

Letter to Shareholders

Dear Shareholders,

Your Company has done well during the Financial year 2009-10 and has achieved a growth in Sales of 27% valued at Rs. 185 Crores. The speed with which we recovered in the year 2009-10 has strengthened my confidence in our ability to take things in our stride.

Our goal is to make 20 MICRONS, the most innovative and leader Company in the field of white industrial minerals.

Your Company's performance will be very impressive in coming years. Let me appraise you some recent developments:

Paint Application:

We are increasing the capacity at our Alwar (North), Tirunelveli (South) and Bhuj (West) plants by 100% in order to meet the increased demand by Paint Industry. We are investing approx. 20 Crores towards this.

Plastic Application:

We have introduced new range of products in plastic application and expecting increased demand from our existing and new customers. We shall be investing approx. 10 Crores at our Vadadala (West), Daman (West) and Hosur (South) plants to increase the capacity by 30%.

New Market – Paper Application

Demand for printing and writing paper is expected to grow up at CAGR 15-18% till 2015. Recent trends shows that India has emerged as the out sourcing hub for printing and publishing business and papers required in this business has to be of a good quality and to make good quality paper, it requires between 20-35% of Wet ground fine Calcium Carbonate. Your Company has innovated technology and invested Rs. 9 Crores to produce the same in slurry form. This provides additional growth to the Company for the coming years with our existing market of paint and plastic application.

R & D

Your Company continue giving great emphasis on R & D activities which is being carried out by a team of around 20 qualified scientists, for innovations and upgrading the products to meet the requirements of the customers. The Company has invested sizable amount in last couple of years for developing new products and upgrading existing products and Company shall proactively continue the same trend in future with a objective to remain market leader.

Carbon Footprint and Environment:

Reducing carbon footprint of mineral fillers, production processes and finished products represents a significant challenge for mineral processing company as the world moves to a low carbon economy. We are working on following projects to achieve this;

1. Replacing wood pulp by modified calcium carbonate for paper industries to conserve forest.
2. Partial replacement of Carbon Black and Titanium Dioxide (highly polluting process) by our newly developed products – **Vapourlink & Lithomer** (environment friendly process).
3. Supplying mineral fillers in slurry form and supplying in tankers and replace plastic bags.
4. Utilisation of flue gas from calcinations plant to recover Co₂ and heat for producing synthetic calcium carbonate.

Environment is everybody's concern and we are proud to extend our hand to do a bit towards green revolution by working on all the above projects and when completed we will reduce our production cost and green our supply chain.

ESOP and workforce:

In last few years we covered 535 employees under ESOP scheme, a significant move for the first time in the history of 20 MICRONS.

The Company will cover many more employees from now onwards.

Going forward in the next five years, I foresee that our workforce mix shall continue expanding our activities in various states of India and our senior management team even becoming global. I visualize a multi generational workforce capable to overcome generational barriers to achieve vertical growth.

Dear partners, our bond is not only for today or tomorrow, but it is everlasting and it will continue from one generation to another. The returns to our shareholders are always uppermost in our minds.

With these words, I would like to take this opportunity to thank you our shareholders, investors, bankers, financial institutions and customers for their consistent and resolute supports.

I thank all my colleagues on Board for their unanimous support and immense encouragement.

Finally I would like to specially acknowledge the commitment and dedication of the entire 20MICRONS' team in creating and sustaining leader position in micronized industrial mineral sector.

With warm wishes,

Sincerely,



Chandresh S. Parikh
Chairman & Managing Director

August 26, 2010

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the most innovative and leader
Company in the field of white
industrial minerals.”

