

27th Annual Report 2013-14



20 MICRONS[®]
L I M I T E D

Board of Directors

[As on 6th August, 2014]

Mr. Chandresh S. Parikh
Executive Chairman

Mr. Rajesh C. Parikh
CEO & Managing Director

Mr. Atil C. Parikh
Managing Director

Mr. Sudhir R. Parikh
Director (Finance)

Mr. Naresh Makhija
IDBI – Nominee Director

Mr. Pravinchandra M. Shah
Independent Director

Mr. Ram Devidayal
Independent Director

Mr. Atul H. Patel
Independent Director

Mrs. Darsha R. Kikani
Independent Director
(w.e.f. 6th August, 2014)

Company Secretary

Mrs. Anuja K. Muley

Registrar & Transfer Agent

Cameo Corporate Services Ltd.
“Subramanian Building”,
No. 1, Club House Road,
Chennai-600 002.
Tel. : 044-28460390-95

Email ID : narasimhan@cameoindia.com

Statutory Auditors

M/s. Manubhai & Shah
Chartered Accountant
Ahmedabad

Bankers

State Bank of India
IDBI Bank Limited

Regd. Office :

9/10, GIDC Industrial Estate,
Waghodia-391 760. Dist. Vadodara
CIN : L99999GJ1987PLC009768
Tel. : (02668) 292297
Fax : (02668) 264003
E-mail : investors@20microns.com
Website: www.20microns.com



20 MICRONS®

CHAIRMAN'S LETTER

Dear Shareholders,

The Global economy has witnessed subtle turnaround during the year 2013-14. With the financial stability in Western countries, there has been revival in the world economy.

The domestic industry has also witnessed significant growth, with increase in GDP to 4.9% during the year. On the other hand, the fluctuations in the value of rupee and the inflammation continued to be a matter of concern. However Indian economy anticipates better prospects, coming from the formation of steady government.

During the year the industry has faced challenges due to sluggish economy, inflammatory prices and volatility in rupee. Even in the midst of challenging environment, your company has expanded its presence in most part of the country. Furthermore, we continue to meet the needs of our customers across the world with the persisting ability to remain germane to their demands.

In case of Paints Application for FY 13-14, Major companies domestically saw a single digit growth in range of 7 to 9 % which is way below the industry average of past decade. Similarly, in case of Small and Medium scale companies, the scenario worsened due to extended payment cycles by the end customers and tougher market conditions.

We can assure you that we are extremely mindful of the aspirations and expectations that you have as members and as regional stakeholders. There is still much to do, and there are still many areas, where we need to refine our focus and lift our performance. But we believe we are well placed to respond to these challenges in a very positive and strategic fashion.

The Companies Act, 2013 applicable now has brought in provisions which require the companies to adhere to stringent corporate governance norms. I am proud to state that your company has always followed the highest standards of Corporate Governance and considers it as more of an ethical requisite than a regulatory necessity.

I would like to thank each and every one of our customers, employees, shareholders, partners and supporters for their continued faith in building 20 Microns for this exciting future. As we enter in another Financial Year, we look forward to receiving your continued Trust and Support.

Very Sincerely,

Chandresh Parikh
Executive Chairman

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NOTICE FOR THE ANNUAL GENERAL MEETING

NOTICE FOR THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Shareholders of **20 Microns Limited** will be held on Saturday, the 27th day of September, 2014 at 03.00 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, 2014 and the Audited Profit and Loss Account of the Company for the year ended 31st March, 2014 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sudhir R. Parikh, who retires by rotation and being eligible, offers himself for re-appointment.
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 M/s. Manubhai & Shah, 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.
5. To appoint M/s. Y.S. Thakar & Co., Cost Accountants, Ahmedabad bearing Firm Registration No. 000318 with the Institute of Cost Accountants of India, as Cost 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

SPECIAL BUSINESS

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

Appointment of Mr. P.M. Shah as an Independent Director

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. P.M. Shah (holding DIN 00017558), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 [five] consecutive years for a term upto the conclusion of the annual general meeting of the Company to be held in the calendar year 2019."

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

Appointment of Mr. Ram Devidayal as an Independent Director

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ram Devidayal (holding DIN 00238853), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 [five] consecutive years for a term upto the conclusion of the annual general meeting of the Company to be held in the calendar year 2019."

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

Appointment of Mr. Atul Patel as an Independent Director

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Atul Patel (holding DIN 00009587), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 [five] consecutive years for a term upto the conclusion of the annual general meeting of the Company to be held in the calendar year 2019."

9. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

Appointment of Mrs. Darsha R. Kikani as an Independent Director

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Darsha R. Kikani (DIN 00155791), who was appointed as an Additional Director of the Company w.e.f. 06th August, 2014 and who vacates her office at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 [five] consecutive years for a term upto the conclusion of the annual general meeting of the Company to be held in the calendar year 2019."

NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

To approve creation of charge/security over the assets/undertaking of the Company, in respect of borrowings.

"RESOLVED THAT in supersession of resolution passed in this regard through Postal Ballot on 22nd February, 2012 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company, both present and future and /or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(c) of the Act along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange.

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

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

To Approve Related Party Transactions

"RESOLVED THAT in terms of the provisions of Section 188 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014, read with the circular(s)/notification(s) issued and amended from time to time by the Ministry of Corporate Affairs in this behalf and Listing Agreement, the Company hereby approves the appointment of Mr. Lalit R. Parikh, for holding and continuing to hold an office or place of profit as Consultant in the capacity of "Process Executor" of the Company on

the Consultancy Fees of ₹ 6945/- (Rupees Six Thousand Nine Hundred Forty Five Only) per day with effect from 30th June, 2014, for two years, with liberty to the Board and/or Committee of Directors to sanction increase in consultancy charges not exceeding the permissible limit as mentioned in Companies Act, 2013 or Rules made thereunder or such other amended limit from time to time or withdraw the same as the Board and/or Committee of Directors in their absolute discretion deem fit."

By Order of the Board of Directors

Anuja K. Muley
Company Secretary

Place: Waghodia, Dist. Vadodara
Date: 06th August, 2014

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder.
3. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
4. Members/Proxies should bring duly filled in and signed Attendance Slip sent herewith for attending the Meeting. The Members holding shares in de-materialised form are requested to bring their Client ID and DP ID for easy identification of attendance at the Meeting.
5. The Registers of Members and Share Transfer Books shall remain closed from Saturday, the 20th day of September, 2014 to Saturday, the 27th day of September, 2014 [both days inclusive].
6. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on Friday, 22nd August, 2014.
7. All the work related to share registry in terms of both - physical and electronic - are being conducted by Company's R & T Agents - M/s. Cameo Corporate Services Ltd., "Subramanian Building", No. 1, Club House Road, Chennai - 600 002. Tel: 044-28460390 - 95. Email ID - narasimhan@cameoindia.com. The Shareholders

NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

are requested to send their communication to the aforesaid address in future.

8. Explanatory statement pursuant to SECTION 102 OF THE COMPANIES ACT, 2013 in respect of the Items stated in the Notice is annexed herewith.
9. The Company has appointed M/s. J. J. Gandhi & Co., the Practicing Company Secretary, as a Scrutinizer for conducting the e-voting process in a transparent manner.
10. In compliance with provisions of the New Companies Act, 2013 the Company is pleased to offer **e-voting facility** as an alternate, for all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically.

1. e-voting:

In compliance with Section 108 of the Companies Act, 2013 and the relevant Rules made thereunder, the Company is also required to conduct the voting process electronically. *The business to be transacted at the AGM may be transacted through electronic voting system and the Company is providing the facility for voting by electronic means.* **ELECTRONIC VOTING PARTICULARS**

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of your name followed by last 8 digits of Folio No in the PAN Field. In case the Folio No is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with Folio number 1 then enter RA00000001 in the PAN field.	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository or Company please enter the folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

EVSN [E-Voting Sequence Number] _____

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

2. In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
3. Once you have voted on the resolution, you will not be allowed to modify your vote.
 4. Institutional Members [i.e. other than individuals, HUF, NRI etc.] are required to send scanned copy [PDF/JPG format] of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory[s] who are authorized to vote through e-mail at narasimhan@cameoindia.com or co_secretary@20microns.com with a copy marked to helpdesk.evoting@cdslindia.com, without which the vote shall not be treated as valid.
 5. In case you have any queries or issues regarding e-voting, please contact the Company or Registrars & Share Transfer Agents or send mail to helpdesk.evoting@cdslindia.com, co_secretary@20microns.com or at narasimhan@cameoindia.com.
 6. **E-voting period will commence from Monday, 22th September, 2014 at 10.00 am and will end on Tuesday, 23th September, 2014 at 6.00 pm.**

The result of voting will be announced at the Registered Office of the Company situated at 9-10, GIDC Industrial Estate, WAGHODIA – 391 760. Dist. : Vadodara, by the

Chairman of the Meeting at the AGM to be held on Saturday, 27th September, 2014. The result of the voting will be communicated to the stock exchanges and will be placed on the website of the Company www.20microns.com.

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

Item Nos. 6 to 8

Mr. Pravinchandra M. Shah, Mr. Ram Devidayal and Mr. Atul Patel are the Non-Executive Independent Directors of the Company. They joined the Board of Directors of the Company in August, 2006, October, 2007 and August, 2009, respectively.

Mr. Pravinchandra M. Shah, Mr. Ram Devidayal and Mr. Atul Patel are the Director whose period of respective offices is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Therefore, it is proposed to appoint the above Directors as the Independent Directors to hold office for 5 [five] consecutive years for a term upto the conclusion of the annual general meeting of the Company to be held in the calendar year 2019.

In the opinion of the Board, the above three Directors fulfil the conditions specified the Companies Act, 2013 and rules made thereunder for their respective appointments as an Independent Director of the Company and is independent of the management. Copy of the respective draft letters for appointment of the above three Directors as the Independent Directors would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Respective Profiles in brief of the above three Director together with other details as required under clause 49 of the Listing Agreement are provided in the Corporate Governance Report.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of the above three Directors as the Independent Directors. Accordingly, the Board recommends the respective ordinary resolutions at items 6 to 8 in relation to appointments of the above three Directors as the Independent Directors, for the approval by the shareholders of the Company.

Except Mr. P.M. Shah, Mr. Ram Devidayal and Mr. Atul Patel, being the appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the respective ordinary resolutions set out at Item Nos. 6 to 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

NOTICE FOR THE ANNUAL GENERAL MEETING [Contd.]

Item No. 9

Mrs. Darsha R. Kikani (DIN: 00155791) was appointed as an Additional Director of the Company on 06th August, 2014. As per the provisions of section 161 of the Companies Act, 2013, she holds directorship upto the ensuing Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 together with a deposit of ₹ 100,000/- from a member proposing his candidature as a Non-Executive Independent Director of the Company.

As per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation. Therefore it is proposed to appoint Mrs. Kikani as a Non-Executive Independent Director to hold office for 5 [five] consecutive years for a term upto the conclusion of the annual general meeting of the Company to be held in the calendar year 2019.

A brief profile of Mrs. Kikani together with other details as required under clause 49 of the Listing Agreement is provided in the Corporate Governance Report.

In the opinion of the Board, Mrs. Kikani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Mrs. Kikani as an Independent Director would be available for inspection without any fee for the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Kikani as an Independent Director. Accordingly, the Board recommends the resolution set out at item 9 in relation to appointment of Mrs. Kikani as an Independent Director, for the approval by the shareholders of the Company.

None of the Directors, Key Managerial Personnel or their relatives, except Mrs. Darsha R. Kikani, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 9.

Item No. 10

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a special resolution can create security or create mortgages, charges and hypothecations over the assets of the Company which would be required to secure borrowings under Section 180(1)(a).

The above Section 180 of the Companies Act, 2013 corresponds to Section 293 of Companies Act, 1956 under which the consent of the Company was required by ordinary resolution.

Accordingly, the shareholders of the Company had accorded their consent by way of ordinary resolutions to create security or create mortgages, charges and hypothecations over the assets of the Company to secure borrowings from time to time.

However, pursuant to provisions of Section 180 of the Companies Act, 2013, consent of the Company is required by Special Resolution.

Therefore it is proposed to reconfirm the consent to create security or create mortgages, charges and hypothecations over the assets of the Company, by Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in the resolution.

The Board recommends the special resolution set out in item no. 10 for the approval of the members.

Item No. 11

Mr. Lalit Rameshkant Parikh, is a brother of Mr. Sudhir R. Parikh, Director (Finance) possesses exceptional organizational capacity and ability in the filed of purchase of IT/Computers, Laboratory Equipments, Implementation of ISO and liasioning with ISO team during regular Audit and has significantly contributed in finalization of commercial various terms. It is, therefore, proposed to appoint him as Consultant in the capacity of "Process Executor" of the Company.

The Board of Directors of the Company at their Meeting held on 06.08.2014 have decided to appoint Mr. Lalit R. Parikh as Consultant in the capacity of "Process Executor w.e.f. 30.06.2014, for two years, on the Consultancy Fees of ₹ 6945/- (Rupees Six Thousand Nine Hundred Forty Five Only) per day, subject to approval of shareholders, with a liberty to the Board of Directors and/or Finance Committee of Directors to revise this charges within the overall permissible limit as prescribed in Companies Act, 2013 and rules made thereunder.

Under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, it is necessary to obtain the consent of the Company by a special resolution for holding or continuing to hold office or place of profit under the Company in any such office or place of profit carrying the Consultancy Fees of ₹ 6945/- (Rupees Six Thousand Nine Hundred Forty Five Only) per day.

Except Mr. Sudhir R. Parikh, None of the Directors, Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in the resolution.

Your Directors recommend the special resolution at Item No. 11 for your approval and acceptance.

By Order of the Board of Directors

For 20 Microns Ltd.,
Anuja K. Muley
Company Secretary

Place: Waghodia, Dist. Vadodara
Date: 06th August, 2014

REPORT OF BOARD DIRECTORS

Dear Members,

Your Directors' are pleased to present the 27th Annual Report and the Audited Accounts for the year ended 31st March, 2014.

1. FINANCIAL HIGHLIGHTS

	[₹ In Lacs]	
Particulars	2013-14	2012-13
Total Revenue	29915.28	28123.26
Profit before Depreciation, Interest and Tax (PBDITA)	3185.59	3720.38
Interest for the year	2168.96	1554.68
Depreciation for the year	1007.51	748.42
Profit before tax and Exceptional item	9.12	1417.28
Exceptional items	0.00	851.93
Profit/(loss) for the year	9.12	565.35
Tax liability : Current Year's Tax	10.05	148.01
MAT Credit	(9.00)	147.00
Deferred Tax Liability/(Asset)	(4.99)	239.97
Net Profit for the year	13.06	324.37

2. DIVIDEND

In view of the paucity of resources, the Directors have not recommended any Dividend.

3. MANAGEMENT DISCUSSIONS AND ANALYSIS

[A] INTRODUCTION TO 20 MICRONS LIMITED

Our Company started its journey on June 29, 1987 venturing in the production of Micronized Minerals in India as import substitute and enhancing the market demand for additional applications to the same.

Our Company was formed on the concept of using micronized extenders and we are one of the India's largest producers of white minerals from plants and deposits spanning in different regions of the country producing functional fillers, specialty chemicals and extenders which are supplied globally.

We have demonstrated our ability in providing specialized products and chemicals to our customers which is reflected by the repeated orders from them. We are an ISO 9001:2008 certified Company.

Our Company, one of the pioneers in the Micronized minerals, was thus the trend setter in the market for usage of ultrafine minerals ranging from 20 microns to 2 microns particle size. Over the years, our Company, capitalizing on its strength of developing products, as per market needs and with on-going Research & Development, has introduced minerals of sub micron size and helped all the Industrial segments to get benefits in terms of functional properties & pricing of their products.

With its constant efforts and technical support, our Company popularized the concept of finer Calcium Carbonate and other Minerals Fillers and innovated a good substitute for Paint & Plastic Industries during

the year 1990. Usage of grades of finer particle in the range of 20 Microns and finer grades for Calcium Carbonate/Talc/Kaolin/Dolomite and Mica is very common now for various industrial segments.

Our Company, having multi-locational reach can cater its wide ranged customers with its several marketing Offices throughout the Country. The Plant & Warehouses are located at all strategic locations to take advantage of Logistics.

Our Company's marketing and other activities are mainly operating through two major segments in Minerals namely C&C (Consumer and Commodity) and VAD (Value Added Products).

Our Company constantly endeavors to broaden the risk base by targeting its applications to industries other than Paint & Plastics. The other applications include Rubber, Cement, Paper, Ceramics etc. The key strengths of our Company are in its understanding of the client requirements, carrying out various tests in its laboratory and developing specific grade of products which meet with specific requirement of each of its customers. It also has a modern, well-equipped R & D facility that continuously carries out product and process development activities for enhancing product quality, improving operational efficiencies and augmenting the product lines.

[B] INDUSTRY PROGRESS

20 Microns operates in the Industrial Minerals space and this industry still hasn't organized itself well barring a few medium and large players. India has long been recognised as a nation well endowed in natural mineral resources. India is ranked 4th