

NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

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

NBV/SECTL/ 40 / 2020-21

June 26, 2020

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 : 'NBVENTURES'

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

Scrip Code : '513023' / 'NBVENTURE'

Dear Sirs,

Sub: Press Release - Audited Financial Results for the quarter and year ended March 31, 2020.

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Please find enclosed the press release in connection with announcement of Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2020.

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

Encl : as above.



Nava Bharat Reports Robust Net Profit Growth in Q4 FY20

Hyderabad, India, 26th June 2020: Nava Bharat Ventures Ltd, a diversified organisation with interests in power generation, ferro alloys, sugar, and coal mining, announced its financial results for the fourth quarter ended 31st March 2020.

Financial Performance – Consolidated Operations – Q4 & FY 20

- Revenue from operations recorded double-digit growth for Q4 FY20, driven by the 1) 23% YoY growth delivered by the Zambian subsidiary, and 2) improved performance of the ferro alloys division.
- But for the Covid-19 induced shutdown, revenue, and profitability of the domestic business would have been higher.
- Q4 FY20 EBITDA grew by 10% YoY to INR 3,414 Mn on the back of improved profitability reported by MCL, and the ferro alloys division.
- EBITDA Margins remained steady at 42%
 - *Adjusting for the 1) forex and MTM gain/(loss) on account of Interest rate swaps (see note below), and 2) provision for expected credit loss against receivables (a notional charge) – Adjusted EBITDA for Q4 FY20 stood at INR 4,838 Mn higher by 40% YoY compared to INR 3,463 Mn in Q4 FY19.*
- Q4 FY20 Profit After Tax grew more than 3-fold to INR 1,851 Mn aided by higher other income, lower finance costs, and lower taxes.
 - Increase in other income was primarily due to the recognition of interest income on overdue receivables at MCL. Interest claim on the power utility ZESCO for the full-year FY20 was recognized in the fourth quarter itself (INR 661 Mn in Q4 FY20 versus INR 193 Mn in Q4 FY19)
 - Overall tax expenses were lower owing to recognition deferred tax assets at MCL.
 - Other expenses include provision for credit loss of INR 1,113 Mn recognized in Q4 FY20, and INR 1,560 Mn for the full-year FY20, , on account of delays in realization of receivables from ZESCO.
- Owing to economic slow-down and the consequent non-receipt of bulk payments from the power utility “ZESCO”, the Zambian step-down subsidiary “MCL” could not make the debt repayment due in March 2020, though the interest has been paid. It has approached the Lenders for a stand-still arrangement till March 2021, by when an appropriate plan for the restructuring of debt can be put in place. This plan envisages a prospective adjustment of power tariff for which both the Parties are engaged in discussions. MCL hopes to resolve the issues with ZESCO in this financial year to pave the way for smooth cash flows thereafter.
- **Cessation of operations of Sugar business:** The Company has achieved a smooth cessation of Sugar operations post the crushing season. The financial results for Q4 and FY 2020 reflect the effect of these discontinued operations as a separate line item as the division assets are now held for sale under IFRS.
- **Unlocking the value of certain assets:** Company’s efforts to monetize or operationalize certain assets was severely hampered by the severe slowdown in the economy further exacerbated by the outbreak of the Covid-19 pandemic.
- **Interim Dividend:** The Company declared and paid an interim dividend of INR 1.5 per share (75%) in Q4 FY20, aggregating to INR 301 Mn. The Board reviewed the performance of the Company and after considering short term volatility likely in the current financial year, decided to confirm the interim dividend paid in March 2020 as the final dividend for the FY 2019-20.



Q4 & FY20 Financial Performance – Consolidated

Particulars (in INR Mn)	Q4FY20	Q4FY19	YoY%	FY20	FY19	YoY%
Revenue [#]	8,091	7,257	11.5%	27,587	29,460	-6.4%
EBITDA* [#]	3,414	3,105	9.9%	12,003	13,934	-13.9%
EBITDA Margin %	42.2%	42.8%	-60 bps	43.5%	47.3%	-379 bps
PAT	1,851	575	222.1%	5,308	3,390	56.6%

Exchange rate USD= INR 70.88 (Q4 FY20); INR 69.80 (Q4 FY19)

[#] Revenue and EBITDA excludes discontinued operations

*Other expenses include Forex and MTM (loss)/gain on account of Interest rate swaps (IRS) – Q4FY20: (INR 311.7 Mn); Q4FY19: (INR 356.7 Mn); FY20: (INR 801.1 Mn); FY19: (INR 581.4 Mn).

Financial Performance – Standalone Operations – Q4 & FY20

- Growth in Standalone revenues during the fourth quarter was achieved on the back of improved performance by the ferro alloys division, which helped offset the decline in power division revenue.
- Revenue from the silico manganese division was higher by 6% YoY in Q4 FY20, led by higher volumes (+18% YoY). Such volume growth was led by good traction from export markets. However, subdued steel markets kept the realizations under pressure, which restricted the revenue growth in tandem with its volume.
- Performance of the Ferro chrome business remained steady in Q4 FY20 despite the disruption brought about by Covid-19. For the full-year FY20, ferro chrome revenues were higher by 9% YoY.
- Performance of the standalone power segment was adversely impacted by the plant shutdowns in Telangana and Odisha on account of Covid-19. Despite the shutdown, the captive power business continued to deliver steady performance.
- Q4 FY20 EBITDA witnessed a healthy growth of 13% YoY driven by the significant improvement in the profitability of the Ferro Alloys division. Tactical procurement of manganese ore in advance at a lower price helped to register improved margins especially from the export markets.
- The Company converted its USD 65 Mn loan to Singapore subsidiary 'Nava Bharat (Singapore) Pte. Ltd.' into equity in Q2 FY20. This led to reporting of lower interest income in Q4 FY20 vis-a-vis Q4 FY19.

Q4 & FY20 Financial Performance – Standalone

Particulars (in INR Mn)	Q4FY20	Q4FY19	YoY%	FY20	FY19	YoY%
Revenue [#]	3,223	3,117	3.4%	10,800	12,147	(11.1%)
EBITDA* [#]	678	599	13.2%	2,514	3,072	(18.2%)
EBITDA Margin %	21.0%	19.2%	182 bps	23.3%	25.3%	(202 bps)
PAT	402	374	7.4%	1,286	1,662	(22.6%)

[#] Revenue and EBITDA excludes discontinued operations

*Other expenses include Forex and MTM (loss)/gain on account of Interest rate swaps (IRS) – Q4FY20: (INR 15.2 Mn); Q4FY19: (INR 65.4 Mn); FY20: INR 65.8 Mn; FY19: INR 170.4 Mn

Financial Performance – Nava Bharat Energy India Limited (NBEIL – 150 MW) – Q4 & FY 20

- Revenue from operations and Profitability came in lower for Q4 FY20 owing to the plant shutdown in March. But for the loss of revenue due to the lockdown, Revenue, EBITDA, and PAT in Q4 FY20 would have been at par with Q4 FY19.




- Efficient cost management helped in achieving higher EBITDA margins in Q4 FY20

Q4 & FY20 Financial Performance – NBEIL (150MW)

Particulars (in INR Mn)	Q4FY20	Q4FY19	YoY%	FY20	FY19	YoY%
Revenue	862	938	(8.1%)	2,482	2,694	(7.9%)
EBITDA	304	327	(6.9%)	467	520	(10.1%)
EBITDA Margin %	35.3%	34.9%	46 bps	18.8%	19.3%	(47 bps)
PAT	100	125	(20.7%)	(61)	7	-

Financial Performance – MCL – Q4 & FY20

- Power and Mining operations continued uninterrupted throughout the fourth quarter
- Revenue from operations witnessed robust growth of 20% YoY
- The decline in merchant coal sales in Q4 FY20 was owing to the slowdown in industrial activity in Zambia caused by the severe power shortage in the country. However, for the full-year FY20, the coal mining division revenues registered a healthy growth of 16% compared to FY19.
- Q4 FY20 EBITDA increased 7.6% YoY to USD 34.3 Mn as the Power division benefitted from operating leverage during the quarter. Further adjusting for provision for expected credit loss against receivables (a notional charge) – Adjusted EBITDA for Q4 FY20 stood at USD 50.0 Mn higher by 57% YoY compared to USD 31.9 Mn in Q4 FY19.
- Profit After Tax stood substantially higher at USD 17.0 Mn in Q4 FY20 led by higher EBITDA, lower finance costs and depreciation, and decline in deferred tax.

Maamba Collieries Q4 & FY20

Particulars	Q4FY20	Q4FY19	YoY%	FY20	FY19	YoY%
Power (Mn kwh)	590	467	26.3%	2,010	1,959	2.6%
Average Availability (%)	90%	77%	-	77%	87%	-
Average PLF (%)	90%	72%	-	76%	75%	-
External Coal Sales (MT)	33,640	49,402	-31.9%	241,016	233,754	3.1%
Total Revenue (USD Mn)	59.6	49.6	20.3%	213.8	220.2	-2.9%
EBITDA (USD Mn)	34.3	31.9	7.6%	130.9	154.6	-15.3%
PAT (USD Mn)	17.0	0.4	-	54.9	26.3	108.2%

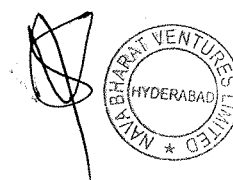
MCL Receivables Realised (USD Mn)

Period	Billed	Realized	Realized %
July 2016 to March 2020	774	494	64%

Cash and debt position as on March 31, 2020 (INR Mn)

Particulars	Overall Debt		Cash & bank balances	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Standalone	2,968.8	3,204.0	457.7	331.3
Consolidated	36,441.4 *	36,007.0	4,099.0	3,973.8

* Includes INR 2550 MN due to Forex fluctuation loss.



Quantitative Table of Operational data (sales in Qty)

	Q4 FY20	Q3 FY20	Q4 FY19	FY20	FY19
Ferro Alloys (MT)	51,695	35,874	45,698	166,655	167,178
Silico Manganese	34,124	18,400	29,027	97,998	105,611
Ferro Chrome	17,571	17,474	16,671	68,657	61,567
Power (Mn units)	423	261	431	1,536	1,659
Merchant sales	72	39	77	307	398
Captive	180	176	181	706	688
NBEIL	171	46	173	523	574
Sugar (MT)	6,218	8,753	6,132	29,537	36,550
Molasses (MT)	0	893	257	2,460	2,796
Spirit (Bulk ltrs)	1,758	705	2,977	5,428	5,972
Ethanol (Bulk ltrs)	1,671,000	291,000	1,610,000	3,793,800	3,388,000

About Nava Bharat Ventures Limited:

Nava Bharat Ventures Limited is a power focused company with interests in Ferro alloys and sugar. The Group has total installed power generation capacity of 442MW in Telangana, AP and Odisha. Nava Bharat is one of the leading Ferro alloy producers in India with about 125,000 MT of Manganese and about 75,000 MT of Chrome Alloy capacities. Nava Bharat also undertakes production of sugar and allied products in its 4,000 TCD integrated plant. Nava Bharat has investments and operations through subsidiaries in India, Zambia, Singapore and Malaysia. For more information about the Company and its businesses, please visit us at www.nbvventures.com

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