20 MICRONS LIMITED
CIN # L99999GJ1987PLC009768
Regd. Office: 9-10, GIDC Industrial Estate, WAGHODIA, Dist.: Vadodara, 391760
Ph. # 75 748 06350 E-Mail: co_secretary@20microns.com
Website:www.20microns.com

08th November, 2024

TO:

BSE LIMITED *Department of Corporate Services* Phiroze Jeejeebhoy Towers, Dalal Street, Fort, **MUMBAI – 400 001.** ***SCRIP CODE : 533022***		***NATIONAL STOCK EXCHANGE OF INDIA LIMITED*** *Listing Department,* Exchange Plaza, Bandra – Kurla Complex, Bandra [East], **MUMBAI – 400 051.** ***SYMBOL : 20MICRONS***

Re*: Transcript of Earnings Call*

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, please find enclosed herewith the transcript of the earnings call held on Tuesday, 05th November, 2024.

The above information is available on the website of the Company at https://www.20microns.com/.

You are requested to take the same on your records.

Thanking you,

Yours faithfully
For 20 Microns Limited

KOMAL PANDEY Digitally signed by KOMAL PANDEY Date: 2024.11.08 15:55:12 +05'30'

[Komal Pandey]
Company Secretary
Membership # A-37092
Encl.: A/a

20 Microns Limited
Q2 FY25 Earnings Conference Call

Event Date/Time: 05/11/2024, 12:00 Hrs.
Event Duration: 50 mins 39 secs

CORPORATE PARTICIPANTS:

Mr. Atil Parikh
CEO & Managing Director

Mr. Pranit Shah
Finance Controller

Q&A PARTICIPANTS:

1. Agastya Dave	: CAO Capital
2. Rajesh Sharma	: VS Capital
3. Shubh Shah	: Ratna Traya Capital
4. Divya Daga	: Vijit Global Securities
5. Tanya	: Individual Investor
6. Aman Jain	: Arihant Capital
7. Amit Agicha	: HG Hawa
8. Rushabh Shah	: RRR Investment Advisory Pvt Ltd
9. Alisha Mahawla	: Envision Capital
10. Jeet	: Individual Investor
11. Rishi Kokane	: Individual Investor

Moderator:

Ladies and gentlemen, Good day and welcome to the 20 Microns Limited Q2 and H1FY25 earnings conference call hosted by Ventura Securities Limited. As a reminder all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance in the conference call please signal an operator by pressing * and then 0 on your touchtone phone. Please note that this conference is being recorded. I would now like to hand over the floor to Tushar from Ventura Securities Limited. Thank you and over to you Tushar.

Tushar:

Thank you. Good day Ladies and Gentlemen on behalf of Ventura Securities Limited, I welcome you all to 20 Microns Limited Q2 and H1 FY25 earnings call. The company is today represented by Mr. Atil Parikh Chief Executive officer and managing director. I would now like to hand over the call to Mr. Atil Parikh for his opening remarks post which we can start the question-and-answer session. Thank you and over to you sir.

Atil Parikh:

Good afternoon, everyone a very warm welcome to the Q2 and H1 FY25 earnings conference call of 20 Microns Limited. I would like to start with a brief introduction of our company. 20 Microns Limited is a pioneering leader in the industrial minerals sector in India with over three decades of rich experience we have been at the forefront of revolutionizing mineral micronization in India with a systematic approach. Our diverse product portfolio encompasses a wide range of non-metallic industrial minerals such as calcium carbonate, talc, kaolene, mica, quartz, dolomite, natural red oxide along with various other specialty chemicals and functional additives including mineral based fertilizers construction chemicals and many more.

Our robust infrastructure includes nine states of the art manufacturing facilities and warehouses across India strategically located in Gujarat, Rajasthan, Tamil Nadu and Andhra Pradesh. This network provides us with a combined manufacturing capacity of more than 4,50,000 metric tons per annum. We also have 5 different captive mines in India with a total mining reserve of approximately 170 million tons. Our products serve as essential building blocks across various different industries including paints and coatings plastics and rubber, paper, tires, ceramics and many more. We currently support a diverse global customer base spanning over 65 countries and more than 200 clients from wide range of sectors.

Our clients include esteemed companies such as Berger paints, Asian paints, Kajaria, Pidilite, L&T, Kansai Nerolac paints, finolex pipes, ONGC, JK tires, AkzoNobel and many more. A core driver of our future success is our steadfast commitment to research and development. We make significant investments to foster a culture of innovation continuously exploring new possibilities. Our dedicated R&D team of 45 to 50 professionals focuses on developing a broad range of products at our in-house facility in Vadodara. 20 Microns remains resolute in its mission to deliver high quality products and pioneering solutions through continuous R and D initiatives and in close collaboration with both domestic and international clientele, we consistently enhance our product portfolio to meet the needs of the diverse markets.

Now moving on to the financials in Q2 FY25, our company has delivered a solid performance with a revenue increase of 20.3% reaching INR 2,401.8 million compared to INR 1,997 million in Q2 FY24. The company witnessed healthy revenue growth during Q2 FY25 largely supported by a strong demand across our key product segments. For H1 FY25 the revenues grew by 20.6 % from INR 3,902 million in

H1 FY24 to INR 4,707 million H1 FY25 showcasing a sustained momentum in our core business operation. Further the EBITDA for Q2 FY25 stood at INR 308 million reflecting a growth of 3% over the same period last year while H1 FY25 EBITDA grew by almost 8% to INR 608 million. While there has been a slight reduction in the EBITDA margins, this is attributable to external factors specifically the rising costs associated with our raw materials, freight and transportation. Our pat increased by 2.5 % reaching INR 164.5 million compared to INR 160.5 million in Q2 FY 24. For H1 FY25, the pat increased by 10.9% amounting to INR 343.5 million compared to INR 310 million in H1 FY24.

Our business performance in Q2 and H1 FY 25 has remained quite steady showcasing resilience in the face of external challenges. The extended monsoon season during Q2 also led to temporary disruptions in the demand however our diversified portfolio and robust market presence helped us to mitigate the impact ensuring that we are on a steady growth path. As a result we maintained a positive growth trajectory navigating through short term obstacles while continuing to focus on long term stability. Looking ahead. we are optimistic about the second half of the financial year as well which is expected to maintain the consumption across key industries and we anticipate a constant progress in demand in the coming quarters especially in the domestic market.

In summary 20 Micron's future looks quite bright as we focus on the innovation and strategic alliances, we are well prepared to capitalize on the numerous growth prospects that await us and are confident in our ability to expand our operations while providing value to our stakeholders. We thank our board, management, employees, partners and shareholders for their unwavering trust together we plan to deliver a solid performance and a reliable growth for 20 Microns. I thank you for your time and I'm happy to answer any questions that you may have. Thank you.

Moderator:

Thank you, sir. Ladies and gentleman we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. First question comes from Agastya Dave from CAO Capital. Please go ahead.

Agastya:

Thank you very much sir. Thank you for hosting the conference call and giving me the opportunity clarification on the management that you have given you said that there were some external factors due to which the EBITDA margins were suppressed. I understand the nature of these pressures cost pressures but can you quantify the impact that we saw during the quarter and the second question very similar question so you have mentioned that in the second half you'll see there is a chance of improvement in margins provided the demand remains stable so are these cross specials expected to reverse is that the reason or because of higher demand do you expect better margins because of operating costs and these cost pressures are expected to continue for a longer duration.

Atil Parikh:

Yes, thank you for your question. When we look at the external factors, we clarify that 20 Microns imports a quite a lot of raw materials from overseas and due to the higher freight costs for the incoming raw material at certain times from certain territories that we import from and building up on certain inventories for the raw materials is where the cost pressures build up which do not get translated in terms of the price increase that we received from our customers at times for certain product ranges that we carry.

So definitely this is one of the factors along with certain transportation costs which have also increased due to the increase in the sales that we have seen in the past half a year. So this cost pressure definitely would continue to build up because we do see a demand which is going to be present there but the uncertainties definitely will continue so there is no surety as to how the demand will peak and not peak in the coming quarters but we are ready to with the inventory that we are carrying for the raw materials to build upon the product range to service our customers for the demand that might be created in the coming quarters.

Agastya:

Sir, can you quantify the impact that we saw during this quarter?

Atil Parikh:

That I do not have on hand right now but we will get them to you.

Agastya:

Alright. And sir just a second follow-up the 15 to 18 % growth number that you are what kind of surety you do in that guidance

Atil Parikh:

Yes so currently if you notice we are growing at 20% in the first half and generally Q3 is quite sluggish due to the festive demand which is there and the holidays which are there so due to that we will we have put up a 15 to 18 % growth rate which we will hopefully achieve looking at the current scenario.

Moderator:

Next question comes from Rajesh Sharma from VS Capital, please go ahead.

Rajesh Sharma:

Hello sir thank you for the opportunity. I just like to know that in last concall you had mentioned date EV product. So can you Can you update us on the current status of the EV product development including any collaboration?

Atil Parikh:

Yeah regarding you know the new developments related to EVs and batteries and semiconductors, it's still ongoing and it will still take some more time for us to develop those kinds of products because they are very niche products and they need specific types of raw materials which go into developing these kind of products and we are working with international labs to create the right products for the Indian markets and the global markets and so it's still in the R and D phase and will take a couple of more quarters before we have something ready in the lab to announce it

Rajesh Sharma:

I just wanted to understand looking beyond the current financial year, what are the long-term goals that you EV product lines and semiconductors? Is there any timeline that you can tell us about?

Atil Parikh:

Are you asking specifically related to EV.

Rajesh Sharma:

Yes.

Atil Parikh:

EV is a very new concept and there are no direct products which go into the EV market for 20 microns. So we have to supply to the allied industries which supply to the EV industries so it could be the battery industries or the semiconductor industries which supply to the EV industries so there are no direct products which go into the EV so we are working on developing products which go into the semiconductor industry or the battery industry but there are certain specialized products and raw materials which are required for this kind of product development so we are working with international laboratories and international different consultants who are guiding us in terms of the product development so it will take some more time.

There is no specific time limit in this particular reason because anyways the demand is still not there in the Indian market for these kinds of products so we are trying to look at international products and try to develop these kinds of products within India.

Rajesh Sharma:

Got it Got it sir okay. Thank you and wish you all the best.

Atil Parikh:

Thank you so much.

Moderator:

Next question comes from Tanya an individual investor please go ahead

Tanya

Hello sir good morning congratulations on good set of numbers. Sir I have first question regarding could you help me with the revenue mix for H1 FY 25 in terms of the industry that we cater to.

Atil Parikh:

So typically in 20 Microns, if you look at our typical product mix which has already been mentioned in the annual report even in H1 the product mix remains the same where we cater about 51% to the paint industry, about 22 % to the plastics industry and about 7-8 % to the rubber industry followed with the other smaller industries that we cater to and also in terms of the product mix calcium carbonate still holds 50 % of our overall revenue followed by 20 % of kaolene, 10 % of talc and remaining all the products

Tanya:

Thank you, sir, Sir since paints and coating segment contributes almost 50 % in terms of our revenue so sir any plans to diversify and reduce the dependency from the same segment in the near future?

Atil Parikh

Well the volume that we refer to in terms of the paint industry no other industry has such a huge demand for minerals from the other industries in terms of the formulations that we use these minerals in so that is the reason that the dependency on paints will continue to be the same as it is but definitely our focus is more now towards the plastics and rubber industries and we are developing more and more new products for these industries. So eventually in the coming years you will see that the growth in the plastics and rubber segment will increase and will lead to an overall shift in the overall mix.

Tanya:

Any target that we are catering to in terms of increasing the revenue based on the other segment and reducing the dependency impact

Atil Parikh:

Yes that will all depend on the approval processes that take place in these industries because these are all niche products and the approval times and the trial phases are quite long compared to the regular products that we are supplying.

Tanya:

So what will be the time frame to get the approval?

Atil Parikh:

So there's no specific time frame that I can tell you about it as of now.

Tanya:

Alright sir so thank you I'll join the queue then thank you sir

Moderator:

Next question comes from Aman Jain from Arihant Capital, please go ahead

Aman Jain:

Hello just want to understand Q3 a weaker quarter for us comparatively to the other 3 quarters. Q3 is a weaker quarter for us but like you have also increased the guidance from 10 % to 15 % to 15 % to 18 % so can we express the Q3 to see much better growth and any sequential growth

Atil Parikh:

Are you talking only related to Q3?

Aman Jain:

Yes, I mean for Q3 yes.

Atil Parikh:

Yes so currently in Q3 the demand if you look at the H1 comparison then the Q3 demand is currently quite sluggish if you look at the FMCG markets they're all not up to the mark that they were in terms of the market scenario so but we are quite hopeful that post Diwali now the pickup will happen and we would be on the same path that we are at the H1 level.

Aman Jain:

Okay understood. I will join later thank you.

Moderator:

Next question comes from Amit Agicha from HG Hawa please go ahead.

Amit Agicha:

Yes thank you for giving the opportunity and congratulations for the good set of numbers. My question was with respect to the number of employees the company has and the gender ratio.

Atil Parikh:

Yes so we have more than 500 hundred plus employees along with all the staff and the labours and everyone involved in the company and our headquarters is based out of Baroda. As of now I do not have an exact number for the gender ratio but our team can always get back to you if you drop in a message to our company secretary for the same.

Moderator:

Next question comes from Shubh Shah from Ratna Traya Capital, please go ahead.

Shubh Shah:

Yes I wanted to ask first has the share of imported raw material as a proportion of our total cogs changed or is it around the 40-50 % still?

Atil Parikh:

No it continues to remain the same.

Shubh Shah:

Understood sir. I also wanted to check about the proportion the contribution to revenues from 20 Microns Nano, what is the number for this quarter?

Atil Parikh:

So you want to know the total revenue for 20 Microns Nano Minerals Limited?

Shubh Shah:

Yes

Pranit Shah:

Hello

Atil Parikh:

Yes Pranit go on.

Pranit Shah:

Are you talking about nano revenue? Nano mineral revenue for first quarter is around INR 54 crore.

Shubh Shah:

Okay.

Atil Parikh:

So that's a 30 % growth YoY

Shubh Shah:

Understood and any guidance for this?

Atil Parikh:

This will continue to remain the same as of now

Shubh Shah:

Understood

Atil Parikh:

For H2 yes.

Shubh Shah:

okay and 2 more questions first can you provide the breakdown of expenses the freight or power and fuel cost what has resulted in the increase in total expenses this quarter

Atil Parikh:

So basically as I mentioned to you in my opening remarks that the raw material cost has increased which is a major factor which has increased by more than 1.5 % YoY so that is the major contributing factor to the overall expense compared to any of the other expenses that we have in place.

Shubh Shah:

Okay understood and last any particular capex which we are planning to incur

Atil Parikh:

So we already have planned capex for the next 18 months which we had spoken about in the last earnings call also that it is in the range of INR 70 to 80 crores out of which INR 25 crores is going towards the recent acquisition that we have done in Malaysia for acquisition of mines and there is another capex which will be ongoing capex for 20 Microns in terms of the addition of capacities for our current product ranges and some capex which will be going towards the capacity enhancements for the nano product range and some capex which will be going towards our new joint venture which has been formed for the construction chemicals with Sievert’s Germany so and then there's some capex which will be going towards R and D upgradations of the current machinery and also some capex going towards buildings and renovations and stuff like that so overall we have an 18 month plan for INR 70 to 80 crores worth of capex.

Shubh Shah:

Understood and there is no kaolin capex as of now.

Atil Parikh:

As of now there is only a minor kaolin expansion capex which has been planned but not in a big way.

Shubh Shah:

Understood thank you that's all from my end.

Moderator:

Next question comes from Rushabh Shah from RRR Investments Advisory please go ahead

Rushabh Shah:

I had a question about the half yearly results that you have published a few days back the paid receivables have increased a lot like from 125 to 160 in just half a year which is a bit concerning because it has been increasing gradually and the cash flow operations is also not suffering it has been negative half yearly too so what are your comments on that

Atil Parikh:

Pranit, can you answer this.

Pranit Shah:

Sir for the trade receivable so far as our revenue is increased by 20 % literally receivable has been increased but if you look at holding it it's not much changes if you compare holding days with march 24 year then it is around 53 days and there is not much change so far as holding days is concerned however absolute term receivable is higher compared to last year months. This is because of the increase in revenue.

Rushabh Shah:

Yes the holding days is average but what I'm saying is that it has increased to INR 160 so the holding days will also increase because the average will be increased and the revenue has not increased much from like last half.

Pranit Shah:

No, if you compare revenue year by year or compared with last year or current half then revenue actually revenue has been increased by 20 % definitely you see our result you can see that the revenue has been increased.

Rushabh Shah:

Yes, the revenue has increased by 20-25 % but the credit scores have increased by a much larger %.

Pranit Shah:

No, not much larger but if you compare holding days you calculate holding days I have calculated holding days September four receivable holding days is 62 days June is 56 days for 23 it is 61days so there is not much in this.

Rushabh Shah:

Okay so I think that the decreased the sales payables also the last two years it was decreased by around 50% and now we're seeing an increase again in debt so like are the credit terms with suppliers changing again.

Pranit Shah:

I'm not getting you properly but so far as credit payable is concerned during last quarter in January February and March this MSME imposed so we have to pay every MSME vendor within 45 days so trade payable days is constantly decreasing compared to last year compared to last year this half year trade payable also went downwards so far as the holding days concerned.

Rushabh Shah:

Yes so and my another question was that the current other financial assets in the balance sheet that has been a low amount every year the highest has been fourth year but if we see the half yearly balance it has increased to 28 cr suddenly, now from what I'm aware historically it has only contained like insurance claims and one more sir so can you give some bifurcation about it.

Pranit Shah:

Are you talking about other financial assets?

Rushabh Shah:

Yes current other financial asset.

Atil Parikh:

What I would suggest is that if you can take this question and write it to the senior finance controller you will be able to address your queries in a much better way one on one

Rushabh Shah:

Okay.

Pranit Shah:

Hello you are talking about current financial asset where amount of INR 24 crores is amount receivable for issue of share capital which we have invested in this September months to our Malaysian company so the current financial asset is INR 28 crores compared to mine.

Rushabh Shah:

Then it is an investment in the Malaysia mine.

Pranit Shah:

Yeah, amount receivable or issue of share capital that amount is INR 24 crore which is not in last 3 years so if you compare amount September 24 versus March 24 you will find its significant price mix this is because of this investment here.

Rushabh Shah:

Okay and my last question was that I thought that the cash flow from like has been negative this year for the half yearly and that's not the main reason for that is the inventory buildup but the revenue monthly has been better and the revenue has not changed much from last quarter so like why is the inventory building up and like are you storing inventory for treated demand or what is the reason for that

Pranit Shah:

Yes we are carrying inventory so far as imported material is concerned we have kept material looking to future demand and we have reserved that material so that operational cash flow is being used in that inventory and then this is imported material so the payable period or credit period is also lower compared to domestic material and most of our operational cash flow is used to purchase these inventories and so far as demand is concerned Atil sir will explain you what about demand and how this inventory would be due to the mix.

Moderator:

Next question comes from Alisha Mahawla from Envision Capital, please go ahead.

Alisha Mahawla:

Hi sir good afternoon thank you for the opportunity the first question was the growth that we've seen in H1 of 20 % plus can you break that down into how much is volume growth and how much is realization growth because of better product mix

Atil Parikh:

So in terms of volume and in terms of the value both are at a 20 % growth equally

Alisha Mahawla:

Okay understood so second question if you could just help us with the nano revenue and margins in H1

Atil Parikh:

Nano as I as Mr. Pranit just mentioned in his earlier question we will stand at INR 54 crores in H1 which is about almost the 28 % to 30 % growth year on year compared to last financial year but the margins will continue to remain in nano in the same range of 12 to 13 %

Alisha Mahawla:

Growth in nano, have we got any major new customers that that we've added or this is ramping up with existing customers and how should one work with in terms of growth for nano going forward over the next few years

Atil Parikh:

So in terms of nano we have multiple products that we have available in different industries and as I mentioned to you in my earlier remarks was that there is a lot of time which gets taken for the trial for nano related products because of the extensive testing that has to be done for these products and depending upon the industries that are consuming these kinds of products so a lot of products that we had launched in 2022 and 2023 have finally got the approvals in 2024.

And that has been showing the results in terms of the increase in the volume and in terms of the value of these products over a period of time and we'll continue to increase because there are many other pending trials which are being conducted by our customers the long term ones and these will continue to get converted in the following year as well as in the next year and we are also building upon capacities in nano also for the products which are kind of the key ones where we're expecting better demand coming in which because nano is basically products are import substitute products and because of the import sustainability which is not so good right now due to the freight factors and the demand and the supply which is there currently in the global scenario we would have some advantage on that in the coming quarters and in the future years as well.

Alisha Mahawla:

What would be your capacity utilization in nano currently

Atil Parikh:

So it differs from product range to product range in some we are at 90 % and some we are at 50 % so again products different capacity utilization is there in that particular segment

Alisha Mahawla:

So I'm just glad with respect to what you were saying that as the products are gaining acceptance can this business continue to do 30 % growth in the near future or will it now with capacity constrained because you did say there's a little bit of capex that we are planning to do

Atil Parikh:

No but there are many other new products which are being planned in the R&D and they will continue to so the product will range will keep expanding in nano and the demand also is currently what we are selling is not the demand is much more than what we are currently selling and so that will continue to grow as the products get approved

Alisha Mahawla:

Understood and what is the update on the quartz JV the Color the quartz that we were doing

Atil Parikh:

So that is still ongoing so currently that JV is functional and we are but it's we have not yet entered into the production phase for that particular JV we are still in the marketing phase for that operation and so the products are currently being imported from our principal in Germany and 20 microns nano is selling their product range to the JV company and we are selling it to various flooring industries various quartz sink manufacturers in India and we are expecting that it will continue to grow depending upon the number of manufacturer that would increase in the coming years in India for manufacturing of quartz sinks.

Alisha Mahawla:

What kind of revenue is this JV currently clocking?

Atil Parikh:

Currently I think that JV is in H1 at around INR 3 crores

Alisha Mahawla:

Okay.

Alisha Mahawla:

The second JV is that on track to start production from FY26?

Atil Parikh:

Yes, currently it's under the formation the company is under formation with the ROC so hopefully in the next few weeks the company would get formed and we would start getting the installations and everything happening in the next few months so yes it is on track and in FY26 we will start the first phase of production and FY27 we will start the second phase of production.

Alisha Mahawla:

Understood and just one last question the mines that we bought in Malaysia which that should start producing from H2 FY26 correct and what will be the benefit because what we were procuring from outside now we will do through our own mines so is this supposed to give us better margins or will this help in better working capital management if you could just also reiterate what would be what benefits one could expect because of this

Atil Parikh:

So the margins is not going to be an important factor in this one it is going to continue to remain the same but the thing is that we will have a more structured way of procuring the material since it is our own mine so we have a certain way of doing mining and getting the right kind of material and having less dependency on external mine owners where we had no control over the quality of the raw material which was coming in to place so we will be benefiting out of the quality of raw material basically and that would eventually help us in terms of better utilization of the material helping us in terms of better product quality and less of wastage generated for that particular product range.

Alisha Mahawla:

And this should start from H2 of 26

Atil Parikh:

We are undergoing still the final structure of acquisition so it should eventually finish by the end of this calendar year and then we will start working on the operations of the mine and everything so yes mostly by Q2 of next financial year is when we will start the mining process and simultaneously, we will also be investing in upgrading the machinery and making it more usable for producing the right kind of products for the market.

Moderator:

Next question comes from Shubh Shah from Ratna Traya Capital please go ahead

Shubh Shah:

Hello sir I wanted to note the company level capacity utilization

Atil Parikh:

So the company level utilization as of now stands at ninety percent.

Moderator:

Next question comes from Jeet an individual investor please go ahead

Jeet:

Sir firstly can you give me a break up of your revenue in terms of how much is domestic and how much is international

Atil Parikh:

So we work at 85 % domestic and 15 % international but this year we have less of exports compared to the domestic while our ratio has moved to 87 % and 13 %

Jeet:

Okay sir and can we see an increase in export and domestic in next couple of years

Atil Parikh:

It all depends on the external factors basically we have no control over them so we have lost many export volumes because of the higher freight because of the supply chain issues which were there since the red sea crisis and because of that we have to forego many customers in the American markets and the South American markets but it all depends on how the excellent scenario shapes are based on that we will be able to so we have I would not be able to answer you directly right now but our focus definitely is there so our focus currently has shifted to Asia more because we are seeing a lot of demand coming in from the middle eastern and the south Asian markets predominantly so that's where our main focus is currently in line there

Jeet:

Sir if the good demand comes in are we able to fulfill that

Atil Parikh:

Yes, absolutely

Moderator:

The last question of the day comes from Rishi Kokane Kokane an individual investor please go ahead.

Rishi Kokane:

Yes good afternoon sir. Sir basically I have two questions, first one so sir how is the market discount for our new value-added product that is from our end Zinkomer and Lithomer. Additionally, what percent of margin we do make we make from this product

Atil Parikh:

Yes so there is a very good potential that we are seeing in terms of both these products from Lithomer and Zinkomer because they are both partially replaceable products for the high expensive segments that these products actually replace so the demand definitely will keep increasing YoY and we are seeing that happen as well and the margins as mentioned they keep are under the 12 to 13 % range currently so yes that's it

Rishi Kokane:

What is the potential market that you are anticipating for this Lithomer and Zinkomer product?

Atil Parikh:

Potential market is very difficult to say because anyways if you look at the size of the zinc oxide and the size of the titanium oxide which has been used in the market is really high that is difficult to you know scale that to market pair that to a particular market demand because not everyone is going to replace that with our products looking at the formulation and looking at the price that we offer so it's not an easy answer to give you as of now.

Rishi Kokane:

Okay so my second question is sir are there further substitutions or innovation in development to address other kinds of high raw materials just like we do with the titanium dioxide and zinc oxide?

Atil Parikh:

Yes so all our product ranges that we offer in 20 Microns nano minerals limited many of them are partial replacement products for the expensive thickeners or expensive matching agents or expensive pacifiers that we have been using traditionally in the market and we need to provide them solutions to partially replace them with our products so it's a very natural way of replacement but it's up to the customer as to how confident they are in terms of using these products and saving on cost in terms of their formulation so that's how it goes here.

Moderator:

Now I hand over the floor to management for closing comments.

Atil Parikh:

Hi, Atil Parikh and Mr. Pranit Shah the senior finance controller would like to thank all the participants for attending this session we believe that we have satisfactorily run you through our company and financials and addressed every arising question thereon put upon the floor by the participants we continue to see growth in our broad product portfolio and witness a strong momentum across our business supported by R&D and other strategic initiatives we remain focused on bringing new products exploring new markets and creating value for our stakeholders. Please follow-up with our investor relations team Mr. Kurnal shah and Mr. Vinayak Shirodkar from Captive IR if you have any further questions which won't be covered up in this session, I hope you have a great day ahead thank you once again

Moderator:

Thank you, members of the management. Ladies and gentlemen, on behalf of Ventura Securities Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.