NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

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

NBV/SECTL/ 107 / 2020-21
August 3, 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 - Unaudited Financial Results for the quarter ended June 30, 2020.

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Please find enclosed the press release in connection with announcement of Unaudited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 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

NAVA BHARAT VENTURES LIMITED
HYDERABAD

Encl : as above.

Telephone :(040) 23403501, 23403540; e-Fax: 080 6688 6121
E-Mail : investorservices@nbv.in Website: www.nbventures.com
Corporate Identity No.: L27101TG1972PLC001549

ISO 9001 ISO 14001

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Nava Bharat Ventures Limited Reports its Q1 FY21 Financial Results

Revenue stood at INR 5,993 Mn and Profit After Tax at INR 954 Mn in Q1 FY21

Standalone Operations Achieved Semblance of Normalcy in June 2020

Hyderabad, India, 3rd August 2020: Nava Bharat Ventures Ltd, a diversified organisation with interests in power generation, ferro alloys, and coal mining, announced its financial results for the first quarter ended 30th June 2020.

Financial Performance – Consolidated Operations – Q1 FY 21

- Revenue from operations came in lower for the quarter as the performance of the domestic power and ferro alloy businesses were significantly impacted by the Covid-19 led lockdown and disruptions in Q1. These factors resulted in a material loss of production & sales.
    - Zambian operations however continued uninterrupted notwithstanding the pandemic and achieved higher Availability and PLF of the power plant along with a spurt in mining revenue and profitability for the quarter. MCL delivered a revenue growth of 15% YoY in Q1 FY21, thereby neutralizing the fall in domestic revenues to an extent in the overall performance.

- *Despite the Covid-19 induced disruption, the company was able to maintain its operating profitability. Higher revenue contribution from Zambia and cost optimisation in standalone operations drove better operating margins.*
    - Q1 FY21 Adjusted EBITDA increased by 5% YoY to INR 3,919 Mn (INR 3,738 Mn in Q1 FY20)
    - Adjusted EBITDA Margins stood at 65.4% in Q1 FY21 vis-à-vis 48.7% in Q1 FY20

- Q1 FY21 Net Profit stood lower at INR 954 Mn due to higher finance costs, depreciation, and taxes
    - Finance costs increased to INR 1,063 Mn in Q1 FY21, on recognition of fair value adjustment to MCL Borrowings of INR 303 Mn. *Adjusting for this, finance costs declined on a YoY basis.*
    - Tax rate in Q1 FY21 was higher at 26.3% vis-à-vis 13.7% in Q1 FY 20. Lower tax rate in Q1 FY20 was due to deferred tax restatement at MCL, which resulted in a reversal of INR 228 Mn.

- The 150 MW unit of NBEIL, faced the brunt of weak power demand in the absence of PPA, as the sale of merchant power via power exchanges was unviable owing to the non-remunerative rates. The company is exploring multiple options to operationalize this asset at the earliest.

- Consolidated Debt stood stable at INR 36,551 Mn in Q1 FY21 (INR 36,441 Mn in Q4 FY20)
    - In respect of debt service of March 2020, MCL has discharged the interest payable and has sought deferral of principal instalment from the Lenders.
- *Furthermore, MCL has chalked out a multi-pronged action plan to set right the cash flow mismatch arising out of payment shortfalls by ZESCO. This involves enforcement of certain dispute resolution rights under the PPA, prospective adjustment of power tariff and simultaneous restructuring of debt of USD 413 Mn.*

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Q1 FY21 Financial Performance – Consolidated

Particulars (in INR Mn)	Q1 FY21	Q1 FY20	YoY%	FY20	FY19	YoY%
Revenue #	5,993	7,680	(22.0%)	27,587	29,460	(6.4%)
EBITDA#	3,140	3,201	(1.9%)	12,003	13,934	(13.9%)
EBITDA Margin %	*49.8%*	*41.4%*	*838 bps*	*41.7%*	*45.9%*	*(424 bps)*
Adjusted EBITDA *	3,919	3,738	4.8%	13,703	14,219	-3.6%
PAT	954	1,448	(34.1%)	5,308	3,390	56.6%

Exchange rate USD= INR 75.9 (Q1 FY21); INR 69.6 (Q1 FY20)

Revenue and EBITDA excludes discontinued operations

*Adjusted for Forex and MTM (loss)/gain on account of Interest rate swaps (IRS), Provision for expected credit loss, and interest income of outstanding receivables –

- **Forex and MTM (loss)/gain on IRS** - Q1FY21: (INR 95 Mn); Q1FY20: (INR 444 Mn); FY20: (INR 801 Mn); FY19: (INR 581 Mn)
- **ECL Provision** - Q1FY21: (INR 949 Mn); Q1FY20: (INR 93 Mn); FY20: (INR 1,560 Mn); FY19: (INR 275 Mn)
- **Interest Income on Outstanding Receivables** - Q1FY21: (INR 265 Mn); Q1FY20: Nil; FY20: INR 661 Mn; FY19: INR 571 Mn

Financial Performance – Standalone Operations – Q1 FY21

- Standalone Revenues and Profitability declined primarily on account of the plant shutdowns in April 2020, in-line with government guidelines. Lower production led to an under absorption of fixed costs.
- *EBITDA Margins expanded significantly by 537 bps YoY to 28.4% in Q1 FY21 despite the Covid-19 induced disruption. Benign raw material prices and operational efficiency continue to aid margins, besides an increase in the O&M Income during the quarter.*
- *Performance of the ferro alloys and captive power segments improved in June 2020 with the unlocking of the economy. Both the ferro alloys plants are currently operating at healthy utilization levels.*
- Standalone Debt stood lower at INR 2,276 Mn, as the company continued its deleveraging efforts

Q1 FY21 Financial Performance – Standalone

Particulars (in INR Mn)	Q1 FY21	Q1 FY20	YoY%	FY20	FY19	YoY%
Revenue #	1,528	2,910	(47.5%)	10,800	12,147	(11.1%)
EBITDA* #	477	710	(32.8%)	2,514	3,072	(18.2%)
EBITDA Margin %	*28.4%*	*23.1%*	*537 bps*	*22.2%*	*23.8%*	*(159 bps)*
PAT	224	359	(37.7%)	1,286	1,662	(22.6%)

Revenue and EBITDA excludes discontinued operations

*Other expenses include Forex & MTM (loss)/gain on account of IRS - Q1FY21: INR 0.3 Mn; Q1FY20: (INR 3 Mn); FY20: INR 66 Mn; FY19: INR 174 Mn

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<u>**Financial Performance – MCL – Q1 FY21**</u>

- <u>Revenue from operations witnessed a robust growth of 15% YoY during the quarter as -</u>
  - Power Revenues grew by 13% YoY driven by higher PLF and plant availability
  - Growth in Mining revenues (+29% YoY) was led by higher merchant coal shipments (+25% YoY) and better realizations. External coal sales increased given the pent-up demand post the power outages experienced during the period from October – March 2020
- Q1 FY21 Adjusted EBITDA increased by 12% YoY to USD 46.3 Mn led by the healthy traction in revenues
- Q1 FY21 Net Profit stood lower at USD 10.1 Mn mainly due to 1) higher finance costs (recognition of fair value adjustment to borrowings of USD ~4 Mn), and 2) lower tax outgo in the corresponding quarter of previous year owing to deferred tax restatement which resulted in a reversal of ~USD 3 Mn

Q1 FY21 – Financial Performance – MCL

Particulars	Q1 FY21	Q1 FY20	YoY%	FY20	FY19	YoY%
Power (Mn kwh)	608	531	14.5%	2,010	1,959	2.6%
Average PLF (%)	93%	81%	-	76%	75%	-
External Coal Sales (000 tonnes)	85,095	67,787	25.5%	241,016	233,754	3.1%
Total Revenue (USD Mn)	66.3	57.0	16.3%	213.8	220.2	(2.9%)
EBITDA (USD Mn)	36.0	33.7	6.9%	130.9	154.6	(15.3%)
Adjusted EBITDA *	46.3	41.4	11.9%	155.8	161.1	(3.3%)
PAT (USD Mn)	10.1	14.4	(30.1%)	54.9	26.3	108.8%

*Adjusted for Forex and MTM (loss)/gain on account of Interest rate swaps (IRS), Provision for expected credit loss, and interest income of outstanding receivables –

- **Forex and MTM (loss)/gain on IRS** - Q1FY21: (USD 1.3 Mn); Q1FY20: (USD 6.3 Mn); FY20: (USD 12.2 Mn); FY19: (USD 10.8 Mn)
- **ECL Provision** - Q1FY21: (USD 12.5 Mn); Q1FY20: (USD 1.3 Mn); FY20: (USD 22.0 Mn); FY19: (USD 3.9 Mn)
- **Interest Income on Outstanding Receivables** - Q1FY21: USD 3.5 Mn; Q1FY20: Nil; FY20: USD 9.3 Mn; FY19: USD 8.2 Mn

MCL Receivables Realised (USD Mn)

Period	Billed	Realized	Realized %
July 2016 to June 2020	848	522	62%

Cash and debt position as on June 30, 2020 (INR Mn)

Particulars	*Overall Debt*		*Cash & bank balances*	
	30.06.2020	***31.03.2020***	***30.06.2020***	***31.03.2020***
Standalone	2,276	2,969	430	458
Consolidated	36,551	36,441	4,020	4,099

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Quantitative Table of Operational data (sales in Qty)

	Q1 FY21	Q4 FY20	Q1 FY20	FY20	FY19
Ferro Alloys (MT)	**23,012**	**51,695**	**41,271**	**166,655**	**167,178**
Silico Manganese	11,673	34,124	24,349	97,998	105,611
Ferro Chrome	11,339	17,571	16,922	68,657	61,567
Power (Mn units)	**127**	**424**	**485**	**1,536**	**1,659**
Merchant sales	13	72	104	307	398
Captive	114	180	169	706	688
NBEIL	0	171	212	523	574
Sugar (MT)	7,060	6,218	7,514	29,537	36,550
Molasses (MT)	0	0	385	2,460	2,796
Spirit (Bulk ltrs)	3,814	1,758	1,305	5,428	5,972
Ethanol (Bulk ltrs)	1,392,000	1,671,000	1,347,000	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. The Group has total installed power generation capacity of 434MW 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 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.nbventures.com

For more information, contact

VSN Raju
Company Secretary and Vice President
Nava Bharat Ventures
Tel: +91 40 23403501 / +91 40 67283333
mailto:secretarial@nbv.in

Chintan Mehta / Mandar Kapse
Dickenson World
Tel: +91 98675 50004
navabharat@dickensonworld.com

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