

20 MICRONS[®] L I M I T E D

CIN: L99999GJ1987PLC009768

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May 29, 2025

To,
The Secretary,
BSE Ltd.
25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001
Scrip Code - 533022

To,
Asst. Vice President,
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot C/1, G Block
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Symbol - 20MICRONS

Dear Sir/Madam,

Subject: Transcript of Earnings Call for the Quarter and Financial Year Ended March 31, 2025

Dear Sir(s),

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and further to our earlier intimation dated May 21, 2025, regarding the Investors' Earnings Call, we hereby inform you that **the transcript of the earnings call** held on **Tuesday, May 27, 2025**, in connection with the **Audited Financial Results (Standalone and Consolidated)** of the Company for the quarter and financial year ended March 31, 2025, is enclosed herewith as **Annexure-A**.

You may [click here](#) to view the Transcript, which is also accessible under the Investors section of our website at www.20microns.com.

This is for your information and further dissemination.

Thanking you,

Yours faithfully
For 20 Microns Limited

Komal Pandey
Company Secretary & Compliance Officer
ACS 37092

Encl.: as above

Annexure-A

20 Microns Limited

Q4 FY25 Earnings Conference Call

Event Date /Time – 27/05/2025, 4:00 PM

Event Duration: 39:18 mins

Management Representation by:

- 1) Atil Parikh – CEO & Managing Director
- 2) Nihad Baluch – Group CFO
- 3) Pranit Shah – Finance Controller

Q & A Participants

- 1) Arjun Shah – Anar Investments LLP
- 2) Divya Daga – Vijit Global Securities
- 3) Adarsh Jain – Individual Investor
- 4) Parth Sarsavadiya – Sarsavadiya Security
- 5) Dhiraj Kaswan – RRR Investments

Moderator:

Ladies and gentlemen, good afternoon and welcome to the Q4 FY25 Earnings Call of 20 Microns Limited. My name is Muthukumar, and I represent Wisdom IR. We are privileged to have with us today key members of the Company's management team, Mr. Atil Parekh-CEO and MD, Mr. Nihad Baluch, Group CFO and Mr. Pranit Shah, Finance Controller.

Before we begin, I'd like to remind everyone that today's call is being recorded. The audio-visual recording of this session will soon be made available on the company's official website. Additionally, a detailed transcript of the call will also be published on the website shortly after the call concludes. For this webinar, all participants will remain in listen only mode throughout the presentation. Following the management's remarks, there will be an opportunity for you to ask questions during the Q&A session. To set the stage, allow me to provide an important cautionary note regarding our discussion today. Some of the matters covered in this call may include forward looking statements concerning the company's market opportunities and business prospects. These statements are subject to risk and uncertainties that could cause actual outcomes to differ materially from those expressed or implied. Please note that the company is not liable for any actions taken based on such statements. With that, I would like to hand over the proceedings to Mr. Nihad Baluch, Group CFO of 20 Microns Limited. Over to you, Mr. Baluch.

Nihad:

Thank you, Mr. Muthu. Good evening, everyone. Thank you for being here. I am Nihad Baluch Group CFO of 20 microns Limited and I am excited to present our deliverables on our strategic objective of financial year 24-25. I trust you have downloaded the presentation from the link. We have achieved a significant milestone in our companies growth trajectory, recording annual revenue of 9127 millions in the previous year 24-25.

This achievement reflects the successful execution of our strategic initiatives, including onboarding of the new clients, expansion of our product portfolio and strengthening our distribution network.

Let me share you a glimpse of our today's presentation, which comprises consolidated financial results of quarter 4, business update companies background and the financial trend. Trust me, these are not merely just numbers. This numbers reflect a year of dedication, trust and teamwork of our employees, customers, vendors and the stakeholders at large. Together we have built a strong and more financially sound

business in this years. Let me share you a quick indices of our quarter for the financial results FY 25. Revenue growth in quarter 4 of FY 25 has advanced by 6% over quarter 3 of FY 25 and quarter 4 of 24. If we speak about the annual revenue growth, it is 17.4% which showcase our steered growth range. Our EBITDA margins of quarter 4 for financial year 25 is improvised by 12.7%, then 12.2% of quarter 3 for the financial 25 and respectively 12.5% of quarter 4 of 24. The bottom line augmented to 6.7% in quarter 4 of 25, against 6% of quarter 3 for the financial 25 and eventually 6.4% of quarter 4 of financial 24. Here is the summary which you can go for the indices in detail. Let me take you through the contribution of the company along these years. A brief about our company, what we do.

We are a vintage company for almost 38 years been in this industry. Our diversified product portfolio comprises of wide range of non-metallic industrial minerals such as Calcium carbonate, Talc, Kaolin, Mica, Quartz, Dolomite, Natural red oxide along with other specialty chemicals and functionalities which are including mineral based fertilizer and construction chemicals and many more. We have a robust infrastructure and a state of art of manufacturing facilities and warehouses across India which are located majorly in Gujarat, Rajasthan, Tamil Nadu and Andhra Pradesh. We also have a captive mine in India with the reserves of around 170 million tons. We are spread across 65 countries and more than 200 clients from wide range of sectors. I will just brief you about my business segmentation and performance.

My paint sector has always been prevalent contributor with 48% of revenue share followed by polymers which have accounted for by 25% of the revenue and which has been followed by rubber, paper, ceramics and other applications ranging from 5% to 9%.

Meanwhile, my exports contributed 13% to the total revenue, which is again towards my expectation that remained to 13 to 15% in range. Our financial strategy is very simple and clear. You may refer our previous trends. We look for a profitable growth. We are focused on expanding our market presence while ensuring every revenue contributes to our bottom line. Therefore, calculated decisions are takeaway of our revenue growth by 17%. Despite challenges from market and geopolitical scenario, enhancing our operational excellence is always our core objective. Amid high pressure from the raw material imports, freight cost and forex volatility, we continue to maintain our EBITDA margins to 12.8% in FY 24-25 without compromising our quality & innovation. This has also enabled us to broadly stabilize our performance ratios.

We believe in capital allocation. We allocate capital strategy strategically, prioritizing reinvestment in high return opportunities first, while maintaining a strong balance

sheet and considering shareholder returns. The approach enabled us our successful Malaysian acquisition and also sustained to declare dividends at 25%. In financial year 25, Despite external headwinds, we delivered consistent margins, executed a key international acquisition and upheld stakeholders return. I would like to thank you once again for your continued trust and partnership and further I would like to call Atil Sir to join me and give a brief about the entire financial year and Atil Sir.

Atil:

Yeah. Hi, everybody. Thank you Nihad for taking us through the investor presentation, which is now available online that you can download, which is there since yesterday And now we can open the question and answer session through the moderator, please.

Moderator:

OK, OK . Yeah, thank you, Sir. So we will now begin the question and answer session. For participant who wish to ask the question directly, please use the raise hand functionality. Once unmuted. Kindly introduce yourself before proceeding with your question. We request that you limit your interaction to 2 questions at a time, after which you may rejoin the queue to allow others an opportunity to participate. Alternatively, you are welcome to post your questions directly in the chat box as well. As a quick reminder, please use the raise hand feature if you would like to ask a question directly to Mr. Atil or the management team. So Atil as there is one question that has come in the chat box which I will just read it out to you. This comes from Mr. Arjun - the subsidiary we are acquiring, how much do we already own and what are we paying to acquire the reminder. I repeat the question, the subsidiary we are acquiring, how much do we already own and what are we paying to acquire? from Mr. Arjun.

Atil:

So currently the step down subsidiary that you might be referring to which is step down subsidiary of 20 microns and the subsidiary of 20 Microns Malaysia which we recently acquired GTLQ and IQ (marbles). So in IQ (marbles) we have 86.68% ownership of the company and in GTLQ we have about 90% ownership of the company and 10% is with the minor stakeholders. And the process is ongoing to get the remaining shares through discussion with the strategy that we want to implement in the Malaysian subsidiary.

Moderator:

OK, OK.

I am also unmuting Arjun I think for a follow up question.

Arjun:

Am I audible?

Moderator:

Yes. Arjun, you can ask the question.

Arjun:

Yeah. Can you hear me?

Atil:

Yes, yes, OK.

Arjun:

Yeah. So one more question. I just wanted to understand some of our competitive advantages against some of our competitors and who might our competitors be because the products that we do, we're basically adding, adding value to commodity products, right. So just to understand, but our margins have been very consistent, which is great. So I just wanted to understand a little bit more about the business in general, if you could help me out.

Atil:

Yeah. So if we look at the competitive scenario and if you're looking at the competition from a listed space, we do not have many or any listed players listed on the Indian Stock Exchange. Now when we look at the global scenario, we do have competition coming in from the world's largest industrial mineral manufacturers who are very big on scale compared to 20 microns and we see them as competitors on a global platform. But when it comes to India, we have a lot of regional competitors and each mineral that we discuss about it will have different competition in the landscape. So it will not be a similar competitor which will be across different minerals that 20 microns is into. So that is how it is kind of different from what you would look at. And I would not like to name anyone as of now because they are not in the listed space and they are privately owned family entities. But we could always, you can always write back to us and we can, you know, mention it to you or we could discuss it on one on one if required in the future.

Arjun:

Sure, that helps a lot. Also, the subsidiary question that I had written in the chat box. So, so do we have an amount that we have spent to acquire the remainder or no,

Atil:

It will be the similar amount which we have already paid at the similar share value, which is, which is there, you know, currently that we've already paid to them and which is under discussion. So we will be doing it in the same fashion.

Arjun:

All right. but you haven't disclosed any of that.

Atil:

Yeah, we will disclose it sooner when the amount gets finalized.

Arjun:

All right, All right.

Atil:

But it would not exceed a significant value than what we currently have negotiated with.

Arjun:

Done, done. All right. Thank you.

Atil:

Thank you.

Moderator:

Thank you, Arjun. So the next question is from Divya. She has also put up a few couple of questions on the chat box. I will read out few of the questions.

Atil:

I think if you can probably unmute or would be more easy to you know, yes, yes, just check.

Moderator:

Divya on the line? Would you would you like to ask the questions over the audio itself?

Divya, Miss Divya. Divya, we have unmuted you so you can ask the question. So I think I will just read out the question. She probably doesn't want to be part of the audio. So first question is what can be the revenue that we are expecting from value added niche segment for the next 2 to 3 years.

Atil:

So typically 18 to 20% growth rate is what we usually go with looking at the current market trends even in the value added segments and the approvals of the products, which take quite longer in the value added segment compared to the traditional segments that we usually are in. So that's what we look at in the next 2 to 3 years that you can estimate it to be.

Moderator:

OK. And this follow up, one other question is, as our borrowings has increased from 121 crores to 165 crores in FY 25 and our CapEx is based on internal accrual, what is the utilization of additional borrowing?

Atil:

I think Mr. Nihad, would you like to answer that question?

Nihad:

Yes, broadly it is the working capital for which we have used and it has increased.

Moderator:

OK.

Atil:

So basically it's not the any long term or those kind of borrowings that have increased the overall scenario. It's basically the working capital because of the additional inventory that we are trying to build in the organization. So that is the reason that the working capital additional is required to be a part of that operation.

Moderator:

OK, one more question from Adarsh has come. So his question is that can you please share any guidance for FY 25-26 for top line and the bottom line?

Atil:

As you might have seen or heard some of my earlier statements in the last few years is that we traditionally you know, look at a 15 to 18% growth year on year and this is something that we are also looking at in this financial year because the trends are quite vague. We still do not have much confidence on how the different markets that

we serve are going to shape up considering the economic situations, considering the global situations which are creating an impact on the supply chains so and the paint sector which is also undergoing a lot of stress along with the other industries. So keeping a 15 to 18% target of growth is something that we are really looking at and hopefully we should be on track with that considering the external conditions also.

Moderator:

So other follow up question is that what margin expansion we can expect after we start extracting from the Malaysian mine.

Atil:

It is too early to say right now because we have not yet started the mining operations. We would start it somewhere in the next 2 months where we would actually get to understand what kind of ore would be useful for us in different parts of the process and the supply chain what we what would be a part of it. So it will be too early to comment on it as to how much we are going to be adding in terms of the margin space. But yes, we would be gaining more in terms of the dependency that we earlier had on external, you know suppliers. That dependency is now gone and we will be mining as per our own requirements for the production processes that we have across India and abroad. And so based on that, we will be kind of working around selecting the right kind of ore for our own processes and Selling the non required ore to external industries which need that kind of a material. So I think it will be too early to comment on the margin space right now.

Moderator:

OK. For participants who wish to ask a question directly, please use the raise hand functionality.

So you can use that and ask the questions directly. So once unmuted, you can introduce yourself and ask the question or you can also alternatively put your questions directly in the chat box. So the next question is from Parth. His question is that what is different between Malaysian and Vietnam calcium carbonate?

Atil:

There is a lot of difference in terms of the purity. There is a lot of difference in terms of the brightness. There is a difference in terms of, you know the end use where only some industries can use a Malaysian calcium carbonate due to the typical properties it carries versus a Vietnamese calcium carbonate versus Indian calcium carbonate versus an Egyptian calcium carbonate. So there are various properties which people look at, the industries look at and we have to solve those industries through that particular ore itself.

Moderator:

OK. And the second I think related is that how the how big the paint segment can be and its growth in the context of the how the industry is seeing a transformation. So if you could give a perspective on that?

Atil:

So it is I would say there is a lot of you know, I would say a lot of activities happening in the paint industry for sure. You might be hearing it from the media and from various different sources, which are, you know, confirming a lot of news and, you know, bringing it out to the people. But it is too early right now for to comment on certain big players which have already entered into the industry last year and to see where they, you know, move up to and, you know, kind of shake up the industry because there is a lot of room for everyone to come in now. Who is going to eat up, Eat up whose revenue and you know market share is something which is yet to be seen, but 20 microns if you look at it from a suppliers perspective to the paint industry, we are very well ready with serving the industry.

However, it shapes up in terms of the growth, we definitely anticipate a lot of growth only post, you know, once all this conditioning is complete within the industry. So post that we will be able to gauge how the industry is going to move ahead. But yes, if we compare ourselves to the world, we are yet at a very low per capita consumption of paint compared to the Western world. So we do see a lot of urbanization, a lot of consumption, a lot of repainting which would happen which would kind of increase the demand of paints in the coming years.

Moderator:

Mahek has a couple of questions. I am just unmuting her. So Mehak you can ask your questions. I am just I'm muting you.

Mahek:

Yeah, this is Dhiraj. And my question is that I congratulate on the results first of all and I had come across that you are opening a new plant for the Dorfner JV of the quartz products that you are manufacturing. So, what is, what is the kind of capacity that we will be building in that plant and what kind of revenues are we expecting in the future?

Atil:

No, we have not yet. Thank you for the wishes. We have not yet announced any of

that JV for the new plant with Dorfner. We have recently started the operations of a new JV with Sievert. So we have 2 different JVs. So with Dorfner, we are, it is, it is a marketing JV which is about a 3-and-a-half-year-old joint venture which is purely based on no production and only marketing-based products sales. Whereas the Sievert JV which we recently just inaugurated last month, sorry this month and that probably is regarding the construction chemicals business which we are going to be looking into where we are starting with tile adhesives. It's just the first phase that we have started with and then we will be going in with liquid construction chemicals in the second phase for the same. Yeah.

Mahek:

And I had another question like and you have also you had also committed some CapEx for the 20 microns nano subsidiary. So like what are what is the kind of capacity expansion that you have done for that plant?

Atil:

So we will be investing about 15 to 18 crores of CapEx in 20 microns Nano Minerals Limited where we are putting up a calcination facility for the rubber industry. And we will also be catering to some specialized paint grades for the clay, you know the specialized grades of Kaolins that we will be doing in the Nano with a different kind of a technology that we will be using there. So that is the kind of CapEx we have incurred in in 20 microns Nano as of now.

Mahek:

And So what were the revenue numbers of 20 Microns Nano minerals for last year and this year?

Atil:

So 24-25 we closed Nano at 104 crores.

Mahek:

And So what were the revenues last year or the full year

Atil:

Last year as in 23-24 we were at I think 88 crores.

Mahek:

OK, thank you, Sir. I'll get back .

Moderator:

So there was a follow up question from Divya, 2 questions. So I am putting the first one. Inventory this year has jumped more than 40%. Any particular reason for that?

Atil:

Yes, so there are many reasons for the same. The supply chain related situation is kind of, you know playing a very important role in the raw materials for 20 microns and 20 microns Nano Minerals Limited. So we are quite dependent on imported raw materials which account for 36 to 37% of our total raw material usage. And when you are dependent on imports, you have to build up on inventory because there is you know dependency on the freight factor, there is dependency on the availability of the vessels. We have moved towards bulk shipments to retain the freight cost or to lower the freight cost to an extent. So we need to build up the inventory in India because just in time does not work for these kind of minerals and due to that and when you look at the jump in the turnover that kind of an inventory buildup was required and so that was one of the reasons that you know you see a you jump in the inventory.

Moderator:

OK. And also what is your ideal product mix from plastic and rubber segment in the coming years is also question from divya.

Atil:

So traditionally when you look at the regular minerals, calcium carbonate and talc whole the maximum you know product portfolio for regular 20 Micron products but when you look at 20 microns Nano, we have, you know, a range of different waxes. We have activators, we have delaminated Kaolins for the rubber industry then we have zinc oxide partial replacement products. We have micronized waxes, then we have processing aids and then we have desiccants, you know, calcium oxide desiccants. We have flame retardants like we have aluminum trihydrate and we have magnesium hydroxide. So there are quite a lot of products that we do for the plastics and rubber industry. And we see a lot of opportunity in the coming years for these 2 industries in terms of the value added minerals. And that is the reason that our focus

has been primarily on these right now and developing more products for these 2 industries.

Moderator:

OK. So next question is follow up from Arjun. Arjun, would you like to unmute yourself and ask your question or should I? Arjun, I have unmuted you. Can you just ask the question? OK. I will just ask the question. So what according to the management are our competitive advantages over our competitors and how sticky are our clients when it comes to picking a supplier? To mention global organized competitors are there, but most of our business happens in India. So do we see a lot of sticky customers or is the churn high.

Atil:

I am sorry, you need to repeat the question.

Moderator:

I will repeat the question.

Atil:

Yes, OK.

Moderator:

Yeah. What according to the management are our competitive advantages over our competitors and how sticky are our clients when it comes to picking a supplier? You mentioned global organized competitors are there, but most of our business happens in India. So do we see a lot of sticky customers or is the churning going to be high.

Atil:

See every product that 20 microns does, as I mentioned to you, we have a very different competitive scenario. So when it comes to stickiness of the customers, the customers have different policies when they you know, look at suppliers. So sometimes if we have a whole huge basket of different products that we offer to our customers, they would like to work with 20 microns and that is one of our competitive advantage.

Competitive advantage is the basket of products that we carry all the way from 20 microns to 20 microns nano minerals. We have a variety of products that we offer to

the same industry. So that gives them you know a very heavy lineage of working with us.

Secondly, all our customers know 20 microns as a very innovative company, highly focused on research and development. And many of them have already visited us And they know the strength that we carry in terms of the R&D facilities that we have and the product application centers that we have at our Vadodara location and the quality of people that we have recruited to innovate these kind of products for the industries. So they know that strength very much and they work very closely with us in terms of product development and in terms of any import substitute that they would be probably buying and they want to, replace it with a Indian made product then they definitely feel 20 microns could assist them with and so that is one of the areas where we also hold a lot of strength and competitive advantage and also we are very well located in terms of infrastructure. So you know we have 9 manufacturing locations, We have 15 warehouses and distribution sites across the country in India and we also have international subsidiaries from where we cater to some of the Indian clients also. So keeping all these infrastructure related geographies into mind and the workforce that we carry at all these locations which are very close to the customer locations when it comes to service.

So all these play a very, very important role in terms of competitive advantage and where we have an edge over our competition when it comes to, you know, non carbonate products, because in carbonate, definitely we see a lot of, you know, competition from the international and the domestic competitors. But it's a volume game and it's a huge, you know, there's room for everybody.

So whenever we have, you know, the basket to offer calcium carbonate is always a part of it. So, that's how we are kind of very well placed in the marketplace.

Moderator:

Next question is from Adarsh. Adarsh have unmuted you, if you can ask the question?

Adarsh:

Yeah, sure. Am I audible?

Moderator:

Yes.

Adarsh:

So my question is related to the recent recognition which we have got. I think we have

got some certificate from DSIR that is Government of India institution. So what are the material or monetary benefits we expect from this recognition.

Atil:

So apart from the credibility part, which we already had the ISO certification earlier and we have renewed this, we also import a lot of, you know, instruments, a very, very, expensive instruments considering the R&D facilities that we have as I mentioned to you earlier right now. So it definitely adds some benefits to getting discounts or rebates from the government when it comes to buying these kind of machineries.

Secondly, the credibility part is there where you know, we can our customers consider us more considering the, you know, the product application centers that I discussed about in the R&D facilities that we have.

It holds a significant value when it gets recognized by the government because the government has approved these labs based on what we do and when it gets endorsed by them, I think it adds more value to what we do as a company in terms of the innovation and in terms of the products that we manufacture. So that is one of the areas why we have gone into this recognition.

Adarsh:

OK, thank you.

Moderator:

OK, the last question on the chat box we have received is from Mahek. The question is if we have so much cash with us, then why are we borrowing? So if you could give a perspective on that.

Atil:

Nihad or Pranit, you may choose to answer this.

Moderator:

If we have so much cash with us, then why are we borrowing? question from Mahek

Atil:

Yeah, that's what I'm asking Mr. Nihad to.

Nihad:

Ideally, if we see our cash flows, it doesn't mean that we have our cash and we spend it overall in a CapEx and everything. So if you go through our budgets, you will see that there is 979 lakh which is the cash accruals (Net proceeds of long term borrowing) from my consolidated balance sheets.

But again, you know if you have to strengthen your revenues, if you know the futuristic demand and to cultivate it, it's obviously that you need certain cash in hand amounting to which certain borrowings are also required. So that is the reason you know we have and again we are very much vigilant in our investment and you know borrowing strategy.

So we are very much calculated and we have done a calculus step towards the following coming years of my CapEx as well as my working capital.

Atil:

So we would like to keep the reserves for the CapEx rather than you know spend it on the working capital. And because that's something that's going to more add more value to the overall product, you know value chain compared to you know the borrowings that we do for the working capital. So I think this year onwards, we will be investing quite a lot in the CapEx to generate better capacities and acquisition of you know more mines. So that is going to add more to the value chain overall in 20 Microns.

Moderator:

So there are no more questions. So if participant would like to ask further questions, they could raise their hand or put the questions in the chat box for management to answer. We'll wait for another 2 minutes.

We would like to reiterate that the today's call was recorded. The audio-visual recording of this session will be made available on the website soon. Also, we will be uploading the transcript of the call on the website shortly. If you have any questions, please put up the questions on the chat box or raise your hand.

So we don't have questions.

Thank you so much everyone for enjoying this session. It was a pleasure hosting the event and if you would like to access the recording, please wait for a day. It will be uploaded on the website.

Thank you management.

Thank you everyone for joining this call.

Atil:

Thank you everyone.