

20 MICRONS

Spreading micronised



A pioneer in micronized products, the three-decade-old 20 Microns is a vital partner to a slew of industrial segments, including textiles, plastics, rubber, adhesives, paper, printing ink and agro-chemicals. Under the guidance of founder and Chairman Chandresh Parikh, the company has entered the ceramics and construction chemicals segments, while in bio-pharma it is manufacturing Dia-B-Micron ayurvedic tablets for effective management of sugar control, joint pain and obesity. On the financial front, 20 Microns has weathered a mining sector slowdown and has seen its sales turnover and net profit grow in the last two years and is expected to further improve in coming years

Vadodara-headquartered 20 Microns, the largest manufacturer of white industrial minerals, is finally out of the woods and has entered the path of growth. The company, which had slowed down and even suffered a loss of over Rs. 4 crore at the net level in fiscal 2015, has staged a smart turnaround the very next year by earning a net profit of Rs. 9.34 crore. And as if to prove that this was not an accident, it has earned a net profit of Rs. 12.70 crore for the last year ended March 2017 – the highest in the 3-decade history of the company. If the actual trend in the first quarter of the current year is any indication, prospects for fiscal 2017-18 are even better and may enable the company to re-enter the dividend list.

The company, promoted way back in 1987 by a group of friends headed by Chandesh Parikh, the pioneer of micronisation in India, and which went public in 2008, is engaged in the manufacture of innovative products in the field of functional fillers, extenders and speciality chemicals. Points out



Mr. Chandresh Parikh, the Executive Chairman, with justifiable pride, “Based on a profound understanding of diverse industrial requirements, our company has empowered its clients with customized products based on their specific requirements. Our exceptional product quality is matched by our excellence in problem-solving capabilities and technical customer service.”

According to Rajesh Parikh, CEO and Managing Director, “Built on the concept of using micronized and specialized extenders, the company is India’s largest producer of white industrial minerals. Having transformed itself from the traditional

concept of micronising and supplying the entire world with innovative products in the field of functional fillers, extenders and speciality chemicals, 20 Microns builds its value chain from mining to macronising to sub-microns to nano-sizing. The company has set enviable standards in production, processes, optimization, product development, technological innovations, marketing practices and distribution efficiencies. Be it paints and coatings, rubber, adhesives, cement, concrete or cosmetics, for over 25 years our prod-



Chandresh Parikh

ucts have touched everybody’s life everyday in more ways than one.”

Elaborating on the company’s key product, Mr. Parikh says, “MicronCarb®, a product of 20 Microns, is a micronised, closely controlled white natural calcium carborate specially developed for paints – coatings, plastics, adhesives, sealants and paper industries. Calcium carborate is a chemical compound with the formula CaCo_3 . Pure calcium carborate (i.e., food grade or pharmaceutical use) can be produced from a pure quarried source or it can be produced by passing carbon dioxide into a solution of calcium hydroxide.”

The company has been making steady progress on the financial front, though the pace of growth had slowed down of late. Maintains Chandresh Parikh, “The mining sector has been reeling for a few years now under a lethal mix of

20 Microns Nano Minerals to go for SME IPO

After almost three decades the Parikh group is planning to raise funds from the public.

20 Microns Nano Minerals, a wholly owned subsidiary of 20 Microns has initiated action to enter the capital market through an IPO on the BSE SME platform. Initially, the company plans to raise around Rs. 30 crore.

20 Microns Nano Minerals, earlier known as Speciality Minerals Pvt. Ltd. which was acquired by 20 Microns in February 2019, is one of India’s largest producers of soft minerals like China clay Bentonite, Attapulgit, Gypsum, Silicon Earth, Organo clay and Aluminium Silicon. Maintains Mr. Parikh with a justifiable smile on his face “20 Microns Nano Minerals is leading the industry revolution in bringing Nano technology-based minerals and speciality chemicals to the world.”



Rajesh Parikh

high borrowing costs on one hand and environmental and regulatory policy paralysis on the part of the government on the other hand.”

BOUNCING BACK

Accordingly, though the company's sales turnover has slowly but steadily advanced from Rs. 277 crore in fiscal 2012-13 to

Rs. 372.48 crore in fiscal 2017, the profit at net level has moved in an irregular fashion. Having earned a net profit of Rs. 3.24 crore in fiscal 2013, the company suffered a setback with the net profit slumping to a paltry Rs. 13 lakh the next year (2014) and then plunging into the red by incurring a loss of Rs. 4.07 crore in fiscal 2015 as there was an overall slowdown and sluggish market scenario. However, unperturbed by the challenging situation, the company recovered fast and bounced back, earning a net profit of Rs. 9.34 crore in fiscal 2016 and making further headway to Rs. 12.70 crore during the last year ended March 2017. However, the company was forced to skip dividends for the last four years, including fiscal 2017, after paying 10 per cent for fiscal 2013.

An optimistic and confident Atil Parikh Managing Director avers, “With a rich experience of around three decades, we have established our place in our consumers' hearts. From textiles, plastics, rubber, adhesive and paints that add colour to the world, to paper and printing ink that set thought and life in motion, to the agro-chemicals that keep the agriculture industry in shape, our company is reach-

ing the lives of millions every day. By now, we have emerged as a multi-product company, catering to a cross-section of industry across the globe.”

Maintaining that “it is not that we are not happy at our progress,” Atil Parikh adds that “the first quarter-century of our

operations is just the beginning. We are now on the growth path and endeavouring to enter newer fields and diversify our product range. We are entering ceramics, construction chemicals and bio-pharma. I visualise remarkable growth potential in the fields of ceramics and construction chemicals as the initial response is highly encouraging. In the space of bio-pharma, we have started manufacturing Dia-B-Micron ayurvedic tablets which are a reliable and safe medicine for effective management of sugar control, joint pain and obesity. In cases of poor response to conventional OHA (oral hydro-glyconic agent), when Dia-B-Micron tablets are added to the therapy, it helps in reducing joint pain and controlling sugar. Once we speed up our brand building, these new fields will give a big push to our topline as well as bottomline.”

The company strongly believes in innovation. Says Mr. Parikh, “Industrial demands are fast changing and in order to ensure that these demands are addressed in the most fitting manner, the company has set up a fully-equipped research centre and is now liberally investing in R & D activities which promote innovation. The research centre, headed by none other than Mr. Chandresh Parikh, the founder-chairman himself, is empowered with qualified and seasoned professionals who understand the dynamic, intrinsic and varied requirements of industry.”

The company has successfully started penetrating overseas markets. “By fiscal 2017, we have been exporting to around 50 countries with export earnings accounting for around 25 per cent of the turnover. We now plan to expand our export business,” he says.

According to Chairman Chandresh Parikh, the period of headwinds is over. “We expect the sales turnover to cross the Rs. 500-crore mark within the next three years, with a corresponding improvement in earnings,” he says with a glint in his eyes. ■



Atil Parikh

