

NAVA BHARAT VENTURES LIMITED

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

NAVA BHARAT

NBV/SECTL/ 520 / 2018-19
November 3, 2018

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 – September 30, 2018.

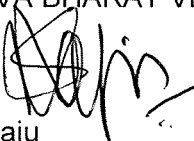
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Please find enclosed the press release in connection with announcement of Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2018.

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 VENTURES LIMITED

Perspective Presentation on Operations and Financials of NBV Group

Key Business Highlights

- CONSOLIDATED INCOME FOR H1FY19 INCREASED BY 73% AND STOOD AT RS 15111.9 MN.
- CONSOLIDATED INCOME FOR Q2FY19 INCREASED BY 49% AND STOOD AT RS 7683.5 MN.

- CONSOLIDATED PAT FOR H1FY19 INCREASED BY 459% AND STOOD AT RS 2558.6 MN.
- CONSOLIDATED PAT FOR Q2FY19 INCREASED BY 428% AND STOOD AT RS 1405.1 MN.

- STAND ALONE INCOME FOR H1FY19 INCREASED BY 14% AND STOOD AT RS 6629.6 MN.
- STAND ALONE INCOME FOR Q2FY19 INCREASED BY 15% AND STOOD AT RS 3376.1 MN.

- STAND ALONE PAT FOR H1FY19 INCREASED BY 51% AND STOOD AT RS 953.4 MN.
- STAND ALONE PAT FOR Q2FY19 INCREASED BY 20% AND STOOD AT RS 496.5 MN.

Consolidated and Standalone Financials

(Rs.in Mn.)

As per Ind AS	Consolidated					
	Q2FY19	Q2FY18	YoY%	H1FY19	H2FY18	YoY%
Turnover	7683.5	5145.2	49%	15111.9	8750.4	73%
PBT	2118.9	514.7	312%	3554.7	796.1	347%
Tax expense	713.9	248.3	187%	996.08	338.8	194%
PAT	1405.1	266.4	428%	2558.6	457.3	460%
EPS (Rs.)	5.86	1.59	268%	11.01	2.52	337%

(Rs. in Mn.)

As per Ind AS	Standalone					
	Q2FY19	Q2FY18	YoY%	H1FY19	H1FY18	YoY%
Turnover	3376.1	2397.2	15%	6629.6	5823.7	14%
PBT	765.9	575.3	33%	1486.2	882.1	68%
Tax expense	269.4	162.5	66%	532.8	250.6	113%
PAT	496.5	412.8	20%	953.4	631.5	51%
EPS (Rs.)	2.99	2.49	20%	5.75	3.81	51%



Maamba Collieries Limited –Zambia

Particulars	Q2FY19	Q2FY18	H1FY19	H1FY18
Turnover (\$ Mn)	59.3	27.9	111.6	31.0
PBT (\$ Mn)	25.0	0.1	38.0	1.6
Tax expense (\$ Mn)	5.5	-	7.1	-
PAT (\$ Mn)	19.6	0.1	30.9	1.6
Receivables (\$ Mn)	113.7	24.9	113.7	24.9
Average Availability %	97%	56%	92%	56%
Average PLF%	74%	48%	71%	48%

*Corresponding period variances are not comparable as the 300 MW Power Plant commenced commercial operations from August 2017.

Summary of Financial Position:

Particulars	Overall Debt	Cash & bank balances
Stand Alone	Rs.4106.7 Mn	Rs.58.3 Mn
Consolidated	Rs.40522.2 Mn	Rs.5591.2 Mn

Hyderabad, Saturday, November 03, 2018 – Nava Bharat Ventures Ltd. has announced its unaudited consolidated and standalone financial results for the quarter and half year ended September 30, 2018.

Consolidated financials:

Maamba Collieries Limited -Zambia

The Company's Zambian Step Down Subsidiary, Maamba Collieries Limited (MCL) has operated the integrated 300 MW (2X150 MW) coal fired power plant at 97% Availability and 74% PLF for Q2 of FY 2019 while those for H1 FY 2019 were 92% and 71% respectively.

In line with the commitment made earlier, ZESCO has arranged bulk payment of US\$ 46 Million to MCL by 25th September, 2018 against its dues, to enable it to meet the bi-annual debt service obligation. The Zambian subsidiary is engaging with ZESCO and the Government to address the outstanding receivables, an improved payment security mechanism and other aspects of PPA to drive better cash flow management and sustain bankability.

The Zambian company enjoys tax holiday during the period FY2020 to FY2029. The company has made a provision for deferred tax liability arising on account of timing differences in Q2 FY 2019 and expects such provision to occur till FY 2021. This provision would not have any effect on the cash flows of the Zambian company during the said period.

The Mining operations of the company have been fully geared to meet the fuel requirements of the power plant aside from sales to outside parties which resulted in a profit for the half year. The profit before tax of the company as a whole was US\$ 1.7 Million for H1 2019 and was better than envisaged earlier.

The long term external debt stood at about US\$ 471.8 Million, down from the original US\$ 590.0 Million, with bank balances of US\$ 23.1 Million in the aggregate, at the end of September 2018.

Kawambwa Sugar Limited-Zambia

Kawambwa Sugar Limited holds long term lease rights on a 25,000 acres land at kawambwa in Luapula farm block in the North Western Zambia. The land has perennial water resources and highly conducive weather conditions with annual average rainfall of 2500 mm. Huge potential exists for commercial agriculture and processing on this piece of land with market access to the neighbouring country, Democratic Republic of Congo driving demand for sugar and allied by-products and a host of other value add products.

The Company has decided to pursue development of multi product agro farm block including Sugar to obtain the benefit of diversity. The investment approach to the Integrated Sugar Project, sized at 3500 TCD, comprises an independent market study validating the demand for sugar and allied by-products in the region and due Financial Closure while pilot plantation works can continue in parallel with minimal capital outlay.

The Company will , in the interim, concentrate on core infrastructure development at the site which is crop neutral and value accretive and includes site clearing, internal roads, raw water pumping station, site camp etc. to facilitate the pursuit of multi product agro block on a sustainable basis. In parallel, the Government will be engaged for approach roads, power connection, investment protection rights etc.

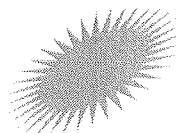
Healthcare Enabled Services in APAC region

The Healthcare Enabled Service vertical is operated under a joint venture holding company, TIASH in Singapore. Under TIASH separate operating companies are engaged in value chain comprising procurement, distribution, awareness dissemination and administration of medicine, aimed at Iron deficiency, commencing with APAC region.

This is a low capital outlay program enabling the Group to position itself in this service / trading space without a manufacturing overhang, but which can throw up good traction with world's leading pharmaceutical companies resulting in other commercial venues of growth in this region, known for premium healthcare. While revenue generation is imminent, the Company expects this business to turn around with profits over next couple of years through which sustained efforts in marketing the product will be the main cost element.

Operation & Maintenance Services

The Company's Singapore Subsidiary, Nava Energy Pte Limited (NEPL) is the O& M operator for MCL's 300 MW Power Plant in Zambia. The services comprise deployment of personnel in all facets of power plant operations, technical oversight, and interaction with EPC



contractor for warranties with a guaranteed availability of the power plant. This necessitated that NEPL had back to back technical and financial arrangements with its

Indian associates/holding company. The O&M experience of NEPL can be leveraged to obtain independent revenue stream from other power plants overseas in future.

Indian Power

The 150 MW Unit of Nava Bharat Energy India Limited (NBEIL) underwent long shut down for Turbine Overhaul, necessitated after five years of commercial operations. As such the PLF was significantly lower at 28% considering that the Overhaul lasted for about 75 days partly in Q1 and later in Q2 FY19. For the balance period the Unit was operated with power dispatch under a bilateral contract with Telangana Grid and occasionally through IEX during the periods of Grid backing down. The Unit had to depend upon procurement of coal and coal rejects through e-auction for supply to the Telangana Grid limiting the window of margins though merchant power rates remained strong during September.

The subsidiary and the holding company, NBVL, successfully executed debt restructuring whereby the residual long term loan of Rs 155 Crs from consortium of banks is substituted with loan from the holding company with a deferred repayment profile bringing about good cash flow relief over the next two years.

Standalone financials:

Ferro Alloys

The Manganese Alloy unit in Telangana has four smelters and consumes about 60 MW of power at the optimum level. The captive power is priced on par with the prevailing Grid tariff to obtain an arm's length costing.

Production of Silico Manganese for Q2FY19 was normative and as per budget though for H1FY19 there was a drop due to the outage in one smelter for maintenance in Q1FY19. Average realization for domestic sales decreased Quarter on Quarter and was partially offset by volume increase. Though clear trends are not discernible, domestic market seems to hold promise in the near term with realizations marginally improving and profit margin being sustained in Q3, principally on account of advance procurement of Manganese Ore, prices of which are in gradual ascending mode. Spot Prices of Manganese Ore generally move in tandem with demand for ore arising in China.

The Chromium Alloy Unit in Odisha has two smelters and consumes about 30 MW at the Optimum level. The Unit is dedicated to Tata Steel for conversion of Ferro Chrome whereupon the ore and the reductant are supplied by Tata Steel and rest of the costs are borne by the Company. This arrangement neutralizes the volatility of Chromite Ore and Ferro Chrome. Here also the input Power is priced on par with Grid tariff though recovery varies based on Conversion Agreement from time to time



The Ferro Chrome Conversion operations were quite satisfactory during Q2 FY 2019 with the Unit meeting targeted volumes. The Unit lost conversion volume in Q1 owing to furnace lining and outage thereof.

Power

The Company has been pursuing value addition through captive consumption, considered a better model in the present power scenario. For sale of surplus power too, the Company puts bilateral contracts ahead of sale through IEX with the latter being a fall back option. This might limit the Company from taking advantage of spikes in IEX prices, but is considered better to keep up good relationship with DISCOMs, for long term sustenance.

Plant Load Factor (PLF) of the 114 MW power station at Paloncha, comprising one 50 MW Unit and two 32 MW units was lower on account of maintenance outages in the boilers sequentially. Captive consumption of power increased in Q2 in line with ferro alloy operations and yielded sustained value addition for power. Although IEX prices did have significant spurt for a part of September, the Company could make only partial headway in view of the subsisting short term offtake contract with Telangana Grid.

The 90 MW captive power station at Odisha, comprising the 30 MW and 60 MW units has performed considerably better in Q2 on account of higher availability of 60 MW Unit following long turbine overhaul and surplus power sale opportunity through IEX . IEX prices have been better for the last quarter resulting in overall margin improvement although the power units had to absorb higher coal cost arising from premium in auction coal linkages as opposed to normal long term linkages hitherto.

Sugar

The Company operates a 4000 TCD Integrated sugar plant in Andhra Pradesh. Sugar business was subjected to severe volatility in the last couple of years. Following the initiatives of the Central Government on sugar release mechanism and Ethanol for blending by the oil marketing companies, sugar prices improved Quarter on Quarter, though were substantially lower than those in the previous year.

Long Term outlook for sugar prices continues to be weak on the eve of new sugar season and attendant higher availability of sugar in the coming months which could push the prices down. The Company has decided to opt for Crop Holiday for FY 2020 which could rejuvenate the area under sugar cultivation on one hand and more importantly the Company could avoid cost and price mismatch, in the back drop of potential bearish trend next year.

O&M Support

The Company derived Technical Support Fee from NEPL for extending technical oversight and performance warranties under the O&M Contract between NEPL and MCL. The Company has thus been able to leverage the long standing experience in operating the

power plants under its fold in India to carve out a distinct sustainable revenue stream strengthening the stand alone financials.

Monetization of Idle Assets

The Company has an independent 60 MW Power Unit in Odisha which has been idle. It has been denied metering arrangement and open access by the local Utility in Odisha which sought to link settlement of other ongoing litigations with this approval. The Company's efforts to secure relief to operationalize this Unit through judicial intervention have been futile with long pendency at the Courts. In parallel, the Company has been scouting for strategic partners being bulk consumers to facilitate either supply of power or divestment of the Unit.

The 20 MW Power Unit in Andhra Pradesh is designed as a process based power plant on mixed fuel basis and the cost of generation is relatively higher than that by conventional fuel. The Unit has been shut down as operation is unviable with the prevailing power spot prices. The Unit with about 200 acres of land appurtenant thereto is quite proximal to the Kakinada Sea port besides being contiguous to the national High Way and rail net-work. The Company has decided to monetize these assets through development of multi product industrial park with strategic partners or by outright sale.

The Company has urban land of about 65 acres in Secunderabad, Telangana. This land is located in an evolving area, marked for development by the Government and so is ideal for Residential cum Commercial development, including urban infrastructure like warehousing, on a medium to large scale level. The Company will accordingly pursue monetization of this asset.

The Company has also been weighing the options of dilution of equity in subsidiaries and step down subsidiaries with a view to bring about strategic partnerships in certain ventures, aimed at long term sustenance.

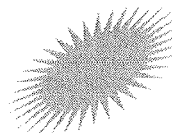
The Company considers that these monetization efforts are steps in the right direction to add enterprise value, but will fructify over a period of time given the intricacies.

Medium term plan for Disposition of Resources

The Company expects that the Zambian operations will ensue in cash returns on NBV Group equity amount of about US\$ 217 Million from FY 2021. Given the state of flux of power receivables from the Utility in Zambia, investment commitment for expansion is put on hold pending evaluation of other viable alternatives. The Company does not therefore envisage any further fund infusion in to the Zambian subsidiary.

The Multi Product Agro Block requires deployment of additional US\$ 7 million (US\$ 8 Million in the aggregate) till FY 2020 for infrastructure development.

The Health Care Enabled Services would require further infusion of funds to the tune of US\$ 2 Million (US\$ 3 Million in the aggregate) to pursue the marketing and distribution efforts of



drug for iron deficiency in the APAC region up to the end of FY 2020 by when the vertical is expected to achieve break even.

The Company's ongoing capital expenditure in Indian operations is expected to be about Rs 50 Crs up to the end of FY 2020 and debt service obligation will need about Rs 215 Crs till end of FY 2020.

At the current run rate of operations, the Company is adequately provided with the requisite funds to meet the aforesaid needs.

The Company plans to utilize the balance surplus resources towards corporate actions aimed at returns to Shareholders, benchmarking with the average payout as hitherto.

The Company is also exploring ways and means of backward integration for acquisition of ores and coal as also long term auction linkages in the alternative to obtain reasonable control on costs and procurement per se. No specific allocation of funds is made for this purpose, but will be addressed on an opportunistic basis.

Quantitative Data Table

Table on Production / Generation for the quarter and half-year ended September 30, 2018:

Particulars	Q2 FY19	Q1 FY19	H1FY19	H1FY18
A. Production / Generation				
Silico Manganese (MT)	27,606	25,893	53,499	41,638
Ferro Manganese (MT)	--	--	--	--
Ferro Chrome (MT)	--	89	89	290
Ferro Chrome (Conversion) (MT)	16,642	11,296	27,938	33,897
Power (MU) (net)	279.44	276.60	556.04	557.20
Power (MU) (net) – NBEIL	84.55	195.48	280.03	316.80
Sugar (MT)	--	--	--	--
Molasses (MT)	--	--	--	--
Spirit (Bulk Litres)	--	13,82,000	13,82,000	5,46,000
Ethanol (Bulk Litres)	--	13,12,000	13,12,000	4,93,500

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.nbventures.com

For further information please contact
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