

EMBRACING INNOVATION FOR RESPONSIBLE GROWTH

*Transcending towards a
Sustainable Future*



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

Reporting period and scope

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

Materiality

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

Responsiveness

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

Forward looking statement

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

Corporate Information

(as on 16th May, 2023)

Board of Directors

Mr. Rajesh C. Parikh
Chairman & Managing Director

Mr. Atil C. Parikh
CEO & Managing Director

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

Mr. Ramkisan A. Devidayal
Independent Director

Mr. Atul H. Patel
Independent Director

Dr. Ajay I. Ranka
Independent Director

Mr. Jaideep B. Verma
Independent Director

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

Chief Financial Officer

Mr. Narendra R. Patel

Company Secretary

Mrs. Komal Pandey

Audit Committee

Mr. Ramkisan A. Devidayal
Chairman

Mr. Rajesh C. Parikh
Member

Mr. Atul H. Patel
Member

Dr. Ajay I. Ranka
Member

Nomination & Remuneration Committee

Mr. Ramkisan A. Devidayal
Chairman

Mr. Rajesh C Parikh
Member

Mr. Atul H. Patel
Member

Mr. Jaideep B. Verma
Member

Stakeholders' Relationship and Share Transfer Committee

Mr. Ramkisan A. Devidayal
Chairman

Mr. Rajesh C. Parikh
Member

Mr. Atil C. Parikh
Member

CSR Committee

Mr. Rajesh C. Parikh
Chairman

Mr. Ramkisan A. Devidayal
Member

Mrs. Sejal R. Parikh
Member

Statutory Auditors

M/s.Manubhai & Shah LLP
Chartered Accountants
Ahmedabad

Bankers

State Bank of India
IDBI Bank

Registered Office

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

Corporate Office

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

Registrars and Share Transfer Agents

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

Company Identification No.

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ISIN

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

We were asked multiple times –

Why this was important

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

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

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

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

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



NUMBERS THAT DEFINE • 20 MICRONS LIMITED •

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

Nine state-of-the-
art warehouses

Exports products to
more than
65 countries

Two technologically
advanced research and
development unit

Nine Strategically
located integrated
manufacturing units

700+ strong and
dedicated workforce

Five captive mines

Financial Highlights 2023

₹604.42 crores
Revenues, FY23

₹68.65 crores
EBIDTA*, FY23

₹36.15 crores
PAT, FY23

11.5%
EBIDTA Margin, FY23

6.05%
PAT Margin, FY23

₹10.25
EPS (as of 31st March 2023)

*excluding other income

KNOWING 20 MICRONS LIMITED

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

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

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



How we create value

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



Who we are

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



How we operate

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

What we offer

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



How we are taking steps towards a profitable and sustainable future

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

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



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

Dear Shareholders,

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

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

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

Building on our values

• Safety and integrity

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

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

Sustainability

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

Innovation

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

Customer focus

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

Accountability

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

Together

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

Sticking to our plans to ensure long-term success

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

Exhibiting unflinching dedication to consolidate our leadership

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

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

Thanks

Mr. Rajesh C. Parikh

Chairman & Managing Director

OUR CORPORATE SNAPSHOT

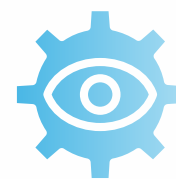
Founded in 1987, 20 Microns Limited (20ML) is the leading manufacturer in India of ultrafine industrial minerals, functional additives and specialty chemicals.

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

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

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

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



Our Vision

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

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