

Operator: Ladies and gentlemen, good day and welcome to the Nava Ltd. Q1 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Shubham Burade. Thank you, and over to you.

Shubham Burade – ICICI Securities: Thank you, Ananya. Good afternoon to all. On behalf of ICICI Securities, I welcome you all to the Q1 FY27 earnings call of Nava Ltd. Today, we have with us from the management Mr. Ashwin Devineni, Managing Director and CEO; Mr. GRK Prasad, Executive Director; Mr. Nikhil Devineni, Executive Director; Mr. B Sreevinas Rao, CFO; and Mr. VSN Raju, Company Secretary. We will begin with the opening remarks from the management, which will be followed by a Q&A. Thank you, and over to you, sir.

Ashwin Devineni – MD & CEO: Thank you. Good afternoon, everyone, and thank you for joining us. I am pleased to share Nava's performance for the first quarter of FY27. We started the year on a strong note, with consolidated total income reaching an all-time quarterly high of rupees 1,269 crore. The quarter reflects the strength of our diversified portfolio and the benefits of disciplined cost management. Our energy and mining business delivered healthy operating performance, with MEL's 300 megawatt plant operating at a strong 89.3 PLF. Our international foray also continues to provide value through dividend flows and to retain financial strength to pursue investments.

At the standalone level, total income reached a record rupees 689 crore. Lower coal and manufacturing costs, along with dividend income from Nava Global, supported this improvement. We continue to make measured progress on our next phase of growth in the energy and commercial agriculture segments. Our thermal energy, renewable energy, avocado, and sugar projects in Zambia are under active implementation, and some are set to yield revenue shortly.

Phase 2 of MCL is expected to commence operations next year, later than originally envisaged owing to certain challenges beyond our control, with no material impact on project capex. It is, however, heartening that the 100 megawatt solar power project set to be commissioned shortly would establish a new niche for Nava, prompting further investment in this space.

We are cognizant of the significant challenges arising from geopolitical and supply chain disruptions and are taking appropriate remedial actions. Our diversified portfolio, financial strength, and operational resilience should, however, position us well to navigate these challenges while remaining focused on long-term value creation. With that, I open the call for your questions.

Ashwin Devineni – MD & CEO: Political party. We have been through many political party changes since we started, so we are not affected.

Analyst1: Understood. Thanks for that, sir.

Operator: Ladies and gentlemen, please press star and one to ask a question. Participants who wish to ask a question, please press star and one.

Operator: The next question is from the line of Vansh, an individual investor. Please go ahead.

Operator: The next question is from the line of Shri Gopal Kankani. Please go ahead. This is a follow-up question.

Sri Gopal Kankani – SG Kankani & Associates: Good afternoon, sir. My question is that there was a connection problem, so I could not hear your last 5 minutes of speech. I just wanted to know what is the expected date of commissioning of this 300 megawatt thermal power plant, because earlier it was...

Operator: Mr. Shri Gopal, you have been unmuted. Please go ahead.

Sri Gopal Kankani – SG Kankani & Associates: I am speaking, madam. Can you hear me? Hello? Hello? Are you able to hear me? Hello?

Operator: The current participant has been disconnected. We will move on to the next. The next question is from the line of Vijay, who is an individual investor. Please go ahead.

Vijay – Individual Investor: Hello. First of all, may I know if I am audible? I have been disconnected several times.

Operator: Yes, you are audible, sir. Please go ahead.

Vijay – Individual Investor: I cannot hear anything from the other side. My first question is regarding the company's assets. How are they taken into the books? We have 65 acres of land in Hyderabad, about 200 acres in Samalkot, and another 20 acres in Dharmavaram, I believe, or perhaps the other way around. How are these assets recorded in the books?

Ashwin Devineni – MD & CEO: Mr. Vijay, can you hear us?

Vijay – Individual Investor: Now I can hear you. I do not know; this conference call has been jinxed. I have tried three or four times to get into it.

Ashwin Devineni – MD & CEO: You can hear us now, right? Did you hear the prior questions and answers?

Vijay – Individual Investor: Yes, now I can hear you very clearly. Can I ask my question again, or have you heard it?

Ashwin Devineni – MD & CEO: No, we know. We just wanted to make sure that we are audible. With regard to your question, all this land is recorded in the books at historical cost.

Vijay – Individual Investor: So you have these real estate assets, land assets, and land bank recorded at historical cost. What is the reason why they are not being revalued and recorded at current value, current market price, or at least the current realistic cost? That would change your book value considerably. The book value per share is very much depressed.

Ashwin Devineni – MD & CEO: The accounting standard allows us to carry them at historical cost. That is why we are carrying them at historical cost.

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Vijay – Individual Investor: I see. What are management's plans to make these assets work for the benefit of the company and the shareholders?

Ashwin Devineni – MD & CEO: We have been holding these assets for a while, and the fruits of that have started showing, with valuations really going up. It is good that we did not sell these assets at an earlier stage; otherwise, we would not have realized the greater valuations.

But what we have done is to understand what opportunities we have today. We have engaged a third party to study and investigate, based on the current asset values, what possible options are available to us if we want to do anything today. That study is currently ongoing.

Vijay – Individual Investor: We have been hearing this for quite some time, but we have to make these assets work toward the company's plans. For example, the company has recently changed its memorandum of association and brought in many additional avenues for power generation, such as solar, wind, nuclear, and so on. You will need capital for these, and that capital can come only from these assets rather than from borrowing.

Ashwin Devineni – MD & CEO: I do not think we have an issue in terms of capital right now. All the projects that we are envisaging and that are currently underway are adequately funded, and we have enough equity and cash in our books to fund them. We do not need to sell these assets in distress or to generate cash at this point.

As a company, we feel that holding on to these assets has paid off. We have been saying this, but, for example, if we had sold these assets years ago when we were being questioned about them, I do not think we would have realized the appreciation that the assets have seen in terms of how they have increased in value.

Vijay – Individual Investor: Very true, Mr. Ashwin, but if you had invested that asset value at that time into newer projects, those newer projects would also have generated additional profits.

Ashwin Devineni – MD & CEO: Once again, Mr. Vijay, I would like to state that we are not in a situation where we are unable to undertake projects because we do not have cash. For whatever projects we deem fit, after considering the risk and other factors, and which we want to undertake, we have adequate cash to fund them.

Vijay – Individual Investor: Thank you. My next question is about the ownership of the Zambia assets. Initially, the Zambia project was created from Nava Ltd.'s profits and funds. Subsequently, Nava Global seems to have taken over these assets, and they are now being shown as profits accruing to Nava Global, with Nava Global giving dividends or buying back its own shares from Nava Ltd. with that money.

So, who is the ultimate owner of the Zambia project, firstly? Secondly, is there any plan for spinning it off, considering the way the foreign projects are progressing, or demerging it and going in for an IPO?

Ashwin Devineni – MD & CEO: First and foremost, with regard to the large assets, and I am sure you are talking about the Maamba asset, it was always under Nava Global. The only difference was that Nava Global was called Nava Bharat Singapore in the past. It was not that it started with Nava and

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then we moved it to Nava Global or anything of that sort.

We always had Nava Global as the international asset-holding company that we wanted to grow. Today, Nava Global has multiple assets. It has the current Maamba power plant, Maamba Solar Energy as a company, and the mine in the Ivory Coast. There may be other international assets that could fall under it. So, it does operate independently. The ultimate owner is Nava, because it owns 100% of Nava Global.

Vijay – Individual Investor: So you are telling me that Nava Ltd. is the 100% ultimate and beneficial owner of Nava Global?

Ashwin Devineni – MD & CEO: Yes, that is right.

Vijay – Individual Investor: Okay, I will go back in the queue, provided I remain on the line because I have been disconnected several times.

Operator: Thank you. The next question is from the line of Kaushik Toshi from ICICI Securities. Please go ahead.

Kaushik Toshi – ICICI Securities: Thank you for the opportunity, sir. My first question is regarding Zambia. How is the situation in Zambia currently? Due to the West Asia crisis, are we facing any power disruptions in Zambia?

Ashwin Devineni – MD & CEO: Sorry, can you repeat the question a little more slowly?

Kaushik Toshi – ICICI Securities: Am I audible? Hello?

Ashwin Devineni – MD & CEO: Yes, just go a little slowly.

Kaushik Toshi – ICICI Securities: Yes, my first question is regarding Zambia. How is the situation there right now? Due to the West Asia crisis, are we facing any power disruptions?

Ashwin Devineni – MD & CEO: Disruptions. Hold on. The situation is fine. Currently, there are no power disruptions there.

Kaushik Toshi – ICICI Securities: My second question is: due to the West Asia crisis, are we anticipating any increase in the supply of coal in Zambia?

Ashwin Devineni – MD & CEO: An increase in the supply of coal in Zambia?

Kaushik Toshi – ICICI Securities: Yes.

Ashwin Devineni – MD & CEO: No.

Operator: Mr. Kaushik, Mr. Kaushik, ladies and gentlemen, we will move on to the next participant. Vansh, an individual investor, please go ahead.

Vansh – Individual Investor: One more question I had was about the deferred tax expense that you have shown in the books. Is there any scope for stabilizing it, or will the 160–200 crore per year mark always remain as deferred tax expense?

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Management: Are you talking about the consolidated level?

Vansh – Individual Investor: Yes, I am talking about the consolidated level. Last year it was 261 crores, and this quarter you have again shown 40 crore, while the last quarter was 163 crores because of the Zambian and USD currency issue. What is the situation there?

Management: The Kwacha–USD exchange rate is around {? 18 rupees ?} as of June 30. It is stabilizing as of today. We do not know; you never know what happens in the future. It depends on the prevailing exchange rate as of the reporting date.

Vansh – Individual Investor: So, if the currency stabilizes, this 40 crore will not be there again in the next quarter, right?

Management: Yes. It may even get reversed.

Vansh – Individual Investor: Okay, I understand. Thank you. Moreover, regarding the previous question about the assets, may I know what the current value of those assets is?

Ashwin Devineni – MD & CEO: Which assets are you referring to?

Vansh – Individual Investor: The Hyderabad assets, the 200 acres that you have.

Management: The historical cost of...

Vansh – Individual Investor: ...manganese and about 5.3 lakh tonnes of ferrochrome.

Vansh – Individual Investor: What would be the approximate current value?

Management: I think that is something that the report we have commissioned from the third party that I mentioned will possibly bring out. The value is moving every call, fortunately moving upward as well. So, it has appreciated a lot over the past few years.

Vansh – Individual Investor: If we could get an idea, it would be great for the shareholders. Around what amount?

Management: Yes, but I do not think we would want to speculate by giving a number, because it is a moving value. This is real estate at the end of the day.

Vansh – Individual Investor: No issues. Moreover, regarding the mining exploration that you were undertaking, what is the status?

Management: There are two parts to it. I think you may be referring to manganese mining or exploration.

Vansh – Individual Investor: Manganese and the lithium mining that you were exploring.

Management: In terms of lithium, it is a very large area, so exploration is currently underway. There has been a slight slowdown because of the elections and other factors, but exploration is still underway.

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Regarding manganese, it is also a fairly large area. You are talking about 360 square kilometers, which is part of the concession. Out of this, we have conducted detailed exploration on only 2 square kilometers. Based on those results, the prima facie indications are that it does look promising. We are currently working on converting the exploration license into an exploitation license.

Vansh – Individual Investor: By when can we expect that it is—

Operator: Mr. Vansh, I will request you to join the queue again, please.

Vansh – Individual Investor: Fine.

Operator: Thank you. Reminder for all participants: please restrict your questions to two per participant. The next question is from the line of Sri Gopal Kankani from SG Kankani & Associates. Please go ahead.

Sri Gopal Kankani – SG Kankani & Associates: Good afternoon, sir. My question is that I was initially unable to participate in the discussion because my line was disconnected for 5 minutes, so I could not hear your speech. I wanted to know what is the expected date of commissioning of this 300 megawatt thermal power plant? Earlier, I think, it was planned for January 2027. What is now the expected date of commissioning of this plant?

Management: Right now, we are looking at the total commissioning of both units by Q2 FY27-28, around the July timeframe of next year.

Sri Gopal Kankani – SG Kankani & Associates: Okay, sir. My other question was whether there will be any plant shutdown in the current quarter for the Maamba plant.

Management: We have a biannual shutdown scheduled in the current quarter.

Sri Gopal Kankani – SG Kankani & Associates: In the current quarter. Okay.

Management: This is the biannual maintenance. It is the regular biannual maintenance that we conduct.

Sri Gopal Kankani – SG Kankani & Associates: Yes, I know that, sir. Okay, thank you, sir.

Operator: Thank you. The next question is from the line of Aditya Srimat from BCS Securities. Please go ahead.

Aditya Srimat – BCS Securities: My question is regarding the return on equity on the additional 300 megawatt that you have set up. What would be the taxation applicable to the 300 megawatt?

Management: Give us a second.

Aditya Srimat – BCS Securities: Am I audible?

Operator: Yes, you are audible.

Aditya Srimat – BCS Securities: My question is because the cost incurred for this next 300 megawatt is much lower than that of the earlier plant, and the PPA has also been signed. What is the expected return on equity on the investment, and what taxation will be applicable to it?

Management: Give us a second, please.

Management: The return on equity that we envisage is about 15%. With regard to the second phase, we currently do not have a tax holiday, but that is something we are actively pursuing with the government.

Aditya Srimat – BCS Securities: Thanks.

Operator: Thank you. The next question is from the line of Sai Shreyas from Scientific Investing. Please go ahead.

Sai Shreyas – Scientific Investing: Hi, sir. Am I audible?

Management: Yes.

Sai Shreyas – Scientific Investing: Thank you for the opportunity, sir. Can you please explain the reason behind the decline in the Zambia energy EBITDA margin over the years, and what is the sustainable margin going forward for Zambian energy?

Management: The reason for the decrease in EBITDA is the lesser reversal of ECL credit.

Sai Shreyas – Scientific Investing: What is the sustainable margin going forward for the Zambian energy segment?

Management: EBITDA is around 45–50%.

Sai Shreyas – Scientific Investing: 45–50%. Okay. My second question is: how do the inter-segment eliminations work, and is there any ratio that we can use to estimate consolidated EBITDA from segment EBITDA? There are a lot of inter-segment eliminations.

Management: We adopt transfer pricing between the power and metal sectors in Indian operations, and also there for coal consumed in energy from the mines. This gets eliminated—the transfer price adopted for the transfer gets eliminated—and when it comes to consolidated EBITDA, it will be around 35–40%.

Sai Shreyas – Scientific Investing: So, will the segment EBITDA of 35–40% be considered for consolidated EBITDA?

Management: That is at the consolidated level, yes.

Sai Shreyas – Scientific Investing: Okay, one last question, sir. Regarding the interest cost, how is the interest cost being calculated? Are we capitalizing it during the construction period, and what is the industry practice? There is no significant increase in finance cost despite having a higher loan.

Management: The finance cost incurred on Phase 2 is capitalized.

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Sai Shreyas – Scientific Investing: Is this the industry practice? Is this the industry practice?

Management: Yes, it is required by IFRS and IND AS as well.

Sai Shreyas – Scientific Investing: Okay, sir. Thank you. I will get back to the queue.

Operator: Thank you. The next question is from the line of Vijay, an individual investor. Please go ahead.

Vijay – Individual Investor: I may have missed some of your initial comments or answers because I was disconnected. Regarding the recent amendment made to the company's memorandum, the new clause about power generation that introduced new avenues such as nuclear and solar, could you enlighten the shareholders about the company's plans for expanding its power generation operations in India in these particular fields?

Management: With regard to India, and because I am going to be talking in general about India and internationally, we as a company are looking seriously at the renewable space. Not just solar; we are looking at solar, wind, and a combination of both with battery storage so that we have round-the-clock power. There are certain opportunities that we are currently investigating and assessing.

With regard to nuclear, the whole concept of small modular reactors, which we now refer to as SMRs, seems to be gaining a lot of traction. Given that we are in the power space, we have also been looking at that sector in terms of development. However, the SMR space is very new and will take a little more time to evolve, but we are actively looking at all the developments taking place there.

Vijay – Individual Investor: So, are all these activities going to be international and not in India?

Management: No, I do not think we are saying that they will be international and not in India. We are looking at them in all geographies, including India.

Management: I think, Mr. Vijay, we are quite location-agnostic. What we look for is where the best returns for the risk we are going to take come from. That could very well be in India or elsewhere.

Vijay – Individual Investor: I am sorry if I misrepresented the point, but what I meant was that for a long time we have not expanded any of our Indian operations. That is why I asked, because there is a lot of scope for these particular activities in India today.

Management: As we said, we look at returns and risk. In the renewable space, although there has been a lot of expansion in India, it has sometimes been hit or miss, given the tariffs and the grid situation. We look at geographies without being partial to India or international markets. We are looking at the best returns and risk.

That has really played out well for us. If you look at Zambia today, it is generating good revenue and good profits, which is helping the growth of our company across various verticals.

Vijay – Individual Investor: I agree with you that the Zambia operation has been a runaway success. Coming to the Ivory Coast operation, when we are looking for manganese there, you had also

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stated that you were likely to set up a manganese alloy plant there. Is there any progress on that?

Management: With respect to the mine, we have disclosed that the exploration results are very promising, so we are in the process of converting that into exploitation. However, this particular mine that we have worked on is exclusively targeting the Indian operations.

In order to set up a factory in the Ivory Coast, there is another mine that is currently controlled by the government, for which we are looking to be joint venture partners. That is still at the approval stage, but once that comes through, we could evaluate setting it up there.

Vijay – Individual Investor: Thank you for now. I will go back in the queue if there is still time.

Operator: Thank you. The next question is from the line of Sai Shreyas from Scientific Investing. Please go ahead.

Sai Shreyas – Scientific Investing: Does the reported OCF of Nava Ltd. include 100% of the Zambian cash flows, or is it adjusted according to Nava's 65% share?

Management: It is 100%. It is 100% consolidation.

Sai Shreyas – Scientific Investing: Sorry, sir?

Management: It is 100% consolidation.

Sai Shreyas – Scientific Investing: Okay. One last question, sir. The metals business is struggling in terms of margin. What is the outlook going forward for margins and sales growth?

Management: The metals business, as you know, is volume-driven rather than margin-driven. On a quarter-on-quarter basis, we have actually seen a slight improvement in pricing in the spot market, to the extent of about 5-10%.

Going forward, we are quite well ring-fenced against any volatility because almost 70% of our production is already committed, either under long-term contracts or quarterly contracts. To answer your question with respect to margins, we could probably see stability at the level where we are today or, if not, a slight increase. However, I do not see a downward trend, at least until the end of the financial.

Sai Shreyas – Scientific Investing: What about sales, sir? They have been stagnant compared with last year, which is why I am asking.

Management: Your question was not clear. Can you please repeat it?

Sai Shreyas – Scientific Investing: I am talking about sales growth. What is the expected sales growth?

Management: This particular quarter, as we disclosed, the Orissa unit was under shutdown for long-term maintenance activities. That is the reason the sales numbers decreased slightly. However, that is behind us now. We resumed operations from Orissa as well on August 1.

Sai Shreyas – Scientific Investing: Okay, thank you.

Operator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing remarks. Over to you.

Management: Thank you once again for joining us today and for your continued interest in Nava. We believe the resilience of our business models and our strategic focus on both operational excellence and expansion in high-growth sectors will continue to deliver value to our stakeholders. Have a good day.

Management: The strength of our core businesses and the progress of our growth platforms position us well for sustainable, long-term value creation. If you have any further questions or require additional information, please feel free to reach out to our investor relations team. Thank you, and have a pleasant day.

Operator: On behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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

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