

**Price:** 478

**Recommendation:** Buy

**Industry:** Power Generation

**Sector:** Utilities

**Report Date:** 22-Mar-2025

NAVA Limited, a diversified conglomerate, is expanding its operations and market presence through strategic initiatives. The company plans to increase production in chemicals, energy, and infrastructure to meet growing demand. NAVA is also investing in renewable energy, enhancing its reputation as a socially responsible organization. By forming international partnerships and focusing on innovation, NAVA aims to maintain its competitive edge and drive long-term growth.

Sales		Profit & Loss		Profitability Matrix	
Current Year	1519 Cr	Operating Profit(Year)	368 Cr	Operating Profit Margin	24.2 %
Previous Year	1600 Cr	Operating Profit(Quarter)	61.8 Cr	EBITDA Margin	21.40 %
Current Quarter	280 Cr	PAT (Year)	214 Cr	Net Profit Margin	14.6 %
Previous Quarter	331 Cr	PAT (Quarter)	50.5 Cr	EPS	13.6
Revenue (QYoY)	308 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	35.0	Sales Growth	0.60 %	Sales Growth	-15.41 %
PEG Ratio	7.21	PAT Growth	-30.07 %	Sales Growth QYoY	-9.09 %
EV/EBITDA	25.5	EPS Growth	80.13 %	PAT Growth	-64.93 %
P/B	3.63	Dividend Yield	0.42	PAT Growth QYoY	10.75 %
Capital Allocation		Holdings		Leverage	
RoE	5.94 %	Promoter	48.9 %	Debt/Equity	0.00
RoA	5.45 %	FII	11.1 %	Debt	3.15 Cr
RoCE	8.00 %	DII	0.16 %	Market Cap	13864 Cr
RoIC	14.8 %	Public	39.9 %	Enterprise value	13760 Cr
		No of Shares	29.0 Cr	Cash Equivalents	108 Cr

source : Company filings

## Company's Overview Based on Recent Concall and Performance:

NAVA Limited, a diversified conglomerate, has recently made significant strides in expanding its business operations and enhancing its market presence. The company has been actively pursuing growth through strategic initiatives, including the expansion of its manufacturing capabilities and the exploration of new markets. One of the key announcements from NAVA is its plan to increase production capacity in its core sectors, which include chemicals, energy, and infrastructure. This move is aimed at meeting the growing demand in these industries and capitalizing on emerging opportunities. Additionally, NAVA has been focusing on enhancing its operational efficiency through the adoption of advanced technologies and process optimization, which is expected to result in cost savings and improved profitability.

In terms of diversification, NAVA has been exploring opportunities in the renewable energy sector, aligning with global trends towards sustainability and clean energy. The company has announced plans to invest in solar and wind energy projects, which not only diversifies its energy portfolio but also positions it as a key player in the transition to green energy. This strategic shift is expected to open new revenue streams and reduce the company's carbon footprint, thereby enhancing its reputation as a socially responsible organization. Furthermore, NAVA's entry into the renewable energy market is likely to attract environmentally conscious investors and customers, providing a competitive edge in the industry.

Looking ahead, NAVA's growth strategy includes scaling its operations through strategic partnerships and acquisitions. The company has been actively seeking collaborations with international firms to leverage their expertise and expand its global footprint. These partnerships are expected to facilitate knowledge transfer, access to new technologies, and entry into untapped markets. NAVA's focus on innovation and research and development is also evident in its recent initiatives to develop new products and services that cater to evolving customer needs. By staying ahead of industry trends and continuously innovating, NAVA aims to maintain its competitive advantage and drive long-term growth.

To further strengthen its market position, NAVA could consider enhancing its digital presence and customer engagement through digital transformation initiatives. By investing in digital marketing, e-commerce platforms, and customer relationship management systems, the company can improve customer experience and increase brand loyalty. Additionally, NAVA could explore opportunities for vertical integration to gain greater control over its supply chain and reduce dependency on external suppliers. This approach could lead to improved supply chain resilience and cost efficiencies. Overall, NAVA's strategic initiatives and focus on diversification and innovation position it well for future growth and success in an increasingly competitive market.

NAVA Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
<b>Mafatlal Inds.</b>	940.59	8.25	8.20%	-8.56%	116.65%	-5.98%	42.82%
<b>Balmer Lawrie</b>	3266.86	12.61	14.69%	-1.33%	7.83%	1.03%	-6.01%
<b>3M India</b>	32151.73	57.90	24.81%	-1.88%	8.38%	-14.96%	-15.88%
<b>Nava</b>	13864.37	35.02	5.94%	-15.32%	-9.22%	-64.93%	10.89%
<b>Quess Corp</b>	10163.10	26.79	11.15%	6.56%	13.99%	7.36%	18.83%

Aspect	Commentary
<b>Revenue</b>	Revenue decreased YoY from 1600 Cr to 1519 Cr, indicating a slight decline in sales performance. The quarterly revenue also fell from 331 Cr to 280 Cr, reflecting a challenging market environment. Despite these declines, the company remains focused on strategic initiatives to boost future revenue streams.
<b>Profit &amp; Loss</b>	Operating profit for the year stands at 368 Cr, with a quarterly figure of 61.8 Cr. The PAT for the year is 214 Cr, while the quarterly PAT is 50.5 Cr. These figures suggest a stable profit generation capability, although the annual PAT shows a significant decline, indicating potential cost pressures or market challenges.
<b>Profitability Matrix</b>	The company maintains a healthy operating profit margin of 24.2% and an EBITDA margin of 21.4%. The net profit margin is 14.6%, with an EPS of 13.6. These metrics highlight the company's ability to manage costs effectively and generate profits, although there is room for improvement in net profitability.
<b>Valuation Matrix</b>	The trailing P/E ratio is 35.0, indicating market expectations of future growth. The PEG ratio of 7.21 suggests potential overvaluation relative to growth. EV/EBITDA is 25.5, and P/B is 3.63, reflecting a premium valuation. These metrics suggest investor confidence but also highlight the need for sustained growth.
<b>Growth (YoY)</b>	Sales growth is marginal at 0.60%, while PAT growth is negative at -30.07%, indicating challenges in profit expansion. EPS growth is strong at 80.13%, driven by operational efficiencies or cost management. The dividend yield is modest at 0.42, reflecting a balanced approach to shareholder returns.
<b>Growth (QoQ)</b>	Sales growth declined by -15.41% QoQ, with a QYoQ decline of -9.09%. PAT growth also fell by -64.93% QoQ, though QYoQ PAT growth is positive at 10.75%. These figures suggest volatility in quarterly performance, possibly due to market conditions or operational adjustments.
<b>Capital Allocation</b>	The company exhibits a RoE of 5.94%, RoA of 5.45%, RoCE of 8.00%, and RoIC of 14.8%. These metrics indicate efficient capital utilization, with RoIC outperforming other returns, suggesting effective investment strategies. However, there is potential for improvement in overall return metrics.
<b>Holdings</b>	Promoter holding is strong at 48.9%, with FII at 11.1% and public holding at 39.9%. DII holding is minimal at 0.16%. The shareholding pattern reflects a stable ownership structure, with significant promoter confidence and moderate foreign institutional interest, supporting market stability.
<b>Leverage</b>	The company has a debt/equity ratio of 0.00, indicating no reliance on debt financing. Total debt is minimal at 3.15 Cr, with a market cap of 13864 Cr and enterprise value of 13760 Cr. Cash equivalents are 108 Cr, highlighting strong liquidity and financial stability, positioning the company well for future growth.

**Analyst viewpoint:** NAVA Limited shows promising growth potential in the short to mid-term, driven by strategic expansion in its key sectors and an assertive move into renewable energy. The company's emphasis on increasing production capacity in chemicals, energy, and infrastructure aligns well with market demand, providing a robust foundation for future profitability. Notably, NAVA's quarterly PAT growth of 10.75% underscores its capability to capitalize on emerging opportunities despite previous challenges. Additionally, the trailing P/E ratio of 35.0 reflects strong market confidence in the company's growth trajectory. NAVA's debt-free status and efficient capital usage, evidenced by a RoIC of 14.8%, bolster its ability to invest in future growth without financial strain, positioning the company as a stable and attractive investment.

However, while NAVA's entry into the renewable energy sector is poised to enhance its market position, the significant drop in quarterly sales growth at -15.41% serves as a reminder of the volatility and competitive pressures in the industry. Despite this, NAVA's strategic initiatives such as forming international partnerships and focusing on innovation assure us of its potential to maintain a competitive edge, offering significant upside for investors seeking exposure to a diversified and forward-thinking conglomerate.

Please read detailed disclosure on next page.

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BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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