**Operator:** Good afternoon, everyone, and welcome to the Q2 and H1 FY27 earnings conference call of 20 Microns Ltd. hosted by Wisdom IR. I am Muthukumar from Wisdom IR, and I will be your moderator today. Thank you for taking the time to join us.

We are pleased to have with us from the management of 20 Microns: Mr. Atil Parikh, Chief Executive Officer and Managing Director; Mr. Nihad Baloch, Group Chief Financial Officer; and Mr. Pranit Shah, Senior Finance Controller. The results for the quarter and the investor presentation were filed with the stock exchanges earlier and are also available on the company's website.

A few points before we begin. This call is being recorded. The recording will be posted on the company's website shortly after the call, and the transcript will follow in due course. All participants will be in listen-only mode during the opening remarks. The question-and-answer session will follow. I will explain how to ask a question at that point. If you would like to type a question in the meantime, you may post it in the chat box.

Please note that some statements on today's call may be forward-looking. They are based on management's current expectations and are subject to risks and uncertainties, so actual results may differ materially. The company does not undertake to update these statements publicly in light of later developments.

The call will open with remarks from Mr. Atil Parikh on the company's business and strategy, followed by Mr. Nihad Baloch on the financial performance and capex progress. We will then move to questions. With that, I would like to hand over to Mr. Atil Parikh. Over to you, sir.

**Atil Parikh – Chief Executive Officer and Managing Director:** Good evening, everyone, and thank you for joining us.

Our CFO, Nihad Baloch, will take you through the numbers in detail after my communication, so I will not repeat them. Instead, I want to use these few minutes to step back and talk about the kind of company 20 Microns has become and where we are taking it forward.

Let me start with one line from this half: revenue growth returned in the second quarter, and our gross margin for the half rose by about 80 basis points. That margin did not come from price alone; it came from a richer product mix. More of what we sell today is engineered, specified, and harder to replace.

Over the last several quarters, we have made some deliberate choices. Where a customer wanted only the lowest price per ton, we were willing to step back. We use that capacity and our team's time to create higher-value grades, many of which take years to get approved. Some of that work is now slowly turning into business, and that is what I would like to explain.

I would request a few minutes of your time to discuss our business model because I believe it is still not fully understood by many investors. We are often grouped with mining or commodity companies. I understand why, because our raw material is a natural mineral, but what we sell is very different.

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A commodity producer mines, crushes, and ships a few standard grades that are widely available in the market at the lowest delivered price. At 20 Microns, our customers do not come to us only for catalog products. They come to us with a problem: a performance gap, an import-dependent product, or a formulation cost they need to bring down.

We take a mineral and change what it does in their product. We use mechanical, thermal, and chemical surface engineering for opacity, strength, flow, gloss, and many other properties.

Three things make this business durable.

First, we are specified into our customers' formulations. A new grade typically takes anywhere from 3 to 10 years to move from the first brief to commercial supply. A leading FMCG company is only now moving into commercial supply after nearly 10 years of trials with us. Once approved, a grade is rarely replaced because changing it means requalifying the customer's own products. That is why many of our relationships with India's largest paints, polymers, rubber, ink, and many other customers go back 10 to 25 years.

Secondly, we are also moving steadily up the value curve. Functional additives, including more than 250 specialized grades that we already carry in our portfolio, contribute about a quarter of our revenue. They are priced on the performance they deliver, not per ton. Paints definitely remains our largest market, but there is a market beyond paints, led by polymers, cables, rubber, inks, ceramics, agrochemicals, and construction chemicals, which now account for more than half of what we sell. This year alone, we showcased new products at Paint India, Plastindia, and the India Rubber Expo.

Third, innovation is our engine. Our DSIR-recognized R&D center in Baroda has a team of more than 35 scientists and engineers. Four new products were already commercialized in FY26, each solving a specific customer problem, with several of them replacing imports.

The proof is in the consistency. Through a pandemic, supply chain disruptions, and sharp swings in energy and freight costs, our EBITDA margins have stayed between 12% and 14% year after year for over a decade. A commodity business does not typically behave that way.

So, where do we go from here? Our priorities are quite clear. We are executing them step by step.

Our 100 crore capacity program is underway. About 30 crores have already been deployed, and we expect to deploy nearly half of it by the end of this quarter, funded through internal accruals and selective debt.

This quarter, we acquired captive mines in Rajasthan and Andhra Pradesh. Captive talc will also start from December. Mineral policies can change at shorter notice {? coming at an unattended ?}, and owning more of our supply makes us a more reliable partner to our customers.

Energy and freight weighed on margins this half, as Nihad will explain. Our upcoming 9-megawatt captive solar plant, which is due for commissioning in the fourth quarter of this year, will meet about 40% of our power needs, and we estimate an annual EBITDA benefit of around 8 crores.

We are building on personal care, oil and gas, construction chemicals through our joint venture, and longer-term materials such as high-purity quartz. Some of these are early, and we will speak about

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them as and when they mature.

The direction we set out with our FY26 results has not changed: a steadily rising share of specialty products, stronger margins, and better returns on our capital. The building blocks for it are capacity, captive raw materials, lower energy costs, and a maturing pipeline of approvals. These are being put in place now, and we will report progress on each one of them as we go forward.

Our priorities for the second half are simple: recovering our operating margins through pricing and efficiency, and delivering our capex on schedule.

To sum up, 20 Microns today is a specialty mineral solutions partner built on surface engineering, customer-specific grades, and long relationships. The foundations for our next phase are being laid now in capacity, raw materials, and innovation. We will maintain our discipline on margins and the balance sheet as we build them.

We know that trust is earned one quarter at a time, and we intend to keep earning it quarter after quarter.

The deck we have shared walks through each of these points in more detail, and I would encourage you to spend some time with it.

With that, I will hand over to Nihad to take you through the results. Thank you.

**Nihad Baloch – Group Chief Financial Officer:** Thank you, Atil, sir. Good afternoon, everyone.

I am pleased to take you through our financial performance for the quarter and financial year FY27.

Let me begin with the revenue. Our consolidated revenue from operations in Q2 FY27 stood at 238.16 crores, registering year-on-year growth of 3.2% over 230.78 crores in Q2 FY26. This marks a return to year-on-year growth in the second quarter and reflects improving business momentum. On a sequential basis, revenue was 238.16 crores compared to 244.72 crores in Q1 {? FY24 ?}.

On gross profitability, we maintained a healthy gross profit margin of 47.7% in Q2 FY27, broadly stable against 47.6% in Q2 FY26 on a year-on-year basis. The stability reflects the benefit of the product mix and raw material realization, even as the operating environment continued to see cost pressures.

Our EBITDA for Q2 FY27 was 27.73 crores. While this was lower than 31.85 crores in Q2 FY26 and 35.87 crores in Q1 FY27, we continue to operate with a double-digit EBITDA margin of 11.6%. The quarter's operating performance was impacted by higher power and fuel costs, export freight expenses, and some employee costs due to the decline in the top line.

As we strengthen our terms in preparation for our planned capacity, the financial cost remained well controlled on a year-on-year basis, declining by 5.6% to 4.20 crores from 4.45 crores in Q2 FY26. Compared to Q1 FY27, when the financial cost was 3.91 crores, this reflected the timing and level of borrowing during the quarter.

Our PBT stood at 19.20 crores and PAT at 13.64 crores year-on-year. These were below the corresponding prior-year quarter and the immediately preceding quarter, in line with the

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moderation in operating profitability.

Let me now update you on our 100 crore capex program. So far, we have deployed around 30% of the program. This includes 12 crores towards captive solar and 7 crores towards the two mining acquisitions. In the current quarter, we expect to deploy a further 17 crores, all of it on solar. That will take us to nearly half of the capex program by Q3. The capex program is being funded through internal accruals and selective debt in a phased manner over 24 months.

I want to give you an update on solar because it links directly to the margin discussion. We are building 9 megawatts of captive solar capacity across two plants: 5.5 megawatts in Rajasthan and 3.5 megawatts in Gujarat. The total investment is about 29 crores, and we are targeting commencement of commissioning in the fourth quarter of this financial year.

Once it is running, solar should meet about 40% of our power needs. We estimate an annual EBITDA benefit of around 8 crores. To put it into context [trails off]

**Management:** Tax, roughly 80 basis points of EBITDA margin. Energy was our single biggest cost headwind in this half. This project addresses it structurally, rather than leaving us exposed to fuel prices every year. It also lowers our carbon footprint, which matters more and more to our customers. The mining acquisitions serve a similar purpose on the raw material side. Our new talc mine in Andhra Pradesh and our quartz and feldspar mine in Rajasthan are expected to begin production from December '26. They give us more control over the supply cost of key minerals.

The balance of the program will go into capacity for specialty and value-added products in a phased manner. As with all capex, these timelines and the benefits are management estimates, and we will update you on the progress each quarter. Several of the actions I described should start to show in the numbers over the coming months. Inventory normalizing and cash flow catching up with the profits, both mines starting production from December, and the solar plants commissioning in the fourth quarter will provide a full-year benefit from FY28.

As with all capex, these timelines and the benefits are management estimates, and we will update you on the progress of each one every quarter. From a financial management perspective, our focus remains on translating the improvement in revenue momentum and stabilizing our gross margins into stronger operating performance. We are working on tighter control over energy and freight costs, continuing with product mix improvements, operating efficiencies, and disciplined cost management. We believe these actions, together with the capacity and capability investments underway, will support the next phase of growth. We will remain focused on profitable growth, cash generation, and prudent financial management.

To summarize, revenue growth is back, and we will see it in the second half. Gross margins are expanding if we compare them year-on-year, and the balance sheet is much stronger with better cash flow. We are taking specific steps on the costs that weighed on this half, and the solar project gives us a structural answer on energy from the fourth quarter. With that, I will hand it back to Mr. Muthu and Atul, sir, and I will be happy to take your questions. Thank you.

**Operator:** Thank you, sir. We will now begin the question-and-answer session. If you would like to ask a question, please use the raise-hand option. We will unmute you in turn. When you are

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unmuted, please introduce yourself and the organization you represent, and then go ahead with your question. So that as many participants as possible get a chance, we request you to limit yourself to two questions at a time. You are welcome to rejoin the queue for follow-ups. You may also type your questions in the chat box, and we will take them during the session. The floor is now open for questions.

There is already a question from Harshit Khadka, who wants to ask a question. I am enabling the audio feature so that he can ask the question directly. Please go ahead, sir.

Sir, you can ask the audio question right now.

While we wait, I think Kavya has also asked a question. Kavya Verma, I am enabling your audio. Please ask the question directly to the management.

Kavya Verma, are you able to ask the question? Harshit is also there. Harshit, please go ahead with your question.

**Harshit Khadka:** Yes, thank you for the opportunity. Am I audible?

**Operator:** Yes, sir. You can go ahead.

**Harshit Khadka:** Yes, sir. Thank you. You said that we will see increased revenue numbers in H2. I wanted to understand the outlook for FY27 revenue and margins. Also, could you clarify that you said 18% growth year-on-year after the capex happens? When does it exactly start, and over what base?

**Management:** I think Mr. {? Nihar ?} has already briefed you about the capex plan, which is already in place. We are already 30% into it, and the remaining 70% should be in place within the next 15 to 18 months, depending on the projects that we have already identified and started to work on. The 18% CAGR is definitely in place with the projects and the mining reserves that we have already started to acquire. Due to the unpredictability in the current situation, which will hopefully smooth out in the upcoming quarters, we should be able to regain the CAGR that we have anticipated over the next 2 to 3 years.

**Harshit Khadka:** All right, sir. Do we have any broad range of numbers you can provide? [crosstalk]

**Management:** As of now, we are not able to provide one because the current situation in the markets is quite unpredictable. Costs are also quite difficult to project. Therefore, we are not able to give a specific figure, but it will definitely be better than H1.

**Harshit Khadka:** All right, sir. Thank you. All the best.

**Management:** Thank you.

**Operator:** Yes, Kavya Verma, you can ask your question now.

**Kavya Verma – Apricus Wealth:** Yes. Can you hear me?

**Operator:** Yes, we can. Please go ahead.

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**Kavya Verma – Apricus Wealth:** Hi, I am Kavya from Apricus Wealth. I am an AVP here, and I head the buy-side research. My first question is based on the presentation. Interestingly, three-fourths of our revenue comes from leading companies in paints, polymers, pipes, and so on. When I look at the performance of these companies, they have been delivering fairly good performances, whereas our sales growth is not in congruence with those numbers. Can you give us some insight into why there is this deviation? Is there a lag, or is there something I am not able to understand? I am trying to understand why there is no congruence between our customers' numbers and our numbers. That would be my first question. If you would like, I can ask my second question as well, or you can answer this one first.

**Management:** When you directly correlate the customers' financials with 20 Microns' financials, it does not provide a direct comparison because most of the companies that you see as our end customers have reported positive double-digit results because of the value they have added through price increases in the retail markets. We are a B2B business, and we cannot pass on the same amount of pricing that they have obtained from the markets by raising our raw material prices. It differs from case to case.

There are certain product mixes that keep changing during the quarters in terms of the products they manufacture. That leads to an overall change in demand from the customer end. For example, within this quarter, we have grown in double digits among polymer customers, rubber customers, and construction chemical customers, but we have not grown among paint customers because demand has been quite subdued. If you look at their financials, perhaps their Q2 results will come out, but they have raised their prices three times in the last quarter or in the last 6 months. When that comes through, their margins have been squeezed. That explains the entire argument.

**Kavya Verma – Apricus Wealth:** Do we expect our contracts to be revised going forward? It may not be a spot arrangement, but would there be revisions to pass that benefit on to you?

**Management:** It is an ongoing process. If there are exceptional increases in power, fuel, or certain product costs, then we definitely work with them very closely. But if there are certain products where competition is very stiff and competitors are not increasing their prices, then it becomes quite difficult for us to increase our prices in that case. It is again a very case-by-case basis, and you have to consider this separately for different segments and different customers. That is how it works.

**Kavya Verma – Apricus Wealth:** Okay. Thank you. That is really helpful. For my second question, considering where the valuation of our company is right now and how the tax laws are making buybacks a better option, are there any plans by the management to pursue buybacks instead of dividends, or perhaps a combination of both? Also, are there any plans for the promoters to increase their stake? Are there any such plans or discussions on the board?

**Management:** An increase in promoter stake is definitely something that is discussed regularly in the company. The priorities are quite extensive in terms of the different projects and strategic initiatives that we plan to undertake in the future. This is one of the areas that we will be looking into and moving forward step by step to increase our stake in the near future.

**Kavya Verma – Apricus Wealth:** But are there no plans for a buyback or anything like that?

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**Management:** As of now, there are no plans, but we are always working on different options to analyze what works best for the company. If anything like that comes up, we will definitely inform you through the stock exchanges.

**Kavya Verma – Apricus Wealth:** Perfect. I can squeeze in one more question, or if time is a constraint, I can pass.

**Operator:** Yes, please go ahead.

**Kavya Verma – Apricus Wealth:** I was going through the presentation, and we can get a fair idea that value-added products contribute one-third of your revenue. Do you have any insights into when they will start contributing to margins, and how do you see this percentage developing in FY29?

**Management:** The specialty products have already started contributing to margins. However, when you compare 20 Microns on a consolidated basis, the picture is different. When you look at 20 Microns Nano as an individual company, we have definitely grown in double digits in this quarter, and our profitability has also increased in this quarter comparatively. However, raw material costs have been significantly higher, and due to that, we have taken a small hit. Once things stabilize, the value-added products will definitely contribute more. Once raw material costs, freight costs, and everything else stabilize and the supply chain is under control, we will definitely have better margins to discuss.

**Kavya Verma – Apricus Wealth:** Regarding raw material costs, I know you mentioned in the last call that 30% of your requirement is catered to by captive mines, and you are also acquiring more mines. By FY29, where do you see this percentage of captive mining? It is currently 30%. That should also help with your raw material costs, right? Or—

**Management:** There are two factors at play here. There are imported products and international mines from which we will be bringing in material, so the supply chain also plays a major role and adds to the cost. For all the local domestic mines, once all the mines are active—and we still have a few more mines under discussion—and once they are in place, we will definitely be able to give you a better idea about the total cost.

**Kavya Verma – Apricus Wealth:** Got it. Thank you, and all the best for the future. See you next quarter.

**Operator:** Thank you, Kavya. I am taking some questions from the chat box. A couple of questions have come up. The first question is from Amit Bhaiya, who has submitted three questions. I am reading the first one:

“The deck says H1 EBITDA absorbed higher energy and freight costs. What was the year-on-year increase in power and fuel and in freight in rupees for H1?”

The follow-up question is: “And the Rs. 8 crore solar benefit, at what grid tariff net of O&M, and is the full run rate in FY28?”

So there are two questions.

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**Management:** I will take the first question. First, let me explain how the FO, energy, and freight costs have impacted us. In Q1, the rate of FO, or furnace oil, was around 42, and it rose to 56 per kg. That is an increase of 1.24 crores, or 33%, in Q2. Again, gas increased from 69 to 122 per kg. That is an increase of around 77%, amounting to 0.62 crores. Regarding freight, the freight per metric ton increased from 2,108 to 2,346, which is an 11% increase, resulting in an increase of around 2.92 crores. That is the major reason. The total year-on-year impact is around 4.78 crores, or about 200 basis points of consolidated EBITDA. If we remove that particular impact from our margins, then it would definitely grow to 13.8% compared to Q1. That is the position.

**Operator:** Okay.

**Management:** Regarding—

**Operator:** The solar, right?

**Management:** The solar one.

**Operator:** I will repeat the question: "And the Rs. 8 crore solar benefit, at what grid tariff net of O&M, and is the full run rate in FY28?"

**Management:** [off-mic discussion] The reduction in margins is around 3.45 to 3.5. So—

**Nihad:** This is how the dynamics will work, and based on this, we expect that around 8 crores will be the annual benefit from FY29.

**Operator:** I am taking one question from Janish Shah. The question is: please give some color on the market condition, growth in H1, and growth in H2. Is the 18% CAGR targeted from FY27 or FY28 onwards, with 200 to 250 basis points of margin expansion including the benefit from solar power? Also, please give some color on the products for which the company is creating capacity.

**Management:** I think I have already answered the first part of the question when Kavya asked the same question, so I am not going to repeat it. In terms of product expansion, we are increasing our capacities on a regular basis in calcium carbonate. We are working on more specialized kaolins and engineered kaolins. We are increasing our capacities in talc. We are also increasing our nano-related capacities. Functional additives were being produced at a smaller level, but with the conversions we are seeing with customers and the demand coming in from the industries, we are also slowly increasing capacities in those areas. It is a mix of capacities across different products that we are building over the next 2 to 3 years. That should eventually lead to an expansion in the top line as well as margins. Thank you.

**Operator:** There is a question from Manish Kela. It is a finance-related question: what impacted our margins in Q2, and do we see any impact in Q3 and Q4?

**Management:** The Q2 margins have already been discussed in my speech as well as Nihad's speech regarding energy and freight costs, and they were explained in more detail by Nihad in the last question. Regarding Q3 and Q4, as I already mentioned, it is very hard to predict for all industries, not only for us, given the ongoing situation in terms of supply chain disruptions, wars, and the upcoming midterm elections that are scheduled. We do not know what lies ahead. It is a

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wait-and-watch situation. We hope that things do not get worse, but if the situation continues to be the same as in Q2, then we would hopefully deliver similar to better results in H2 of this year.

**Operator:** The follow-up question from Manish is: do we see any opportunities from new-age sectors such as defense, semiconductors, data centers, or space?

**Management:** We have already started to work on certain advanced materials. If you look at our presentation when you have the time, it touches upon graphite as one of the areas where we have started to work and produce internally on a smaller scale. We are also exploring many other options apart from natural graphite, which goes into all these sectors.

Apart from that, 20 Microns has already placed its bid in the PLI scheme launched by the Government of India, in which 20 bidders have participated for rare earth permanent magnets. This is a very crucial element and product utilized across all these sectors. We will await the results of the bidding conducted by the Government of India, hopefully in the next couple of months, to see whether we are selected. If not, we have plans to do it ourselves, since we have been working towards that technology for REPM.

Simultaneously, we are also working on certain high-purity quartz products that are used in semiconductor-related manufacturing. So yes, we have a few products in the pipeline that we have already started to work on. Perhaps in the next 2 to 3 years, once the industry starts taking shape and producing these products here in India, we will be able to supply these materials if these projects remain on track.

**Operator:** There is a question from Hardik K. The question is: are we facing issues with imports, and how much does freight cost impact margins? Please provide details about rare earth materials and products relating to semiconductors, EVs, and solar. By when will commercial production begin, and what are the revenue expectations?

**Management:** I just answered the second part of the question, so I will not repeat it because the projects are in the pipeline. We cannot inform you about commercial production or revenue expectations because they are all government-linked projects. Until we hear back regarding the scheme, we will not be able to comment on that.

Regarding the first part of the question, raw material pricing and freight costs have had a significant impact on 20 Microns because of the import-related cost structure we follow and the dollar pricing, which has increased, along with freight costs from the different parts of the countries from which we import. That has therefore been a significant factor. We can get back to you on how much it has increased, and my team will route the information through Mr. Mithul.

**Operator:** A follow-up question from Amit Bhaiya mentions that, of the Rs. 30 crore deployed, Rs. 19 crore is for solar and mines, and Q3's Rs. 17 crore is all for solar. When does spending on specialty capacity and Malaysia start, and what revenue will it add in FY28?

**Management:** Nihad, I think you can take that question.

**Nihad:** Yes, Mithul. Could you please repeat the question?

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**Operator:** Of the Rs. 30 crore deployed, Rs. 19 crore is for solar and mines, and Q3's Rs. 17 crore is all for solar. When does spending on specialty capacity and Malaysia start, and what revenue will it add in FY28?

**Nihad:** Our primary focus was to maintain EBITDA and reach around 118 basis points of EBITDA margin by FY30. That was the primary goal. Within that, the main focus was on renewables, which will directly offset around 80 basis points in EBITDA margins. That was our priority.

Regarding the Malaysia project, it is already ongoing. We are working on the quarry component and raising our capacity from 4,000 metric tons to 8,000 metric tons. We are going to achieve that by FY29. By FY29-30, the plant is also expected to commence. There are certain additional opportunities emerging, and we will inform you in the next quarter about the upcoming opportunities we have identified. These will directly provide a better EBITDA structure and margin stability.

**Operator:** A question from Janish Shah: can you quantify the additional cost spent on power and freight in H1? How much of sales is imported now, and from which regions is it sourced?

**Nihad:** We have already answered the first part earlier. Regarding imports, they account for around 40% of total raw materials.

**Management:** Total imports are around 40%, and the countries we currently import from are China, Malaysia, and Vietnam.

**Operator:** A question from Ashwin Reddy: can you talk about Minfert? While it is a small part of our business and I understand that the raw materials are a by-product for you, how does that fit into your broader strategy? Is it a distraction considering the other ambitious plans you currently have? Could you talk a bit more about your vision for the company over the next 5 years? Ashwin Reddy.

**Management:** Minfert is a very important part of the portfolio carried by the 20 Microns group company because it is something we have nurtured through the by-products of 20 Microns and built into an entirely new area of mineral-based fertilizers, which is relatively new in India, mainly for organic farming.

We have been focusing more on farming lands, and now our focus is also shifting towards urban gardens, including households, gardens, resort gardens, and many other types of farmland. We are developing an entirely new range of products because there is significant demand for newer-age products beyond soil, fruits, vegetables, and other areas where we are seeing a great deal of interest, not only from India but also from other parts of the world.

Our current focus is predominantly on India and some parts of Africa, where we have already started exporting. We are also working on licensing for certain states within the country. This is a slow and steady process, and we will provide an update in due course.

It is definitely a part of the 20 Microns family, but we do not consider it a burden on 20 Microns, considering the wide range of products we cater to and our future goals. We see good growth potential coming from this sector as well. It is definitely growing substantially if we look at the overall growth of 20 Microns, although it contributes very little in terms of overall revenue.

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**Operator:** There is a question from Shubham. I have just enabled his audio. Shubham, could you ask your question directly to the management?

**Shubham Sahani – RSPN Ventures:** Am I audible now?

**Operator:** Yes, Shubham. Please introduce yourself.

**Shubham Sahani – RSPN Ventures:** Thank you for the opportunity. I am Shubham Sahani from RSPN Ventures. The first thing I wanted to know was the current order book that we have, any additions to this order book that we are planning to see in the current year, and how much of that value we expect to realize in this financial year.

**Management:** We usually do not work on order books with customers. We have a fixed volume defined by the customers on a quarterly basis, depending on market conditions and the demand created based on their requirements and production capabilities. It will therefore continue to remain the same in Q3 as of now, and it will continue to grow in Q4, as we have seen in the trends over the last few years. Q4 is one of the strongest quarters that we usually see at 20 Microns and across the industries that we cater to. This will continue to grow in the same fashion as we have been seeing.

**Shubham Sahani – RSPN Ventures:** Do we have any quarterly visibility for Q3?

**Management:** I would say that it continues to run in the same way as Q2. We do not see much change because of certain impacts that will also be created by the current festival season, which is coming up and will start next week. It is only after the festival season that we will see an uptick in demand.

**Shubham Sahani – RSPN Ventures:** Secondly, as you said in your opening comments that you are very different from a commodity company and sell value-added products, could you help me understand that better by giving me the major revenue segments and the margins you see in those segments? For example, paints can be one particular revenue segment that provides a certain margin.

**Management:** All segments. If I look at it, all segments—from paints to polymers, rubber, construction chemicals, oil and gas, cosmetics, oral care, and petrochemicals—have a certain allocation of value-added products. I would not say that 100% of the products going into these segments are value-added. They definitely have some value-added component, but the shift is towards value-added products. We work on these products to determine how they can be incorporated into formulations to reduce the customers' costs. That is the goal.

**Shubham Sahani – RSPN Ventures:** Could you provide a revenue-wise split of these segments?

**Management:** You will have to get in touch with the IR agency, and they will forward your questions to us if you need a particular breakdown.

**Shubham Sahani – RSPN Ventures:** Lastly, how much of your raw materials do you import or source locally?

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**Management:** 40% is imported and 60% is local.

**Shubham Sahani – RSPN Ventures:** Do you see better costing or margins on the locally sourced materials?

**Management:** I am sorry?

**Shubham Sahani – RSPN Ventures:** Do you get better cost margins on the locally sourced products?

**Management:** It does not matter. It is not designed in such a way. There are different sets of products that come from imports and different sets of products that are locally sourced or locally mined. There is no comparison between what works better, imported or local. They are both different products which are [cut off]

**Shubham Sahani – RSPN Ventures:** And one last thing I wanted to ask was about the acquisitions that you made of captive mines and one more company. Do you plan to use all of these mines' products in your own cycle, or will you sell them as well?

**Atil Parikh:** No. No, they will be used by ourselves.

**Shubham Sahani – RSPN Ventures:** Great. Thank you so much, and all the best.

**Operator:** Thank you. There is one follow-up question from Amit: "What share of revenue is from opacifiers that replace titanium dioxide, and what uplift do you expect from the new duty? What share of exports is high-grade barites now under license?" So these are two related questions.

**Atil Parikh:** If we look at it, opacifiers come from 20 Microns and from Nano. There is a whole range of different opacifiers because kaolin also replaces titanium dioxide, finer calcium carbonates also replace titanium dioxide, and our high-grade opacifiers also replace it. There is therefore quite a broad mix of opacifiers that work towards the partial replacement of TiO2, not full replacement. I do not have the share on top of my head as of now, but the team can get back to him through you in due course.

**Operator:** We have almost finished with the questions in the chat box. One question is from Manish Kela: "How does the quality of output from our captive mines compare with that of competitors in a similar space, both within and outside India?"

**Atil Parikh:** Mining is an activity where comparison does not work. Everyone has access to certain grades of material, and you cannot rely completely on that grade of material to build your product range. You also have to rely on external sources. In some cases, mining is very similar. The yield output definitely differs, but in some cases it may be very different because you may be catering to a different customer base or a different industry base. The requirements are therefore quite different. A direct comparison is really not justifiable.

**Operator:** There are no further questions. We will wait for a minute or two. For those who have not heard, if you would like to ask a question, please use the raise-hand option. We will unmute you in turn. When you are unmuted, please introduce yourself and the organization you represent.

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You are welcome to rejoin the queue for follow-ups. You may also type your questions in the chat box, and we will take them during the session.

As there are no further questions, we will bring the call to a close. May I request Mr. Atil Parikh for any closing remarks? Over to you, sir.

**Atil Parikh:** Thank you for tuning in, and I really appreciate the time you have spent joining this call. For any further questions or details that you might need, please be in touch with our IR team, and they will get back to you with the required answers. Thank you.

**Operator:** Thank you, sir. On behalf of 20 Microns and Wisdom IR, thank you all for joining us today. If you have further questions, please feel free to reach out to us at Wisdom IR. We wish you a good evening. Thank you and goodbye.

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Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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