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Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th 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 Sir,

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

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Please find enclosed the transcript of the Conference Call with Investors / Analysts held on August 12, 2022 on the operational and financial performance of the Company for the quarter ended June 30, 2022.

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)

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Q1 FY23 Earnings Conference Call

Event Date / Time: 12/08/2022, 11:00 Hrs
Event Duration : 48 minutes and 30 seconds

CORPORATE PARTICIPANTS:

Mr. Ashwin Devineni
Chief Executive Officer

Mr. G.R.K Prasad
Executive Director

Mr. Nikhil Devineni
Senior Vice President

Mr. Sultan A. Baig
Chief Financial Officer

Mr. VSN Raju
Company Secretary & Vice President

Moderator

Good morning, ladies and gentlemen. I'm Kritika, moderator for the conference call. Welcome to Nava, Q1 FY23 earnings call hosted by DAM Capital Advisors. As a reminder, all participants' 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 the conference call, please signal an operator by pressing * then 0 on your touch-tone telephone. Please note this conference is recorded. I would now like to hand over the floor to Mr. Mohit Kumar of DAM Capital. Thank you and over to you, Sir.

Mohit Kumar, DAM Capital

Thank you, Kritika. On behalf of DAM Capital, I welcome you all to Nava Limited Q1 FY23 earnings conference call. From the management we have with us, Mr. Ashwin Devineni, Chief Executive Officer; Mr. G.R.K Prasad, Executive Director; Mr. Nikhil Devineni, Senior Vice President; Mr. Sultan A. Baig, Chief Financial Officer; Mr. VSN Raju, Company Secretary and Vice President. Without much delay, I will hand over the call to the management for the opening remarks which will followed by a Q&A session. Over to you, Sir.

Ashwin Devineni

Thank you, Mohit. This is Ashwin Devineni, CEO. So good morning, everyone. Thank you very much for joining us for our conference call for Q1 of FY23. I hope everyone's keeping well. I believe all would have seen our press release for the Quarter. Q1 earnings are hugely satisfying and a testament to our continued efforts and commitment. Global prices were supportive of our operations, and certain strategic initiatives helped further fortify the quality of growth. I will now begin this session by giving a quick run-through of our businesses and corporate plans. Manganese alloy business reported robust growth during Q1 FY23 on the back of sustained high demand from the steel industry.

However, some softening in ferro alloy prices is expected going forward with the correction in steel prices. The Company's subsidiary secured exploration rights for manganese ore concession in the Ivory Coast, West Africa, enabling backward integration and affording further value-add opportunities. We are currently in the exploration phase of evaluating the results. The Energy Division has witnessed remarkable improvement backed by the IPPs in Orissa and the 150 MW of Nava Bharat Energy India Limited, which gave a boost to our overall domestic earnings. Both units have reported robust operations with significant improvements in PLF and realization.

However, coal cost also played a role in overall things where margins were kept under check. The 300 MW power plant in Zambia is running at the total capacity post the major overhauls of both the units in FY22. Maamba Collieries Limited and ZESCO, the Zambian utility, have agreed on a new tariff and offtake mechanism for a revised capacity of 245.65 MW. Maamba Collieries Limited sells its surplus capacity in the open market. This provides certainty in cash flows, enabling debt restructuring with an eventual enterprise value appreciation.

We would also like to highlight that MCL has, to date, received full payments for the power sold in May and June 2022, in line with the new arrangement. We are evaluating options for monetizing the land assets in Hyderabad. Given that it's a fairly large landmass and is expected to take some time for maximum realization.

Most of the debt on the consolidated front pertains to the Zambia operations, which have no recourse to the parent company or its other subsidiaries. I trust you have gone through the detailed statement of

the financial results and the press release filed with the stock exchanges and posted on our website. I would now look forward to having an active interaction with all of you on this call.

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 a telephone keypad and wait for your turn to ask a question. If you would like to withdraw your request, you may do so by pressing * and 1 again. I repeat, ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. We will wait for a moment while the question queue assembles. The first question comes from Mr. A M Lodha from Sanmati Consultants. Please go ahead.

A M Lodha

Good morning, Sir. Congratulations on a good set of numbers again. I have two questions. One is relating to your Maamba Collieries Limited, i.e., Zambian subsidiary. What was the old tariff, and what is the new tariff under the revised plan?

Ashwin Devineni

Yeah, So Mr. Lodha, in terms of the old tariff, and I am talking of the tariffs, including the transmission tariffs, it was about 11.57, and then the new tariff is 9.06.

A M Lodha

What was the prevailing rate in the open market last month?

Ashwin Devineni

The open market is similar to our exchange here; it changes constantly based on the supply-demand scenario. It's the Southern African power pool members which other countries and companies can buy power based on their requirements. So, it's a variable number and changes from time to time.

A M Lodha

For the sake of the information, if you can give the May or June any month break up, or the average rate of the May and June, that is also fine.

Ashwin Devineni

So basically, if you look at the month of May, we looked at an average rate of when I am talking about peak and non-peak it is sold at about 7-8 cents. But that being said, you know, if you look at the month of July, it was much higher; it almost went over 10 cents the average rate. So, it's very variable, and you know tariffs are based on the supply and demand for the Southern African region.

A M Lodha

Okay, understood. The second question is regarding Maamba Collieries again. How much is the total loan outstanding in your Zambian subsidiary, and what is the schedule of repayment of the loan to the bank?

G.R.K Prasad

The loan outstanding is \$413 million.

G.R.K Prasad

It is set to be repaid over the next 5-6 years. That is what we are talking to lenders now.

A M Lodha

Thank you very much. If anything, else, I will rejoin. Thank you once again, and congratulations on the good set of numbers.

Ashwin Devineni

Thanks.

Moderator

The next question comes from Mr. Nikhil Abhyankar from DAM Capital. Please go ahead.

Nikhil Abhyankar

Thanks a lot, and congrats on a good set of numbers. I have a couple of questions. What is the NBEIL revenue and profit during the Quarter?

Sultan A Baig

Nava Bharat Energy's revenue was Rs. 120 crores for the current Quarter, and its profit was Rs. 30 crores after tax in the current Quarter.

Nikhil Abhyankar

Okay, and do we have any power tariffs for NBEIL?

Sultan A Baig

NBEIL has been trading on IEX exchange where the peak and off-peak rates have been varying. So average realization was good compared to the normal time, so we realized about Rs.7-8.

Nikhil Abhyankar

Okay, and Sir, what is your outlook on ferro alloys over the next few months or, say, a couple of quarters?

G.R.K Prasad

Ferro Alloys prices especially have been a little volatile of late. But, if you have seen the Q1 results, the revenue and profitability were pretty robust. That is because of the carry-forward orders that we have from the earlier period. And we have seen some volatility in this space for some time. But even that is a regular phenomenon in a community of this nature, we expect the margins to sustain, though

not at the same level as previous quarters. But at this point, it is difficult to predict what kind of profitability, but what we could see is the demand being pretty sustained with whatever is happening in the steel industry, as such.

Nikhil Abhyankar

Understood, Sir, you mentioned in the opening remarks that you're planning on monetizing some land in Hyderabad, so can we know about the area of the land and the location where it is?

Ashwin Devineni

Yeah, the total land size is about 65 acres, and the location is at Nacharam, East Hyderabad.

Nikhil Abhyankar

Any ballpark figure about the valuation of the land?

Ashwin Devineni

No, I'm not going to speculate on the valuation of the land right now. Because it's a large parcel, we are in the process of engaging some very large firms to monetize it. But I think it's going to be our endeavor to get the best value for the land.

Nikhil Abhyankar

Understood, and just a final question, where are we with the arbitration proceedings, Sir? Is there any update?

Ashwin Devineni

No, I think it's an ongoing process. It's still continuing. So, I don't think we would want to give because it is still under process, so I don't think we'd want to comment on it. We hope for an early decision, but these things take their own time.

Nikhil Abhyankar

Okay, Sir. That's all from my side. Thank you and all the best.

Ashwin Devineni

Thank you.

We have a question from Mr. Siddharth Shah, MK Ventures. Please go ahead.

Siddharth Shah

Yeah, thank you, Sir, for the opportunity and congratulations on a good number and the restructuring of the revised understanding at Zambia. Sir, I just wanted some clarity on how will the profitability of Zambia operations be on a steady state basis. I think you had given some guidance for old tariffs in one of the conference calls. So, on the revised tariff and with 85-90% PLF, what kind of EBITDA can these

Zambian operations deliver, specifically on the thermal side? And probably you can add some for the merchant sale of coal.

G.R.K Prasad

Yeah, Siddharth, I think we are just not into this tariff number, you probably could have worked it out yourself, but as far as the projections are concerned, it depends on several factors. We will probably give guidance sometime later once we have all the figures in one place.

Siddharth Shah

Sure Sir, I just wanted to understand the free cash flows that this entity can generate annually. And this is pre and post debt repayment and interest payments. Are we expecting any free cash flow from Zambia in the next couple of years, or will this be only after 3-4 years when all the debt is repaid and that we'll be able to repatriate some of the capital?

G.R.K Prasad

That is exactly what I was referring to. We have been engaged with lenders and other stakeholders on the CAPEX. So, the clear picture will probably arrive in the next three months, and then I think we will be in a firm position to talk about it.

Siddharth Shah

The last question is on the receivables part. One is arbitration for about \$250 million, which is ongoing and further being challenged. But the remaining receivables also, I think, would be about \$300 million or something, which is the past receivables. So, are we in the process of any out-of-court settlement or something with them on this \$550 million of receivables, which is past receivables? And does the Zambian government or ZESCO have this kind of liquidity available? Is there any visibility to liquidate these receivables over the next 1-2 years, at least post some kind of negotiation?

Ashwin Devineni

The arbitration deals with the entire amount, not just \$250 million. It deals with the entire outstanding receivables. The \$250 million was just an interim order. But when we talk about the ongoing arbitration process, we're talking about the entire number. Now in terms of ZESCO or Zambia having the money, once the order comes out to pay everything, then what we hear out that efforts are kind of underway, where they are talking to financials, IMF, and so on in terms of how to clear their debts, and we actually have been seeing a significant amount of seriousness from the government and ZESCO to really get this situation under control. But in terms of their current financial position and where they will be once the order comes, it is too early to comment.

Siddharth Shah

Oh, that is very helpful. Thank you so much.

Ashwin Devineni

Thanks.

Moderator

Thank you, Sir. The next question comes from Mr. P Vijay, an Individual investor. Please go ahead.

Vijay P

Yeah, I have a few questions. The first one is about the ferro-alloys operation. Can you hear me?

Ashwin Devineni

Yeah, please go ahead.

Vijay P

Yeah, the ferro-alloys capacity at Paloncha is 125,000 tonnes per year, which gives us a per quarter capacity of 31,250 tonnes. But if you look at the production, in spite of every con call the management emphasizing that the ferro-alloys production is sold out for the whole of next Quarter that is Q1 FY23 included it was Q4 FY21 33,392 tonnes, Q4 FY22 24,634 tonnes, Q1 FY22 24,330 tonnes, and this Quarter, it is just 21,810 tonnes. So, the superb results that we're showing in the ferro alloys division are entirely because of the higher prices of ferro-alloys and not because of production efficiency. Am I correct in saying that?

G.R.K Prasad

The production has been sustained on the same level as before, but the sales volumes have come down in Q1 FY23 because, one consignment for export got shifted to July and domestic supply also got deferred. Again, this is dependent on how the steel market is behaves as far as the domestic sales are concerned. We expect that to be addressed soon, but to put the record straight as far as the overhang inventory is concerned at the end of 30th June, which has since been liquidated.

Vijay P

So, what was the opening balance of ferro-alloy production on 1st July?

G.R.K Prasad

About 7,000 tonnes.

Vijay P

Okay, next question is about NBEIL. Why is the PLF only 50% when there is a booming power market? Why could we not get the higher PLF and sell more? It's a merchant plant.

Ashwin Devineni

Yeah, we understand that, but the issue that is prevailing in the State and so on is a matter of fuel supply. While tariffs are high, we have seen a huge shortage in coal coming from Singareni collieries, from where we primarily buy coal. What's been happening is when tariffs go high, they divert almost all the coal to government power plants and give us nothing. So, it's been a huge challenge for us, although the tariffs are high, to secure the right amount of coal to continually operate our plant.

Vijay P

Okay, the next question is about coal sales in Zambia. They have come down to barely 70,000 tonnes in Q1 FY23, against 1,28,973 tonnes in Q1 FY22, that's almost a 50% drop. 1,16,964 tonnes in Q4 FY22. So why are the coal production and sales so low in this Quarter? When is the coal market all over the world booming, including in the Democratic Republic of Congo, South Africa and Zimbabwe?

Ashwin Devineni

Yeah, so Congo doesn't produce much coal. I think it's Zimbabwe.

Vijay P

No, I'm talking about selling the Maamba coal to these countries.

Ashwin Devineni

Yeah, we don't sell to Zimbabwe because Zimbabwe has got a very large mine. But the reason why the sales have gone down, there are two main factors. One factor is that our biggest customers are, i.e., a lot of our sales depend on the cement industry. And we saw a real slump in the cement industry during the past year. They were only operating probably like 30-50% out of the month. And then the second thing that emerged in the last year is we have started to see more competition with new mines opening around us by different players.

So, there was a certain level of a price war going on. But I am happy to note that this matter has been addressed. The cement production has increased slightly. And we've also started now to negotiate longer-term offtake agreements so that you know we have guaranteed monthly sales.

Vijay P

The last question is about the monetization of land assets. We have 65 acres of land at Nacharam, and my enquiries have revealed that you can easily fetch Rs.1,500 crores for that. The MCL interim settlement of 250 million US dollars is about Rs. 2,000 crores, which means Rs. 3,500 crores of the immediate windfall is there for the Company, given that you have committed in the past that 20% will be given back to the shareholders by way of dividends otherwise, can we expect a windfall in the coming months?

Ashwin Devineni

Please note that a dividend of 20% is based on standalone because it doesn't matter how much Maamba collieries make. We declare a dividend depending on the cash we have on a standalone basis within our Company. So, keeping Zambia aside because all these things take a little time, it's not like we're going to get the amount tomorrow; the matter is in arbitration. Now with respect to the Nacharam land, although summary judgment was received a little while ago, we only received the final order two weeks ago. This is the detailed final order we need to study before taking action.

Like I did mention earlier, we have been in discussions with large firms engaging in terms of getting the best value for this land. And the monetization takes time because this is not a small piece of land. So, we need to find the best strategy in terms of how to sell it and where we can get the best.

Vijay P

No, I'm only hopeful in terms of a windfall gain for the shareholders who have waited for so many years in terms of a higher dividend than what you're paying now. Last quick question any update on the manganese mine in Ivory Coast?

Ashwin Devineni

In terms of dividends, you need to realize that we are one of the very few companies that consistently pays dividend yearly in good times or bad times. I mean, the same windfall dividends is a little relative, but I think we are proud of ourselves for paying dividends annually. So, whatever money we get, we will definitely have internal discussions, and the Board will decide on corporate actions that will benefit the shareholders.

Vijay P

Yeah, that's encouraging to hear, but the Company has been paying dividends, not at a consistent rate. It goes up, and it comes down. So, if you keep the base of Rs. 6/- this year as a base and go up a little every year or every Quarter or interim dividend, that makes sense. The last question was about the Manganese ore in Ivory Coast.

Ashwin Devineni

But in terms of fluctuating dividends, unfortunately, our profits keep fluctuating, the commodity cycles keep fluctuating. Nothing is constant and stagnant. So, when we get the money, we follow a dividend policy and make the payment. I will give it to G.R.K to answer your query on Ivory Coast.

G.R.K Prasad

Currently, exploration is on in Ivory Coast. We need to have the full assessment of the reserves, which could happen over the next 6-7 months' time, by when we will also decide on the next course of action.

Vijay P

How much have we invested in Ivory Coast so far?

G.R.K Prasad

Less than a million dollars.

Vijay P

Less than a million dollars, that's fantastic. Thank you, that will be all from my side.

Moderator

The next question comes from Mr. Nikhil Abhyankar from DAM Capital. Please go ahead.

Nikhil Abhyankar

Thank you for the opportunity again. Just a couple of questions. What is the state of receivables at Maamba, and can you just give a trend of it over the last 2-3 quarters?

Ashwin Devineni

So, the current status of receivables, like I said, after we revised the tariff..... we've been paid in full for the months of May and June. This means that the outstanding amount will not increase anymore. The outstanding amount as of now is \$563 million.

Nikhil Abhyankar

\$563 million, and what was it in December and March quarters?

Ashwin Devineni

I am sorry can you repeat it.

Nikhil Abhyankar

What was it in the previous Quarter, just the last two quarters? If you can give us the numbers?

Sultan Baig

In the previous Quarter, outstanding receivables were \$550 million. The only increment in the current Quarter is because of the April receivables. From May onwards, there is no increment in the receivables.

Nikhil Abhyankar

When is the new arrangement effective? Do we need any regulatory approval, or have we already received it?

Ashwin Devineni

No, a new tariff based on our discussion is effective from May 2022. It requires approvals from Lenders and Regulatory Authorities, which are currently underway. But I think the good thing is we reached an agreement with ZESCO that while we work on these approvals, they will pay us based on the new tariffs in full every month, which they have been doing.

Nikhil Abhyankar

Okay, Sir. That's all. Thank you.

Moderator

Thank you, Sir. The next question comes from Ms. Padma Sandhya, an Individual investor. Please go ahead.

Padma Sandhya

First of all, an excellent set of numbers, congratulations on that. We see this result after a long time and all the divisions have performed well. I would like to know the outlook in NBEIL going forward and wanted to see if it would remain in an opportunistic play or if some concrete plans are being worked out for that as well.

Ashwin Devineni

In terms of the 150 MW power plant, which is under energy, as a company, we're still very bullish on the power market in India. But I think the biggest challenge we currently face is that of fuel. We in Telangana have been unprecedented and very abnormal increases in coal prices. In fact, to the extent that it's gone more than 100% within one year. This is what the collieries do when the tariffs go up, and when tariff go down, they still maintain their fuel prices. So, we are looking at other alternates, where we can procure fuel for the 150 MW, which will make it, you know, wherever we can run the 150 MW at lower tariffs.

While we are looking for a longer-term solution, such as a group captive scheme or so on, there are certain issues and obstacles that we need to face, regulatory issues and obstacles that we are currently facing that we want to overcome. So, in the incident, we will need to basically trade on the IEX market or get into short-term supplies. But I think the key here is to figure out or get a coal supply that guarantees that we will make money on the 150 MW once you take it up.

Padma Sandhya

I also wanted to know about your new arrangement with ZESCO, what is the new tariff rate versus what was earlier and what would happen to the previous amount receivable also wanted to know if the Company is receiving any bonds or upfront payments or any one-time settlement amount that is, so just wanted to know and have a bit of clarity on that.

Ashwin Devineni

Yeah, so in terms of the current deal, as I had mentioned earlier, the tariff is now 9.06 cents/kW-hours. And you know, this is effective from May, and they've been paying in full on a monthly basis since then. The outstanding amount, about \$563 million, is currently in the process of arbitration. So, I think once the arbitration award comes out, which we hope will be sooner rather than later, then I think we'll have to sit down with ZESCO and the government in terms of how they will be paying, either in the form of a lump sum or a reasonable payment plan.

But we have found that the situation is currently different from what we were experiencing 6-9 months ago. We have been seeing a certain level of seriousness from both the utility and the government in terms of resolving the situation to the extent where they are proactively also starting to talk to banks, financial institutions and so on to take loans to kind of clear a lot of outstanding amounts.

Padma Sandhya

I already told you that the Company has reported good numbers and wanted to know that this Quarter we have also harnessed sufficient cash flows. Do you think that your Company has reached a point wherein we can say the revised amount will be received in continuity, or I'm repeating this question, but when would we finally expect cash flows back to India which can be used further for dividends or a buyback?

Ashwin Devineni

One of the discussions we are having with the lenders is to start again at Maamba. Those discussions are currently ongoing. Definitely, I think once we get that larger chunk, we will look at it to deploy the funds, basically in two areas. One is corporate actions, which will benefit all the shareholders. And two is also in terms of investing in growth capital because while we are comfortable now, we have to plan.

We are in the next phase. We finished 50 years, and we really need a kind of plan for the next 10-50 years of the Company. So, we would definitely want to reserve a chunk of that in terms of growth capital.

Padma Sandhya

Okay, Thank you.

Moderator

Thank you, ma'am. The next question comes from Mr. Anirudh, an Individual Investor. Please go ahead.

Anirudh P

Yeah, hi, congratulations on a good set of numbers. I would like to know if the management would like to throw some light on the health care services, we have forayed into in the past.

Ashwin Devineni

Yeah, so in terms of healthcare, which we see to be extremely promising down the line, we've seen significant traction as the pandemic is winding down, especially in Southeast Asia. YoY, we've seen a doubling in terms of the top line. Although small, we are increasing significantly. The wellness center is doing well. I think the Company is evaluating plans in terms of multiplying a lot of these wellness centers in other metropolitan cities within Southeast Asia and even the distribution side is experiencing significant growth.

Now, the primary objective is to capture the opportunities when present themselves in the healthcare sector. So that's basically the kind of objective we are trying to meet. I'll give you an example: when COVID hit, we saw diagnostic centers as a very, very profitable business at that point, but without your foot in the door of the healthcare sector, just to set up a diagnostic wing is very, very difficult. So, this foot in the door of the healthcare sector will allow us to really expand in other upcoming healthcare-related opportunities down the line.

Anirudh P

Perfect, that looks out to be a promising thing for the Company. My second question is in the press release you gave, and you mentioned that we are yet to receive some receivables from the South African power pool. I think that's the press release given regarding the tariff's revision, so have you received that money?

Ashwin Devineni

Yes, we received it.

Anirudh P

Okay, so since the month of May, there's nothing pending from ZESCO to Maamba and whatever sales we have done outside of ZESCO also we have received the money?

Ashwin Devineni

Yes.

Anirudh P

Would you also like to throw some light on the other land parcel you have other than the one in Hyderabad? I think the Company also has land in Dharmavaram.

G.R.K Prasad

Dharmavaram land has a 20 MW power station, which is idle. So, we need to have a proper plan to unlock that. So currently, discussions are going on that space, not probably in terms of outright sale but how to put that land to use?

Anirudh P

May I know the extent of the land parcel there in Dharmavaram?

G.R.K Prasad

It's about 200 acres. That belongs to two companies-holding Company and the subsidiary Company.

Anirudh P

My last question, Sir. I think almost the last three quarters or probably even 4. Every quarter, we have sold our order book for ferro-alloys in advance. So how has that been for this ongoing Quarter?

G.R.K Prasad

You see, whatever, you know, orders are there for exports, they are kind of pre-booked, we have a long-term contract for exports on a yearly basis, so that goes on. What has been a problem in the domestic market, but even that also is being addressed. As we speak, the order book position is very comfortable, even with this current scenario.

Anirudh P

That's all, thank you. I think the outlook looks good. Last two quarters, standalone, we have recorded over Rs. 170 crores. So, for an individual investor like me, that takes the figures to about Rs. 700 crores which not many Companies in the mid-cap space churn. Thanks for addressing my queries.

Ashwin Devineni

Thanks.

Moderator

Thank you, Sir. The next question comes from Ms. Abhisri Shah, an industrial investor. Please go ahead.

Abhisri Shah

Good morning, everyone. So, I just have two questions. I wanted to know what, according to you, might be the time frame one should look at when the land parcels decision would be taken. So as an investor, we have seen that in the past, everything on the table we have taken, but when we move back to square one, what would the management here say that all these things mentioned in the release can happen in FY23, except the arbitration things of course.

Ashwin Devineni

I mean, it's very speculative to tell you exactly when it will happen. Like in terms of the land parcel, as I mentioned before, this is a large piece of land. We as a company are not used to normally selling these large pieces of land. They have been kept for the real estate firms that are the experts at this. So, we will go as per their guidance regarding how to sell it to get the best value. I mean, it is in our interest to get these things done as soon as possible. And we will try for that. But, you know, these things take their own time. And that includes the arbitration that's going on in London, and it goes through its own process.

Abhisri Shah

Okay, and Sir, just one more question: it looks like we are kept out at Indian operations. So, what's the delta on earnings we can expect in the next 1-2 years? I mean, meaningful delta.

G.R.K Prasad

You said right. So, we have consolidated these operations because once it is done, we are in a serious commodity business where highs and falls are common. So, our idea is to see that we have reasonable control on the inputs. That's where our concentration is at this point, which would help really to help the Company sustain the margins as they are. So that is the plan for the next year or so. Then, I could say we could probably talk about other things that could improve delta and thereafter, at this point in time, it is a consolidation phase which the Company is concentrated upon.

Abhisri Shah

Okay, thank you. That's it from my side.

Moderator

Thank you, Sir. The next question comes from Mr. Srinivasa Rao, an Individual Investor. Please go ahead.

Srinivasa Rao Mandava

Thank you, all my questions are answered.

Ashwin Devineni

Thank you.

Moderator

Thank you, Sir. Ladies and gentlemen, if you have a question, please press * and 1 on a telephone keypad. I repeat, if you have a question, please press * and 1 on your telephone keypad. We will wait for a moment while the question queue assembles. We have a question from Mr. Naveen Jain from Florintree Advisors. Please go ahead.

Naveen Jain

Yeah, good morning, Sir. I have a question on ferro-alloy business. So obviously, the margins right now are extremely healthy. And in the last few quarters, they've been really good. But, you know, we have seen in the past, and this is a very broad question. So, you know, we've seen in the past that, you know, the margins in this segment have been very volatile, right?

So, given that there are some headwinds, right now, as you said, steel prices are also connecting, or have connected, what do you think could be sustainable, you know, EBITDA pattern or sustainable margin in this business, you know, going forward? I know, it's a very broad question, your views would be appreciated.

G.R.K Prasad

You're right. It's very difficult to put a number or anything like that. But if you see, the last couple of years have been pretty good i.e., FY2021 & FY2022 & I mean current Quarter, last Quarter, which seem to be the peak of the times, as far as manganese alloys businesses are concerned and of course, we have reasons for that. But what we could expect is, a normative kind of EBITDA, could hover around 25%, I think is our expectation.

Naveen Jain

Which is significantly higher than what it used to be, right, just a couple of years back.

G.R.K Prasad

No EBITDA has been around 20-25%. Of course, the net margin could be much lower.

Naveen Jain

Okay, so another question was on Zambian operations. So, the Q1 revenue was about 65 million USD, and EBITDA was 37 just wanted to know if possible and if it is handy with you, what was the revenue number for the month of May and June and what was the EBITDA for those two months because you know, that is something that you are now getting paid in full. So that is why I wanted to understand that, and that is based on the revised tariff.

Sultan Baig

Thank you, Mr. Jain. We will revert back to you on the specific numbers. But just to confirm that we have realized the full revenue based on the month of May and June.

Naveen Jain

Okay, I will take it separately. And Sir, finally on the healthcare thing. I think you have mentioned in an earlier call that you plan to, invest up to 10 million USD in that business eventually over two years, I think. Does that plan stay or are you looking to materially scale that up, given your work clarity and can I have some more clarity emerging?

Ashwin Devineni

Yeah, so I think earlier, we had earmarked that amount, but that is also subject to opportunities coming up. As a Company, we always calculated in terms of investments that we make and how much we make. So definitely, we have not invested 10 million, not even half of it. So, when the opportunities arise, we can certainly dwell on expanding these wellness centers and so on. Tomorrow when we see other healthcare opportunities that arise, we will deploy them to capitalize on.

Naveen Jain

Understood, are there any other areas like healthcare which we're looking at this stage?

Ashwin Devineni

Yeah, agriculture, one of the things we are looking at. I mean not looking at, but we are actually executing and growing sustainable fruits and crops at a fairly large scale, one being avocados, etc., a lot of potential. Prices are just skyrocketing Avocados are going to increase in demand and reduction in supply, because a lot of the countries that produce this fruit have less water supply and Avocados take a lot of water. So, the land we have, which is 10,000 hectares in Zambia, which is 25,000 acres, fits very well for it with a lot of water. So, if we are looking at a 3-5 year play which is normally what you see when you get into the agricultural space, we see this area to be fairly promising in terms of up-and-coming sustainable foods or superfoods.

Naveen Jain

Okay got it, and nothing else beyond at this stage.

Ashwin Devineni

Thank you

Moderator

Thank you, Sir. That was the last question for the day. I would like to hand the floor over to management for closing comments.

Ashwin Devineni

Thank you all very much, and like to also thank everyone for the kind words on the results. If anyone has any further questions, please feel free to contact our Company Secretarial department. Thank you, everyone, and keep safe, bye

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.