Total Assets (A)	**761.94**
Current Liabilities	
Trade Payables	188.91
Other Financial Liabilities	0.63
Provisions	0.28
Total Liabilities (B)	**189.82**
Total C = A – B	**572.12**
Amount of Reserves Recorded in the same form	(79.13)
Net Assets to be Merged	**651.25**
Investment in Subsidiary - Silicate Minerals (I) Private Limited	**651.25**
(3,37,530 Equity shares of 10 each) (D)	
Goodwill/Capital Reserve on account of amalgamation (C – D)	-

Notes to Consolidated Financial Statements

for the year ended on 31st March, 2024

Note 55. Additional Information required by Schedule III

Sr. no.	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or Loss	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
A	**Holding**								
	20 Microns Limited	91.30%	32,327.65	89.30%	5,015.29	98.52%	617.52	90.23%	5,632.82
B	**Subsidiaries**								
I	**India**								
	20 Microns Nano Minerals Limited	12.51%	4,430.31	5.78%	324.40	0.61%	3.81	5.26%	328.21
	20 MCC Private Limited	1.00%	354.49	0.68%	38.44	0.87%	5.47	0.70%	43.91
II	**Foreign**								
	20 Microns SDN BHD	0.80%	285.02	-0.62%	(34.97)	0.00%	-	-0.56%	(34.97)
	20 Microns FZE	0.59%	208.18	0.53%	30.02	0.00%	-	0.48%	30.02
	20 Microns Vietnam Limited	1.97%	699.20	5.51%	309.44	0.00%	-	4.96%	309.44
C	**Associates (Investment as per Equity Method)**								
	DORFNER-20 Microns Private Limited	0.13%	45.46	0.27%	15.26	0.00%	-	0.24%	15.26
	Total	**108.30%**	**38,350.30**	**101.46%**	**5,697.89**	**100.00%**	**626.81**	**101.31%**	**6,324.70**
	Adjustment due to consolidation	-8.30%	(2,940.53)	-1.46%	(81.86)	0.00%	-	-1.31%	(81.86)
	Total	**100.00%**	**35,409.77**	**100.00%**	**5,616.03**	**100.00%**	**626.81**	**100.00%**	**6,242.84**

Note 56

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

As per Our Report of even date 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. 121462

Place: Waghodia
Date: 17/05/2024

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: 17/05/2024

20 MICRONS®
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Corporate Office

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