



**“Ashapura Minechem Limited  
Q4 & FY26 Earnings Conference Call”  
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**Moderator:**

Ladies and gentlemen, good day and welcome to the Ashapura Minechem Limited Q4 and 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 the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Chetan Shah, Promoter and Director of the company. Thank you, and over to you, sir.

**Chetan Shah:**

Hello friends, good evening. I would like to welcome you all to the fourth investors call to review the annual results as well as the quarter results for financial year '25-'26. Investor calls have now become a way of life at Ashapura. It is our commitment to address all our current and potential stakeholders after quarter results, irrespective of the quarter's performance.

But fortunately, this is our fourth investor call, and fortunately, we are doing better and better in each quarters. It is not just merely a coincidence, but it is the result of our lot of efforts and strong thrill to perform better and better. As you know, the financial year '25-'26 ended well, and it is the best year in the history of the company.

As you are aware that we have -- our top line has grown about 105%, and our -- the profit margin has gone 48% during this year. We expect the similar kind of trend and similar kind of performance, or maybe a better performance in year to go. However, our CFO, Ashish Desai will brief you all about details about the financial performance of the '25-'26. And while Manan will also summarize about our domestic business in the past year and year to go.

Let me take you very quickly about our performance in Guinea. In the last year, we have ended almost the export of 8 million tons of bauxite against 3.5 million tons in the previous year. We are expecting a little better performance in the year or in current year and will give you more details about the expected numbers in current year.

As you know that in the last quarter, due to geopolitical unrest and there were lot of odds happened, there is lot of challenging thing has happened during the last quarters and also in the current quarters. That is primarily the increase in the fuel cost, the increase in the OGB, the freight cost and also there is some increase in the tax and duty by the Guinean government because the tax and duty is connected

with the LME aluminium metal and the metal has gone up in the last few months and that is why there was some impact on the duty and tax by Guinean government.

But looking to all these odds and all these challenges, even this current quarter it remained fairly positive for us. And this main reason is that we had some commitment of the long-term freight with some of the shipping lines, and they are still continue to perform despite of the change in the market scenario.

Coming back to the main thing is in the like major things which is going to happen now, the Guinea government is planning to implement the bauxite quota systems which may be announced hopefully within this month. And if that will be in place, then there will be some curtail of the export of bauxite from the Guinea and that will definitely have a positive impact on Ashapura or you can say that the small mining companies in Guinea.

This will also have an impact on the freight because there was a decrease in the volume of the bauxite which will definitely have the positive impact on the freight and the freight is expected to come down to certain extent. Both the things will remain very positive for us.

The demand on other side, you can say that because of geopolitical unrest, the commodity cycle has some kind of a disturbance and will have some impact on the demand of the bauxite. But however, we have secured good customers and we feel that that effect will not be very substantial as far as Ashapura is concerned.

As such, the metal is doing very good, aluminium metal currently is trading at about \$3,600 which is expected to go up to \$4,000 per ton and that will have again some positive impact on the consumption of bauxite in coming months. As we informed you earlier that we have fully prepared to increase our production and also our export volume.

However, we are doing the expansion in our port facilities which will be expected to be ready by end of this year and we will be able to increase our volume from 15 million tons to 20 million tons. At the same time, we also are in touch with some big shipping operators to have a long-term arrangements for the freight and hopefully, we will be able to close this kind of contract in next few months.

As we mentioned in our earlier call that we are also looking into the iron ore business. We have seen some kind of development during this current quarter and we will be able to have some positive impact on our top and bottom line in iron ore business also.

We are also planning to put up some beneficiation plans for the iron ore and which is already at the initial stage of kind of a due diligence and we are very optimistic that we will have the beneficiation

plan for the iron ore maybe in next three to four quarters. That will enhance our top line revenue as well as our bottom line.

We are also putting up the bauxite washing plant with the capacity of 20,000 tons per day which will help us to use the bauxite which is currently is not a marketable quality, which can be improved to a marketable standard and that will also enhance our ability to export more bauxite from our existing resources.

Our Indian business has also performed well during the last year and will continue to do so in the current year. However, Manan will provide insights into our new product developments and new investments in the Indian business.

So, I will leave it to Manan and Ashish to give you more details about the financials and the Indian business.

**Manan Shah:**

Thank you, Dad. Coming to our India business, I would just like to reintroduce it briefly before we discuss the year. As we mentioned, our India business is basically a diversified portfolio of value-added mineral-based products catering to several core industries that touch our daily lives. This includes metal and foundries, oil and gas, edible oils, petrochemicals, paint and coatings, construction, automobiles, and several other industrial sectors.

Our India business is organized into three verticals: Bentonite & Allied Minerals and White Performance Minerals; Specialty Adsorbent Solutions, operated through our 50% joint venture Ashapura Perfoclay Limited; and Advanced Ceramic Materials through our stake in Orient Ceratech Limited.

This year was characterized by several cost headwinds. Given the logistics-intensive nature of our operations, increases in fuel prices and transportation costs had an impact on margins across businesses. Additionally, profitability was affected by higher input costs and changes in product mix, with a higher proportion of lower-margin products contributing to overall sales. Within our portfolio, the performance of our Specialty Adsorbent Solutions business was impacted by a sharp increase in sulfuric acid prices, which is a key raw material used in this business.

On the other hand, our Advanced Ceramic Materials business delivered encouraging growth compared to the previous year. Despite several near-term challenges, we remain focused on enhancing operational efficiencies and strengthening our product portfolio.

A key area of focus for us is the development and commercialization of new products across our India business. Several initiatives are currently underway, particularly within our Bentonite and

White Minerals business, where we are working on expanding our product basket and increasing our presence in higher value-added applications.

We are, therefore, looking at a significant capex over the next year, roughly around INR150 crores across all business divisions, to upgrade our plant facilities and add new products to our portfolio. We believe these product development initiatives and investments will contribute meaningfully to the long-term growth and profitability of our India operations.

Going forward, our strategy remains clear: to increase the share of value-added products and to expand into new applications and markets. We are also focused on replenishing our resources and reserves of minerals in India, and to that effect, we have been granted seven new bentonite leases in this quarter. We are optimistic that over a period of time, we will be able to add more resources and ensure that the company is always sustainably backward integrated to its minerals.

Overall, while the year witnessed margin pressures arising from external cost factors, the underlying strength of our India business remains intact, and we remain confident about the long-term growth opportunities across all our operating segments.

Thank you. I now hand it over to Ashish to discuss the financials further.

**Ashish Desai:**

Thank you, Manan. Good evening, everyone. I will briefly take you through the financial performance for the quarter and the full financial year '25-'26. For quarter 4 '26, consolidated revenue from operations stood at INR1,969 crores to be precise, as compared to INR960 crores in Q3 of the same year, representing growth of 105%. EBITDA stood at INR211 crores as compared to INR143 crores in the previous quarter, while PBT before exceptional items was INR147 crores against INR89 crores in Q3.

For the full year 2025-26, consolidated revenue from operations increased to INR5,237 crores from INR2,739 crores, which is a 91% jump year-on-year. EBITDA increased to INR674 crores from INR445 crores, and at the same time, PBT before exceptional items increased to INR450 crores from INR305 crores.

To discuss segmental performances, the Guinea business generated revenue of around INR4,200 crores during '26 with an EBITDA of INR561 crores, continuing to be the largest contributor to consolidated earnings. The India business, comprising Bentonite & Allied Minerals and White Performance Materials, generated revenue of approximately INR998 crores with an EBITDA of INR112 crores during the year.

Specialty Adsorbent Solutions and Advanced Ceramic Materials also continued to contribute positively to profitability and diversification. Our financial position remains healthy and provides a

strong foundation for future growth opportunities. The Board has recommended a dividend of 100% for the fiscal year, subject to shareholders' approval, which reflects both our confidence in the business and our commitment to rewarding shareholders.

With that, we conclude our opening remarks and would now be happy to take questions from investors and analysts. Thank you.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. The first question comes from the line of Avinash Nahata from Parami Financial Services. Please go ahead.

**Avinash Nahata:** Yeah, am I audible?

**Manan Shah:** Yes.

**Avinash Nahata:** Okay. My first question relates to Guinea. So, while there was a brief mention that the 15 million ton infrastructure on the port side will go to 20 million tons, can you briefly talk about the excavation of bauxite infrastructure, road infrastructure, as well as port infrastructure from our journey beyond 15 million tons, if you can just spend two minutes on this?

**Manan Shah:** Yeah, sure. So, as we have mentioned in our investor note and several times on the call, we are firstly expanding our capacity at Boffa port, which was to be done, I think, by the end of quarter 2, and we are on track and have almost completed that. So, our Boffa port capacity will increase from 5 million tons or so up to approximately 10 million tons.

We are also now working on our other port to expand the capacity, which may be by the end of FY27-28, I think. So, that is our second port, GSM port, which should also add another 50% to 60% to that port's capacity. So, the port capacities have been mentioned earlier; I believe Boffa is 5 million and GSM is 6 million.

So, we are expanding both our ports in anticipation of being able to deliver higher volumes. So, there are both our bauxite-related ports in expansion; one is completed or close to completion, and the other one will be at the end of '27-'28. Regarding roads and other infrastructure, that is already largely in place for delivering a good amount of volume, so those are as per what they were previously, and currently, we don't have any major plans for that.

**Avinash Nahata:** So, the only impediment what you were saying is on the port side infrastructure, which you're saying that by the end of '27-'28, we should be ready for, I mean, if the demand is there, we should be able to ship more?

**Manan Shah:** Correct, correct. So, we are basically looking at ramping up our port capacity for the medium to long term.

**Avinash Nahata:** Okay. My second question is on this quota. So, there was again a brief mention. So, I just want to understand, so every mine holder, whoever is mining, so quota means that everyone will be given a particular quota. So, does that also mean that new mining releases will also be stalled by the government?

**Manan Shah:** So, to be fair, we don't have exact details of how they plan to implement this system, but to our understanding, it will be an impediment for newer players in the industry because along with their mining permits, they would also have to apply for their own quotas. So, it would definitely make things a little bit harder, but the exact information is not out in the public domain.

Our general sense is that we think that this quota system should actually be positive for a company like Ashapura because we are getting feelers that this is more in terms of some of the larger companies there. If you are aware, the larger companies there are maybe doing more than 70 or 80 million tons. So, I think these are aimed at curbing those kinds of companies, curbing their volume. But we as Ashapura are fairly optimistic that this would actually be beneficial for us and it would level the playing field significantly and reduce the supply out of Guinea.

**Avinash Nahata:** Okay. I'll come back in the queue. I have some more questions.

**Manan Shah:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Disha with Sapphire Capital. Please go ahead.

**Disha:** Yes, okay. Thank you so much, sir, for this opportunity. My first question was on the overall volumes that we're targeting for FY27. So, if I look at the Quarter 4 run rate, we're already at 12 million metric tons. So, how should we look at the overall volumes for FY27?

**Manan Shah:** So, there are a couple of uncertainties currently; one is on the freight and availability of vessels, and secondly is to see what comes out in the quota system and how it is implemented. So, there are a couple of uncertainties, but ballpark, as we had said earlier, our target for the year after next is 15 million, and this year we are expecting broadly a range of 10 to 12 million tons for next year, depending on how some of these uncertainties with respect to freight, geopolitics, and the quota system play out. But I mean, we're very optimistic about doing better than the previous year in terms of volume.

**Disha:** And sir, this is only, I believe, the bauxite volumes. In terms of our iron ore also we mentioned, so what sort of contribution can we expect from there and what is the realization per metric ton for iron ore?

**Manan Shah:** Currently, we are still in a commissioning phase with iron ore; it has gone a little bit slower than what we expected. However, we do think in the coming year or couple of years, it should at least have some meaningful contribution to the Guinea business. We would expect, given that we are looking at the business strictly from a mining perspective and then there would be beneficiation and all, so margins may not be very high, but maybe in the single digits it may be there.

But this is a very speculative comment from my side. We would require a couple of quarters to figure out the long-term direction, and we will update everybody once we have that. But we are very actively working on developing the resource to some kind of commercial volume, and we are hopeful that we should have something within a couple of quarters.

**Disha:** Okay, okay. Fair enough, sir. And sir, how should one look at the overall realization, given this quota might have some benefit, and what sort of margins can we look at for EBITDA for FY27?

**Manan Shah:** We don't know what is the amount of total bauxite export going to be allowed by the government, and I'm sure that number itself would have a significant bearing on the prices. Our sense is that exports should decline compared to the previous year -- again, this is speculative -- but our sense is that it will decline compared to the previous year because of the quota, and that should improve the bauxite prices net of freight.

This is our expectation. However, it's too soon to comment without having some kind of guidelines. But we do think that things should improve post the quota system. Until then, due to higher freight costs and a general kind of subdued situation due to geopolitical issues, we would have to wait and see what happens next quarter to come back with a longer-term idea. But we are optimistic that after this quota system, things should get better and not worse.

**Disha:** Okay, okay. And how should one look at the overall EBITDA margins for FY27 and the contribution from the India business? How are you seeing that for FY27?

**Manan Shah:** Sorry?

**Disha:** The contribution from the India business in FY27 and the EBITDA margins that we can expect for this year?

**Manan Shah:** I think that largely we expect the business to be stable and improve. Most of our initiatives are kind of medium-term, and until then, we expect stable growth, probably maybe a little bit better than the

previous year or same as the previous year. But mostly, the projects we are working on should have a much bigger benefit, but in the medium to longer term. We are working on a lot of projects and new product launches, so in a couple of years, we should see something better than average growth. But that's currently what I can offer for India.

**Disha:** Okay, okay. And just lastly on the overall EBITDA margins that we're looking at for FY27?

**Manan Shah:** We hope it will be better than this year, but time will tell.

**Disha:** Okay, okay. Fair enough, sir. Thank you, that is it from my side. All the best.

**Moderator:** Thank you. The next question comes from the line of Mayuresh Rawat with invest4Edu. Please go ahead.

**Mayuresh Rawat:** Yeah, thank you for the opportunity. Congratulations, sir, congratulations for a great set of numbers. So, I have two questions, sir. The first one is, in Guinea, we do not have income tax now until we recover our investment. So, like, until when can we expect that we will enjoy this benefit, sir?

**Ashish Desai:** Yeah, as you rightly said, currently there is no income tax, barring there is some light minimum alternate tax what we have in India, but that is a very negligible amount. And for at least, I can say, the next one or two years, there won't be any tax liability at least to Ashapura.

**Mayuresh Rawat:** Thank you, sir. And second will be a some repetitive question, sir, but again I want to ask. So, the first one, as you mentioned Guinea is going to impose...

**Manan Shah:** Sir, just for clarification, Guyana is in South America, this is Guinea in Africa. Just for the benefit of everyone on the call.

**Mayuresh Rawat:** Yes, yes, I'm sorry, my mistake. So yes, sir, so I'm coming on this export restriction and you mentioned that you'll still be targeting this 15 million target that we have earlier given for FY28. And so on a pricing term, if you can give any guidance, like 80, 90, what kind of a realization we can expect? Any rough guidance will be very helpful for us, sir, for calculation?

**Manan Shah:** So, basically, currently we know that EBITDA margins have declined significantly compared to two quarters ago or so. We have seen that because of the correction in prices, which was quite steep. Honestly, we are hopeful that the pain as far as prices is concerned will be short-term, maybe another quarter or so. We think that at least another quarter, and then the monsoon quarter is typically a low-volume quarter. So, I think that maybe the lower kind of EBITDA margins we have right now may continue for a short period of time, but then we expect it to improve.

Now, the couple of questions on this really is that what kind of total quota comes out and what kind of quota comes out for Ashapura? But we are optimistic that we are close to the lowest end of the cycle as far as EBITDA is concerned. And some of the initiatives my father mentioned as far as the beneficiation plants and all, that may also, over the medium term, give us more improvement of our cost in some or other way.

So, it's difficult to predict for next year, but my sense is probably all of next year at least should be better than the EBITDA margins we had in quarter 4. Like if we take the full of next year, probably it should be better than what we achieved in quarter 4. But that said, I think quarter 1 may still see maybe a little bit lower EBITDAs or like similar to quarter 4 or something like this. But over the year, we are optimistic it will pick up.

**Mayuresh Rawat:** And we will still stick with our target of 15 million ton export?

**Manan Shah:** The 15 million we have given a target for FY27-'28. So that this year, like I said, our internal or our focus is around 10 million to 12 million tons, depending on how the things play out. So that's our target basically.

**Mayuresh Rawat:** Thank you, sir. Thank you so much.

**Moderator:** Thank you. The next question comes from the line of Sampath Nayak with ZTO Capital. Please go ahead.

**Sampath Nayak:** Yeah, hi sir. This is Sampath. So, first question is with respect to our FOB realization for Q4. Hello?

**Manan Shah:** Yeah.

**Sampath Nayak:** So, what is our FOB realization for Q4?

**Manan Shah:** I think we have mentioned in our press release, in quarter 4 our EBITDA per metric ton has come in at \$5.9.

**Sampath Nayak:** Yeah, so I mean, in the note it was mentioned that EBITDA per ton drop was mainly due to ocean freight and fuel costs.

**Manan Shah:** And also reduction in bauxite prices. I mean, it was similar as the previous one, yeah.

**Sampath Nayak:** Okay, now the point I'm trying to understand is, I mean, was there further drop in realization with respect to bauxite?

**Manan Shah:** So, I think in the -- like I mentioned, one or two quarters may be difficult, hard to say exactly how much, but I still feel that perhaps the current quarter potentially may be still a little bit difficult, and then we expect things to improve from there on.

**Sampath Nayak:** Okay, okay. Thank you.

**Moderator:** Thank you. The next question comes from the line of Nalin Shah with NVS Brokerage. Please go ahead.

**Nalin Shah:** Yeah, at the outset, I think I would like to congratulate the Ashapura management for, I think, the best performance in its lifetime in terms of top line and bottom line also. My questions are few. One is that, you know, if you can just give us some guidance, what was the Q4 realization, average realization, and what is the Q1 you are expecting realization, whether it will be better than the Q4 as far as the first quarter is concerned?

Second is that our last quarter, our EBITDA as well as the PAT margin, as you know, everybody has confirmed and you have confirmed, has dropped from 14% to about 7%, almost 50%. So, current quarter, of course, Manan bhai has already mentioned that second half of the year will be much, much better, but current quarter, are we expecting some improvement than the Q4 or is it that it is more or less likely to be like a Q4? That is my second question.

And my third question is that logistic cost-wise, are we planning something, you know, I mean, to enhance our margins on the bauxite, which is, you know, I mean, something substantial improvement in margin it could lead to?

**Manan Shah:** So, thank you, Nalin bhai. Basically, on the EBITDA margins, in a simple way we can say that the quarter 4, of course, we had a sharp drop in EBITDA, which was also anticipated. I think quarter 1 may be similar or maybe a little bit more difficult to be fair because of the uncertainty and the elevated fuel prices because of the war situation. However, we expect that after Q1 things should get better. This is our current expectation.

Regarding the cost management initiatives, as we have mentioned, we are looking at some kind of beneficiation plants, and while we are focused on all aspects of the business including logistics, it would be too soon to comment on any of these, but the company is looking at reducing its cost curve by way of many of the options available.

So, our target would be to continuously reduce our cost of production and delivered cost to the port, and our idea to beneficiate the bauxite is one step in this direction. So, our focus is definitely there, but there are no specific projects being allotted as far as logistics or anything else is concerned.

**Nalin Shah:** Okay, okay. So, overall for the current year, can we expect that like in FY25, we had an overall margin of double digits about 10% to 10.5%? Can we say that by the end of the year, we may return to this kind of a margin? That is one. Secondly, what is the kind of capex we are expecting to do on iron ore beneficiation as well as the bauxite beneficiation plant? So that will give us some idea.

**Manan Shah:** Great. So, we are optimistic that the year will be better than Q4. By how much, we would be able to comment definitely, I feel, in the next quarter or so once we have more clarity on the quota system, and definitely, we are optimistic that the fuel and war-related uncertainties may reduce by then. But we are optimistic that we are close to the bottom of the cycle, and pick-up would take us a little bit of time.

Regarding to the capex on these projects, we are currently evaluating models wherein the capex can be handled by our potential vendors or partners, and we are looking at perhaps a build-operate-transfer kind of a model. Nothing is finalized yet, but we are definitely currently more not focused on adding capex to our balance sheet as far as these projects are concerned.

However, this is still speculative and nothing has been concretely decided yet. We will come back when we have something, but we are definitely looking at not having as much capex and trying to find partners who can support us in the long term.

**Nalin Shah:** That is wonderful. That is wonderful. Congratulations, Manan bhai and entire team. Thank you very much.

**Manan Shah:** Thank you, thank you so much.

**Moderator:** Thank you. The next question comes from [Nahar BR with Mili Capital. Please go ahead.

**Nahar BR:** Yeah, good afternoon, everyone, and congrats for the superb results. My question is mainly on the iron ore side. If you can explain that mine, what kind of Fe you have in the ore and whether we have done any pilot test for what kind of Fe it will convert after beneficiation?

**Manan Shah:** So, ours would be considered as a low to medium grade, maybe somewhere ballpark in the range of 40% to 50%. However, the important part for us is that this is beneficiable, which means after washing it can be upgraded to export quality. And that's why we are figuring out how we can sustainably tie up for the longer term so that this ore can be brought to the market. We have been mentioned this on our previous calls, but the progress is taking, of course, a little bit more time than we anticipated.

But we have a significant size of mines, something close to, I believe, 300 square kilometers or so, and the reserves are also, you know, few hundred million tons. So, it is a matter of time, but we

expect gradually that we will stabilize our mining quality and it will be definitely being brought onto the market with a minimum risk. But, however, it will take us a couple of quarters more to come back on the ramp-up for the iron ore asset.

**Nahar BR:** Yeah, but we are not sure what kind of quality it will come after beneficiation, say 60%, 62%?

**Manan Shah:** We are hopeful that we should cross 60%, but it's like, we will cross 60%, but it's still we need a little bit of time. But it is definitely export grade. It's not like going to be like some 52% or something or 55% which used to go from Goa. Like we are going to be reaching the good quality. Yeah, we expect 60% plus.

**Nahar BR:** And are you also considering, since you are going to go for the beneficiation, so have you decided about the size, 1.5 million ton or 3 million ton capacity?

**Manan Shah:** Currently, it would be too soon to tell, but definitely we are looking at north of 1.5 million tons, but exact number will give us some time.

**Nahar BR:** Okay. And then my next simple question is whether are you also planning to go for pellet after some time? Because that can give much better, much better contribution?

**Manan Shah:** As of now, I think our focus is on first bringing the iron ore to the market. That's our primary focus, and then we will see where it takes us. But we need to quickly make the iron ore resource also contribute to the company, and we are actively focused on achieving that.

**Nahar BR:** Yes, sir. One last question is on the logistic side or bauxite export. Are we planning also to have our transshipper of our own in some time to reduce the cost or we will be hiring the transshipper?

**Manan Shah:** Currently, we believe that this contractual model is probably more efficient for us, so currently we don't have any plans to add our own such large ocean equipment currently.

**Nahar BR:** Yes, sir. All the best, sir. Thank you so much.

**Manan Shah:** Thank you so much.

**Moderator:** Thank you. The next question comes from Daisy Bharucha with Sanghvi Family Office. Please go ahead.

**Daisy Bharucha:** First of all, congratulations on such a good set of numbers. So, my just small question is that are we on track of 15 million tons of bauxite capacity or is there anything changes?

- Manan Shah:** I think the target which we had set out in our first investor note is 15 million tons for the next financial year, not this one. We are definitely on track for that, that's what we believe. 27 million tons was the, I think, was something to do with the port capacity, which was expected to reach 27 million tons. That also we believe we are on track and we should be getting there as per the, you know, whatever schedule we have discussed earlier. So, both our bauxite ports are undergoing expansion, and one should complete soon and one will take a little bit longer to complete.
- Daisy Bharucha:** Okay, thank you, sir. The next question is on bentonite business. So, could you please give us some market share in India and globally, and also what are the management's growth plans for this segment, like any capacity expansion which you said INR150 crores?
- Manan Shah:** I don't have the exact data for bentonite offhand, but I believe in India our market share is somewhere close to 35%. But again, I have to check. But approximately 35%, and to my best knowledge, we are still, probably the largest exporter with maybe at least more than 40% share of India's exports of bentonite.
- We are developing a lot of value-added products in this segment. We are particularly excited about some opportunities in oil and gas and foundry. Traditionally, these products are not available in India or imported. We have developed these products, they are quite in an advanced stage, and we believe that these products facing oil and gas and foundry will be a big part of the future growth, you know, even for our main application, which is in iron ore pelletizing, that's our main application.
- We are developing some new products and grades, and we are trying to, test the market for certain response and then -- but we are developing the new grades for our existing customers and also we are working on a lot of new applications. I mean, bentonite is very versatile; almost at least 8-10 applications are there. So, it's part of our value-added strategy, so a lot of the growth which we expect in bentonite over the base mineral will be through these value-added products.
- Daisy Bharucha:** Okay, thank you, sir.
- Manan Shah:** Thank you.
- Moderator:** Thank you. The next question comes from Charit Sheth with Neti Fabrics Private Limited. Please go ahead.
- Charit Sheth:** I'm sorry, my question is answered, so I'll just congratulate the team and wish you all the best.
- Manan Shah:** Thank you so much.

**Moderator:** Thank you. The next question comes from the line of Manpreet Arora with Aurora Wealth Advisors. Please go ahead.

**Manpreet Arora:** Yeah, thank you. Am I audible?

**Manan Shah:** Yes.

**Manpreet Arora:** So, first question on the volumes. Now, from what we have been reading, a lot of this pricing pressure that has happened in the last few months is, probably because of the significant ramp-up in volumes that happened from Guinea exports. And so, and that is why probably the Guinean government is now looking at quotas and restrictions.

And, what we have also been hearing is that the government is also asking for, local refining and local smelting capacity to be added by the miners, so that the value, some of that value add comes back to the country. Now, my question to you is this correct what we have been reading, and number two is, would that mean that even Ashapura may be asked to put some local refining capacity, etc., or we are too small a player in that sense?

**Manan Shah:** So, I would like to try to explain, to take a little bit of time. Basically, the miners in question who are putting up refineries or have been asked to put up refineries are, had made several commitments to the Guinean government over maybe more than the last 15 years or so that they would be putting up a refinery.

And I believe that that was part of the, license or the concession that those terms were there, that these concessions are given to them in faith that they will shortly put up a refinery. And now with the new government has taken up those clauses and has said that you better put it up, and they have acted tough in this regard, and consequently, some of the Chinese companies have agreed to put some of the refineries there.

Coming to Ashapura, our concessions are free from any such terms and conditions, and the government also recognizes the difference between us and very large Chinese players who have existed in Guinea for even decades before us. So, as of now, there is no requirement, implicit or explicit, that Ashapura Group will be required to put a refinery or any kind of value addition.

In the later stages, as any economy improves, maybe down the line after a few years if there is anything, so we will have that discussion then. But as on today, we are extremely clear that our concessions are free from any such terms and conditions. So, as of now, while there are refineries coming up, there is no implied obligation on Ashapura to do the same anytime soon.

**Manpreet Arora:** Okay, okay. Yeah, that's good to know. So, this pricing because of the significant ramp-up in volumes, the pricing pressure that we've seen, do you see that we should probably balance our ramp-up in volumes with the prices and maybe have a trade-off rather than, you know, trying to go for 15 million in the next 2 years? Let the prices stabilize?

**Manan Shah:** So, we are still a drop in the export ocean of Guinea bauxite; in 200 million or so, we are this year 8 million, 4%. And we are today price takers and not price makers, even if we double or triple our volume. Plus, also one another interesting thing is that we are in this business since last, over 20 years, if not more, more than 20 years, and we have very good relationships with our customers who need the strategic availability of resources from Guinea as other options globally are shutting down.

So, if we talk about single refineries in China, there are customers who can buy north of 25, 30 million tons, individual customers. So, at least if you ask me that our ramp-up, you know, pricing we have to see whatever's on the market and then premium-penalty laws apply. But I don't think at least next couple of years, but of course, the maybe long-term vision can be, we want to be so big that we are have to control our volume and all that.

But I think next two-three years, it's up to us how well we can execute and, the only real reason I think that volumes may curb is in case there is a huge volatility in freight or unavailability of vessels. You know, in this war situation, though fortunately from Guinea to China we are not impacted as much by the Middle East, but still pricing has changed significantly because of impacts on other routes, etcetera.

If there is some situation wherein the freights go crazy in comparison to the bauxite prices or the net bauxite prices, that would be the only case in which we may have to, you know, see our alternate strategy. But even on current basis, we are doing okay and we should continue to ramp up our business.

**Manpreet Arora:** Understood, sir. And sir on the.

**Moderator:** Sorry to interrupt, Manpreet sir, we request you to return to the queue for follow-up questions. Thank you, sir. Your next question comes from the line of Viral Nagda from Vivid Financial. Please go ahead.

**Viral Nagda:** Hello sir, congratulations for this kind of a fantastic number, more impressive with the volume figure. Sir, I lack with the understanding about the margin part. I would just need little clarity on the pricing. So, as I remember in February-March, Jan, Feb, March, bauxite prices had come down up to \$60 or something. Now as I can track that these prices are approximately 12% to 15% higher since March. Even after that when we say that Q1 margins might be similar to Q4, is it because of fuel or freight or due to the bauxite prices yet?

- Manan Shah:** Yeah, so it's majorly the most of the increase, see if you see the index which we are tracking, that is a CIF to China. So, the increase from 60 to approx 68 or 69 around that part is basically almost entirely due to the increase in freight on that particular route. So, that's why we are taking a conservative view; freight has increased to that extent, so that's why the prices have increased. So, that's what explains the slightly conservative view on the immediate quarter.
- Viral Nagda:** Perfect sir, got it. So, what is the overall view on bauxite prices? Are we seeing this again to stabilize somewhere near \$72, \$75 in near term in like next two-three months or maybe in one or two quarters? You had guided very well, I guess, sorry to, last time you had guided very well that after March we may again see prices getting picked up, and we have seen this that prices have picked up. What is the further guidance for the bauxite prices so that we can estimate the margins for further FY27?
- Manan Shah:** So, basically, we expect significant relief on the net bauxite prices, by net bauxite I mean bauxite minus freight, post the quota system. Until the quota system, the market does remain challenging as it is. So, we are optimistic about the quota system coming in soon; we are optimistic it will have a, improve the margins.
- We are also awaiting the further details, but I think as soon as that comes in, we will see some impact in the pricing. We are also hearing it from our customers predominantly in China who are looking at more and more forward shipments as they are also anticipating some kind of an increase in price from the quota. So, I think we are, you know, cautiously optimistic on the quota. But till then, we think that in the very, very short term, things may remain the similar to what they are now.
- Viral Nagda:** Okay, thank you sir. Congratulations, I guess hope we achieve 10, 12 million tons this year financial year. Thank you.
- Manan Shah:** Thank you so much.
- Moderator:** Thank you. The next question comes from Sanjay Shah from KSA Securities. Please go ahead.
- Sanjay Shah:** Yeah, thanks for opportunity and congrats on great set of numbers. Manan, you really explained very well each and every question asked by analyst. My question was to Chetan bhai, whom I have seen silent and want to understand from him the future how we can see Guinea as a business for Ashapura Minechem from three to five years from now. Is there any other opportunity left with us? What are the, that opportunity where we are right now working on and see that Ashapura journey from here for next five years?
- Manan Shah:** Over to you, Dad.

**Chetan Shah:**

Sanjay bhai, yes. See, actually, you know, like as few things, like now Guinea government has become quite alert on that thing. They want to, really want to see that that bauxite has not to be sold as a commodity and that has to be sold as a very precious mineral. So, that's why they are introducing this quota system, and that quota system will going to effect the large player who have the lot of infrastructures and lot of capabilities, financials and delivery capacities.

They want to cut their volume and they want to add that volume to the smaller player so that they can sustain on long-term basis. I personally feel that it's going to impact to the extent of about 20% to 25%, you know, the reduction in the volume, and that that will be mostly three or four large players, they will lose that volumes and that will be added into volume of the three to four small players.

Now, because of reduction in the in the volume, there will be a definite impact on the freight. If you look at that the every cap-vessel can do about three trips, you know, in a year. So, that's why the thing will happen that there will be some kind of corrections in the ocean freight also at the same time.

Coming to the long term, you today you see that there is a no other options of Guinea for the supply of bauxites in in global market. Only Guinea is the one country. The earlier there was a, the small supplies were coming from the Malaysia, Indonesia, Brazil, and at one time from India also.

But now most of these countries are not going to have any major volume to export to China or India. And there only two countries are left, one is Guinea and second is Australia. So, Guinea will have, if you look at this the metal consumption, you know, CAGR of the aluminium metal, it's about 7% to 8% per annum and it can go up to 10% per annum.

And looking to that thing, the volume of bauxite also has to increase every year to the extent of 50 million tons to support the production of the end like aluminium metals. So, we could see that there is a going to be a very big opportunity for the any existing players in this field. Second thing, Guinea government has decided to not to issue any new license, you know, for bauxite for at least for next three to five years' time.

And they are not going to issue; they want that the current license has to be utilized at the full capacity and then they will think about issuing the new license. So, that will also will help to the producer like Ashapura in in Guinea. So, I could see that there has to be a continuous, you can say, the northwards movement for the supplies or the demand, and that will have a definite positive impact on Ashapura.

I could see that Guinea is now currently may fix 150 to 160 million tons of export volume, but the world can absorb up to 300 million tons of bauxites every year. So, you can see that there will be some, initially there will be some gap between supply and demand, and over a time they will slowly they will fill up this gap. So, in three to five years, we could see the more opportunity or you can say the better opportunity for the any established mining player.

**Manan Shah:**

So, just to add couple of things, I think just in the medium term as you can see, we are targeting like 27 million tons port capacity. So, and also, we are optimistic that we should be able to, over the longer term even significantly cross 15 million tons as far as bauxite is concerned. We are exploring other potential kind of that to see, we are exploring and sending sometime the delegation to the other countries to see what else is possible in Africa, but currently that would be at a very initial stage. So, currently our focus even in the medium term is to reach the maximum possible volume of bauxite and bring our cost to as low as possible with the correct investments and partners.

Coming to the India business, we are very optimistic about our India business in the next three to five years. We have a very strong focus on value addition, which has kicked up in the last couple of years, and we believe that our India business will be enjoying a lot of more moats in the new products which we get into. This may not be so easily visible like the Guinea business, but it will compound over time because we have the four businesses, we are in the eight or 10 different industries or segments.

But we expect that in the medium term we should have the above-average growth and EBITDA. These products range from foundries, paper, paints, oil and gas, even the steel industry, etcetera. So, we are very optimistic about it. Over next three to five years we should have some really good scalable products in our portfolio, and we are working in this regard.

**Sanjay Shah:**

That's great, Chetan Bhai, Manan, thanks for explaining because our company is throwing such a fantastic cash flow, and you are doing you are ready to use that productively, and wish you a good luck to you, sir. Thank you very much.

**Manan Shah:**

Thank you so much, Sanjay Bhai.

**Moderator:**

Thank you. The next question comes from the line of Harshit from RoboCapital. Please go ahead.

**Harshit:**

Am I audible?

**Manan Shah:**

Yes.

**Harshit:**

Yes, sir. So, considering everything the pricing scenario and the volumes that we are going to do, like what is the ballpark range the revenues and EBITDA that we can do for the entire FY27? Just a broad number.

**Manan Shah:**

I think, India should maintain a growth similar to last year; EBITDA should be similar or slightly better. Guinea, we have guided for 10 to 12 million tons; whatever number you pick, and you can even considering today's price approx \$70, at least \$700 million from Guinea should come, and India

should continue growing at the pace what it's grown up. It should do better than whatever we have achieved year-on-year last year.

So, you can add it up, but we expect a good stable to good performance in India, and maybe at least a \$700 million of turnover, or we are hopeful, rather we can say that, we should have at least a \$700 million of turnover for Guinea next year. But I mean, the rest of the math can be done, but in terms of our general idea, it's like this. On EBITDA, like I said, we will all have a clarity post the quota system, but we are optimistic it will be better than Q4 on a year-on-year basis or on a year total basis.

**Harshit:** Right, understood. And what sort of guidance do we have for a debt outlook? Are we going to increase our debt or how is it going to be for FY27?

**Manan Shah:** I don't, I think that we are doing our best and our focus is on not increasing the debt. However, because we are ramping up volumes which ramps up working capital, probably reduction of debt may be something that will happen over a medium term. That I mean, for now, that's the probably the best what I can offer, but definitely company is focused on not increasing the debt.

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

**Manan Shah:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, due to paucity of time, this will be the last question. For further questions, please contact the Investor Relations team. I now hand the conference over to Mr. Chetan Shah for closing remarks.

**Chetan Shah:** Yes. So, thank you very much for joining this Investor call, and we like to continue this kind of interaction with all our stakeholders in the future. We really appreciate all the questions, and we also appreciate your interest in Ashapura's story. At our side we are also committed to increase our volume, to control our cost of productions, and also several new initiatives we have not mentioned.

Like Manan has given a broad idea that we have some initiatives, but we are taking lot of new initiatives also in India in increasing the value-added products. So, once again, I hope that we meet again with the better numbers and the better results after the quarter is getting over. Thank you very much and thanks for joining this afternoon.

**Moderator:** Thank you. On behalf of Ashapura Minechem Limited, that concludes this conference call. Thank you everyone for joining us, and you may now disconnect your lines.