



NAVA /SECTL /239 /2023-24  
August 10, 2023

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

Dept. of Corp. Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI – 400 001

**Scrip Code: '513023' / 'NAVA'**

Dear Sirs,

**Sub : Transcript of Conference Call.**

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

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Please find enclosed the transcript of the Conference Call with Investors/Analysts held on August 07, 2023 on the operational and financial performance of the Company for the quarter ended June 30, 2023.

This is also available on the Company's website at [www.navalimited.com/financials/](http://www.navalimited.com/financials/)

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,  
for NAVA LIMITED  
(Formerly Nava Bharat Ventures Ltd.)

VSN Raju  
Company Secretary  
& Vice President

Encl: as above.



# **Nava Limited**

(Formerly Nava Bharat ventures Ltd.)

**Q1 FY24 Earnings Conference Call**

Event Date / Time: 07/08/2023, 11:30 Hrs.

## **CORPORATE PARTICIPANTS:**

Mr. Ashwin Devineni, Chief Executive Officer

Mr. Nikhil Devineni, Senior Vice President

Mr. Sultan Baig, Chief Financial Officer

Mr. VSN Raju, Company Secretary and Vice President

## **MODERATOR**

**Mr. Bharat Jain-ICICI Securities Limited**

**Moderator :** Good morning, ladies and gentlemen. I'm Vidya, moderator for the conference call. Welcome to Nava Limited Q1 FY24 Earnings Conference Call.

As a reminder, all the participants will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call please signal an operator by pressing \* then 0 on your touch-tone telephone. Please note that this conference is recorded. I would now like to hand over the conference to Mr. Bharat Jain from ICICI Securities Limited. Thank you, and over to you, sir.

**Bharat Jain:** Thank you. On behalf of ICICI Securities, I welcome you to the Q1 FY24 earnings call of Nava Limited.

From the Management today, we have with us Mr. Ashwin Devineni-Chief Executive Officer, Mr. Nikhil Devineni-Senior Vice President, Mr. Sultan A.Baig-Chief Financial Officer, and Mr. VSN Raju- Company Secretary and Vice President.

With this, I will hand over the call to the management to give their opening remarks. And after that, we'll open it up for Q&A. Thank you and over to you, sir.

**Ashwin Devineni:** Thank you, everyone, and greetings to all on the investors call. Thank you for joining. I'm delighted to put forward the impressive financial results of Nava Limited for the quarter ended 30<sup>th</sup> June 2023. We have once again achieved several remarkable milestones reinforcing our position as a leading diversified conglomerate in metals, energy, mining and emerging business. On a consolidated basis, we've reached our highest ever quarterly EBITDA of INR 572.4 crore and a profit of INR 342.7 crore, a testament to our strong performance. Despite challenges in the metals division, our Company continued the trend. Notably, Maamba Collieries Limited (MCL) achieved significant milestones including the repayment of an overdue loan of INR 890 crore, which relates to US\$108 million, clearing the entire overdue loan.

MCL made substantial progress in reducing receivables under the arbitration award. The due amount now stands as INR 2,735 crore against the total of INR 4,763 crores. MCL also gained an impressive 95.2% plant availability, contributing to exceptional financial performance and improved cash flows. The mining division saw a turnaround in external coal sales due to effective marketing efforts. Looking ahead, we anticipate MCL to realize the balance receivables from ZESCO as per the agreed payment plan.

Our energy segment maintains its impressive momentum achieving the remarkable 31.6% growth in revenue compared to the previous quarter driven by improved operational performance in Orissa and Telangana power plants.

While our Manganese Alloys business faced challenges due to weak demand in the export market, we actively explored new market opportunities to drive sales growth. On the other hand, the Energy division significantly improved its operational and financial performance during the quarter offsetting the lower revenue in the Ferro Alloys division. Overall, our consolidated revenue reflects sustainable growth with healthy increases in both EBITDA and profit before tax. I extend my gratitude to our dedicated team and value stakeholders and shareholders for their unwavering support. Nava Limited remains committed to delivering exceptional performance and creating sustainable value for all stakeholders. Given the above, we would like to proceed with a question-and-answer session and request you all to seek clarification as you may desire. Thank you.

## Q&A

**Moderator:** Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing \* and 1 again. The first question comes from Srikrishna Agarwal, an Individual Investor. Please go ahead.

**Srikrishna Agarwal:** First of all, I congratulate the management of the company for their excellent financial performance. I have two questions. The first one is that the company is having INR 414 crores of cash and cash equivalent. So, what are the plans for the utilization of this cash balance?

My second question is, you have a vast experience in your business of this ferro alloys. This division is not doing well. So, what is your future outlook about this segment?

**Mr. Sultan A.Baig :** Okay. Thank you, Mr. Agarwal. Coming to the first question of the cash available in the Company. So, the cash will be utilized partly for distribution and partly for future growth prospects.

**Nikhil Devineni:** Mr. Agarwal, let me answer your second question. As you rightly pointed out, the ferro alloys industry is going through a challenging time. We witnessed a drop of prices to the extent of almost 15% on a quarter-to-quarter basis. Having said that India is turning out to be a bright light in terms of both steel production as well as ferro alloys production. This particular quarter we have surpassed Japan to be the

second largest producer of steel. Now, going forward we project that, post the monsoon seasons, we would see a revival in terms of finished goods prices. This is primarily because of the construction sector, which accounts for almost 60% of steel consumption. That particular sector is right now going through a loss, but the post monsoon we see that the sector will be revived. And as a result, that would have a positive impact even on the ferro alloys' prices.

**Srikrishna Agarwal:** Thank you, sir. Thanks a lot for the detailed answer.

**Moderator:** Thank you, sir. The next question comes from Jatin Damania from Kotak. Please go ahead.

**Jatin Damania:** Sir, just wanted to check the last proceeds that we received from MCL, was US\$60 million. Have you received any further proceeds on the arbitration amount?

**Ashwin Devineni:** Mr. Damania, we received, like you rightly said US\$60 million, post that they're essentially paying us based on an agreed monthly plan. So, every month we receive a different amount based on the plan. So, after the US\$60 million we received \$5 million more from ZESCO in relation to the arbitration award.

**Jatin Damania :** That was probably during the month of June. So, any money which is due in the month of July and August?

**Ashwin Devineni:** Yes. July, the amount is actually \$40 million that we are to receive. And what we hear from the utilities our payment is being processed. Today is of course it's a public holiday there, but we expect to get that sometime during this week.

**Jatin Damania:** Yes, sir, that's a good amount. But, now since the major overdue which we hardly paid in the last quarter, post this I just wanted to understand the capital allocation policy and as a Company have we framed any roadmap in terms of expansion in Zambia and the ferrochrome in the domestics business?

**Ashwin Devineni:** Yes, so firstly, with regards to the amount. Although we have cleared the overdue amount, there are still certain conditions and requirements that we need to meet prior to us being able to start distribution. So, the Company is currently working hard to meet those conditions so that the vendors permit distribution. Once distribution is permitted, then that money comes to the parent Company and could be used for various actions with regard to plans on how to utilize the money. Firstly, I think we're looking to reduce our debt. Secondly, we're looking at funding a lot of our growth plans. In terms of our growth plans, we're looking at expanding in Zambia with another phase, discussions on Phase 2 for another 300 megawatts are currently underway with the government and the relevant authorities.

In Ivory Coast, we are looking at expanding our metals business. Currently, we are conducting exploration activities on manganese mines there. And there is a possibility we could even set up a smelter. And apart from that, we are also investing in other emerging sectors such as agriculture, our avocado projects in Zambia is also going well. So, funding all those would be a priority. And then post that we will definitely look at taking corporate actions to improve shareholder value.

**Jatin Damania:** We'd like to see that various growth projects are there in the pipeline. But what is the amount that we'll be actually spending across this like Zambia Phase 2, in Ivory Coast and the agriculture? Any broad roadmap? And how do you see the avocado business turning out further in the next five years?

**Ashwin Devineni:** Okay. So, there are two different questions. Let me start with the avocado business. The planting is already being done. We expect fruits to be born in the year 2026, we're covering about 1,150 hectares of land. That is with regards to the avocado project.

**Sultan A. Baig:** Mr. Damania, for avocado project for the next four years the additional plantation, we anticipate to fund about US\$30 million to US\$40 million, that's on the agriculture side.

**Jatin Damania:** And, sir, what about Zambia and Ivory Coast? Have you drawn any roadmap or it's still under discussion phase?

**Ashwin Devineni:** In terms of the total project cost we're estimating it to be around US\$450 million for the Zambia Phase 2. And in terms of the Ivory Coast project we're estimating a total project cost of about US\$80 million.

**Jatin Damania:** Thank you, sir. Thank you for the answer.

**Moderator:** Thank you, sir. The next question comes from Vignesh Iyer from Sequent investments. Please go ahead.

**Vignesh Iyer:** Thank you for the opportunity. Just want to understand the receivable side. What is the outstanding receivable we would be having by the end of Q4FY24? What is our internal target to get the money from MCL?

**Sultan A. Baig:** Mr. Iyer, if you recall the total outstanding from ZESCO was US\$517 million against that current outstanding as on the case it is only \$332 million. From this

\$332 million the end of the calendar year we anticipate to recover about US\$150 million.

**Vignesh Iyer :** Sir, you mean to say another US\$150 million by quarter four FY24, right?

**Sultan A.Baig:** No. Another US\$152 million by end of December 2023 and balance US\$180 million in the calendar year 2024.

**Vignesh Iyer:** Okay, I got it. Thank you, sir. That's all from my side.

**Moderator:** Thank you, sir. The next question comes from Falguni Dutta from Jet Age Securities Private Limited. Please go ahead.

**Falguni Dutta:** Good morning, Sir, just to clarify as regards our current billing, we are getting everything from ZESCO. So, there are no monthly overdue that are occurring, right?

**Ashwin Devineni:** Yes, correct. From May 22 we've been receiving the payments in full without any overdue.

**Falguni Dutta:** Sir, if you could broadly just directionally give us an idea how is this ferrochrome, manganese division doing for the current quarter versus the previous quarter? Is it same? Is there some improvement? Or has it gone even bad?

**Nikhil Devineni:** As I mentioned, we have seen a dip in prices to the extent of almost 15% on a quarter-to-quarter basis. But having said that, we also find that the raw material prices in this case being manganese ore, which accounts for the bulk of your costing has gone to historical low levels. So, I think we could also be better positioned to tackle the market, given these low prices.

**Falguni Dutta:** Okay. Thank you. My last question would be, in how many years' time, given we have spelled out various expansion plans and in how many years' time do we expect to get some dividends from the money repatriated from Africa?

**Ashwin Devineni:** We are hoping it's not years and it's just months. Like I said there's a lot of light at the end of the tunnel now. Payments are current, ZESCO is also meeting with its arbitration payments as per schedule So, I think once we meet these conditions laid out by the lenders, we will be in distribution. So, we're hoping that it's going to be sooner rather than later. Although we have expansion plans, it's not that we're going to utilize 100% of the money for the expansion, we definitely will be starting distribution.

**Falguni Dutta:** Thank you so much, sir. That's all from my side. Thank you. All the best.

**Moderator:** Thank you, sir. The next question comes from Dhruv from Shree Info. Please go ahead.

**Dhruv:** Hi. I just wanted to understand on the CapEx that we plan to do in Zambia power plant. What could be the timeline for it? And what would be the equity and debt allocation that we look at out there?

**Ashwin Devineni:** So, in terms of the Phase 2 expansion, the capacity we're looking at is identical. It's another two-times 150, which is 300 MW. We're still finalizing numbers, but the expected project cost is approximately US\$450 million. And with regards to timelines, once we commence, once we receive the financial closure and commence the project, we anticipate about two-and-a-half years. It's a fairly optimistic timeline, but we are fairly confident we'll achieve it.

**Dhruv:** Secondly, on the broad base capital allocation. We are looking at a lot of activity in infrastructure CapEx cycle in India and everything including mining and other metals also. So, are we not finding any opportunities in India on an IRR basis or is there any strategic decision to go ahead and look at Africa as a place where we would like to expand?

**Ashwin Devineni:** No. I think as a Company, we're always looking at opportunities everywhere. In fact, we've prioritized our opportunities when they come up if they are within the Indian subcontinent. But we do balance risk and reward. At the end of the day, while there are opportunities, there are a lot of risks to as long as, if you do not have security on the raw material, for example, there's a lot of risk you take. So, we're always open to expand in India, when the right opportunity arises.

**Dhruv:** The third question is on the Indian power operation. So, what we understand is that we don't have PPAs and we have the benefit of selling it out there in the open market. And given that India is facing a deficit, we should be able to get a good rate of return on the power as we are able to sell in open market. Is it true? And usually during the summer months, we would be able to get that. So, have we got that bump up in this particular quarter? Because from the results it was not too clear.

**Ashwin Devineni:** No, we definitely have gotten that bump up. I think one of the benefits of trading in the open market is when prices are high and that is seasonal, we do take advantage of it. Whereas one of the negatives is when prices are low, when there is heavy rains, you don't do that well. But if you look at our results on the power sector, we have posted extremely good results both from Telangana side and from the Odisha side.



- Dhruv:** Okay. And are we looking at any sort of further expansion in the power space ? Because that's forms a very small component of our total mix. So, are we looking at exiting it or are we intend to deploy further capital to set up new capacities or it will be as it is?
- Ashwin Devineni:** No. I think on the power side, the largest challenge we face is essentially coal. The coal prices here are just increasing exponentially. Whereas the power tariffs are not increasing at the same rate. Therefore, it's kind of a crunch in terms of generating at a low cost. Therefore, I don't think we are looking at expanding on the coal fire power plants side in India.
- Dhruv:** Okay. And just one thing, are we looking at any strategic partner in our avocado business in Africa? Or it will be just the us to unlock value or anything on that front?
- Ashwin Devineni:** The avocado is a new business for us. Fortunately, things are going well, things are progressing well with the plantation. There has been a lot of interest from other players too with our avocado project, but we are going to be selective. And we'll always be open for partnerships but that will only be evaluated in due course.
- Dhruv:** Okay. And what sort of metals are we looking at in the Ivory Coast or country that does have a future capital allocation?
- Ashwin Devineni:** One is, we currently have in exploration works going on in, a manganese ore mine. And in addition to that, that being the main raw material for silico manganese production, we are looking at setting up a smelter there, which would, , enable us to have extremely good cost control because of the backward integration. And also opens up the new markets for us. Particularly in North America and Europe, which are extremely close to Ivory Coast in terms of proximity.
- Moderator:** Thank you, sir. Ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. The next question comes from Aditya Shrimal from PCS Securities. Please go ahead.
- Aditya Shrimal:** Hi, congratulations on a good set of numbers. I had a couple of questions. One was on the power demand. How is the power demand currently in Zambia and which are the industries driving this growth? I also wanted to know how much of this demand is linked to copper mining.
- Ashwin Devineni:** So, in terms of the power demand, the way we look at it is not only in Zambia, we look at it as Zambia and its neighboring countries, which is the southern part of Africa. And it's extremely high. I mean probably of what's going on in South Africa

with a shortage of power, more than four or five hours of power cuts every day. Zambia is a country exports power too. They almost export about 400 MW to all its neighboring countries. And within Zambia, you rightly said, the largest demand comes from copper production. But then, if you look at the neighboring countries like Congo and so on too there's a high demand from the copper industries there. And now a lot of these industries are also expanding, and there's no new power coming. So, the demand is good currently, and we look at the demand are only increasing in the years to come. And that's what's leading us to seriously consider expanding.

**Aditya Shrimal:** Okay, got it. So, as a percentage, would you be able to quantify how much of goods it would come from copper production?

**Ashwin Devineni:** No, I can't.. Because from us at the end of day we're committed 100% to the utility. It's up to the utility to determine how much is going to the copper industries and how much in the export. But I think from the latest numbers, we export about 400 MW. And from what we hear from them, there's still a lot more demand in terms of neighboring countries.

**Aditya Shrimal:** Alright, sure. Got it.

**Moderator:** Thank you, sir. I request the participants to restrict with two questions in the initial round and join back the queue for more questions. The next question comes from Viraj Mahadevia, an Individual Investor. Please go ahead.

**Viraj Mahadevia:** Hi, congratulations on making progress. Question to you sir, regarding your Zambia expansion Phase 2 plan. Given that you have already been scarred in Zambia, and I know, that's on a path to recovery. How do you feel about the certainty of ramp up and payments coming in, and how do you de-risk yourself on that?

**Ashwin Devineni:** So, I mean we still feel the scars. We've learned what to do different this time. So, we've taken that all into account. So, the way that we would be structuring Phase 2 would be very different from the prior phase, where risk would be mitigated through certain requirements from our side. And I think we'll implement all those before we embark on Phase 2.

**Viraj Mahadevia:** So, requirements in terms of the ZESCO, is the local utility or you have these commitments before going ahead with your CapEx plan or before you commence supply after CapEx is complete?

**Ashwin Devineni:** No, I'm talking about how we get the funding, what those conditions are. In terms of, is it external funding or is it funding from the government itself, which would

be a huge part of the risk. So, these are the various things. I don't want to get into too much of detail right now, just because it's premature, but that's something we are looking at very seriously.

**Viraj Mahadevia:** Yes. The idea is to just create some wiggle room for eventualities, right, things going wrong. So, you don't land up in a similar situation again. Secondly, you have the option, obviously, of supplying to the South African power pool, from what I understand. So, that is a natural mitigant?

**Ashwin Devineni:** Yes, that's true. Because at the end of the day, the same utility is unable to pick up the power, we can sell it to the Southern African power pool.

**Ashwin Devineni :** In fact, for the couple of months we were selling a certain amount of power, but then after that ZESCO has been taking 100% of power.

**Viraj Mahadevia:** Right. I mean, given your level of performance at INR 2,000-plus-crore EBITDA, you're tracking with your debt coming down. Your share price still seems to be severely undervalued. What steps do you see yourself taking, including in particular buyback as these cash flows improve leverage comes down? Is that something you're considering?

**Ashwin Devineni:** No., I think as we rightly said we're in a very good financial position. I think one of the reasons we've is because of the strategies we've had, the risk we've taken. Now, in terms of the share price, I don't want to comment too much, because that's not what how we run. But, yes, once we reduce our leverage, once we start getting the money back, we definitely would look at certain corporate actions that would improve shareholder value and buybacks is one of them.

**Viraj Mahadevia:** Excellent. All the very best. Thank you.

**Moderator:** Thank you, sir. The next question comes from Vishesh Jain, an Individual Investor. Please go ahead.

**Vishesh Jain:** Could you please give an indication of ROI or ROE that you would expect in this incremental US\$450 million power plant investment? Is there some internal benchmark on that investment that you are targeting?

**Ashwin Devineni:** I think currently it's a little too premature to discuss that because we've not even finalized the total project cost and that's still in, its under discussion. And all that would also relate to the tariffs that we would be signing up with the utilities. So, all those are still in the negotiation phases. So, I think it's a little too early to talk about your return on investment now.

- Vishesh Jain:** Would there be a threshold that you would have in mind?
- Ashwin Devineni:** No, we have certain benchmarks always. But, I don't think we want to put out those numbers at this stage. But definitely I think it's something that we would be looking at. We are investing in Zambia. And at the end of the day, we have gone through a certain experience with Phase 1. So, taking that into account we would definitely look at the optimistic return on investment.
- Vishesh Jain:** Thank you.
- Moderator:** Thank you, sir. The next question comes from Anant Sarda from Chhattisgarh Investment Limited. Please go ahead.
- Anant Sarda:** Sir, congratulations for the result. First of all, I want to ask an accounting question. So, you know that we have taken some allowances of expected credit loss, right, and we're reversing it right now. So, for example, in this quarter we have reversed on INR 92 crore expense that we had taken in the past. Do you have any kind of schedule or something, where will you reverse the remaining INR 300-odd-crores?
- Sultan A. Baig:** Yes, Mr. Sarda, you've sorted it up correctly. We have reversed US\$11.3 million in the current quarter. If see this is in proportionate to the amount that we have recovered from ZESCO. As and when we receive the arbitration proceeds we'll reverse the proportionate ECL in the books on a progressive basis.
- Anant Sarda:** Okay, sir. And also, one other thing that I read that Telangana government was giving you some issues with selling in the open, I think, in the IEX, and you had to go through the High Court route. So, is that being sorted?
- Ashwin Devineni:** Yes. Essentially the SLDC has been rejecting all the applications, it's not just us, but any power producer here to export power and it's just the usual thing where we can go to court and get approval for open access. So, that has been sorted and as we speak, we are exporting today.
- Anant Sarda:** Thank you, sir. All the best.
- Moderator:** Thank you, sir. Ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. We have a follow up question from Falguni Dutta from Jet Age Securities Private Limited. Please go ahead.
- Falguni Dutta:** Sir, what would be our sales volume for power in India excluding captive consumption, for the quarter?

**Sultan A. Baig:** 213 million units.

**Falguni Dutta:** This is all combined. Can you give me any one either Telangana or Odisha so that I can know the other ones out of this 213?

**Sultan A. Baig:** We will revert back to you, Mr. Falguni.

**Falguni Dutta:** Okay, fine, sir. No problem. Thank you.

**Moderator:** Thank you, sir. We have a follow up question again, from Aditya Shrimal from PCS Securities. Please go ahead.

**Aditya Shrimal:** My question was regarding the Nacharam land. Over there the real estate market is a little weak right now. So, are we open to development there compared to selling it outright?

**Ashwin Devineni:** No, we are open for various options. But right now, that's not a priority for us. The reason being is the market prices have been going up in that area. And we do see that in the near future there is going to be a significant growth at least looking at the momentum. So, I don't think we're in a hurry. I think when the time is right, we will look at other opportunities in terms of either developing the land or possibly an outright sale.

**Aditya Shrimal:** Alright. And I had another question. Are there any funds due from our Singapore subsidiary to Nava India?

**Sultan A. Baig:** There is no outstanding dues from Singapore subsidiary to Nava India.

**Aditya Shrimal:** Okay.

**Moderator:** Thank you, sir. Ladies and gentlemen, if you have any questions please press \* and 1 on your telephone keypad. Next question comes from Nikhil Abhyankar from ICICI Securities. Please go ahead.

**Nikhil Abhyankar:** Thank you, sir. Thanks for the opportunity. So, I just wanted to know what is the status of receivables from Maamba?

**Sultan A. Baig:** Mr. Abhyankar, if you read our press release, we've recovered about US\$60 million in the month of June subsequently we realized another US\$5 million. So, as of now, overdue amount still to be recovered is US\$332 million.

**Nikhil Abhyankar:** Okay. And sir, have you started selling power to the African pool from Maamba?

**Ashwin Devineni:** So, we did that for two months. But the way it works is that prior to every month ZESCO, which is a state utility indicates if it wants all the power. So, for the past few months, ZESCO has been taking all the power. So, in the event, they say we don't want to take all the power, then we have the opportunity to sell the remainder of the Southern African power pool.

**Nikhil Abhyankar:** Okay, for two months you have done it in the previous quarter.

**Ashwin Devineni:** Not previous quarter. This is a little while ago. This is last year.

**Nikhil Abhyankar:** Okay. And sir, what is the outlook on ferro alloys? Because QoQ, YoY we have made an EBIT loss over there so?

**Ashwin Devineni:** As you may be aware these ferro alloys industry is is critical in nature. For the past last two financial years, we had a very good run. And currently we were witnessing a downturn wherein prices were fallen close to 15% QoQ. But having said that, with the monsoons approaching, there is historically been a null, in terms of steel consumption, because particularly the construction sector, which accounts for 60% of steel is right now on a downturn. So, we believe that from Q3 onwards, we should see a revival in the ferro alloys industry.

**Ashwin Devineni:** So, to add to that, I think one of the major milestone for this particular quarter was that India has surpassed Japan to be the second largest producer of steel. So, now that even our Odisha unit is producing silico manganese, we are in a better position to capture that increased market share going forward.

**Nikhil Abhyankar:** Okay, sir. Wish you all the best going forward. Thank you.

**Moderator:** Thank you. So, ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. We have a follow up question from Anant Sarda from Chhattisgarh Investment Limited. Please go ahead.

**Anant Sarda:** Sir, do you see any kind of currency risk? I mean, is your PPA in dollar terms or is in the ramped in quarter?

**Ashwin Devineni:** It's all in dollar terms. Our PPA is in dollar terms, even the coal sales that we make are in dollars. So, there's no currency risk there.

**Anant Sarda:** Sir, what is your debt repayment strategy? So, are we paying all the loans upfront or you've repaid by the schedule? What is the outstanding loans in the MCL?

**Ashwin Devineni:** We have both the options. We're current on our payments right now. The next payment is due in September. So, we have the option to prepay if we deem fit and we will evaluate that basically.

**Anant Sarda:** Okay, sir. let's say that if Zambian government or ZESCO still fails to pay or there's some kind of issue, I thought that there's some kind of issue after the arbitration. So, does the insurance cover the outstanding loans if the Zambian government fails to pay again?

**Ashwin Devineni:** No, it's a lot more complicated than that, in terms of. Some of the commercial banks have insurance cover, whereas the developing banks don't, that's on the lender side of things. But in the event, if the utility ZESCO fails to pay there are various actions we can take. Both under the arbitration award and secondly, with regards to the agreement that they have.

**Anant Sarda:** Okay. Thank you, sir.

**Moderator:** Thank you, sir. That will be the last question for the day. Now, I hand over the floor to the management team for the closing comments. Over to you, sir.

**Ashwin Devineni:** Thank you very much, everyone, for your participation in the discussion. I hope we have addressed all the queries adequately. If there are any questions of applications that remain unanswered, please get back to us, and we'd be happy to provide answers on a wider Investor Platform. Thank you very much.

**Moderator:** Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation, and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a good day everyone.

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**Note:**

1. This document has been edited to improve readability
2. Blanks if any, in this transcript represent inaudible or incomprehensible words.