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24th May, 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
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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 21st May, 2024 post announcement of financial results of the Company for the quarter/year ended 31st March, 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]

Company Secretary

Membership # A-37092

Encl.: A/a



20 Microns Limited
Q4 FY24 Earnings Conference Call

Event Date / Time: 21/05/2024, 16:00 Hrs.

Event Duration: 43 mins 32 secs

CORPORATE PARTICIPANTS:

Mr. Atil Parikh

Managing Director and Chief Executive Officer

Mr. Tushar

Ventura Securities Limited

Q&A PARTICIPANTS:

1. **Siddhant Singh** : Green Portfolio
2. **Rajesh S** : Individual Investor
3. **Janish Shah** : Individual Investor
4. **Pritesh Chheda** : Lucky Investment Managers
5. **Sanjeev Damani** : SKD Consulting
6. **Kevin Shah** : Seven Island PMS
7. **Krushal Chopra** : RV Investments
8. **Darshan Chandra** : Individual Investor

Moderator

Ladies and gentlemen, good day and welcome to the 20 Microns Limited Q4 and FY24 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 during 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 the conference over to Tushar from Ventura Securities Limited. Thank you and over to you, Tushar.

Tushar Pendharkar

Thank you. Good day, ladies, and gentlemen. On behalf of Ventura Securities Limited, I welcome you all to 20 Microns Limited Q4 and FY24 earnings conference 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. Parikh for his opening remarks, post which we can start question-and-answer session. Thank you and over to you sir.

Atil Parikh

Yeah, hello everyone. Good afternoon, ladies, and gentlemen. A very warm welcome to the FY24 earnings conference call of 20 Microns Limited. 20 Microns Limited is a pioneering and a leading industrial mineral company with rich experience spanning across three decades. We are the front runners in revolutionizing the micronization of various industrial minerals with a systematic approach in India. Our product range includes an array of nonmetallic industrial minerals such as calcium carbonate, talc, kaolin, mica, quartz, dolomite, natural red oxide and many specialty chemicals and functional additives, like mineral based fertilizer, construction chemicals and many more.

With nine state-of-the-art manufacturing facilities and warehouses across India, including Gujarat, Rajasthan, Tamil Nadu and Andhra Pradesh, we have a collective manufacturing capacity of more than 4,50,000 metric tons per annum. Additionally, we also operate five captive mines in India, collectively holding a total mining reserve of approximately 170 lakh million tons. Our products are used as building blocks in various industries like paint, plastics, rubber, paper, ceramics, tires and many more. Currently, we serve a wide-ranging customer base across the world including 65-plus international countries.

We proudly cater to more than 200-plus clients representing a wide area of industries, which includes well-established companies like Berger Paints, Asian Paints, Kansai Nerolac, Kajaria, Pidilite, L&T, Finolex, ONGC, JK Tyre, AkzoNobel and many more. One of the key drivers of your future success is our unwavering commitment to research and development. We invest heavily in fostering a culture of innovation, constantly pushing the boundaries of what is possible. Our dedicated team of 45 to 30 people continuously focusing on innovation by developing a wide range of products in our in-house R&D facility in Vadodara. 20 Microns remains unwavering in its commitment to delivering high-quality products and innovative

solutions. Through ongoing research and development initiatives and close collaboration with both our international and domestic customers, we continue to enhance our product portfolio catering to diverse market.

As one of India's leading producers of Ultrafine Industrial Minerals & Specialty Chemicals, we are expanding our global footprint and diversifying our product mix. We added 10-plus products in our offerings during the financial year FY24. We are delighted to announce that we have begun supplying our products to many customers in Eastern Europe, Russia and Italy. Moreover, we have expanded into newer territories including many Middle Eastern locations comprising Jordan, Egypt, Saudi Arabia, Iraq and beyond, and within Southeast Asia in capacity, Thailand, Indonesia, Japan, Philippines and the surrounding regions through our distributed partnerships.

On the JV front, we have recently joined hands with Sievert, which is a German-based company with expertise in construction chemicals and building-related materials. Sievert's expertise in construction chemicals perfectly complements to 20 Microns core competencies, creating a formidable partnership always capitalize on emerging opportunities in the global market. By combining Sievert's technological prowess and extensive market reach with our manufacturing excellence and customer-centric approach, we aim to deliver unparalleled solutions to our customers while enhancing shareholder value.

In summary, 20 Microns future looks very bright as we focus on 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 shareholders. We would like to thank our board, management, our employees, partners, and our shareholders for their unwavering trust. Together, we plan to deliver a solid performance and reliable growth for 20 Micron. Thank you for your time and I'm happy to answer any questions you may have. Thank you.

Q&A

Moderator

Thank you, sir. Our first question comes from the line of Siddhant Singh from Green Portfolio. Please go ahead.

Siddhant Singh

Yeah. Sir, in a previous concall, you mentioned about EV product development. Like some EV product is under development. So, can you provide a more specific timeline for potential commercialization for the product? A rough time frame also?

Atil Parikh

Yeah. So, we are still -- those products are still under development. We are still working with international companies to engage with them in terms of certain technical collaborations for developing certain specific products for the EV battery

and the semiconductor industry. So, it is still under process, and we are not very sure with the timeline for it, but we are expecting it to happen sometime towards the end of this financial year.

Siddhant Singh

Okay. Sir, and as you mentioned in your investor presentation that JSW and Grasim has been client of ours. So, did we receive, did we get any contracts from them or what is the position of the partnership with them like?

Atil Parikh

So, in terms of both these customers, JSW has been our customer for quite a long time now since they've entered into the paint business, and we are supplying quite a few products to them on a regular basis. In terms of Grasim, who has recently entered into the paint business, we have already started supplying to them. But since we don't work on contracts with big customers, we work on certain schedules of off takes that they commit to us in terms of the product engagement that we have with our customers. So, we have already started supplying to them and sooner when they grow in terms of their capacities and they build upon their, you know, the other plants which will start operations in the coming months and years, we will continue to supply them, but most of our grades have been approved in this particular customer.

Siddhant Singh

Okay. Thank you, sir. That's all from my side and all the best for your upcoming financial year.

Moderator

Thank you. Our next question comes from the line of Rajesh S, an individual investor. Please go ahead. Mr. Rajesh, please go ahead, sir.

Rajesh S

Yeah, a couple of questions I have. My first question is that I think when you look at the revenues on the bottom line over the past four or five years, I see that there's been a steady growth in terms of, I think 10% CAGR of the top line. And while it is good that the bottom line has not been compromised. But I think couple of few -- one, two years back, you are talking about opportunities in terms of import substitution and export opportunities. So, is there some way that the growth, we can see an increased rate of revenue growth because you're starting off with a small base in any case, the revenue growth as of now is just a little bit, just above inflation level. So, would there be some opportunities where you can see a little more stronger growth in growth of revenue?

Atil Parikh

Yeah. So, answering your question, 20 Microns always looks at significant growth opportunities in various different segments it has to offer. But considering the market conditions and considering not compromising on the bottom line is something which is a key factor which plays an important role in decision-making of not compromising on those aspects while looking at the revenue growth. But in the future, we definitely see a good opportunity coming up in various different sectors that we cater in. For example, the paint industry, the plastic industry, the rubber industry, the export markets, and various specialty products which have seen a good amount of traction. But it does take its own time in terms of the conversion. So, we will hopefully see that in the coming financial year, where we would hopefully see a better revenue growth compared to the previous years.

Rajesh S

Okay. And one other question I had was, I think there is this retail segment where you have this construction chemicals and mineral fertilizer. So, just could you throw some light on that as to how that is growing and what is the vision for that? Because -- do you -- in fact that a few years down the line some of these construction chemicals could become popular and could become household names? Is that the kind of vision you are envisaging? If so, then you would require different kind of marketing, branding, focus and with a distribution network and sales network. So, is it that kind of products and branding that you are looking on in the major segment?

Atil Parikh

So, 20 Microns focus right now is on product development. So, we are at that stage where in both the MINFERT business and the construction chemicals business of 20 Microns, we have tried to create range to offer to our distribution network where they have an expanded product available to cater to the market. So, our first focus was to develop those kind of products for the market. Since we're already now almost there with that product range available with us, where we still have a few more products which we will be adding in this financial year and probably next financial year.

Our focus will be to expand the distribution network Pan India. We are right now focused on certain smaller states only right now, but as and when the capital gets generated and we will be able to spend more money in terms of the branding when the right time arises, we will want to become a household name in the future, but not immediately. We don't want to just jump out there because it's a huge market. It's a good pool of different players out there in that market. So, we are trying to find our niche in that particular market, and we are trying to establish ourselves slowly and steadily to reach and become a household name.

Rajesh S

So, my question is, in how many years do you think it would take for this construction chemicals to form, say, at least about 20% of overall revenue? Is there some kind of planning happened?

Atil Parikh

Well, it's a still niche time and that is the reason that we have partnered with a multinational company that I already mentioned in my opening remarks, Sievert, where we are forming a joint venture, where it will be more of bringing the German-made construction chemical products here into India. And we will be, together we will be branding that and catering to the Indian markets here. So, as I mentioned to you, 20% is quite a big chunk of the overall revenue to get into this particular segment. And so, it will definitely take a few more years for us to get there. I can't give you an accurate number, but definitely we are looking at a few more years. But our main focus again remains in terms of getting into better product development for these segments.

Moderator

Thank you, sir. Our next question comes from the line of Janish Shah, an individual investor. Please go ahead.

Janish Shah

Yes, sir, thank you for giving me this opportunity. Congratulations for the good set of numbers. Few things taking away from the last concall, the last interaction you had, and I think thereafter the press releases which were mentioning the slowdown in the revenue growth or the business environment in general. Could you give me some understanding as to how the business, you're saying this FY25, is guided for 10%-15%, but on a trajectory-wise, how do you see the business shaping up over next year or two in terms of the domestic market as well as on the international market? That is my first question.

Second, on the margin front, you already indicated there will be some improvement in the margin, possibly in FY25. On a steady state basis and where do you see the margins in this business stabilizing, going ahead in next two years? And the third one from my side is, on the capital side. I mean, your net debt is on a continuous reduction. Now, it's the point at which you are generating a free cash flow. Could you give some understanding as to how do you want to, I mean, how do you plan to serve the equity by way of dividend or the buy backs? Or what kind of a plan do you have for your free cash flows? Thank you, sir.

Atil Parikh

Yeah, thank you for your question. The first question, addressing the market conditions that you have mentioned domestically and internationally. The markets still are quite uncertain. I think we are currently in the election phase and with the new government being shaping up their visions in the coming months, I think we would see a good economic climate which is expected from the trade and from the different market segments that we are operating in. So, I think there is a fair amount of growth that we are expecting from the market segments that we are currently catering, and with the discussions that we are having with our current customer base in the domestic markets. So, we definitely see a good share of growth happening in these sectors.

Definitely we will be catering to that growth with the products that we already have and with the product we are planning to develop in the coming months and what we have already developed in the last financial year, and which we will be commercializing in the coming financial year. So, definitely we see a good growth opportunity out there with new players, coming in different segments that we are operating in, be it paints, be it paper, be it plastics, be it rubber or ceramics, all these different segments. But we are quite cautious as well to see how this growth is going to be continuous or is it going to be like, factual, is something that we will need to monitor on a regular basis.

Looking at the international markets, our focus has shifted from the US, the North American markets and from the Western European markets more towards the Middle Eastern markets, towards the South Asian markets and the far east markets and the Latin American market. So, these are the areas where we are going to be focusing more on, because these are the growth opportunity countries which we are seeing quite some traction in and there the product acceptance and somewhat the freights are also kind of helping us out in terms of getting some market developments and market shares out there. So, these are the areas we will be focusing on in the coming months.

Second question, you said about the margins. Now, when we look at the margins, we definitely have seen margin growth compared to the last financial year and this financial year. But when you look at the range that we have to offer in terms of the product portfolio that we are in, and in terms of one of the product groups dominating the other product groups, the entire range from 13%-15% is the standard industry range where we continue to be a part of. And this will continue to be the same within this particular span of EBITDA margins that we are discussing because the product weightage or the product group would continue to remain the same. And the volume buildup which will happen will also continue to remain the same in terms of the product group breakup that I've been talking about. So, overall, if you look at it, it will continue to remain in this particular margin space.

The third question that you ask about what we plan to do with that free cash flow that we have, definitely we have already announced a dividend of 25% in the last board meeting last week for the shareholders. So that is one aspect that we have considered to reward our shareholders. In the second aspect we plan to do certain amount of CapEx, also for the subsequent financial year, that is the next financial year where we will start building up on certain capacities for certain products within this financial year so that we can get benefits out of it in the next financial year. And that is where we will be utilizing some of the cash flows also. Yeah, that's it. Thank you.

Moderator

Thank you, sir. Our next question comes from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.

Pritesh Chheda

Sir, from your presentation, Slide 12, so in your total revenue, how much is industrial minerals and how much is functional additive? My guess is, functional additive is a more value-add that you do on your micronized mineral portfolio.

Atil Parikh

That's right. So, about 20% comes from our value-added products and about 80% comes from our industrial minerals.

Pritesh Chheda

Okay. And when you say micronized, I am assuming basically it means the microns or the thickness, the finer, that's how you refer to micronized, right?

Atil Parikh

Yes. So, we have a range of micronized minerals and then we have range of sub micronized minerals, and then we have a range of nano-sized minerals as well. So, it's different product groups that we operate in.

Pritesh Chheda

And the INR 770 crores revenue which you reported this year, how much does it translate into volume?

Atil Parikh

In terms of quantity?

Pritesh Chheda

Yes.

Atil Parikh

That's about 450,000 metric tons.

Pritesh Chheda

And how much volume growth actually you landed up doing in FY24?

Atil Parikh

So, we had about 14% volume growth.

Pritesh Chheda

Okay. And sir, my last question is at 450,000 tons, what will be the market share that you'll have?

Atil Parikh

So, the market share is a quite tricky question to, I would say, answer upon, because the market that we operate in, we only consider ourselves in the products that we are and the segments that we operate out of. Now, the segments that we don't operate out the very, very commoditized segments, which we are not a part of, we don't consider them into the market size. So, it's quite a broad area to kind of refer to. So, to be very honest, we don't have a specific answer to that particular question.

Pritesh Chheda

Okay. Let's say from a Pareto principle perspective, in the industrial minerals, which would be of core mineral?

Atil Parikh

Core mineral. So about 50% of our revenue comes from calcium carbonate.

Pritesh Chheda

And in that, what will be your market share?

Atil Parikh

Again, that's a very broad thing. Again, we have a lot of imported people, we have a lot of domestic players. We have a lot of segments we don't cover in calcium carbonate because they're very, very commoditized. So again, it's kind of very difficult to say in that way.

Pritesh Chheda

And lastly, the three mines that you have, how much does it supply to your requirements of the raw material?

Atil Parikh

Yeah. So, right now we are operating the Kaolin mines and the remaining of all the mines, we are, you know, it's not fully operational right now. So, we are currently using about 50% of our mining material in-house and 50% we are procuring from outside.

Pritesh Chheda

For Kaolin only.

Atil Parikh

Yeah.

Pritesh Chheda

And Kaolin will be one portion of your revenue, just like calcium carbonate.

Atil Parikh

Yes, about 20% of revenue.

Pritesh Chheda

Okay, thank you very much.

Moderator

Thank you, sir. Our next question comes from the line of Sanjeev Damani from SKD Consulting. Please go ahead.

Sanjeev Damani

Congratulations, sir. You have put an excellent result. And we really appreciate from bottom of our heart. Your efforts to take this company to newer heights. Am I audible? So, I can speak.

Atil Parikh

Yes. Thank you.

Sanjeev Damani

Sir, did we notice any impact on our cost because of some Red Sea issues as to freight and container rent, et cetera, for our imports?

Atil Parikh

Yes. To be very honest, we have been facing a lot, many issues since December, not only pertaining to the Red Sea. The Red Sea is just one of the factors which had kind to led the hike in the freights for our export markets, for especially the European markets and the Middle Eastern markets that we were catering to. But the main impact we have been seeing is quite recent where there's a shortage of containers and there's a shortage of vessels and there's been a rerouting of vessels which are being doing, which are happening. So, there's quite, again, the COVID type scenario which was there in the shipping and the supply chain industry right now. And because of that we are seeing some impact happening. So, yes, it's definitely a part of the overall cost structure that we operate in.

Sanjeev Damani

Could we pass out all these cost factors to our customers or are we suffering financially or some reflection of it will come in this year or how should we see it?

Atil Parikh

So again, it's a case-to-case basis. So, when it comes to the exports, definitely we see a good support from our customers where they know that certain key areas are being impacted and they support us with the kind of pricing that we require for those particular orders for a temporary phase till these situations arise. But when it comes to imports, yes, it kind of is something that is an ongoing basis and it's difficult to make a call as to how it's going to happen in the coming months.

So, it's difficult to judge at this point of time. So, what happens is that, we try to move away from the container business and we try to do bulk shipments where we have good freights in hands and we have opportunities where we can save on the freight cost. So, we work on those models at that point of time, like we did in COVID times also. So, right now, we are working on those scenarios as well.

Sanjeev Damani

Sir, one request, if we can in presentation mention, the tonnages that we imported during the year and dispatches that we made in terms of tonnages and the closing balance of our inventory in tonnages. It may not be item-wise, but maybe a gross tonnage also, because a lot of secrecy matters may be there, but that would give us an idea to assess how our volumes are going up and that way, sir. So, thank you very much, sir.

Moderator

Thank you, sir. We have a follow-up question from Janish Shah, an individual investor. Please go ahead.

Janish Shah

Yes, sir, thank you for giving me the opportunity. On the export front, sir, how much was the revenue we had in FY24 and was there a growth that we reported for the year in that segment?

Atil Parikh

So, if you look at the overall export, about 15% gets contributed from the export markets from our overall revenue. Now, when you look at YoY, the value would seem quite less. It's about a 5%-7% growth that you'll see on the overall value because some of the freights and some of the sectors which we were catering to, they have kind of changed. And because of that, our overall CIF value that we work on that has kind of gone down and because of that. But if you look at the FOB value, the XWorks value there, we have seen a significant growth of about 18%-20%.

Janish Shah

Okay, so how do we like, given the efforts and the new customer addition that you plan to have, what kind of sustained growth rate do you expect in exports in next couple of years? Can you just give some understanding of that?

Atil Parikh

Exports will continue to grow in the rate it's growing right now. So again, it's very dependent upon the world economies. So, we have been doing business with certain economies which have now closed down due to certain issues which are happening in the world. So, it's difficult to make a judgment based on that how it's going to be the way forward. But yes, if you look at the Asian markets that we are predominantly heavily depending on, we see quite a decent amount of growth happening there in the range which we are already doing right now. So that is where our concentration basically is. And some parts of Europe where we are already having partners and stable distributors for a very long time. And they have been cooperative enough to hold hands with us for quite a while now, despite a lot of irregularities and uncertainties in the markets there. So, I think, yes, we will continue to see a quite a decent growth there.

Janish Shah

Okay. And maybe just to dwell a little bit more on the guidance, we have given about 10%-15% growth. I mean, paint industry, which is a dominant share in our user base or the client base. There, we have seen a volume growth been tapering down a bit, although the new competition is still coming in. How do we build up to that 10%-15% growth for FY25? If you can just give your understanding, if you're with the markets that are going to evolve in the next year, that will be helpful.

Atil Parikh

The paint industry is just one segment that we are focused on and it's a wide range of products that we offer to this particular industry. So definitely, if we are seeing kind of, I wouldn't say a degrowth, but a slower growth in the paint industry right now, it's a temporary phase because the paint industry typically works on a per capita growth that they see in terms of the volume building in a nation. So, I think there is a lot of room for growth. It's just a temporary phase where they are kind of in a bit of struggle phase because of a lot of competition coming into their area.

But this financial year will be the year to see how everyone kind of gets placed within this entire new set of players coming in and how they're getting positioned is going to be something to be looking forward to and then we will have more clarity on how this industry is kind of going to move forward in the coming years ahead. But I think this financial year, we don't see much of an issue in this particular segment.

Moderator

Thank you, sir. Our next question comes from the line of Kevin Shah from Seven Island PMS. Please go ahead.

Kevin Shah

Yeah, hi. Just one small question from my side that whether we are planning to commence any more mining operations in India, you know, looking at the favorable mining conditions in the country currently?

Atil Parikh

So, 20 Microns constantly evaluates a lot of mining options here in India depending upon the quality of the material which is available in various pockets of the country and for certain products it operates in. So, it's an ongoing process which keeps happening. And if something suitable comes up in a certain decent valuation, then definitely 20 Microns will look at those options in India and internationally as well. So, we keep an eye on both areas.

Kevin Shah

Okay. That is it from my side. Thank you.

Moderator

Thank you, sir. Our next question comes from Krushal Chopra from RV Investments. Please go ahead.

Krushal Chopra

Hello, sir. Congratulations very much for the good sets of numbers and a consistent performance. Sir, my question is that you've mentioned in your PPT that we have been greatly benefiting from the China Plus One strategy that is being adopted by the world throughout the globe. So, what would be the possible effects of this strategy that we are looking and banking upon in the future? So, can you explain me some aspects of this, please?

Atil Parikh

So, right now, majority of the minerals that we are currently producing here in India, China also has similar kind of minerals available with them. Now, when we look at the Indian markets and the export markets, many of our customers who were dependent upon certain imports of Chinese goods, they have moved to Indian products or they have moved to some other products because of certain reduced dependency upon the Chinese products, be it the trust factor or be it the logistic issues or be it the pricing related issues. So, that has kind of had an added advantage that we have started to see, I wouldn't say it has been completely out there, but we have started to see that change from our Indian customers and from some of our Latin American customers and some of our Middle Eastern customers.

So that thing we have already started to see in the last few months. And we hope that we can continue to try to transform our products in such a way that we kind of develop an edge over certain Chinese products that are out there in the market, and we are kind of competing with. Because with now America and Europe creating an antidumping charge on certain Chinese products, there is a possibility that Chinese products might get dumped into the other Asian markets. And so, we have to get ready for that in the coming future. So, that is the reason that we are gearing up to have better products than the Chinese products in most of the customers that we cater to.

Krushal Chopra

So, sir, if possible, can you give us a clarification on what is the supply proportion of the Chinese suppliers for our buyers, the participation of Chinese suppliers?

Atil Parikh

It depends from product to product. So, for example, in Kaolin, there is certain, there are certain customers which use products from Chinese manufacturers in terms of precipitated barium sulfate. There are certain, there's a wide variety of traders and customers who use their products. Then there are certain specialty products which we manufacture where there is a predominance of Chinese products coming into India. So right now, there's a huge amount of titanium dioxide which is coming in from China for all these years. That's where we pitch in some of our replacement products into the pipeline and try to get some market share for those kind of products. It's a wide range of different products we are talking about here. It's not related to only one or two products from the product range. And if you need more information, we can have a one-on-one call and I can tell you more about it.

Krushal Chopra

Yeah. Just one more question to follow up on this, sir. Whether are we envisaging any incentives from the Government of India for import substitutions from China and which would be promoting Atmanirbhar Bharat or many such serious schemes like that?

Atil Parikh

No, there is nothing being worked upon right now with these kind of schemes from the Government. But in case in the near future, if there is any kind of anti-dumping duty being levied upon for certain kind of products which we don't know if the Government is going to get into, but if that happens, then definitely it could maybe benefit 20 Microns to some extent.

Moderator

Thank you, sir. Our next question comes from the line of Darshan Chandra, an individual investor. Please go ahead.

Darshan Chandra

Sir, in the last concall, you said regarding the debt is going to reduce by INR 20 crores-odd, but in the balance sheet, it's increased by INR 20 crores. So, there may be some effect on the interest cost also getting higher in this financial year. Can you throw some light on this?

Atil Parikh

Sir, if you look about net debt and if you consider cash and bank balance, net debt is reduced by around INR 20 crore. Total borrowing is INR 115 crore vs INR 109 crore. And if you deduct cash and bank balance it is INR 60 crore. So, if you deduct cash and bank balance net debt has come to INR 55 crore. And which is FY23, this INR 71 crore. So, there is a significant around 23% of the reduction in net debt.

Darshan Chandra

Okay. Thank you.

Moderator

Thank you, sir. We have a follow up question from Sanjeev Damani from SKD Consulting. Please go ahead.

Sanjeev Damani

Sir, can I know the absolute export figure for the last financial year? How much money, I mean, how much is the turnover in export?

Atil Parikh

We are at INR 95 crore.

Sanjeev Damani

INR 95 crore. And sir, most of the product that we export, are they indigenously procured and made or we have to import certain things, process and then export it?

Atil Parikh

No, no. For all the export materials, they are all based upon Indian raw materials.

Sanjeev Damani

Okay. And sir, I mean some significant acquisition of mines, if you have in mind right now or in coming days, I mean, can you just give us a direction that which kind of mines we are looking to acquire?

Atil Parikh

It's too early for me to tell that. But we have identified few potential sources in India and internationally. And so, since a lot of groundwork is being done to evaluate the quality of the mines and the quality of the material which originates there. So, these are related to calcium carbonate, these are related to clays, these are related to talcs. So many, many different minerals we are trying to identify new potential sources. So, when the right time comes, we will definitely announce for these kind of clarifications.

Sanjeev Damani

Lot of new corporates are entering paint industry, and we are a very dependable supplier to many of them and are likely to be for all newcomers. So, will it require us to raise funds for working capital needs or inventory needs in considering, are we?

Atil Parikh

We already -- No for -- Even for the future, I think we are already at a comfortable level in terms of the working capital that we are at. So, we will not be needing more additional funds to manage the working capital cycle. But yes, to increase our capacities we will need to -- we will not need to borrow, but through our internal accruals only, we will be doing the CapEx in the next couple of years.

Sanjeev Damani

So, something of right or et cetera, can come private placement or some rights can be on plants?

Atil Parikh

We have not thought of it as of now but maybe in the future, it might be a scenario. We are not sure. Yeah.

Sanjeev Damani

Thank you, sir.

Moderator

Thank you, sir. That was the last question. Now I hand over the call to the management for closing comments.

Atil Parikh

I 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 questions thereon put up on 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 strategically shaped. We remain focused on bringing new products, exploring new markets and creating value for all our stakeholders. Please follow up with Investor Relations team Krunal Shah, Naman Maheshwari at Captive IR if you have any further questions which weren't covered 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, that concludes this conference. Thank you for joining us and you may all disconnect your lines now.

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- Note:** 1. This document has been edited to improve readability
2. Blanks in this transcript represent inaudible or incomprehensible words.