



ASHAPURA MINECHEM LIMITED

“Ashapura Minechem Limited  
Q1 FY '26 Earnings Conference Call”  
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ASHAPURA MINECHEM LIMITED



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**Moderator:**

Ladies and gentlemen, good day and welcome to the Ashapura Minechem Limited Q1 FY26 Earnings Conference Call. 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 star and then zero on your touchtone phone.

Please note that this conference is being recorded. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

On the call we have with us Mr. Chetan Shah, Chairman, Mr. Manan Shah, Promoter Group, Mr. Ashish Desai, Chief Financial Officer, Mr. Hemul Shah, Executive Director, Mr. Sachin Polke, Company Secretary and President, Corporate Affairs. I now hand the conference over to Mr. Chetan Shah, Chairman, Ashapura Minechem Limited. Thank you and over to you, sir.

**Chetan Shah:**

Good afternoon, friends. I am Chetan Shah, Chairman of Ashapura Group. I would like to welcome all of you for joining this earning call which is really a maiden call for Ashapura Group and I really appreciate all of you for joining this call and giving your time to listen to Ashapura and Ashapura's current activities.

I have with me our CFO, Ashish Desai, our Company Secretary, Mr. Sachin Polke, our Executive Director Hemul Shah and also Manan Shah who is from the Promoter Group. I am also very thankful for Adfactors for taking us a lot of trouble for organizing this call. So I am very thankful to them also for joining for this call.

When we discuss about the Ashapura, I would like to as we have already circulated our current activities, the note with you all along with our quarterly results and in that notes we have given a fair details about our current activities and our future plans. Today, I get an opportunity to speak to you about how the Ashapura is working and what is our plans in coming years. If you want, like we can divide the Ashapura in two parts.

One is the part is that Ashapura India Operation and Ashapura International Operations. First, let me start with Ashapura India Operations. In 1982, we started with a very modest beginning and company was incorporated and just it was a single product company.

We started with bentonite. Today, Ashapura has got a very wide mineral portfolio, and we have become from the single product company to multi minerals, multi solutions company. For that, few things which I would really like to mention here.

Our Indian operations, when we have seen that there is a lot of limitations in getting the new mineral resources and also there is a prolonged delay in getting the mining concessions, we have decided that

in India, we will go for more on the value added mineral products rather than going for the bulk exports. It was very conscious strategy was made and we started implementing this strategy where we are going for more for value rather than volume and this strategy has worked very well. And the result of that today Ashapura is the largest bentonite producer in India and third largest in the world. From bentonite, we are making the bentonite derivatives called bleaching clay.

Also, we are the largest producer of bleaching clay in India and again third largest producer of bleaching clay in the world. Today, our bleaching clay plant have a capacity to produce 200,000 tons and it is the largest plant in the world located at single locations. Similarly, coming to bentonite, we have the capacity to produce 700,000 tons of bentonite, processed bentonite and that is also at single locations which is the largest again in the world.

Similarly, we are the largest producer of kaolin in India. Similarly, we also produce largest producer of industrial ceramic materials having the kind of the plant which is called the producing the propens which is the first plant of its kind in India. And similarly, in many other areas, we are leading in the country and also we have recognized as the manufacturers or the suppliers in the globally.

So this strategy of using the minimum minerals and creating the maximum value has really played a very important role in our Indian operations. We are expanding these Indian operations gradually and I can say that we are getting a very, very good response for all our minerals or the mineral added value added products across the globe. Today, Ashapura Indian operations are exporting more than 80 countries of their processed minerals or mineral products and this is very significant.

The most important thing is that all our value added products, we are using the raw materials which is coming from our own mining source. The proximity between the mines to the plant to the main seaport is all in 100 kilometer radius which is a very rare kind of a thing anywhere in any part of the world. So, this is the biggest advantage what Ashapura has got, and we created such kind of facilities at gradually developing and still putting up the more and more efforts to increase our product capacity.

After talking about the Indian operations, we have thought that now the India is very limited, the scope for Ashapura if we have to grow very fast. And for that we have started looking at the opportunity across the globe. We have tried at the different countries like Oman, Sudan, Egypt, Madagascar and so on and finally Ashapura is settled in Guinea which is situated on the West Coast of Africa and Guinea is the country where the largest bauxite reserves is available in the world. We went to Guinea in 2016. And since 2016 in last 11 years, we are working in Guinea to get various concessions for mining of bauxite and also iron ore.

At the moment, we have got three concessions for the mining of bauxite, and our total reserves of bauxite is in excess of 700 million tons. And at the same time, we also won concessions for mining of iron ore where the reserves are more than 300 million tons. The journey was a long journey for

last 11 years and now we have fairly established in Guinea for excavations and export of bauxite as well as iron ore.

Coming back to the bauxite, as you have seen that in the last quarters, we have exported more than 2 million tons of bauxite and this is the highest in the history of the company just doing such volume in the one quarter and we expect that we will continue this kind of momentum for time to come.

Guinea is blessed with the very high-quality bauxite and it's the proximity to the seaport is varies from 50 kilometers to 120 kilometers. We have built three new ports in Guinea. We have built more than 300 kilometers of high-quality heavy truck kind of roads, and we also built more than 100 kilometers of the mining roads within the mining areas.

These concessions are in few square kilometers so there is a lot of development is required for the infrastructures because Guinea government gives you mining concessions, but they don't provide you any kind of infrastructure support which every mining or mine owner has to provide their own.

This is the one reason when we started investing in Guinea and we could see almost you can say the period of eight to nine years, we are continuously investing in this territory and finally now we have started getting some results out of it. Our ports capacity we can handle currently about 16 million tons of bauxite which we will, enhancing our capacity over a time so that in future it can handle at least about more than 20 million tons of products.

Our mining capacity is also we have increased and so that we can produce minerals to match with our export capabilities. Lately, we have done a very strong or you can say long-term partnership with some of the Chinese major who have the ability to go for the contract mining, the contract transportations and the handlings and also they were going to have the investment in these projects so that we can enhance our capacity and it will remain a long-term, a reliable -- Ashapura can remain a long-term reliable supplier of bauxite which we are very ambitious to have a kind of volume to come in next three years' time.

Guinea journey was not very simple. We have put a lot of efforts and today you can say that only one company -- 90% of the business has been done by mostly Chinese company. Ashapura is only one company who have now sustainable a kind of standing in Guinea and now we recognize as a supplier of bauxite as well as iron ore that took us a very long, long journey.

Why we selected a kind of a country? The reason is that we had very limited resources, and we had like unlimited ambitions, so it is a very high risk, high reward kind of a territory. We have selected these things, and I can say that as on today, it looks that we are fairly successful in this selection process. We also like to have a look at the different minerals the country is blessed; Guinea is blessed with a few other minerals. But as on today, it is all at on the study levels or you can say more is on academic purpose. We are not that thing, but it gives us a future opportunity to think on this land.

So after saying that this for the Guinea or the after saying for this for India, Ashapura is -- I just have a few words about a very small, very modest success but there are the few reasons behind this success. One of them is that the value chain what we are creating for which we are depending our own in-house minerals, more than 90% of the minerals is come from our own mines and it goes to our own processing facilities and ultimately converting into the products.

Sometimes the value addition is such, I just give a one very simple example that the Bentonite basically you can say that it's a \$40 FOB business we are converting into the bleaching clay which is more than \$400 per ton product. So now we are going for that thing. And secondly, we are going for creating different options to replace the high-value product or high-value materials with the low cost products. So this is one of the area where we also focus.

When I say that in the few things about our success in this business, the second important thing is that we have the state-of-the-art R&D -- which is spread over about 12 acres of land and we have more than 75 scientists to work for our R&D centers.

These R&D centers give us the support for creating the new products, for the new applications and also how we can rationalize or standardize our costing while producing these kind of products. Lot of our products like Organoclay, for example proppants, for example the Bentonite for the detergent applications, Bentonite for the animal feed applications. These are few examples. This is all the products which has come from our R&D sites.

Our R&D is one of the very active R&D and I am very proud to say that such kind of R&D is rare in the size of our size of companies. It is very few companies who has got such kind of setup. This is giving us a lot of support for creating the new products and the new value additions.

Besides R&D, another important resource which we have is the human resource. Ashapura has more than 2200 people working on our payrolls. They are very strong, dedicated teams who are based in all our locations, and they are taking care of the business and the business developments.

Ashapura's attrition rate is very low. The tenure of the people is more than 10 years to 15 years in the company and I can treat that it is one of the most important resource we are having and you can say besides our mineral resource, the human resource is the second important resource we have in Ashapura.

At the same time, we follow the good corporate governance and try to create the maximum transparency in our operations, in our declarations. All kinds of things are happening which is to be made available at large so that the people can understand, the investor can understand and we also feel very comfortable to declare all the information.

So this is the area which has a few things which we feel that these are the part of Ashapura's current story. I once again like to thank you all and if you feel that you have any questions related with our presentations or our -- this is not basically, we are just looking for that.

We are not going to get you the numbers where we are going to be in the next or there is no guidance in this call. So only we prefer to introduce our company and to make sure that this company has a very strong future and the reason is that in the world, you know like the kind of company who has such a large mineral basket, who have so many mineral-based solutions for the different kind of applications which is again, it's very rare. If you can look at that thing, you know in the mid-size of company, this kind of thing is very rare.

And last thing which I would like to add that currently, the Guinea is our major focus area which contributes more than 70% of our revenue on top line and as well as in bottom line. Guinea's future is associated with the bauxite and the bauxite is becoming one of the very rare minerals as the aluminum metal, the consumption of the metals is increasing almost 5% to 6% per annum and it's going to increase much higher than 5% to 6% in time to come because of the lot of new applications like for especially for the EV kind of vehicles.

Just very recently, I was reading about that most of the solar panels, the frames are made out of the aluminum. The latest research is happening in this aluminum salt batteries which is going to replace gradually, but it's going to replace the lithium batteries. Aluminum metal is going to remain very strong in demand because one of the metals is very stable metal and the availability of the raw material is also very stable.

So, I can feel that and the Guinea, luckily, we have those of the bauxite. So, if you combine all these factors together, you can see that the company has a very long-term future. So, we are not here and just discussing the numbers of the quarter or something, but we are looking that the many more such quarters to happen in future and we really appreciate all our stakeholders or maybe future stakeholders who are joining for this call and giving us a lot of encouragement, lot of motivations and lot of inspirations for telling our story to you.

So, once again, please accept my sincere gratitude for attending this call. Now, I would like our CFO, Mr. Ashish Desai, to have a few words or to give some numbers to you which you maybe like to have and to appreciate. Thank you. Thank you once again. Thank you very much.

**Ashish Desai:**

Thank you, sir. Good evening, friends. Coming to our operational and financial performance, in the quarter ended June 30, 2025, we exported more than 2 million metric tons of bauxite vis-à-vis 3.37 million metric tons for the full financial year '25.

In quarter 1 of '26, we reported consolidated income from operation at INR13.55 crores, which is a growth of 89.8% year-on-year. This was primarily driven by our operations in Guinea, leading to

robust sales of bauxite. In fact, Guinea business accounted for, to be precise, 79.3% of our top line in the quarter and we expect this momentum to continue.

Coming to EBITDA, for the quarter, it stood at INR187.73 crores, registering growth of 106.8% year-on-year. EBITDA margin also expanded by 114 basis points to 13.85% on the back of operational efficiency and economy of scale. The quarter's PBT was at INR131.84 crores, growing 102.5 percentage year-on-year with PBT margin of 9.73% higher by 61 basis point year-on-year. And lastly EPS for the quarter stood at INR11.5 now I would hand over to Manan to talk about our outlook and our long-term plans, thank you.

**Manan Shah:**

Hi, good evening everyone. Thank you for joining us on the call today. I would like to share my outlook and the two divisions like mentioned by Chetan Shah. To start with the Guinea business we believe that we will continue to capitalize on our strong reserves and infrastructure in Guinea. As mentioned earlier we see the growth of aluminum to be around 5% to 6% at least for the next few years.

And we see that therefore the bauxite demand will also increase to that effect. Bauxite prices are expected to remain stable, and China will continue to be the world's largest consumer. Together these factors give us confidence that our Guinea operations will see steady and sustainable growth in the years ahead. At present our port capacity stands at 16 million metric ton, and we expect to reach 27 million metric tons of port capacity by quarter one FY27.

As stated in the note earlier our target is to export 15 million tons of bauxite by FY27-28. In parallel we are also advancing our Iron Ore business where Ashapura has opted for a structured model of supplying mined ore to a local beneficiation plant. This business will gradually ramp up and is expected to contribute meaningfully to the profitability of our Guinea business.

For India business we have four factors which we see will contribute to our growth. First we expect a good organic growth itself. The reason for this is that many global supply chains are shifting toward China Plus One strategy and Ashapura is a leading brand and a favorable alternate in this regard. Companies are also looking for alternates to high cost European and American products.

And this is something that we have been able to develop step-by-step. We see ourselves capturing a larger share of the global market over time. The second part of this growth will come from capacity enhancements. Many of our existing production capacities are close to full utilization. And we are expanding them to meet rising demand while investing in technologies to improve efficiencies.

The third area is expansion into high valued product lines. We remain focused on technology driven innovation backed by strong agile research capabilities. Our emerging product portfolio spans industries such as animal care, environmental protection, foundries, paints and coatings. These segments that we aspire to get into are technologically demanding but present significant opportunities for scale and value creation upon commercialization.

Lastly but also equally importantly our focus remains on resource acquisition. We need to replenish the resources which is used by our company. This is the way to ensure sustainability of long-term operations and cost leadership in our segments. This is all from our side and thank you for patiently listening. We would be happy to take any questions that you may have now. Thank you.

**Moderator:** Thank you very much. We will now begin with the question and answer session. Our first question comes from the line of Naitik Mohata from Sequent Investments.

**Naitik Mohata:** First of all, I would like to congratulate the management on posting such good set of numbers. It seems like all the hard work over the years is starting to pay off. Also the initiative of earnings call that we have taken is very positive. And I hope that we would continue with this in the future as well.

My first question would be, so we have we have been investing quite some -- quite a lot in Guinea in the last four-five years. Acquiring these mines establishing roads and ports for logistic purposes and all. So what would be the total amount that we might have invested till now in the business?

**Manan Shah:** Is that the only question?

**Naitik Mohata:** No I have a couple of follow-up questions as well.

**Manan Shah:** Maybe you could just say them all together is that okay?

**Naitik Mohata:** Okay so that would be my first question. The second question would be like with respect to the iron ore mine in Guinea. So what is the timeline and what is the progress for iron ore mine there? And how soon can we expect some numbers out of the iron ore mine as well? And lastly the total bauxite that we can extract on the capacity is in place right now what would that look like?

**Manan Shah:** Okay so I'll take question two and three first. And then our CFO can handle the question on the capex. So your first question is regarding to iron ore, in case of iron ore as we mentioned that we have a strategic agreement with particularly our local beneficiation plant. While numbers are too early to share right now. We see that it would significantly contribute to our bottom line in due course of time.

While this business is happening close to an ex-mines rate, so in terms of top line the numbers may not be immediately visible. But over period of time we expect that it will contribute to the bottom line. Currently the business is in stage of -- last stages of development and should we expect it to start ramping up very soon. Maybe in the next quarter or two quarters, some effect of the iron ore business should be viable.

Currently we are not sharing our long-term iron ore numbers but in due course of time we shall share this. And regarding to bauxite extraction, if you can understand, so it in terms of mining. The limitations do not arise exactly in that sense. It requires the roads and the ports also to be equally



compliant. Today our port capacity is at 16 million tons and we are as we have mentioned we expect this to go to 27 million tons.

So you can consider that our port capacity could be a factor in determining what is the maximum potential at any given point of time but however as such, with the kind of reserves we have. We have obviously the opportunity to scale up even beyond that in a longer term. Ashish Bhai on the capex?

**Ashish Desai:** Yes so to answer your question on how much we have invested. So we have already invested more than around \$135 million as on today.

**Naitik Mohata:** Okay so a follow-up on that question would be, how much would have gone in developing the mine, how much would have gone in developing the ports? And currently also what we are planning to expand the port capacity how much we are investing to do that as well?

**Manan Shah:** Sir, I think currently, in the interest of the time on this call, this would be a very long conversation to have. But we do have, obviously, the breakups available with us. So that can be discussed in due course of time.

**Naitik Mohata:** Alright, sir? Thank you. I will join back in the queue.

**Moderator:** Thank you. Our next question comes from the line of Giriraj Daga from Visaria Family Trust. Please go ahead.

**Giriraj Daga:** Hello team. First of all, thanks for arranging the call. I hope this remains the endeavor in the future also, that we can keep hearing the management periodically on the call. My question remains, in terms of volume. First of all, this is a two-part of the one question. First, in terms of this quarterly number of 2 million tons and the last year's number mentioned of 3.77 million tons, and our guidance of 15 million tons by 2028?

Should we assume a periodic jump from 3, going to 6, then 7, then 10, then 15? Is that the journey this way? Second, in terms of our sales tie-up, what is the mix between spot and long-term? Is it a volume fixed, price fixed, or is the price linked to the market price? How is the scenario there?

**Manan Shah:** So, as we have mentioned, of course there are seasons in the business where Q2 is typically affected by monsoon. But we do expect a somewhat linear growth toward our target. So, that's point one. Second, as you mentioned about the long-term and spot business, the eventual objective is that our long-term contracts' volumes may be fixed, but the prices are depending on the index conditions.

So eventually, the pricing should be in line with whatever the spot prices are as per the China market. So, there are no fixed prices going into multiple years as on now in the bauxite contract. So, the volume contracts are available, but the pricing remains flexible as per market conditions.

- Giriraj Daga:** Okay. If I can just get some follow-up there. What would be our EBITDA part we are building in, in let's say reasonable number of 7-8 million ton?
- Manan Shah:** So, I think the current EBITDA, I mean it can be calculated from the volume and the EBITDA given. We have offered our division-wise financials in the investor note. You can expect that this EBITDA number could be a little better from here, but the exact guidance will not be available.
- Giriraj Daga:** Okay, and lastly if I can ask, what is the remaining capex in Guinea now to reach the full potential?
- Manan Shah:** As of now, I can share with you that most of the capex has been completed, and the company does not see a lot of significant capex going ahead. But exact numbers, again, it is tough to calculate, but I think that we have been in Guinea since 2016, and after nine long years, we are seeing some good results. So, we can say that the bulk of the capex has been factored.
- Giriraj Daga:** Okay, thank you.
- Moderator:** Thank you. Our next question comes from the line of Sudhir Bheda from Bheda Family Office. Please go ahead.
- Sudhir Bheda:** Hi, good afternoon, sir. I would like to congratulate you. You have come up in the last year and created in shareholder value, and Guinea also, the way you have performed in. So, my hearty congratulations as a shareholder. My question is, what is the plan in terms of your debt? When will the company become a debt-free level? And second, what is the plan of this year? What kind of guidance can you give for dispatches for FY26, in bauxite?
- Manan Shah:** Okay, so a couple of questions. First, we are not offering a yearly guidance, which is why we've given a clear guidance for FY27-28. Currently we are not offering a yearly guidance, but I can say that we expect a linear growth from our numbers now to our targeted numbers in FY27-28. So, I think that leaves enough information to kind of broadly make out what can be expected.
- On the second part, on the debt, we expect EBITDA levels to be healthy or even get a little bit healthier from here which should help us over a period of time to reduce our debt. But like an exact guidance on, how much our debt may reduce further on those operations is currently not available. In our India operations, we hardly have any debt, or we have no long-term debts as such, so we are fairly comfortable.
- Sudhir Bheda:** Thank you, sir, for giving the opportunity to ask questions.
- Moderator:** Thank you. Our next question comes from the line of Keval Doshi from Onyx Capital. Please go ahead.

**Keval Doshi:** Thank you for the opportunity and congratulations Chetan bhai and team for a spectacular performance. I wanted to understand the ports which we built in Guinea, are these ports exclusively being used by us, under our control or there are third parties also which have access to these ports?

**Manan Shah:** These ports 100% belong to us, 100% operated by us and 100% utilized for our cargos. A lot of the capex which has been discussed earlier on this call has gone towards the development of this these ports. As we mentioned 16 million tons of capacity has been added up by us since we ended up in Guinea and this is also one of the reasons why the project has taken such a long time to bear fruit after inception. But the ports 100% belong to us and we have our complete rights on these ports.

**Keval Doshi:** Okay, thank you. My next question is that, we read from the note that for five to six months, there is extreme rainfall in Guinea and therefore there could be disruptions. So, would it be a complete stoppage of excavation from the port, or would it be partially shut? What happens during these five or six months?

**Manan Shah:** So, typically, there is some variation in the amount of volumes we're able to execute. Not just on account of the port itself, but because of the acute rains on the mines, the road, and the entire infrastructure. Plus, the obviously bauxite gets wet, and typically wet cargo is less profitable to execute and is also a headache for the buyer.

So, you can expect some disruption, but it's hard for us to predict because it really has a lot to do with the amount of millimeter of rain which we are seeing over there. I think, maybe you can have a very approximate correlation to the rains and the kind of volumes which are there, because mining is a business, and especially in this kind of industry, where the rain will directly affect your ability to execute cargo.

So, we expect some disruption. So, I think whatever our targets are, would see that quarter two would always have numbers which would be below the average. And then quarter three would see a pickup and then quarter four and quarter one would do even better. So typically, that's how I can explain it, but it really depends on the yearly, the rainfall as per the season and the severity of the rain. So it's very hard for us to predict, but we do try our best to at least execute some volumes even in the off periods and the monsoon period. So it will not happen that quarter 2 would see no exports for bauxite for example.

**Keval Doshi:** Okay understood. My next question and probably last is on the India business side do we expect new products to be introduced and is there any impact which we may have on if at all we are exporting to the U.S?

**Manan Shah:** Currently Ashapura I could say less than a fraction of a percentage of our exports from India and no exports from Guinea are to USA. So there is I would say below beyond negligible or below negligible impact of US tariffs that's one. There is no impact of that on our company. Regarding to our new product developments we are very excited and very passionately bringing in as my father explained

in his speech the cost beating innovations for variety of material industries such as paints coatings foundries animal feed, animal care environmental protection, but these are projects which obviously will play out over a medium to longer term in terms of the company sides.

**Keval Doshi:** Thank you so much Manan for answering all the questions and wish you and the entire team all the very best.

**Manan Shah:** Thank you.

**Moderator:** Thank you. Our next question comes from the line of Kirtan Mehta from Baroda BNP Paribas Mutual fund. Please go ahead.

**Kirtan Mehta:** Thank you sir for giving this opportunity. One question related to our mining business in Guinea. Based on the Q1 numbers given appears that the our bauxite realization has been closer to around \$65 whereas a beta is around \$10, \$11 implying around \$55 of bauxite production and transportation cost.

Could you give us a bit more insight into our cost elements in terms of what is the mining cost what is the transportation cost, what are the port operation costs. And on the realization side you previously mentioned that we have index pricing how much proportion actually is in under a long-term contract and what is generated on the spot contract and who are our key buyers if you give some insight around the bauxite business that would be useful?

**Manan Shah:** Sure. So I will not be able to share with you very specific information currently, but I can tell you that typically the mining cost is the very small part of the total cost. Typically in this entire thing the mining cost may be hardly a few percentage points of the total cost. The major cost is the transportation which happens from the mines to the port and then from the port via capsized vessels to our end users mostly in china, that is a significant part of the total cost.

So that includes barging trans shippers if any and then finally the actual freight of the cargo being carried from Guinea to China. So majority of the cost involved is all related to logistics and can be a function of the performance of various sea routes in terms of how their pricing is faring is one of the basic impact of that.

So the costing is majorly on the logistics and logistics management side which is predominantly what is on the costing. Regarding to your question and there are some taxes also in terms of to the government which has to be paid as royalties on the export so that also exists. So that is also as the some percentage of the total cost.

Regarding to the index pricing so the our pricing will always be linked to the index, but whether it's a premium or penalty depends customer to customer based on the grade of bauxite which they would

be buying and the kind of moisture which is in the material, but you can understand that our EBITDA would have a some correlation to index prices.

**Kirtan Mehta:**

Right, sir. This is quite useful and if you can also sort of suggest how the cost would change as we increase our operations how much it can come down with the increase in the size of operations?

**Manan Shah:**

So I would give a broad based answer on that. Basically as you can understand that Ashapura is working with reputed partners to strengthen its infrastructure chain and Ashapura has a target to significantly increase its volumes. I think both those initiatives put together should see some more efficiency being unlocked, but it would be too soon for me to give a very specific number.

But you can understand from our guidance that we significantly want to ramp up the kind of volumes which we are doing today and so therefore there would be some amount of increase in efficiency from economies of scale and as well as working with the very established partners who have their own efficiencies in handling infrastructure and logistics.

**Kirtan Mehta:**

Sure, sir. Thank you.

**Moderator:**

Thank you. Our next question comes from the line of Nalin Shah from NVS Brokerage. Please go ahead.

**Nalin Shah:**

Congratulations for excellent numbers. I think most of the questions in my mind has been covered already in the decision. Only thing I would like to just ask whether any kind of acquisitions.

**Moderator:**

Sorry to interrupt Mr. Shah you're sounding a bit muffled and low if you can just speak on the side of the speaker.

**Nalin Shah:**

Hello. Am I audible now?

**Moderator:**

This is much better sir. Please go ahead.

**Nalin Shah:**

Yes. So I just only would like to know if there are any strategies or for unlocking of value what we are considering, is there any strategy or anything on the card in terms of acquisitions and inorganic growth as well as any like de-merger or something which can create further value for the company if you can throw some light on that?

**Management:**

Currently our company's focus remains on bringing in continued momentum to our Guinea business. And as mentioned in India we are developing new product segments. We are open to all opportunities of acquisitions or any other kind of strategic activities. However, our management focus is on the growth of both Guinea and India business as they stand for the time being.

**Nalin Shah:**

Thank you very much.

- Moderator:** Thank you. Our next question comes from the line of Bhavin Chheda from Enam Holdings. Please go ahead.
- Bhavin Chheda:** Good afternoon sir. Just few on the Guinea mines as you have given in your investor note I believe you having three concessions. So are all these can you also give the mine life or the concession period and are all these three concessions or three mining areas currently operational because your 700 million reserves seems to be spread over three mines of HUDA, BOFFA and FAKO.
- Manan Shah:** Okay. Good questions. So we have a basically a 15 years plus 15 years renewable lease on these assets and then those are also of course 30 years later I am not sure what I can predict after 30 years, but our contract is for 15 plus 15 on these mines and two of these mines are operational as mentioned in our note and one is under development so that status still stands.
- Bhavin Chheda:** And the first 15 years starts from 2016 so renewal will come in 2030?
- Manan Shah:** So, see we have acquired the different mines at different points of time, but we entered guinea in 2016, and our first mines acquisition was much later. So most of these mines would be having got the right of exploitation maybe before 2 or maximum 3 years. So you can add it up from there.
- Bhavin Chheda:** So do you mean only two, three mines are...
- Manan Shah:** No I'm saying -- so the yes the first renewal would be 12 years away and that is also an automatic renewal kind of a system. It's not like that it is like a reset process and that's what we have currently. One thing I would like to add here for the benefit of all those on the call is that Guinea has seen large MNCs and you can find out about this yourself which are working there for at least period of 50 years.
- So Guinea actually offers lot of stability to those who have invested into the country, into the mining assets. So many of the big MNCs have been operating there for several years way beyond 15, 20 or 30 years and they still continue to operate comfortably. So the idea is that the mining concessions are truly in spirit with us and we can use them for a very long period of time.
- Bhavin Chheda:** And the last question, the mining operation is done by the local contractor as well as the port management is done by the Chinese contractor or the contractor, or we have a team in place which is doing any of these two operations?
- Manan Shah:** So currently all the operations across mining and port are handled by the Ashapura team.
- Bhavin Chheda:** Okay. Thank you and best of luck.
- Manan Shah:** Thank you.

- Moderator:** Thank you. Next question comes from the line of Ronil Dalal from Ficom Family Office. Please go ahead.
- Ronil Dalal:** So my first question was that, what would be the Bauxite price presently and how would we be able to track it? You mentioned the China Bauxite price. So would that be the China, Guinea Bauxite index?
- Chetan Shah:** See the current Bauxite price is \$74.5 per ton dry metric ton basis C&F China. So that all depends upon the there is an international index, there is one index is produced by from the Australian company and there is a three index is by the Chinese company or the. And normally they take the average of the three index and to make the kind of price calculations. So currently it is the \$74.5 C&F China any major port in China.
- Ronil Dalal:** The next, want to just check -- you mentioned that the demand is much later than the supply. So what would be the reason that we're not able to supply the full 15 to 16 million tons as of today?
- Manan Shah:** So company is in a basically a position of ramping up, its infrastructure and in terms of the roads, the port and like this. It basically some of these assets have been ready earlier some of these have been ready more recently and so and also we basically there is a process of development also of a mine where on the first day or on the first year you cannot expect that the full volumes would be available on the first year.
- I think it's just a question of time that certain things take time to develop to a certain stage. So I think it's just a journey that we are making. What is important to note is that the capital investment and requisite, sort of agreements all are in place. And now we see that the momentum to continue.
- Ronil Dalal:** And the shipping lines are also available. I mean the ships, and all are available for supply because sometimes there shortage of ships?
- Manan Shah:** So the ships are easily available in a somebody and there is an index for this also for tracking the sea freight which is available. I currently don't have the exact name with me but for these specific routes there are indexes available and vessels are available.
- Chetan Shah:** Yes, normally we follow the C3, the shipping route. And that starts from the Brazil and it's to end into China. So we follow the same the C3 routes. And if you look at that C3 routes that today current the shipping freight will be about \$24 per ton.
- Manan Shah:** So, the one -- the one thing I would like to advise is that these indexes give us a kind of trend in terms of whether prices are increasing or decreasing but their exact prices may have only some correlation to our prices it may not be literally that the index price may be exactly our price our price may be higher or lower depending on the exact customer exact location and the terms of delivery, but this gives you an indication what is the mood of the particular index or market, when you check out

whether it is the bauxite pricing index or the shipping indexes; it will offer you a kind of mood in the or the trend in which things are moving.

**Ronil Dalal:** Where in one thing...

**Moderator:** Sorry to interrupt, sorry to interrupt Mr. Dalal, may we request to return to the question queue for follow-up questions...

**Ronil Dalal:** Yes, sure.

**Moderator:** Our next question comes from the line of Viral Nagda from Vivid Financial Services, please go ahead.

**Viral Nagda:** Thanks, thanks a lot for arranging this call was much needed for the investors and I would like to congratulate the management for building a strong business in Guinea. My first question comes about the company that we have that as you have guided that 15-million-ton export, we are expecting in FY '28. Now, I need to understand what is the roadmap for this and how are we going to overcome the issues of logistics or barges like barges availability or all those things so I just want a road map or a viewpoint how are we going to overcome those things?

**Manan Shah:** I think we have iterated this in the earlier questions that we are expecting some sort of a linear progression from where we are today, to the target that we have put so that's the first question and regarding to logistics and barging I think as explained or as I would like to explain that now that we have a very good quality partnerships, with leading marine logistics players we expect that that should take care of the situation.

So, we have got three years contracts with them of course like I mentioned earlier that the contracts are solely based on volume pricing remains dynamic but we have contracts with reputed players and this offers us some stability on our ability to execute volumes.

**Viral Nagda:** Understood. Sir, last one question just wants to understand a little bit on EBITDA per turn or margin's part. As we saw in last two quarter like Q4 and Q1, margins volumes were quite good, but the margins were not that, I am talking about margin percentage EBITDA margin, that was not impressive as expected. What is EBITDA per ton or breakeven point in dollar term approximately...?

**Manan Shah:** The current EBITDA is available to you through calculation from the numbers I at this point I can only comment that we expect to maintain or improve these numbers in time to come.

**Viral Nagda:** Okay can we expect margins to get better with the volumes going ahead in Q3, Q4?

**Manan Shah:** We hope for the best.



**Viral Nagda:** Okay thank you thank you thanks a lot and just one small thing if possible, please provide monthly export or volume numbers that would be much more helpful to us as investors, that's it Thank you, thank you sir.

**Moderator:** Thank you, our next question comes from the line of BR Nahar from Mili Emergin Equity Fund. Please go ahead.

**BR Nahar:** Thank you for giving the opportunity and heartiest congratulations on arranging this first maiden call. My question is about you are operating currently two mines and in your March presentation you have given that you have entered into contract with China Rail for developing another mine; so, whether the volume of that mine which is going to be operated by China Rail is in addition to what you have projected 15, 16 million tons by '27, '28 that is on bauxite side and on iron ore mine side whether what kind of a fee you have there currently and after beneficiation what kind of a fee you will get and whether you will be done exporting or what kind of arrangement you have currently?

**Manan Shah:** So, okay I what I can understand two questions one is on the China Railway, what we expect is that they are basically partnering us in one of our mines location to improve the capacity that we are able to execute from this mine. So in the existing mines there's there working with them will help us to significantly improve the volumes that we can deliver from one of our mines and regarding to your second question on iron ore, we have basically like a middle grade iron ore but this iron ore is easily benefit -- beneficiable so I mean it can be easily upgraded via standard washing and related processes so that's why we are working with a local beneficiation plant because once it is upgraded it may it is more profitable to export, than to export low grade ore.

**BR Nahar:** But that iron ore, will you will be exporting or what is the arrangement basically? If you can...

**Manan Shah:** Our contract is local sales, so we would we would be working closer to a mine level and lesser at an export level.

**Moderator:** Thank you, ladies and gentlemen, due to paucity of time that will be the last question for today, for any further questions please reach out to Adfactors team. I would now like to hand the conference over to the management for closing comments.

**Manan Shah:** Thank you so much. We would like to thank you sincerely for your time and patience; we look forward to your trust and support as we move forward in this exciting phase of our journey of value creation sustainability and leadership. We are committed to maintain consistent engagement with our stakeholders.

We have begun to provide more structured insights into our business divisions and operations. Going forward our disclosures will include quarterly volumes of bauxite from our Guinea business, along with division wise details. As a part of our enhanced investor engagement initiatives, we have recently circulated our first investor note, providing concise overview of our operations and business structure.

We look forward to strengthening this dialogue further through our quarterly calls and other platforms of interaction.

Thank you once again and we look forward to our continued association. For any further details please reach out to Adfactors

**Moderator:**

Thank you, everyone. Thank you on behalf of Ashapura Minechem Limited, that concludes the conference call. Thank you for joining us and you may now disconnect your lines.