

# NAVA BHARAT VENTURES LIMITED

NAVA BHARAT CHAMBERS, RAJ BHAVAN ROAD, HYDERABAD-500082, TELANGANA, INDIA

NAVA BHARAT

NBV/SECTL/ 605/2019-20

November 11, 2019

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No.C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
MUMBAI – 400 051  
**NSE Symbol : 'NBVENTURES'**

Dept. of Corporate Services  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI – 400 001  
**Scrip Code: '513023' / 'NBVENTURE'**

Dear Sirs,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Transcript of the Conference call with Investors.

Ref: Our Letter No. NBV/SECTL/ 576 /2019-20 dated October 24, 2019

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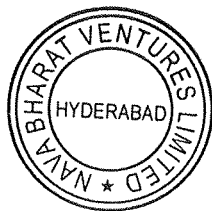
Please find enclosed the transcript of the Conference Call with Investors / Analysts held on November 4, 2019 on the operational and financial performance of the Company for the quarter ended September 30, 2019.

Kindly take the same on record and acknowledge the receipt.

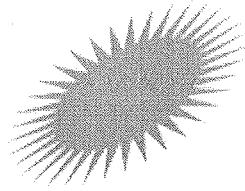
Thanking you

Yours faithfully  
for NAVA BHARAT VENTURES LTD.,

VSN Raju  
Company Secretary  
& Vice President



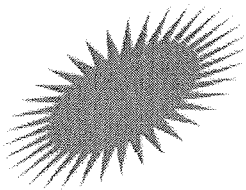
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“Nava Bharat Ventures Limited  
Q2 FY2020 Earnings Conference Call”

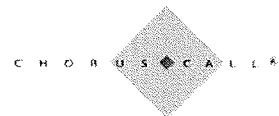
November 04, 2019



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IDFC LIMITED



**ANALYST:**

**MR. SHIRISH RANE – IDFC SECURITIES LIMITED**

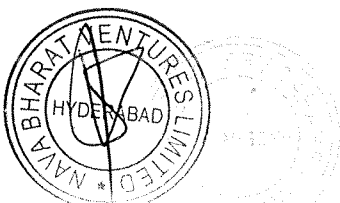
**MANAGEMENT:**

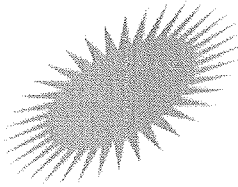
**MR. GRK PRASAD – EXECUTIVE DIRECTOR**

**– NAVA BHARAT VENTURES LIMITED**

**MR. ASHWIN DEVINENI – CHIEF EXECUTIVE OFFICER**

**– NAVA BHARAT VENTURES LIMITED**





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*November 04, 2019*

**Moderator:** Ladies and Gentlemen, good day and welcome to the Nava Bharat Ventures Limited Q2 FY2020 Earnings Conference Call hosted by IDFC Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Shirish Rane from IDFC Securities Limited. Thank you and over to you.

**Shirish Rane:** Good morning everybody and welcome to Nava Bharat Ventures Limited’s Q2 FY2020 Earnings Conference Call. Today we have with us Mr. Ashwin Devineni, CEO of Nava Bharat Ventures and Mr. GRK Prasad, Executive Director of Nava Bharat Ventures along with the entire senior management team of the company. To start off the call Mr. Ashwin will make opening remarks and then we will open the floor for question and answers. Over to you Sir!

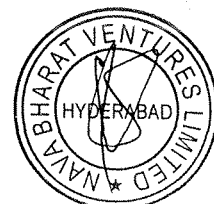
**Ashwin Devineni:** A very good morning everyone and a warm welcome to all the participants. The statement of the financial results both on the standalone and consolidated basis and a press release detailing the operations of Nava Bharat Ventures group for Q2 FY2020 have already been filed in the stock exchanges and posted on our website. I hope all of you have had a look at them and trust that they provide adequate information on our performance for the quarter ending September 30, 2019. Given the above, we would like to proceed with the question and answer session and request you all to seek clarifications as you may desire. Thank you.

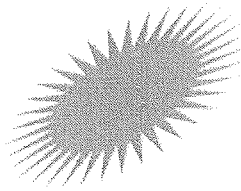
**Moderator:** Thank you very much Sir. Ladies and Gentlemen, we will now begin the question and answer session. Our first question is from the line of Harshavardhan Reddy, an individual investor. Please go ahead.

**Harshavardhan Reddy:** The receivables are increasing every quarter. Are there any chances of write-off in receivables in the Zambia Power Business?

**Ashwin Devineni:** In the Zambia Power Plant, we are operating at full capacity and we are billing the utility. We do get part payment on a monthly basis, which helps us to sustain the ongoing operations. Yes, there has been a deficit, the delta basically has been building up, but we have been also receiving interim payments from the government on a six-monthly basis, which is helping kind of bring the receivables outstanding lower, but the built-up is quite a bit and the government is making efforts along with the utility ZESCO to eventually pay the outstanding amounts to all the IPP’s.

**Harshavardhan Reddy:** We have signed a short-term PPA contract with Telangana Government, so everyone thought that there will be higher utilisation and the profits would be higher. May I know why the NBEIL performance was below expectations?





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**Ashwin Devineni:** The offtake from the distribution company wasn't as envisaged. The principal reason being they had a sudden increase in hydropower generation, which was not expected by them so they reduced the purchase of power out of the tendered quantity not only to us, but across the board including some of their old power plants as well. We expect a situation to continue may be in Q3 as well for some time because hydropower generation is at full swing. That is the principal reason why the offtakes were lower and as a result the performance also was subdued.

**Harshavardhan Reddy:** May I know the status of asset monetisation in Andhra Pradesh, Hyderabad, Secunderabad areas?

**Ashwin Devineni:** The process is ongoing. I do not think we have anything further to say at this point of time.

**Harshavardhan Reddy:** May I know the status of the agriculture venture in Zambia.

**Ashwin Devineni:** Yes, we have 10,000 hectares of land in Zambia and we are essentially waiting for the government to complete certain infrastructure projects such as roads and providing electricity to the land before we proceed on any plantation or proceed on any crop.

**Harshavardhan Reddy:** That is it from my side. Thank you.

**Moderator:** Thank you. The next question is from the line of Srinath V from Bellwether Capital. Please go ahead.

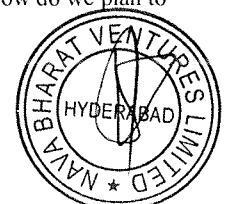
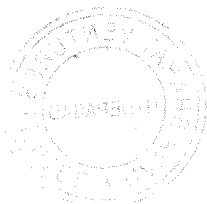
**Srinath V:** Just wanted to find out what are the broad end-user markets for silico manganese and we have seen a very sharp decline year-on-year on the volumes so just kind of wanted to understand what has driven this and do you kind of expect if not a revival, then things to kind of flatten out in that particular space over the next six to eight months?

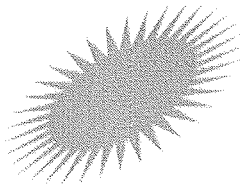
**GRK Prasad:** Well silico manganese is used in primary steel and as you probably know primary steel has been going through a subdued phase not only in the country, but across the world. So, you could really see the connection between silico manganese sales and the primary steel. We expect that situation to continue in Q3, but there are hopes that from Q4 onwards demand will pick up and things would be probably normative. At this point we have lot of correction in the end prices, which has actually affected the margins as well.

**Srinath V:** Correction in prices can you give some more details on that Sir?

**GRK Prasad:** The prices have fallen over the last three months.

**Srinath V:** I just also wanted to find out what is the progress on the land monetisation and how do we plan to use the proceeds of the same as and when we monetise?





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**GRK Prasad:** There is no timeline as such for the asset monetisation. We have initiated the process and it involves several regulatory clearances and takes time. It will happen eventually, but the idea is that the monetisation proceeds would be used for corporate actions like dividend or buyback and some part for debt reduction or capex.

**Srinath V:** Can you help us understand the monetization plan for the 20 MW IPP Power Plant in Andhra, so just wanted to again kind of get some more details on that?

**GRK Prasad:** Well that is for me part of suite of assets that we have identified as ready for monetisation 20-megawatt power plant with 200 acres of land thereto so that also is part of the assets.

**Srinath V:** Any broad timelines or is it something that you like to do over the next 12, 18 months or it is more of a long-term target?

**GRK Prasad:** I am afraid we cannot put a timeline, but we have initiated the process.

**Ashwin Devineni:** I think it is also a function of valuation and when the time is right, these are very good assets, so we want to get the best value for these assets when we monetize them.

**Srinath V:** Thank you so much for your answers Sir. Thanks a lot.

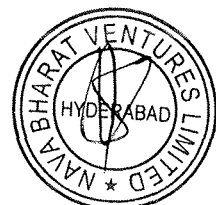
**Moderator:** Thank you. The next question is from the line of Samal Hurandran from Argus Media. Please go ahead.

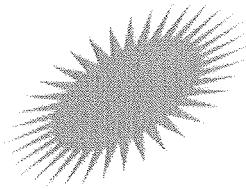
**Samal Hurandran:** Good afternoon. My question is related to ferro alloy production, if you know you have your chrome ore conversion with Tata ending in March. So, now since Tata has got access to two more chrome ore mines do you expect them to start negotiation for ferro chrome conversion anytime soon that is the first question. The second question is that we do not get any ferro chrome conversion agreement what would happen to the production at that plant, would we switch over to manganese alloy?

**GRK Prasad:** Currently the discussions have been initiated with Tata for resumption of the conversion from April 2020 based on their latest acquisition of mines. We are also parallelly talking to them in terms of manganese alloy conversion as well in case the chrome conversion is not found to be feasible for them or for us. So, both the things are being run in parallel.

**Samal Hurandran:** So, do we expect that to anywhere start before April?

**GRK Prasad:** It has to happen by April, but there could be some sunset period beyond April as well, but our target is to see that this arrangement is in place before April.

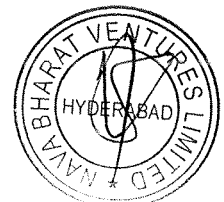
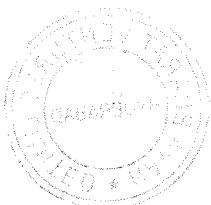


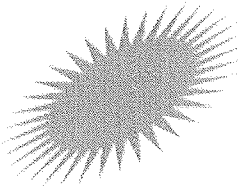


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- Samal Hurandran:** Thanks a lot. I will get back to the line now.
- Moderator:** Thank you. The next question is from the line of Vipin Goel from ICICI Securities. Please go ahead.
- Vipin Goel:** My first question is mostly on the ferro chrome prices, so first of all what would be the major end-user markets for ferro chrome?
- Ashwin Devineni:** Ferro Chrome is used in stainless steel production.
- Vipin Goel:** Alright and then the prices have stabilized for the past few quarters for ferro chrome, so how has been the demand trend?
- GRK Prasad:** I would not exactly say that they have stabilised, there has been some degree of volatility in ferro chrome as well. We see that in terms of our conversion margins as well to some extent Tata Steel adjusts the conversion margin according to the market price so there has been volatility. We expect the volatility to get contained by end of December that is the hope at this point.
- Vipin Goel:** Alright Sir. Thanks a lot for your answers.
- Moderator:** Thank you. The next question is from the line of Nagaraj Chandrashekar from Laburnum Capital. Please go ahead.
- Nagaraj C:** I just wanted to get a sense of uses of cash and capex for the next half year and the year after that going forward and what would be our debt paid on schedule at the Zambia asset?
- GRK Prasad:** We have ongoing capex of about Rs. 40 Crores in respect of our domestic units that is one requirement as far as yearly capex go.
- Nagaraj C:** On the slide 9 in your presentation deck, which says that you are on track to reduce debt in your Indian operations by 50% by June 2020, just wanted to understand the meaning of this, you said your standalone debt is close to 250 Crores.
- GRK Prasad:** Let us say by end of June it would come down closely about half of that.
- Nagaraj C:** Secondly, on the Zambia operations where we are getting paid with a slight delay as you mentioned in an earlier answer. What is the sort of profitability or the cash liquidity situation at the utility and for the end customer as well given that a lot of the end customers are copper mining operations, which are somewhat exposed to the price of copper, which is on a downtrend as of now. Just wanted to get an idea of your views on this subject.





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**GRK Prasad:** This price sensitivity for copper producers isn't really seen in terms of power usage. Power usage has always been consistent no matter how the copper industry has been. Sometimes we have seen that the consumption of power has been more relative to how the copper prices have evolved, so I would say power consumption by the copper companies is insensitive to the market either because it is a lower cost component or because that is a necessity. As far as Zambian utility is concerned, there are quite a few measures that have been taken by the government in the recent past. Of course, it started a couple of years ago and as is the case with any government it has been taken a lot of time to have these reform process implemented. So, we have seen one leg of tariffs being collected that is with copper mining company, mining companies in general and that is about 50% of the tariff. The balance 50% of the tariff is currently being pursued by the government with rigor so we expect that also to happen over the next one year or so by when we expect the utility to have good liquidity and good cash flows on a month-on-month basis.

**Nagaraj C:** Thank you.

**Moderator:** Thank you. The next question is from the line of J Jain, an Individual Investor. Please go ahead.

**J Jain:** My questions are related to the Zambian utility. First is what are the current receivables over there, and have you accounted for the half yearly payment in those receivables?

**GRK Prasad:** As of September 30, 2019, the receivables were about \$236 million.

**J Jain:** You get half yearly payment from the government, has that been received and adjusted in the receivables on or after October 31, 2019?

**GRK Prasad:** Partly before September and partly immediately after September 30, 2019.

**J Jain:** The entire amount of the instalment has been received?

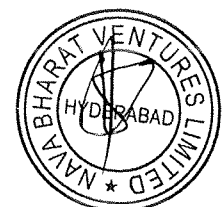
**GRK Prasad:** No, instalment is independent because we service the debt independent of this money and we have been able to do it till now. The government payment comes handy, but the fact of the matter is the debt service has been done and as far as bulk payment from government is concerned they were received in two tranches one before September 30, 2019 and one later.

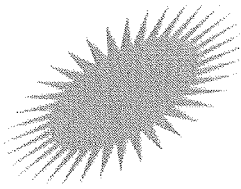
**J Jain:** How much has been received in this current financial year till date?

**GRK Prasad:** Since April 2019 we have received USD 85 million.

**J Jain:** What are the current receivables as on date?

**GRK Prasad:** With the October billing that has taken place it is above USD 230 million.





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**J Jain:** Now with this huge amount of receivables, do you think you will have to take an impairment of some amount in course of time or you expect the full amount to be received?

**Ashwin Devineni:** As far as we are concerned, we ourselves are banking on the fact that we are going to get these receivables. Neither the utility nor the government has disputed that they owe these receivables and just to be clear this USD 230 million equates to about 40% of what we billed. So, we have been getting about 60% to 65% of what we have been billing to date. The government is working on certain measures, which will hopefully help in clearing all the IPP outstanding amount.

**J Jain:** What are the rates of power that you are billing to them, are they constant or have they asked for some relief or what are the rates of power generally in Zambia are they comparable to what you are billing?

**Ashwin Devineni:** No, we have a power purchase agreement with an annual escalation, which is already defined. There is a certain mismatch in terms of the rate because at the end of day we are a new plant it is a coal-fired power plant and so on. So, what they give to the end-user they may be copper mines or residential is likely lower than what we are billing to them, but you have to consider the pool cost and what they get in terms of pool receivables too.

**J Jain:** Thank you. I will be in line next.

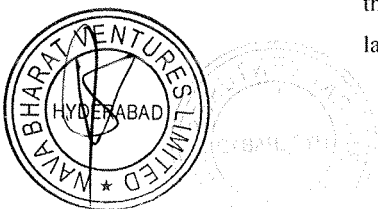
**Moderator:** Thank you. The next question is from the line of Ayush Mittal from Value Investing Fund. Please go ahead.

**Ayush Mittal:** Good afternoon Sir. In continuation with question on the receivables, though we have been mentioning that we are getting 65%, 70% of the billing that we are doing. So, if we see, since inception we are not getting those 30% of the payment that we are billing?

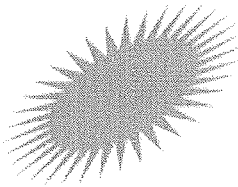
**Ashwin Devineni:** No, I think when we talk about 60% or 70% received what we are talking about is total amount billed from the start and the amount of money received from ZESCO and the government, so that adds up to about 60%-70% of what we have billed.

**Ayush Mittal:** I see. So, is there any dispute in terms of any of the billing or there is no issue on that part. It is just that the delay is there, and they keep making payments from time to time as and when they get funds?

**Ashwin Devineni:** There is no dispute in terms of the bills raised or on the interest on the outstanding amount. It is just because the ZESCO, the state utility currently has a liquidity issue. The government themselves are committed to clearing this outstanding amount for all IPPs sooner rather than later.



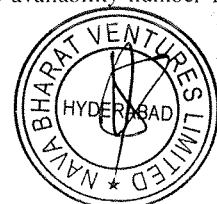


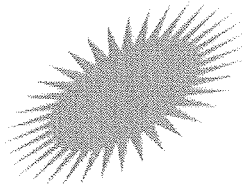


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- Ayush Mittal:** Sir, just to continue on the question, which the previous participant asked, what is the per unit rate that we are getting in our PPA and what will be the comparable rates of the other providers in that area?
- GRK Prasad:** At present, we get about 11 cents. The unit rate for other power producers in the region also is in the same range at 10.5 to 12 cents.
- Ayush Mittal:** Okay, great Sir. Thank you. I will come back in the queue.
- Moderator:** The next question is from the line of Harshavardhan Reddy an individual investor, please go ahead.
- Harshavardhan Reddy:** Out of total outstanding receivables, if government is willing to pay, they will pay a total amount it is like 70%, 60% of total receivables, they will pay first and the remaining next, because I read it somewhere that government is raising funds to clear all the receivables to IPPs?
- Ashwin Devineni:** As far as we are concerned, we expect the government to clear 100% of the receivables. They have not given any indication that they will clear only a part of the receivables, so we take it that they are working towards clearing 100% of the receivables. As far as documents are concerned, the government stands guarantor against the utility, so the utility's financial obligations are guaranteed by government. That is where we are. So whatever number we are talking about is supported by a sovereign guarantee.
- Harshavardhan Reddy:** And may I know the status of the ED allegations on Navabharat Power Private Limited, which is filed by ED in 2012?
- GRK Prasad:** Yes, the matter is still subjudice, and I think there are no further developments.
- Harshavardhan Reddy:** Like in near-term you are expecting anything from ED?
- GRK Prasad:** It has been taking such a long time, we cannot put a timeline for that. We hope it will be resolved soon.
- Harshavardhan Reddy:** Okay Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Mohit Kumar from IDFC Securities, please go ahead.
- Mohit Kumar:** I had two questions. The press release mentioned that the lower availability in Zambia has affected the revenue and EBITDA but you have not disclosed the availability number for this quarter. Can you please share that number with us?





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**GRK Prasad:** The availability for the first quarter was about 80% versus the usual 90% that is because of the unplanned shutdowns.

**Mohit Kumar:** So, availability for the quarter 80%, am I right?

**GRK Prasad:** That is right.

**Mohit Kumar:** Because PLF was just too high you know it was in the similar lines with your earlier quarters and I believe the normative availability is 90% so does it affect our revenues in anyways?

**GRK Prasad:** The EBITDA is the function of the availability factor because revenues are based on availability. So, if the availability falls then that clearly reflects in the revenue drop.

**Mohit Kumar:** Right. Sir what is the normative availability under the PPA?

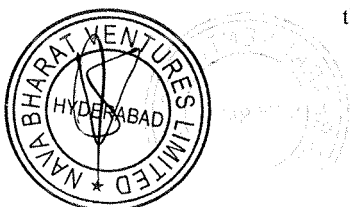
**GRK Prasad:** Normative is 85%.

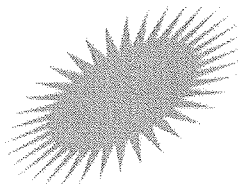
**Mohit Kumar:** Sir second question given the fact that company has high receivable in Maamba and the Zambian government or ZESCO is procuring power from Eskom at a rate of \$22 million per month for a quantity of 300 megawatt, I believe the supply has started for October. So, I was just trying to figure out they will make the payment to Eskom first. Will the Eskom have higher priority with the payment to IPPs and is there any way you have interacted with...is there any timeline, which the government has indicated to you where they will liquidate all the receivables?

**Ashwin Devneni:** No, I mean with respect to the Eskom 300 megawatt to our knowledge it has not started yet. It is still under negotiation especially the payment terms and so on. In terms of prioritising they are definitely prioritising Maamba compared to I think a lot of the IPPs because we today are the only base load power station there and they are having a huge power crisis. They, in fact, did make a bulk payment a month or two ago to the tune of about \$25 million to us to assist us with respect to the loan repayment. So, they are committed but yes, they do need additional power right now. They are almost facing about 13 hours of power cuts on a daily basis, but it is their intent to ensure that we are supported so we continue running the power plant.

**Mohit Kumar:** ZESCO has filed for tariff hike. I think the petition got filed in April 2019. Is there any update on the same? Do we believe that this tariff hike for ZESCO will happen in the next couple of months?

**Ashwin Devneni:** We hope so, I mean, the tariff hike definitely helps everyone in terms of ZESCO increasing its revenues, where they are able to pay their bills. What we have heard is there has been progress. I think the government given the current power situation is taking this issue extremely seriously.





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So, we hope that something will come about sooner rather than later but as you know any tariff hike that affects residential, commercial, and so on, it is a fairly long drawn process, where a lot of opinions need to be considered and lot of factors need to be considered but for what we know given the power crisis situation, this matter is being looked at extremely seriously.

**Mohit Kumar:** The last question of the accounting of interest rate swap, why do you take it through P&L, and not through balance sheet?

**GRK Prasad:** Because this is under Ind-AS guidelines. Whatever hedge that is there, so to the extent hedge we offer MTM provision, it could be positive or negative. Sometimes it is positive also. As far as the Ind-AS is concerned, we have to take that P&L only because it is directly relatable to interest.

**Mohit Kumar:** It is directly related to the LIBOR rate, am I right?

**GRK Prasad:** Correct, yes.

**Mohit Kumar:** So, whenever LIBOR decreases it affects profitability negatively, am I right?

**GRK Prasad:** No, see if LIBOR decreases, there is a hedging gain.

**Mohit Kumar:** Correct, I understand, yes. So will that affect the actual cash outflow?

**GRK Prasad:** No, see the actual outflow is determined by what is the hedging contract; that gets settled once in every six months, but we need to report it on a quarterly basis under Ind-AS guidelines. That is how it is. The actual incidence of the loss or profit is only to the extent of 30%, which is an open position. So far, I would say we have gained more only than what was projected.

**Mohit Kumar:** Sir a clarification, out of \$414 million whatever is left is the entire thing is hedged or a portion is unhedged out of this?

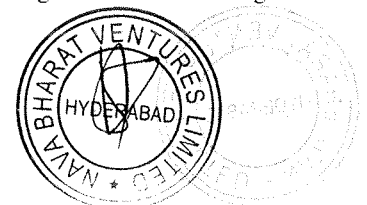
**GRK Prasad:** No, it is not \$414 million. It is the interest payments that are hedged on a yearly basis for the next residual period of seven years to the extent of 70%.

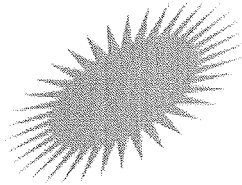
**Mohit Kumar:** 70% of the entire outstanding?

**GRK Prasad:** Interest on the outstanding.

**Mohit Kumar:** Understood Sir. Thank you.

**Moderator:** Thank you. The next question is from the Anirban Dutta from Jet Age Securities. Please go ahead.

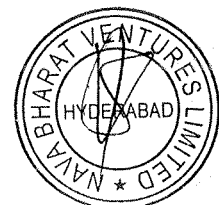


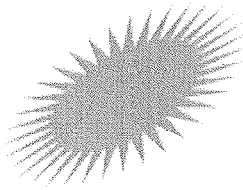


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- Anirban Dutta:** Good afternoon Sir. There are two questions, one is on the standalone results, you know the power segment profits dropped this quarter versus Q1 on practically how exactly the same turnover. Can you explain that a bit?
- GRK Prasad:** Well, because of the realizations, that is one function straightaway because whatever surplus power that was dispatched under IEX fetched us much less rate.
- Anirban Dutta:** Out of this Rs.135 Crores of turnover, how much was merchant power sales.
- GRK Prasad:** I do not have the details available immediately at the moment. Can we share them offline?
- Anirban Dutta:** Yes, that is fine. We will discuss separately. Sir the other question is, there was a good rise in mining profits in Zambia. This is on the consolidated results. So, was that driven by significantly higher volumes because prices would have been low right, I mean lower?
- GRK Prasad:** The Company started a new pit. Whenever such a new pit is opened, in the initial phase a lot of overburden comes out and once the commercial extraction of coal takes place that overburden is charged to the profit and loss account. That has how it happened in the previous quarters. So now what happens when clear benches are formed and the coal extraction takes place on a routine basis, the overburden will not be so much. So, you have relatively whatever extraction is there is captured as it is coal for generation or in inventory, that is the difference. This is a function of new pit having been taken up in the earlier quarters and it has now stabilized. That is how it is now.
- Anirban Dutta:** Sir now is it fair to say that for the next few quarters there will not be too much of OB removal changes, amongst others, I mean on the mining...
- GRK Prasad:** Relative to that previous quarters, yes.
- Moderator:** Thank you. The next question is from the line of Bhavesh Chauhan from IDBI Capital. Please go ahead.
- Bhavesh Chauhan:** Sir my question is on domestic power. Sir, how is the situation, have you signed any new PPA and how are the tariffs looking?
- GRK Prasad:** No, we have a subsisting PPA, which started in July, but actual offtake has commenced sometime in early August that runs up to March. Other than that, there is no PPA.
- Bhavesh Chauhan:** What would be utilisation level for both the plants?





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**GRK Prasad:** I think they have fallen quite short from their commitment in the last few months. It is about 50% of their committed off-take.

**Bhavesh Chauhan:** And how about tariffs. What are the tariffs in existing power PPAs?

**GRK Prasad:** That is about Rs.4.90.

**Bhavesh Chauhan:** Thank you Sir. That is all from my side.

**Moderator:** Thank you. The next question is from the line of Ayush Mittal from Value Investing Fund. Please go ahead.

**Ayush Mittal:** Sir coming to the question on like if you look at the stock price of the company versus the book value and in the past, management has indicated about their actions towards the same, any fresh thoughts on value creation?

**GRK Prasad:** It always will be there on the top of our mind. Obviously, we cannot talk about it.

**Ayush Mittal:** So how the management plans to use this opportunity in terms of the undervaluation of the company?

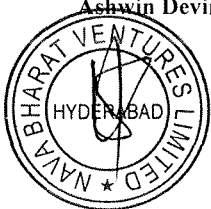
**Ashwin Devineni:** As far as management is concerned, we realize that the stock price is not really reflective of the operations that we are involved in or the scale of the operations that we are involved in. We are always looking at one, optimising our existing operations, but number two also looking at expanding in probably verticals that are going to add value. As we had mentioned previously the other steps or efforts that we are making is monetising certain assets that we are sitting on which would also help in adding value. So, we are committed to making efforts to increasing the value of the company, which is today not reflective of the scale of operations we are involved in.

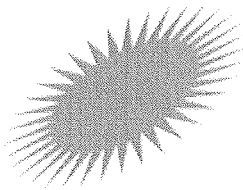
**Ayush Mittal:** Any further thoughts on the buyback and higher dividends?

**Ashwin Devineni:** We started the whole buyback exercise for the first time a couple of months ago and I think as we kind of get more and more cash in the company through the various efforts that we are involved in, we will definitely consider further buybacks and declaration of dividends.

**Ayush Mittal:** Sir on the receivable part, the issue that we see, and many people worry about is the receivables, which have been increasing because of some delay or the other. In your view, when will the management be taking the call on the impairment risk that is there on those receivables?

**Ashwin Devineni:** You see we have been taking steps. For examples, we have actually recognized the expected credit loss, which is actually some provision has been made. We have also decided not to



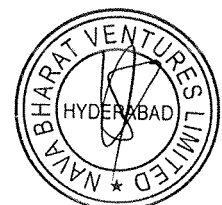


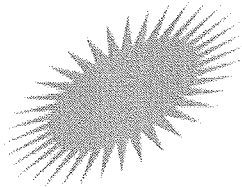
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recognize the interest on receivables for the consolidation purposes from April. That also is being done and in terms of impairment, there is no reason why we should look at it because of the guarantee and the agreement that we have. So that impairment is something, which we probably will not do and in fact, the statutory auditors for the Zambian Company hold a different view. They consider that the de-recognition of interest also is not right. They feel that government is obliged to pay, and they will pay.

- Ayush Mittal:** Have we been able to get interest on the past payments in which there was a delay?
- GRK Prasad:** Interest is a function of adjustment, right? So, we bill them our interest and whatever money comes in will get adjusted towards interest and bill as such. So, it is like a monthly bill. So as of now, whatever money comes in will be adjusted on the FIFO basis including interest.
- Ayush Mittal:** And what is the interest over there?
- GRK Prasad:** Interest is 5% over LIBOR.
- Ayush Mittal:** Okay.
- GRK Prasad:** Currently standing at 8%.
- Ayush Mittal:** Okay. Thank you, Sir.
- Moderator:** Thank you. The next question is from the Nagaraj Chandrashekar from Laburnum Capital, please go ahead.
- N Chandrashekar:** Thank you for the follow up. The asset monetisation program you have spoken about, could you please spell out the assets you are considering monetising once again for my benefit and the broad range of amounts you expect to receive over the next 12 to 18 months from this exercise?
- GRK Prasad:** Very difficult to answer that. Basically, we gave the list out in our earlier releases. But we cannot put a timeline to this at this point. Lot of initiatives have been taken by the company in respect of various assets, which either have been stranded or considered surplus in our books.
- N Chandrashekar:** Understood. Thank you.
- Moderator:** Thank you. The next question is from the line of Jay Jain an individual investor. Please go ahead.
- Jay Jain:** Thank you for follow up. You have converted some receivables from Singapore into shares. What is the thought behind that?





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- GRK Prasad:** This is an intra-company loan, which has been there between Nava Bharat Ventures and Nava Bharat Singapore for some time, which was given in the form of a loan to obtain certain cash flow and tax advantages in terms of repayment. But as things have been slow in terms of cash flows at the NBS level and all, and as we are being subjected to period-end volatility in terms of mark-to-market provision as well as income tax relatable to interest accrued but not paid. The board felt it is prudent to convert the outstanding loan and the interest paid on up to the date into equity capital to first reduce the period in their adjustments and also income tax on interest accrued, it is more a cash flow savings that we are pursuing at this point.
- Jay Jain:** It is not a precursor to a sale of the Singapore Company?
- GRK Prasad:** Not at all.
- Jay Jain:** Okay. Thank you.
- Moderate:** Thank you. As there are no further questions, I will now hand the conference over to the management for closing comments.
- Ashwin Devineni:** Thank you very much everyone for your participation in the call. I hope we have addressed all the queries and questions and if there are any questions or clarifications that remain unanswered, please get back to us, and we would be happy to provide answers on a wider investor platform. Thank you very much.
- Moderator:** Thank you. Ladies and gentlemen on behalf of IDFC Securities Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.

