

# **Performance Minerals**

**Green Revolution**

**Inorganic Chemistry**

**Waste Recyclable Chemistry**

**Green Innovative Technologies**

**Zero Waste Alliance**

**Restricting Air Emissions**

**Nature Chemistry**

**Sustainable Energy**

**Carbon Footprints**

**Green Compliances**

**Towards Zero VOC**

**Mining Rehabilitation**



# Company Information

## Board of Directors

Mr. Chandresh S. Parikh	- Chairman & Managing Director
Mr. Rajesh C. Parikh	- Managing Director
Mr. Atil C. Parikh	- Joint Managing Director
Mr. Sudhir R. Parikh	- Director [Finance]
Mr. Mihir A. Joshi	- Nominee Director GVFL
Mr. Munish Mohan	- Nominee Director IDBI
Mr. Ram A. Devidayal	
Mr. Pravinchandra M. Shah	
Mr. Vithaldas D. Talati	
Mr. Atul H. Patel	

## Company Secretary

Mr. Nikunj J. Savaliya

## Audit Committee

Mr. Ram A. Devidayal - Chairman  
Mr. Pravinchandra M. Shah  
Mr. Munish Mohan

## Remuneration Committee

Mr. Pravinchandra M. Shah - Chairman  
Mr. Vithaldas D. Talati  
Mr. Munish Mohan

## Nomination & Compensation Committee

Mr. Chandresh S. Parikh - Chairman  
Mr. Rajesh C. Parikh  
Mr. Vithaldas D. Talati  
Mr. Pravinchandra M. Shah  
Mr. Ram A. Devidayal

## Share Transfer & Investor's Grievances Committee

Mr. Pravinchandra M. Shah - Chairman  
Mr. Rajesh C. Parikh  
Mr. Sudhir R. Parikh  
Mr. Munish Mohan  
Mr. Vithaldas D. Talati

## Committee for Redressal of Depositors

Mr. Rajesh C. Parikh - Chairman  
Mr. Vithaldas D. Talati

## Statutory Auditors

M/s. Manubhai & Co., Ahmedabad

## Bankers / Financial Institutions

State Bank of India  
IDBI Bank Limited  
EXIM Bank Limited

## Registered Office

9/10, GIDC Industrial Estate,  
Waghodia – Dist. Vadodara – 391760  
Gujarat, India  
Tel : +91 2668 264077  
Fax : +91 2668 262447

## Corporate Office

134-135, Hindustan Kohinoor Industrial Estate,  
L. B. S. Marg, Vikhroli (W),  
Mumbai, India  
Tele : +91 22 32401006 / 25771325  
Fax : +91 22 25771333  
E-Mail : corporate@20microns.com

## Registrar and Share Transfer Agents

CAMEO CORPORATE SERVICES LIMITED  
202, Pawan Flats, 7, Anand Nagar Society,  
Productivity Road, Alkapuri, Vadodara – 390007,  
Gujarat, India  
Telefax : 0265 – 2341105  
E-mail: jaydeep@cameoindia.com  
www.20microns.com

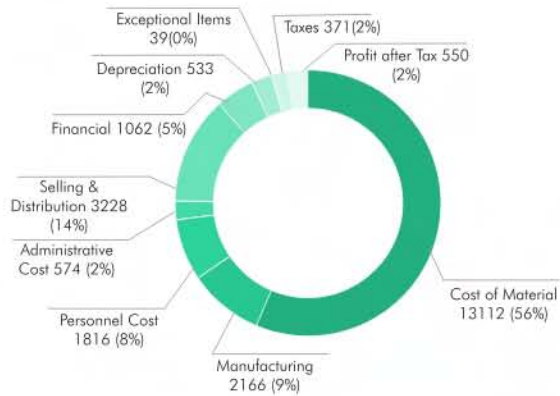
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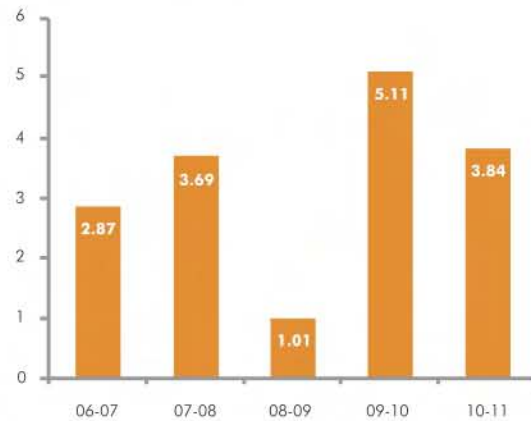


## Performance Indicators

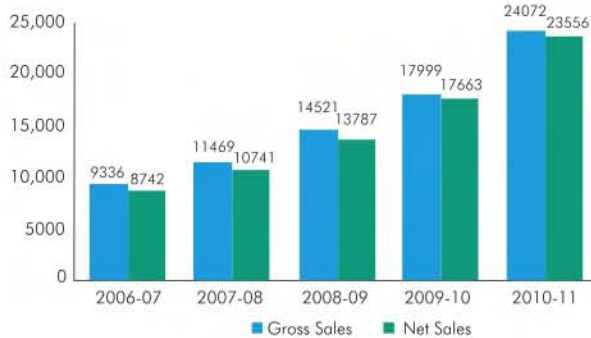
Distribution of Revenue 2010-11 (₹ in lacs)



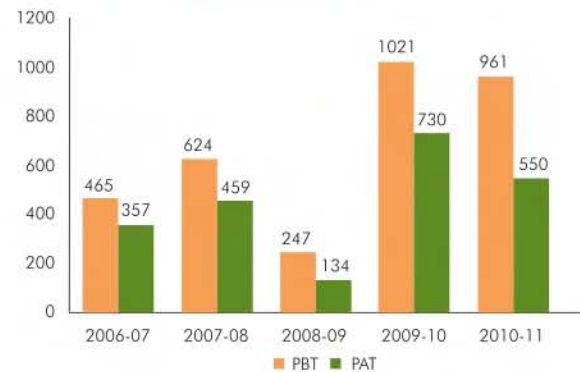
Earning Per Share (₹)



Gross Sales v/s Net Sales (₹ in lacs)



PBT v/s PAT (₹ in lacs)



## From the Desk of Managing Director

Dear Shareholders,



This was a year full of challenges which were both bitter and fruitful, some were exhausting while some were rewarding. Our company managed to register a remarkable sales growth by 33%. We managed to take our business share to new levels and in doing so it was a conscious decision to accelerate the volumes. The long term growth and forward visibility prospects were given a temporary dent in 2010-11 because of a force majeure raw material price inflation across the whole chain of the business cycle. A steep rise in the petroleum prices coupled a catastrophic spiraling cost increase in mining cost and to add spice to the flavor the drastic increase in inflation of the country shot an increase in the labor and logistic costs across the country. The increase in our mining, logistic and hence our raw material cost can be attributed to these factors and since our customers were undergoing the same phenomena, there was a lag between the increase in the raw material costs and their ability to recover it from marketplaces. This lag can be recovered in the next quarters of the business cycle, but it dented us greatly in the last quarter of 2010-11. Just to highlight on this we take an example of the major segment which we cater to, the paints and coatings industry. Paint makers have been battling rising cost of raw materials such as titanium dioxide and have been slowly passing it on to

customers. As the Titanium di-oxide prices are still on the increase and will keep on increasing in the whole of next financial year, our company has started generating more demand for the speciality chemicals which we produce to replace the expensive titanium di-oxide.

Another attribute to the increased raw material cost was the industrial dispute at our manufacturing location at Vadadla. This location had to be out of production for 6 months and to prevent any loss of business, we had to import the quantities at higher prices and maintain the market share. The plant came back to normal during the third quarter and is now functioning at near full capacity. But this experience of importing certain quantities during the stress period indirectly opened new doors in our market segments and now it has led to increase volumes in certain market segments. Though expensive, the imported volumes are growing steadily to additional volumes and helping us penetrating more efficient markets as a base for long term. Our team of managers recognize that growth is not just a matter of finding new markets, but of finding more efficient platforms for penetrating and serving those markets.

We have also developed a tighter discipline around spending. Investment is concentrated in business areas where we have clear sights of more market penetration and value addition. In 2010-11 we invested in scaling up calcined kaolin capacities and also invested in scaling up capacities of speciality chemicals. The additional revenues from these capacities will be realized in the next financial year, 2011-12. We even have more capex plans for 2011-12 for putting up a State of the art fully automated dry grinding mills each at Alwar and Hosur, whose revenues will be realized in 2012-13

The next top line growth will be better supported by the bottom-line growth as the above mentioned plans will be executed. I hereby congratulate our Team 20(all employees of our company) in executing new challenges with persistent and focused approach towards taking our company to new horizons.

With Warm Regards,

**Rajesh C. Parikh**



## From the Desk of Joint Managing Director

Dear Shareholders & Friends,

It has been my privilege of being able to address you for the second year in a row by sharing some informational insights from the Company's remarkable performance this year.

Over the past twelve months, 20 Microns Limited positioned itself strategically to take advantage of the new global macroeconomic environment in which we all operate. A pretty economically stable year, 20 Microns was poised to address the trends that the changing market demanded by strategically aligning its operations and investing heavily into the automation of its current facilities and infrastructure, expanding significantly in the Paper markets and Construction applications, the constantly growing Paints & Plastics markets, and driving the growth mainly through our core competency, strong research & development, with our new line of sub-micron wet ground products making its niche into the marketplace.

Today's paradigm shifts are posing exciting challenges and favourable opportunities, which need to be addressed effectively to optimally position ourselves to secure the Group's long-term future through sustainable and profitable growth. We need to continuously detect and identify the uncertainties, understand them, measure its scope, and adapt to them wisely. Today, 20 Microns maintains its position as the leading Industrial Mineral supplier in India with its continually increasing end-application base and also has a wider dispersion of sales across the world than ever before, catering 55 high growth countries from all continents, allowing us to capitalize on the changing trends and market dynamics. More than ever before, 20 Microns will continue to offer solutions to address many of the concerns today and in future and contribute to a 'Green' tomorrow.

We are also proud to have been successfully working on a streamlined SAP platform without running into any major issues helping us integrate our business operations and running them efficiently with the new sustainable technology.

20 Microns looks forward to major manufacturing capacity expansions through geographies with newer technologies in most of its product range in the coming years to meet its efficiency, effectiveness, and profitability requirements, as well as the ever increasing demand from its end customer applications. These strategic criteria must respect a strict financial discipline with a proper analysis of risks. We are also thrilled to exploring the opportunities of strengthening our international presence after Malaysia in other parts of South East Asia and Middle East Asia in the near future where we anticipate ample opportunities. Our current strategic focus leads to systematic development of our strengths, tap on the growth opportunities, and improve our EBITDA margins with increased profitability.

We are proud to have been adhered to our continued dividend policy for our shareholders by having proposed an ambitious dividend to be presented at our AGM this August.

Together with our Managing Director and on behalf of the board, I would like to extend my personal gratitude and appreciation to all our suppliers, bankers, customers and our talented employees for having stood by us and imparting their significant contribution to a healthy financial year and we anticipate exciting times by keeping 20 Microns Limited on the right track ahead to exploit tomorrow's opportunities and addressing newer challenges.

Thank you all for your continued support and valuable trust.

**Atil C Parikh**



## NOTICE FOR THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY FOURTH ANNUAL GENERAL MEETING of the Shareholders of 20 Microns Limited will be held on Thursday, the 18th day of August, 2011 at 3.00 p.m. at the Conference Room at 347, GIDC Industrial Estate, WAGHODIA – 391 760. Dist.: Vadodara, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Audited Profit and Loss Account of the Company for the year ended 31st March, 2011 together with Directors' Report and Auditors' Report thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Atil C. Parikh, who retires by rotation, and being eligible, offers himself for re appointment.
4. To appoint a Director in place of Mr. V. D. Talati, who retires by rotation, and being eligible, offers himself for re- appointment.
5. To appoint M/s. Manubhai & Co., Chartered Accountants, Ahmedabad bearing Firm Registration No. 106041W with the Institute of Chartered Accountants of India, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of Directors

Place: Waghodia, Dist. Vadodara  
Date : 19.05.2011

Nikunj Savaliya  
Company Secretary

### NOTABENE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxies to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting. A Proxy Form is sent herewith.
3. Members/Proxies should bring duly filled in and signed Attendance Slip sent herewith for attending the Meeting. The Members holding shares in dematerialised form are requested to bring their Client ID and DP ID for easy identification of attendance at the Meeting.
4. The Registers of Members and Share Transfer Books shall remain closed from Monday, the 8th day of August, 2011 to Thursday, the 18th day of August, 2011 [both days inclusive].
5. The dividend for the year ended 31st March, 2011 as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear in the Company's Register of Members as on the book closure dates.
6. Brief particulars about the Directors seeking appointments and/or re-appointments, as required by Clause 49 of the Listing Agreements with the Stock Exchanges, are given in the Report on Corporate Governance.
7. Members may avail of the Nomination Facility as provided under Section 109A of the Companies Act, 1956.
8. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.



## Report of Board of Directors

To The Members of  
20 MICRONS LIMITED

Your Directors are pleased to present 24<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

### RESULTS OF OPERATIONS:

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
Sales (Gross)	24072.38	17999.13
Profit before Depreciation, Interest and Tax (PBDITA)	2555.41	2300.13
Interest for the year	1061.61	804.04
Depreciation for the year	533.30	475.05
Profit before tax and Exceptional item	960.50	1021.04
Exceptional items	39.42	-
Profit/(loss) for the year	921.08	1021.04
Tax liability :-		
Current Year's Tax & FBT	245.40	173.75
Earlier Years Tax Adjustments/MAT Credit	65.21	(169.02)
Deferred Tax Liability/(Asset)	60.28	286.57
Net Profit/(loss) for the year	550.19	729.74

### OVERVIEW OF ECONOMY:

Despite new risks, the global economic recovery is gaining strength and the IMF has projected a 4.5% world growth in 2011 and 2012. While growth in emerging economies remain strong, that in the US and European region is slowly gaining momentum. Some economies of the developed nations are still a concern with the Euro zone being the most vulnerable as rating agencies continue to downgrade the sovereign rating of many of economies in this region. The natural disaster in Japan, spiky increase in oil prices consequent to the turmoil in the Middle East and North Africa fuelling uncertainty to the pace of global recovery. Globally, elevated food and commodity prices accompanied by the spike in oil prices have engendered inflation concerns.

The Indian Economy registered improved growth and was amongst the better performers amid emerging market economies. Central Statistical Organization's recent estimated Indian GDP growth rate of 8.6% for 2010-11 is consistent with the RBI's projections for the same period. The indicators such as latest Purchasing Managers' Index, direct and indirect tax collections, merchandise exports and bank credit suggest that the growth momentum persists. However, continuing uncertainty about energy and commodity prices may vitiate the investment climate, posing a threat to the current growth trajectory. Inflation remains a challenge for the Indian Economy and the key risks are tighter monetary conditions and rising prices eating into the consumer's disposable income.

### PERFORMANCE REVIEW:

During the year under report, your Company has achieved a Gross turnover of ₹ 24,072.38 Lacs (Up by 34% from ₹ 17,999.13 Lacs of the previous year). The operations have resulted in a net Profit before Depreciation, Interest and Tax (PBDITA) of ₹ 2555.41 Lacs (Up by 11% from ₹ 2300.13 Lacs of the previous year).

## Report of Board of Directors(Contd.)

### DIVIDEND:

Your Directors are pleased to recommend the payment of dividend @ 15% i.e. Rs. 1.5 per Equity Share of the face value of Rs. 10/- each for the year under review. The dividend, subject to approval of shareholders, will be paid to the Shareholders whose name appears on the Register of Members as on the Book Closure dates.

### FUTURE OUTLOOK:

The Company has achieved a growth rate of 34% in Gross Sales during the year. This growth rate is expected to continue along with higher profitability and inspire the Company and its dedicated staff to focus more attention on all its applications. The Current year and all-coming years would walk on the foot prints of with highest earnings and the continued support of effective sales force, improvement in production facilities and implementation of innovative ideas.

During the year, the Company vigorously followed steps to improve plant efficiency, customers' satisfaction and exploitation of new applications. The Company is still continuing to consolidate, relocate and outsource manufacturing by constantly reviewing market scenario. Product development is an ongoing process carried out in a well equipped R & D Centre. This will enable the Company to review the range of products offered to the Customers.

The Company is always looking on enhancing the interest of all the stakeholders by better utilization of all its resources.

Your Company expects robust growth in existing Products and contribution of new products by adopting the following strategies:--

- Expansion of Mineral Portfolio by adding new products;
- Enhance value chain by launching new synthetic minerals products by leveraging R&D strength;
- Expand Geographical locations by acquiring Mines and infrastructure facilities in Mineral rich countries in Middle East & South East Asia.

### FINANCE:

It is gratifying to note that State Bank of India (SBI) has sanctioned Corporate Loan of Rs. 9 Crores to part finance the modernization of equipments and for the implementation of the SAP. SBI has enhanced the aggregate credit facilities from Rs. 3525 Lacs to Rs. 4430 Lacs. During the year, IDBI Bank Ltd. (IDBI) has also given the working capital finance of Rs. 400 Lacs.

Your Directors convey their grateful thanks to SBI and IDBI for their continued support and co-operation.

### FIXED DEPOSITS:

As on 31.03.2011, Fixed Deposits from Public and Shareholders stood at the total of Rs. 1330.95 Lacs. 31 deposits totaling to Rs.5.84 Lacs due for repayment on or before 31.03.2011 were not claimed by the depositors on that day. Out of these, deposits of Rs. 1.00 Lacs have since been repaid or renewed at the option of 4 depositors. No instructions have been received so far for the balance of Rs. 4.84 Lacs from 27 depositors. These deposits, if not claimed in future, shall be deposited in the 'Investors Education and Protection Fund' in due course, as per the provisions of the Companies Act, 1956.

### SUBSIDIARIES:

a) 20 Microns Nano Minerals Limited

Your Company owns 99.17 percent of 20 Microns Nano Minerals Limited. The said Company is having a state of the art In-house Research & Development facility which is registered with Department of Science & Industrial Research (DSIR), Ministry of Science and Technology, Government of India. During the year under review, the said Company reported Gross turnover ₹ 3486.28 Lacs as against a turnover of ₹ 1643.70 Lacs in the previous year. Correspondingly, the Net profit of the said Company stood at ₹ 78.62 Lacs as against ₹ 34.95 Lacs in the previous year.





## Report of Board of Directors (Contd.)

b) 20 Microns Sdn. Bhd.

Your Company owns 99.99 percent of 20 Microns Sdn. Bhd. During the year under review, the said Company reported Gross turnover ₹ 295.74 Lacs and achieved Net profit of ₹ 21.03 Lacs.

As per Section 212(1) of the Companies Act, 1956, the Company is required to attach to its Accounts, the Directors' Report, Balance Sheet and Profit & Loss Account of each of its Subsidiaries. As the Consolidated Accounts present a complete picture of the financial results of the Company and its Subsidiaries and in view of General Circular No. 2/2011 dated 08.02.2011 and No. 3/2011 dated 21.02.2011 issued by Ministry of Corporate Affairs, the Annual Report of the Company does not contain the individual financial statements of its Subsidiaries. However, the statement of your Company's interest in the Subsidiaries as at 31st March, 2011, prepared in accordance with the provisions of Section 212 of the Companies Act, 1956 is attached to the Balance Sheet.

The Annual Accounts of the Subsidiary Companies along with the related detailed information are available for inspection by the shareholders of the Company and of the Subsidiary Companies at the Company's Registered Office and at the registered office of the concerned Subsidiary and copies of the same shall be provided to any shareholder on demand.

### CONSOLIDATED FINANCIAL STATEMENTS:

The Audited Financial Statements, based on the same received from the Subsidiary Companies, as approved by its Board of Directors, have been prepared in accordance with AS – 21 on Consolidated Financial Statement read with AS – 23 on Accounting for Investments in Associates.

### CORPORATE GOVERNANCE:

Pursuant to the requirements of the Listing Agreements with Stock Exchanges, your Directors are pleased to annex the following:

1. Management Discussions and Analysis Report
2. A report on Corporate Governance alongwith Auditors' Certificate relating to compliance of conditions thereof
3. CEO Certificate regarding compliance with the Code of Conduct

These annexures form part of this report.

### PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with The Companies [Particulars of Employees] Rules, 1975, as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Report of the Board of Directors. We have to state that since there are no employees falling within the purview of the said requirements, the same has not been annexed herewith.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:

In terms of the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988, as amended, the particulars of Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Out go are given in the Annexure – A to this Report.

### INDUSTRIAL RELATIONS:

Industrial relations remain cordial and peaceful at all levels of the Company throughout the year.

## Report of Board of Directors(Contd.)

### EMPLOYEES STOCK OPTION SCHEME:

Details of the option granted, accepted and lapsed under Employees Stock Option Scheme – 2007 of the Company, as also the disclosures in compliance with the clause 12 of Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure - B to this Report. The Auditors' Certificate relating thereto have been set out in the said Annexure.

### DIRECTORATE:

Mr. Atil C. Parikh and Mr. Vithaldas D. Talati, retire by rotation and being eligible, offer themselves for reappointment.

### RESPONSIBILITY STATEMENT:

Your Directors make following statements in terms of Section 217(2AA) of the Companies Act, 1956:

1. The applicable accounting standards have been followed in the preparation of the Annual Accounts along with proper explanations relating to material departures;
2. Accounting policies are selected and applied consistently and judgments and estimates are made which are reasonable and prudent so as to give a true and fair view of the state of the affairs as at the end of financial year and of the profit of the Company for the year under review;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the accounts on a "going concern" basis.

### AUDITORS:

M/s. Manubhai & Co., Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from Statutory Auditors to the effect that, in case their appointment is made, it would be within the specified limit under Section 224(1B) of the Companies Act, 1956.

### ACKNOWLEDGEMENT:

Your Directors would like to express their grateful appreciation for assistance & co-operation received from the Government Authorities; GVFL; Banks and Financial Institutions; Customers; Vendors; Investors; Depositors and all others.

Your Directors also wish to place on record deep sense of their appreciation for the valuable and committed services of the Executives, Staff & Workers of the Company.

For and on behalf of the Board of Directors

Place: Waghodia, Vadodara

Date: 19.05.2011

Chandresh S. Parikh

Chairman and Managing Director

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FORM - A

CONSERVATION OF ENERGY FOR THE YEAR ENDED 31ST MARCH, 2011

Power and Fuel Consumption

SR. NO.	PARTICULARS	2010-11	2009-2011
1	Electricity		
	Purchased from Electricity Board		
	Unit consumed	1,28,43,146	1,59,90,801
	Total Amount (Rs. in Lacs)	716.11	857.14
	Average Rate / Unit (₹)	5.58	5.36
2.	Diesel / SKO		
	Diesel / SKO Liters	1,63,285	71,472
	Total Amount (₹ in Lacs)	67.13	25.99
	Average Rate / Liter (₹)	41.11	36.36
3	Gas		
	Gas used MT	69.00	58.52
	Total Amount (₹ In Lacs)	42.09	30.43
	Average Rate/ MT (₹)	61000	52008
4	Coal / Wood / Lignite		
	Coal / wood / Lignite used MT	15,312.00	15,678.37
	Total Amount (₹ in Lacs)	692.66	631.59
	Average Rate/ MT (₹)	4524	4028
5	Furnace Oil		
	Furnace Oil used MT	299.31	240.83
	Total Amount (₹ in Lacs)	93.21	64.59
	Average rate/MT (₹)	31143	26819
	<b>Grand Total</b>	<b>1611.20</b>	<b>1609.74</b>

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

1. Research and Development (R & D):

- Specific areas in which R&D carried out by the Company: As per Management Discussion and Analysis Report.
- Benefits derived as a result of the above R & D: As per Management Discussion and Analysis Report.
- Future plan of action: - As per Management Discussion and Analysis Report.
- Expenditure on R & D

- Capital : ₹ Nil Lacs
- Recurring : ₹ 32.47 Lacs
- Total : ₹ 32.47 Lacs
- Total R & D expenditure

as a percentage of total turnover : 0.13%

2. Technology absorption, adaptation and innovation:

- Efforts in brief made towards technology absorption, adaptation and innovation. As per Directors' Report.
- Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc., As per Directors' Report.
- The Company has not imported any technology during the year.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

a)Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans: As per Directors' Report.

b)Total Foreign Exchange used and earned:

- i. Foreign Exchange Earned : ₹ 1914.47 Lacs
- ii. Foreign Exchange Used : ₹ 2867.40 Lacs

**ANNEXURE - B****ANNEXURE TO THE DIRECTOR'S REPORT, 2011****EMPLOYEES' STOCK OPTION SCHEME - 2007****AUDITORS' CERTIFICATE ON EMPLOYEES' STOCK OPTION SCHEME - 2007**

To,  
Managing Director  
20 Microns Limited  
307/308, Arundeeep Complex, Race Course, Vadodara – 390 007.

On the basis of our examination of the relevant books of accounts and other records maintained by 20 MICRONS LIMITED ('the Company'), and as per the information and explanation given to us in this regard, we certify to the best of our knowledge and belief, that during the financial year 2010-11 the Company has implemented the Employees Stock Option Scheme – 2007 as approved by the members in the Extra-Ordinary General Meeting held on March 28, 2007, in accordance to the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, to the extent applicable and also the resolutions passed by the Company.

For Manubhai & Co.  
Chartered Accountants  
Firm Registration No. 106041W

G. R. Parmar  
Partner  
Membership No. 121462

Place: Ahmedabad  
Date : 19.05.2011

Disclosure pursuant to the provisions of Securities and Exchange Board of India  
(Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999

SR. NO.	PARTICULARS	Employees Stock Options Scheme – 2007
a.	Options granted	5,53,431
b.	Exercise Price	₹ 14/- per share
c.	Options Vested	4,33,341
d.	Options Exercised	2,10,609
e.	Total no. of shares arising as result of exercise of Options	2,10,609
f.	Options lapsed (Includes options forfeited and cancelled/lapsed)	3,42,822
g.	Variation in terms of Options	None
h.	Money realized by exercise of Options	₹ 29,48,526/-
I.	Total number of options in force	



j. Employee wise details of options granted to:	Name of Key Managerial Personnel	No of Options granted under ESOS 2007
Senior Managerial Personnel	Mr. Nirakar H. Desai	10,000
	Mr. Rajiv C. Parikh	10,000
	Mrs. Darshana J. Mankad	6,000
	Mr. Suresh B. Jagetia	6,000
	Mr. Ajay P. Joshi	5,625
	Mr. Dipesh L. Goyal	5,250
	Mr. Arun B. Ajmeri	5,250
	Mr. Rakesh S. Parikh	5,000
	Mr. Lalit R. Parikh	4,688
	Mr. Peshank K. Patel	4,688
	Mr. Ramnath J. Rao	4,500
	Mr. Gaurang V. Gandhi	4,400
	Mr. Jagdish C. Patel	3,600
	Mr. Sanjay B. Mungra	3,438
	Mr. Dinesh P. Shah	2,500
	Mr. Narendrakumar R. Patel	3,438
	Mr. Jagat N. Ojha	3,300
	Mr. Dushyant B. Mehta	3,150
Mr. Vipul M. Chawda	3,125	

- Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.-None
- Employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant-None

## MANAGEMENT DISCUSSIONS AND ANALYSIS

Your Directors submit hereunder an analysis of the sector wise performance of the Company for the year 2010-11 and its outlook for the future. This outlook is based on assessment of the current business environment and Government Policies. Any change in the future economic and other developments are likely to cause variation in this outlook.

### EXPORT:

Indian export is growing much faster than GDP over past few decades, success recovering of east and south east Countries has shown positive impact of Indian Exports. Since India is Mineral rich Country and having quality feed stock, most of the Paint and Polymer Company have already started sourcing from India. Since China has many issues of quality and supply of products, Major North American and European community has targeted to develop Indian resources to fulfill their increased demand.

The Company has great opportunity to focus on certain products like Calcined Kaolin, Mica, Talc and Baryte which shows very good demand for year 2011-12. In case of value added products for partial replacement of Titanium Dioxide (TiO<sub>2</sub>) like Lithomer® which is also a promising product and during the last quarter ending March, 2011, the Company has received many overseas approvals. Demand of the said product would be increasing since price of TiO<sub>2</sub> is being increased constantly.

Recently, the Company has got a very good breakthrough in North American market and started supplying to world's largest players which itself indicates growth story of the Company. The Company's exports will continue consistently in double digit.

The comparative Export sales are as shown below:

Element	2010-11	(₹ in Lacs)
		2009-10
CIF Value	2280	1909
FOB Value	1985	1712

During the year 2010-11, the Company has participated in the following renowned International exhibitions:

Sr. No.	Exhibition	City	Country	Month
1.	Middle East Coating Show 2011	Cairo	Egypt	March, 2011
2.	European Coatings Show 2011	Nurnberg	Germany	March, 2011
3.	ABRAFATI 2011	Sao Paulo	Brazil	November, 2011

Further the Company had also made its presence felt in the global market by advertising / publishing in various Journals, Magazines to further strengthen its brand image.

All these efforts have resulted in further market penetration of regions in the Continents of America, Africa, Europe, Asia and strengthening market base for enhanced growth.

### PAPER AND PLASTIC DIVISION (P&P):

Year 2010-11 was a year of good growth for the P&P division since the division had grown 60% in value terms over previous year with growth in all the Industrial segments viz. Paper, Plastics, etc. Products from Malaysian operation had helped garner good growth in PP, PVC/ Paper segments. Paper segment contributed maximum to the growth of division, with 135% growth over previous year, with still good potential to grow in the year 2011-12.

In Paper segment, slurry business penetration with long term contractual business with the customers had thrown open new segment with excellent potential for the business. Division has started focusing in PVC segment this year with penetration in small pockets and looking forward to have more inroads in the segment with good contribution in the years to come.

Overall Paper and Plastic Division envisages higher profitable growth compared to previous year growth with all segments of the division Paper/ PVC and PP looking for the good year ahead.



## MANAGEMENT DISCUSSIONS AND ANALYSIS (Contd.)

### COATING AND CONSTRUCTION DIVISION (C&C):

The economic scenario gradually changed tables in the 2010-11 financial year. A bright little smile from the end users helped boost the markets which were quite stagnated and looking for some action in the year 2009-10.

Speaking about the Coating & Construction division, it is an interesting mix of value added applications catering to Paints & Coatings, Adhesives & Sealants, Construction and Oil Well Drilling. Among these, the Paints & Coatings application spurs a major chunk of the volume and revenue with the other application also showing significant improvements and catching up steadily for a larger share. Thanks to the often complementary properties of these minerals, that the division is well poised to serve its customers by leveraging synergies.

Sketching out a few important milestones in the 2010-11 financial year for the C&C division, there has been some capacity enhancements at the end user Paint customers and a few new domestic and international players entering the Indian Paint Industry, which enabled us to achieve exponential growth of about 35% in the Paints & Coatings application. The Small Scale & Middle Scale Paint Industry has shown excellent growth in 2010-11 and is expected to follow the same trend in the years to come.

The entire year has seen interesting rise of the construction Industry which managed to get back on to its feet in full swing with the continuation of the stalled projects in 2010-11 due to the recessionary mood. Immense ontogeny in the field of Oil well drilling also has conducted remarkable increase in the sales for the year that passed. Many oil drilling companies have revived their operations in full potential. The Adhesives & Sealants Industries also have contributed with our value added products designed specifically for this Industry thereby giving ample opportunities for us to show an accelerated growth of more than 50% in these three applications itself.

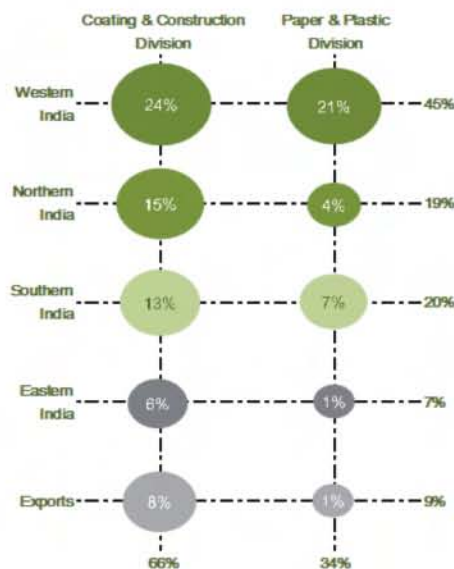
TiO<sub>2</sub> being key ingredient in the manufacturing of Paints, has shown some wild price swings in the markets for 2010-11. Henceforth, one of our key product Lithomer® from our Speciality Chemicals range as a partial replacement to the expensive TiO<sub>2</sub> has shown a significant market breakthrough across the world and within the Indian Paint Industry contributing to unique cost formulation savings for the Industry.

With new innovations always by the stride, 20 Microns introduced the concept of Satellite Plants and Product Slurry concepts in the Indian Paint Industry in 2010-11, the first of its kind in India where the end users can significantly save on the various formulation parameters, whose conversion is expected in 2011-12 with the Industry trying its hand on new products and innovations. Increasing the focus and offering more dynamic and unique products such as Hydrogel, Rio Bent and Hyper Matt, would definitely drive the business growth in this segment in 2011-12.

The Industry expects an outperforming 2011-12 and we anticipate outgrowing our customer's demand with the best possibilities of a great mix of commodity and speciality products.

### MARKETS SERVED:

During the year, the Company has served following geographic zones:



## MANAGEMENT DISCUSSIONS AND ANALYSIS(Contd.)

### MINING AT GLANCE:

20 Microns is possessing mining lease(s) for the following natural resources:

		(₹ in Lacs)	
Sr. No.	Details of Mines	Approx. Reserves (in Lacs Tons)	Approx. Value of the Reserves#
1.	China Clay Mines, Bhuj, Dist. Kutch, Gujarat, Area – 11.89 Hector*	27.80	4,031.00
2.	Dolomite Mine, Taluka – Chhota Udepur, Dist. Vadodara, Gujarat, Area – 6.25 Hector.	13.89	4,860.75
3.	Calcite Mine, Dist. Sirohi, Rajasthan, Area – 49.25 Hector.*	8.34	5,002.52
4.	Limestone Mines, Dist. Tirunelveli, Tamilnadu, Area – 4.43 Hector.	10.48	4,713.83
5.	Bentonite Mines, Bhuj, Gujarat, Area 6.5 Hector*	32.37	5,664.20
6.	Diatomite Mines, Jaisalmer, Rajasthan, Area 10 Hector*	1.30	650.00
<b>TOTAL</b>		<b>94.17</b>	<b>24,922.30</b>

\* - under process of lease/renewal of lease with concerned State Governments.

# - the estimated net value addition available to the Company of the mineral reserves is not accounted for in the books as per the Accounting practice prevailing in India.

### Mining- 2010-11

Minerals are valuable natural resources being finite and non-renewable. They constitute the vital raw materials for many basic Industries and are a major resource for development. The history of mineral extraction in India dates back to the days of the Harappa civilization. The wide availability of the minerals in the form of abundant rich reserves made it very conducive for the growth and development of the mining sector in India.

The Country is endowed with huge resources of many metallic and non-metallic minerals. Mining sector is an important segment of the Indian economy. Since independence, there has been a pronounced growth in the mineral production both in terms of quantity and value. India produces as many as 87 minerals, which include 4 fuels, 10 metallic, 47 non-metallic, 3 atomic and 23 minor minerals (including building and other materials).

Based on the overall trend so far the index of mineral production (base 1993-94=100) for the year 2010-11 is estimated to be 208.83 as compared to 193.36 for 2009-10 showing a positive growth of 7.43%.

The total value of mineral production (excluding atomic minerals) during 2010-11 has been estimated at ₹ 200,609.38 crore, which shows an increase of about 11.83% over that of the previous year. During the year 2010-11, estimated value for fuel minerals accounts for ₹ 135,243.81 crore or 67.42%, metallic minerals, ₹ 41,828.44 crore or 20.85% of the total value and nonmetallic minerals including minor minerals ₹ 23,537.13 crore or 11.73% of the total value.

Mining is an important economic sector which contributes significantly to the economy of India. India's minerals range from both metallic and non-metallic types. In recent decades, mining industry has been facing issues of large scale displacements, resistance of locals, environmental issues like pollution, corruption, deforestation.

### INTELLECTUAL PROPERTIES:

The Company has always been aggressive on innovations to develop of its various products and ultimately to meet customer's requirements. The Company registered/applied following marks as Trademarks to enhance its brand in the marketplace.

BASOFIX®	MICRONCARB®	SNOWCARB®	REINFORFIL®
FMSIL®	MICRONCHINA®	ULTRACARB®	DIASILITE®
LIMOGLOSS®	MICRONMICA®	NANOCARB®	GLAZEX 90®
METACEM®	MICRONTALK®	NANOCLAY®	DIATOMACEOUS EARTH
METAPLAST®	OPAK®	LITHOMER®	– DIATH 325 P8®
MICRONBARYTE®	SILCOAT®	CARALA CLAY 60®	

1. **20 MICRONS™**
2. MAG FR™
3. PARISH WHITE™
4. GLAZEX™
5. VAPORLITE™





## MANAGEMENT DISCUSSIONS AND ANALYSIS (Contd.)

### RESEARCH AND DEVELOPMENT Innovation isn't everything, but without innovation we have no progress

The Company undertakes Research and Development (R & D) activities through in-house research to harmonize the needs of business operations and to expand our abilities to innovation.

R & D Center is housed in approximately 6,000 square feet on 2 floors. The centrally organized research unit handles long-term programs, delivers analytical services and lays the groundwork for R & D management throughout the Company. The Head of R&D Center is responsible for management & strategy planning. In addition, a consultation group and project head assists on each project. There are five departments:

- New Product Development Center
- Rubber & Plastic Application Center
- Paper Application Center
- Paint Application Center
- QA & Analytical Center

The center offers innovation, experience and reliability from a single source. Profit from the knowledge and highly sophisticated level of technology enables them to tailor raw materials, fillers & Speciality products to customer specific requirements. First-class support and an intensive exchange of information with our business partners are further bases for the optimal results of our research and development.

Innovative products developed during the Year 2009-10:

- |                             |                         |
|-----------------------------|-------------------------|
| 1. ARTALC                   | 2. VAPORLITE™-60T & 90T |
| 3. VAPORLITE™-60CTD & 90CTD | 4. SYNRED-240           |
| 5. SYNRED-400               | 6. VAPORSILACTIVE       |
| 7. VAPORSIL-T               |                         |

Innovative products in pipeline ....

- |                    |                  |
|--------------------|------------------|
| 1. BASOFIX® SLURRY | 2. BASOFINE      |
| 3. REDOX           | 4. LITHOMER® LS  |
| 5. BASOFIX® MICRO  | 6. LITHOPONE-20M |
| 7. AR MICA         | 8. PUTTY TALC    |

### ENVIRONMENTAL IMPACT – CO<sub>2</sub> FOOTPRINT

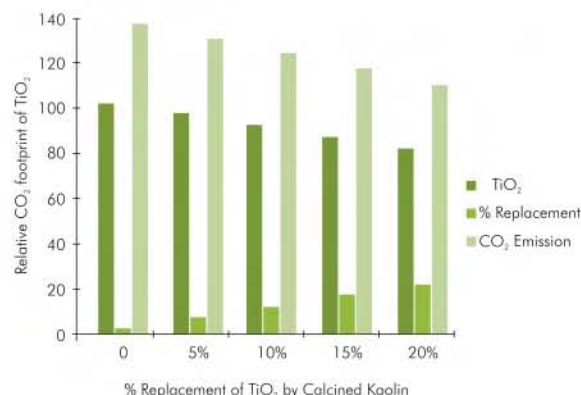
- Comparison of CO<sub>2</sub> equivalent per 100 kg of raw materials used in production of Rutile Titanium Dioxide (TiO<sub>2</sub>) (Chloride route):

- Our Calcined Kaolin has ca.13 times lower carbon foot print equivalent than Rutile Titanium Dioxide.

The Company has sold 30,000 MT of Calcined Kaolin during the year and helped environment by reducing CO<sub>2</sub> emission to the extent of 37,200 MT/ per annum.

- Additionally, the Company's brand 'Lithomer' has also helped reduction of CO<sub>2</sub> emission to the extent of 4824 MT/per annum.

Emission factor for titanium dioxide production is: 1.34 mt. CO<sub>2</sub> emissions per ton production (Source: Technical Support Document from U. S. Environmental Protection Agency)



## MANAGEMENT DISCUSSIONS AND ANALYSIS (Contd.)

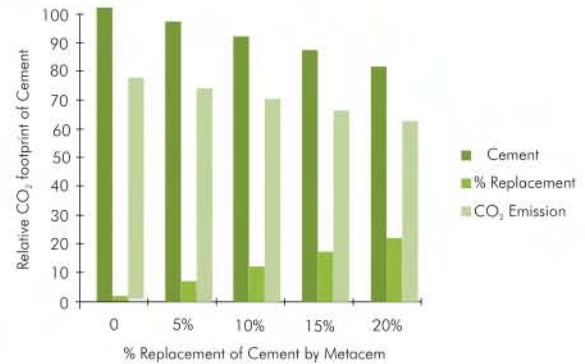
- Comparison of CO<sup>2</sup> equivalent per 100 kg of raw materials used in production of Cement:

- Our Meta Kaolin has ca. 11 times lower CO<sup>2</sup> foot print equivalent than Cement

The Company has sold 6,000 MT of Meta Kaolin during the year and helped environment by reducing CO<sup>2</sup> emission to the extent of 4,530 MT/per annum.

The average CO<sup>2</sup> intensity ranges from 0.65 to 0.92 mt of CO<sup>2</sup> per mt. of cement across countries with a weighted average 0.83 mt CO<sup>2</sup> /mt. (Source: International Energy Agency, IEA)

Partial Replacement of TiO<sup>2</sup> by Calcined Kaolin & Lithomer and Cement by Metakaolin, respectively, has helped reducing the environmental impact by reduction of CO<sup>2</sup> emission to the great extent of 46,554 MT/per annum.



## CORPORATE SOCIAL RESPONSIBILITY:

The Company believes that Corporate Social Responsibility (CSR) is "the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. It relates to business decision-making linked to ethical values, compliance with legal requirements and respect for people, communities and the environment, in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of businesses. It is no longer the domain of large corporate and is now a necessity rather than choice and those failing to act now, face an uncertain future"

### 20 Microns Diabetes Centre

20 Microns Foundation has established '20 MICRONS DIABETES CENTRE' to create primary awareness to the diabetes patients and educate the community and increase awareness about the risks of diabetes and its ways of prevention to avoid dangers of diabetes. A Centre is also conducting daily YOGA teaching by competent YOGA teacher inspiring people to live healthy life by using our Indian ancient technique.

20 Microns Diabetes Centre has more than 1000 registered members and is providing free medical check up, in care of reputed medical practitioners, to its members and non-members on every Saturday 7.30 a.m. to 12.30 p.m. at A-1, Ashok Nagar, Opp. Meridian Hospital, Diwalipura, Vadodara. A Centre welcomes all the needy people for free blood test and regular check up thereafter by becoming its registered member.

### Tree Plantation Drive

As a part of our commitment to India's national policy of increasing the forest cover in the years to come, the Company has embarked upon massive tree plantation drive during the year. Our commitment to this responsibility is realized through our continuing contribution to the preservation of trees.

Depending upon climate conditions of our multi-locational plants, suitable tree species are selected which can grow within a cycle of 7 to 10 years. The Company lays emphasis on planting superior, disease resistant and fast growing trees which will improve land productivity and maintain ecological balance on a sustainable basis.

The Company strives to contribute to the environment to its fullest potential to avoid irreversible changes in the ecosystem and make earth a better place to live in.

### Donation for Noble Cause

The Company is always ready to fulfil its Corporate Social Responsibility by donating for a noble cause to the benefit of public at large. The Company believes that corporates should come forward for contribution to a noble cause which ultimately achieves a Good Corporate Governance.

During the year under review, the Company has donated Rs. 24 Lacs to various NGOs and charitable organisations as a part of initiatives towards Corporate Social Responsibility.



## Report on Corporate Governance

### Governance Philosophy:

20 Microns Limited has always been committed to highest standards of Corporate Governance and firmly believes in and practices it for optimizing shareholders' value and protecting their interests.

The Company's endeavors are towards attaining the highest standards of transparency and accountability by conducting its affairs with integrity, responsibility and fairness with the applicable regulatory framework.

The Senior Management team has an excellent blend of professionals and is guided by ethical integrity and functions in a harmonious manner to meet every challenge and translate it into an opportunity for maximizing returns to the shareholders.

Your Company has been greatly benefiting from the invaluable inputs provided by the Non-Executive Directors, who are persons with vast experience, expertise and wisdom.

Key aspects of the Company's Governance processes are:

- Clear statements of Board processes.
- Disclosures, accountability, transparency, adequate systems and procedures to monitor the state of the affairs of the Company to enable the Board to effectively discharge its responsibilities to the stakeholders of the Company.

### 1. BOARD OF DIRECTORS

#### Composition:

Your Company has a balanced mix of Executive, Non-Executive and Independent Directors on the Board. The total strength of the Board of Directors are 10. Your Company has an optimum combination of Executive and Non-Executive Directors with 50% of the Board of Directors comprising of Non-Executive Directors. Since the Chairman is the Executive Director, number of Independent Directors are 5 which is in conformity with the requirements of the clause 49 of the Listing Agreement.

As specified in Clause 49, none of the Directors on the Board is a member in more than 10 Committees or a Chairman of more than 5 Committees, across all the companies in which he is a Director.

#### Non-Executive Directors' Compensation and Disclosure:

Apart from sitting fees that are paid to the Non Executive Directors for attending Board/Committee meetings, no other Remunerations/commissions were paid during the year. No significant material transactions have been made with Independent Directors vis-à-vis your Company.

#### Category:

The names and categories of Director on the Board and the number of Directorships and Committee Chairmanships / Memberships held by them in other Companies as on 31st March, 2011 are given below:

Names of Directors	Category of Directors	No. of other Directorships	Committee Memberships/ Chairmanships	
			Committee Memberships	Committee Chairmanships
<b>EXECUTIVE DIRECTORS</b>				
Mr. Chandresh S. Parikh	Chairman & Managing Director	5	1	1
Mr. Rajesh C. Parikh	Managing Director	5	2	1
Mr. Atil C. Parikh	Joint Managing Director	2	-	-
Mr. Sudhir R. Parikh	Director (Finance)	5	2	-
<b>NON-EXECUTIVE DIRECTORS</b>				
Mr. Mihir A. Joshi	GVFL Nominee	13	-	-
Mr. Munish Mohan	IDBI Nominee	1	3	-
Mr. Pravinchandra M. Shah	Independent Director	-	2	2
Mr. Ram A. Devidayal	Independent Director	4	5	3
Mr. Vithaldas D. Talati	Independent Director	-	4	-
Mr. Atul H. Patel	Independent Director	10	-	-

## Report on Corporate Governance (Contd.)

### Board Meetings and Procedure

The Company has well-defined process of placing vital and sufficient information before the Board pertaining to the matters to be considered at each Board and Committee Meetings, to enable the Board to discharge its responsibilities effectively and efficiently.

The Company Secretary in consultation with Executive Directors finalizes the agenda, which is distributed to the Board Members in advance of the Meetings.

A. During the financial year ended 31.03.2011, the Board met 05 [Five] times the dates of which are as under:

Sr. No.	Dates of Meetings	Board Strength	No. of Directors present
1.	27.04.2010	10	7
2.	31.05.2010	10	8
3.	10.08.2010	10	6
4.	11.11.2010	10	8
5.	08.02.2011	10	8

The maximum gap between any two meetings was not more than 3 (three) calendar months.

B. Attendance of Directors at 1). Board Meetings and  
2). Annual General Meeting.

Names of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Chandresh S. Parikh	5	YES
Mr. Rajesh C. Parikh	5	YES
Mr. Atil C. Parikh	4	YES
Mr. Sudhir R. Parikh	5	YES
Mr. Vithaldas D. Talati	1	YES
Mr. Pravinchandra M. Shah	5	YES
Mr. Mihir A. Joshi	2	NO
Mr. Ram A. Devidayal	5	YES
Mr. Munish Mohan	2	NO
Mr. Atul H. Patel	3	NO

### Appointments/ Re-appointment of Directors:

#### Mr. Atil C. Parikh

Mr. Atil C. Parikh, aged 33 years, holds a Bachelor's degree in Chemical Engineering from Gujarat University. He then began his career working as a Management Trainee with 20 Microns Limited in 1999-2000. Later, he relocated to USA and completed his MBA with Finance specialization from California. On completion of MBA, he joined a Financial Services firm, The Tax Credit Company, where he held a position of a Management Analyst in 2003 and worked for 2 years contributing to various aspects of the industry ranging from Marketing, Analysis, HR and Operations. In the year 2005, he re-joined the Company as Management Analyst. He contributed in developing certain strategies and revamping few departments within the organization. He is also on the Board of 20 Microns Nano Minerals Limited and Bruno Industrial Products Limited. He holds 2,79,978 Equity Shares representing 1.95% of the present paid-up Capital of the Company.

#### Mr. V. D. Talati

Mr. Vithaldas D. Talati, aged 82 years, is a graduate of Commerce and Law and Fellow Member of the Institute of Company Secretaries of India. He has held several responsible positions for over 40 years in Sarabhai Group of Companies and was also a Company Secretary in Ambalal Sarabhai Enterprise Ltd., Vadodara. He has varied experience and knowledge in Company Law, Secretarial, other legal matters and also in Corporate Laws. He worked with Ambalal Sarabhai Enterprises Ltd., as a Company Secretary from the period 1979 to 1988. He then joined Sarabhai Electronics Ltd. in the year 1988 and worked with them for 2 years. In the year 1991, he joined Panchmahal Cement Company Ltd. as a Company Secretary till 1998. He is a member of Remuneration Committee, Nomination & Compensation Committee, Share Transfers & Investors' Grievances Committee and Committee for Redressal of Depositors of the Company. He holds 100 Equity Shares of the Company.



## Report on Corporate Governance (Contd.)

### Code of Conduct

The Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company and the same is posted on the website of the Company ([www.20microns.com](http://www.20microns.com)). All Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A Declaration signed by the Chairman and Managing Director regarding affirmation of the compliance with the Code of Conduct by the Board Members and Senior Management personnel of the Company is appended at the end of this report.

## 2. COMMITTEES OF THE BOARD

The Board of Directors of the Company has constituted the following Committees from time to time:

Committee of Directors	Constituted on
Audit Committee	27th February, 2001
Remuneration Committee	6th January, 2003
Nomination and Compensation Committee	5th August, 2006
Share Transfers & Investors' Grievances Committee	20th November, 1997

### AUDIT COMMITTEE:

#### Composition

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Committee acts as a link between Management, Statutory and Internal Auditors and the Board of Directors and oversees the financial reporting process. The majority of Committee members have accounting and financial management expertise. The Director Finance/Chief Financial Officer, Vice President – Finance & Operations and representatives of the Statutory and Internal Auditors of the Company are permanent invitees to the Committee meetings. The Company Secretary acts as Secretary to the Committee.

The Committee, as on 31st March, 2011, comprised of the following members:

1. Mr. Ram A. Devidayal - Chairman
2. Mr. Pravinchandra M. Shah
3. Mr. Munish Mohan

All of them are Independent Directors.

#### Attendance

During the financial year ended 31st March, 2011, the Audit Committee met 4 [four] times the dates of which are as under:

Sr. No.	Dates of Meetings	Committee strength	No. of members present
1.	31.05.2010	3	3
2.	10.08.2010	3	2
3.	11.11.2010	3	3
4.	08.02.2011	3	2

Attendance at the Committee Meetings:

Names of Directors	Category	No. of Meetings attended
Mr. Ram A. Devidayal	Independent Director	4
Mr. Pravinchandra M. Shah	Independent Director	4
Mr. Munish Mohan	Independent Director	2

#### Terms of Reference

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations.
- Safeguarding of assets and adequacy of provisions for all liabilities.
- Reliability of financial and other management information and adequacy of disclosures.
- Compliance with all relevant statutes.

## Report on Corporate Governance (Contd.)

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee shall be as under:

- (a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other service rendered by the auditors;
- (c) Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices
  - Major accounting entries based on exercise of judgment by management
  - Qualifications in draft audit report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with legal requirements concerning financing statements
  - Any related party transactions i.e. transactions of the Company of material nature with the top management or their relatives, with shareholders with large holdings in the Company or their subsidiaries etc. that may have potential conflict with the interests of the Company at large;
- (d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board;
- (e) Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow-up thereon;
- (f) Reviewing the findings of any internal investigations by the internal auditors and where there is suspected fraud or irregularity or failure of internal control systems of a material nature reporting the matter to the Board;
- (g) Discussion with the external auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;

### REMUNERATION COMMITTEE:

The Remuneration policy of the Company is based on several criteria which include responsibility, performance and potential of the Executive Director and growth of the Company.

The Remuneration Committee is vested with all the necessary powers and authorities to recommend and ensure appropriate disclosure on the remuneration of the Managing Director, Jt. Managing Director and the Whole time Director(s).

### Composition

The Remuneration Committee, as on 31st March, 2011, comprised of the following members:

1. Mr. Pravinchandra M. Shah - Chairman
2. Mr. Vithaldas D. Talati
3. Mr. Munish Mohan

All of them are Independent Directors.

### Attendance

During the financial year ended 31st March, 2011, no Meetings were held since there was no necessity.

### NOMINATION AND COMPENSATION COMMITTEE

As required by SEBI (Employees Stock Option Scheme & Employees Share Option Purchase) Guidelines, 1999, the Company has constituted a Nomination and Compensation Committee of Directors consisting of a majority of Independent Directors.



## Report on Corporate Governance (Contd.)

### Composition

The Committee, as on 31st March, 2011, comprised of the following members:

1. Mr. Chandresh S. Parikh - Chairman
2. Mr. Rajesh C. Parikh
3. Mr. Vithaldas D. Talati
4. Mr. Pravinchandra M. Shah
5. Mr. Ram A. Devidayal

### Attendance

During the financial year ended 31st March, 2011, no Meetings were held since there was no necessity.

### SHARE TRANSFERS & INVESTORS' GRIEVANCES COMMITTEE:

The major functions of the Committee are to approve transfer, transmission and transposition of shares, issue of duplicate share certificates and all other matters relating to shares and investor grievances.

At the Meeting of the Board of Directors of the Company held on 11.11.2010, the terms of reference of the Committee were reviewed and revised as under:

1. To approve transfer, transmission and/or transposition of shares, issue of duplicate share certificates and all other matters relating to shares and investor grievances.
2. To look in to redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc. and advising shareholders/ investors on various matters such as to avail Nomination facility, fill up ECS Mandate, addition of joint names in Demat Accounts, transfer of holding from Physical form to Demat form.
3. To oversee performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.
4. To review unpaid Dividend to the shareholders and take such steps as may be necessary to clear unpaid Dividend at the earliest in the interest of shareholders.
5. Such other matter as may be assigned by the Board of Directors from time to time.

### Composition

The Committee, as on 31st March, 2011, comprised of the following members:

- 1) Mr. Pravinchandra M. Shah - Chairman
- 2) Mr. Rajesh C. Parikh
- 3) Mr. Sudhir R. Parikh
- 4) Mr. Vithaldas D. Talati
- 5) Mr. Munish Mohan

Except Mr. Rajesh C. Parikh and Mr. Sudhir R. Parikh, all of them are Independent Directors.

### Attendance

During the financial year ended 31st March, 2011, the Committee met 3 (Three) times the dates of which are as under:

Sr. No.	Dates of Meetings	Committee strength	No. of members present
1.	20.05.2010	5	3
2.	14.08.2010	5	3
3.	15.02.2011	5	4

## Report on Corporate Governance (Contd.)

Attendance at the Committee Meetings:

Names of Directors	Category	No of Meetings attended
Mr. Pravinchandra M. Shah	Independent Director	3
Mr. Vithaldas D. Talati	Independent Director	3
Mr. Rajesh C. Parikh	Executive Director	1
Mr. Sudhir R. Parikh	Executive Director	3
Mr. Munish Mohan	Independent Director	Nil

### FUNCTIONAL COMMITTEES:

In addition to the above, the Company has constituted Strategic Planning Committee comprising of the Executives from all the Key Departments, Finance Committee and Management Committee from amongst the Directors.

The Finance Committee of Directors holds discussions on financial matters at regular intervals. These discussions will go a long way in reviewing financial affairs of the Company.

The Company may, from time to time, constitute such other functional Committees. The above Committees are delegated powers and duties with respect to specific purposes. Meetings of such Committees are held for the growth and efficient management and better co-ordination in the working of the Company.

The meetings of all the above Committees are held periodically looking to the needs of such meetings.

### COMMITTEE FOR REDRESSAL OF DEPOSITORS:

This Committee is headed by Mr. Rajesh C. Parikh, Managing Director of the Company and it looks after all matters relating to deposits such as payment of interest on due dates, repayment of principal, maintenance of liquidity and other matters relating to Section 58A of the Companies Act, 1956 and Rules made there under.

The Company has received report from Mr. Rajesh C. Parikh, Managing Director of the Company, to the effect that the Company was the most regular in making repayment of principal, payment of interest on due dates, maintenance of liquidity and other matters relating to Section 58A of the Companies Act, 1956 and Rules made thereunder and no default has been committed by the Company in respect of the above matters.

### Composition

The Committee, as on 31st March, 2011, comprised of the following members:

- 1) Mr. Rajesh. C Parikh - Chairman
- 2) Mr. Vithaldas D. Talati

### Attendance

The Committee met once on 31st March, 2011 and both the members have attended the Meeting.

## 3. DISCLOSURES

### Disclosure of materially significant related party transactions

The related party transactions have been placed before the Audit Committee on a quarterly basis. The transactions with related parties, for the financial year ended 31st March, 2011, were not in conflict with the interest of the Company at large. The related party transactions have been disclosed under Note 17 of Schedule T of the Balance Sheet forming part of the Annual Report.

### Disclosure of Accounting treatment

There is no deviation in following the treatment prescribed in any Accounting Standard in preparation of financial statements of the Company during the year.

### Details of non-compliance with regard to the Capital Market

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines prescribed by Securities and Exchange Board of India from time to time. During the year, there were no penalties or strictures imposed on the Company by the stock exchanges or SEBI on any manner related to capital markets.





## Report on Corporate Governance (Contd.)

### Disclosure of Unclaimed Shares

The following are the number of Shares issued pursuant to the Public Issue, which remain unclaimed despite the best efforts of the Registrar to Issue:

Particulars	Aggregate No. of Shareholders	Aggregate No. of Shares
Shares lying in Suspense account as on 01.04.2010	8	950
Shares transferred from Suspense account during the year	1	100
Shares lying in Suspense account as on 31.03.2011	7	850

The Voting rights on above shares shall remain frozen till the rightful owner of such shares claims the shares.

### Board Disclosures – Risk Management

The Company is exposed to risks from foreign exchange fluctuations, competition, liquidity, credit and logistics risks. The Company has an integrated approach to managing the risks inherent in the various aspects of business. The Audit Committee of the Board is regularly informed about the business risks and steps taken to mitigate the same.

### Remuneration of Directors for the financial year 2010-11

Remuneration to Executive Directors has been paid to them in terms of the resolutions passed at the General Meetings of the Company under Section 269, 309 and other applicable provisions of the Companies Act, 1956 and the resolution passed in that behalf by the Remuneration Committee of Directors duly constituted pursuant to Schedule XIII of the Companies Act, 1956.

The remuneration to the Executive Directors consists of fixed salary, allowances and other perquisites as per the Rules of the Company and commission on Net profit as calculated as per Section 349 & 350 of the Companies Act, 1956. The Provident Fund is contributed as per Provident Fund Rules.

The Non-Executive Directors are not paid any remuneration except the sitting fees for attending the Board and Committee Meetings.

The details of Remuneration drawn by the Executive Directors and Sitting Fees paid to the Non-Executive Directors are as under:

Names of Directors	Basic	HRA	Medical	Commission	TOTAL
<b>EXECUTIVE DIRECTORS :</b>					
Mr. Chandresh S. Parikh	30,00,000	-	1,20,000	7,20,000	38,40,000
Mr. Rajesh C. Parikh	22,80,000	3,42,000	1,04,880	5,99,520	33,26,400
Mr. Atil C. Parikh	18,60,000	2,79,000	85,560	5,53,200	27,77,760
Mr. Sudhir R. Parikh	22,80,000	3,42,000	1,04,880	5,99,520	33,26,400

These do not include Company's contribution to provident fund.

NON-EXECUTIVE DIRECTORS	Sitting fees (₹)
Mr. Vithaldas D. Talati	12,500
Mr. Pravinchandra M. Shah	39,500
Mr. Ram A. Devidayal	29,500
Mr. Munish Mohan *	13,500
Mr. Mihir A. Joshi *	7,500
Mr. Atul H. Patel	12,500

[\*] = Sitting Fees were paid to the respective Institutions nominating them.

### Director's Shareholding

Shareholding of the Directors in the Company as on 31st March, 2011:

Names of Directors	No. of shares held in the Company singly and / or jointly	Percentage of holding
Mr. Chandresh S. Parikh	16,00,000	11.16
Mr. Rajesh C. Parikh	2,79,978	1.95
Mr. Atil C. Parikh	2,79,978	1.95
Mr. Sudhir R. Parikh	1,98,345	1.38
Mr. Vithaldas D. Talati	100	0.00
Mr. Pravinchandra M. Shah	13,700	0.10

## Report on Corporate Governance (Contd.)

In terms of Article 129 of the Articles of Association of the Company, the Directors are not required to hold any qualification shares. The remaining Directors namely Mr. Ram A. Devidayal, Mr. Munish Mohan, Mr. Mihir A. Joshi and Mr. Atul Patel do not hold any shares in the Company.

### 4. MANAGEMENT

A detailed Management Discussions and Analysis Report form part of the Report of the Board of Directors.

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company.

### 5. MEANS OF COMMUNICATION

The Quarterly, Half yearly and Annual Results are generally published in widely circulating national and local dailies in 'Economic Times' – English & Gujarati editions.

The Company's Results and Official News Releases are also displayed on the Company's website [www.20microns.com](http://www.20microns.com)

### 6. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings are given below:

	Date	Location	Time	No. of Special Resolutions passed
2009-10	26.08.2010	Conference Room at 347, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	No Special Resolutions were passed.
2008-09	20.08.2009	Regd. Office at 9/10, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	3.00 p.m.	1 [One] Special resolution was passed in respect of appointment of Mr. Atil C. Parikh as Whole Time Director designated as the Joint Managing Director for a period of 3 years w.e.f. 29.01.2009.
2007-08	29.05.2008	Regd. Office at 9/10, GIDC Industrial Estate, Waghodia, Dist.: Vadodara.	12.3 p.m.	1 [One] Special Resolution was passed in respect of appointment of Relative of a Director of the Company

During the year 2010-11, No Extra – Ordinary General Meetings were held.

### 7. CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the CEO and CFO certificate is appended as an Annexure to this report.

### 8. REPORT ON CORPORATE GOVERNANCE

This Report on Corporate Governance forms part of the Annual Report. The Company is fully compliant with all the provisions of Clause 49 of the Listing Agreements of the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

### 9. COMPLIANCE

A Certificate from the Statutory Auditors of the Company, confirming the compliance with all the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges is annexed at the end of this Report.

### 10. GENERAL SHAREHOLDERS' INFORMATION

Registered Office  
9/10, GIDC Industrial Estate, Waghodia – 391760  
Dist. Vadodara Gujarat, India  
Tel: +91-2668-264077  
Fax: +91-2668-262447  
Email: [investors@20microns.com](mailto:investors@20microns.com)



## Report on Corporate Governance (Contd.)

### Annual General Meeting

Day and Date : Thursday, the 18th day of August, 2011  
Time : 03.00 p.m.  
Venue : At the Conference Room at 347, GIDC Industrial Estate, Waghodia – 391760, Dist. Vadodara, Gujarat, India

### Financial Calendar

The Financial Year of the Company is from 1st April to 31st March and the Financial Results will be declared as per the following tentative Schedule:

Particulars	Tentative Schedule
Quarter ending on 30th June, 2011	On or before 15th August, 2011
Quarter / Half Year ending on 30th September, 2011	On or before 15th November, 2011
Quarter ending on 31st December, 2011	On or before 15th February, 2012
Annual Audited Results of the Year 2011-12	On or before 31st May, 2012

### Book Closure

The Registers of Members and Share Transfer Books of the Company will be closed from Monday, the 8th day of August, 2011 to Thursday, the 18th day of August, 2011 [both days inclusive] for the purpose of 24th Annual General Meeting and final dividend, if declared.

### Listing Details

The Company's Equity shares are listed on the following Stock Exchanges:

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, MUMBAI – 400 001 . Stock Code: 533022

National Stock Exchange of India Limited

Exchange Plaza, Bandra – Kurla Complex, Bandra [East], MUMBAI – 400 051 . Stock Code: 20MICRONS

The Company's payment of Listing Fees is up-to-date.

### Registrar and Share Transfer Agents

The following is the details and contacts of the Registrars & Transfer Agents of the Company:

CAMEO CORPORATE SERVICES LIMITED

202, Pawan Flats, 7, Anand Nagar Society, Productivity Road, Alkapuri, Vadodara – 390 007, Gujarat, India

Tele Fax: +91 0265 2341105

Email: jaydeep@cameoindia.com; binod@cameoindia.com

### Share Transfer System

The Company's shares are traded on Stock Exchanges in Demat mode only. Those Transfers are effected through Depositories i.e. NSDL & CDSL.

In Physical mode, the transfer of shares are processed and approved and returned to the transferee within one month from the date of lodgment of the same, subject to documents being valid and complete in all respects.

## Report on Corporate Governance (Contd.)

### Dematerialisation of Shares and Liquidity

The ISIN code of the Shares of the Company is INE144J01019. As on 31st March, 2011, 60.68% of the paid-up capital has been dematerialized as detailed below:

Mode	No. of Shares	% of the total share capital
PHYSICAL	56,35,177	39.32
NSDL	59,48,482	41.51
CDSL	27,47,369	19.17
<b>TOTAL</b>	<b>1,43,31,028</b>	<b>100.00</b>

### Stock Performance

The Prices of the Shares of the Company are given hereunder:

Month	BSE		NSE	
	High	Low	High	Low
April, 2010	45.00	38.00	43.90	39.50
May, 2010	44.85	36.75	44.85	33.85
June, 2010	44.45	40.00	44.50	39.15
July, 2010	60.75	40.60	61.25	40.40
August, 2010	58.80	50.55	58.30	49.80
September, 2010	63.00	54.25	64.30	54.00
October, 2010	61.90	54.00	63.25	54.10
November, 2010	61.90	46.60	64.00	48.50
December, 2010	58.00	34.60	62.00	35.10
January, 2011	48.85	34.20	49.00	38.30
February, 2011	45.75	37.00	45.90	35.15
March, 2011	41.40	35.25	45.15	35.20

[Source: BSE & NSE websites]

### Shareholding Pattern

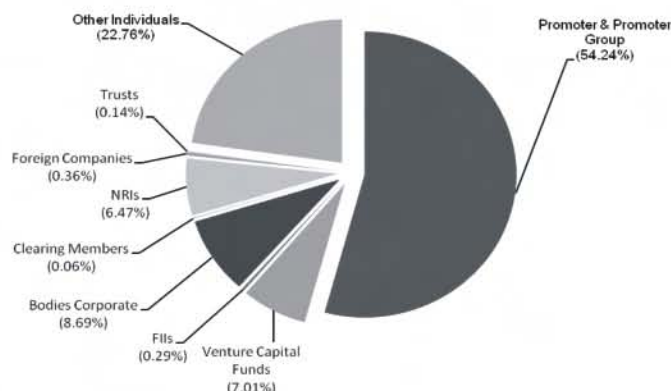
The Shareholding Pattern of the Company as on 31st March, 2011 is as follows:

Category	No. of Shares	% Shareholding
Promoter & Promoter Group	77,73,681	54.24
Venture Capital Funds	10,03,989	7.01
Foreign Institutional Investors	41,000	0.29
Bodies Corporate	12,44,914	8.69
Clearing Members	8,233	0.06
Non Resident Indians	9,26,521	6.47
Foreign Companies	51,700	0.36
Trusts	19,453	0.14
Other Individuals	32,61,537	22.76
<b>TOTAL</b>	<b>1,43,31,028</b>	<b>100.00</b>



## Report on Corporate Governance (Contd.)

Shareholding Summary as on 31.03.2011



### Distribution of Shareholding

The distribution of shareholding of the Company as on 31st March, 2011 is as follows:

Range of Shares	Number of Shareholders	% to total Shareholders	No. of Shares held	% to total Shareholding
Upto 5,000	6935	97.54	18,65,817	13.02
5,001 – 10,000	67	0.94	5,21,325	3.64
10,001 – 20,000	39	0.55	5,97,085	4.17
20,001 – 30,000	24	0.34	6,04,720	4.22
30,001 – 40,000	9	0.13	3,09,319	2.16
40,001 – 50,000	4	0.06	1,86,620	1.30
50,001 – 1,00,000	15	0.21	10,73,327	7.49
1,00,001 and above	17	0.24	91,72,815	64.01
<b>TOTAL</b>	<b>7110</b>	<b>100</b>	<b>1,43,31,028</b>	<b>100</b>

### Investor Correspondence

In order to facilitate quick redressal of the grievances/queries as also quick disposal of the matters relating to physical share transfers, transmissions, transposition and any other query relating to the shares of the Company, please write to:

Mr. Nikunj Savaliya  
Company Secretary & Compliance Officer  
20 Microns Limited  
9/10, GIDC Industrial Estate, Waghodia - 391760  
Dist. Vadodara, Gujarat, India  
Tel: +91 02668 264077, Fax: +91 02668 262447  
Email: investors@20microns.com

### DECLARATION FOR CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreements with the Stock Exchanges, it is hereby declared that the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended 31st March, 2011.

Place : Vadodara  
Date : 19.05.2011

Chandresh S. Parikh  
Chairman & Managing Director

## Report on Corporate Governance (Contd.)

### CEO/ CFO CERTIFICATION:

To  
The Board of Directors  
20 Microns Limited

1. We have reviewed Audited Financial statements and the cash flow statement of 20 Microns Limited for the year ended 31st March, 2011 and that to the best of our knowledge & information :
  - 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 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, 2011, 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 indicated to the Auditors and the Audit Committee:
  - i) Significant changes in the internal control over financial reporting during the year, if any;
  - ii) Significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Vadodara  
Date : 19.05.2011

Chandresh S. Parikh  
Chairman & Managing Director

Sudhir R. Parikh  
Director (Finance)

### AUDITORS' CERTIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE:

To,  
The Members of  
20 MICRONS LIMITED

We have examined the relevant records of 20 Microns Limited (the Company) for the year ended March 31, 2011 relating to compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we state that the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company, as certified by the share transfer agents of the Company and based on the records maintained by them.

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

For Manubhai & Co.  
Chartered Accountants  
Firm Registration No. 106041W

G. R. Parmar  
Partner  
Membership No. 121462

Place: Ahmedabad  
Date : 19.05. 2011



**20 MICRONS<sup>TM</sup>**  
L I M I T E D

**Standalone Financial  
Statements**

## Auditors' Report

To,  
The Members of  
20 MICRONS LIMITED

1. We have audited the attached Balance Sheet of 20 MICRONS LIMITED ('the Company') as at 31<sup>st</sup> March, 2011, and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (order) and related amendments issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have 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 accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
  - d) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and *present a true and fair view in conformity with the accounting principles generally accepted in India:*
    - i. in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
    - ii. in so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
    - iii. in so far as it relates to the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

**For Manubhai & Co.**  
Chartered Accountants  
Firm Registration No. 106041W

Place: Waghodia, Vadodara  
Date: May 19, 2011

**(G. R. Parmar)**  
Partner  
Membership No.: 121462





20 MICRONS LIMITED  
ANNEXURE TO AUDITORS' REPORT  
[Referred to paragraph 3 of our report of even date]

1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management as per phased programme of verification during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification as compared to the records maintained by the Company.
  - c. In our opinion, the Company has not disposed of any substantial part of fixed assets during the year so as to affect going concern status.
2. In respect of its inventories:
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. (i) In respect of loans granted to parties covered in the register maintained u/s 301 of the Companies Act, 1956.  
The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, reporting requirements as per clause (iii) (a) to (iii) (d) of paragraph 4 of the Order are not applicable in case of the Company.
- (ii) In respect of loans taken from parties covered in the register maintained u/s 301 of the Companies Act, 1956.  
The Company has not taken any loans or advances in the nature of loans, secured or unsecured from parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, reporting requirements as per clauses (iii) (e) to (iii) (g) of paragraph 4 of the Order are not applicable in case of the Company.
4. In respect of internal control  
In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of transactions need to be entered into a register maintained u/s 301 of the Companies Act, 1956.
  - a. According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so maintained.
  - b. Having regard to the nature of transaction and non availability of comparable quotations, the reasonability of price in respect of the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year can not be ascertained.
6. In respect of deposits from public  
In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In respect of internal audit system  
The Company has appointed firms of chartered accountants as internal auditors. On the basis of reports submitted by internal auditors, in our opinion the internal audit system is commensurate with the size and nature of company's business.

8. In respect of maintenance of cost records

According to information and explanation given to us, neither order has been passed by Central Government nor have cost records been prescribed under section 209(1) (d) of the Companies Act, 1956 in respect of products manufactured by the Company.

9. In respect of statutory dues:

a. In our opinion and according to the information and explanation given to us, the company has been regular in undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Investor Education and Protection Fund, Custom duty, Excise duty, Professional tax and other statutory dues as may be applicable to the company except in case of Income Tax deducted at Source, Sales Tax, Service Tax and Employees' State Insurance dues where there was some delay on few occasions at some of the offices of the company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in position to comment upon the regularity or otherwise of the Company in depositing the same.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears, as at 31st March, 2011 for a period of more than six months from the date they become payable.

c. The details of disputed statutory dues that have not been deposited on account of dispute are as under:

Sr. No.	Name of Statute	Nature of dues	Amount(In Lacs Rs.)	Period to which the amount relates	Forum where dispute is pending
1	Central Sales Tax Act, 1956	Central sales tax	2.90	2002-03	Appellate Tribunal
2	Central Sales Tax Act, 1956	Central sales tax	1.63	2007-08	Assistant Commissioner of Sales Tax
3	Tamil Nadu Government Sales Tax Act, 1959	Sales Tax	1.81	2002-03	Appellate Tribunal
4	Sales Tax Act, 1959	Local Sales Tax	1.36	2003-04	Appellate Tribunal
5	Sales Tax Act, 1959	Local Sales Tax	0.89	2004-05	Appellate Tribunal
6	Central Excise Act, 1944	Central Excise	148.68	September 2003 to June 2008	Customs, Excise and Service Tax Appellate Tribunal
7	Income Tax Act, 1961	Income tax	4.68	1995-96	Income Tax Appellate Tribunal
8	Income Tax Act, 1961	Income tax	50.51	2004-05	Commissioner of Income Tax
9	Income Tax Act, 1961	Income tax	113.05	2004-05	Income Tax Appellate Tribunal

10. In respect of accumulated losses and cash losses

The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. In respect of dues to financial institution / banks / debentures

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks.



12. In respect of loans and advances granted on the basis of security.  
In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In respect of provisions applicable to Chit fund  
In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society as per the Chit Fund Act, 1982 and other state legislations. Therefore, clause 4(xiii) of the Order is not applicable to the Company.
14. In respect of dealing or trading in shares, securities, debentures and other investment  
As the Company is not dealing or trading in shares, securities, debentures and other investments, provision of clause 4(xiv) of the Order is not applicable to the Company.
15. In respect of guarantee given for loans taken by others  
According to the information and explanation given to us, the Company has given guarantee of Rs. 1250 Lacs for loans taken by subsidiary from bank. The terms of such guarantee are not prejudicial to the interest of the Company.
16. In respect of application of term loans  
In our opinion, the term loans have been applied for the purpose for which they were raised.
17. In respect of fund used  
According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds of Rs. 9.42 Crores raised on short-term basis, have been used for long-term investment.
18. In respect of preferential allotment of shares  
During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. In respect of securities created for debentures  
The Company has not issued any debentures during the year therefore paragraph 4(xix) of the Order is not applicable.
20. In respect of end use of money raised by public issues  
We have verified the end use of money raised by public issue as disclosed in the notes to the financial statements.
21. In respect of fraud  
To the best of our knowledge and belief, and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year that causes the financial statements to be materially misstated.

**For Manubhai & Co.**  
Chartered Accountants  
Firm Registration No. 106041W

Place: Waghodia, Vadodara  
Date: May 19, 2011

**(G. R. Parmar)**  
Partner  
Membership No.: 121462

## Balance Sheet as At March 31st, 2011

(₹ IN LACS)

PARTICULARS	SCHEDULE	AS ON	
		March 31st, 2011	March 31st, 2010
<b>SOURCES OF FUNDS :</b>			
<b>1. SHARE HOLDERS FUND</b>			
a) Share Capital	A	1,433.10	1,433.10
b) Reserves and Surplus	B	3,027.22	2,726.86
		<b>4,460.32</b>	<b>4,159.96</b>
<b>2. LOAN FUNDS</b>			
a) Secured Loans	C	9,013.45	7,145.14
b) Unsecured Loans	D	1,450.67	1,290.05
		<b>10,464.12</b>	<b>8,435.19</b>
<b>3. DEFERRED TAX LIABILITY (NET)</b>			
<b>TOTAL</b>		<b>15,972.38</b>	<b>13,582.82</b>
<b>APPLICATION OF FUNDS :</b>			
<b>1. FIXED ASSETS</b>			
a) Gross Block	E	10,761.62	9,392.35
b) Less : Depreciation and Amortisation		3,727.87	3,263.36
c) Net Block		<b>7,033.75</b>	<b>6,128.98</b>
Capital Work - in -process		569.94	482.18
		<b>7,603.69</b>	<b>6,611.16</b>
<b>2. INVESTMENTS</b>			
<b>3. CURRENT ASSETS, LOANS AND ADVANCES</b>			
a) Inventories	G	3,909.95	3,276.10
b) Sundry Debtors		3,955.49	2,867.73
c) Cash & Bank Balance		728.45	643.32
d) Other Current assets		206.63	413.61
e) Loans & Advances		2,092.27	1,011.20
		<b>10,892.79</b>	<b>8,211.96</b>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
a) Current Liabilities	H	2,991.25	1,778.24
b) Provisions	I	252.13	181.34
		<b>3,243.38</b>	<b>1,959.58</b>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL</b>		<b>15,972.38</b>	<b>13,582.82</b>

Statement of Significant Accounting Policies  
Notes on Accounts

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As per our audit report attached

For Manubhai & Co.  
Chartered Accountants  
Firm Registration No. 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
M.No. 121462

Chandresh S Parikh  
Chairman and  
Managing Director

Rajesh Parikh  
Managing Director

N J Savalia  
Secretary

P. M. Shah  
Director

Date: 19th May, 2011  
Place: Waghodia, Vadodara.

Date: 19th May, 2011  
Place: Waghodia, Vadodara



## Profit and Loss Account for The Year Ended March 31st, 2011

(₹ in Lacs)

	SCHEDULE	FOR THE YEAR ENDED ON March 31st, 2011	FOR THE YEAR ENDED ON March 31st, 2010
<b>INCOME :</b>			
Sales (Gross)	J	24,072.38	17,999.13
Less: Excise Duty		516.74	336.08
<b>Net Sales</b>		<b>23,555.64</b>	<b>17,663.05</b>
Other Income	K	185.47	320.98
Increase/(Decrease) in Stock of Finished Goods	L	(290.08)	153.99
<b>TOTAL</b>		<b>23,451.03</b>	<b>18,138.02</b>
<b>EXPENDITURE :</b>			
Cost of Materials	M	13,111.65	8,963.94
Manufacturing Expenses	N	2,166.46	2,112.43
Payment to and Provision for Employees	O	1,783.13	1,633.62
Administrative and Other Expenses	P	574.19	467.05
Selling and Distribution Expenses	Q	3,227.72	2,636.89
Research & Development Expenses		32.47	23.97
<b>TOTAL</b>		<b>20,895.62</b>	<b>15,837.89</b>
<b>PROFIT BEFORE DEPERECIATION, INTEREST, TAX AND EXCEPTIONAL ITEM</b>		<b>2,555.41</b>	<b>2,300.13</b>
Interest and finance charges	R	1,061.61	804.04
Depreciation and Amortisation		533.30	475.05
		1,594.91	1,279.09
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEM</b>		<b>960.50</b>	<b>1,021.04</b>
Less: Exceptional Item (Payment under Voluntry Retirement Option)		39.42	-
<b>PROFIT BEFORE TAX</b>		<b>921.08</b>	<b>1021.04</b>
<b>Less:</b>			
Current Tax		245.00	173.00
Less: MAT Credit Entitlement		-	173.00
		245.00	-
Wealth Tax		.40	.75
MAT Credit adjustment of earlier years		60.82	-
Income Tax adjustment of earlier years		4.39	3.98
Adjustment for Deferred Tax Debit	T(18)	60.28	286.57
<b>NET PROFIT FOR THE YEAR</b>		<b>550.19</b>	<b>729.74</b>
<b>BALANCE OF PROFIT AS PER LAST BALANCE SHEET</b>		<b>953.14</b>	<b>390.51</b>
<b>BALANCE AVAILABLE FOR APPROPRIATIONS</b>		<b>1,503.34</b>	<b>1,120.25</b>
<b>APPROPRIATIONS</b>			
General Reserve		27.51	-
Proposed Dividend on Equity Shares		214.97	143.31
Tax On Proposed Dividend		34.87	23.80
<b>BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>		<b>1,225.99</b>	<b>953.14</b>
<b>Basic and Diluted Earning Per Share</b>		<b>3.84</b>	<b>5.11</b>

Statement of Significant Accounting Policies

S

Notes on Accounts

T

As per our audit report attached

For Manubhai & Co.  
Chartered Accountants  
Firm Registration No. 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
M.No. 121462

Chandresh S Parikh  
Chairman and  
Managing Director

Rajesh Parikh  
Managing Director

N J Savalia  
Secretary

P. M. Shah  
Director

Date: 19th May, 2011  
Place: Waghodia, Vadodara.

Date: 19th May, 2011  
Place: Waghodia, Vadodara

## Cash Flow Statement for the Year Ended on March 31, 2011

(₹ IN LACS)

PARTICULARS	MARCH 31, 2011		MARCH 31, 2010	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit before tax and extra ordinary items		921.08		1,021.03
Adjusted for :				
Depreciation and Amortisation	533.30		475.05	
Gratuity Provision	42.38		37.98	
Bad debts written off (Net of write back)	(10.46)		42.52	
Provision for Doubtful Debts	47.05		45.30	
Sundry balance written-off (Net)	(17.54)		(9.43)	
(Profit) on Sale of Assets	(1.67)		(142.83)	
Loss on sale of assets	21.30		29.43	
Dividend Income	(.6)		(1.59)	
Interest Received on loan	-		(15.86)	
Interest Received on bank deposits	(51.03)		(25.59)	
Interest Paid	922.79		773.74	
Exchange Rate Variation (Net)	(52.05)		(72.95)	
Forward Premium	138.82		30.30	
<b>Operating Profit before working capital changes</b>		<b>2493.91</b>		<b>2187.11</b>
Adjusted for				
Increase / (Decrease) in Trade Payable	1,032.00		109.17	
(Increase) / Decrease in Trade receivables	(1,124.35)		(626.64)	
(Increase) / Decrease in Loans and Advances	(1,129.82)		278.45	
(Increase) / Decrease in Other Current Assets	98.02		(82.88)	
(Increase) / Decrease in Inventories	(633.85)		(1,369.55)	
Cash Generated from Operation		735.92		495.67
Direct Taxes paid	166.99		166.86	
Net Cash Inflow / (Outflow) in the course of Operating Activities		<b>568.92</b>		<b>328.81</b>
<b>B. Cash Flow from Investing Activities</b>				
Sale of Fixed Assets	83.18		280.52	
Purchase of Fixed Assets (Including Capital Work In Progress)	(1628.64)		(1645.33)	
Investment In Subsidiary	-		(628.95)	
Share Application Money Received back from Subsidiary	14.50		-	
Receipt from other Investment	-		.20	
Dividend Income	.06		1.59	
Interest Received on Bank Deposits	51.03		25.59	
Net cash used for investing activities		<b>(1479.87)</b>		<b>(1966.38)</b>



Cash Flow Statement for the Year Ended on March 31, 2011 (Contd...)

(₹ IN LACS)

PARTICULARS	MARCH 31, 2011		MARCH 31, 2010	
<b>C. Cash Flow from Financing Activities</b>				
Borrowings (Net) Long Term	498.32		1378.15	
Borrowings (Net) Short Term			1195.72	
Interest Paid	(922.79)			(773.74)
Forward premium	(138.82)		(30.30)	
Proceeds from Issue of Share Capital / Stock Option (Net)	-		1.64	
Share premium received			15.30	
<b>Net Cash Inflow/(outflow) in the course of financing activities</b>		<b>967.31</b>		<b>1786.77</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>56.36</b>		<b>149.20</b>
<b>Cash and cash equivalents - opening balance</b>		<b>642.83</b>		<b>493.63</b>
<b>Cash and cash equivalents - closing balance</b>		<b>699.19</b>		<b>642.83</b>

Notes:

1) Opening and Closing balance of Cash and Cash equivalents consists of following:

Particulars	MARCH 31, 2011	MARCH 31, 2010
Cash and Bank Balance	728.45	643.31
Less: Due to Bank in Current Account	29.26	.48
Cash and Cash Equivalents	699.19	642.83

2) Cash and Cash equivalents - Closing Balance includes ₹ 280.00 Lacs (Previous Year ₹ 109.25 Lacs) held as deposits with banks.

3) Capital Expenditure includes and Interest Paid Excludes ₹ 61.54 Lacs (Previous Year ₹ 29.50 Lacs) of Interest Capitalised.

4) Bank Overdraft and other short term loans have been treated as part of financing activities.

5) Previous years figures have been re grouped wherever necessary.

**As per our audit report attached**

For Manubhai & Co.  
Chartered Accountants  
Firm Registration No. 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
M.No. 121462

Chandresh S Parikh  
Chairman and  
Managing Director

Rajesh Parikh  
Managing Director

N J Savalia  
Secretary

P.M. Shah  
Director

Date: 19th May, 2011  
Place: Waghodia, Vadodara.

Date: 19th May, 2011  
Place: Waghodia, Vadodara

## Schedules Annexed To And Forming Part Of Accounts

(₹ IN LACS)

PARTICULARS	AS ON	AS ON
	March 31st, 2011	March 31st, 2010
<b>SCHEDULE -A</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>	2,000.00	2,000.00
2,00,00,000 Equity Shares of ₹ 10/- each (Previous Year 2,00,00,000 Equity Shares)		
<b>ISSUED SUBSCRIBED AND PAID UP</b>		
1,43,31,028 Equity Shares of ₹ 10/- each fully paid up (Previous Year 1,43,31,028 shares) (Of the above)	1,433.10	1,433.10
(i) 32,65,350 Equity Shares of ₹ 10/- each fully paid up have been issued as Bonus Shares by Capitalisation of General Reserve and balance of Profit & Loss Account		
(ii) 24,62,635 Equity Shares of ₹ 10/- each fully paid up have been issued to share holders of amalgamating companies on amalgamation.)		
<b>TOTAL</b>	<b>1,433.10</b>	<b>1,433.10</b>
<b>SCHEDULE-B</b>		
<b>RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
As per last Balance Sheet	12.17	8.19
Add:- Transferred from Employees stock option	-	3.98
Add:- Transferred from Profit and Loss Account	27.51	
	39.68	12.17
<b>Share Premium</b>		
As per last Balance Sheet	1,761.55	1,750.23
Add:- Proceeds from public offer/Employee Stock Option Scheme	-	11.32
	1,761.55	1,761.55
<b>Balance in Profit and Loss account</b>	<b>1,225.99</b>	<b>953.14</b>
<b>TOTAL</b>	<b>3,027.22</b>	<b>2,726.86</b>





Schedules Annexed To And Forming Part Of Accounts (Contd...)

(₹ IN LACS)

PARTICULARS	(₹ IN LACS)	
	AS ON March 31st, 2011	AS ON March 31st, 2010
<b>SCHEDULE-C</b>		
<b>SECURED LOANS ( See Note no 1 in Schedule T)</b>		
<b>Term Loans from</b>		
a financial institution	113.40	170.10
banks	3,032.52	2,706.54
	<b>3,145.92</b>	<b>2,876.64</b>
<b>Working Capital Finance From</b>		
banks	5,704.25	4,173.65
	<b>5,704.25</b>	<b>4,173.65</b>
<b>Deferred Payment Credits</b>		
against assets	163.27	94.84
(Amount payable within next one year ₹ 68.70 Lacs, P. Yr. ₹ 37.39 Lacs)		
<b>TOTAL</b>	<b>9,013.44</b>	<b>7,145.13</b>
<b>SCHEDULE-D</b>		
<b>UNSECURED LOANS</b>		
<b>Fixed Deposits</b>		
From Directors	12.71	12.71
From Others	1,318.24	1,127.09
	1,330.95	1,139.80
<b>Trade Deposits</b>	3.75	3.30
Sales Tax Loan under Sales tax incentive scheme	1,15.97	146.96
<b>TOTAL</b>	<b>1,450.67</b>	<b>1,290.06</b>

**SCHEDULE - E**

**FIXED ASSETS**

(₹ IN LACS)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION BLOCK				NET BLOCK	
	As On 01/04/2010	Additions During Year	On Sale/ Adjustments	As On 31/3/2011	Upto 01/04/2010	Provided During Year	On Sale Adjustments	Up to 31/3/2011	As On 31/3/2010	As On 31/3/2011
<b>(A) Tangible Assets</b>										
Freehold Land	55.37	8.81	-	64.18	-	-	-	-	64.18	55.37
Leasehold Land	50.96	59.08	-	110.05	30.42	3.51	-	33.93	76.11	20.54
Office Building	125.13	-	-	125.13	21.76	2.04	-	23.80	101.33	103.37
Leasehold Office Building	-	75.20	-	75.20	-	0.30	-	0.30	74.90	-
Factory Building	1,064.59	71.72	-	1,136.31	259.58	36.49	-	296.07	840.24	805.01
Plant and Machinery	7,328.49	949.48	63.38	8,214.58	2,670.76	401.03	(15.38)	3,056.41	5,158.16	4,657.73
Vehicles	301.38	146.67	107.68	340.37	84.83	29.86	(52.94)	61.76	278.62	216.55
Furniture and Office Equipments	269.78	141.32	0.54	410.56	151.17	19.86	(0.48)	170.55	240.01	118.61
<b>(B) Intangible Assets</b>										
Product Development	105.00	13.79	-	118.79	32.00	21.68	-	53.68	65.11	73.00
Computer Software	91.65	74.80	-	166.45	12.83	18.53	-	31.36	135.09	78.82
<b>TOTAL</b>	<b>9392.35</b>	<b>1540.87</b>	<b>171.60</b>	<b>10761.62</b>	<b>3263.36</b>	<b>533.30</b>	<b>(68.79)</b>	<b>3727.87</b>	<b>7033.74</b>	<b>6128.98</b>
Previous Year's As At 31/03/2010	8111.63	1623.16	342.44	9392.35	2963.64	475.05	(175.32)	3263.36	6128.98	-

Notes:

1. Pursuant to Accounting Standard AS-28, 'Impairment of Assets', there is no impairment of assets.
2. Addition during year includes interest and finance charges amounting to ₹ 52.61 lacs ( P.year ₹ 43.08 lacs ) capitalised as required by Accounting Standard AS - 16 'Borrowing Cost'.
3. Addition to CWIP includes interest and finance charges amounting to ₹ 12.90 lacs ( P.year ₹ 3.98 lacs ) capitalised as required by Accounting Standard AS - 16 'Borrowing Cost'.

## Schedules Annexed To And Forming Part Of Accounts (Contd...)

(₹ IN LACS)

PARTICULARS	AS ON	
	March 31st, 2011	March 31st, 2010
<b>SCHEDULE-F</b>		
<b>INVESTMENTS</b>		
<b>Long Term - Unquoted</b>		
<b>(I) In shares of</b>		
<b>a) Subsidiary - Trade</b>		
3,60,000 Equity shares (Previous Year 3,60,000) of 20 Microns SDN BHD of RM 1.00 each	50.39	50.39
60,00,000 Equity shares (Previous Year 60,00,000) of 20 Microns Nano Minerals Limited of Rs 10 each	600.00	600.00
<b>b) Other companies - Other than trade</b>		
60,000 Preference Shares (Previous Year 60,000) - 0.10 % fully paid Redeemable Cummulative Convertible Preference Shares of ₹100/- each of Eriez Finance and Investment Limited.	60.00	60.00
80,000 Equity Shares (Previous Year 80,000) of Eriez Finance and Investment Limited of ₹10 each	8.00	8.00
<b>(ii) - Other securities</b>		
National Savings Certificate (Lodged with Sales tax Authorities)	.89	.89
<b>TOTAL</b>	<b>719.28</b>	<b>719.28</b>
<b>SCHEDULE-G</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>INVENTORIES</b>		
Raw Materials (Including In Transit ₹ 208.72, Previous Year Nil)	3,036.09	2,198.70
Finished Goods	679.85	969.93
Stores & Spares	194.01	107.47
<b>TOTAL</b>	<b>3,909.95</b>	<b>3,276.10</b>
<b>SUNDRY DEBTORS</b>		
<b>Debt outstanding for a period exceeding six months</b>		
(a) Considered Good	-	-
(b) Considered Doubtful	82.72	45.30
	<b>82.72</b>	<b>45.30</b>
Less: Provision for doubtful debts	82.72	45.30
Others (Considered Good)	3,955.49	2,867.73
<b>TOTAL</b>	<b>3,955.49</b>	<b>2,867.73</b>
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	2.76	10.12
Balances with Scheduled Banks		
Fixed Deposit Accounts ( Liquid Assets).	100.00	70.00
Fixed Deposit Accounts (Margin money)	180.00	109.25
Current Accounts.	445.69	453.94
(Including Cheques on Hand ` Nil (P. Year ₹ 19.82 Lacs))		
<b>TOTAL</b>	<b>728.45</b>	<b>643.31</b>
<b>OTHER CURRENT ASSETS</b>		
Interest receivable on fixed deposit	.24	24.33
Insurance Claim receivable	.75	74.69
MAT Credit Receivable	205.64	314.60
<b>TOTAL</b>	<b>206.63</b>	<b>413.62</b>



Schedules Annexed To And Forming Part Of Accounts (Contd...)

(₹ IN LACS)

PARTICULARS	ASON March 31st , 2011	ASON March 31st , 2010
<b>LOANS AND ADVANCES</b> [ Unsecured, Considered Good ]		
Advances recoverable in cash or kind or for value to be received	569.77	562.74
Advance to Subsidiary (Share Application Money)	22.73	14.50
Deposits	264.54	228.67
Advance Income Tax ( Net of Provisions of ₹299.50 Lacs, P. Year ₹227.50 Lacs )	1.47	35.71
Advance for Capital Goods	1,233.76	169.57
<b>TOTAL</b>	<b>2,092.27</b>	<b>1,011.19</b>
<b>SCHEDULE-H</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
Dues to Micro and other Small Enterprises	166.15	87.89
Others	2,547.01	1,495.71
Advances from Customers	75.74	40.52
Due to bank in current account (Bank Overdraft)	29.26	.49
Interest accrued but not due on deposits	113.42	85.59
Unclaimed Fixed Deposits	.67	.40
Unclaimed Dividend	.44	-
Other Liabilities	58.57	67.65
<b>TOTAL</b>	<b>2,991.25</b>	<b>1,778.25</b>
<b>SCHEDULE-I</b>		
<b>PROVISIONS</b>		
Proposed Dividend	214.97	143.31
Tax on Proposed Dividend	34.87	23.80
Excise and Royalty on finished goods	2.29	3.61
Gratuity	-	10.62
<b>TOTAL</b>	<b>252.13</b>	<b>181.34</b>
<b>SCHEDULE-J</b>		
<b>SALES</b>		
Domestic	2,1730.36	1,6100.83
Export	2342.02	1898.30
<b>TOTAL</b>	<b>2,4072.38</b>	<b>1,7999.13</b>
<b>SCHEDULE-K</b>		
<b>OTHER INCOME</b>		
Interest (Gross, TDS ₹4.19 P.Y. ₹3.62)	55.46	45.99
Dividend	0.06	1.59
Profit on sale of Assets	1.67	142.83
Export incentive / Foreign Exchange income	52.05	72.95
Bad Debts Recovered / Provision Written Back	13.77	3.05
Insurance claims	0.54	.15
Rent	22.80	14.10
Misc. Income	39.12	40.32
<b>TOTAL</b>	<b>185.47</b>	<b>320.98</b>

## Schedules Annexed To And Forming Part Of Accounts (Contd...)

(₹ IN LACS)

PARTICULARS	AS ON	
	March 31st, 2011	March 31st, 2010
<b>SCHEDULE-L</b>		
<b>INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS</b>		
Closing Stock	679.85	969.93
Less : Opening Stock	969.93	815.94
Increase/(Decrease) in Stock of Finished Goods	(290.08)	153.99
<b>SCHEDULE-M</b>		
<b>COST OF MATERIALS</b>		
<b>RAW MATERIAL CONSUMED</b>		
Opening Stock	2198.70	995.55
Purchases	13,949.04	10,167.09
	16,147.74	11,162.64
Less : Goods in Transit	208.72	-
Less : Closing Stock	2,827.37	2,198.70
<b>Raw Material Consumed</b>	<b>13,111.65</b>	<b>8,963.94</b>
<b>SCHEDULE-N</b>		
<b>MANUFACTURING EXPENSES</b>		
Power and Fuel	1,611.20	1,609.74
Factory Expenses and other Manufacturing Expenses	147.31	125.61
Rent & Hire Charges	51.61	29.07
Stores & Spares Consumed	129.29	121.32
Repairs - Plant & Machinery	222.34	210.94
- Building	4.71	15.75
<b>TOTAL</b>	<b>2,166.46</b>	<b>2,112.43</b>
<b>SCHEDULE-O</b>		
<b>PAYMENT TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, Bonus & Allowance	1,510.24	1,422.05
Contribution to Provident Fund & Others Funds	61.05	61.12
Gratuity	42.38	37.98
Staff Welfare & Amenities	25.45	24.58
Managerial Remuneration	144.01	87.88
<b>TOTAL</b>	<b>1,783.13</b>	<b>1,633.62</b>
<b>SCHEDULE-P</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	27.39	29.85
Rates and Taxes	4.25	16.78
Insurance	19.59	29.87
Post, Telephone & Courier	107.55	84.35
Travelling & Conveyance	113.90	89.29
Vehicle Running & Maintenance	35.69	28.95
Professional Fees	62.29	25.76
Auditors Remuneration	5.42	5.26
Directors sitting fees	1.47	1.37
Loss on sale/ discarded of Assets	21.30	29.43
Donation	24.07	9.33
Misc. Expenses	151.28	116.80
<b>TOTAL</b>	<b>574.19</b>	<b>467.05</b>



Schedules Annexed To And Forming Part Of Accounts (Contd...)

(₹ IN LACS)

PARTICULARS	AS ON	AS ON
	March 31st, 2011	March 31st, 2010
<b>SCHEDULE-Q</b>		
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
SELLING EXPENSES		
Travelling Expenses	154.54	231.15
Rebate and Discount	121.25	94.17
Sales Commission	34.47	37.22
Bad Debts written off	3.31	45.56
Provision for Bad debts	47.05	45.30
Other Selling Expenses	481.37	349.51
(Includes godown rent ₹134.75 Lacs Pr.Yr. ₹59.69 Lacs)	<b>841.98</b>	<b>802.91</b>
<b>DISTRIBUTION EXPENSES</b>		
Freight outward- Local sales	1972.32	1548.65
Freight outward- Export sales	349.89	234.52
Service Tax	63.53	50.81
	<b>2,385.74</b>	<b>1,833.98</b>
<b>TOTAL</b>	<b>3,227.72</b>	<b>2,636.89</b>
<b>SCHEDULE-R</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
Interest on Term Loans	266.41	211.89
Interest on working Capital Loans	556.93	394.74
Other Interest	158.10	128.25
Bank Commission and Charges	80.17	69.16
<b>TOTAL</b>	<b>1,061.61</b>	<b>804.04</b>

**SCHEDULE S - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

**1. Historical Cost Basis:**

The financial statements are prepared under the historical cost convention and in accordance with applicable mandatory accounting standards and relevant presentation requirements of the Companies Act, 1956.

**2. Use of Estimates**

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**3. Revenue Recognition**

- A) The Company follows accrual system of accounting for recognizing revenue and expenses.
- B) Export benefits available under the prevalent scheme are accrued in the year in which the goods are exported and are accounted to the extent considered recoverable.

**4. Sales**

- A) Sales figures are inclusive of Excise duty and freight in case of landed rates, but are net of sales returns, and rate difference adjustments.
- B) Domestic sales are accounted on dispatch of products to customers
- C) Export sales are recognized on the date of export invoice.

## Schedule S-Statement of Significant Accounting Policies (Contd...)

### 5. Fixed Assets and Depreciation

- A) Fixed assets include all expenditure of capital nature and stated at cost (net of Cenvate, wherever applicable) less accumulated depreciation.
- B) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- C) In respect of addition and sales of assets during the year, depreciation is provided on pro-rata basis.
- D) In case of lease hold land, 95 % cost of lease is being amortized over a period of 20 years or the life of the lease whichever is less.
- E) Expenditure on projects pending capitalization are shown under the head "Capital Work In Progress" which will be capitalized to respective heads of Fixed Assets on commencement of commercial production.
- F) Machinery spares either procured along with plant and machineries or subsequently and whose useful life is expected to be irregular are capitalized and depreciated over residual use life of related plant and machinery.

### 6. Intangible Assets

- A) Acquired Intangible Assets in the form of 'Process Know How' is recognized at the cost of acquisition and amortized over a period of five years, depending on their estimated useful life.
- B) The cost of software purchased including license fee is recognized as intangible assets and will be amortized over a period of seven years on the basis of estimate of its useful life.

### 7. Impairment of Fixed Assets

- A) Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.
- B) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

### 8. Inventories

Raw Materials, Stores & Spares and Finished Goods are valued at cost or net realizable value whichever is lower. For this purpose cost is arrived at on weighted average basis.

### 9. Foreign Exchange Transactions

- A) Transactions of foreign currency are recorded at the exchange rate as applicable at the date of transaction. Monetary items outstanding as on balance sheet date are revalued at exchange rate prevailing on balance sheet date and the gain / loss is recognized in Profit and Loss Account.
- B) The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the Contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

### 10. Investments

- A) Current Investments are carried at the lower of cost and quoted / fair value, computed category wise.
- B) Long-term investments are stated at cost added by directly attributable cost. Provision for diminution in the value of long-term investments is made only if such a decline is of other than temporary in nature in the opinion of the management.

### 11. Employee Benefits

- A) Short term employee benefits are recognized as expenses at the undiscounted amount in the profit and loss account of the year in which the related services is rendered.
- B) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered service. The expense is recognized at the present value of the amount payable



## Schedule S-Statement of Significant Accounting Policies (Contd...)

determined using actuarial valuation technique. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

- C) Long term benefits in the form of provident fund and pension scheme whether in pursuance of any law or otherwise are accounted on accrual basis.

### 12. Borrowing Cost

Borrowing costs attributable to the acquisition and construction of assets are capitalized as part of the cost of such assets up to the date when such asset are ready for their intended use. Other borrowing cost are treated as revenue expenditure

### 13. Leases

- A) Assets subject to operating leases are included under Fixed Assets or current assets as appropriate. Rent (lease) income is recognized in the Profit & Loss Account on a straight line basis over the life over the lease term. Costs, including depreciation, are recognized as an expense in Profit & Loss account.
- B) Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognized as expenses in the Profit and Loss Account as and when paid.

### 14. Taxes on Income

- A) Tax expense comprise of current and deferred tax.
- B) Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act.
- C) Deferred tax resulting from 'timing difference' between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.
- D) Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### 15. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow or resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 16. General

Accounting policies not specifically referred to are consistent with generally accepted accounting practice.

## SCHEDULE T - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

### 1. Secured Loans:

- A) Term loan from financial institutions is secured by equitable mortgage of certain land / plant and machineries of the Company.
- B) Facilities from banks comprise of term loan and working capital facilities, which are secured by equitable mortgage of certain land / plant and machineries of the Company and against stock and receivable of the Company.
- C) Deferred payment credits for purchase of vehicles are secured by hypothecation of the respective assets.
- D) Term Loan due within one year ₹ 922.48 Lacs (Previous Year ₹ 825.52 Lacs)

### Schedule T-Statement of Significant Accounting Policies (Contd...)

E) Particulars of Securities charged to Lenders are as under :

SR. NO.	DETAILS OF ASSETS	FIRST CHARGE ON PARI PASSU BASIS	SECOND CHARGE
I	Present and future movable and immovable assets located at Plot no 172,174 and 175 Vadadala, Dist. Baroda.	IDBI & SBI For Term Loan	SBI For Working Capital
II	Present and future movable and immovable assets located at Plot No 157 Village Mamuara, Dist. Bhuj.	IDBI, EXIM & SBI, For Term Loan	SBI For Working Capital
III	Office premises situated at 307/308, Arundeeep Complex, Race Course, Baroda and at 134 & 135, 1st Floor, Hindustan Kohinoor Ind. Complex, LBS Marg, Vikhroli (W), Mumbai.	IDBI, EXIM & SBI, For Term Loan	SBI For Working Capital
IV	Present and future movable and immovable assets located at Plot No 104/3 Village, Puthur, Dist Tirunelveli, Tamilnadu.	IDBI For Term Loan	---
V	at Plot No F-75/76/82/85 and H-83/84, RIICO Industrial area, Swaroopgunj, Rajasthan.	IDBI, EXIM & SBI For Term Loan	SBI For Working Capital
VI	Present and future Movable and immovable Assets located at Plot No. 253/254,718/729 , GIDC, Industrial area, Waghodia Dist. Baroda	SBI and IDBI For Working Capital	---
VII	Present and future Movable and immovable Assets located at Plot F-140,F-141 and F-142, RIICO Industrial area, Alwar, Rajasthan	SBI and IDBI For Working Capital	---
VIII	Present and future Movable and immovable Assets located at Plot No. 23/24 at Hosur, Tamilnadu.	SBI and IDBI For Working Capital	---
IX	Hypothecation of all the current assets of the company	SBI and IDBI For Working Capital	---

F) All the term loans and working capital borrowing are further collaterally secured by personal guarantee of Chairman and Managing Director and Whole Time Director of the Company.

#### 2. Contingent Liabilities :

(₹ IN LACS)

SR. NO.	PARTICULARS	March 31, 2011	March 31, 2010
I	Demand of Sales Tax disputed in appeal.	8.59	6.34
II	Claims from Excise authorities not acknowledged as debt.	148.68	147.68
III	Demand of Income Tax disputed in appeal.	168.24	51.48

3. A) Estimated amount of contracts (net of advances ₹1233.76 lacs) remaining to be executed on capital account, not provided for amounting to ₹ 1193.88 lacs (Previous year ₹ 604.11 lacs).

B) Company has given guarantee of ₹ 1250.00 Lacs on behalf of subsidiary company.

4. Sundry Debtors includes amount of ₹ 89.30 Lacs (Previous Year ₹ 37.78 Lacs) recoverable from a Subsidiary.





### Schedule T-Statement of Significant Accounting Policies (Contd...)

5. In the opinion of the management, the current assets, loans and advances are stated at a value, which is realizable in the ordinary course of business and provision is made for all known material liabilities.
6. Due to Micro Small and Medium Enterprises:  
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 Lacs)

SR. NO.	PARTICULARS	March 31, 2011	March 31, 2010
1	Principal Amount due and remaining unpaid	167.94	87.89
2	Interest due on (1) above and unpaid interest	-	-
3	Interest paid on all delayed payments under MSMED Act,2006	1.77	4.32
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

7. Auditors remuneration:

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
Audit Fees	4.41	4.41
In other capacity	1.12	0.70
Out of Pocket Expenses	0.26	0.15

8. A) Managerial Remuneration under Section 198 of the Companies Act, 1956 paid or payable during the year, to the Directors:

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
Salaries, Commission and Allowances	132.70	80.05
Contribution to P. F.	11.30	7.83
<b>Total</b>	<b>144.00</b>	<b>87.88</b>

- B) Computation of net profit in accordance with Section 349 of the Companies Act, 1956.

(₹ IN LACS)

Particulars	March 31, 2011
<b>Profit before Tax</b>	<b>921.08</b>
<b>Add:</b>	
Depreciation and Amortization as per Accounts	533.30
Loss on sale of Fixed Assets	21.30
Provision for Bad debts	50.36
Managerial remuneration	144.01
<b>Total (a)</b>	<b>1,670.05</b>
<b>Less:</b>	
Profit on sale of Fixed Assets	1.67
Bad debts written off	3.31
Depreciation and Amortization as per Companies Act, 1956.	533.30
<b>Total (b)</b>	<b>538.28</b>
Net profit = (a)-(b)	1,131.77
Commission to Chairman and Managing Director, Managing Director, Joint Managing Director and Whole-time directors as per the terms of appointment.	36.22
Commission restricted to within the overall limit of remuneration approved.	24.72

Note: Computation of profit for previous year is not given as no commission was paid to Managerial personnel in the previous year.

## Schedule T-Statement of Significant Accounting Policies (Contd...)

### 9. Licensed and Installed Capacity.

- A) Licensed: License is not required under the Industries (Development & Regulation) Act.  
B) Installed:

Particulars	Unit	March 31, 2011	March 31, 2010
1. Dry Ground Minerals	MT	83,500*	80,500*
2. Wet Ground Minerals China Clay Hydrous/ Refined and Calcined	MT	43,200**	33,600**
3. Specialty Chemicals	MT	19,500	7,500

Installed capacity being technical matter is taken as per certificate of Chairman and Managing director and not verified by the auditors.

\* Capacity is variable depending upon the Micron size.

\*\* Capacity is stated on the basis of Technical Report.

- C) Particulars in respect of goods manufactured/traded

(₹ IN LACS)

Particulars	Dry Ground Minerals		Wet Ground Minerals		Others	
	Qty MT	Value	Qty MT	Value	Qty MT	Value
Opening Stock	6,341	363.67	9522	578.30	266	27.96
	(9,814)	(485.30)	(5,152)	(234.55)	(2,838)	(21.46)
Production	2,59,640		33192		3,940	
	(2,08,434)		(28,941)		(4,964)	
Purchase for resale (inter divisional)	6,270		194		56	
	(4,790)					
Sales*	2,61,342	17,937.04	27,288	4,573.79	3,824	1,561.55
	(2,01,569)	(12,784.64)	(22,999)	(3,814.97)	(3,615)	(1,399.52)
Inter Divisional Sales	4,402		2,004		115	
	(15,128)		(1,572)		(3,920)	
Closing Stock	6,507	415.39	13,617	223.94	323	40.52
	(6,341)	(363.67)	(9,522)	(578.30)	(266)	(27.96)

Note: Figures in bracket relate to previous period.

\* Sales quantity includes sales of out sourced materials.

### 10. Particulars of Raw Materials Consumed.

(₹ IN LACS)

Particulars	Unit	MARCH 31, 2011		MARCH 31, 2010	
		Qty.*	Value	Qty*	Value
Dry Minerals	MT	2,53,998.4	11,110.09	2,34,453	6,519.92
Wet Minerals	MT	79,521.49	1,056.40	75,778	1,280.52
Others		–	945.16	–	1,163.49
<b>Total</b>			<b>13,111.65</b>		<b>8,963.93</b>

\*Consumption includes inter divisional transfers of 8,813 MT in dry and 51 MT in wet process Previous year 20,451 MT in dry and 3,944 MT in wet process.



Schedule T-Statement of Significant Accounting Policies (Contd...)

11. Value of imported and indigenous material consumed

(₹ IN LACS)

Particulars		MARCH 31, 2011		MARCH 31, 2010	
		Value (In ₹)	%	Value (In ₹)	%
Raw Material	Imported	3,779.07	28.82	1,421.21	15.85
	Indigenous	9,332.58	71.18	7,542.72	84.15
	<b>Total</b>	<b>13,111.65</b>	<b>100.00</b>	<b>8,963.93</b>	<b>100.00</b>
Machinery Spares #	Imported	15.26	4.28	14.81	4.52
	Indigenous	340.95	95.72	317.45	95.48
	<b>Total</b>	<b>356.21</b>	<b>100.00</b>	<b>332.26</b>	<b>100.00</b>

# Also includes spares consumed for repairs.

12. Value of imports on C.I.F basis in respect of

(₹ IN LACS)

Particulars	MARCH 31, 2011	MARCH 31, 2010
Raw Material & Its Freight	2,802.68	514.28
Machinery Spares	15.26	14.81
Capital goods	15.50	-

13. Expenditure in foreign currency

(₹ IN LACS)

Particulars	MARCH 31, 2011	MARCH 31, 2010
Travelling	7.79	3.13
Sales Commission	23.80	12.27
Other Matters	2.37	41.43

14. Earnings in foreign currency

(₹ IN LACS)

Particulars	MARCH 31, 2011	MARCH 31, 2010
FOB Value of Exports	1,914.47	1,720.12

15. Gratuity

The following table sets out the status of the gratuity plan as required under Accounting Standard AS 15 Employee Benefit (Revised 2005) and the reconciliation of opening balances of the present value of the defined benefit obligation.

A) Changes in Present Value of Obligations

(₹ IN LACS)

Particulars	March 31, 2011	March 31, 2010
Present Value of Obligation as at the beginning of the year	166.76	118.46
Interest Cost	13.34	9.48
Current Service Cost	13.50	16.32
Actuarial (gain) / Loss on obligations	28.93	24.96
Benefits paid	(25.54)	(2.46)
Present value of Obligation as at the end of the year	196.99	166.76

## Schedule T-Statement of Significant Accounting Policies (Contd...)

### B) Changes in the Fair Value of Plan Assets

(₹ IN LACS)

Particulars	March 31,2011	March 31,2010
Fair Value of Plan Assets at the beginning of the year	156.14	70.98
Expected Return on Plan Assets	15.31	9.64
Contributions	53.56	74.69
Actuarial Gain / (loss) on Plan Assets	(1.92)	3.13
Benefit paid	(25.54)	(2.30)
Fair Value of Plan Assets at the end of the year	197.55	156.14

### C) The amount recognized in balance sheet

(₹ IN LACS)

Particulars	March 31,2011	March 31,2010
Present Value of Obligations as at the end of the year	196.99	166.76
Fair value of plan Assets as at the end of the year	197.55	156.14
Net Asset / ( Liability) recognized in Balance sheet	0.56	(10.62)

### D) Amount recognized in the Profit and loss account

(₹ IN LACS)

Particulars	March 31,2011	March 31,2010
Current Service Cost	13.50	16.32
Interest Cost	13.34	9.47
Expected Return on Plan Assets	(15.31)	(9.64)
Net actuarial (gain) / loss recognized in the year	30.85	21.82
Expenses Recognized in the statement of Profit & Loss	42.38	37.98

This amount is disclosed in Schedule 'O' payment to and provision for employees.

### E) Assumptions

(₹ IN LACS)

Particulars	March 31,2011	March 31,2010
Discount Rate	8.25%	8.00%
Rate of increase in Compensation Levels	5.50%	5.50%
Rate of Return on Plan Assets	9.00%	9.00%

- Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with tenure similar to the expected working lifetime of the employee.
- Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.
- This assumption is based on interest rates declared by SBI life insurance co.ltd. on gratuity funds.

### 16. Leases

- A) The Company has obtained several premises for its business operations under lease and license agreements. These are generally not non-cancelable lease and are renewable on mutual consent on mutually agreeable terms. Lease payments are recognized in the profit and loss account as rent expenses. The company has taken on finance lease an office building, having aggregate cost of ₹ 75.20 lacs.
- B) The Company has given land and building on operating lease for period ranging from 11 months to 60 months. During the year, the company has also given plant and machinery on operating lease and has recognized the lease rent on both assets in the profit and loss account amounting to ₹ 22.80 lacs (Previous Year ₹ 14.10 lacs)



## Schedule T-Statement of Significant Accounting Policies (Contd...)

17. Related party disclosures as required under the Accounting Standard AS – 18 on 'Related Party Disclosures' as notified by The Companies (Accounting Standards) Rules, 2006 are given below:

(A) List of related parties:

- (i) Enterprises where control exists: (subsidiaries)
  - a. 20 Microns SDN BHD
  - b. 20 Microns Nano Minerals Limited
- (ii) Enterprises where significant influence exists:
  - a. Dispersive Minerals and Chemicals India Limited
  - b. Bruno Industrial Products Limited
  - c. Eriez Finance & investment Limited
  - d. Aric Industrial Products Private Limited
  - e. Trio Techno Minerals Private Limited
  - f. Nanotech Minerals India Private Limited
  - g. Ultra Minchem Equipments Private Limited
  - h. 20 Microns Foundation Trust
  - i. 20 Microns ESOS Trust
- (iii) Key Management Personnel
  - a. Shri C S Parikh - Chairman and Managing Director
  - b. Shri S R Parikh - Whole Time Director
  - c. Shri R C Parikh - Managing Director
  - d. Shri A C Parikh - Jt. Managing Director
- (iv) Relatives of Key Management Personnel:
  - a. Mrs. I C Parikh - Wife of Shri C S Parikh
  - b. Shri L R Parikh - Brother of Shri Sudhir Parikh
  - c. Mrs. D S Parikh - Wife of Shri Sudhir Parikh
  - d. Mrs. S R Parikh - Wife of Shri Rajesh C Parikh

(B) Disclosures required for related parties transaction:  
Transactions during the year:

(₹ IN LACS)

Description	Enterprises where control exists		Enterprises where significant influence exists		Key Management Personnel		Relatives of Key Management Personnel	
	March 31 2011	March 31 2010	March 31 2011	March 31 2010	March 31 2011	March 31 2010	March 31 2011	March 31 2010
Sales	504.85	36.54	25.76	414.12	-	-	-	-
Sales Of Fixed Assets	16.66	257.25	-	15.23	-	-	-	-
Rendering of Services	104.00	2.87	19.14	51.40	-	-	-	-
Rent Paid	0.42	0.04	-	0.10	-	-	-	-
Rent Received	17.29	3.42	-	10.68	-	-	-	-
Service received	2.19	-	-	-	-	-	-	-
Interest received on loan given	-	-	-	13.76	-	-	-	-
Advance Given	-	-	3.00	88.24	-	-	-	-
Purchase	991.90	113.00	78.80	399.79	-	-	-	-
Purchase Of Fixed Assets	23.16	-	237.95	-	-	-	-	-
Acquisition of process know how	-	-	12.40	27.57	-	-	-	-
Loan Repaid	-	-	-	170.00	-	-	-	-
Share Application Money	26.93	14.50	-	-	-	-	-	-
Share Application Money Refunded	14.50	-	-	-	-	-	-	-
Advance received	-	-	-	12.50	-	-	-	-
Brokerage , OPE and Professional fees paid	-	-	31.28	8.29	-	-	-	-
Investment in shares	-	628.94	-	-	-	-	-	-
Donation	-	-	-	3.98	5.50	-	-	-
Deposit Repayment	-	-	-	-	-	2.50	0.70	-
Deposit Received	-	-	-	-	-	-	2.00	23.80
Interest Paid on Deposit	-	-	-	-	0.54	0.74	6.80	5.84
Remuneration Paid *	-	-	-	-	*	*	8.20	8.41

\* Particulars of Remuneration paid are given in Note No.8 above

## Schedule T-Statement of Significant Accounting Policies (Contd...)

Balances at the end of the year:

(₹ IN LACS)

Description	Enterprises where control exists		Enterprises where significant influence exists		Key Management Personnel		Relatives of Key Management Personnel	
	March 31 2011	March 31 2010	March 31 2011	March 31 2010	March 31 2011	March 31 2010	March 31 2011	March 31 2010
Debtors	72.64	37.78	-	64.53	-	-	-	-
Loan & Advances Given	-	-	15.62	88.24	-	-	-	-
Trust	-	-	7.14	-	-	-	-	-
Assets sold	16.66	-	-	-	-	-	-	-
Assets purchase	(23.16)	-	-	-	-	-	-	-
Acquisition of process know how	-	-	-	27.57	-	-	-	-
Purchases	(61.19)	-	(19.32)	-	-	-	-	-
Share Application Money	12.43	14.50	-	-	-	-	-	-
Brokerage	-	-	-	1.13	-	-	-	-
Deposits	-	-	-	-	4.00	4.65	51.50	50.85

Disclosure in Respect of Material Related Party Transactions during the year:

(₹ IN LACS)

Particulars	March 31, 2011	March 31, 2010
<b>Sales</b>		
20 Microns Nano Minerals Limited	504.85	425.92
<b>Sales of Fixed Assets</b>		
20 Microns Nano Minerals Limited	16.66	260.95
<b>Rendering of services</b>		
20 Microns Nano Minerals Limited	104.00	34.47
Dispersive Minerals and Chemicals India Limited	19.14	19.80
<b>Rent paid</b>		
20 Microns Nano Minerals Limited	0.42	0.14
<b>Rent received</b>		
20 Microns Nano Minerals Limited	17.29	14.10
<b>Advance given</b>		
Bruno Industrial Products Limited	3.00	-
Dispersive Minerals and Chemicals India Limited	-	88.24
<b>Purchase</b>		
20 Microns Nano Minerals Limited	991.90	469.67
<b>Purchase of Fixed Assets</b>		
Dispersive Minerals and Chemicals India Limited	237.95	-
20 Microns Nano Minerals Limited	23.16	-
<b>Acquisition of Process know-how</b>		
Dispersive Minerals and Chemicals India Limited	12.40	27.57
<b>Share application money refunded</b>		
20 Microns SDN BHD	14.50	-
<b>Brokerage, OPE and professional fees paid</b>		
Eriez Finance & Investment Limited	31.27	8.29
<b>Donation given</b>		
20 Microns Foundation trust	2.05	5.50
20 Microns ESOS Trust	1.93	-



Schedule T-Statement of Significant Accounting Policies (Contd...)

Disclosure in Respect of Material Related Party Transactions during the year (Contd.):

	(₹ IN LACS)	
	March 31, 2011	March 31, 2010
<b>Deposit repayment to Key Management Personnel/ Relatives of Key Management Personnel</b>		
Shri C S Parikh	-	2.50
Mrs. D S Parikh	0.20	-
Mrs. S R Parikh	0.50	-
<b>Deposit received from Relatives of Key Management Personnel</b>		
Mrs. D S Parikh	2.00	1.65
Mrs. S R Parikh	-	1.00
Mrs. I C Parikh	-	21.00
<b>Remuneration to Key Management Personnel/ Relatives of Key Management Personnel</b>		
Shri C S Parikh	42.00	28.98
Shri S R Parikh	36.00	19.97
Shri R C Parikh	36.00	19.97
Shri A C Parikh	30.00	18.96
Shri L R Parikh	5.97	5.97
Mrs. D S Parikh	2.23	2.43

18. The deferred tax liability comprise of the following:

Particulars	(₹ IN LACS)		
	As on March 31, 2010	Change during the year	As on March 31, 2011
Deferred Tax Liability (DTL)			
Product Development Expenses	24.25	(2.63)	21.62
Provision for Gratuity liability	3.21	3.72	6.93
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 1956	979.98	87.22	1,067.20
Total (a)	1,007.44	88.31	1,781.82
Deferred Tax Assets (DTA)			
Unabsorbed losses and Depreciation	-	-	-
Disallowances u/s 40 (a)(ia)	0.39	-	0.39
Disallowances u/s 43 B	8.04	1.43	9.47
VRS Expenses u/s 35DDA	-	10.47	10.47
Bad and Doubtful Debts	11.35	16.13	27.48
Total (b)	19.78	28.03	47.81
Net Deferred Tax (a)-(b)	987.66	60.28	1,047.94

19. Calculation of Basic and Diluted earnings per share:

Particulars	(₹ IN LACS)	
	March 31, 2011	March 31, 2010
Profit attributable to Shareholders (₹ in Lacs)	550.19	729.74
Weighted average no. of Equity shares outstanding during the year	1,43,31,028	1,42,76,977
Nominal Value of Equity Shares (₹)	₹ 10/-	₹ 10/-
Basic earning per share (₹)	3.84	5.11

## Schedule T-Statement of Significant Accounting Policies (Contd...)

20. A) The Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Company's overall strategy. The Company does not use forward covers for speculative purposes.  
 B) Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.  
 C) The outstanding forward contracts as at March 31, 2011 is ₹ 1564.94 Lacs (Previous Year ₹ 3412.73 Lacs) in respect of hedging forward cover.
21. The Company operates only in one business segment i.e. Industrial Minerals. In view of this, no separate Disclosure is required under AS -17.
22. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to make them comparable with those of current year.

Signatures to the Schedules "A" to "T"  
 As per our audit report attached

For Manubhai & Co.  
 Chartered Accountants  
 Firm Registration No. 106041W

For and on behalf of Board of Directors

G. R. Parmar  
 Partner  
 M.No. 121462

Chandresh S Parikh  
 Chairman and  
 Managing Director

Rajesh Parikh  
 Managing Director

NJ Savalia  
 Secretary

P.M. Shah  
 Director

Date: 19th May, 2011  
 Place: Waghodia, Vadodara.

Date: 19th May, 2011  
 Place: Waghodia, Vadodara





## Balance Sheet Abstract And Company's General Business Profile

### 1. REGISTRATION DETAILS

Registration No.	9768	State Code-04
Balance Sheet Date	MARCH 31, 2011	

### 2. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ THOUSANDS)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

### 3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ THOUSANDS)

TOTAL LIABILITIES	15,97,238	TOTAL ASSETS	15,97,238
SOURCE OF FUNDS		APPLICATION OF FUNDS	
Paid up Capital	1,43,310	Net Fixed Assets	7,60,369
Secured Loans	9,01,345	Net Current Assets	7,64,941
Reserves & Surplus	3,02,722	Investments	71,928
Unsecured Loans	1,45,067		
Deffered Tax Liability	1,04,794		

### 4. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSANDS)

Turnover	23,45,103	Total Expenditure	22,49,054
Profit before Tax	96,050	Profit after Tax	55,019
Earning per Share (In ₹ Annualised)	3.84	Dividend rate %	15%

### 5. GENERIC NAMES OF FOUR PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	2,52,620
Product Description	Micronised Talc Powder
Item Code No. (ITC Code)	2,53,09,003
Product Description	Micronised Calcite Powder

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## AUDITORS' REPORT

To,  
The Board of Directors,  
20 MICRONS LIMITED

We have audited the attached consolidated balance sheet of 20 Microns Limited (the Company) and its subsidiaries (collectively referred to as 'the Group') as at 31st March 2011, and the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiaries, whose financial statements reflect (before giving effect to the consolidation adjustments) total assets of ₹ 2408.44 Lacs as at 31st March 2011, total revenue of ₹ 3,759.32 Lacs and cash flows amounting to ₹295.90 Lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of reports of other Auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2011;
- (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date;
- (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

**For Manubhai & Co.**  
Chartered Accountants  
Firm Registration No. 106041W

Place: Waghodia, Vadodara  
Date: May 19, 2011

**(G. R. Parmar)**  
Partner  
Membership No.: 121462

## CONSOLIDATED BALANCE SHEET AS ON MARCH 31ST, 2011

(₹ IN LACS)

PARTICULARS	SCHEDULE	AS ON March 31st, 2011	AS ON March 31st, 2010
<b>SOURCES OF FUNDS :</b>			
<b>1. SHARE HOLDERS FUND</b>			
a) Share Capital	A	1,433.10	1,433.10
b) Reserves and Surplus	B	2,970.15	2,567.51
c) Capital Reserve on Consolidation		48.88	46.74
		<b>4,452.14</b>	<b>4,047.36</b>
<b>2. MINORITY INTEREST</b>			
		8.15	7.74
<b>3. LOAN FUNDS</b>			
a) Secured Loans	C	10,504.35	7,445.15
b) Unsecured Loans	D	1,531.01	1,290.05
		<b>12,035.36</b>	<b>8,735.20</b>
<b>4. DEFERRED TAX LIABILITY (NET)</b>			
		1,097.44	1,007.66
<b>TOTAL</b>		<b>17,593.08</b>	<b>13,797.96</b>
<b>APPLICATION OF FUNDS :</b>			
<b>1. FIXED ASSETS</b>			
a) Gross Block	E	11,686.06	9,903.97
b) Less : Depreciation and Amortisation		3,869.72	3,370.36
c) Net Block		7,816.34	6,533.61
Capital Work - in -process		478.77	586.80
		<b>8,295.12</b>	<b>7,120.41</b>
<b>2. INVESTMENTS</b>			
	F	69.12	69.12
<b>3. CURRENT ASSETS, LOANS AND ADVANCES</b>			
a) Inventories	G	4,308.88	3,538.96
b) Sundry Debtors		4,403.77	3,096.00
c) Cash & Bank Balance		1,150.64	737.53
d) Other Current assets		208.93	423.56
e) Loans & Advances		2,840.07	1,069.16
		<b>12,912.28</b>	<b>8,865.20</b>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
a) Current Liabilities	H	3,436.93	2,081.94
b) Provisions	I	252.91	182.83
		<b>3,689.84</b>	<b>2,264.77</b>
<b>NET CURRENT ASSETS</b>			
		<b>9,222.44</b>	<b>6,600.43</b>
<b>4. MISCELLANEOUS EXPENDITURE</b>			
(To the extent of not written off or adjusted)		6.40	8.00
<b>TOTAL</b>		<b>17,593.08</b>	<b>13,797.96</b>

Statement of Significant Accounting Policies  
Notes on Accounts  
As per our audit report attached

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For Manubhai & Co.  
Chartered Accountants  
Firm Registration No. 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
M.No. 121462

Chandresh S Parikh  
Chairman and  
Managing Director

Rajesh Parikh  
Managing Director

N.J. Savalia  
Secretary

P.M. Shah  
Director

Date: 19th May, 2011  
Place: Waghodia, Vadodara.

Date: 19th May, 2011  
Place: Waghodia, Vadodara



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31ST, 2011

(₹ IN LACS)

SCHEDULE		FOR THE YEAR ENDED ON March 31st, 2011	FOR THE YEAR ENDED ON March 31st, 2010
<b>INCOME :</b>			
Sales (Gross)	J	26,215.92	18,778.45
Less: - Excise Duty		593.96	754.93
Net Sales		25,621.96	18,023.52
Other Income	K	220.40	186.32
Increase/(Decrease) in Stock of Finished Goods	L	-183.03	183.48
<b>TOTAL</b>		<b>25,659.34</b>	<b>18,393.33</b>
<b>EXPENDITURE :</b>			
Cost of Materials	M	13,439.07	9,176.57
Manufacturing Expenses	N	2,432.65	2,128.71
Payment to and Provision for Employees	O	2,019.62	1,652.46
Administrative and Other Expenses	P	673.74	486.59
Selling and Distribution Expenses	Q	4,205.52	2,730.83
Research & Development Expenses		47.10	25.19
<b>TOTAL</b>		<b>22,817.70</b>	<b>16,200.36</b>
<b>PROFIT BEFORE DEPERECIATION, INTEREST, TAX AND EXCEPTIONAL ITEM</b>		<b>2,841.64</b>	<b>2,192.97</b>
Interest and finance expenses	R	1,131.88	809.56
Depreciation and Amortisation		581.76	480.53
		<b>1,713.64</b>	<b>1,290.08</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEM</b>		<b>1,128.00</b>	<b>902.89</b>
<b>Less:</b>			
Exceptional Item		39.42	-
<b>PROFIT BEFORE TAX</b>		<b>1,088.58</b>	<b>902.89</b>
<b>Less:</b>			
Current Tax		278.29	176.25
Less: MAT Credit Entitlement		0.0	176.25
		<b>278.29</b>	<b>-</b>
Wealth Tax		0.40	0.75
MAT Credit adjustment of earlier years		60.82	-
Income Tax adjustment of earlier years		9.58	5.12
Adjustment for Deferred Tax Debit		89.89	298.28
<b>PROFIT AFTER TAX (BEFORE ADJUSTMENT OF MINORITY INTEREST)</b>		<b>649.60</b>	<b>598.74</b>
Less: Share of Profit transferred to Minority Interest		.41	.12
<b>NET PROFIT</b>		<b>649.19</b>	<b>598.62</b>
<b>BALANCE OF PROFIT AS PER LAST BALANCE SHEET</b>		<b>797.03</b>	<b>365.53</b>
<b>BALANCE AVAILABLE FOR APPROPRIATIONS</b>		<b>1,446.22</b>	<b>964.15</b>
<b>APPROPRIATIONS</b>			
General Reserve		27.51	
Proposed Dividend on Equity Shares		214.97	143.31
Tax On Proposed Dividend		34.87	23.80
<b>BALANCE OF PROFIT CARRIED TO BALANCE SHEET</b>		<b>1,168.88</b>	<b>797.03</b>

Statement of Significant Accounting Policies

S

Notes on Accounts

T

As per our audit report attached

For Manubhai & Co.

For and on behalf of Board of Directors

Chartered Accountants

Firm Registration No. 106041W

G. R. Parmar  
Partner  
M.No. 121462  
Date: 19th May, 2011  
Place: Waghodia, Vadodara.

Chandresh S Parikh  
Chairman and  
Managing Director  
Date: 19th May, 2011  
Place: Waghodia, Vadodara

Rajesh Parikh  
Managing Director

N J Savalia  
Secretary

P.M. Shah  
Director

## Consolidated Cash Flow Statement For The Year Ended On March 31, 2011

(₹ in Lacs)

PARTICULARS	MARCH 31, 2011		MARCH 31, 2010	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit before tax and extra ordinary items	1,088.58		902.89	
<b>Adjusted for :</b>				
Depreciation and Amortisation	581.76		501.82	
Gratuity Provision	42.72		37.98	
Bad debts written off (Net of write back)	(10.12)		42.52	
Provision for Doubtful Debts	48.04		45.18	
Sundry balance written-off (Net)	(17.54)		(9.43)	
Exchange difference arise on consolidation	(2.61)		1.24	
(Profit) on Sale of Assets	(44.00)		(142.83)	
Loss on sale / discard of assets	21.30		29.43	
Dividend Income	(0.6)		(1.59)	
Interest Received on loan	-		(15.86)	
Interest Received on bank deposits	(60.12)		(31.67)	
Interest Paid	993.06		798.24	
Share Issue Expenses Written Off	1.60		-	
Adjustments for Consolidation	2.14		171.24	
Exchange Rate Variation (Net)	(50.41)		(72.95)	
Forward Premium	138.82		30.30	
<b>Operating Profit before working capital changes</b>		<b>2,733.17</b>		<b>2,286.51</b>
Adjusted for				
Increase / (Decrease) in Trade Payable	1170.32	-	205.64	
(Increase) / Decrease in Trade and receivables	(1,345.70)		(781.50)	
(Increase) / Decrease in Loans and Advances	(1,807.31)		257.97	
(Increase) / Decrease in Other Current Assets	98.02		(57.52)	
(Increase) / Decrease in Inventories	(769.92)		(1,521.89)	
<b>Cash Generated from Operation</b>		<b>78.57</b>		<b>389.21</b>
Direct Taxes paid	191.18		175.81	
<b>Net Cash Inflow / (Outflow) in the course of Operating Activities</b>		<b>(112.61)</b>		<b>213.39</b>
<b>B. Cash Flow from Investing Activities</b>				
Sale of Fixed Assets	255.68		23.27	
Purchase of Fixed Assets (Including Capital Work In Progress)	(1,989.45)		(1,833.66)	
Investment -	-		(0.23)	
Receipt from other Investment	-		0.20	
Dividend Income	0.06		1.59	
Interest Received on Bank Deposits	60.12		31.67	
<b>Net cash used for investing activities</b>		<b>(1,673.59)</b>		<b>(1,777.16)</b>
<b>C. Cash Flow from Financing Activities</b>				
Borrowings (Net) Long Term	1,356.07		1,579.67	
Borrowings (Net) Short Term	1,944.09		1,292.25	
Interest Paid	(993.06)		(798.24)	
Forward premium	(138.82)		(30.30)	
Proceeds from Issue of Share Capital / Stock Option (Net)	-		1.64	
Share Application Money Received	14.50		-	
Share Application Money Repaid	(12.24)		(78.41)	
Share premium received	-		15.30	
Unsecured Loan	-		(184.31)	
Share Issue Expenses	-		(8.00)	
<b>Net Cash Inflow/(outflow) in the course of financing activities</b>		<b>2,170.53</b>		<b>1,789.60</b>



Consolidated Cash Flow Statement For The Year Ended On March 31, 2011 (Contd.)

(₹ in Lacs)

PARTICULARS	MARCH 31, 2011		MARCH 31, 2010	
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>384.34</b>		<b>225.83</b>
Cash and cash equivalents - opening balance	737.04		503.54	
Add: Upon addition of New Subsidiaries	-	737.04	7.66	511.20
<b>Cash and cash equivalents - closing balance</b>		<b>1,121.38</b>		<b>737.04</b>

**Notes:**

1) Opening and Closing balance of Cash and Cash equivalents consists of following:

Particulars	MARCH 31, 2011	MARCH 31, 2010
Cash and Bank Balance	1,150.64	737.53
Less: Due to Bank in Current Account	29.26	0.49
Cash and Cash Equivalents	1,121.38	737.04

2) Cash and Cash equivalents - Closing Balance includes ₹ 320.86 Lacs (Previous Year ₹ 112.29 Lacs) held as deposits with banks.

3) Capital Expenditure includes and Interest Paid Excludes ₹ 61.54 Lacs (Previous Year ₹ 29.50 Lacs) of Interest Capitalised.

4) Bank Overdraft and other short term loans have been treated as part of financing activities.

5) Previous years figures have been re grouped wherever necessary.

As per our audit report attached

For Manubhai & Co.  
Chartered Accountants  
Firm Registration No. 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
M.No. 121462

Chandresh S Parikh  
Chairman and  
Managing Director

Rajesh Parikh  
Managing Director

N J Savalia  
Secretary

P.M. Shah  
Director

Date: 19th May, 2011  
Place: Waghodia, Vadodara.

Date: 19th May, 2011  
Place: Waghodia, Vadodara

## SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS

PARTICULARS	AS ON	AS ON
	March 31st , 2011	March 31st , 2010
<b>SCHEDULE -A</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>	2,000.00	2,000.00
₹2,00,00,000 Equity Shares of ₹ 10/- each (Previous Year 2,00,00,000 Equity Shares)		
<b>ISSUED SUBSCRIBED AND PAID UP</b>	1,433.10	1,433.10
1,43,31,028 Equity Shares of ₹ 10/- each fully paid up (Previous Year 1,43,31,028 Equity Shares)		
<b>TOTAL</b>	<b>1,433.10</b>	<b>1,433.10</b>
<b>SCHEDULE-B</b>		
<b>RESERVES AND SURPLUS</b>		
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	12.17	8.19
Outstanding ( on lapse of the Option)	-	3.98
Add :Transferred from Profit and Loss Account	27.51	
	<b>39.68</b>	<b>12.17</b>
<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>		
(Exchange differences during the year on net investment in non-integral operations)		
As per last Balance Sheet	(3.24)	(4.49)
Add/(Less): Change during the year	3.29	1.24
	<b>.04</b>	<b>(3.24)</b>
<b>SHARE PREMIUM</b>		
As per last Balance Sheet	1,761.55	1,750.23
Add: Proceeds from public offer/Employee Stock Option Scheme	-	11.32
	<b>1,761.55</b>	<b>1,761.55</b>
Balance in Profit and Loss account	1,168.88	797.03
<b>TOTAL</b>	<b>2,970.15</b>	<b>2,567.51</b>





Schedule Annexed to And Forming Part of Consolidated Accounts(Contd...)

(₹ IN LACS)

PARTICULARS	AS ON	
	March 31st, 2011	March 31st, 2010
<b>SCHEDULE-C</b>		
<b>SECURED LOANS</b>		
Term Loans from:		
financial institution	113.40	370.10
banks	3,982.52	2,706.54
	<b>4,095.92</b>	<b>3,076.64</b>
Working Capital Finance From bank		
	6,214.27	4,270.18
	6,214.27	4,270.18
Deferred Payment Credits against assets	194.15	98.33
<b>TOTAL</b>	<b>10,504.35</b>	<b>7,445.15</b>
<b>SCHEDULE-D</b>		
<b>UNSECURED LOANS</b>		
Fixed Deposits		
From Directors	12.71	12.71
From Others	1,398.58	1,127.09
	<b>1,411.29</b>	<b>1,139.80</b>
Trade Deposits	3.75	3.30
Sales Tax Loan under Sales tax incentive scheme	115.97	146.96
<b>TOTAL</b>	<b>1,531.01</b>	<b>1,290.05</b>

**SCHEDULE - E**  
**FIXED ASSETS**

(₹ IN LACS)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION BLOCK					NET BLOCK	
	As On 01/04/10	Additions During Year	On Sale/ Adjustments	As On 31/3/11	Upto 01/04/10	Provided During Year	On Sale Adjustments	Up to 31/3/11	As On 31/3/11	As On 31/3/10
<b>(A) Tangible Assets</b>										
Freehold Land	62.36	144.94	-	207.30	-	4.03	-	4.04	203.26	62.36
Leasehold Land	75.07	59.08	-	134.15	46.91	3.51	-	50.42	83.73	28.16
Office Building	125.13	73.68	-	198.81	21.76	2.67	-	24.43	174.38	103.37
Leasehold Office Building	-	75.20	-	75.20	-	0.30	-	0.30	74.90	-
Factory Buidling	1,234.74	154.00	-	1,388.73	302.70	38.69	-	341.39	1047.34	932.04
Plant and Machinery	7,540.93	1,118.47	(206.15)	8,453.26	2,681.59	416.42	(28.88)	3,069.13	5,384.04	4,859.34
Vehicles	313.55	186.50	(107.68)	392.37	87.35	32.68	(52.94)	67.10	325.27	226.19
Furniture and Office Equipments	270.71	175.39	(1.56)	444.54	151.28	21.95	(.58)	172.64	271.89	119.43
					0.0					
<b>(B) Intangible Assets</b>								0.0		
Product Development	105.00	13.79	-	118.79	32.00	21.68	-	53.68	65.11	73.00
Computer Software	91.65	74.80	-	166.45	12.83	18.53	-	31.36	135.09	78.82
Process Know How	84.84	20.78	-	105.62	33.94	21.12	-	55.06	50.56	50.90
Website Development Charges	0.0	0.85	-	.85	0.0	0.17	-	0.17	0.68	0.0
<b>TOTAL</b>	<b>9,903.97</b>	<b>2,097.48</b>	<b>(315.38)</b>	<b>11,686.06</b>	<b>3,370.36</b>	<b>581.76</b>	<b>(82.40)</b>	<b>3,869.72</b>	<b>7,816.25</b>	<b>6,533.61</b>
Previous Year's As At 31-03-2010	8,114.34	1,952.57	(162.95)	9,903.97	2,964.15	522.18	(115.97)	3,370.36	6,533.61	-

## Schedule Annexed to And Forming Part of Consolidated Accounts(Contd...)

(₹ IN LACS)

PARTICULARS	AS ON March 31st , 2011	AS ON March 31st , 2010
<b>SCHEDULE-F</b>		
<b>INVESTMENTS</b>		
Long Term - Unquoted		
(I) In shares of		
60,000 Preference Shares (Previous Year 60,000) - 0.10% fully paid Redeemable Cummulative Convertible Preference Shares of ₹ 100/- each of Eriez Finance and Investment Limited.	60.00	60.00
80,000 Equity Shares (Previous Year 80,000) of Eriez Finance and Investment Limited of ₹ 10 each	8.00	8.00
(ii) - Other securities		
National Saving Certificate (Lodged with Sales tax Authorities)	1.12	1.12
<b>TOTAL</b>	<b>69.12</b>	<b>69.12</b>
<b>SCHEDULE-G</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>INVENTORIES</b>		
Raw Materials (Including In Transit ₹ 208.72 Lacs, Previous Year ₹ Nil)	3225.90	2355.92
Finished Goods	888.96	1071.99
Stores & Spares	194.01	111.05
<b>TOTAL</b>	<b>4308.88</b>	<b>3538.96</b>
<b>SUNDRY DEBTORS</b>		
Debt outstanding for a period exceeding six months		
(a) Considered Good	-	31.38
(b) Considered Doubtful	84.22	45.80
	<b>84.22</b>	<b>77.18</b>
Less: Provision for doubtful debts	84.22	45.80
	-	<b>31.38</b>
Others (Considered Good)	4,403.77	3,064.62
<b>TOTAL</b>	<b>4,403.77</b>	<b>3,096.00</b>
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	2.92	10.67
Balances with Scheduled Banks		
Fixed Deposit Accounts ( Liquid Assets).	140.86	70.00
Fixed Deposit Accounts (Margin money)	180.00	112.29
Current Accounts.	826.86	544.57
(Including Cheques on Hand ₹ Nil (P. Year ₹ 19.82 Lacs))		
<b>TOTAL</b>	<b>1,150.64</b>	<b>737.53</b>



Schedule Annexed to And Forming Part of Consolidated Accounts(Contd...)

(₹ IN LACS)

PARTICULARS	AS ON March 31st , 2011	AS ON March 31st , 2010
<b>OTHER CURRENT ASSETS</b>		
Interest receivable on fixed deposit	0.24	24.33
Insurance Claim receivable	0.75	74.69
MAT Credit Receivable	207.94	324.55
<b>TOTAL</b>	<b>208.93</b>	<b>423.56</b>
<b>LOANS AND ADVANCES</b>		
[ Unsecured, Considered Good ]		
Advances recoverable in cash or kind or for value to be received	958.34	579.45
Deposits	310.18	281.23
Advance Income Tax ( Net of Provisions)	2.51	38.91
Advance for Capital Goods	1,569.04	169.57
<b>TOTAL</b>	<b>2,840.07</b>	<b>1,069.16</b>
<b>SCHEDULE-H</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
Dues to Micro and other Small Enterprises	183.60	87.89
Others	2,865.66	1,760.16
Advances from Customers	75.74	40.52
Due to bank in current account (Bank Overdraft)	29.26	0.49
Interest accrued but not due on deposits	113.42	88.66
Unclaimed Fixed Deposits	0.67	0.40
Unclaimed Dividend	0.44	-
Other Liabilities	168.15	103.83
<b>TOTAL</b>	<b>3,436.93</b>	<b>2,081.94</b>
<b>SCHEDULE - I</b>		
<b>PROVISIONS</b>		
Proposed Dividend	214.96	143.31
Tax on Proposed Dividend	34.88	23.80
Excise and Royalty on finished goods	2.29	3.61
Gratuity	0.78	12.11
<b>TOTAL</b>	<b>252.91</b>	<b>182.83</b>

## Schedule Annexed to And Forming Part of Consolidated Accounts(Contd...)

PARTICULARS	FOR THE YEAR ENDED ON March 31st , 2011	FOR THE YEAR ENDED ON March 31st , 2010
<b>SCHEDULE-J</b>		
<b>SALES</b>		
Domestic	23,550.28	16,716.53
Export	2,665.65	2,061.93
<b>TOTAL</b>	<b>26,215.92</b>	<b>18,778.45</b>
<b>SCHEDULE-K</b>		
<b>OTHER INCOME</b>		
Interest	64.55	52.07
Dividend	.06	1.59
Income tax refund ( including interest)	.21	-
Profit on sales of Assets	44.00	5.72
Export incentive /Foreign exchange Income	50.41	72.17
Bad Debts Recovered/ write back	13.77	3.05
Insurance claims	.54	.15
Rent Received	5.51	10.68
Miscellaneous Income	41.35	40.89
<b>TOTAL</b>	<b>220.40</b>	<b>186.32</b>
<b>SCHEDULE-L</b>		
<b>INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS</b>		
Closing Stock	888.96	1,071.99
Less : Opening Stock	1,071.99	888.50
Increase/(Decrease) in Stock of Finished Goods	(183.03)	183.48
<b>SCHEDULE-M</b>		
<b>COST OF MATERIALS</b>		
Raw Material Consumed		
Opening Stock	2,355.92	1,163.08
Purchases	14,309.05	10,369.41
	<b>16,664.98</b>	<b>11,532.49</b>
Less : Goods in Transit	208.72	-
Less : Closing Stock	3,017.19	2,355.92
Raw Material Consumed	13,439.07	9,176.57



Schedule Annexed to And Forming Part of Consolidated Accounts(Contd...)

(₹ IN LACS)

PARTICULARS	AS ON March 31st , 2011	AS ON March 31st , 2010
<b>SCHEDULE-N</b>		
<b>MANUFACTURING EXPENSES</b>		
Power and Fuel	1,781.67	1,614.98
Factory Expenses and other Manufacturing Expenses	185.55	131.26
Factory & Machinery Rent	68.29	30.93
Stores & Spares Consumed	130.92	20.36
Repairs - Plant & Machinery	260.85	315.1
- Building	5.37	16.10
<b>TOTAL</b>	<b>2,432.65</b>	<b>2,128.71</b>
<b>SCHEDULE-O</b>		
<b>PAYMENT TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, Bonus & Allowance	1,728.54	1,437.59
Contribution to Provident Fund & Others Funds	62.30	61.02
Gratuity	42.72	37.98
Staff Welfare & Amenities	29.61	26.12
Managerial Remuneration	156.45	89.75
<b>TOTAL</b>	<b>2,019.62</b>	<b>1,652.46</b>
<b>SCHEDULE-P</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	28.70	38.70
Rates and Taxes	16.84	16.89
Insurance	21.74	29.90
Post, Telephone & Courier	109.88	87.12
Travelling & Conveyance	146.13	91.80
Vehicle Running & Maintenance	43.88	29.78
Professional Fees	75.70	26.81
Auditors Remuneration	6.67	5.88
Directors sitting fees	2.07	1.55
Donation	24.07	9.34
Loss on sale/ discarded of Assets	21.30	29.43
Miscellaneous Expense	176.76	116.80
Administrative Expenses	-	2.59
<b>TOTAL</b>	<b>673.74</b>	<b>486.59</b>

## Schedule Annexed to And Forming Part of Consolidated Accounts(Contd...)

(₹ IN LACS)

PARTICULARS	AS ON March 31st , 2011	AS ON March 31st , 2010
<b>SCHEDULE-Q</b>		
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
SELLING EXPENSES		
Travelling Expenses	154.54	231.15
Rebate and Discount	123.51	94.88
Sales Commission	34.47	38.17
Bad Debts written off	3.65	45.56
Provision for Bad debts	48.04	45.18
Other Selling Expenses	641.53	357.79
(Includes godown rent ` 134.75 Lacs Pr.Yr. ` 59.69 Lacs)		
	1,005.75	812.74
DISTRIBUTION EXPENSES		
Freight outward- Local sales	2,746.12	1,632.72
Freight outward- Export sales	390.12	234.52
Service Tax	63.53	50.85
	3,199.77	1,918.09
<b>TOTAL</b>	<b>4,205.52</b>	<b>2,730.83</b>
<b>SCHEDULE-R</b>		
<b>INTEREST &amp; FINANCE EXPENSES</b>		
Interest on Term Loans	293.20	211.89
Other Interest	581.16	128.32
Interest on working Capital Loans	169.66	397.21
Bank Commission and Charges	87.87	72.13
<b>TOTAL</b>	<b>1,131.88</b>	<b>809.56</b>



## SCHEDULE S - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

### 1. Principles of Consolidation:

The consolidated Financial Statements include the financial statements of 20 Microns Limited and its subsidiary (The Group). The Consolidated Financial Statements of the group have been prepared in accordance with Accounting Standard AS-21 'Consolidated Financial Statements' as notified under the Companies Accounting Standard Rules, 2006.

Consolidated Financial Statements normally include consolidated balance sheets, consolidated statement of profit and loss, consolidated statement of cash flows and notes to the consolidated financial statements and explanatory statements that form an integral part thereof. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent for its separate financial statements.

The consolidated financial statements have been combined on a line-by-line basis by adding the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balance/transactions and resulting unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated. In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.

### 2. Particulars of Consolidation:

The lists of Subsidiary Companies are as under:

Company	Year End	Country of Incorporation	Proportion of Ownership	
			As on 31st March 2011	As on 31st March 2010
20 Microns SDN BHD (Foreign Subsidiary)	March 31	Malaysia	100%	100%
20 Microns Nano Minerals Limited (Indian Subsidiary)	March 31	India	99.17%	99.17%

### 3. Historical Cost Basis:

The financial statements are prepared under the historical cost convention and in accordance with applicable mandatory accounting standards and relevant presentation requirements of the Companies Act, 1956.

### 4. Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

### 5. Revenue Recognition

- A) All revenue and expenses are recognized on accrual basis.
- B) Export benefits available under the prevalent scheme are accrued in the year in which the goods are exported and are accounted to the extent considered recoverable.

## Schedule S-Statement of Significant Accounting Policies (Contd...)

### 6. Sales

- A) Sales figures are inclusive of Excise duty, and freight in case of landed rates, but are net of sales returns, and rate difference adjustments. Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of products are transferred by the Company.
- B) Domestic sales are accounted on dispatch of products to customers
- C) Export sales are recognized on the dates of export invoice.

### 7. Fixed Assets and Depreciation

#### IN RESPECT OF THE COMPANY AND INDIAN SUBSIDIARY:

- A) Fixed assets include all expenditure of capital nature and stated at cost (net of Cenvate, wherever applicable) less accumulated depreciation.
- B) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- C) In respect of addition and sales of assets during the year, depreciation is provided on prorata basis.
- D) In case of lease hold land, 95 % cost of lease is being amortized over a period of 20 years or the life of the lease whichever is less.
- E) Expenditure on projects pending capitalization is shown under the head 'Capital Work In Progress' which will be capitalized in respective heads of Fixed Assets after commencement of commercial production.
- F) Machinery spares either procured along with plant and machineries or subsequently and whose useful life is expected to be irregular are capitalized and depreciated over residual use life of related plant and machinery.
- G) Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

#### IN RESPECT OF THE FOREIGN SUBSIDIARY:

- H) Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on straight-line basis over the expected useful lives of the plant and equipment concerned.

The principal annual rates used are:

Motor Vehicle	20%
Office equipment	10%

### 8. Impairment of Fixed Assets

- A) Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists an assets recoverable amount is estimated, an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.
- B) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.





## Schedule S-Statement of Significant Accounting Policies (Contd...)

### 9. Inventories

- A) Raw Materials, Stores & Spares and finished goods are valued at cost or net realizable value whichever is lower.
- B) In the case of the Company cost is arrived at on weighted average basis.
- C) In the case of the Indian Subsidiary the basis of determining the value of each class of inventory is as follows:
 

Raw Materials	On First in First basis
Finished Goods	Cost represents material, labour and appropriate proportion of manufacturing expenses and overheads.
Stores, Spares and other consumables	On First in First Out basis.

### 10. Foreign Exchange Transactions:

- A) Transactions of foreign currency are recorded at the exchange rate as applicable at the date of transaction. Monetary items outstanding as on balance sheet date are revalued at exchange rate prevailing on balance sheet date and the gain / loss is recognized in Profit and Loss Account.
- B) The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the Contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

### 11. Investments

- A) Current Investments are carried at the lower of cost and quoted / fair value, computed category wise.
- B) Long-term investments are stated at cost added by directly attributable cost. Provision for diminution in the value of long-term investments is made only if such a decline is of other than temporary in nature in the opinion of the management.

### 12. Employee Benefits

#### IN CASE OF THE COMPANY & INDIAN SUBSIDIARY:

- A) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered service. The expense is recognized at the present value of the amount payable determined using actuarial valuation technique. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.
- B) Long term benefits in the form of provident fund and pension scheme whether in pursuance of any law or otherwise are accounted on accrual basis.
- C) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services is rendered.

## Schedule S-Statement of Significant Accounting Policies (Contd...)

### IN CASE OF THE FOREIGN SUBSIDIARY:

- D) Short term benefits: Wages, salaries, bonuses and social security contributions are recognized as an expense in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognized when services are rendered by employees that increase their entitlement to future compensated absences. Short term non accumulating compensated absences such as sick leave are recognized when the absences occur.
- E) Defined contribution plans: As required by law, companies in Malaysia make contributions to the Employees Provident Fund. Such contributions are recognized as an expense in the income statement as incurred.

### 13. Borrowing Cost

Borrowing costs attributable to the acquisition and construction of assets are capitalized as part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing costs are treated as revenue expenditure.

### 14. Taxes on Income

- A) Tax expense comprise of current and deferred tax.
- B) Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act.
- C) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

### 15. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 16. Intangible Assets

#### IN THE CASE OF THE COMPANY:

- A) Acquired Intangible Assets in the form of 'Process Know How' is recognized at the cost of acquisition and amortized over a period of 5 years, depending on their estimated useful life.
- B) The cost of software purchased including license fee is recognized as intangible assets and will be amortized over a period of 7 years on the basis of estimate of its useful life.

#### IN THE CASE OF INDIAN SUBSIDIARY:

- C) Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any.



## Schedule S-Statement of Significant Accounting Policies (Contd...)

D) Intangible assets are amortized over a period of five years on straight line Method.

### 17. Leases

#### IN THE CASE OF THE COMPANY:

- A) Assets subject to operating leases are included under Fixed Assets or current assets as appropriate. Rent (lease) income is recognized in the Profit & Loss Account on a straight line basis over the life over the lease term. Costs, including depreciation, are recognized as an expense in Profit & Loss account.
- B) Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognised as expenses in the Profit and Loss Account as and when paid.

#### IN THE CASE OF INDIAN SUBSIDIARY:

- C) Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

## SCHEDULE: T

### NOTES TO THE FINANCIAL STATEMENT:

1. The audited financial statement of 20 Microns SDN BHD has been prepared in accordance with Financial Reporting Standard of Malaysia. Differences in accounting policies of the Company and Subsidiary are not material.
2. Secured Loans:

#### IN THE CASE OF COMPANY:

- A) Term loan from financial institutions are secured by equitable mortgage of certain land / plant and machineries of the Group.
- B) Facilities with bank comprise term loan and overdraft facilities which are secured by equitable mortgage of certain land plant and machineries of the Group and against stock and receivable of the Group.
- C) Deferred payment credits for purchase of vehicles are secured by hypothecation of the respective assets.
- D) Term Loan due within one year ₹ 922.48 Lacs (Previous Year ₹ 825.52 Lacs)
- E) Particulars of Securities charged to Lenders are as under :-

## Schedule T-(Contd...)

SR. NO.	DETAILS OF ASSETS	FIRST CHARGE ON PARI PASSU BASIS	SECOND CHARGE
I	Present and future movable and immovable assets located at Plot no 172,174 and 175 Vadadala, Dist. Baroda.	I DBI & SBI For Term Loan	SBI For Working Capital
II	Present and future movable and immovable assets located at Plot No 157 Village Mamuara, Dist. Bhuj.	I DBI, EXIM & SBI, For Term Loan	SBI For Working Capital
III	Office premises situated at 307/308, Arundee Complex, Race Course, Baroda and at 134 & 135, 1st Floor, Hindustan Kohinoor Ind. Complex, LBS Marg, Vikhroli (W), Mumbai.	I DBI, EXIM & SBI, For Term Loan	SBI For Working Capital
IV	Present and future movable and immovable assets located at Plot No 104/3 Village, Puthur, Dist Tirunelveli, Tamilnadu.	I DBI For Term Loan	---
V	at Plot No F-75/76/82/85 and H-83/84, RIICO Industrial area, Swaroopgunj, Rajasthan.	I DBI, EXIM & SBI For Term Loan	SBI For Working Capital
VI	Present and future Movable and immovable Assets located at Plot No. 253/254,718/729 , GIDC, Industrial area, Waghodia Dist. Baroda	SBI and IDBI For Working Capital	---
VII	Present and future Movable and immovable Assets located at Plot F-140,F-141 and F-142, RIICO Industrial area, Alwar, Rajasthan	SBI and IDBI For Working Capital	---
VIII	Present and future Movable and immovable Assets located at Plot No. 23/24 at Hosur, Tamilnadu.	SBI and IDBI For Working Capital	---
IX	Hypothecation of all the current assets of the company	SBI and IDBI For Working Capital	---

F) All the term loans and working capital borrowing are further collaterally secured by personal guarantee of Chairman and Managing Director and Whole Time Director of the Company.

*IN THE CASE OF INDIAN SUBSIDIARY:*

- G) Term Loan is secured by way of First charge on all present and future fixed assets of the Company, Second charge on all present and future current assets of the Company and Corporate Guarantee of 20 Microns Ltd.
- H) Working Capital Loans is secured by way of first charge on all present and future current assets of the Company, Second charge on all present and future fixed assets of the Company and Corporate Guarantee of 20 Microns Ltd.
- I) Vehicle Loans are secured by hypothecation of vehicles.

3. Contingent Liabilities :

SR. NO.	PARTICULARS	March 31, 2011	March 31, 2010
I	Demand of Sales Tax disputed in appeal.	8.59	6.34
II	Claims from Excise authorities not acknowledged as debt.	148.68	147.68
III	Demand of Income Tax disputed in appeal.	168.24	51.48



**Schedule T-(Contd...)**

- A) Estimated amount of contracts (net of advances ₹ 1233.76 lacs) remaining to be executed on capital account, not provided for amounting to ₹1193.88 lacs (Previous year ₹ 604.11 lacs).
- B) Company has given guarantee of ₹ 1250.00 Lacs on behalf of subsidiary company.
- C) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) ₹ 354.70 Lacs (P.Y. ₹ 0.70 Lacs).
- D) Contingent Liabilities not provided for ₹ 2.19 Lacs (P.Y. ₹ 1.19 Lacs) on account of bank guarantee.
4. In the opinion of the management, the current assets, loans and advances are stated at a value, which is realizable in the ordinary course of business and provision is made for all known material liabilities.

5. Gratuity:

*IN THE CASE OF COMPANY:*

The following table sets out the status of the gratuity plan as required under Accounting Standard AS 15 Employee Benefit (Revised 2005) and the reconciliation of opening balances of the present value of the defined benefit obligation.

A) Changes in Present Value of Obligations.

(₹ IN LACS)

SR. NO.	PARTICULARS	March 31, 2011	March 31, 2010
1.	Present Value of Obligation as at the beginning of the year	166.76	118.46
2.	Interest Cost	13.34	9.48
3.	Current Service Cost	13.50	16.32
4.	Actuarial (gain) / Loss on obligations	28.93	24.96
5.	Benefits paid	(25.54)	(2.46)
6.	Present value of Obligation as at the end of the year	196.99	166.76

B) Changes in the Fair Value of Plan Assets.

(₹ IN LACS)

PARTICULARS	March 31, 2011	March 31, 2010
Fair Value of Plan Assets at the beginning of the year	156.14	70.98
Expected Return on Plan Assets	15.31	9.64
Contributions	53.56	74.69
Actuarial Gain / (loss) on Plan Assets	(1.92)	3.13
Benefit paid	(25.54)	(2.30)
Fair Value of Plan Assets at the end of the year	197.55	156.14

C) The amount recognized in balance sheet.

(₹ IN LACS)

PARTICULARS	March 31, 2011	March 31, 2010
Present Value of Obligations as at the end of the year	196.99	166.76
Fair value of plan Assets as at the end of the year	197.55	156.14
Net Asset / (Liability) recognized in Balance sheet	0.56	(10.62)

## Schedule T-(Contd...)

D) Amount recognized in the Profit and loss account.

(₹ IN LACS)

PARTICULARS	March 31, 2011	March 31, 2010
Current Service Cost	13.50	16.32
Interest Cost	13.34	9.47
Expected Return on Plan Assets	(15.31)	(9.64)
Net actuarial (gain) / loss recognized in the year	30.85	21.82
Expenses Recognized in the statement of Profit & Loss	42.38	37.98

E) Assumptions.

(₹ IN LACS)

PARTICULARS	March 31, 2011	March 31, 2010
Discount Rate	8.25%	8.00 %
Rate of increase in Compensation Levels	5.50%	5.50 %
Rate of Return on Plan Assets	9.00%	9.00 %

- Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with tenure similar to the expected working lifetime of the employee.
- Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. This assumption has been determined in consultation with the company.
- This assumption is based on interest rates declared by SBI Life on gratuity funds.

### IN THE CASE OF INDIAN SUBSIDIARY:

- F) Defined contribution plans: The Company has recognized ₹ 1.96 Lacs (P.Y. ₹ 1.13 Lacs) for Provident Fund Contribution as expenses under the defined contribution plan in the Profit & Loss account for the year ended 31st March, 2011.
- G) Defined benefit plan: The Company recognizes the liability towards the gratuity at each balance sheet date. The most recent actuarial valuation of the defined benefit obligation for gratuity and leave encashment was carried out at March 31, 2011 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.
- H) The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2011.



Schedule T-(Contd...)

(₹ IN LACS)

SR. NO.	PARTICULARS	Gratuity Unfunded	
		March 31, 2011	March 31, 2010
I)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost	2.66	0.54
	Interest Cost	0.11	0.07
	Actuarial (gain) / losses	(3.50)	(0.04)
	Benefits paid	-	-
	Past service cost	-	-
	PVO at the beginning of the year	1.48	0.92
	PVO at end of the year	0.78	1.49
II)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of period	0.78	1.49
	Fair Value of planned assets at end of year	-	-
	Funded status	-	-
	Unrecognised actuarial gain/ (loss)	-	-
	Net asset/ (liability) recognised in the balance sheet	(0.78)	(1.48)
III)	Net cost for the year ended March 31 :		
	Current Service cost	2.66	0.54
	Interest cost	0.12	0.07
	Expected return on plan assets	-	-
	Actuarial (gain) / losses	(3.49)	(0.05)
	Net cost	(0.71)	0.57
IV)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	8.25%	8%
	Salary escalation rate (%)	6%	6%

I) Experience adjustments:

(₹ IN LACS)

PARTICULARS	March 31, 2011	March 31, 2010
Experience adjustments on account of plan liabilities	3.47	*

\* In absence of availability, relevant information on the experience adjustment on plan liabilities has not been furnished above.

J) The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

6. Related party disclosures as required under the Accounting Standard AS – 18 on 'Related Party Disclosures' as notified by The Companies (Accounting Standards) Rules, 2006 are given below:

(A) List of related parties:

- I. Enterprises where control exists: (subsidiaries)
  - a. 20 Microns SDN BHD
  - b. 20 Microns Nano Minerals Limited
- II. Enterprises where significant influence exists:
  - a. Dispersive Minerals and Chemicals India Limited
  - b. Bruno Industrial Products Limited
  - c. Eriez Finance & investment Limited
  - d. Aric Industrial Products Private Limited
  - e. Trio Techno Minerals Private Limited
  - f. Nanotech Minerals India Private Limited

## Schedule T-(Contd...)

- g. Ultra Minchem Equipments Private Limited  
h. 20 Microns Foundation Trust.  
I. 20 Microns ESOS Trust.
- III. Key Management Personnel  
a. Shri C S Parikh - Chairman and Managing Director  
b. Shri S R Parikh - Whole Time Director  
c. Shri R C Parikh - Managing Director  
d. Shri A C Parikh - Jt. Managing Director
- IV. Relatives of Key Management Personnel:  
a. Mrs. I C Parikh - Wife of Shri C S Parikh  
b. Shri L R Parikh - Brother of Shri Sudhir Parikh  
c. Mrs. D S Parikh - Wife of Shri Sudhir Parikh  
d. Mrs. S R Parikh - Wife of Shri Rajesh C Parikh

## (B) Disclosures required for related parties transactions:

- Transactions during the year:

(₹ IN LACS)

Particulars	Enterprises where significant influence exists		Key Management Personnel		Relatives Key Management of Personnel	
	Qty MT	Value	Qty MT	Value	Qty MT	Value
Sales	41.73	789.98	-	-	-	-
Sales Of Fixed Assets	-	15.23	-	-	-	-
Rendering of Services	19.14	83.50	-	-	-	-
Rent Paid	0.60	5.43	-	-	-	-
Rent Received	-	10.68	-	-	-	-
Royalty Received	-	-	-	-	-	-
Loan Given	100.00	-	-	-	-	-
Interest received on loan given	2.24	13.76	-	-	-	-
Advance Given	3.00	88.24	-	-	-	-
Interest on Advances	-	-	-	-	-	-
Purchase	189.63	735.70	-	-	-	-
Purchase Of Fixed Assets	237.95	3.70	-	-	-	-
Acquisition of process know how	12.40	27.57	-	-	-	-
Loan Repaid	-	170.00	-	-	-	-
Services Provided	11.63	4.67	-	-	-	-
Advance received	-	12.50	-	-	-	-
Brokerage and OPE paid	38.43	8.29	-	-	-	-
Issue of Share Capital	-	350.00	-	-	-	-
Donation Paid	3.98	5.50	-	-	-	-
Deposit Repayment	-	-	-	2.50	0.70	-
Deposit Received	-	-	-	-	2.00	23.80
Interest Paid on Deposit	-	15.86	0.54	0.74	6.80	5.84
Remuneration Paid	-	-	144.00	93.87	11.62	8.41





Schedule T-(Contd...)

• Balances at the end of the year:

(₹ IN LACS)

Particulars	Enterprises where significant influence exists		Key Management Personnel		Relatives Key Management of Personnel	
	Qty MT	Value	Qty MT	Value	Qty MT	Value
Debtors	-	64.53	-	-	-	-
Loan & Advances Given	126.29	94.15	-	-	-	-
Trust	7.14	-	-	-	-	-
Acquisition of process know how	-	27.57	-	-	-	-
Purchases	(19.82)	-	-	-	-	-
Share Application Money	-	-	-	-	-	-
Brokerage	-	1.13	-	-	-	-
Deposits	-	-	4.00	4.65	51.50	50.85

7. Deferred Taxation:

IN THE CASE OF COMPANY:

(₹ IN LACS)

PARTICULARS	March 31, 2011	March 31, 2010
Deferred Tax Liability		
Bad and Doubtful Debts	(27.48)	(11.35)
Product Development Expenses	21.62	24.25
Difference between WDV of fixed assets as per the Income Tax Act, 1961 and the Companies Act, 1956.	1,067.20	979.98
Total (a)	1,061.34	992.88
Deferred Tax Assets		
Unabsorbed losses and Depreciation	-	-
Disallowances u/s 40 (a)(ia)	0.39	0.39
Disallowances u/s 43 B	9.47	8.04
VRS Expenses u/s 35DDA	10.47	-
Provision for Gratuity liability	(6.93)	(3.21)
Total (b)	13.40	5.22
Net Deferred Tax Liabilities (a)-(b)	1,047.94	987.66

IN THE CASE OF INDIAN SUBSIDIARY:

(₹ IN LACS)

PARTICULARS	March 31, 2011	March 31, 2010
Difference between book depreciation and tax depreciation	50.57	31.64
Unabsorbed losses and depreciation	-	(8.74)
Expenses allowed under tax on payment basis	(1.19)	(0.83)
<b>Total Deferred tax Liabilities/(Assets)</b>	<b>49.37</b>	<b>22.07</b>

## Schedule T-(Contd...)

IN THE CASE OF FOREIGN SUBSIDIARY:

(₹ IN LACS)

PARTICULARS	March 31, 2011	March 31, 2010
Deferred tax assets:		
Unabsorbed tax loss	-	2.06
Deferred tax liabilities:		
Plant & Equipment-Capital allowance	(0.12)	-
<b>Total</b>	<b>(0.12)</b>	<b>2.06</b>

### 8. Calculation of earning per share:

Calculation of Basic and Diluted earnings per share:

PARTICULARS	March 31, 2011	March 31, 2010
Profit attributable to Shareholders (₹ in Lacs)	₹ 649.19	₹ 598.62
Weighted average no. of Equity shares outstanding during the year	1,43,31,028	1,42,76,977
Nominal Value of Equity Shares (₹)	₹ 10/-	₹ 10/-
Basic earning per share (₹)	4.53	4.19

### 9. IN THE CASE OF COMPANY:

- The Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Company's overall strategy. The Company does not use forward covers for speculative purposes.
- Part of the foreign currency loans are covered by comprehensive hedge which effectively fixes liability of such loans and further there is no additional risk involved post hedging of such loans.
- The outstanding forward contracts as at March 31, 2011 is ₹1564.94 Lacs (Previous Year ₹3412.73 Lacs) in respect of hedging forward cover.

10. The Group operates only in one business segment i.e. Industrial Minerals. In view of this, no separate Disclosure is required under AS-17.

11. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to make them comparable with those of current year.

Statement of Significant Accounting Policies S  
Notes on Accounts T  
As per our audit report attached

For Manubhai & Co.  
Chartered Accountants  
Firm Registration No. 106041W

For and on behalf of Board of Directors

G. R. Parmar  
Partner  
M.No. 121462

Chandresh S Parikh  
Chairman and  
Managing Director

Rajesh Parikh  
Managing Director

N J Savalia  
Secretary

P. M. Shah  
Director

Date: 19th May, 2011  
Place: Waghodia, Vadodara.

Date: 19th May, 2011  
Place: Waghodia, Vadodara



**20 MICRONS™**  
L I M I T E D

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY FOR THE YEAR ENDED 31ST MARCH, 2011**

1. Name of the Subsidiary Company : 20 Microns SDN BHD.  
20 Microns Nano Minerals Ltd.
2. The Financial Year of the Subsidiaries : 31st March, 2011  
Company ended on
3. Number of Equity Shares held by 20 Microns Ltd. in the Subsidiaries as at the end of the financial year of the subsidiaries.
  1. 20 Microns Sdn.Bhd. : 3,60,000 Ordinary shares of RM 1.00 Fully Paid
  2. 20 Microns Nano Minerals Ltd. : 60,00,000 Ordinary shares of ₹10/- Fully Paid.

Extent of Interest of 20 Microns Ltd. in the capital of the Subsidiaries at the end of the financial year of the Subsidiaries.

- |                               |          |
|-------------------------------|----------|
| 20 Microns Sdn.Bhd.           | : 99.99% |
| 20 Microns Nano Minerals Ltd. | : 99.17% |

4. Net aggregate of the Subsidiaries Company's Profit / (Loss) not dealt with in the Company's Accounts.
  - a) For the Subsidiary Company's financial year ended on 31st March, 2011:
 

20 Microns Sdn.Bhd.	: Profit ₹ 21.03 Lacs
20 Microns Nano Minerals Ltd.	: Profit ₹ 78.62 Lacs
  - b) For the Subsidiary Company's : previous financial years since it became the Holding Company's Subsidiaries.
 

20 Microns Sdn.Bhd.	: Loss ₹ 20.58 Lacs
20 Microns Nano Minerals Ltd.	: Profit ₹ 8.46 Lacs
5. Net aggregate amount of the Subsidiaries Profit / (Loss) dealt with in the Company's Accounts:
  - a. For the Subsidiaries Company's financial year ended on 31st March, 2011. : NIL
  - b. For the Subsidiaries Company's previous financial years since it became the Holding Company's Subsidiaries. : NIL

**C.S.Parikh**  
Chairman &  
Managing Director

**Rajesh Parikh**  
Managing  
Director

**P M Shah**  
Director

**Nikunj Savaliya**  
Secretary



**20 MICRONS<sup>TM</sup>**  
**L I M I T E D**

Regd. Office : 9/10, GIDC Industrial Estate, Waghodia, Dist. Vadodara, Gujarat. India

**: ATTENDANCE SLIP :**

Folio No. :
DP ID / Client ID :
No. of Share Held :

I/We hereby certify that I/We am/are a registered Member/Proxy for the registered Member of the Company and hereby record my/our presence at the 24th Annual General Meeting of the Company held on Thursday, the 18th August, 2011 at 3.00 p.m. at the Registered Office of the Company at the Conference Room at 347, GIDC Industrial Estate, Waghodia – 391 760.  
Dist. : Vadodara.

Name of the Registered Holder/Proxy (IN BLOCK LETTERS)	Signature of the Registered Holder/Proxy

NOTE: Please fill up this attendance slip and hand it over at the entrance of the Meeting hall. Members are requested to bring their copy of Annual Report at the Meeting.

**20 MICRONS<sup>TM</sup>**  
**L I M I T E D**

Regd. Office : 9/10, GIDC Industrial Estate, Waghodia, Dist. Vadodara, Gujarat. India

**: PROXY :**

Folio No. :
DP ID / Client ID :
No. of Share Held :

I/We \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ being a Member(s) of 20 Microns Limited, hereby appoint :  
\_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ failing him/her,  
\_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ failing him/her,

as my/our Proxy to vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Thursday, the 18th August, 2011 and at any adjournment(s) thereof.

**Affix Re. 1  
Revenue  
Stamp**

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2011

Signature

NOTE: This Proxy form, in order to be effective, should be duly stamped and completely signed, deposited at the Registered Office of the Company, not less than 48 hours before the time of the Meeting.

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## Corporate Social Responsibility



*Diabetes Camps organised by 20 Microns Foundation*



*Tree Plantation Drive at Waghodia Plant, Dist.: Vadodara*





# Our Network



**20 MICRONS<sup>TM</sup>**  
**L I M I T E D**

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Tel : +91-2668-264006 Fax : +91-2668-262447 E-mail : enquiry@20microns.com

**Corporate Office**

134-135, Hindustan, Kohinoor Industrial Complex, LBS Marg, Vikhroli (W), Mumbai - 400 083, India  
Tel : +91-22-25771325/50 Fax: +91-22-25771333

[www.20microns.com](http://www.20microns.com)