



NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

42nd Annual Report 2013-14

Contents

COMPANY OVERVIEW

About Us	2
Business Operations	3
Awards and Recognitions	4
Three Decades of Excellence	5
Financial Performance	6
Report on Corporate Social Responsibility	7

STATUTORY REPORTS

Secretarial Audit Report	12
Directors' Report	14
Management Discussion and Analysis	32
Report on Corporate Governance	40

FINANCIAL STATEMENTS

Standalone

Independent Auditors' Report	61
Balance Sheet	66
Statement of Profit and Loss	67
Cash Flow Statement	68
Notes	70
Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies	101

Consolidated

Independent Auditors' Report	102
Balance Sheet	104
Statement of Profit and Loss	105
Cash Flow Statement	106
Notes	108
Financial information of Subsidiary Companies	139

Corporate Information



BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

SRI ASHOK DEVINENI

Chairman

SRI P. TRIVIKRAMA PRASAD

Managing Director

SRI G.R.K. PRASAD

Executive Director

SRI C.V. DURGA PRASAD

Director (Business Development)

INDEPENDENT DIRECTORS

SRI K. BALARAMA REDDI**Dr. E.R.C. SHEKAR****Dr. M.V.G. RAO****Dr. D. NAGESWARA RAO****Dr. C.V. MADHAVI**

CHIEF FINANCIAL OFFICER

SRI T. HARI BABU

COMPANY SECRETARY

SRI M. SUBRAHMANYAM

AUDITORS

M/s. BRAHMAYYA & CO

Chartered Accountants, Hyderabad

COST AUDITORS

M/s. NARASIMHA MURTHY & CO

Cost Accountants, Hyderabad

SECRETARIAL AUDITORS

M/s. P.S. RAO & ASSOCIATES

Company Secretaries, Hyderabad

BANKERS

STATE BANK OF INDIA**ANDHRA BANK****BANK OF INDIA****STATE BANK OF HYDERABAD****UCO BANK****STANDARD CHARTERED BANK**

REGISTERED OFFICE

6-3-1109/1

'NAVA BHARAT CHAMBERS'

RAJ BHAVAN ROAD

HYDERABAD – 500 082(TG), INDIA

REGISTRARS & SHARE TRANSFER AGENTS

M/s. KARVY COMPUTERSHARE PRIVATE LIMITED

Plot No.17 to 24

Vittal Rao Nagar

Madhapur

Hyderabad – 500 081(TG), India

WORKS

FERRO ALLOY DIVISION

Ferro Alloy Plant (TG)

Paloncha – 507 154

Khammam Dist. (TG)

Ferro Alloy Plant(Odisha)

Kharagprasad Village – 759 121

Dhenkanal Dist.(Odisha)

POWER DIVISION

Power Plant (TG)

Paloncha – 507 154

Khammam Dist. (TG)

Power Plant (Odisha)

Kharagprasad Village – 759 121

Dhenkanal Dist. (Odisha)

Dharmavaram – 534 430

Prathipadu Mandal

East Godavari Dist. (A.P.)

SUGAR DIVISION

Samalkot – 533 440

East Godavari Dist.(A.P.)

MACHINE BUILDING DIVISION

Nacharam

Hyderabad – 500 076 (TG)



NAVA BHARAT

About Us

Nava Bharat Ventures Limited, the flagship company of the Nava Bharat group, operates within different product-geography segments in the business verticals of power generation, ferro alloys, mining and agri-business. The Company has a distributed asset base spread over India, South East Asia and Africa. The global headquarters of the Company are located at Hyderabad, India.



The Company has a successful track record spanning nearly four decades, during which it has acquired expertise in design, engineering, project management, as well as the operation and maintenance of plants with a high degree of efficiency. This is complemented by a committed team of human

resources. The core values of the Company comprise conservation of natural resources, environment protection and community development, with a special focus on health, education and skill enhancement.



VISION

- We will be a diversified company with operations in different geographies and adding best value to the available natural resources.
- We will ensure that our operations benefit the local community and the nation, while rewarding the stakeholders.
- Minimising the impact on environment shall be a guiding principle in all our business endeavours.

Business Operations



DOMESTIC

POWER

Fuel	Capacity (MW)	Location
Coal	264 *158	Paloncha, Telangana Kharagprasad, Odisha
Bagasse	20	Dharmavaram, Andhra Pradesh
Total generating capacity	442	

*64 MW Power Plant synchronised with grid; commercial operation yet to commence.

FERRO ALLOYS

Product	Capacity (TPA)	Location
Manganese Alloys	1,25,000	Paloncha, Telangana
Chromium Alloys	75,000	Kharagprasad, Odisha
Total installed capacity	2,00,000	

SUGAR

Produces white crystal sugar, rectified spirit and ethanol:

Plant	Capacity	Location
Sugar Plant	4,000 tcd	Samalkot, Andhra Pradesh
Distillery	20 klpd	Samalkot, Andhra Pradesh
Ethanol Plant	30 klpd	Samalkot, Andhra Pradesh
Co-gen Plant	9 MW	Samalkot, Andhra Pradesh



INTERNATIONAL

● Power ● Mining ● Agri-business

INTERNATIONAL PROJECT SNAPSHOT

Country	Activity	Status
Zambia	Mining and power generation	Coal Mine revamped and commercial production of coal commenced. 2 x 150 MW Power Plant under construction.
Tanzania	Commercial agro- based investments	In development phase.
Laos	Development of hydro-electric power project	Feasibility study completed; Shareholders' and Concession agreements in final stages.
South Africa	Exploring opportunities for coal and power	Exploratory stage.



Awards and Recognitions

Your Company received the following awards/recognitions during 2013-14:

- **Kalinga Safety Award 2012 in Power Category** from Institute of Quality & Environment Management System (Odisha Works received this award)
- **Pollution Control Appreciation Award** from State Pollution Control Board, Odisha (Odisha Works received this award)
- **State Energy Conservation Awards 2013** from New and Renewable Energy Development Corporation of AP (Power Plant at Paloncha received this award)



Three Decades of Excellence

1975

Commenced production of ferro silicon at Paloncha, A.P.

1980

Diversified into production of sugar and downstream products at Samalkot, A.P.

1989

Commenced commercial production of manganese and chrome alloys

1997

Diversified into power generation by catering to captive requirements and selling surplus power

2004

Spread its global footprints through Nava Bharat (Singapore) Pte. Limited

2006

Company renamed as Nava Bharat Ventures Limited to reflect its multi-vertical business

2010

Acquired a large coal mining company (Maamba Collieries Limited) in Zambia

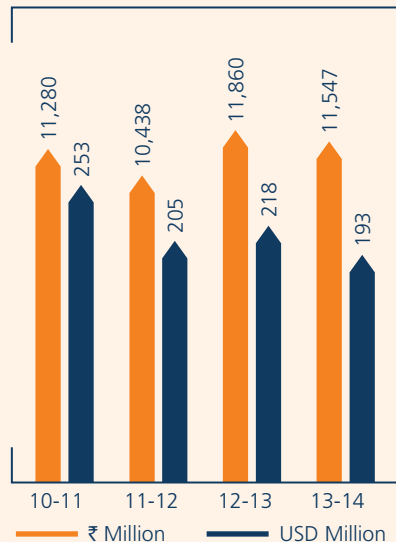




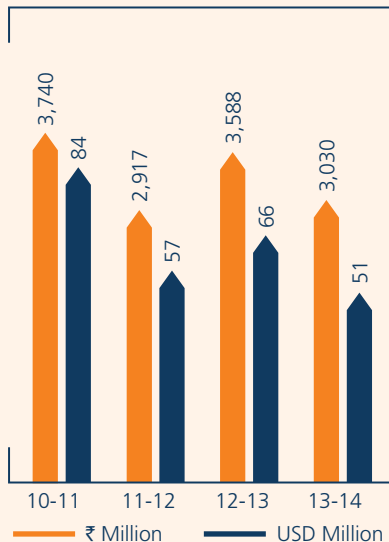
NAVA BHARAT

Financial Performance

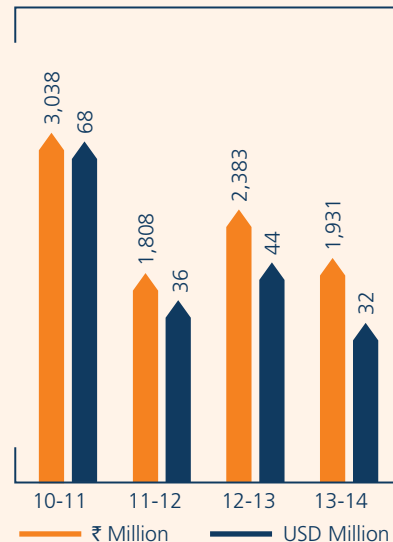
REVENUE



EBIDTA

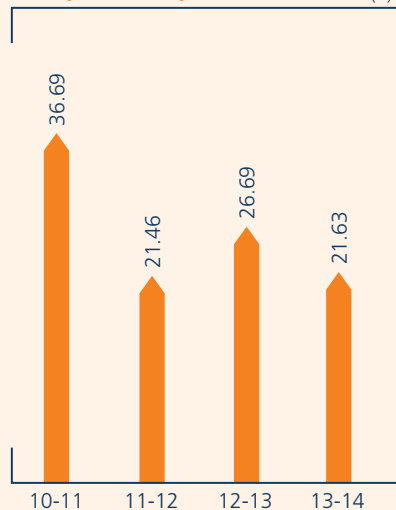


PAT

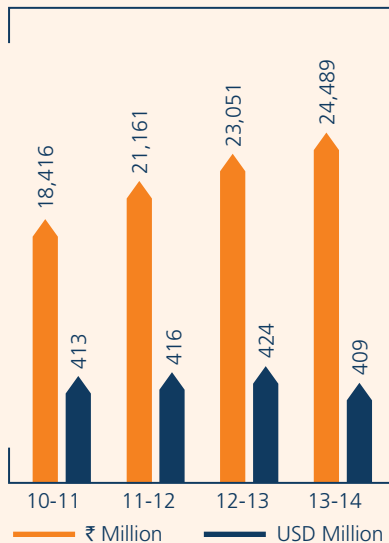


EPS (DILUTED)

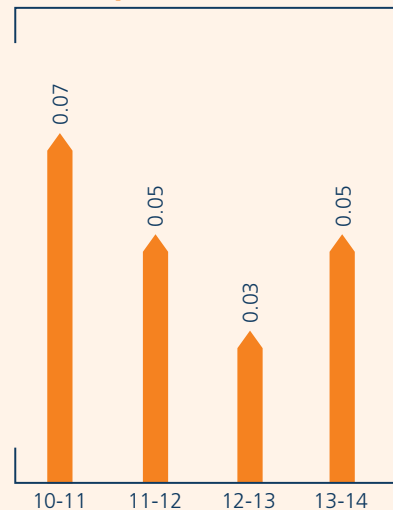
(₹)



NET WORTH



DEBT EQUITY



USD/INR-Exchange Rate

2010-11	2011-12	2012-13	2013-14
44.59	50.87	54.365	59.91

Report on Corporate Social Responsibility

Nava Bharat Ventures Limited (NBVL) believes that constant collaboration with various stakeholders is the key to long term sustainable growth, particularly in today's fast changing business environment.

The Company has prioritised and implemented several initiatives that have a significant impact on the communities around its manufacturing facilities and the society in general.

The Company's thrust areas comprise health improvement, provision of quality education, skill enhancement of youth and protection of the environment.



NAVA BHARAT EYE CENTRE (NBEC)

NBEC, established in the Company's premises at Paloncha in association with L.V. Prasad Eye Institute, Hyderabad, has provided quality eye care to patients. The institute has successfully conducted 2956 surgeries during 2013-14 (2622 surgeries during 2012-13) and treated 24949 outpatients during 2013-14 (23414 during 2012-13). About 70% of surgeries were conducted free of charge during 2013-14 (66% in 2012-13) and 45% of outpatients were treated free of cost during 2013-14 (41% in 2012-13).

The Company has donated equipment to provide modern laser treatment to the patients, which has eliminated their need to travel all the way to Hyderabad to get such treatment.

The Nava Bharat Eye Centre at Paloncha was adjudged the ideal centre among all the 12 LVPEI satellite centres.

Laser Treatment





Primary Health Centre, Paloncha



PRIMARY HEALTH CENTRE

During the year under review, a Primary Health Centre was opened at Nava Bharat Eye Centre, Paloncha, to cater to the medical needs of the marginalised sections of the local population.

OPHTHALMIC CENTRE, LUSAKA

This facility was established in Zambia in association with Operation Eyesight Universal, Canada at the University Teaching Hospital, Lusaka. As many as 16,178 patients were examined during 2013-14 (15230 patients during 2012-13). The facility conducted eye surgeries on 1394 patients during 2013-14 (1284 in 2012-13).

Free Eye Camp at Gandhi Nagar



MEDICAL CAMPS

A Free Eye Camp was organised by the Company with the help of L.V. Prasad Eye Institute for the benefit of students studying in government schools in and around Paloncha. Around 6500 students were screened during the camp. A Free Dental Camp was also organised by the Company at Paloncha, in association with Sri Gangireddy Kondareddy Memorial Dental Hospital. Around 100 students were screened during the camp.

Health Campaign at Sekharam Banjara



HEALTH CAMPAIGN

The Company's unit at Paloncha started a "Health Campaign" to render free medical services with regard to ordinary ailments to people living in surrounding villages. These include Erragunta, Jagguthanda, Gandhinagar, Palakoyyathanda, Sanjay Nagar and Sekharam Banjara. About 1240 patients were benefited under this programme that has been well received by the local villagers.

WATER

NBVL extended financial support for installation of a new RO Plant at Borrampalem village, Gandepalli Mandal, East Godavari district. This initiative was instrumental in providing clean and safe drinking water to the villagers.

The Company supplied free, treated drinking water to meet the requirements of the inhabitants of Dharmavaram and surrounding villages.



EDUCATION

NAVA BHARAT SCHOOLS

The Nava Bharat Schools (English and Telugu mediums) at Paloncha, Telangana, continue to provide quality education to 2000 students from surrounding rural areas.

The students at these schools have once again put up an excellent performance during the academic year 2013-14. Out of the 100 students who appeared for the 10th standard All India Secondary School Examination - 2014 from Nava Bharat Public School, 98 students passed with distinction marks and two obtained first class marks. As many as 26 students from the school secured the highest possible score of 10 GPA. Out of the 53 students who appeared for the SSC Examination – 2014 from the Nava Bharat High School, 47 students passed with distinction marks and five obtained first class marks.

Free Tuitions at Old Paloncha



The Brahmani Public School, Kharagprasad village, Odisha, managed by NBVL, has provided quality education to 384 students during 2013-14 compared to 349 students during the previous year. All the students of the first batch who appeared for their Class X Examination (CBSE syllabus) secured first class marks with one student getting the highest possible score of 10 GPA.

FREE TUTIONS FOR POOR STUDENTS

A number of habitations have come up around the Company's works at Paloncha. Their residents comprise daily wage earners and agricultural labourers who belong to the S.C., S.T. and B.C. communities.

Since these residents belong to the below poverty line segment, they are unable to arrange for tuitions for their children studying in Government schools.

To inculcate the habit of studying and to reduce the rate of school dropouts among these children, the Company has arranged for free tuitions for them during the evening hours for the fifth consecutive year. The response to this effort has been encouraging. The number of students who attended the free tutorial sessions increased to 530 during the academic year 2013-14 from 480 during 2012-13.

Vignana Daayini Session at Karakavaagu



MOBILE SCIENCE LABORATORY

To improve experimental learning by students in physics, chemistry and biology, the Company has undertaken the 'Nava Bharat Vignana Daayini' initiative. Under this initiative, a mobile science laboratory visits various schools whose students have subsequently demonstrated a marked improvement in their scholastic performance. This project has benefited 4620 students in 18 schools during the academic year 2013-14.



INFRASTRUCTURAL SUPPORT

The Company donated school furniture to the Mandal Praja Parishat Upper Primary School, Simhadripuram, and the Sri Putta Srinivasa Rao Zilla Parishat High School, Marripudi Village, in East Godavari district, Andhra Pradesh.

NBVL has arranged to construct toilets for girl students and lady teachers in Mandal Parishad Upper Primary Schools, in Erragunta, Palakoyyatanda and Gandhinagar villages. An amenity building has been constructed by the Company at Sri Addepalli Atchyutharamayya ZPP High School, Dharmavaram village.



SKILL DEVELOPMENT

VOCATIONAL TRAINING

The demand for skilled manpower has been increasing much faster than its supply, leading to a significant shortage of skills across several trades.

The overall economic development has also led to the emergence of new types of skill requirements that offer promising employment opportunities.

The Nava Bharat Vocational Institute (NBVI) at Paloncha imparts training skills in the areas of welding, electrical, fitting and plumbing. NBVI trained 108 persons in these trades during the year 2013-14.

WOMEN EMPOWERMENT

As a part of the Company's initiative to empower rural women, **NBVI started two new courses exclusively for women: Tailoring and Embroidery, and Beautician courses** during 2013-14. The response from the local women was encouraging and 85 women were trained in tailoring and embroidery, apart from 26 women in the beautician trade.

Another initiative in this direction is the 'Entrepreneurship and Skill Development' programme organised by the Company at Paloncha, in association with the Khadi Gramodyog Maha Vidyalaya, Hyderabad. As a part of this programme,

demonstrations were arranged for young women on how to make candles, detergent powder, phenyl, and scented sticks, among others. Over 200 young women from the villages around Paloncha attended the programme.

Training in Tailoring & Embroidery





OTHER CSR ACTIVITIES

Coaching in English



CENTRE FOR COMMUNICATIVE ENGLISH

Good communication skills in English have become a vital requirement for employment in a variety of sectors. To meet this growing need, NBVL has arranged for coaching in both verbal and written English for educated and unemployed rural youth (both men and women) in the age group of 18 to 30 years. The duration of coaching has been three months.

So far, 111 participants were benefited by this programme that instilled confidence among the rural youth and helped them to face interviews and participate in other interactions effectively. The programme has empowered the youth and enabled them to secure good employment opportunities, thereby reducing the gap between them and their urban counterparts.

NBVL extended financial support to Yuvajana Vyayama Seva Sangam, Samalkot for construction of a new gymnasium at Samalkot.



ENVIRONMENT PROTECTION

The Company continued to despatch 100% ash generated by its power plants at Paloncha to cement plants and manufacturers of fly ash bricks.

The practice of granulation of slag generated in the production of silico manganese by the Ferro Alloy Plant at Paloncha and supplying the granulated slag to fly ash brick making units continued during the year 2013-14.

The above practices ensure conversion of solid wastes generated by the Company's plants into useful and value-added building materials. This mitigates the adverse impact on the environment, besides helping in the conservation of the valuable top soil used to make conventional bricks.



Secretarial Audit Report

To

The Board of Directors
Nava Bharat Ventures Limited
Nava Bharat Chambers
6-3-1109/1, Rajbhavan Road
Hyderabad-500082

We have examined the registers, records and documents of **Nava Bharat Ventures Limited ("the Company")** for the year ended on 31st March, 2014 according to the provisions of:

- a) The Companies Act, 1956, and the Rules made under that Act;
- b) The Companies Act, 2013 (applicable Sections as on 31st March, 2014) and the Rules made under that Act;
- c) The Memorandum of Association and the Articles of Association of the Company;
- d) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
- e) The Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange of India Limited including in particular Clause 49;
- f) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

COMPANIES ACT, 1956 AND RE-ENACTMENT THEREOF :

1. Based on our examination and verification of the registers, records and documents produced to us and according to information and explanations given to us by the Company, we report that the Company has in our opinion, complied with the provisions of the Companies Act, 1956 (Act) and any re-enactment thereof and the Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:
 - a. The maintenance of various statutory registers and making necessary entries therein;
 - b. Filing of forms, returns and documents with the Registrar of Companies, Central Government.
 - c. Service of documents by the Company on its Members, Auditors, and Registrar of Companies;
 - d. Closure of the Register of Members;
 - e. Proper service of notice to the Board, Committee and General Meetings;
 - f. Convening of 41st Annual General Meeting was held on 16th August, 2013;
 - g. Constitution of the Board of Directors/ committees of Directors and appointment, retirement and reappointment of Directors including the Managing and Whole-time Directors;
 - h. Meetings of Directors and committees of Directors including passing of resolutions;
 - i. Minutes of proceedings of general meetings, board and committee meetings;
 - j. Approvals of members, board of Directors, committees of Directors wherever required;
 - k. Payment of remuneration to the Directors including the Managing Director and Whole-time Directors;
 - l. Appointment and remuneration of auditors and cost auditors;
 - m. Transfers and transmission of the Company's shares and delivery of certificates after duly transferred;

- n. Declaration and payment of dividends;
- o. Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
- p. Exercising of borrowings powers;
- q. Registration, modification and satisfaction of charges;
- r. Investment of the Company's funds including inter corporate loans and investments;
- s. Giving guarantees in connection with loans taken by subsidiaries and associate companies;
- t. Form of Balance Sheet and Statement of Profit and Loss under the Act;
- u. Board's Report;
- v. Contracts, common seal, registered office and publication of name of the Company;
- w. Acceptance of public deposits u/s.58A & 58AA. As the Company has not accepted any public deposits, the provisions of Sections 58A and 58AA and Rules framed there under are not applicable to the Company;
- x. Provisions of Section 185 of the Companies Act, 2013 in relation to Loans to Directors.
- y. Provisions of Section 195 of the Companies Act, 2013 in relation to Prohibition on Insider Trading of Securities.

2. WE FURTHER REPORT THAT:

- a. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- b. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- c. There were no fines or penalties imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.

3. WE FURTHER REPORT THAT the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-Laws framed there under by the Depositories with regard to dematerialization / rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

4. WE FURTHER REPORT THAT:

- a. The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and National Stock Exchange of India Limited;
- b. The Company has complied with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 including the provisions with regard to filing of Reconciliation of Share Capital Audit for every quarter with the Stock Exchanges under the Regulations;
- c. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- d. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- e. The Company has complied with the provisions of Circular No.CIR/CFD/DIL/3/2013 dated 17th January, 2013 and amendments thereto under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

for **P. S. RAO & ASSOCIATES**
Company Secretaries

Place : Hyderabad
Date : 29th May, 2014

P. S. RAO
C.P.No.3829



Directors' Report

Dear members,

Your Directors have pleasure in presenting the 42nd Annual Report along with the audited accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

The financial performance of the Company, for the year ended 31st March, 2014 is summarized below: (₹ in lakhs)

	Standalone		Consolidated	
	12 months ended 31.03.2014	12 months ended 31.03.2013	12 months ended 31.03.2014	12 months ended 31.03.2013
Turnover/Income (Gross)	140901.06	141526.85	207864.33	145038.08
Profit before Finance charges, Depreciation and Taxation	30303.13	35881.86	54992.80	31237.14
Less: Finance charges (excluding amount capitalized)	1823.99	1381.62	12627.16	1883.19
Profit before Depreciation and Taxation	28479.14	34500.24	42365.64	29353.95
Less : Depreciation	6157.82	4825.71	11194.14	5879.51
Profit for the year after Depreciation	22321.32	29674.53	31171.50	23474.44
Less : Provision for taxation - Current tax	4730.00	5975.00	7068.38	6541.19
- Deferred tax	(751.82)	(77.54)	(754.78)	(80.93)
- Tax of earlier years	8.25	525.87	12.17	532.25
- MAT credit entitlement	(975.00)	(580.00)	(2776.60)	(580.00)
Profit after Tax	19309.89	23831.20	27622.33	17061.93
Balance brought forward from last year	123735.68	109836.65	139470.71	130366.27
Minority Share - Loss	--	--	368.39	1974.68
Profit available for Appropriation	143045.57	133667.85	167461.43	149402.88
Appropriations				
Dividend on Equity Share Capital	4215.71	4215.71	4215.71	4215.71
Corporate Dividend Tax	716.46	716.46	716.46	716.46
General Reserve	5000.00	5000.00	5000.00	5000.00
Surplus carried to Balance Sheet	133113.40	123735.68	157529.26	139470.71
	143045.57	133667.85	167461.43	149402.88

ECONOMIC AND BUSINESS ENVIRONMENT

The Indian economy displayed a flaccid GDP growth rate of sub-5% for 2013-14, second year in a row reflecting subdued performance of industrial and manufacturing sector, especially in the infrastructure segment, notwithstanding improved performance of exports and agricultural sectors. The trade and fiscal deficits were further accentuated by the quantitative easing measures initiated by USA resulting in precipitous depreciation of Indian rupee and as a consequence making imports and borrowings dearer.

The economic revival plan charted by the new Government at the centre though is promising, it is expected that the Indian economy will be under stress for few more years before discernible growth in GDP can be sustained.

REVIEW OF OPERATIONS

The foresight shown by the group by making investments in the power business is yielding results. The consolidated performance for the year 2013-14 saw marked improvement in the contribution of the Power business with the inclusion of the 150 MW plant operated by subsidiary company, Nava Bharat Energy India Ltd. Total Income from Operations stood at ₹ 172,755.95 lakhs, up 51% YoY. Profit Before Tax stood at ₹ 31,171.50 lakhs, growing 33% YoY, notwithstanding the operational deficit incurred at the Zambian operations. The Profit After Tax showed a similar strong trend at ₹ 27,622.33 lakhs, up by 62%.

The standalone performance was moderated on account of lower profitability in ferro alloy and sugar segments, depreciation charge on idle power facility in Odisha and reduced treasury income. The power segment performance was satisfactory in the light of maintenance outages and Grid backing down in AP and very low merchant power rates prevailing outside of southern region. Total Income from Operations were at ₹ 110,054.82 lakhs. Profit Before Tax was at ₹ 22,321.32 lakhs and Profit After Tax was at ₹ 19,309.89 lakhs.

Power Division

The 114 MW power plant was operated at 92% PLF whereas the 20 MW unit ran at a PLF of 84% on the back of annual contract with AP Grid, this notwithstanding the forced outages encountered in the first half of the year under review. The 94 MW plant at Odisha was however run sub-optimally for want of reasonable merchant realisations.

The total power generation stood at 1,455.82 MU which, post adjustment for auxiliaries and transmission losses, stood at 1,290.31 MU. Captive consumption stood at 432.59 MU with the balance 864.71 MU constituting merchant power sales. The Company has continued to use an optimal blend of linkage coal, coal through e-auction, washery rejects and imported coal to meet its fuel requirement in power generation.

The environment for merchant power was, during 2013-14, typified by isolation of Southern Grid, continued

transmission corridor congestion and active demand management by state utilities.

Ferro Alloys

Ferro Alloys division witnessed stable volume performance in the back drop of conversion arrangement for Ferro chrome in Odisha for about eight months and market environment for manganese alloys is marked by realisations which were range bound. Higher input cost, in part due to dearer transfer price based on grid tariff – was a factor in moderating the margins. The conversion arrangement enabled the Company to recover fixed costs of the Unit. The Company continues to evaluate opportunities to regain optimal operations at the Ferro Alloys Unit in Odisha.

Sugar

The Company continues to align its operating strategy to the market dynamics. Marginally higher recovery was neutralised by lower realisations in the new season. Post de-control the division focussed on growing the by-products business – marking substantial enhancement in the volumes of ethanol and spirit. The Company continued with cane development activity under the new factory zone at Dharmavaram.

OPERATIONS OF SUBSIDIARIES ABROAD

Nava Bharat (Singapore) Pte. Limited (NBS):

NBS, a wholly owned subsidiary of the Company, continues to be the investment holding arm of the overseas strategic investments while rendering trading services for ferro alloys within the Group. Details of the step down overseas subsidiaries are given below:

Maamba Collieries Limited (MCL):

MCL is a step down subsidiary of the Company with NBS holding about 65% of the equity stake while the balance is held by the Zambian Government Investment Holding Company. MCL has the largest coal concession in Zambia with two grades of coal; Metallurgical Grade Coal with applications in Cement, Steel and Breweries and Thermal Grade Coal which can be used as a feedstock for power generation. MCL has embarked upon a capital outlay of about USD 800 million for coal mining operations including mine development expenditure and for establishing 300 MW (2 x 150 MW) coal fired power project. The coal mine related expenditure towards mine development and



capital equipment has been substantially incurred while the power project implementation has been completed to the extent of 65%. The power project implementation is under EPC structure and the project is likely to be commissioned in FY 2015-16. Sale of high grade coal has improved substantially during the year under report comparing with previous year and likely to increase going forward with likely addition of new customers in the region.

Kobe Green Power Co. Ltd. (KGP):

NBS acquired majority stake in Kobe Green Power Co. Limited (KGP), a Japanese Company, which holds development rights for a 150 MW hydro-electric power project in Laos with an investment of about USD 235 million on Build Own Operate and Transfer Scheme (BOOT) basis. The Detailed Feasibility Study (DFS) has been completed and approved. Concession Agreement and the Power Purchase Agreement, followed by the approval of the Government of Laos, are expected shortly. A Special Project Company will be formed thereafter to implement the project with majority control to be exercised through M/s. Nava Bharat Lao Energy Pte.Limited in Singapore, while the other Shareholders will be the Japanese Partner and a Government of Laos undertaking.

NB Tanagro Limited (NBTL):

NBTL has a Joint Venture Agreement (JVA) with National Development Corporation (NDC) of Tanzania, to pursue an Integrated Oil Palm Project in Tanzania (NBS 80% and NDC 20%). Further to the JVA, the allocation of initial block of 4000 hectares of land by the Tanzanian Government is still awaited. NB Tanagro Limited will launch the pilot project after the said land is handed over by NDC. Till then, it was decided not to capitalise the Company, excepting the initial capital. NB Tanagro Limited is entitled for allocation of another 6000 Hectares, though not contiguous, to the initial 4000 Hectares, which will take another 12 months from the allocation under Phase – I.

NB RUFJI PVT.LTD. (NBRPL):

NBRPL was formed in Tanzania to pursue another Oil Palm Project under Rufiji Basin Development Authority (RUBADA). The project is under survey stage.

Nava Bharat Africa Resources Pvt. Ltd. (NBAR):

NBAR is a step down subsidiary of the Company through NBS in Mauritius and was expected to focus on investments

in the East African and SADC region. Presently, NBS is not pursuing any projects through NBAR and it has been decided, as a cost rationalisation measure, to wind up NBAR.

PT Nava Bharat Indonesia (NBI) and PT Nava Bharat Sungai Cuka (NBSC):

NBI and NBSC were formed to pursue the coal concession in Indonesia. However, the investments have been entangled in protracted litigations. The Company is evaluating various options to recover the investments made against this coal concession.

Nava Energy Pte. Limited (NEPL):

NEPL is a wholly owned subsidiary of NBS incorporated in Singapore, to carry on the business of Operation & Maintenance works and associated project management works for power plants. NEPL will draw resources to discharge these from Indian companies of the Group as well as overseas companies. NEPL is designated to be the long term O & M Operations for Maamba Collieries Limited, Zambia.

Nava Bharat Lao Energy Pvt. limited (NBLEPL):

NBLEPL is a Wholly Owned Subsidiary of NBS incorporated in Singapore, designated to hold the majority stake in the Hydel Power Project Company, Laos. The Project Company will be formed after the approval of the Government of Laos for the Concession Agreement for the 150 MW Hydel Power Project on BOOT basis.

Kariba Infrastructure Development Limited (KIDL):

KIDL is a step down subsidiary of NBS and is pursuing the development of a Multi Facility Economic Zone (MFEZ) at Maamba in Zambia. The MFEZ will, inter alia, comprise the infrastructure development surrounding Maamba including MCL in the Southern Province of Zambia and is aimed at spurring downstream and ancillary industrialisation in and around Maamba.

INDIAN SUBSIDIARIES

Nava Bharat Projects Limited (NBPL):

The Company has been engaged in project management and maintenance services. These cover a wide spectrum of services such as project conceptualization, project management including financial planning, contract

documentation, contract management, trading of equipment, O & M activity, technical services etc. Presently, such services are being rendered to M/s. Maamba Collieries Limited, Zambia, which is implementing an integrated Coal and 300 MW Power Project.

The ongoing investigation of CBI / ED of the coal block allotment to M/s. Navabharat Power Private Limited (NPPL) and subsequent sale of NBPL stake in NPPL to Essar Power Limited also involving the Managing Director of the Company (in his erstwhile position as Non-Executive Chairman of NPPL) has been completed.

The Hon'ble Court of Ld. Special Judge (PC Act) observing that the allegations in the charge sheet are under Section 120B read with Section 420 of IPC and the same are triable by the Court of Hon'ble Metropolitan Magistrate. Therefore, the present charge sheet is assigned to the Hon'ble Court of Ld. Chief Metropolitan Magistrate. The Hon'ble Court of Ld. Additional Chief Metropolitan Magistrate Court - II passed an Order that piecemeal cognizance cannot be taken and directed the CBI to file the report before 30.08.2014.

Nava Bharat Energy India Limited (NBEIL):

Nava Bharat Energy India Limited (NBEIL) operated the 150 MW Unit in 2013-14 reasonably with average PLF of 79.05%, gross generation of 150 MW and delivered energy of 919.81 MU.

Entire power was dispatched to A.P. Grid (APPCC) excepting 14.95 MU to Karnataka State Electricity Board (KSEB) and 40.85 MU for sale through IEX.

NBEIL made a turnover of ₹ 53711.24 lakhs, profit after tax of ₹ 8515.67 lakhs after charging depreciation of ₹ 3281.30 lakhs and tax of ₹ 34.10 lakhs.

Brahmani Infratech Private Limited (BIPL):

During the year under review, the aggregate earnings for the year stood at ₹ 6,86,15,867/- and the total outgoings stood at ₹ 1,55,55,784/-. The year resulted in a net profit of ₹ 4,41,60,083/- after taxation (profit before taxation ₹ 5,30,60,083/-). The Company has been looking for new projects suitable for commercial, residential and other infrastructure development and is accordingly acquiring assets. The Company aims to have diversified mix of investments in various categories.

As regards to the investigation proceedings pending in the Hon'ble Court of Principal Special Judge for CBI cases, Nampally, Hyderabad, CBI filed a Memo stating that during the course of investigation, no quid-pro-quo could be established, inter alia, against the BIPL. As a result, it is understood that the investigation against the BIPL is concluded.

Kinnera Power Company Pvt. Ltd. (KPCPL):

The Company has off loaded part of equity stake in KPCPL in favour of Meenakshi Infra Group and KPCPL ceased to be a subsidiary. The Company continues with 26% of the equity stake in KPCPL as specified by NHAI in 2012-13. As per the professed intention and there being no economic interest, the Company plans to fully off-load its stake in KPCPL in favour of Meenakshi Infra Group in due course as per the regulations.

Nava Bharat Realty Limited (NBRL):

NBRL is a wholly owned subsidiary of the Company and proposes to be engaged in the development of realty focused investments. There have been no operations in this Company.

Nava Bharat Sugar and Bio Fuels Limited (NBSBL):

NBSBL is a wholly owned subsidiary of the Company and proposes to be engaged in sugar, bio-fuel and agri based investments. There have been no operations in this Company.

Proposed Restructuring of Odisha Works

The Corporate Restructuring Plan initiated by the Company is awaiting response from the strategic investors identified by the Company. Some of the key issues include percentage of shareholding to the Investors and Management Role aside from enterprise valuation.

IEM for Establishment of 3500 TCD Sugar Plant at Dharmavaram Village, Prathipadu Mandal, East Godavari Dist., A.P. :

The Company has prayed for directions from Hon'ble High Court of A.P. for vacation of Interim Suspension Order regarding the Zone declaration given by the Commissioner & Director of Sugar and Cane Commissioner, Govt. of A.P., Hyderabad. However, the cane development activities are being continued.



OUTLOOK AND FUTURE PLANS

The outlook and future plans of the Company have been mentioned in detail under the "Management Discussion and Analysis" section that forms part of this report.

DIVIDEND ON EQUITY SHARE CAPITAL

Considering the improved performance of your Company as a whole and keeping in view the ongoing capital works in progress, your Directors are pleased to recommend dividend at ₹ 5/- per Equity Share of ₹ 2/- each, subject to necessary approvals. The aggregate dividend payout for the FY 2013-14 amounts to ₹ 49.32 crores, including corporate dividend tax, if approved.

Nava Bharat Ventures Limited Employee Welfare Trust and its holdings in the Company

M/s. Barclays Wealth Trustees (India) Private Limited, the Trustee of Nava Bharat Ventures Employee Welfare Trust acquired 14 lakhs equity shares of the Company from the secondary market on 9th March, 2012. The Company extended a loan of ₹ 28.79 crores to the Trustee till 31st March, 2014. The Company proposed to implement several schemes relating to welfare measures including incentives, benefits and amenities for the employees under Employee Welfare plans to be set up by the Company. Securities and Exchange Board of India (SEBI) issued a set of guidelines on 13th May, 2013 to align the non-ESOP Employee Benefit Schemes with the SEBI (ESOS and ESPS) Guidelines 1999 before 31.12.2013 or off-load the entire equity held by the Trust before the said date. SEBI, accordingly, commenced the review process, constituted a Group to deliberate on a framework for framing a set of regulations with a view to ensure better enforceability, address the concerns raised with regard to composition of Trusts, disclosures, etc., and to enable secondary market transactions with adequate safeguards. SEBI vide Circular dated 29.11.2013 extended the timeline for alignment of existing employee benefit schemes with the SEBI (ESOS & ESPS) Guidelines from 31st December, 2013 to 30th June, 2014.

EMPLOYEES' STOCK OPTION SCHEME 2006

During the year under review, no employee stock options were granted. No ESOPs were also exercised as there were no outstanding options as at the beginning of the year.

LISTING OF SHARES

The Securities of the Company are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The listing fees to these Stock Exchanges were paid.

FIXED DEPOSITS

There were no deposits outstanding as on 31st March, 2014. There were no overdue deposits, as well as, on date.

INSURANCE

All the properties of the Company including buildings, plant and machinery and stocks have been adequately insured.

DIRECTORS

Sri K. Balarama Reddi and Dr. M.V.G. Rao retire by rotation at the Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri K. Balarama Reddi and Dr. M.V.G. Rao, being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for a term of five consecutive years effective from the date of forthcoming AGM.

Dr. E.R.C. Shekar, Dr. D. Nageswara Rao and Dr. C.V. Madhavi are also the existing Independent Directors appointed earlier as Directors, liable to retire by rotation but are not due to retire at the Annual General Meeting and their existing term did not end as at the AGM under the applicable provisions of the erstwhile Companies Act, 1956. Pursuant to the provisions of Section 149 of the Companies Act, 2013, (the Act) the Independent Directors are to be appointed for a term upto 5 consecutive years and they are not liable to retire by rotation. The present tenure of the Independent Directors on the date of commencement of the Act shall not be counted as a term under Section 149 of the Act. It is therefore proposed to appoint Dr. E.R.C. Shekar, Dr. D. Nageswara Rao and Dr. C.V. Madhavi as Independent Directors for a term of 5 consecutive years and not liable to retire by rotation.

Pursuant to the provisions of the Companies Act, 2013, Sri G.R.K. Prasad retires at the AGM and, being eligible, offered himself for re-appointment.

SUBSIDIARY COMPANIES AND CONSOLIDATED ACCOUNTS

The Company has Indian and Overseas direct and step down Subsidiaries.

The Company has opted to avail the exemption, provided under Section 212 (8) of the Companies Act, 1956 and accordingly disclosed the prescribed information for each subsidiary including step down subsidiaries covering capital, reserves, total assets, total liabilities, investment, turnover, profit before taxation, provision for taxation, profit after taxation, etc.

The Annual accounts of the subsidiary companies shall also be available for inspection by any shareholder in the Registered Office of the holding Company and of the subsidiary companies concerned.

The Company shall furnish a hard copy of Annual Reports of the subsidiaries to any shareholder on demand at any point of time.

The audited Consolidated Financial Statements are provided in the Annual Report.

AUDITORS

M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment in the transitional period of 3 years from this AGM for 2013-14 as provided in Section 139 (2) (a) (ii) of the Companies Act, 2013.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits including transitional period under Section 139 (1) of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 139 (9) of the Companies Act, 2013.

COST AUDIT

M/s. Narasimha Murthy & Co, Cost Auditors, were appointed in May, 2013 by the Company to conduct the cost audit in respect of Industrial Alcohol, Sugar, Electricity and Steel (Ferro Alloys) for the FY 2013-14. The approval of the Central Government was received for this appointment.

The Cost Audit reports for FY 2013-14 were due to be submitted on or before 30th September, 2014. The Cost Audit reports for FY 2012-13 were filed with Ministry of Corporate Affairs on 27.09.2013.

APPOINTMENT OF INTERNAL AUDITORS FOR COSTING SYSTEMS AND INTERNAL AUDIT OF COST ACCOUNTING RECORDS

As per the Master Circular No. 2/2011 dated 11th November, 2011 issued by the Ministry of Corporate Affairs on Cost Accounting and Cost Audit, the Board of your Company appointed Internal Auditors, M/s. Sagar & Associates for internal audit of cost records for the Financial Year 2013-14 on the recommendation of the Audit Committee.

SECRETARIAL AUDIT

The Board of Directors on 2nd May, 2013 appointed M/s. P.S.Rao & Associates, Practicing Company Secretaries for the conduct of Secretarial Audit pursuant to the recommendations of the Audit Committee for the Financial Year 2013-14 for the Company and the Report of the Secretarial Audit for the Financial Year 2013-14 is also presented as a part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming a part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that in the preparation of Annual Accounts for the year ended 31st March, 2014

- All applicable accounting standards were followed.
- The accounting policies framed in accordance with the guidelines of the Institute of Chartered Accountants of India have been applied.
- Reasonable and prudent judgement and estimates were made so as to give a true and fair view of the state of affairs of the Company.



- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts were prepared on a going concern basis.

CORPORATE GOVERNANCE

A separate section on Corporate Governance with a detailed compliance report thereto is annexed and forms a part of the Annual Report. The Auditors' Certificate in respect of compliance with the provisions concerning Corporate Governance, as required by Clause 49 of the Listing Agreement, is also annexed.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, relevant amounts which remained unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

TRANSFER OF PHYSICAL SHARE CERTIFICATES TO UNCLAIMED SUSPENSE ACCOUNT IN ELECTRONIC MODE

Pursuant to Clause 5A (II) of the Listing Agreement, Postal Return cases as per the records of the Registrars were initially transferred to Suspense Account. A demat account under the name and style 'Nava Bharat Ventures Limited - Unclaimed Suspense Account' was opened by the Company and the unclaimed shares in respect of the 6 shareholders for 915 equity shares were transferred to the said account on 11th May, 2012.

The Company's Registrars also sent three notices under Clause 5A to the shareholders whose physical share certificates in respect of stock split cases are lying with them on 23rd January, 2012, 28th May, 2012 and 30th October, 2012 and reduced the number of unclaimed physical stock split cases to the extent possible.

Physical split share certificates lying with the Registrars for 683,550 shares were transferred to Suspense Account 'Nava Bharat Ventures Limited – Unclaimed Suspense Account' on 15th March, 2013 and also dematerialised the same by way of credit to the beneficiary ID No.18391954 in the name of 'Nava Bharat Ventures Limited – Unclaimed Suspense Account' on 23rd March, 2013.

Since these shares stood transferred to 'Nava Bharat Ventures Limited – Unclaimed Suspense Account' and dividend is required to be paid to the registered holders only in terms of Section 206 of the Companies Act, the dividend accruing on the shares involved was also be credited to Unpaid Dividend Account, which will be remitted to the shareholders on claiming the shares out of the Suspense Account.

During the year, the Company and its Registrars, M/s. Karvy Computershare Pvt.Ltd., have received certain claims from the shareholders which were verified by the Registrars as per their records and procedures. The claims of rightful owners, after collection of all the required documents and due processing by the Registrars, had been placed before the Share Transfer Committee and after its approval, 13250 equity shares of ₹ 2/- each (5630 on 10.10.2013 and 7620 on 19.03.2014) were transferred to the Shareholders / Successors / Nominees / rightful claimants. The unpaid dividend for the past 7 years lying in unpaid dividend account of the Company separately for the 7 years was also paid to the said shareholders.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, the required information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo have been given in the Annexure - I, which forms a part of this Report.

INDUSTRIAL SAFETY AND ENVIRONMENT Safety & Environment

Utmost importance continues to be given to safety of personnel and equipment in all the Company's plants. The Company reviews thoroughly the various safety measures adopted and proactive steps taken to avoid accidents. Safety drills are also conducted at regular intervals to train

the employees for taking timely and appropriate action in case of accidents.

Particulars of Employees

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure – II to the Directors' Report.

Awards

Your Company received the following awards/recognitions during 2013-14:

1. **Pollution Control Appreciation Award 2013 in recognition of its pollution control measures and sound environment management practices** from State Pollution Control Board (SPCB), Odisha (Ferro Alloy Plant at Kharagprasad received this award).
2. **Kalinga Safety Award 2012 in the form of a Silver Plaque in "Power Category" at the "Odisha State Safety Conclave 2013"** organised by Institute of Quality & Environment Management System. (Power Plant at Kharagprasad received this award).
3. **State Energy Conservation Awards 2013 in the form of a Silver Plaque** organised by New and Renewable Energy Development Corporation of A.P (NREDCAP). (Power Plant at Paloncha, Telangana received this award).

Green initiative in Corporate Governance by Hon'ble Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has taken a green initiative in Corporate Governance by allowing paperless compliances by the Companies and permitted the service of Annual Reports and documents to the shareholders through electronic mode subject to certain conditions.

Your Company appreciates the initiative taken by MCA as it strongly believes in a green environment. This initiative also helps in prompt receipt of communication, apart from avoiding losses / delays in postal transit. The Notice of Annual General Meeting, full Annual Reports and

all communications hitherto were sent to the members in electronic form at the e-mail address registered with Depositories and the Registrars & Transfer Agents of the Company. The Annual Reports will be sent by post physically to the Members, whose e-mail addresses are not registered. Members can also have access to the documents through the Company's website. The documents will also be available to the members for inspection at the Registered Office of the Company during the office hours.

Members are also entitled to be furnished with hard copies of full Annual Reports, free of cost, upon receipt of requisition by the Company at any point of time.

INDUSTRIAL RELATIONS

Industrial relations have been cordial and your Directors appreciate the sincere and efficient services rendered by the employees of the Company at all levels towards successful working of the Company.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, the Company's Bankers, Insurance companies, the Government of India, Govt. of Telangana, Govt. of Andhra Pradesh and Odisha, the State utilities and Shareholders during the year under review.

For and on behalf of the Board

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 30th May, 2014

D. Ashok
Chairman



Annexure-I to the Directors' Report

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of Directors' Report.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken

I) Sugar Division

- i. Installation of 2 nos. of bottom mounted agitators for A Continuous pan.
- ii. Elimination of usage of low pressure steam for fluidized bed sugar drier.
- iii. Installation of 2 nos. of molten sulphur distribution guns for continuous sulphur burners.
- iv. Conversion of 18 nos. of motor starters from star-delta mode to star mode for power saving.

II) Power Division

Power Plant (Telangana)

- i. Installation of variable frequency drive for condensate extraction pump-5 of Unit -1.
- ii. Reduction of operating voltage of CHP-1 MCC from 425 V to 407 V.

Power Plant (Odisha)

- i. Utilization of FD fan discharge air instead of compressed air for self-cooling bearing of Boiler-2 of Unit-2.
- ii. Utilization of existing unused VFD bed ash cooler fan for Unit-2 clarifier pump-1.

III) Ferro Alloy Division

Telangana

- i. Air compressor pressure optimized.
- ii. Replacement of 15HP shell cooling pump of Furnace-4, which is operated at 30% load, with 7.5 HP pump.
- iii. Change of motor connections from delta to star for 3 nos. of 11 kW belt conveyor motors of raw material handling system.

- iv. Connecting the existing delivery line of cooling water pump of Furnace -1 with the delivery line of Transformer cooling water pump of Furnace -4, eliminating use of 30 kW Transformer cooling pump motor.

Odisha

- i. Replacement of 500 CFM Air Compressor & 90 kW motor with 524 CFM Compressor & 75 kW motor (Compressor No.5).
- ii. Replacement of V Belts with Energy Efficient Power banded V-Belts for both the Briquetting Press machines.
- iii. Installation of 2 Nos. of Rentar Fuel Catalysts for the Chrome Ore Dryers for reduction in fuel consumption.
- iv. Modification of fuel gas passage at Forced Draft Coolers in GCP -2.
- v. Replacement of 20 HP Water Softener pump with 10 HP energy efficient open well submersible pump for the purpose of water treatment at pump house.

(b) Additional investments and proposals, being implemented for reduction of consumption of energy:

I) Power Division

Power Plant (Telangana)

NIL

Power Plant (Odisha)

NIL

II) Ferro Alloy Division

Telangana

Modification of fans with VFDs and other alterations at Gas Cleaning Plant for energy conservation.

Other Investment Proposals for FY 2014-15**I) Sugar Division**

- i. Installation of Plate type Heat Exchanger to raise the temperature of wash water with low pressure for 'A' Range centrifugal machines.
- ii. Installation of Plate type heat exchanger to increase the temperature of DM water with excess hot condensate from the sugar process.
- iii. Installation of one new evaporator body as 3rd effect in spent wash evaporation plant at distillery to reduce the steam consumption.

II) Power Division**Power Plant (Telangana)**

Installing of variable frequency drive for Unit-3 boiler feed pump for reduction of plant auxiliary power consumption.

Power Plant (Odisha)

- i. Replacement of 2nd Jack well (VT Pump-1) of 110 kW capacity by 75kW vertical pump at Raw Water Pump House.
- ii. Installation of VFDs for Condensate Extraction Pumps at Unit-1.

III) Ferro Alloy Division**Telangana**

Modification of fans with VFDs and other alterations at Gas Cleaning Plant for energy conservation.

Odisha

- i. Installation of Coal fired Fluidized Bed combustor for hot air generation to be used for Chrome ore dryer in place of HSD oil.
- ii. Bifurcation of tap hole smoke blower discharge ducting from GCP ducting.
- iii. Replacement of welding transformers with Invertor/Rectifier Machines.

- iv. Usage of GCP outlet gas for chrome ore dryer to reduce coal consumption in drier.

(c) Impact of the measures of (a) and (b) given above for reduction of energy consumption and consequent impact on the cost of production of goods:**I) Sugar Division**

- i. Installation of 2 Nos. of bottom mounted agitators resulted in fuel savings of 50 MT of bagasse per season.
- ii. Elimination of usage of low pressure steam for Fluidized bed sugar drier resulted in fuel saving of 275 MT of bagasse per season.
- iii. Installation of 2 Nos. of molten sulphur distribution guns for continuous sulphur burners resulted in fuel saving of 140 MT of bagasse per season.
- iv. Total 18 Nos. of motor starters, of 155kW rating, were converted from Star-Delta mode to Star mode, resulted in energy savings of 135300 kWh per season.

II) Power Division**Power Plant (Telangana)**

- i. Variable frequency drive provided for Unit-1 condensate extraction pump-5, resulted in energy savings of around 450 kWh per day.
- ii. Reduction in operating voltage of CHP-1 MCC resulted in energy savings of 135 kWh per day.

Power Plant (Odisha)

- i. Utilizing the FD discharge air for bearing cooling instead of using compressed air resulted in saving 16 kWh per day.
- ii. Utilizing existing VFD for Unit-2 clarifier pump-1 resulted in energy savings of 279 kWh per day.



III) Ferro Alloy Division

Telangana

- i. Optimizing the air compressors pressure resulted in energy savings of 4800 kWh per month
- ii. Replacement of 15 HP shell cooling pump with 7.5 HP pump at 4th Furnace resulted in energy savings of 2100 kWh per month.
- iii. Changing of motor connections from delta to star resulted in energy savings of 5730 kWh per month.
- iv. Elimination of use of transformer cooling pump motor resulted in energy savings of 15000 kWh per month at pump house.

Odisha

- i. Replacement of 500 CFM Air Compressor & 90 kW motor with 524 CFM Compressor & 75 kW motor

resulted in energy savings 1360800 kWh per annum.

- ii. Replacement of V Belts with Energy Efficient Power Banded V-Belts for both the Briquetting Press machines resulted in energy savings of 9720 kWh per annum.
- iii. Installed 2 Nos. of Rentar fuel catalysts for the Chrome Ore Dryers for reduction in fuel consumption resulted in saving 2.41 Ltr/ M.T of Briquette production.
- iv. Modification of flue gas passage at forced draft coolers in GCP -2 resulted in energy savings of 2147300 kWh per annum.
- v. Replacement of 20 HP Water Softener pump with 10 HP energy efficient open well submersible pump resulted in energy savings of 5400 kWh per annum.

(d) (i) Total energy consumption and energy consumption per unit of production

	FAP(TELANGANA)		FAP(ODISHA)	
	Current Year 31.03.2014	Previous Year 31.03.2013	Current Year 31.03.2014	Previous Year 31.03.2013
Ferro Alloy Division:				
A. Power and fuel Consumption				
1. Electricity				
a. Electricity consumed from CPP :				
Units (kWh)	271,577,562	276,887,173	161,073,680	183,929,449
Total amount (₹ in lakhs)	12,682.67	10,410.95	8,955.69	9,674.69
Rate/Unit (₹) ^A	4.67	3.76	5.56	5.26
b. Electricity Purchased from GRID:				
Units (kWh)	4,000	10,000	58,503	5,000
Total amount (₹ in lakhs)	189.14	125.89	4.45	0.36
Rate/Unit (₹)	--	--	7.67	7.23
c. Own Generation:				
i) Through Diesel Generators (Units)	--	--	2,336	168
Units per litre of Diesel Oil	--	--	4.32	4.30
Cost/Unit (₹)	--	--	19.18	39.06

(d) (i) Total energy consumption and energy consumption per unit of production (Contd.)

	FAP(TELANGANA)		FAP(ODISHA)	
	Current Year 31.03.2014	Previous Year 31.03.2013	Current Year 31.03.2014	Previous Year 31.03.2013
ii) Through Steam Turbine Generator: Units Export Consumption Units per litre of fuel oil/gas Cost/Unit(₹)	Not applicable	Not applicable	Not applicable	Not applicable
2. Coal	--	--	--	--
3. HSD (in Ltrs) (Used for chrome ore Dryer)	--	--	666,386	793,680
4. Others/internal generation/Natural Gas	--	--	--	--
B. Consumption per Unit of production				
1. High Carbon Silico Manganese Specific Power (kWh/MT):				
- Furnace	4,110	4,114	--	--
- Aux.	375	401	--	--
Total	4,485	4,515	--	--
Total Production (MT)	60,540	61,309	--	--
2. High Carbon Ferro Manganese Specific Power (kWh/MT):				
- Furnace	--	--	--	--
- Aux.	--	--	--	--
Total	--	--	--	--
Total Production (MT)	--	--	--	--
3. High Carbon Ferro Chrome Specific Power (kWh/MT) ^B				
- Furnace	--	--	3,545	3,447
- Aux.	--	--	222	224
Total	--	--	3,767	3,671
Total Production (MT)	--	--	42,758	50,116



FAP(Telangana):

^A The Government has enhanced the power tariff to Ferro Alloy Plants from ₹ 3.76 to ₹ 4.67 in the previous year, which forms the basis for transfer price of captive power.

FAP(Odisha):

The power consumption is inclusive of :

- 40000 kWh of power drawn from GRID for startup of CPP Unit-1 & Unit-2 but booked in FAP(O) account;
- 382250 kWh of power was consumed at residential areas of both CPP and FAP;
- 15255 kWh of power was consumed for making of Fly Ash Bricks, whereas the cost center of Brick Plant is in Unit-1; and
- 319057 kWh of power was lost across substation while exporting the power to GRID from Unit-1.

^A The cost per unit of the power purchased from CPP increased as the unit rate is calculated on the basis of revised retail tariff by OERC from April, 2013.

^B Specific power increased in 2013-14 due to restarting of two furnaces in the month of July-13 after having shutdown for 4 months.

(d) (ii) Total energy consumption and energy consumption per unit of production

	Current Year 31.03.2014	Previous Year 31.03.2013
Sugar Division:		
A. Power and fuel Consumption		
1. Electricity		
a. Electricity Purchased :		
Units (kWh)	1,290,360	1,078,650
Total amount (₹ in lakhs)	98.69	84.56
Rate/Unit (₹) ^A	7.65	7.84
b. Own Generation:		
i) Through diesel generator (Units)	28,432	32,366
Units per litre of diesel oil	2.14	2.30
Cost/Unit (₹) ^B	25.72	20.67
ii) Through Steam Turbine Generator:		
Units	21,462,800	25,701,300
Export	9,326,290	11,879,320
Consumption	12,136,510	13,821,980
Units per litre of fuel oil/gas	--	--
Cost/Unit(₹)	3.08	2.97
	(subject to cost audit)	
2. Coal (Distillery)	--	--
3. Furnace Oil (LDO in Litres)	--	--
4. Others/internal generation/Natural Gas	--	--

(d) (ii) Total energy consumption and energy consumption per unit of production (Contd.)

	Current Year 31.03.2014	Previous Year 31.03.2013
B. Consumption per unit of production		
1. Sugar from cane (Qtl.) ^c		
Power (kWh)	26.27	27.27
Steam (Tonne)	0.32	0.33
2. Sugar from raw sugar (Qtl.)		
Power (kWh)	--	--
Steam (Tonne)	--	--
3. Alcohol (KL) Rectified Spirit ^d		
Power (kWh)	317.95	386.51
Steam (Tonne)	3.94	1.70
4. Ethanol(KL)		
Power (kWh)	77.55	--
Steam (Tonne)	0.60	--

^A The purchase price per kWh of electrical energy decreased due to installation of Maximum Demand (MD) controller even with increased MD charges and tariff with effect from April, 2013.

^B The cost of power generation by DG set increased due to hike in diesel oil price and operation of D.G sets at low load conditions.

^C The power and steam consumption per quintal of sugar decreased due to increase in sugar recovery from 9.83 to 10.30.

^D The power consumption per kL of alcohol reduced, even with operation of spent wash evaporation plant, due to increase in capacity of distillery from 15 kL to 20 kL and steam consumption per kL of Alcohol increased due to operation of spent wash evaporation plant to reduce the effluent quantity.

As per the prevailing rules, Power Generation is an excluded industry for the purpose of this information under (d) and hence the above particulars pertain to Ferro Alloy Plants and Sugar Plant only.

B. TECHNOLOGY ABSORPTION**(e) Efforts made in technology absorption****1. Areas in which efficiency improvement was carried out by the Company****I) Power Division**

Power Plant (Telangana)

Bed ash conveying systems of CFBC Boilers converted from wet to dry mode.

Power Plant (Odisha)

i. Minimizing the compressed air loss by rectifying 19 nos. of identified air leak points in Unit-I & III.

ii. Air leak test was conducted in Air Pre-heaters of both the boilers of Unit-I and boiler -1 of Unit-II and air leak points were rectified.



- iii. Optimizing the feed rate of vibro feeder of coal handling plant of Unit-II.
- iv. Reducing the lube oil consumption by adjusting the suction pressure of oil vapor extraction fan.
- v. Replacement of vibrating screen-2 mesh of secondary crusher.
- vi. Providing energy meters for Unit-II Compressors & Chilled Water Pump and providing Level Gauges for Unit-I ejector and GSC tanks.
- vii. Erection and commissioning of dust extraction system of secondary crusher house of CHP of Unit-II.
- viii. Collection and reuse of blow down water of both boilers of Unit-II.

II) Ferro Alloy Division

Telangana

Commissioning of coal processing plant for Ferro Alloy Plant.

Odisha

Installation of 2 Nos. of Rentar fuel catalysts for the Chrome Ore Dryers for reduction in fuel consumption.

2. Benefits derived as a result of above modifications

I) Power Division

Power Plant (Telangana)

For conservation of water and to avoid land contamination.

Power Plant (Odisha)

- i. Reduced energy consumption of instrument air compressor.
- ii. Reduced consumption of energy by PA and FD fans.
- iii. Reduction in running hours of Coal Handling Plant.
- iv. Lube oil consumption reduced by 4.2 liter per day.
- v. Increased screening efficiency of secondary crusher.
- vi. Monitoring of energy consumption of Compressor, Chilled water pump and level of GSC.
- vii. Reduced fugitive emission in secondary crusher house of CHP.
- viii. Reduction in cooling tower make-up water .

II) Ferro Alloy Division

Telangana

Reduced man power and improved work environment.

Odisha

Reduced Fuel consumption.

3. Future Plan of Action**I) Power Division**

Power Plant (Telangana)

- i. Reduction in Plant heat rate of Unit-I by 76 kcal/kWh by up-gradation of TG-1. This is proposed to be taken up during the FY 2015-16.
- ii. Installation of bed ash bunkers for AFBC boilers to reduce the down time of boiler for filling bed material during shutdown and to avoid accidents.
- iii. Upgradation of Ash handling systems to handle low grade coal with about 60% ash content.

Power Plant (Odisha)

- i. Installation of sewage treatment plant.
- ii. Collection and reuse of Boiler Blow down water of Unit-I and Unit-III.
- iii. Installation of Ammonia dosing system in the ESP of Unit-II.
- iv. Recycling sludge water of clarifier.
- v. Utilization of Boiler blow down water in Cooling towers.

II) Ferro Alloy Division

Telangana

Installation of 2nd continuous casting machine.

Odisha

- i. Installation of Coal Fired Fluidized Bed combustor for producing hot air to be used for Chrome ore dryer in place of HSD oil.
- ii. Conversion of belt feeders into belt weigh feeders at Chrome ore dryer for measurement of input of chrome ore quantity to the dryers.

4. Expenditure on Efficiency Improvement

(₹ in lakhs)

	Sugar Division (A.P.)	FAP (Telangana)	FAP (Odisha)	PP (Telangana)	PP (Odisha)
a. Capital	10.00	435.00	--	85.00 (For boiler feed pump with reduced operating pressure) 24.00 (For installing bed ash bunkers in AFBC Boiler) 50.00 (For up-gradation of ash handling systems)	2.25

**4. Expenditure on Efficiency Improvement (Contd.)**

(₹ in lakhs)

	Sugar Division (A.P.)	FAP (Telangana)	FAP (Odisha)	PP (Telangana)	PP (Odisha)
b. Recurring (Revenue)	0.97	--	17.55	--	--
c. Total	10.97	435.00	17.55	159.00	2.25
d. Total expenditure on efficiency improvement as a percentage of total turnover	0.07	1.05	0.13	0.36	0.02

Technology absorption, adaptation and innovation

No imported technology is in operation.

C. FOREIGN EXCHANGE EARNINGS & OUTGO**(f) Activities relating to export, initiatives to increase exports, developments of new export markets for products and services and export plan**

The Company exported ferro alloys to Belgium; China; Italy; Japan; Korea; Mexico; Qatar; Russia; Senegal; Taiwan; Tanzania; Ukraine and USA. The total quantity of exports during FY 2013-14 stood at 37,690 MT with an FOB value of USD 37,849,528.

(g) Total foreign exchange used and earned

(₹ in Lakhs)

	Current Year 31st March, 2014	Previous Year 31st March, 2013
1. Foreign Exchange Outgo:		
i. CIF value of Imports	16,228.74	8,100.83
ii. Interest	44.47	152.66
iii. Others	30.09	23.38
2. Foreign Exchange Earnings at FOB Value:		
i. Export of goods	22,865.61	23,226.87
ii. Others	248.13	574.39

for and on behalf of the Board

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 30th May, 2014

D. Ashok
Chairman

Annexure-II to the Directors' Report

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

Sl. No.	Name of the Employee	Designation/ Nature of duties	Remuneration (₹ in lakhs)		Qualifications	Experience (years)	Date of commencement of employment	Age (years)	Particulars of previous employment
			Salary and perquisites	Commission					
1.	Sri D. Ashok	Chairman	198.24	471.82	M.B.A. (U.S.A.)	32	28.08.1981	57	-
2.	Sri P. Trivikrama Prasad	Managing Director	197.93	471.82	M.B.A. (U.S.A.)	32	01.08.1981	61	-
3.	Sri G R K Prasad	Executive Director	242.51	-	B.Sc., F.C.A. & F.C.S.	33	16.08.1995	56	General Manager, DCL Polysters Ltd.
4.	Sri C V Durga Prasad	Director (Business Development)	186.93	-	B.Com.	41	01.07.1973	63	-
5.	Sri J Ramesh	Executive Vice President (FAP-O)	149.89	-	B.Com., M.B.A.	31	01.04.1997	56	Director, Nav Chrome Ltd
6.	Sri P J V Sarma	Senior Executive Vice President (Strategy & Planning)	91.30	-	B.Tech., AICWA, PSDFM	33	02.08.2010	55	Regional Director, ICICI Lombard General Insurance Co. Ltd.
7.	Sri A Venkata Rao	Executive Vice President	69.41	-	B.E. (Mechanical)	40	01.07.1974	67	-

Notes: 1. Remuneration, as shown above, includes salary, commission, Company's contribution to Provident and Superannuation Funds, medical reimbursement and other perquisites.

2. Sri D. Ashok and Sri P. Trivikrama Prasad are related to each other.

3. Conditions of employment are contractual or governed by the Company's rules.

4. The experience shown above refers to the total period in years of career.

for and on behalf of the Board

P. Trivikrama Prasad
Managing Director

D. Ashok
Chairman

Place : Hyderabad
Date : 30th May, 2014



Management Discussion and Analysis

The Management Discussion and Analysis discusses performance of your Company in the year 2013-14, in terms of financial, operating and strategic objectives. The commentary below should be read together with the Directors' Report and the audited Financial Statements that form part of the Annual Report.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power

India perennially ranks as one of the largest generators and consumers of power. With installed capacity of 0.24 TWh, the country is seeking to add 118 GW (including carry over additions from the previous period) in the 12th 5-year plan. The share of the private sector in the new capacities coming up stands at about 60%. Traditionally the share of thermal power has stood at over 60% of the total generation mix owing to abundance of coal in the country. An estimated 300 bn tonnes of coal are minable domestically (total coal reserves) compared to 438 mn tonnes that are actually produced by the PSU monopoly for coal each year. The national tariff policy (NTP 2006) has encouraged a market driven model for power with sufficient incentive for companies engaged in the generation, transmission and distribution of electricity on one hand and the benefit of reliability and affordability of power to end users on the other.

It is estimated that power consumption will rise from 821.2 TWh in the year 2013 to 1,433.2 TWh in the year 2022 driven by increasing industrial activity and on account of demographic growth. India nominally faces a deficit of 3.5-4.5% every year, representing the gap between the demand and supply of power.

In addition to the end user the market for power involves other factors; the generator and its supplier of coal (given the predominance of thermal energy), the transmission company and the distribution utility, the latter two being

governmental entities in need of urgent reform. The past year has seen a series of interlinked reforms aimed at injecting efficiency in the market by encouraging the distribution utilities to raise tariffs in lieu of restructuring of historic loans, promising fair compensation to generators in the light of increased costs of generation and institutionalising the assurance for the supply of coal from the PSU vendor. These reforms have had limited impact as distribution utilities yet do not have adequate funds to purchase power and consequently have to resort to demand management.

Regardless of the reforms, the chief impediments to growth in thermal capacities are constraints in enhancing the production of both coal and gas domestically. The imported coal that gets utilised as a substitute often comes in at a higher cost, upsetting the operating economics of Independent Power Producers (IPPs) who also additionally have to contend with stagnating merchant tariffs and under-remunerative PPAs. The long-term antidote to the ills befalling the power industry includes balancing the tariffs with the cost of generation, reduction in cross-subsidisation amongst consumers and curtailment in Transmission and Distribution (T&D) losses.

The challenges and dynamics of the sector notwithstanding, the persistent deficit has given rise to a vibrant market for merchant trading of power across the country. In the year 2013-14 the market for short-term trading stood at 115.1 bn kWh. Your Company is an active participant in this market and delivered 864.7 mn units under the merchant dispensation in the financial year 2013-14.

Ferro Alloys

Ferro Alloys are additives used in the manufacture of steel, where their addition produces different grades of steel. These additives also find usage in the manufacture of cast iron. Ferro Alloys are primarily alloys of Iron mixed with other elements such as Manganese, Silicon, Chromium and Aluminium. These alloys impart distinctive qualities to

steel (corrosion resistance, hardness and tensile strength at high temperature, wear resistance and better creep strength) and cast iron ore serve important functions during their production.

Production of Ferro Alloys across the globe is concentrated in areas where the input materials are usually abundant; countries like Ukraine, Russia, China and South Africa account for the lion's share.

Like many other industries within India, the manufacturing of Ferro Alloys is fragmented, although a large percentage gets exported through the Kolkata, Haldia and Vishakhapatnam ports. India occupies a significant proportion of Ferro Chrome production pie after South Africa, China and Kazakhstan. In Manganese Alloys the leading producers are China, South Africa, Ukraine and Brazil.

Your Company is capable of manufacturing Ferro Manganese, Silico Manganese, Ferro Silicon and Ferro Chrome across its smelters in the States of Telangana and Odisha. Your Company's Ferro alloy units are renowned for using the latest technology capable of processing non-metallurgical grade ores (lumps and fines) after necessary beneficiation and agglomeration.

The manufacturing process is power intensive, and, as a result, Indian producers have opted to set-up captive power generation. Your Company too has developed a captive power that is backed up to 70% of its requirement by linked coal (the rest of the requirement is met through a combination of coal obtained through e-auction, washery rejects and imports). The Manganese ore used in the manufacturing of Ferro Manganese and Silico Manganese is mined by Manganese Ore India Ltd., a PSU whereas pricing is linked to international prices as is the case with all commodities. Chromite ore is available from Odisha Mining Corporation. In order to limit the risk arising due to volatility in supplies and pricing of Chromite ore, we are engaged in a conversion agreement with Tata Steel. This agreement mandates that we convert a fixed quantum of ore into finished product such that we are able to recover fixed cost/sunk costs.

Sugar

The consumption of sugar has increased at about 2.7% per annum over the last 5 decades with India being the second

largest producer and largest consumer of sugar globally. The demand for sugar in the year 2013-14 is expected to stand at 23.5 MT. While it can be manufactured from a variety of crops, sugarcane is the most common source of producing sugar in India and the other major producers. Within the country, Maharashtra enjoys the largest share in production followed by Uttar Pradesh, Tamil Nadu, Karnataka, Madhya Pradesh and Andhra Pradesh. The dependence on favourable agro-climatic conditions renders sugar a cyclical commodity and the year 2013-14 is likewise expected to be a surplus year with 25 MT production.

Sugar is both a key contributor to the rural economy and an irreplaceable ingredient of consumption in every Indian household. Historically, therefore, the sector has been closely regulated, in the process stymieing sustainable growth for sugar and its associated by-products i.e. alcohol and spirit. Cane price poses the chief burden on sugar millers as the same is determined ad-hoc by respective State Governments; sugar season 2013-14 saw a State Advised Price (basic cane price) of ₹ 280 per quintal for Uttar Pradesh whereas Karnataka has asked for ₹ 250 per quintal. Underlying the individual state advised prices for sugarcane is a Fair and Remunerative Price (FRP) that gets determined by the Central government and which stood at ₹ 210 per quintal in the sugar season 2013-14.

On the other hand, the price of sugar within the country remained under pressure in the range of ₹ 28-31/kg following an oversupply scenario. With sugar season 2013-14 expected to result in surplus production, we are looking at the 3rd straight year of surpluses. The government has sought to remedy the situation by proposing an export subsidy thereby encouraging an outward passage for sugar and allowing prices to rise domestically. Internationally, there are expectations that there will be a small surplus at the end of sugar season 2013-14. It is pertinent to note that gradual enhancement in the fuel blending ratio for ethanol (which is a by-product of sugar) will help support firmer prices for sugar.

OPPORTUNITIES AND THREATS

Power

The demand for power follows the variations in the growth in a nation's GDP. This is also true for India where we are seeing increasing economic activity in



cement, steel, mining and food processing besides other manufacturing sectors. Industrial consumers traditionally form the largest block of consumers of electricity in India with much of their requirement met by captive generation. Over the years, growth in consumption has come from domestic and commercial consumers at the expense of the industrial consumers. The other factors that drive the demand for power include latent demand that comes from consumers otherwise willing to pay but who are facing curtailment in supply; higher disposable income in urban settings that is co-related with enhanced usage of gadgets and lastly the growing prosperity in rural households thereby spurring demand on the residential and agricultural sides.

As an emerging nation, India presents wide opportunities in every aspect of the power industry, with the primary share being that of generation. The total demand for power will stand at 1915 TWh by the year 2022. As against this, the 12th plan envisages expenditure of USD 253.6 bn – wherein the share of the state and private enterprises will stand at 40% and 60% respectively. As the consumer is willing to bear a fair price, it is contingent on the policy environment to make development of the power infrastructure a win-win situation for the developers and operators.

While the growth sector is critical as far as India is concerned, the power industry has suffered due to policy lacunae. Years of underinvestment in transmission and distribution has given rise to high transmission and distribution losses and inadequate corridors for evacuation of electricity. This is grossly mis-matched with the addition in generation capacities forcing power plants to work in isolation or being stranded, meaning they have to forego opportunities in merchant trading that may be available elsewhere in the national distribution network. Distribution companies have also not been enjoying the freedom to price their tariffs realistically resulting in losses for themselves and to their lenders. Generating capacities are also stranded for another important reason, the under-availability of the required quantities of coal and gas.

As of December 31, 2013, this has been provided with the commissioning of the Raichur-Solapur 765 kV single circuit transmission line. This will be strengthened over the next few months eventually making it possible for us sell to deficit regions more optimally.

Your Company has an installed thermal power capacity of 442 MW directly and indirectly under domestic operations, with 264 MW at Paloncha, Telangana, 20 MW at Dharmavaram, Andhra Pradesh and 158 MW at Kharagprasad, Odisha. These include the 150 MW Paloncha power plant and 64 MW Kharagprasad power plant commissioned recently. Your Company also operates a 9 MW biomass-based facility at Samalkot that uses the bagasse generated by the Company's sugar factory as fuel.

Overseas investments

Nava Bharat (Singapore) Pte.Limited, a Subsidiary of your Company holds 65% economic interest in Maamba Collieries Limited (MCL), whereas a 35% stake continues to reside with ZCCM-IH, the mineral investments holding Company of the Government of Republic of Zambia. MCL holds the largest coal concession in Zambia and the joint entity envisages developing an integrated 300 MW thermal power plant in Zambia together with revival of coal mining activity with a total investment outlay of USD 800 million.

The total loan component of USD 560 million would be raised through a mix of borrowings from Development Financial Institutions and Commercial Banks backed by insurance cover from Export Credit Agency in China. The Company has received environmental clearance and Power Purchase Agreement (PPA) has been signed with ZESCO (which is the local power utility) for 300 MW of power. This power plant is scheduled for commissioning in the fiscal year 2015-16. Your Company re-started the Coal Mining operations at Maamba where a modular state-of-the-art Coal Handling and Processing Plant (CHPP) was commissioned in May 2012. Sales of high grade coal of GCV 6,000 kcal/kg commenced in June 2012, sales volume is expected to be about 30,000 MT per month in the current fiscal. There is a substantial jump expected in the coal mining in the year 2015-16, driven by new customers.

Your Company has acquired majority stake in Kobe Green Power Co. Limited (KGP) which holds development rights for a 150 MW hydro-electric power project in Laos with an expected investment of close to USD 235 million on Build Own Operate and Transfer Schemes (BOOT) basis. The Detailed Feasibility Study (DFS) has been completed and approved. Concession Agreement and the Power Purchase Agreement followed by the approval of the Government of Laos are expected shortly. A Special Project Company will be formed thereafter to implement the project with majority control.

Ferro Alloys

Being an important additive in steel making, the dynamics of the ferro alloy industry are intricately linked to those of steel. With the excess supply in the system, prices of steel remain under pressure everywhere except in the US. Raw material economics have lent momentum to steel prices in the past and are expected to do so even now. But given the weak demand for steel and given the capacity creation in raw materials, they are unlikely to push steel prices higher.

Indian steel consumption has grown 0.5% in the period April 2013-January 2014, making it the lowest growth rate in the past 10 years. India has hit an economic speed-breaker and consequently the investment cycle is at its trough, with future steel projects on hold. There are signs of revival with domestic prices on the upswing in the year 2014 in line with the pick-up in demand in the construction industry and higher cost of production for steel manufacture.

Your Company is historically engaged in the production of ferro alloys given the proximity to the primary raw materials. It manufactures Silico Manganese and Ferro Manganese at Paloncha, Telangana, with a capacity to produce 125,000 TPA of these alloys and Ferro Chrome at Kharagprasad, Odisha, with a capacity to produce 75,000 TPA. Given the cost-dynamics of running a ferro alloy plant, your Company is adequately supported through captive power generating capacities. The Odisha facility is under a conversion contract for Tata Steel to produce Ferro Chrome from the raw material supplied to it.

Sugar

India's sugar production for the crushing season 2013-14 is likely to be around 23.7-25.0 million tonnes as lower acreages would be partially compensated by higher yields in key sugar growing regions.

While the central government is considering various relief measures apart from offering interest-free loans to sugar mills, exports and growing domestic consumption of sugar would support growth in the forthcoming years. India is the second largest sugar producing and the largest sugar consuming country in the world. Given the change in demographics and food patterns, the domestic consumption is set to accelerate thereby offering ample growth opportunities for the sugar mills in India.

Your Company operates an integrated sugar facility at Samalkot, Andhra Pradesh, with a capacity of crushing 4,000 TCD of sugarcane. Additionally, your Company has a 20 klpd distillery that makes approximately 2.50 million bulk litres of rectified spirit, used to manufacture ethanol/extra neutral alcohol.

Nava Bharat Ventures' agro-projects under tie-ups with Tanzania Government await identification of land area. Oil palm project is to be developed, subject to feasibility test through a pilot project. Investments for these projects would be committed in FY16.

SEGMENT-WISE PERFORMANCE

Your Company is focused on power business, as reflected in its performance. The table below gives the operational details of the three business segments of your Company.

Sr. No.	Particulars	Ferro Alloys		Power		Sugar	
		31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
1	Production (MT)/(MU)*	103298	111812	1297	1512	38853	43801
2	Sales (MT)/(MU)*	104705	109044	1297	1512	43091	42626
3	Revenue (₹ in lakhs)	56549	54147	67624	69248	16204	16103
4	PBIDT (₹ in lakhs)	2988	5982	25480	25037	1174	2846

* Ferro Alloys include 41103 MT (previous year: 47503 MT) on account of conversion for Tata Steel Ltd.



OUTLOOK

Power

India is likely to soak up investments of up to USD 2.3 tn by the year 2035 in developing its energy infrastructure. Whereas the demand for energy is slated to rise 2.7% per year from the year 2010 to 2035, the dominant contribution towards satisfying this increase will come from coal based plants. The power sector has historically been closely regulated characterised by very low tariffs for electricity and heavily subsidised agricultural usage.

The key to long-term sustainable prosperity of the power sector and the nation by consequence will lie in building a more reasonable pricing system, enhancing the efficiency of existing plants and infrastructure and diversifying the sources of energy at hand. Thus far, the private sector has been leading the charge in new investments into the sector. The share of the private sector in new capacity creation has jumped to approx. 42% in the period 2007-12 from approx. 9% in the period 2002-07. Despite that and the 100% FDI allowed towards setting up fresh capacities or taking stake in existing ventures, the broad investment trends in the last 12-24 months have been negative.

Private investment has shrunk owing to uncertainties on fuel supply, regulatory challenges and policy framework. Additionally, the state distribution utilities, who often are the primary customers for the power generators, are practising demand management and curtailing incremental purchases of electricity. There is no support from the public sector as there have been no fresh bids from the government towards setting up new capacities. Being a regulated market in a sense, price control on electricity has proven counter-intuitive and investments in new power plants have nearly stalled.

Your Company had commenced operation of a 150 MW power plant based on imported fuel at Paloncha, Telangana under its subsidiary, Nava Bharat Energy India Limited. The Company has been primarily catering to demand for merchant power within Telangana and Andhra Pradesh and given the connectivity provided to the southern grid, the Company expects to sell power to other deficit regions in the country in due course. As a prudential measure, the Company maintains sufficient coal supplies to meet the requirements of generation. This plant was operated

at 79% PLF during the year 2013-14. The rest of the generating capacities held directly by your Company are supported by coal linkages, coal from e-auctions and access to coal washery rejects. The investments being pursued in Zambia by your Company are part of the diversification of the investments into the energy sector.

Ferro Alloys

The production of Ferro Alloys has grown nearly 14% between the years 2008-09 and 2011-12, supported by a 17% increase in exports from India and a 7% rise in domestic consumption as well in the same period. Given the trajectory of growth, there is expansion planned in capacities for Manganese alloys and Ferro Chrome to the extent of 6-9% between the years 2010 and 2015. This dovetails with the 8% growth seen for carbon steel and 10% for stainless steel production in India. Emerging nations are expected to be a major driver of demand on account of their steel requirement for urbanisation and industrialisation and suitably fall within the ambit of delivery of Indian producers.

Whereas a growing global economy and the pick-up in domestic automobile demand will spur the demand for steel in the U.S., China may see a slow down as the country refocuses on domestic consumption and moves away from exports. Japan and Europe, the other two major consumers, are expected to show positive demand underlining the buoyancy in steel growth.

The conversion project of your Company for 50,000 MT will continue in the present fiscal year as well. This conversion work has recently been stopped on account of the stoppage of chromite ore mining activity by Tata Steel following the directives of the Hon'ble Supreme Court of India. The Company plans to produce Ferro Chrome on its own account till this issue is resolved by Tata Steel. In the longer term, the Company is looking at a solution where it is able to restructure the Odisha works into 2 verticals –Ferro Alloy smelters (75,000 TPA for Fe Cr) and Power generation unit (94 MW + new 64 MW), with the objective of inducting strategic investors so as to make the restructured SPVs captive units under mining and power regulations and facilitate sustained operations in both the SPVs.

Sugar

Brazil holds the key to the global output of sugar. El Nino is expected to cause wetter than usual conditions in that

country by the end of the year 2014 and consequently limit the quantum of sugar production. Moreover, the heat wave experienced in late 2013 in Brazil is expected to have depressed the production of sugar in the season 2013-14. India and Thailand, the other two major producers are expected to witness drier weather further impeding the production and supply of sugar in the year 2014-15.

The overall impact on sector inventories is likely to be negative given that consumption of sugar has shown strength. The pricing trends, therefore, naturally appear to be on the firmer side.

RISKS AND CONCERNS

Power

Being a growing economy, India will always show ample demand for power. The impediments are systemic that is required to be addressed by the Governments at the State and Centre. The state of indebtedness of the distribution utilities is the first and foremost biggest challenge, followed by the cost of production that is exacerbated by shortage of coal that remains key to existing capacities and bulk of the upcoming ones and lastly the tardy rate of capacity creation by State backed generation companies – that still supply power to a substantial portion of the population. The private sector has stepped up its capacity addition to mitigate this gap in the past few years but is expected to slow down owing to policy lacunae and unavailability of sufficient fuel to run the plants.

Ferro Alloys

The outlook for ferro alloys closely shadows that for steel. The pall of global economic uncertainty has characterised the steel industry for the past two years, with the Eurozone showing economic malaise, other developed nations unyielding in terms of demand growth and emerging economies battling adverse currency, deficits and inflation. China poses risk to growth as their government recalibrates the economy to a sustainable speed, and this is expected to temper investments in both infrastructure and real estate. Overcapacity has also been a perennial problem in the steel industry.

Indian ferro alloy producers are under pressure owing to slackness in demand, the rising cost of input materials and dearer electricity.

Sugar

Sugar is a uniquely global commodity where prospects are affected both by domestic and international factors alike. Besides being heavily regulated, the sugar industry within India faces multitude of challenges like past arrears, delayed ramp-up in ethanol blending and declining acreages as farmers opt for other cash crops. The international dynamics for sugar are determined by Brazil, which is set to experience uneven weather leading to production shortfalls.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems of your Company are in tune with the changing needs of the business. The Company follows a robust set of protocols with continuous supervision by the Board and the top management. Your Company has in place appropriate risk-mitigation measures that ensure continuity in operations, protection of assets and other resources, compliance with the law & regulatory procedures so as to adhere to the internal policies that have been pre-defined.

The Company's internal control system has been developed with an objective to:

- Adhere to latest policies and procedures together with management guidelines, listing requirements and various circulars
- Safeguard the assets of the Company from fraud, loss or misuse
- Implement the corporate strategy
- Provide full accuracy in recording and follow the best possible practices of internal and external reporting
- Prompt reaction to risks arising within the Group, of which your Company is a part, on account of its business operations
- Initiate appropriate and timely execution of corrective measures, if any.

While the internal control systems and procedures form a vital part of the overall corporate governance of the organisation, stability in the operations together with focus on accuracy of the financial information and strict compliance is an integral component as well.



In accordance with the well-defined internal policies and procedures, the Audit Committee of your Company has considered and deliberated on the internal audit reports given from time to time during the year 2013-14. The comments and observations made have been acknowledged and their implementation has been overseen continually.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

	FY2014 ₹ in Crore	FY2013 ₹ in Crore	% change
Net sales/Income from operations	1100.55	1124.20	(2.10)
Other income	54.11	61.85	(12.51)
Total income (1+2)	1154.66	1186.05	(2.65)
Total expenditure	927.07	888.91	4.29
Operating profit	269.47	308.23	(12.58)
Operating margin %	24.49	27.42	
Finance charges	18.24	13.82	31.98
Gross profit after finance charges but before depreciation and tax	284.79	345.00	(17.45)
% of Gross profit after finance charges but before depreciation and tax to total income	24.66	29.09	
Depreciation	61.58	48.26	27.60
Profit/Loss after exceptional items and before tax	223.21	296.74	(24.78)
Provision for			
-Current tax	47.30	59.75	(20.84)
-Deferred tax	(7.52)	(0.78)	864.10
-Tax of earlier years	0.08	5.26	(98.48)
-MAT credit entitlement	(9.75)	(5.80)	68.10
Total	30.11	58.43	(48.47)
Profit/Loss after tax	193.10	238.31	(18.97)
Return on capital employed %	9.36	13.09	

The fully-diluted book value of every equity share belonging to your Company was ₹ 274.30 as on March 31, 2014. The price of the equity shares of your Company ranged from ₹ 151.90 per share to ₹ 181.50 per share on National Stock Exchange of India Limited and ₹ 151.15 per share to ₹ 181.05 per share on the Bombay Stock Exchange Limited during the FY 2013-14.

HUMAN RESOURCES

Your Company holds the human resources function as central to the sustainable growth of the business. Workforce and talent management rank high in the

agenda of the management of your Company. The same philosophy is followed on the shop floor leading to cordial industrial relations.

Knowledge Workforce

Every new recruit who joins your Company has the same opportunities for growth. He/She is given structured training right from induction. Engineering recruits undergo curriculum based training so that they emerge as well-rounded resources. Though the responsibility of training is vested in an internal department, your Company has, from time to time, engaged the expertise of external consultants.

Managerial staff is also put through a specialised training module where emphasis is on team building and knowledge sharing across the organisation. The Company regularly encourages employees to interact with peers from other companies on formal and structured platforms so that they can keep abreast with the latest trends in the industry. In addition, the Company provides adequate opportunities to employees to develop their lateral potential.

Talent Management

Nava Bharat has always provided a stimulating environment for its employees, encouraging continual learning. Select employees have the option of working at international operations to hone their competencies and achieve individual goals. The Company follows a transparent and objective Performance Management System. The Company's compensation policies are fair and meet industry levels. The commitment to the employees extends beyond the work place with the Company providing good educational, housing, recreational and sports facilities in residential colonies around the plants and facilities. The employees are proud to represent Nava Bharat as captured by their long and fruitful tenures with the Company.

Industrial Relations

Your Company is very particular about making sure that it offers a safe, healthy and efficient working atmosphere. The managers are deeply engaged in employee affairs and their constant and consistent interaction has been the

foundation of cordial industrial relations during the past year. Every workman is given a fair wage which often stands above the prevailing minimum wages. The attrition rate in your Company is low with net reduction of 28 employees during the year. The total employee strength thus stands at 1047 as on March 31, 2014.

CAUTIONARY FORWARD-LOOKING STATEMENTS

Certain statements made in this document may be forward-looking in nature. These statements may include forecasts for financial growth, future plans & strategies, intentions and viewpoints which may concern the regular course of business from time to time.

The statements are made based on the information available and the Management takes no obligation to periodically update these statements given the change in market dynamics. The actual events may unfold differently than these forward-looking statements given the risks and uncertainties associated with the business.

Some of these risks may include uncertain market conditions that may lead to reduced spending on the products and services that your Company deals in, the ability to build, create and acquire new businesses and also grow the existing businesses, availability of skilled manpower and retain qualified professionals, exchange-rate fluctuations and other common risks associated with industry as a whole.



Report on Corporate Governance

CORPORATE GOVERNANCE

The Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement as stipulated by Securities and Exchange Board of India and Stock Exchanges.

The Company presents its report on compliance of conditions specified in Clause 49 of the Listing Agreement.

1. Company's Philosophy on Code of Governance:

The Company's philosophy on code of governance is conducting business in a fair and transparent manner, enhancing stakeholders' value. The Company will continue to focus on its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and interests.

The Company believes in maintaining high standards of corporate behavior towards the communities it is in touch and the environment on which it has an impact for orderly and responsible growth and creating long term value for its shareholders. The Company is committed to doing things in the right way by taking business decisions in ethical manner and in compliance with applicable laws.

Corporate Social Responsibility (CSR)

Social development is at the core of the Company's philosophy and this continues to be a priority for the Company. The Officers at the Company's manufacturing divisions interact with the neighbouring communities on regular basis. The Company's contributions are in the areas of health, education, livelihood, infrastructure development, construction of health centres, schools, etc., and environment protection.

Sri C V Durga Prasad, Director (Business Development) monitored the CSR activities of the Company for the year.

2. Board of Directors:

The Board of Directors of the Company has a combination of Executive, Non-Executive and Independent Directors. The Board comprises nine Directors, of which five are Non-Executive and Independent and more than half of the total strength of the Board comprises Independent Directors (5 out of 9).

None of the Directors on the Board, is a Member of more than ten Committees or Chairman of more than five Committees across all the Companies in which Directorship is held. Necessary disclosures regarding Committee positions in other public Companies as on 31st March, 2014 have been made by the Directors.

The Board was constituted as prescribed. The Non-Executive Directors' compensation was fixed by the Board of Directors and approved by the shareholders in General Meeting.

Disclosure of relationships between Directors inter-se

Sri P. Trivikrama Prasad, Managing Director, is related to Chairman (as Chairman's sister's husband) and Sri D. Ashok, Chairman, as such is related to Managing Director. In respect of the other Directors, there is no Inter-se relation as per Section 6 and Schedule 1A of the Companies Act, 1956 or Section 2(77) of Companies Act, 2013 read with Rule 4 of Companies (Specification of definitions details) Rules, 2014 or in any other manner.

The details of composition of the Board along with category of Directors, attendance of Directors at Board Meetings and Annual General Meeting and also the details of other directorships and chairmanships / memberships of audit and shareholders / investors grievance committees in other

companies [other than in Nava Bharat Ventures Limited (NBVL)] are as follows:

Name of the Director & Designation	Director Identification Number	Attendance in FY 2013-14		No. of Directorships in other Companies		Committee Chairmanships and Memberships in other Companies	
		Board Meetings	AGM	Pvt.	Pub	Chairmanship	Membership
Sri D. Ashok Chairman Executive	00006903	4/5	Yes	6	6	-	-
Sri P. Trivikrama Prasad Managing Director Executive	00006887	5/5	Yes	8	6	-	-
Sri C.S.V.Rao* Independent Director IDBI Bank Limited Nominee	01515286	4/5	Yes	-	1	-	-
Dr. E.R.C. Shekar Independent Director Non-Executive	00013670	5/5	No	2	3	3	-
Dr. M.V.G. Rao Independent Director Non-Executive	00012704	4/5	Yes	3	5	1	2
Sri K. Balarama Reddi Independent Director Non-Executive	00012884	5/5	Yes	3	4	3	1
Dr. D. Nageswara Rao Independent Director Non-Executive	02009886	4/5	Yes	4	2	-	-
Dr. C.V.Madhavi Independent Director Non-Executive	06472632	5/5	Yes	-	-	-	-
Sri C. V. Durga Prasad Director (Business Development) Executive	00006670	5/5	Yes	1	1	-	-
Sri G. R. K. Prasad Executive Director Executive	00006852	5/5	Yes	1	5	1	1

* Sri C S V Rao, ceased as Director on the Board, as IDBI Bank Limited had withdrawn its Nominee Director from the Company's Board with effect from 8th March, 2014.



Details of Board Meetings

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board met at least once in every quarter and the intervening period between two Board meetings was well within the maximum gap of four months. During the Financial Year, five Board Meetings were held: on 2nd May, 2013; 23rd May, 2013; 10th August, 2013; 6th November, 2013 and 10th February, 2014.

The agenda items with notes prepared by functional departments or Units, are circulated to all the Directors well before the meeting for consideration. Minutes of Board Meetings are circulated to all Directors before the next meeting and confirmed at the subsequent Board Meetings. Copies of minutes of Board Meetings of subsidiaries of the Company are also circulated as part of the agenda.

Review of statutory compliance report

The Board periodically reviewed the statutory compliance reports of all Laws applicable to the Company at its quarterly Board Meetings.

3. Audit Committee:

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 or Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

i. Brief description of terms of reference

The role of the Audit Committee is as prescribed under the Act and Listing Agreement and includes the following:

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

- b. Recommendation of appointment etc., of the Statutory Auditors and their fee for audit and other services;
- c. Review of Annual Financial Statements with particular reference to Directors' Responsibility Statement, changes in accounting policies, major accounting entries involving estimates, disclosure of related party transactions, qualifications in the draft audit report, etc.;
- d. Discussions with Internal Auditors on significant findings and with Statutory Auditors of the nature and scope of audit and on areas of concern;
- e. Review of quarterly financial statements, uses and application of funds raised, performance of Statutory and Internal Auditors, adequacy of internal control system and internal audit function; and
- f. Review of Management Discussion and Analysis report on financial condition, operations, significant related party transactions, internal control weaknesses reported by the Statutory Auditors and Internal Auditors and the appointment and remuneration of Internal Auditor.

ii. Composition, Names of Members and Chairperson

The Audit Committee consisted of two Independent Directors and one Institutional Nominee, who is also Independent Director. All the members of the Committee including the Chairman have adequate financial and accounting knowledge.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Director	Category	Member/ Chairman	Number of Meetings during the FY 2013-14	
			Held	Attended
Sri K. Balarama Reddi	Independent Director	Chairman	5	5
Dr. M. V. G. Rao	Independent Director	Member	5	4
Sri C.S.V. Rao	IDBI Bank Limited Nominee & Independent Director	Member	5	4

The Audit Committee was reconstituted by appointing Dr. D. Nageswara Rao, as Member, in view of the withdrawal by the IDBI Bank Limited of its Nominee, Sri C S V Rao from the Company's Board with effect from 8th March, 2014.

iii. Meetings of the Audit Committee held during FY 2013-14

During the year, five meetings of the Audit Committee were held: on 2nd May, 2013; 23rd May, 2013; 10th August, 2013; 6th November, 2013 and 10th February, 2014. Necessary quorum was present for all the meetings.

Subsidiary Companies

Independent Directors viz. Sri K. Balarama Reddi and Dr. M. V. G. Rao are the Directors on the boards of the non-listed Indian Subsidiary Companies as at the end of the financial year 2013-14, as detailed below:

Name of the Independent Director	Director on the Board of Subsidiary Companies
Sri K. Balarama Reddi	1. Nava Bharat Projects Limited 2. Nava Bharat Realty Limited
Dr. M. V. G. Rao	1. Brahmani Infratech Private Limited 2. Nava Bharat Energy India Limited 3. Nava Bharat Sugar and Bio Fuels Limited

The financial statements and the minutes of the board meetings of the subsidiary companies are considered at the meetings of the Board of Directors of the Company.

Related Party Transactions

The Audit Committee and Board considered periodically the statement of related party transactions together with basis, at their meetings.

Risk Management

The Board laid down the risk assessment and minimisation procedures, which are reviewed periodically at its meetings, to ensure that executive management controls risk through a properly defined framework. The Risk Management Policy was placed on the Website of the Company.

Proceeds from fresh/further issues

No further issues were made by the Company during the FY 2013-14.

**4. Remuneration Committee:****i. Brief Description of Terms of Reference**

The functioning and terms of reference of the Remuneration Committee are as prescribed under the Listing Agreement and it determines the Company's policy on all elements of the remuneration packages of the Directors including the Executive Directors.

The remuneration of the Directors is approved by the Remuneration Committee and the Board of Directors as per the Company's policy.

ii. Composition, names of Members and Chairperson

The Remuneration Committee comprised two Independent Directors and one Institutional Nominee Director, who is also Independent. The Remuneration Committee was reconstituted by appointing Dr. D. Nageswara Rao, as Member, in view of the withdrawal by the IDBI Bank Ltd of its Nominee, Sri C S V Rao from the Company's Board with effect from 8th March, 2014. The composition of the Remuneration Committee and particulars of meetings attended by the members of the Remuneration Committee are given below:

Name of the Director	Category	Member/ Chairman	Number of Meetings during the FY 2013-14	
			Held	Attended
Sri K. Balarama Reddi	Independent Director	Chairman	1	1
Dr. M.V.G.Rao	Independent Director	Member	1	1
Sri C.S.V.Rao	IDBI Bank Limited Nominee & Independent Director	Member	1	NIL

iii. Meetings held during the FY 2013-14

During the period from 1st April, 2013 to 31st March, 2014, Remuneration Committee Meeting was held on 23rd May, 2013, which reviewed and recommended the re-appointment and/or remuneration payable to the Directors in the Whole-time employment of the Company as approved by the Board and Annual General Meeting on 16th August, 2013.

The Remuneration Committee was re-named as Nomination and Remuneration Committee and its role has been extended as stipulated in the new Companies Act, 2013 and revised Clause 49 of the Listing Agreement.

Further, the Nomination and Remuneration Committee on 29th May, 2014, inter alia, considered and recommended the re-appointment

of and remuneration payable to Sri D. Ashok as Chairman for a period of 5 years with effect from 14.08.2014 and also reviewed the remuneration payable to Sri D. Ashwin, Managing Director of M/s. Nava Bharat (Singapore) Pte. Limited, Singapore, the Wholly Owned Subsidiary of the Company, a relative of the Chairman, and recommended the remuneration payable to him as such with effect from 01.04.2014 for a period of 5 years.

The Committee also recommended the appointment of Sri Nikhil Devineni, a relative of the Chairman, to the office or place of profit in the step down subsidiary of the Company, Kobe Green Power Co. Ltd., as Manager – Business Development. The Board of your Company also approved the same subject to the consent of the members by way of Special Resolution.

iv. Remuneration Policy

As a policy, the remuneration committee considers the financial position and profitability of the Company, nature and responsibility of the position, remuneration packages prevailing in the industry or other organisations comparable in regard to the size and complexity of operations.

v. Details of Remuneration and other payments to or transactions of all Directors during the Financial Year 2013–2014

Name of the Director	Sitting Fee (Board & Committees) (₹)	Salaries (₹)	Perquisites and Allowances (₹)	Commission as approved by General Body (₹)	Other Transactions / Incentive (₹)	Total (₹)
Sri D. Ashok Chairman	--	8,400,000	11,424,174	47,181,999	--	67,006,173
Sri P. Trivikrama Prasad Managing Director	--	8,400,000	11,392,928	47,181,999	--	66,974,927
Sri C.S.V. Rao*	60,000	--	--	315,645	--	375,645
Dr. E.R.C. Shekar	37,500	--	--	336,871	--	374,371
Dr.M.V.G. Rao	67,500	--	--	336,871	--	404,371
Sri K. Balarama Reddi	82,500	--	--	336,871	--	419,371
Dr. D. Nageswara Rao	30,000	--	--	336,871	--	366,871
Dr. C.V. Madhavi	37,500	--	--	336,871	--	374,371
Sri C.V. Durga Prasad Director (Business Development)	--	7,965,000	10,728,495	--	--	18,693,495
Sri G.R.K. Prasad Executive Director	--	7,965,000	10,286,194	--	6,000,000	24,251,194

*Paid to IDBI Bank Limited for the period up to 8th March, 2014.

vi. Service Contract, Notice period, severance fees

There are no specific contracts nor any severance fees. Terms of appointment are as decided by the Board and General Body.

Stock Options: The Company has no Options outstanding as at the beginning of the year and has not granted any Stock Options during the FY 2013-14.

vii. Remuneration to the Non-Executive Directors and criteria

The Board, at its meeting held on 29th May, 2010 and Annual General Meeting on 16th August, 2010 approved payment of remuneration/ commission to the Non-Executive Directors for each year for a period of 5 years commencing from 1st April, 2011, as the Board may from time

to time determine (to be divided equally amongst the Non-Executive Directors) not exceeding 1% of the net profits of the Company in any financial year subject to an overall ceiling of ₹ 20.00 lakhs per year to be paid and distributed equally among all the Non-Executive Directors of the Company for each year, in addition to the sitting fees for every meeting of the Board or Committee not exceeding ₹ 7,500/- per meeting as may be determined by the Board from time to time.

Criteria

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the Non-Executive Directors in the supervision and control of the Company and their guidance for the growth of the Company as Members of the Board and also as Chairman



or Members of the relevant Committees of the Board, the Board and Shareholders decided that such remuneration/commission would commensurate with their roles which have undergone significant qualitative changes.

viii. Details of shares held by Non-Executive Directors as on 31st March, 2014

Sl. No.	Name	Equity Shares of ₹ 2/- each held
1.	Sri K. Balarama Reddi	NIL
2.	Dr. E. R. C. Shekar	NIL
3.	Dr. M. V. G. Rao	NIL
4.	Dr. D. Nageswara Rao	NIL
5.	Sri C. S. V. Rao	NIL
6.	Dr. C. V. Madhavi	NIL

ix. Details of shares held by Chairman, Managing Director and Directors in the Whole-time employment of the Company as on 31st March, 2014

Sl. No.	Name	Equity Shares of ₹ 2/- each held in their name
1.	Sri D. Ashok	1,082,268
2.	Sri P. Trivikrama Prasad	1,708,836
	Sri P. Trivikrama Prasad (HUF)	351,315
3.	Sri G. R. K. Prasad	32,586
4.	Sri C. V. Durga Prasad	70,915

Management disclosure

The Senior Management personnel disclosed to the Board the transactions for the year under review wherever they have personal interest, such as dealings in the Company's shares.

5. Stakeholders Relationship Committee (formerly Shareholders/Investors Grievances Committee):

The title of the Shareholders Grievance Committee has been changed as Stakeholders Relationship Committee as provided in the new Companies Act, 2013.

- i. The Company has Shareholders/Investors Grievances Committee at the Board level, which consists of two Directors namely Sri K. Balarama Reddi and Sri P. Trivikrama Prasad. Sri K. Balarama Reddi, Non-Executive and Independent Director chairs the Shareholders/Investors Grievances Committee. It deals with the complaints of the Shareholders on a regular basis. All the complaints have been solved to the satisfaction of the members concerned.
- ii. Name and Designation of Compliance Officer:
Sri M. Subrahmanyam
Company Secretary & Vice President
- iii. Number of Shareholders' complaints received and resolved during the year ended 31st March, 2014 : 12
- iv. Number not solved to the satisfaction of Shareholders : Nil
- v. Number of pending complaints : Nil

CSR Committee:

The Board of Directors of the Company constituted CSR Committee comprising 3 Directors viz., 1) Sri D. Ashok (Chairman); 2) Dr. D. Nageswara Rao, Independent Director (Member) and 3) Dr. C. V. Madhavi, Independent Director (Member). The Committee is empowered to formulate a CSR Policy with the projects and programs which the Company plans to undertake falling within the purview of Schedule VII to the Companies Act, specifying modalities of execution and implementation schedules for the same. The Committee will also institute a monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

6. General Body Meetings:

- i. The location, time and venue of the last three Annual General Meetings were as under:

Nature of Meeting	Date and Time	Venue of Meeting	Special resolutions passed
41 st Annual General Meeting	16 th August, 2013 at 10.00 a.m	Hotel Marigold, by and beside Green Park Hotel, Hyderabad – 500 016	Four
40 th Annual General Meeting	8 th August, 2012 at 10.00 a.m	Hotel Marigold, by and beside Green Park Hotel, Hyderabad – 500 016	One
39 th Annual General Meeting	28 th July, 2011 at 9.30 a.m	Hotel Green Park, Begumpet Hyderabad – 500 016	Six

- ii. No Extra-Ordinary General Meeting of the shareholders was held during the year.
- iii. No Postal Ballot was conducted during the financial year. Three Special Resolutions were proposed to be passed by Postal Ballot, whose voting would be open from 25th June, 2014 to 24th July, 2014 including voting by electronic means, the results of which, would be announced on 26th July, 2014.

The Company has established a mechanism for Whistle Blower Policy during FY 2014-15. No personnel had been denied access to the Audit Committee prior to the formulation of the vigil mechanism.

- iv. Details of compliance with the mandatory requirements and adoption of non-mandatory requirements:

All mandatory requirements are scrupulously complied with and non-mandatory requirements are partially adopted.

7. Disclosures:

- i. Materially significant related party transactions that may have potential conflict with the interests of the Company at large:

There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large except for those disclosed in the financial statements for the year ended 31st March, 2014.

- ii. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years: Nil.
- iii. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

a. Mandatory Requirements

The Company complied with all the mandatory requirements enumerated in Clause 49 as prescribed relating to all matters specified therein, i.e., i. Board of Directors; ii. Audit Committee; iii. Subsidiary Companies; iv. Disclosures; v. CEO/CFO Certification; vi. Report on Corporate Governance; and vii. Compliance.

b. Non-mandatory Requirements

i. The Board

The maximum tenure of Independent Directors was not adopted by the Company in 2013-14.



ii. Remuneration Committee

The Board has constituted the Remuneration Committee with the role and functions as prescribed, with three Directors, all of whom are Non-Executive and Independent Directors including the Chairman.

iii. Shareholders' Rights

The Half-yearly financial performance was published in the Newspapers and placed on the Company's Website. The same was also sent individually to each Shareholder through e-mail or by post. All the Quarterly Financial results are also placed on the Company's Website: www.nbventures.com apart from publishing the same in the Newspapers.

iv. Audit Qualifications

There are no audit qualifications in the Company's financial statements.

v. Training of Board Members

The Company has yet to plan for the same.

vi. Mechanism for evaluating Non-Executive Board Members

The aforesaid mechanism is to be introduced.

vii. Whistle Blower Policy

The Company has formulated the Policy as recommended by the Audit Committee.

Accounting Standards and Treatment

The accounting treatment, as prescribed in the Accounting Standards has been followed in the preparation of financial statements.

C.E.O./C.F.O. Certification

The C.E.O.(Managing Director) and the C.F.O. certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 30th May, 2014.

8. Means of Communication:

The quarterly, half-yearly and annual results of the Company were normally published by the Company in the Newspapers in English version circulating in the whole of India including Business Line/Business Standard and in Newspapers in the language of Region, Andhra Prabha. The results were also displayed on the Company's website: www.nbventures.com. Half-yearly results were sent to the Members along with a message from the Chairman on the Company's performance during the half-year ended 30th September, 2013. Press releases made by the Company from time to time were also displayed on the Company's website. Official news items were sent to the Stock Exchanges i.e. National Stock Exchange of India Limited and Bombay Stock Exchange Limited, where shares of the Company were listed and the Exchanges present the same on their Websites. The presentations, if any, to Institutional Investors will be covered in the Company's Website.

9. General Shareholder Information:

i. Ensuing Annual General Meeting:

Date	8 th August, 2014
Time	10.00 A.M
Venue	Hotel Marigold By and beside Green Park Hotel Hyderabad – 500 016 Telangana State

ii. Financial Calendar for AGM/Dividend Payment (For the Financial year April, 2013 to March, 2014):

Board Meeting for consideration of Audited Accounts and recommendation of Dividend for 2013-14	30th May, 2014
Posting of Annual Report	14th July, 2014
Book Closure dates	1st August, 2014 to 8th August, 2014
Last date for receipt of Proxy forms	6th August, 2014
Date of the 42nd Annual General Meeting	8th August, 2014
Dividend on Equity Shares	₹ 5/- per share (250%) of face value of ₹ 2/- each
Dividend pay-out date	14th August, 2014

As required under Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchanges, particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting (AGM) were given in the Annexure to the Notice of the AGM to be held on 8th August, 2014.

iii. Financial Calendar:

FINANCIAL YEAR 2013-14 (1 st April, 2013 to 31 st March, 2014)				
1.	First Quarter Results	10 th	August	2013
2.	Second Quarter and Half Year Results	6 th	November	2013
3.	Third Quarter Results	10 th	February	2014
4.	Annual Results (Audited)	30 th	May	2014

iv. Listing on Stock Exchanges:

The Securities of the Company are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Listing fee for these Stock Exchanges was paid.

v. Website:

The Company's website www.nbventures.com contains a separate dedicated section: 'Investors', where shareholders' information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

vi. Reminder to Investors:

Reminders for unclaimed physical share certificates and unpaid dividend were sent to the shareholders periodically.

vii. (a) NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web based application designed by NSE for Corporates. The Shareholding Pattern, Corporate Governance Report and various other Reports are filed electronically on NEAPS. Your Company is also filing various Reports through NEAPS.

(b) BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, financial results, among others are also filed electronically on the Listing Centre.

viii. SEBI Complaints Redress System (SCORES):

The Investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and



online viewing by investors of actions taken on the complaint and its current status.

ix. Stock Codes/Symbol:

Bombay Stock Exchange Scrip Code/Trading Symbol: '513023'/'NBVENTURE'

National Stock Exchange Trading Symbol: 'NBVENTURES'

x. International Securities Identification Number (ISIN):

ISIN is a unique identification number allotted to dematerialised scrip. The ISIN has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN number for the equity shares of the Company is INE 725A01022.

xi. Corporate Identify Number (CIN):

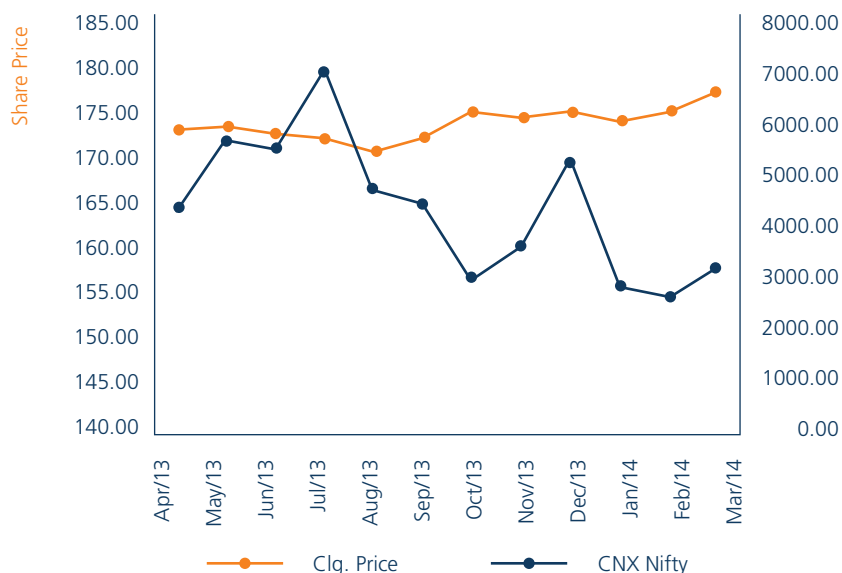
The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, the Government of India is L27101TG1972PLC001549 and the Company's Registration Number is 1549 of 1972-73.

xii. Market Price Data: High/Low (daily closing prices) on National Stock Exchange of India Limited during each month in the FY 2013-14:

Month	Equity Shares of ₹ 2/-each				
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)	Closing NSE S & P CNX NIFTY
2013					
April	177.65	160.80	164.20	45675	5930.20
May	181.50	160.35	172.15	502330	5985.95
June	173.55	167.20	171.20	187607	5842.20
July	180.10	171.40	180.10	91453	5742.00
August	178.00	165.00	166.60	189424	5471.80
September	169.45	165.05	165.05	72323	5735.30
October	159.75	156.35	156.35	72164	6299.15
November	169.70	156.45	160.10	357068	6176.10
December	178.55	159.45	170.00	144502	6304.00
2014					
January	165.40	155.50	155.50	63101	6089.50
February	159.25	153.95	154.35	41900	6276.95
March	159.35	151.90	157.70	133205	6704.20

xiii. The Company is not forming part of NSE S & P CNX NIFTY. Overall performance of the scrip of the Company in comparison to NSE S & P CNX NIFTY is as follows:

Performance of M/s. Nava Bharat Ventures Ltd Closing Share price on NSE in comparison to NSE S & P CNX NIFTY



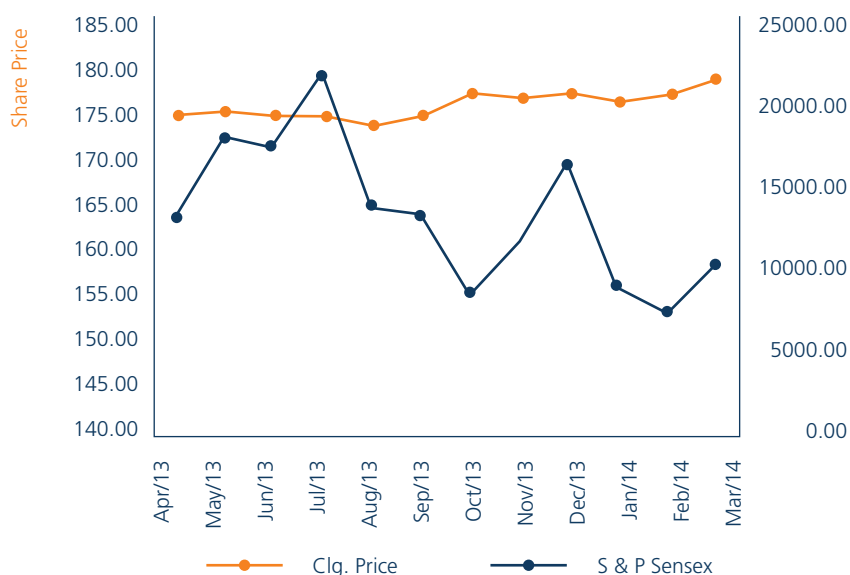
xiv. Market Price Data: High/Low (daily closing prices) on Bombay Stock Exchange Limited during each month in the FY 2013-14:

Month	Equity Shares of ₹ 2/-each					
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)	Closing S & P BSE SENSEX	Closing S & P BSE MIDCAP
2013						
April	176.10	160.65	164.00	12195	19504.18	6344.04
May	181.05	160.85	173.00	54214	19760.30	6389.47
June	173.90	166.40	171.75	22215	19395.81	5964.50
July	180.00	171.10	180.00	29968	19345.70	5543.13
August	178.10	164.20	165.30	12067	18619.72	5300.40
September	168.70	164.50	164.50	9447	19379.77	5605.98
October	159.85	155.50	155.50	20509	21164.52	6107.35
November	169.15	155.80	161.40	45403	20791.93	6325.58
December	177.75	160.50	170.25	32463	21170.68	6705.56
2014						
January	165.50	156.30	156.30	25462	20513.85	6308.05
February	158.50	153.30	153.50	8192	21120.12	6500.42
March	159.40	151.15	158.90	75516	22386.27	7082.86



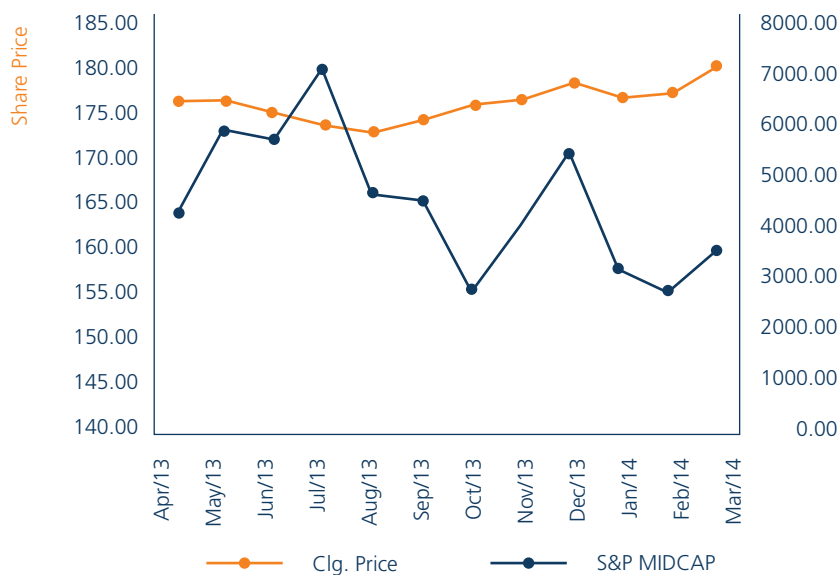
xv. The Company is not forming part of BSE Sensex. Overall performance of the scrip of the Company in comparison to BSE Sensex is as follows:

Performance of M/s. Nava Bharat Ventures Ltd Closing Share price on BSE in comparison to BSE Sensex



xvi. The Company is forming part of BSE MIDCAP. Overall performance of the scrip of the Company in comparison to BSE MIDCAP is as follows:

Performance of M/s. Nava Bharat Ventures Ltd Closing Share price on BSE in comparison to BSE MIDCAP INDEX



xvii. Registrars & Transfer Agents (for Shares held in both Physical and Demat mode)	:	M/s. KARVY Computershare Private Limited (Unit: Nava Bharat Ventures Limited) Plot No.17 to 24, Vittal Rao Nagar Madhapur, Hyderabad – 500 081, Telangana
Telephone Numbers	:	+ 91 40 4465 5000
Direct	:	+ 91 40 4465 5152
Fax No.	:	+ 91 40 4465 5024
Contact Person	:	Sri M. S. Madhusudhan/ Sri Mohd. Mohsinuddin
E-mail id	:	mohsin.mohd@karvy.com
Website	:	www.karvycomputershare.com

xviii. Share Transfer System:

M/s. Karvy Computershare Private Limited, Hyderabad, is the Company's Registrars and Share Transfer Agents. Share Transfers are registered and returned in the normal course within a period of less than 15 days from the date of receipt, if the documents are in order in all respects. Request for dematerialisation of shares are processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrars and Share Transfer Agents were delegated the power of share transfer to expedite the transfer formalities.

xix. a. Distribution of shareholding

Range of equity shares held	As on 31 st March, 2014				As on 31 st March, 2013			
	Shareholders		Shareholding		Shareholders		Shareholding	
	Number	%	Number	%	Number	%	Number	%
1	523	3.51	523	0.00	465	2.91	465	0.00
2-10	1365	9.15	9648	0.01	1518	9.48	10880	0.01
11-50	3411	22.87	118279	0.13	3818	23.85	131374	0.15
51-100	2156	14.45	195353	0.22	2317	14.47	210286	0.24
101-200	2285	15.32	407422	0.46	2381	14.87	424515	0.48
201-500	2954	19.80	1067892	1.20	3100	19.37	1127854	1.26
501 to 1000	919	6.16	740879	0.83	1004	6.27	803773	0.90
1001 to 5000	880	5.90	2092150	2.34	954	5.96	2279909	2.55
5001 to 10000	155	1.04	1154210	1.29	162	1.01	1208058	1.35
10001 and above	268	1.80	83501385	93.52	289	1.81	83090627	93.06
TOTAL	14916	100.00	89287741	100.00	16008	100.00	89287741	100.00



b. Shareholding Pattern

Category	As on 31st March, 2014			As on 31st March, 2013		
	Share-holders (No.)	No. of Shares of ₹ 2/- each held	Voting strength (%)	Share-holders (No.)	No. of Shares of ₹ 2/- each held	Voting strength (%)
A. Promoter Group:						
i. Individuals	12	15283188	17.12	12	15245007	17.07
ii. Bodies Corporate	6	18425813	20.64	6	18360183	20.56
iii. Trust *	1	4973510	5.57	1	4973510	5.57
Total Shareholding of Promoter Group	19	38682511	43.32	19	38578700	43.21
B. Public Shareholding:						
i. Mutual Funds	3	204608	0.23	4	339281	0.38
ii. Financial Institutions/Banks	7	19680	0.02	9	27734	0.03
iii. Foreign Institutional Investors	48	29273313	32.79	51	28547259	31.97
iv. Bodies Corporate	420	1491304	1.67	476	1668437	1.87
v. Individuals						
a. Shareholders holding nominal share capital up to ₹ 1 Lakh	13669	7995203	8.95	14668	8530236	9.55
b. Shareholders holding nominal share capital in excess of ₹ 1 Lakh	55	8601193	9.63	55	8565276	9.59
vi. Unclaimed Shares Suspense Account – Clause 5A.II	1	671215	0.75	1	684465	0.77
vii. Directors and Relatives	8	282631	0.32	8	280631	0.31
viii. Nava Bharat Ventures Employee Welfare Trust through Barclays Wealth Trustees (India) Private Ltd.	1	1400000	1.57	1	1400000	1.57
ix. Clearing Members	36	56658	0.06	18	5001	0.01
x. Hindu Undivided Family	381	436719	0.49	387	439454	0.49
xi. Trusts	7	7444	0.01	7	7444	0.01
xii. Non Resident Indians	261	165262	0.19	304	213823	0.24
Total Shareholding of Public	14897	50605230	56.68	15989	50709041	56.79
GRAND TOTAL (A+B)	14916	89287741	100.00	16008	89287741	100.00

*Holding shares of the Company (NBVL) for the benefit of the Company (NBVL).

Company's Shares held by Promoter Group pledged or otherwise encumbered : NIL

c. Particulars of the Shareholders (non-promoter group) holding more than 1% of the shares of the Company as on 31st March, 2014

Sl. No.	Name of the Shareholder	No. of Shares of ₹ 2/-each	(%) holding
1.	Wellington Management Company, LLP with its PACs	11468283	12.84
2.	Highfields Capital Management LP A/c: HC Mauritius Limited	8482989	9.50
3.	Deutsche Securities Mauritius Limited	1845356	2.07
4.	Copthall Mauritius Investment Limited	1664733	1.86
5.	Nava Bharat Ventures Employee Welfare Trust through Barclays Wealth Trustees(India) Private Limited	1400000	1.57
6.	Morgan Stanley Asia (Singapore) PTE.	1385690	1.55
7.	Credit Suisse(Singapore) Limited	1161600	1.30
8.	Sunitha Vemulapalli	1008315	1.13

d. Unclaimed Equity Dividend

Dividends that are not encashed or claimed within seven years from the date of its transfer to the unpaid dividend account will, in terms of the provisions of Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund after such transfer.

The details of unclaimed dividend as on 31st March, 2014 are as follows:

Sl. No.	Financial Year	Date of Declaration of Equity Dividends	Dividend per share (₹)	% of Dividend (Equity Dividend)	Date of transfer to Unpaid Dividend A/c	Amount outstanding as on 31.03.2014 (₹)	Due for transfer to Central Government's Investor Education & Protection Fund on
1	2012-2013	16 th Aug., 2013	5.00	250%	16 th Sept., 2013	3,787,085/-	16 th Sept., 2020
2	2011-2012	8 th Aug., 2012	4.00	200%	7 th Sept., 2012	2,248,304/-	7 th Sept., 2019
3	2010-2011	28 th July, 2011	6.00	300%	27 th Aug., 2011	2,766,732/-	27 th Aug., 2018
4	2009-2010	16 th Aug., 2010	9.00	450%	16 th Sept., 2010	3,430,233/-	16 th Sept., 2017
5	2008-2009	31 st July, 2009	8.00	400%	31 st Aug., 2009	3,108,736/-	31 st Aug., 2016
6	2007-2008	25 th July, 2008	6.00	300%	25 th Aug., 2008	2,443,464/-	25 th Aug., 2015
7	2006-2007	27 th July, 2007	4.00	200%	27 th Aug., 2007	1,613,160/-	27 th Aug., 2014

The Company is sending periodic communication to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders are informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

xx. Reconciliation of Share capital:

In accordance with Regulation 55A of SEBI (Depositories & Participants) Regulations, 1996, a quarterly audit is conducted by a Company Secretary in Practice for reconciliation of share capital of the Company.



The Reconciliation of Share Capital Audit Report, inter alia, covers and certifies that the total shares held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and those in physical form tally with the paid-up and listed capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc. Details of changes in share capital of the Company during the quarter are also covered in this report.

The Reconciliation of Share Capital Audit Report is submitted to BSE and NSE and is also placed before the meetings of the Board of Directors.

xxi. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has in place a Code of Conduct for prevention of insider trading.

The code is applicable to all the Heads of the Departments of the Company who are likely or may reasonably be expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code is applicable to Chief General Managers and above levels and Designated Employees (All Heads of the Finance & Accounts Department in all Units and Corporate Office).

xxii. Details about Company's dematerialised shares as on 31st March, 2014:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
88113783	98.69	14250	95.53

Shareholders, who continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialised form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL). The system for getting the shares dematerialised is as under:

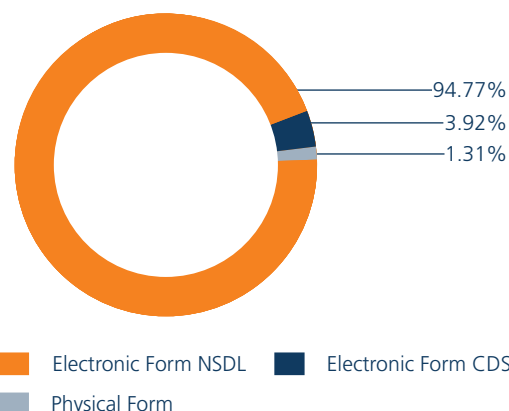
- Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant (DP) with whom he/she has opened a Depository Account;
- DP processes the DRF and generates a unique number viz. DRN;

- DP forwards the DRF and share certificates to the Company's Registrar & Share Transfer Agent;
- The Company's Registrar & Share Transfer Agent after processing the DRF, confirms the request to the Depositories by cancellation of physical share certificates; and
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

The break-up of shares in demat and physical form as on 31st March, 2014 is as follows:

Particulars	No. of Shares of ₹ 2/-each	% of Shares
Demat Segment		
NSDL	84613951	94.77
CDSL	3499832	3.92
Sub-total	88113783	98.69
Physical Segment	1173958	1.31
TOTAL	89287741	100.00

Equity Shares



xxiii. Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity:

No GDRs/ADRs/Warrants or any Convertible instruments have been issued by the Company during the year under review or outstanding as at the end of the Financial Year.

xxiv. Equity Shares in the Suspense Account

The Company has, in accordance with the procedure laid down in Clause 5A (II) of the Listing Agreement, dematerialised Unclaimed Physical Share Certificates into Company's dematerialisation account namely, 'Nava Bharat Ventures Limited – Unclaimed Suspense Account'.

The following are the details of unclaimed shares transferred to Unclaimed Suspense Account:

Sl. No.	Particulars	No. of Shareholders	No. of Equity Shares of ₹ 2/-each
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the FY 2013 -14	1,341	6,84,465
(ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	22	13,250
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account	22	13,250
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	1,319	6,71,215

The dividend on the shares in the Unclaimed Suspense Account will be remitted to the Shareholders on their claiming the shares, till which time, the dividend will be available in the Unpaid Dividend Bank Account.

xxv. Plant Locations:

The Company's plants are located at:

Paloncha -507 154 Khammam District Telangana	Samalkot - 533 440 East Godavari District Andhra Pradesh	Dharmavaram -534 430 Prathipadu Mandal East Godavari District Andhra Pradesh	Kharagprasad Village - 759 121 Dhenkanal District Odisha
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xxvi. Address for Correspondence:

Registered Office	M/s. NAVA BHARAT VENTURES LIMITED 6-3-1109/1, 'Nava Bharat Chambers' Raj Bhavan Road, Hyderabad – 500 082 Telangana, India
Telephone Numbers	+91 40 2340 3501/2340 3540
Fax Number	+91 40 2340 3013
Website	www.nbventures.com
E-mail	nbvl@nbv.in; secretarial@nbv.in
Grievance redressal division E-mail id	grd@nbv.in

for and on behalf of the Board

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 30th May, 2014

D. Ashok
Chairman



CEO / CFO CERTIFICATE UNDER CLAUSE 49(V)

- "a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
- i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting."

For Nava Bharat Ventures Limited

T.Hari Babu
Chief Financial Officer

G.R.K.Prasad
Executive Director

P. Trivikrama Prasad
Managing Director

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions of Clause 49 of the Listing Agreement.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company at its meeting held on January 29, 2005. The Code of Conduct was also posted on the Website of the Company.

All the Board Members and Senior Management Personnel affirmed that they have complied with the said Code of Conduct on an annual basis in respect of the financial year ended 31st March, 2014.

I hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and Senior Management Personnel, that the Code of Conduct has been complied with.

On behalf of the Board
For Nava Bharat Ventures Limited

Place : Hyderabad
Date : 30th May, 2014

P. Trivikrama Prasad
Managing Director

CERTIFICATE

To the Members of
Nava Bharat Ventures Limited
HYDERABAD.

We have examined the compliance of conditions of Corporate Governance by NAVA BHARAT VENTURES LIMITED, Hyderabad, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **Brahmayya & Co.,**
Chartered Accountants.
Firm's Registration No.0005135

Place : Hyderabad
Date : 30th May, 2014

P. Chandramouli
Partner
Membership No.025211

Financial Statements

Standalone

Independent Auditors' Report	61
Balance Sheet	66
Statement of Profit and Loss	67
Cash Flow Statement	68
Notes	70
Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies	101

Consolidated

Independent Auditors' Report	102
Balance Sheet	104
Statement of Profit and Loss	105
Cash Flow Statement	106
Notes	108
Financial information of Subsidiary Companies	139

Independent Auditors' Report

To

The Members of

Nava Bharat Ventures Limited,

Hyderabad.

Report on the Financial Statements:

We have audited the accompanying financial statements of NAVA BHARAT VENTURES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements:

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for **Brahmayya & Co.**

Chartered Accountants

Firm's Registration Number: 000513S

(**P. Chandramouli**)

Partner

Place : Hyderabad

Date : May 30, 2014

Membership Number: 025211



Annexure to the Auditors' Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of NAVA BHARAT VENTURES LIMITED, HYDERABAD, for the year ended March 31, 2014.

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
 - c. The plant and machinery disposed off during the year by the Company is not substantial and hence, it has not affected the going concern status of the Company.
2.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3.
 - a. During the year, the Company has neither granted nor taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b. In view of our comment in paragraph (a) above, (III) (b), (c), (d), (e), (f) and (g) of paragraph 4 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5.
 - a. In our opinion and according to the information and explanations given to us by the Management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.
 - b. In respect of the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, in the absence of any comparable quotes, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to this Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of sugar, distillery, power and ferro alloys and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any other products of the Company.
9.
 - a. According to the records of the Company, the Company is regular (but for what is stated in Para (b) below) in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

Annexure to the Auditors' Report

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of payment
AP AL(CFNAP) Act, 2006	Land Conversion Tax	6,474,049	2010 -11	-	Not paid
Orissa Electricity Duty Act, 1961	Electricity Duty	1,091,227 325,551 90,239	2008-09 2009-10 2012-13	30.04.2009 30.04.2010 30.04.2013	Not paid
Customs Act, 1962	Customs Duty	1,761,860	1985 – 87	-	Not paid
GoAP (I & CAD Dept)	Water Charges	304,945 156,781 156,867 260,127 131,924	2008-09 2009-10 2010-11 2011-12 2012-13	30.04.2009 30.04.2010 30.04.2011 30.04.2012 30.04.2013	Not paid
OSPCB	Water Cess	52,560 60,994 11,518	2008-09 2009-10 2011-12	30.04.2009 30.04.2010 30.04.2012	Not paid
GoAP, APPCB	Water Cess	12,484 30,219 24,309	2008-09 2011-12 2012-13	31.03.2009 31.03.2012 31.03.2013	Not paid
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	7,260,282	2003-04 to 2007-08	15.04.2008	Not paid
- do -	- do -	407,520	2008- 09	30.04.2009	Not paid
- do -	- do -	437,520 251,868 535,680 514,944 5,324,777	May 2010 Jun 2010 July 2010 Aug 2010 Sept 2010	30.06.2010 31.07.2010 31.08.2010 30.09.2010 31.10.2010	Not paid
- do -	- do -	5,239,126	2003-04 to 2010-11	30.04.2012	Not paid
- do -	- do -	48,979 645,905 495,380	April 2011 May 2011 March 2012	31.05.2011 30.06.2011 30.04.2012	Not paid
- do -	- do -	712,759	2012-13	30.05.2013	Not paid
AP Municipalities Act, 1965	Property Tax	152,854 416,377 1,094,253	2011-12 2012-13 2013-14	31.03.2012 31.03.2013 31.03.2014	Not paid
O S Govt.	Ground Rent	7,592 5,955	2009-10 2011-12	31.03.2010 31.03.2012	Not paid
East Coast Railways	Water way line Charges	180,932	2002-03 to 2009-10	31.03.2010	Not paid



Annexure to the Auditors' Report

- c. According to the records of the Company and the information and explanations given to us, the dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
AP (Ag. Produce & Live Stock) Marketing Act, 1966	Agricultural Market Cess	2,815,396	1980-81 to 1989-90	The Secretary, Agricultural Marketing Committee, Visakhapatnam
AP Municipalities Act, 1965	Property Tax	149,952	1995-96 to 2000-01	Hon'ble High Court of AP
- do -	- do -	200,798	1995-96 to 2000-01	Hon'ble High Court of AP
Various Sales Tax Acts	Central Sales Tax	220,130	2004-05	Asst. Commissioner of Sales Tax, Range-II, Cuttack
		6,487,532	2000-01	STAT, Hyderabad
	APGST	7,935,607	2003-04	Asst. Commissioner of Commercial Taxes, Warangal
Central Excise Act, 1944	Excise Duty	16,346,052	2004-05 to 2009-10	CESTAT, Bangalore
		74,792,553	2012-13	CESTAT, Bangalore
		5,529,064	1997-98	CESTAT, New Delhi
		13,690,286	2000-01 to 2001-02	Hon'ble High Court of AP
		343,697	2000-01	CESTAT, Bangalore
		1,120,603	2000-01 to 2005-06	Commissioner of Central Excise (Appeals), Visakhapatnam
		478,018	Oct 2007 – Oct 2012	Commissioner of Central Excise (Appeals), Visakhapatnam
		2,287,627	Oct 2007 – March 2013	Commissioner of Central Excise (Appeals), Visakhapatnam
	Service Tax	4,177,411	2000-01 to 2010-11	Hon'ble High Court of A.P.
		12,918,565	1996-97 to 2010-11	Hon'ble High Court of A.P.
The A.P. Electricity Duty Act, 2003	Electricity Duty	26,070,764	2003-04 to 2012-13	Hon'ble High Court of AP
The AP Non-Agricultural Land Assessment Act, 1963	NALA TAX	1,225,116	1993-94 to 1998-99	Hon'ble High Court of AP

Annexure to the Auditors' Report

10. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, the terms and conditions on which the Company has given guarantees for the loans taken by Others from banks and financial institutions are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
17. In our opinion and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year, therefore the question of creating security or charge in respect thereof does not arise.
20. During the year, the Company has not made any public issue, therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for **Brahmayya & Co.**

Chartered Accountants

Firm's Registration Number: 0005135

(P. Chandramouli)

Partner

Place : Hyderabad

Date : May 30, 2014

Membership Number: 025211



NAVA BHARAT

Balance Sheet

as at 31st March, 2014

₹ in lakhs

Particulars	Notes	31st March, 2014	31st March, 2013
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	04	1,787.01	1,787.01
Reserves and Surplus	05	243,100.21	228,722.49
		244,887.22	230,509.50
Non - Current Liabilities			
Long term borrowings	06	5,429.33	4,527.57
Deferred tax liabilities (Net)	07	2,641.92	3,393.74
Other Long term liabilities	08	221.06	242.47
Long term provisions	09	1,029.79	968.00
		9,322.10	9,131.78
Current Liabilities			
Short term Borrowings	10	4,185.27	8,169.65
Trade Payables	11	7,478.80	7,285.53
Other Current liabilities	12	9,887.02	5,327.56
Short term provisions	13	5,701.76	5,655.50
		27,252.85	26,438.24
TOTAL		281,462.17	266,079.52
ASSETS			
Non - Current Assets			
Fixed assets			
Tangible assets	14	84,583.80	63,954.00
Intangible assets	15	531.36	643.05
Capital Work in Progress	16	633.40	26,055.77
Non - current investments	17	95,409.36	47,432.27
Long term loans and advances	18	4,852.46	4,941.57
Other non - current assets	19	17,764.12	16,534.41
		203,774.50	159,561.07
Current Assets			
Inventories	20	32,170.94	29,264.06
Trade receivables	21	15,969.90	16,596.66
Cash and cash equivalents	22	11,710.66	46,370.77
Short term loans and advances	23	16,262.72	12,047.84
Other current assets	24	1,573.45	2,239.12
		77,687.67	106,518.45
TOTAL		281,462.17	266,079.52
Notes forming part of financial statements	01 - 47		

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 30th May, 2014

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Statement of Profit and Loss

for the year ended 31st March, 2014

₹ in lakhs

Particulars	Notes	31st March, 2014	31st March, 2013
INCOME			
Revenue from operations	25	110,054.82	112,419.63
Other Income	26	5,410.79	6,185.18
Total Revenue		115,465.61	118,604.81
EXPENSES			
Cost of Materials Consumed	27	58,918.05	61,210.44
Purchase of traded goods	28	357.62	461.62
(Increase)/Decrease in Inventories	29	1,622.09	(2,316.68)
Other Manufacturing expenses	30	7,617.86	7,103.94
Employee benefits expense	31	7,472.46	7,186.68
Finance Costs	32	1,823.99	1,381.62
Depreciation and amortisation expense	33	6,157.82	4,825.71
Other expenses	34	8,737.23	9,037.70
Total Expenses		92,707.12	88,891.03
Profit Before Exceptional Items and Tax		22,758.49	29,713.78
Exceptional Items :	35		
Adjustments relating to earlier years (net)		437.17	39.25
Profit After Exceptional Items and Before Tax		22,321.32	29,674.53
Tax Expense			
Current Tax		4,730.00	5,975.00
Deferred Tax		(751.82)	(77.54)
Earlier years		8.25	525.87
MAT Credit Entitlement (net)		(975.00)	(580.00)
		3,011.43	5,843.33
Profit for the year after tax		19,309.89	23,831.20
Earnings per Equity Share of ₹ 2/- Each			
Basic		21.63	26.69
Diluted		21.63	26.69
Notes forming part of financial statements	01 - 47		

per our report of even date

for **Brahmayya & Co.,**

Chartered Accountants

Firm's Registration Number: 000513S

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Place : Hyderabad
Date : 30th May, 2014



Cash Flow Statement

for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	22,321.32	29,674.53
Adjustments for:		
Interest earned	(1,471.28)	(2,733.08)
Excess Provisions written back	(221.33)	(109.84)
Input tax Credit written off	37.01	0.55
Bad debts and Advances written off	28.58	2.57
Investments written off	-	0.05
Depreciation and amortisation expense	6,157.82	4,825.71
Assets discarded	2.52	0.67
Profit on sale of Assets (net)	(10.40)	(3.35)
Net gain on Sale of current investments	(522.67)	(1,805.50)
Adjustment to the carrying amount of investments	(1.34)	(10.47)
Interest from non-current investments	(16.99)	(34.61)
Dividend from non-current investments	(8.69)	(6.15)
Interest (excluding the amount capitalised)	791.05	512.73
Operating Profit before Working Capital Changes	27,085.60	30,313.81
Adjustments for:		
Increase/(decrease) in other long term liabilities	(21.41)	41.86
Increase/(decrease) in long term provisions	61.79	113.27
Increase/(decrease) in trade payables	193.27	(681.34)
Increase/(decrease) in other current liabilities	(597.03)	(745.27)
Increase/(decrease) in short term provisions	46.26	(16.55)
(Increase)/decrease in long term loans and advances	89.11	(468.81)
(Increase)/decrease in other non-current assets	(14.61)	(884.19)
(Increase)/decrease in inventories	(2,906.88)	(110.51)
(Increase)/decrease in receivables	598.18	(4,939.67)
(Increase)/decrease in short term loans and advances	(4,111.01)	(2,023.82)
(Increase)/decrease in other current assets	(300.51)	960.93
Cash generated from Operations	20,122.76	21,559.71
Direct Taxes paid	(4,879.13)	(5,968.14)
Net Cash from Operating Activities (A)	15,243.63	15,591.57
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Loans (received)/given	-	8,390.00
Purchase of fixed assets (excluding Interest capitalised)		
including tangible assets and Capital work-in-progress	(1,286.46)	(4,354.62)
Proceeds from sale of fixed assets	43.61	291.37
Purchase of non-current Investments (including advances)	(48,490.84)	(17,832.31)

Cash Flow Statement

for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
Purchase of current Investments	(52,982.01)	(153,638.44)
Proceeds from sale of non-current Investments	512.25	-
Proceeds from sale of current Investments	53,504.68	155,443.94
Investments in bank deposits (having original maturity of more than three months)	4,958.66	(10,018.90)
Interest received	2,214.35	2,673.26
Dividend received	8.69	6.15
Net Cash used in Investing Activities (B)	(41,517.07)	(19,039.55)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings	(3,984.38)	(1,605.56)
Proceeds from long term borrowings	13,015.32	-
Repayment of long term borrowings (net)	(6,749.60)	(2,847.98)
Interest paid (including interest capitalised)	(793.18)	(530.04)
Dividend paid	(4,916.18)	(3,914.30)
Net Cash generated in Financing Activities (C)	(3,428.02)	(8,897.88)
Net Increase in Cash and Cash Equivalents (A+B+C)	(29,701.46)	(12,345.86)
Cash and Cash equivalents at the beginning of the year	36,159.48	48,505.34
Cash and Cash equivalents at the end of the year	6,458.02	36,159.48
Notes:		
Cash and Cash equivalents include:		
Cash and Cheques on hand	3.90	74.36
Balances with Banks:		
On Current Accounts	3,550.45	6,573.25
On Unpaid Dividend Accounts	193.98	177.99
On Cash Credit Accounts	1,918.27	-
Deposits with maturity of less than 3 months	-	28,600.00
Margin Money Deposits	791.42	733.88
Cash and Cash equivalents considered for cash flow	6,458.02	36,159.48

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 30th May, 2014

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman



Notes

to Financial Statements for the year ended 31st March, 2014

01 NATURE OF OPERATIONS:

Nava Bharat Ventures Limited (the Company) has been incorporated on 7th November, 1972. At present the Company is engaged in the business of manufacture of ferro alloys, sugar and generation of power.

02 BASIS OF ACCOUNTING:

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) read with General Circular No.15/2013 dated 13th September, 2013 of Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

03 SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and other attributable costs to bring the asset to its working condition for its intended use.

Direct overhead expenditure incurred and other attributable revenue costs on projects under

implementation is treated as unallocated capital expenditure pending allocation to the assets and are included under Capital work-in-progress.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for their intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation

- i. Depreciation on Fixed Assets is provided on Written Down Value/Straight Line method as per Schedule XIV of the Companies Act, 1956.
- ii. Fixed Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.
- iii. The cost of leasehold Land is amortised over the lease period.
- iv. Improvements to premises taken on lease are amortised over the primary lease period.

d) Intangible Assets

- i. Costs incurred towards purchase of computer software is amortised over the useful lives of such software as estimated by the management which is of three years.
- ii. Expenditure incurred to acquire water drawing rights from Government/Local authorities or other parties is amortised over the primary period of right to use the facilities which is ten years for the time being.

e) Impairment

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated

Notes

to Financial Statements for the year ended 31st March, 2014

future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

f) Prior period items

All items of income/expenditure pertaining to prior period, which are material, are accounted through “prior period adjustments” and the others are shown under respective heads of account in the Profit and Loss.

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.

h) Inventories

- i. Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined at weighted average basis.
- ii. Goods in transit are valued at Cost.
- iii. Finished goods, Work in progress, Scrap, by-products, loose tools and other stock in trade are valued at lower of cost and net realisable value.

- iv. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis and cost of finished goods includes excise duty. Cost of traded goods includes purchase and allied costs incurred to bring the inventory to its present condition and location, determined on weighted average basis.
- v. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

i. Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading.

ii. Income from Services:

Revenue is recognised as and when the conversion job is completed irrespective of the billing.

iii. Interest and Guarantee Commission:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv. Dividends:

Dividend is recognised when the right to receive payment is established by the balance sheet date.



Notes

to Financial Statements for the year ended 31st March, 2014

v. Export Benefits:

Export Entitlements in the form of Duty Drawback on accrual and Duty Entitlement Pass Book (DEPB) Schemes on realisation are recognized in the Statement of Profit and Loss.

vi. Other Sundry Incomes

Insurance claims and conversion escalations are accounted for on realisation.

j) Foreign Currency Transactions

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

ii. Conversion

Foreign currency monetary items not covered by forward contracts are restated at the exchange rates prevailing at the year end.

iii. Exchange differences

Exchange differences arising, on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

iv. Forward Exchange Contracts (Derivative Instruments) not intended for trading or speculation purposes.

The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the

contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

k) Government Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

l) Retirement and Other Employee Benefits

i. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

ii. The Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Trusts.

iii. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary as at the end of the year.

Notes

to Financial Statements for the year ended 31st March, 2014

- iv. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.
- v. In respect of employees stock options, the excess of fair price on the date of grant, over the exercise price, is recognised as deferred compensation cost and amortised over the vesting period.
- vi. Compensation paid under the company's voluntary retirement scheme is charged to the Statement of Profit and Loss in the year of payment.

m) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalised. Other Borrowing costs are recognised as an expense in the year in which they are incurred.

n) Segment Reporting Policies

i. Identification of Segments:

The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets.

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

ii. Allocation of Common Costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iii. Unallocated Items:

Includes general corporate income and expense items which are not allocated to any business segment.

o) Earnings per Share (Basic and Diluted)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

Where the Company is the lessee:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss.

q) Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.



Notes

to Financial Statements for the year ended 31st March, 2014

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

r) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Cash Flow Statement

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

u) Dividends

Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders/lending institutions approval wherever applicable.

Particulars			₹ in lakhs	
			31st March, 2014	31st March, 2013
04 SHARE CAPITAL:				
Authorised				
25,00,00,000 Equity Shares of ₹ 2/- each			5,000.00	5,000.00
TOTAL			5,000.00	5,000.00
Issued and Subscribed				
8,95,39,216 Equity Shares of ₹ 2/- each			1,790.78	1,790.78
TOTAL			1,790.78	1,790.78
Paid Up				
8,92,87,741 Equity Shares of ₹ 2/- each fully paid up			1,785.75	1,785.75
Add: Forfeited Shares (amount originally paid up)			1.26	1.26
TOTAL			1,787.01	1,787.01

Notes

to Financial Statements for the year ended 31st March, 2014

a. Rights attached to equity Shares:

The company has only one class of equity shares having a face value of ₹ 2/- per share with one vote per each equity share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The amount of dividend proposed to be distributed for the year ended 31st March 2014, to equity shareholders is ₹ 5.00 per share (31st March 2013 ₹ 5.00 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Details of shareholders holding more than 5% shares in the company

Particulars	31st March, 2014		31st March, 2013	
	No. of shares	% in the class	No. of shares	% in the class
Equity Shares of ₹ 2/- each fully paid:				
Wellington Management Company, LLP with its PACs.	11,468,283	12.84	11,641,444	13.04
Highfields Capital Management LP A/c. HC Mauritius Limited	8,482,989	9.50	8,482,989	9.50
Nav Developers Limited	7,467,845	8.36	7,467,845	8.36

c. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Financial year	31st March, 2014	31st March, 2013
	No. of shares	No. of shares
2009-10	12,500	12,500
TOTAL	12,500	12,500

d. The paid up share capital includes 49,73,510 equity shares of ₹ 2/- each fully paid-up, owned by the company, pursuant to the order of Hon'ble High Court of Andhra Pradesh dated 30.12.1996 in the Scheme of amalgamation of Nav Chrome Limited with the Company, which are vested in a Trustee for the benefit of the Company which are to be sold and net sale proceeds are to be paid to the Company and such shares are not considered for dividend.



Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
05 RESERVES AND SURPLUS:		
Capital Reserves:		
At the beginning and at the end of the year	60.20	60.20
Capital Redemption Reserve:		
At the beginning and at the end of the year	826.39	826.39
Securities Premium Reserve:		
At the beginning and at the end of the year	26,214.22	26,214.22
General Reserve:		
At the beginning of the year	77,852.40	72,852.40
Add: Additions during the year	5,000.00	5,000.00
At the end of the year	82,852.40	77,852.40
Other Reserves:		
Subsidies:		
At the beginning and at the end of the year	33.60	33.60
Surplus i.e. balance in Statement of Profit and Loss:		
Opening Balance	123,735.68	109,836.65
Add: Net profit after tax transferred from Statement of Profit and Loss	19,309.89	23,831.20
Amount available for appropriation	143,045.57	133,667.85
Appropriations:		
General Reserve	5,000.00	5,000.00
Dividend on Equity Capital	4,215.71	4,215.71
Corporate Dividend Tax	716.46	716.46
Closing balance	133,113.40	123,735.68
TOTAL	243,100.21	228,722.49

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
06 LONG TERM BORROWINGS:		
Term Loans from Banks [Secured] *		
Indian Rupee Loans		
IDBI Bank Limited	-	4,822.00
Less: Current maturities	-	333.33
	-	4,488.67

Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
06 LONG TERM BORROWINGS: (CONTD.)		
State Bank of India (i) **	13,015.32	-
Less: Current maturities	7,616.00	-
	5,399.32	-
Foreign Currency Loans		
Bank of India	-	1,918.71
Less: Current maturities	-	1,918.71
	-	-
Other Loans and Advances [Unsecured]		
From other Bodies Corporate (ii)	30.01	30.01
Deferred Sales Tax Liability	-	8.89
TOTAL	5,429.33	4,527.57

* The above loans are secured by first charge by way of equitable mortgage by deposit of title deeds to cover all immovable properties of the Company and hypothecation of all movable properties including movable Plant and Machinery, spares, tools and accessories, both present and future and a second charge by way of hypothecation of all movable properties both present and future (except book debts) subject to prior charges created/to be created in favour of Company's bankers on its stocks of raw materials, semi-finished and finished goods, consumable stores for securing borrowings for working capital requirements. The mortgage/charge created above shall rank pari-

passu with the charges created/to be created in favour of other Financial Institutions/Banks.

** Loan from State Bank of India is secured by pledge of 51% shares held by the Company in its subsidiary, M/s. Nava Bharat (Singapore) Pte. Limited.

i) Carries floating rate of interest (at present 11.80% p.a.) payable monthly. The principal is repayable in quarterly instalments of ₹1,904.00 lakhs commencing from 1st April, 2014

ii) Non-Interest bearing and repayment terms are not stipulated.

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
07 DEFERRED TAX LIABILITIES (NET):		
Liability:		
Difference between book and tax depreciation	3,732.60	4,382.89
Gross liability	3,732.60	4,382.89
Asset:		
Provision for : Employee benefits	362.59	327.16
: Other expenses	717.01	650.98
: Diminution in the value of investments	11.08	11.01
Gross Asset	1,090.68	989.15
TOTAL	2,641.92	3,393.74



Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
08 OTHER LONG TERM LIABILITIES:		
Security deposits	221.06	242.47
TOTAL	221.06	242.47

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
09 LONG TERM PROVISIONS:		
Provision for Employee Benefits:		
Provision for Gratuity	515.67	458.00
Provision for Leave Encashment	514.12	510.00
TOTAL	1,029.79	968.00

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
10 SHORT TERM BORROWINGS:		
Working Capital Loans from Banks (secured) *	1,185.27	5,169.65
Deposits (unsecured) #	3,000.00	3,000.00
TOTAL	4,185.27	8,169.65

* Working Capital Loans from Banks are secured by hypothecation of raw materials, work-in-progress, finished goods, stores and spares and book debts to the extent of ₹ 22,000 lakhs and a second charge on fixed assets of the Company.

From a related party.

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
11 TRADE PAYABLES:		
Creditors for supplies and services (Refer Note 38)	5,673.50	5,307.52
Creditors for accrued wages and salaries *	1,805.30	1,978.01
TOTAL	7,478.80	7,285.53
* Includes dues to Directors	963.64	1,206.90

Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
12 OTHER CURRENT LIABILITIES:		
Current maturities of long term borrowings	7,616.00	2,252.04
Unpaid Dividends	193.98	177.99
Interest accrued but not due	-	2.13
Pre-Received Income	-	5.33
Security deposits	159.47	253.67
Advance from Customers	24.22	64.47
Bills Discounted with Banks	-	565.15
Other liabilities:		
Central Excise Duty	582.35	649.93
Withholding taxes	36.17	42.07
Sales tax	53.35	53.44
Contribution to Provident Fund	49.31	71.22
Other Statutory dues	545.99	475.05
Other payables	626.18	715.07
TOTAL	9,887.02	5,327.56

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
13 SHORT TERM PROVISIONS:		
Provision for Employee Benefits:		
Provision for Gratuity	551.09	550.37
Provision for Leave Encashment	218.50	172.96
Other Provisions:		
Provision for Dividend	4,215.71	4,215.71
Provision for Corporate Dividend Tax	716.46	716.46
TOTAL	5,701.76	5,655.50



Notes

to Financial Statements for the year ended 31st March, 2014

14 TANGIBLE ASSETS:

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April, 2013	Additions	Deductions	As at 31st March, 2014	Upto 1st April, 2013	For the year deductions	Upto 31st March, 2014	As at 1st April, 2013
1. Land- Freehold	2,794.10	18.90	-	2,813.00	-	-	-	2,794.10
- Leasehold	153.16	-	0.01	153.15	9.25	1.66	10.90	143.91
2. Buildings- Factory	9,687.48	2,845.68	0.31	12,532.85	2,494.24	400.53	2,894.46	9,638.24
- Others	4,305.83	1,806.01	-	6,111.84	568.36	78.64	647.00	5,464.84
3. Plant and Equipment	81,056.81	21,835.56	52.03	102,840.34	32,516.39	5,309.08	37,802.87	48,540.42
4. Furniture and Fixtures	465.35	27.48	0.07	492.76	299.58	34.17	333.68	159.08
5. Vehicles	526.33	19.08	25.29	520.12	316.81	55.98	351.98	209.52
6. Office Equipment	774.22	28.06	10.34	791.94	596.58	47.98	636.00	177.64
7. Air conditioners and Coolers	229.31	12.24	0.21	241.34	114.85	16.29	130.98	114.46
8. Railway Sidings	506.36	35.50	-	541.86	118.24	27.20	145.44	388.12
9. Other Assets	289.23	58.27	0.28	347.22	114.53	27.37	141.62	174.70
10. Power Lines ***	423.19	-	-	423.19	108.54	22.34	130.88	314.65
TOTAL	101,211.37	26,686.78	88.54	127,809.61	37,257.37	6,021.24	43,225.81	63,954.00
Previous Year	97,279.04	4,277.65	345.32	101,211.37	32,661.60	4,650.51	37,257.37	64,617.44

*** Cost incurred by the Company, ownership of which vests with a State Owned Power Distribution Company.

- The Company's land of about 5.08 acres was given possession to M/s. Hyderabad Vanaspathi Limited. The sale price of the same is yet to be adjusted pending permission from the Government of Andhra Pradesh.
- The title in respect of the land costing ₹ 15.71 lakhs (previous year ₹ 15.71 lakhs) admeasuring 14.06 acres and 23 guntas (previous year 14.06 acres 23 guntas) is yet to be transferred in the name of the Company.
- The title in respect of land costing ₹ 26.06 lakhs admeasuring 5.05 acres allotted by APIC Ltd during the year 2009-10, is yet to be transferred in the name of the Company.
- Cost of leasehold land amounting to ₹ 153.16 lakhs represents the premium paid to the State Government of Orissa for alienation of 56.91 acres in favour of the Company by virtue of lease deeds for 90/99 years and the said land can be resumed by the Government by giving 6 months notice in writing during the tenure of lease.
- The long term lease period relating to the land situated at Samalkot, East Godavari Dist. on which Plant and Machinery and Buildings of Sugar manufacturing facility costing ₹ 8,530.96 lakhs (Previous year: ₹ 7,940.40 lakhs) and ₹ 1,357.89 lakhs (Previous year: ₹ 1,170.27 lakhs) respectively expired on 12.8.1996. The Company is negotiating with the landlords to get the lease renewed or sell the same to the Company.

15 INTANGIBLE ASSETS:

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April, 2013	Additions	Deductions	As at 31st March, 2014	Upto 1st April, 2013	For the year deductions	Upto 31st March, 2014	As at 1st April, 2013
1. Computer Software	383.15	22.05	-	405.20	294.97	61.27	356.24	88.18
2. Water drawing Rights	898.70	-	-	898.70	343.83	72.47	416.30	554.87
TOTAL	1,281.85	22.05	-	1,303.90	638.80	133.74	772.54	643.05
Previous Year	1,221.37	60.48	-	1,281.85	465.49	173.31	638.80	755.88

Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
16 CAPITAL WORK-IN-PROGRESS:		
Direct costs	633.40	24,077.96
Other attributable revenue costs	-	763.37
Borrowing costs	-	1,214.44
TOTAL	633.40	26,055.77

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
17 NON - CURRENT INVESTMENTS:		
Investment Property (at cost less accumulated depreciation)		
Land at cost	101.91	101.91
	101.91	101.91
Cost of buildings given on operating leases	173.93	173.93
Less Accumulated depreciation	5.76	2.92
	168.17	171.01
TOTAL	270.08	272.92
i. Trade investments (at cost unless otherwise stated)		
a. Investment in Subsidiaries		
Investment in Equity instruments, fully paid up (unquoted)		
41,499,998 shares of ₹ 10/- each in Brahmani Infratech Private Limited	4,150.00	4,150.00
250,000 shares of ₹ 2/- each in Nava Bharat Realty Limited	5.00	5.00
454,020,000 shares of ₹ 2/- each in Nava Bharat Projects Limited	9,080.40	9,080.40
260,000,000 shares of ₹ 2/- each in Nava Bharat Energy India Limited	5,200.00	5,200.00
250,000 shares of ₹ 2/- each in Nava Bharat Sugar and Bio Fuels Limited	5.00	5.00
16,870 shares of S\$ 1/- each in Nava Bharat (Singapore) Pte. Limited	4.36	4.36
137,590,000 (previous year 55,590,000) shares of US\$ 1/- each in Nava Bharat (Singapore) Pte. Limited	76,555.72	28,064.87
b. Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
200 shares of ₹ 10/- each in Kothari Sugars & Chemicals Limited #	0.01	0.02
2,857 shares of ₹ 10/- each in The Jeypore Sugar Company Limited	1.16	1.16



Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
17 NON - CURRENT INVESTMENTS: (CONTD.)		
Investment in Equity Instruments, fully paid up (unquoted)		
17 shares of ₹ 10/- each in A P Gas Power Corporation Limited	0.00	0.00
646,600 shares of ₹ 10/- each in Malaxmi Highway Private Limited	64.66	64.66
25,844 shares of ₹ 10/- each in Kinnera Power Company Limited	2.58	2.58
ii. Non - Trade investments (at cost unless otherwise stated)		
a. Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
63,300 Shares of ₹ 10/- each in Avanthi Leathers Limited #	0.63	0.63
76,830 Shares of ₹ 10/- each in NB Footwear Limited #	3.96	4.17
1,500 shares of ₹ 10/- each in Avanthi Feeds Limited	0.15	0.15
8,000 shares of ₹ 10/- each in IDBI Bank Limited #	5.22	6.42
22,800 shares of ₹ 10/- each in Andhra Bank	2.28	2.28
12,284 shares of ₹ 1/- each in Tata Consultancy Services Limited	26.10	26.10
9,651 shares of ₹ 10/- each of MOIL Limited #	24.27	21.52
Investment in Equity Instruments, fully paid up (unquoted)		
75,000 shares of ₹ 10/- each in Srinivasa Cystine Limited	5.00	5.00
8,000 shares of ₹ 10/- each in GSR Advisory Services Private Limited	0.28	0.28
b. Investment in Bonds (unquoted)		
500 bonds of ₹ 100,000/- each in Indian Infrastructure Finance Company Limited	-	511.15
c. Investments in Government Securities(unquoted)		
6 years National Savings Certificates *	2.50	3.60
TOTAL	95,139.28	47,159.35
TOTAL	95,409.36	47,432.27
# At cost less diminution.		
Aggregate amount of quoted investments	96.40	96.40
Aggregate market value of quoted investments	320.82	251.61
Aggregate amount of unquoted investments	95,075.50	47,096.90
Aggregate provision for diminution in the value of investments	32.61	33.95

* 6 year National Savings Certificates are in the names of employees of the Company and the certificates in respect of face value of ₹ 2.50 lakhs (Previous year ₹ 3.60 lakhs) were pledged with various Government Departments as security.

Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
18 LONG TERM LOANS AND ADVANCES:		
(Unsecured, considered good)		
Capital Advances		
Share application money to a subsidiary	17.00	17.00
Other advances	16.05	127.06
Security Deposits	1,043.16	1,012.42
Other receivables	753.77	739.12
Other loans and advances		
Loan to a non-corporate body	2,879.34	2,879.34
Advance for purchases and expenses	-	20.88
Staff loans	134.83	133.06
(Secured, considered good)		
Other loans and advances:		
Loans to others	8.31	12.69
TOTAL	4,852.46	4,941.57

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
19 OTHER NON-CURRENT ASSETS:		
Prepaid expenses	-	3.18
Payments made under protest	115.58	92.76
Interest receivable	535.99	295.89
Other receivables	206.34	211.37
MAT Credit Entitlement	16,906.21	15,931.21
TOTAL	17,764.12	16,534.41



Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
20 INVENTORIES:		
At cost:		
Raw Materials	14,477.00	11,277.69
Raw Material-in-transit	645.11	1,262.31
Work in Progress	360.94	214.22
Finished Goods	10,458.73	12,269.12
Stock-in-trade	53.62	45.95
Stores and Spares	5,755.64	3,769.05
Stores and Spares-in-transit	-	35.19
Others	2.99	7.53
At realisable value:		
Finished Goods	416.91	381.79
Scrap	-	1.21
TOTAL	32,170.94	29,264.06

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
21 TRADE RECEIVABLES:		
(Unsecured, considered good)		
Due over six months	1,357.21	2,791.36
Due for less than six months:		
from a subsidiary Company	9,818.54	7,888.48
from Others	4,794.15	5,916.82
TOTAL	15,969.90	16,596.66

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
22 CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current accounts	3,550.45	6,573.25
On Cash Credit accounts	1,918.27	-
Cheques/Drafts on hand	-	69.18
Cash on Hand	3.90	5.18
Other bank balances:		
Fixed Deposits	5,252.64	38,811.29
Margin Money Deposits	791.42	733.88
On Unpaid Dividend Accounts	193.98	177.99
TOTAL	11,710.66	46,370.77

Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
23 SHORT TERM LOANS AND ADVANCES:		
Loans and Advances to related parties: (Unsecured, considered good)		
Other receivables	2,453.33	343.84
	2,453.33	343.84
Other loans and advances: (Unsecured, considered good)		
Advances for purchases and expenses	10,706.82	9,773.52
Other receivables	682.11	993.30
Security deposits	5.00	9.28
Staff Advances	57.37	67.63
Balance with Statutory Authorities	2,358.09	860.27
	13,809.39	11,704.00
TOTAL	16,262.72	12,047.84

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
24 OTHER CURRENT ASSETS:		
Prepaid Expenses	219.25	195.56
Accrued Conversion Charges	135.94	-
Interest Accrued *	528.49	1,494.67
Advance Income Tax (net of provision)	689.77	548.89
TOTAL	1,573.45	2,239.12
* Includes on loan to a related party	-	556.26



Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
25 REVENUE FROM OPERATIONS:		
Sale of Products		
Finished Goods		
Ferro Alloys	40,126.19	38,065.78
Sugar	13,319.51	13,899.44
Electric Power	65,443.03	67,488.98
Others	1,992.96	976.06
	120,881.69	120,430.26
Less: Inter Divisional transfers	23,164.60	21,043.00
	97,717.09	99,387.26
Traded goods		
Fertilizers	311.47	373.84
PVC Pipes	22.86	92.44
Others	92.48	126.06
Sale of Services		
Conversion Charges	12,316.09	12,824.18
Other Operating Revenue		
Export Incentives	1,865.68	1,494.89
Revenue from Operations (Gross)	112,325.67	114,298.67
Less: Excise Duty	2,270.85	1,879.04
Revenue from Operations (Net)	110,054.82	112,419.63

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
26 OTHER INCOME:		
Interest Income:		
Bank Deposits	994.67	1,608.79
Non Current Investments	16.99	34.61
Others	476.61	1,124.29
Dividend Income:		
Non Current Investments	8.69	6.15
Net Gain on Sale of current investments	522.67	1,805.50
Other Non Operating Income (net of expenses):		
Adjustments to the carrying amount of investments	1.34	10.47
Claims	319.55	75.30
Profit on sale of materials	-	24.89
Net Gain on Sale of Tangible Assets	11.49	3.72
Rents earned	72.25	57.72
Excess provisions/credit balances written back	221.33	109.84
Miscellaneous Receipts	2,472.42	1,115.56
Foreign Exchange Fluctuations	292.78	208.34
TOTAL	5,410.79	6,185.18

Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
27 COST OF MATERIALS CONSUMED:		
Inventory at the beginning of the year	11,277.69	15,112.68
Add: Purchase of materials	62,117.36	57,839.73
	73,395.05	72,952.41
Less: Cost of materials sold	-	210.11
Internal consumption	-	254.17
Inventory at the end of the year	14,477.00	11,277.69
Cost of materials consumed	58,918.05	61,210.44
Details of materials consumed:		
Coal	33,569.57	37,254.26
Quartz	326.30	274.48
Dolomite	88.20	142.80
Chrome Ore	529.19	-
Manganese Ore	12,786.68	11,781.24
Ferro Manganese Slag	930.38	358.53
Coke	487.04	314.94
Anthracite Coal	11.65	19.68
Cane	9,179.08	10,028.35
Others	1,009.96	1,036.16
TOTAL	58,918.05	61,210.44
Details of Inventory:		
Coal	8,655.15	7,762.20
Quartz	174.99	111.40
Dolomite	75.66	86.91
Chrome Ore	1,011.21	-
Manganese Ore	3,871.38	2,753.49
Ferro Manganese Slag	212.48	226.41
Coke	214.01	142.77
Anthracite Coal	-	11.65
Others	262.12	182.86
TOTAL	14,477.00	11,277.69



Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
28 PURCHASE OF TRADED GOODS:		
Fertilizers	274.04	348.82
PVC Pipes	30.22	58.14
Others	53.36	54.66
TOTAL	357.62	461.62

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
29 (INCREASE)/DECREASE IN INVENTORIES:		
Inventories at the end of the year		
Traded goods	53.62	45.95
Finished Goods	10,875.64	12,650.91
Work in Progress	360.94	214.22
Scrap	-	1.21
	11,290.20	12,912.29
Inventories at the beginning of the year		
Traded goods	45.95	53.25
Finished Goods	12,650.91	9,492.20
Work in progress	214.22	1,049.27
Scrap	1.21	0.89
	12,912.29	10,595.61
(Increase)/decrease in inventories	1,622.09	(2,316.68)

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
30 OTHER MANUFACTURING EXPENSES:		
Stores Consumed	2,960.46	2,762.87
Power, Fuel and Water	966.86	675.15
Briquetting expenses	412.50	355.05
Fly Ash Bricks manufacturing	37.05	84.52
Organic Manure expenses	77.08	46.99
Raw Material Handling expenses	1,250.86	1,358.11
Finished Product Handling expenses	683.44	641.01
Cane Development expenses	843.73	942.97
Testing and Analysis charges	44.74	56.81
Other expenses	341.14	180.46
TOTAL	7,617.86	7,103.94

Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
31 EMPLOYEE BENEFITS EXPENSE:		
Salaries, Wages and Bonus	6,290.63	5,981.66
Contribution to Provident and Other Funds	386.93	351.68
Staff Welfare Expenses	436.63	427.20
Retirement Benefits	358.27	426.14
TOTAL	7,472.46	7,186.68

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
32 FINANCE COSTS:		
Interest	791.05	512.73
Bank Charges and Commission	295.86	186.22
Prompt Payment Rebate	737.08	680.85
Applicable loss on foreign currency fluctuation	-	1.82
TOTAL	1,823.99	1,381.62

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
33 DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible Assets	6,021.24	4,650.51
Amortisation of Intangible Assets	133.74	173.31
Depreciation on Investment Property	2.84	1.89
TOTAL	6,157.82	4,825.71



Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
34 OTHER EXPENSES:		
Rent	202.09	177.23
Central Excise Duty *	(102.44)	264.82
Rates and Taxes	1,604.01	1,350.64
Freight and Transportation	1,612.83	1,421.25
Insurance	418.00	417.56
Advertisement and sales promotion	20.24	35.03
Communications	73.10	76.69
Travelling and Conveyance	276.25	264.01
Vehicle Maintenance	74.40	74.11
Legal and Professional Charges	615.84	600.15
Payments to Auditors		
as auditors	26.97	23.60
for tax audit	8.99	7.87
for other matters	42.39	8.81
for expenses	0.25	0.25
Cost Auditor fees	5.96	6.06
Repairs and Maintenance to:		
Machinery	1,726.23	2,141.98
Buildings	463.49	747.14
Other Assets	71.24	80.34
General Charges	1,465.91	1,223.33
Rural Development expenses	127.87	104.84
Project expenses written off	-	10.90
Investments written off	-	0.05
Assets discarded	2.52	0.67
Loss on Sale of Assets	1.09	0.37
TOTAL	8,737.23	9,037.70

* Excise Duty represents the aggregate of Excise Duty borne by the Company and the difference between Excise Duty on opening and closing stock of finished/saleable goods.

Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
35 EXCEPTIONAL ITEMS:		
Adjustments relating to earlier years (net):		
Miscellaneous income	-	(0.45)
Power price difference	8.73	(105.03)
Input tax credit	37.01	(8.66)
Unscheduled Inter-Change Charges	62.45	39.92
Property tax	-	6.31
Miscellaneous expenses	0.47	2.19
Difference in conversion charges	280.15	35.88
Transport subsidy	48.36	69.09
TOTAL	437.17	39.25

36 In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

37 Considering the projects being implemented and in view of expected cash inflows in subsidiaries in coming years, the management is of the opinion that there is no need to provide for the losses so far incurred by the subsidiaries.

38 i) Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors.

ii) Details of total outstanding dues to Micro and Small Enterprises as per "Micro, Small and Medium Enterprises Development Act, 2006".

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	524.08	634.59
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil



Notes

to Financial Statements for the year ended 31st March, 2014

- 39** The Company uses derivative financial instruments such as forward contracts and currency swap to hedge currency exposures, present and anticipated, denominated mostly in US Dollars and Japanese Yen and all financial and derivative contracts entered into by the Company are for hedging purpose only.

The information on derivative instruments are as follows:

- Derivative contracts outstanding as at the year end: nil (previous year: nil)
- Foreign currency exposure not hedged by derivative instruments:

Particulars	Currency	Amount in foreign currency	
		31st March, 2014	31st March, 2013
Receivable on account of sale of goods	USD	166.81	211.76
Receivable on account of services	USD	26.31	7.42
Term Loans repayable	JPY	-	3,332.00
Payables on account of import of goods	USD	0.45	0.45

in lakhs

Particulars	₹ in lakhs	
	31st March, 2014	31st March, 2013
40 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
i) Contingent liabilities:		
a) Claims against the Company not acknowledged as debts	2,625.29	2,517.55
b) Guarantees	50,720.20	67,721.13
c) Other money for which the Company is contingently liable:		
i) Demand from Income Tax department disputed	660.08	553.01
ii) Showcause notices received from Central Excise Dept. *	5,760.25	5,948.08
iii) Others	198.81	386.12
d) As per the "Renewal Power Purchase obligation (Compliance by Purchase of Renewal Energy/Renewable Energy Certificates) Regulations 2012" of APERC, the Company is under obligation for the year to comply with the said regulations. However as the Company contested the applicability of regulations to the Company in the Hon'ble High Court of A.P., compliance cost is not provided to the extent of	2,098.46	2,098.46
ii) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	104.68	43.68
b) Export obligation	-	1,362.28

- * Represent showcause notices received to issue demands, pending for final consideration and the Company has already submitted its objections in writing against the said notices.

Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014		31st March, 2013	
	Percentage	Value	Percentage	Value
41.1 Value of material consumed				
Indigenous	76.21	48,422.99	84.93	56,084.48
Imported	23.79	15,114.66	15.07	9,951.88
TOTAL	100.00	63,537.65	100.00	66,036.36

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
41.2 Value of imports calculated on C.I.F. basis in respect of		
Raw Materials	14,290.38	7,763.99
Components and spare parts	1,938.36	333.53
Capital goods	-	3.31

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
41.3 Expenditure in foreign currency during the year on account of (on accrual basis)		
Interest	44.47	152.66
Others	30.09	23.38

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
41.4 Earnings in foreign exchange on account of		
Export of goods calculated on F.O.B. basis	22,865.61	23,226.87
Guarantee commission earned	248.13	574.39



Notes

to Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
42 EMPLOYEE DEFINED BENEFITS AS PER AS-15 (REVISED): GRATUITY		
a) The amounts recognised in the Balance Sheet are as under:		
Present value of obligation	1,582.42	1,466.36
Fair value of Plan Assets	515.66	457.99
Net Assets/(liability) recognised in Balance Sheet as provision	(1,066.76)	(1,008.37)
b) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as under:		
Present value of obligation as at the beginning of the year	1,466.36	1,329.63
Interest cost	111.83	98.71
Current Service Cost	175.18	186.34
Benefits paid	(136.98)	(191.61)
Actuarial (gain)/loss on obligation	(33.97)	43.29
Present value of obligation as at the end of the year	1,582.42	1,466.36
Fair value of plan assets as at the beginning of the year	457.99	417.98
Return on plan assets	38.92	39.42
Actuarial gain/(loss)	(0.63)	(2.27)
Contributions	57.85	68.79
Benefits paid	(38.47)	(65.93)
Fair value of plan assets as at the end of the year	515.66	457.99
c) The amounts recognised in the Statement of Profit and Loss are as under:		
Current Service Cost	175.18	186.34
Interest cost	111.83	98.71
Expected return on Plan Assets	(38.92)	(39.42)
Actuarial (gain)/loss on benefits paid	(33.34)	45.57
Expenses recognised in the Statement of Profit and Loss	214.75	291.20
d) Principal actuarial assumptions at the Balance Sheet date are as follows:		
Discount rate per annum	9.00%	8.00%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Rate of return (expected) on plan assets	8.75%	9.40%
Retirement age	58 years	58 years

The rate of escalation in salary considered in actuarial valuation is estimated taking into account inflation, seniority, promotion and other relevant factors.

The above information is certified by an actuary.

Notes

to Financial Statements for the year ended 31st March, 2014

Notes

43 SEGMENT REPORTING AS PER AS 17 ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

A. Primary disclosures:

The company has identified the reportable primary business segments considering:

- the nature of products and services;
- the differing risks and returns;
- the organisation structure; and
- the internal financial reporting system.

Particulars	31st March, 2014					31st March, 2013				
	Ferro Alloys	Power	Sugar	Others	Total	Ferro Alloys	Power	Sugar	Others	Total
1. Segment Revenue (gross)	56,548.65	67,623.86	16,203.82	7.08	140,383.41	54,146.80	69,247.80	16,103.05	-	139,497.65
Less: Inter segment revenue	391.61	22,753.70	813.75	-	23,959.06	223.09	20,843.60	602.25	-	21,668.94
Segment Revenue (net)	56,157.04	44,870.16	15,390.07	7.08	116,424.35	53,923.71	48,404.20	15,500.80	-	117,828.71
2. Segment Result	2,206.84	20,798.40	632.97	(42.58)	23,595.63	5,199.77	21,687.94	2,355.06	(43.30)	29,199.47
3. Segment Result excluding inter segment margin	10,756.95	12,307.80	573.46	(42.58)	23,595.63	12,388.89	14,620.14	2,233.74	(43.30)	29,199.47
Add:										
Other unallocable Income					549.68					1,856.73
Less:										
a) Finance Charges					1,823.99					1,381.62
b) Other unallocable expenditure					-					0.05
Profit before tax					22,321.32					29,674.53
Taxation for the year					3,011.43					5,843.33
Net Profit					19,309.89					23,831.20
4. Segment Assets	37,839.79	94,222.71	18,930.65	28.54	151,021.69	35,701.93	93,338.36	20,026.80	31.42	149,098.51
Unallocated					130,440.48					116,981.03
Total Assets					281,462.17					266,079.54
5. Segment Liabilities	3,332.60	2,783.28	3,381.38	34.64	9,531.90	4,878.29	10,605.91	5,183.19	78.01	20,745.40
Unallocated					271,930.27					245,334.14
Total liabilities					281,462.17					266,079.54
6. Capital expenditure	245.21	468.36	519.61	53.30	1,286.48	1,092.28	4,113.07	1,250.15	213.23	6,668.73
Depreciation	840.62	4,755.54	559.30	2.35	6,157.81	858.68	3,449.63	514.77	2.60	4,825.68
Non-cash expenses other than depreciation	9.58	17.30	5.17	0.15	32.20	31.42	59.03	(35.45)	0.10	55.10

₹ in lakhs



Notes

to Financial Statements for the year ended 31st March, 2014

B. Secondary disclosures:

Total Carrying amount of Segment Assets by geographical location of Assets, for each geographical Segment whose Segment Assets are 10 per cent or more of the total Assets of all geographical Segments.

₹ in lakhs

Geographical Segment	31st March, 2014		Carrying amount of Segment Assets	31st March, 2013		
	Cost incurred to acquire Assets (Tangible and Intangible)			Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets
	Put to use	Capital Work-in-progress		Put to use	Capital Work-in-progress	
Ferro Alloy Plant Paloncha, Khammam Dist., A.P.	508.84	243.22	29,062.22	647.12	348.16	29,127.82
Ferro Alloy Plant Kharagprasad, Dhenkanal Dist. Odisha	58.91	16.13	8,777.57	62.68	34.31	6,574.11
Power Plant Paloncha, Khammam Dist., A.P.	3.23	68.35	33,237.74	3,067.19	-	30,221.39
Power Plant Kharagprasad, Dhenkanal Dist. Odisha	24,927.51	346.44	49,909.12	97.76	1,371.39	52,191.23
Power Plant Dharmavaram, East Godavari Dist. A.P.	50.09	-	11,075.85	23.37	23.54	10,925.74

Note: As it is not practicable to identify the expenditure relatable to export turnover, the revenue from sales to customers located outside India is not considered as a reportable geographical segment.

- 44** As required by Accounting Standard (AS 28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year other than the assets discarded/ dismantled and written off to Statement of Profit and Loss.

Notes

to Financial Statements for the year ended 31st March, 2014

45 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company:

i)	Key Management Personnel:	Sri D. Ashok, Chairman Sri P. Trivikrama Prasad, Managing Director Sri G.R.K. Prasad, Executive Director Sri C.V. Durga Prasad, Director (Business Development)
ii)	Relatives of key management personnel:	Smt. D. Ramaa - wife of Sri D Ashok Sri D. Ashwin - son of Sri D Ashok Sri D. Nikhil - son of Sri D Ashok Dr. D. Rajasekhar - brother of Sri D Ashok Smt. D. Bhaktapriya - mother of Sri D Ashok Smt. A. Nilima - sister of Sri D Ashok Smt. P. Rajashree - wife of Sri P Trivikrama Prasad Smt. P. Sruthi - daughter of Sri P Trivikrama Prasad Smt. G. S. P. Kumari - wife of Sri G R K Prasad Smt. C. Umamaheswari - wife of Sri C V Durga Prasad
iii)	Enterprises controlling the reporting Enterprise: Subsidiaries:	M/s.Nava Bharat Energy India Limited M/s.Nava Bharat Projects Limited M/s.Nava Bharat Realty Limited M/s.Nava Bharat Sugar and Bio Fuels Limited M/s.Brahmani Infratech Private Limited M/s.Nava Bharat (Singapore) Pte Limited M/s.PT Nava Bharat Sungai Cuka M/s.PT Nava Bharat Indonesia M/s.Maamba Collieries Limited M/s.Kobe Green Power Co. Ltd M/s.Nava Bharat Africa Resources Pvt Limited M/s.Kariba Infrastructure Development Limited M/s.NB Rufiji Private Limited M/s.NB Tanagro Limited M/s.Nava Energy Pte. Limited M/s.Nava Bharat Lao Energy Pte. Limited



Notes

to Financial Statements for the year ended 31st March, 2014

45 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company: (Contd.)

Enterprises over which	M/s.Nava Bharat Natural Resources India Limited
key management personnel/	M/s.Nav Developers Limited
their relatives exercise	M/s.S R T Investments Private Limited
significant influence:	M/s.A N Investments Private Limited
	M/s.V9 Avenues Private Limited
	M/s.A9 Homes Private Limited
	M/s.AV Dwellings Private Limited
	M/s.Brahmani Skyline Constructions Private Limited
	M/s.Brahmani Infrastructure Projects Private Limited
	M/s.Brahmani Infotech Private Limited
	M/s.V9 Infra Ventures Private Limited
	M/s.Pinnamaneni Healthcare Private Limited
	M/s.Malaxmi Highway Private Limited
	M/s.Kinnera Power Company Limited
	Dr. Devineni Subba Rao Trust
	M/s. Gunnam Subbarao and Ramayamma Trust

b) Particulars of transactions during the year:

		₹ in lakhs	
Nature of transactions	31st March, 2014	31st March, 2013	
i) Transactions with Key Management personnel:			
Sri D Ashok			
Remuneration	670.06	721.13	
Sri P Trivikrama Prasad			
Remuneration	669.75	719.52	
Sri G R K Prasad			
Remuneration	242.51	200.81	
Sri C V Durga Prasad			
Remuneration	186.93	138.51	
ii) Transactions with relatives of Key Management personnel:			
Dr. D. Rajasekhar			
Rent	15.20	15.20	
Smt. G. S. P. Kumari			
Rent	47.79	39.60	

Notes

to Financial Statements for the year ended 31st March, 2014

b) Particulars of transactions during the year: (Contd.)

₹ in lakhs

Nature of transactions	31st March, 2014	31st March, 2013
Smt. C. Umamaheswari		
Rent	47.79	39.60
iii) Transactions with Subsidiaries:		
M/s.Nava Bharat (Singapore) Pte Limited		
Sale of finished goods	22,983.72	19,891.56
Guarantee Commission	-	247.48
Finance provided (Equity Contributions in Cash)	48,490.85	12,361.40
M/s.Maamba Collieries Limited		
Guarantee Commission	248.13	307.88
Project Support Services	1,327.91	215.29
Guarantee provided	-	15,222.20
M/s.Nava Bharat Projects Limited		
Services received	-	623.60
M/s.Brahmani Infratech Private Limited		
Interest expense	270.00	270.00
M/s.Nava Bharat Energy India Limited		
Lease rent earned	1.84	1.88
Lease rent received in advance	-	1.43
Utility charges received	455.70	2.18
Sale of Electric Power	-	60.39
Sale of Fly Ash Bricks	30.60	48.38
Sale of stores material	-	14.64
Interest income	-	618.07
Advances/Loans given/(received back)	-	(8,390.00)
Finance provided (Equity Contributions in Cash)	-	5,200.00



NAVA BHARAT

Notes

to Financial Statements for the year ended 31st March, 2014

c) Amount due from/(due to) related parties as at the year end:

₹ in lakhs		
Name of the party	31st March, 2014	31st March, 2013
1. Key Management personnel:		
Sri D Ashok	(471.82)	(593.45)
Sri P Trivikrama Prasad	(471.82)	(593.45)
2. Subsidiaries:		
M/s.Brahmani Infratech Private Limited	(3,000.00)	(3,000.00)
M/s.Nava Bharat (Singapore) Pte. Limited	10,057.62	10,253.14
M/s.Nava Bharat Realty Limited	17.00	17.00
M/s.Nava Bharat Energy India Limited	458.36	556.26
M/s.Maamba Collieries Limited	1,755.89	445.60

46 EARNINGS PER SHARE (E.P.S.)

Particulars	31st March, 2014	31st March, 2013
a) Net Profit as per Statement of Profit and Loss available for Equity Shareholders (₹ in lakhs)	19,309.89	23,831.20
b) Weighted average number of Equity Shares for Basic and diluted EPS	89,287,741	89,287,741
c) Nominal value of the share (₹)	2.00	2.00
d) Basic earnings per share (₹)	21.63	26.69
e) Diluted earnings per share (₹)	21.63	26.69

47 Previous year figures have been re-grouped and/or reclassified wherever necessary to make them comparable with those of current year.

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 30th May, 2014

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Statement pursuant to Section 212 of the Companies Act, 1956, related to Subsidiary Companies

1. Name of the subsidiary	Nava Bharat (Singapore) Pte. Limited	Maamba Colliers Limited	PT Nava Bharat Sungai Cuka	PT Nava Bharat Indonesia	Kobe Green Power Co. Limited	Nava Bharat Resources Pvt. Limited	Nava Energy Pte. Limited	Nava Bharat Lao Energy Pte. Limited	Nava Bharat Projects Limited	Nava Bharat Energy India Limited	Brahmani Infratech Private Limited	Nava Bharat Realty Limited	Nava Bharat Sugar and Bio Fuels Limited
2. Financial year of the subsidiary ended on	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014
3. Shares of the subsidiary / controlled by the Company on the above date:													
a) Number of Shares	137,606,870	139,419,797	475,000	475,000	160	100	1000	1000	454,020,000	1,000,000,000	41,499,998	2,50,000	2,50,000
Face value	16,870 Equity Shares of \$5 each and 137,590,000 Equity Shares of USD 1/- each	Equity Shares of ZMK 1 each	Equity Shares of USD 1 each	Equity Shares of USD 1 each	Equity Shares of USD 100 each	Equity Shares of USD 10 each	Equity Shares of USD 1 each	Equity Shares of USD 1 each	Equity Shares of ₹ 2/- each	Equity Shares of ₹ 2/- each	Equity Shares of ₹ 10/- each	Equity Shares of ₹ 2/- each	Equity Shares of ₹ 2/- each
b) Extent of holding	100.00%	65.00%	95.00%	95.00%	80.00%	100.00%	100.00%	100.00%	100.00%	100.00%	65.74%	100.00%	100.00%
4. Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of the Company:													
a) dealt with in the accounts of the Company for the year ended 31st March 2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) not dealt with in the accounts of the Company for the year ended 31st March 2014 (₹ in lakhs)	USD 1,418,341 ₹ 849.73 lakhs	USD 2,786,703 (₹ 1,669.51 lakhs)	Nil	Nil	Nil	USD 803,270 ₹ 481.24 lakhs	Nil	Nil	548.86	8515.67	290.31	(0.81)	(0.59)
5. Net aggregate amount of profits/(losses) for previous years of the subsidiary, since it became a subsidiary so far as they concern members of the Company:													
a) dealt with in the accounts of the Company for the year ended 31st March 2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) not dealt with in the accounts of the Company for the year ended 31st March 2014 (₹ in lakhs)	USD 2,503,182 ₹ 1,499.66 lakhs	USD 13,839,428 (₹ 8,291.20 lakhs)	Nil	Nil	Nil	USD 806,492 (₹ 483.17 lakhs)	Nil	Nil	13994.70	(675.13)	442.17	(20.52)	(2.96)
6. Change in the interest of the Company in the subsidiary between the end of the financial year of the subsidiary and that of the company.	Applicable	Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7. Material Changes between the end of the financial year of the subsidiary and end of the financial year of the Company in respect of the subsidiary's fixed assets, investments, lending and borrowing for the purpose other than meeting their current liabilities	Not Applicable	Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
8. Remarks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Trivikrama Prasad
Managing Director

D. Ashok
Chairman

T. Hari Babu
Chief Financial Officer

M. Subrahmanyam
Company Secretary &
Vice President

Place : Hyderabad
Date : 30th May, 2014



Independent Auditors' Report

To

The Board of Directors of

Nava Bharat Ventures Limited,

Hyderabad.

We have audited the accompanying consolidated financial statements of NAVA BHARAT VENTURES LIMITED ("the Company"), and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair

presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditors and Management Certificates on the consolidated financial statements of the subsidiaries as stated below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b. in the case of the consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters:

We did not audit the consolidated financial statements of one of the subsidiaries viz., Nava Bharat (Singapore) Pte. Ltd. Singapore (the group), whose financial statements reflect total assets of USD 387,260,565 equivalent to ₹ 232,007.82 Lakhs, total revenue of USD 59,241,588 equivalent to ₹ 35,491.62 Lakhs and net cash flows amounting to USD (6,849,024) equivalent to ₹ (4,103.25) Lakhs. The consolidated financial statements as per the Indian GAAP, of the said subsidiary for the year ended 31st March, 2014 were certified and furnished to us by the Management. Out of the 8 Companies considered for Consolidation only 2 Companies viz. Nava Bharat (Singapore) Pte. Limited and Maamba Collieries Limited, whose financial statements reflect total assets of USD 477,418,098 equivalent to

₹ 286,021.18 Lakhs, total revenue of USD 59,241,588 equivalent to ₹ 35,491.64 Lakhs and net cash flows amounting to USD (6,902,932) equivalent to ₹ (4,135.55) Lakhs have been audited by other auditors whose reports have been furnished to us and for other 6 Companies the Management has certified the financial information as no audit is required in the Countries where the said Companies are located.

The auditors of Nava Bharat (Singapore) Pte. Ltd. Singapore (the Company) without qualifying their opinion on the financial Statements drew the attention to the following .

1. Financial support from holding company for working capital and loans:

The Company is dependent on its holding company to give financial support for its ongoing Investments. In addition, the subsidiaries were in their preliminary stages of operations. Therefore, the validity of the going concern assumption on which the financial statements are prepared depends on the successful generation of income from these new businesses and continuous availability of the financial support from the holding company. The holding company undertakes to give continuous financial support to meet its obligation as and when required.

2. Amount due from subsidiaries:

As mentioned above, the subsidiaries are in their initial stages of operations. The amounts due from subsidiaries are dependent on the outcome of their

business and the directors are of the view that the business of these subsidiaries will be successful. In the event that these outcomes are not favourable, allowances for impairment for these receivables need to be done during subsequent years.

3. Legal and other expenses claims:

The Company is involved in lawsuits for claims against third parties amounting to US\$ 7,058,735 equivalent to ₹ 4,228.89 Lakhs. The Management is of the view that it has ground to these claims and based on their lawyer's assessment, the management believes it has strong case against the third parties. Should the event turns out adversely in subsequent years, the legal and other expenses including the claims recoverable will be expensed off.

Our opinion, insofar as it relates to the amounts included in respect of these subsidiaries is solely based on and subject to the report of the other auditors and Management. Our opinion is not qualified in respect of this matter.

for **Brahmayya & Co.**

Chartered Accountants

Firm's Registration Number: 000513S

(**P. Chandramouli**)

Partner

Place : Hyderabad

Date : May 30, 2014

Membership Number: 025211



NAVA BHARAT

Consolidated Balance Sheet

as at 31st March, 2014

₹ in lakhs

Particulars	Notes	31st March, 2014	31st March, 2013
EQUITY AND LIABILITIES			
Share holders funds			
Share Capital	04	1,787.01	1,787.01
Reserves and Surplus	05	271,482.71	244,276.89
		273,269.72	246,063.90
Share Application Money pending allotment		29,463.74	-
Minority Interest		(8,755.81)	(4,966.41)
Non - Current liabilities			
Long Term borrowings	06	38,358.90	42,832.95
Deferred tax liabilities (Net)	07	2,631.73	3,386.51
Other Long term liabilities	08	2,765.21	3,908.18
Long term provisions	09	1,148.48	985.62
		44,904.32	51,113.26
Current liabilities			
Short term Borrowings	10	46,778.23	21,364.54
Trade Payables	11	56,737.45	11,464.93
Other Current liabilities	12	46,386.54	96,084.45
Short term provisions	13	5,709.38	5,656.02
		155,611.60	134,569.94
TOTAL		494,493.57	426,780.69
ASSETS			
Non - Current assets			
Fixed assets			
Tangible assets	14	171,063.06	84,789.93
Intangible assets	15	33,688.69	30,738.46
Capital Work in Progress	16	132,098.20	106,828.93
Non - current investments	17	1,460.44	2,024.19
Long term loans and advances	18	9,755.30	34,402.98
Other non - current assets	19	22,198.41	16,535.51
		370,264.10	275,320.00
Current Assets			
Current investments	20	16,262.39	12,887.27
Inventories	21	53,866.14	46,025.26
Trade receivables	22	11,105.35	9,533.56
Cash and cash equivalents	23	19,822.39	60,160.48
Short term loans and advances	24	18,048.25	12,476.13
Other current assets	25	5,124.95	10,377.99
		124,229.47	151,460.69
TOTAL		494,493.57	426,780.69
Notes forming part of financial statements	01 - 44		

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 30th May, 2014

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2014

₹ in lakhs

Particulars	Notes	31st March, 2014	31st March, 2013
INCOME			
Revenue from operations	26	172,755.95	114,216.52
Other Income	27	9,672.93	7,899.52
Total Revenue		182,428.88	122,116.04
EXPENSES			
Cost of Materials Consumed	28	90,350.92	59,530.21
Purchase of traded goods	29	554.96	540.30
(Increase)/Decrease in Inventories	30	1,616.28	(2,337.02)
Other manufacture expenses	31	9,575.97	7,103.94
Employee benefits expense	32	10,418.61	9,554.91
Finance Costs	33	12,627.16	1,883.19
Depreciation and amortisation expense	34	11,194.14	5,879.51
Other expenses	35	14,482.17	15,054.88
Total Expenses		150,820.21	97,209.92
Profit before Exceptional Items and tax		31,608.67	24,906.12
Exceptional Items :	36		
Adjustments relating to earlier years (net)		437.17	1,431.68
Profit after Exceptional Items and before Tax		31,171.50	23,474.44
Tax Expense			
Current Tax		7,068.38	6,541.19
Deferred Tax		(754.78)	(80.93)
Earlier years		12.17	532.25
MAT Credit Entitlement (net)		(2,776.60)	(580.00)
		3,549.17	6,412.51
Profit For The Year after Tax		27,622.33	17,061.93
Minority share - Loss		368.39	1,974.68
Profit For The Year after Minority Share		27,990.72	19,036.61
Earnings Per Equity Share of ₹ 2/- Each			
Basic		31.35	21.32
Diluted		31.35	21.32
Notes forming part of financial statements	01 - 44		

per our report of even date

for **Brahmayya & Co.,**

Chartered Accountants

Firm's Registration Number: 000513S

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Place : Hyderabad
Date : 30th May, 2014



Consolidated Cash Flow Statement

for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after Minority Share and before Tax and extraordinary items	31,977.06	26,880.80
Adjustments for:		
Interest earned	(5,477.93)	(3,164.27)
Excess Provisions written back	(221.33)	(109.84)
Input tax Credit written off	37.01	0.55
Bad debts and Advances written off	539.95	2.57
Investments written off	-	0.05
Depreciation and amortisation expense	11,194.14	5,879.51
Assets discarded	2.52	0.67
Net loss/(Profit) on sale of Assets	(10.81)	46.51
Loss on surrender of land	-	130.17
Net gain on Sale of current investments	(847.71)	(1,977.88)
Adjustment to the carrying amount of investments	829.35	(343.71)
Interest from non-current investments	(21.00)	(570.02)
Dividend from non-current investments	(8.69)	(6.15)
Dividend from current investments	(1,019.63)	(278.91)
Interest (excluding the amount capitalised)	10,033.16	910.59
Effect of exchange rate change	(975.83)	(8,683.88)
Operating Profit before Working Capital Changes	46,030.26	18,716.76
Adjustments for:		
Increase/(decrease) in other long term liabilities	(1,142.97)	(658.34)
Increase/(decrease) in long term provisions	162.86	110.44
Increase/(decrease) in trade payables	45,272.52	(5,380.73)
Increase/(decrease) in other current liabilities	(18,834.42)	25,834.91
Increase/(decrease) in short term provisions	53.36	(17.52)
Increase/(decrease) in minority interest	(3,789.40)	(554.04)
(Increase)/decrease in long term loans and advances	24,647.68	(27,097.80)
(Increase)/decrease in other non-current assets	(2,646.20)	50.86
(Increase)/decrease in inventories	(7,840.88)	(13,057.50)
(Increase)/decrease in receivables	(1,600.37)	(2,134.98)
(Increase)/decrease in short term loans and advances	(6,120.50)	(3,287.80)
(Increase)/decrease in other current assets	4,931.02	1,066.27
Cash generated from Operations	79,122.96	(6,409.47)
Direct Taxes paid	(7,067.03)	(6,337.07)
Cash flow before extraordinary items	72,055.93	(12,746.54)
Extraordinary items	(437.17)	(1,431.68)
Net Cash from Operating Activities (A)	71,618.76	(14,178.22)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets (excluding Interest capitalised) including tangible assets and Capital work-in-progress	(120,689.32)	(34,340.53)
Proceeds from sale of fixed assets	136.78	7,461.39

Consolidated Cash Flow Statement

for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
Purchase of non-current Investments (including advances)	-	801.76
Purchase of current Investments	(93,062.24)	(96,366.91)
Proceeds from sale of non-current Investments	562.25	-
Proceeds from sale of current Investments	89,704.14	94,818.65
Investments in bank deposits (having original maturity of more than three months)	4,958.66	(10,018.90)
Interest received	5,567.33	3,858.38
Dividend received	1,028.32	285.06
Net Cash used in Investing Activities (B)	(111,794.08)	(33,501.10)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share Application Money pending allotment	29,463.74	-
Proceeds from short term borrowings	25,413.69	(3,995.53)
Proceeds from long term borrowings	13,015.32	50,833.57
Repayment of long term borrowings	(47,869.93)	-
Interest paid (including interest capitalised)	(10,310.75)	(644.49)
Dividend paid	(4,916.18)	(3,914.30)
Net Cash generated in Financing Activities (C)	4,795.89	42,279.25
Net Increase in Cash and Cash Equivalents (A+B+C)	(35,379.43)	(5,400.07)
Cash and Cash equivalents at the beginning of the year	49,949.19	55,349.26
Cash and Cash equivalents at the end of the year	14,569.76	49,949.19
Notes:		
Cash and Cash equivalents include:		
Cash and Cheques on hand	15.06	87.15
Balances with Banks:		
On Current Accounts	10,404.46	20,231.97
On Unpaid Dividend Accounts	193.98	177.99
On Cash Credit Accounts	1,918.27	-
Deposits with maturity of less than 3 months	58.47	28,600.00
Margin Money Deposits	1,979.52	852.08
Cash and Cash equivalents considered for cash flow	14,569.76	49,949.19

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 000513S

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 30th May, 2014

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

01 Consolidated financial statements have been prepared to meet the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges.

a) Basis of consolidation:

The consolidation of accounts is done in accordance with the requirements of Accounting Standard (AS 21) "Consolidation of Financial Statements" and (AS 23) "Accounting for Investments in Associates in Consolidated Financial Statements" as notified by Companies (Accounting Standards) Rules, 2006 (as amended). Financial statements of subsidiaries were prepared for the year ended 31st March 2014 and the same have been adopted for consolidation.

b) The subsidiary Companies considered in the consolidated financial statements are:

Name of the Company	Place of incorporation	Percentage of shareholding
Subsidiaries:		
Nava Bharat Energy India Limited	India	100.00
Nava Bharat Projects Limited	India	100.00
Nava Bharat Realty Limited	India	100.00
Nava Bharat Sugar and Bio Fuels Limited	India	100.00
Brahmani Infratech Private Limited	India	65.74
Nava Bharat (Singapore) Pte Limited *	Singapore	100.00
Subsidiaries of Nava Bharat (Singapore) Pte Limited:		
PT Nava Bharat Sungai Cuka *	Indonesia	95.00
PT Nava Bharat Indonesia *	Indonesia	95.00
Maamba Collieries Limited *	Zambia	65.00
Nava Bharat Africa Resources Pvt Limited *	Mauritius	100.00
Kobe Green Power Co. Limited *	Japan	80.00
Nava Energy Pte. Limited *	Singapore	100.00
Nava Bharat Lao Energy Pte. Limited *	Singapore	100.00

* Accounts have been prepared in compliance with applicable IFRS and any differences in GAAPs between Holding and Subsidiary Companies are considered for consolidation.

c) Principles of consolidation:

The consolidated financial statements have been prepared based on a line-by-line consolidation of Profit and Loss and Balance Sheet. All inter-company balances and transactions are eliminated on consolidation.

d) Goodwill:

The excess of cost to the group of its investments in subsidiary Companies over its share of the equity of the subsidiary Companies at the dates on which the investments in the subsidiary Companies are made, is recognised as "Goodwill" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary Companies as on the date of investment is in excess of cost of investment of the group, it is recognised as "Capital Reserve" and shown under the head "Reserves and Surplus", in the consolidate financial statements.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
02 MINORITY INTEREST:		
25,000 shares in the Share Capital of PT Nava Bharat Sungai Cuka	13.32	13.59
25,000 shares in the Share Capital of PT Nava Bharat Indonesia	13.32	13.59
75,072,199 Shares in the Share Capital of Maamba Collieries Limited	8,529.44	8,757.60
40 Shares in the Share Capital of Kobe Green Power Co. Limited	2.32	2.17
21,625,002 Equity shares in the Share Capital of Brahmani Infratech Pvt Ltd	2,162.50	2,162.50
Share in Reserves	(19,476.71)	(15,915.86)
TOTAL	(8,755.81)	(4,966.41)

03 SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and other attributable costs to bring the asset to its working condition for its intended use.

Direct overhead expenditure incurred and other attributable revenue costs on projects under implementation is treated as unallocated capital expenditure pending allocation to the assets and are included under Capital work-in-progress.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to

get ready for their intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation

- Depreciation on Fixed Assets is provided on Written Down Value/Straight Line method as per Schedule XIV of the Companies Act, 1956.
- Fixed Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.
- The cost of leasehold Land is amortised over the lease period.
- Improvements to premises taken on lease are amortised over the primary lease period.

d) Intangible Assets

- Costs incurred towards purchase of computer software is amortised over the useful lives of such software as estimated by the management which is of three years.
- Expenditure incurred to acquire water drawing rights from Government/Local authorities or other parties is amortised over the primary period of right to use the facilities which is ten years for the time being.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

e) Impairment

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

f) Prior period items

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of account in the Profit and Loss.

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.

h) Inventories

- i. Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of inventories are not written down below cost

if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined at weighted average basis.

- ii. Goods in transit are valued at Cost.
- iii. Finished goods, Work in progress, Scrap, by-products, loose tools and other stock in trade are valued at lower of cost and net realisable value.
- iv. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis and cost of finished goods includes excise duty. Cost of traded goods includes purchase and allied costs incurred to bring the inventory to its present condition and location, determined on weighted average basis.
- v. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

i. Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading.

ii. Income from Services:

Revenue is recognised as and when the conversion job is completed irrespective of the billing.

iii. Interest and Guarantee Commission:

Revenue is recognised on a time proportion

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

basis taking into account the amount outstanding and the rate applicable.

iv. Dividends:

Dividend is recognised when the right to receive payment is established by the balance sheet date.

v. Export Benefits:

Export Entitlements in the form of Duty Drawback on accrual and Duty Entitlement Pass Book (DEPB) Schemes on realisation are recognized in the Statement of Profit and Loss.

vi. Other Sundry Incomes

Insurance claims and conversion escalations are accounted for on realisation.

j) Foreign Currency Transactions

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

ii. Conversion

Foreign currency monetary items not covered by forward contracts are restated at the exchange rates prevailing at the year end.

iii. Exchange differences

Exchange differences arising, on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

iv. Forward Exchange Contracts (Derivative Instruments) not intended for trading or speculation purposes

The Company uses derivative financial

instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

k) Government Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

l) Retirement and Other Employee Benefits

i. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

ii. The Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Trusts.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

- iii. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary as at the end of the year.
- iv. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.
- v. In respect of employees stock options, the excess of fair price on the date of grant, over the exercise price, is recognised as deferred compensation cost and amortised over the vesting period.
- vi. Compensation paid under the company's voluntary retirement scheme is charged to the Statement of Profit and Loss in the year of payment.

m) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalised. Other Borrowing costs are recognised as an expense in the year in which they are incurred.

n) Segment Reporting Policies

i. Identification of Segments:

The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets.

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

ii. Allocation of Common Costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iii. Unallocated Items:

Includes general corporate income and expense items which are not allocated to any business segment.

o) Earnings per Share (Basic and Diluted)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

Where the Company is the lessee:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss.

q) Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

r) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Cash Flow Statement

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

u) Dividends

Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders/ lending institutions approval wherever applicable

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
04 SHARE CAPITAL		
Authorised		
250,000,000 Equity Shares of ₹ 2/- each	5,000.00	5,000.00
TOTAL	5,000.00	5,000.00
Issued and Subscribed		
89,539,216 Equity Shares of ₹ 2/- each	1,790.78	1,790.78
TOTAL	1,790.78	1,790.78
Paid Up		
89,287,741 Equity Shares of ₹ 2/- each fully paid up	1,785.75	1,785.75
Add: Forfeited Shares (amount originally paid up)	1.26	1.26
TOTAL	1,787.01	1,787.01



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
05 RESERVES AND SURPLUS:		
Capital Reserves:		
At the beginning and at the end of the year	60.20	60.20
Capital Redemption Reserve:		
At the beginning and at the end of the year	826.39	826.39
Securities Premium Reserve:		
At the beginning and at the end of the year	26,214.22	26,214.22
General Reserve:		
At the beginning of the year	77,852.40	72,852.40
Add: Additions during the year	5,000.00	5,000.00
At the end of the year	82,852.40	77,852.40
Other Reserves:		
Subsidies:		
At the beginning and at the end of the year	33.60	33.60
Foreign Currency Translation Reserve (arising on consolidation):		
At the beginning of the year	(180.63)	(885.17)
Additions/(deletions) during the year	4,147.27	704.54
At the end of the year	3,966.64	(180.63)
Surplus i.e. balance in Statement of Profit and Loss:		
Opening Balance	139,470.71	130,366.27
Add: Net profit after tax transferred from Statement of Profit and Loss	27,990.72	19,036.61
Amount available for appropriation	167,461.43	149,402.88
Appropriations:		
General Reserve	5,000.00	5,000.00
Dividend on Equity Capital	4,215.71	4,215.71
Corporate Dividend Tax	716.46	716.46
Closing Balance	157,529.26	139,470.71
TOTAL	271,482.71	244,276.89

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
06 LONG TERM BORROWINGS:		
Term Loans from Banks [Secured] *		
Indian Rupee Loans		
IDBI Bank Limited (iv)	6,719.56	12,449.00
Less: Current maturities	907.44	1,240.77
	5,812.12	11,208.23
State Bank of India (i)	13,015.32	-
Less: Current maturities	7,616.00	-
	5,399.32	-
Andhra Bank (iv)	11,376.71	13,225.10
Less: Current maturities	1,201.00	1,374.42
	10,175.71	11,850.68
Bank of India (iv)	2,660.34	3,043.43
Less: Current maturities	280.25	280.25
	2,380.09	2,763.18
Bank of Baroda (iv)	4,531.49	5,217.24
Less: Current maturities	480.42	480.42
	4,051.07	4,736.82
State Bank of Hyderabad (iv)	4,549.79	5,218.57
Less: Current maturities	480.42	480.42
	4,069.37	4,738.15
UCO bank (iv)	2,663.73	3,040.32
Less: Current maturities	280.25	280.25
	2,383.48	2,760.07
State Bank of Mysore (iv)	2,647.36	3,043.68
Less: Current maturities	280.25	280.25
	2,367.11	2,763.43
Punjab & Sind Bank (iv)	1,890.79	2,173.66
Less: Current maturities	200.17	200.17
	1,690.62	1,973.49
Foreign Currency Loans		
Bank of India	-	1,918.71
Less: Current maturities	-	1,918.71
	-	-
Standard Chartered Bank (v)	20,968.50	32,619.00
Less: Current maturities	20,968.50	32,619.00
	-	-
State Bank of India	-	23,920.60
Less: Current maturities	-	23,920.60
	-	-
Other Loans and Advances [Unsecured]		
From other Bodies Corporate (ii)	30.01	30.01
Deferred Sales Tax Liability (iii)	-	8.89
TOTAL	38,358.90	42,832.95



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

* The above loans are secured by first charge by way of equitable mortgage by deposit of title deeds to cover all immovable properties of the Company and hypothecation of all movable properties including movable Plant and Machinery, spares, tools and accessories, both present and future and a second charge by way of hypothecation of all movable properties both present and future (except book debts) subject to prior charges created/to be created in favour of Company's bankers on its stocks of raw materials, semi-finished and finished goods, consumable stores for securing borrowings for working capital requirements. The mortgage/charge created above shall rank pari-passu with the charges created/to be created in favour of other Financial Institutions/Banks.

** Loan from State Bank of India is secured by pledge of 51% shares held by the Company in its subsidiary, M/s.Nava Bharat (Singapore) Pte. Limited.

i) Carries floating rate of interest (at present 11.80% p.a.) payable monthly. The principal is repayable in quarterly instalments of ₹ 1,904.00 lakhs commencing from 1st April, 2014.

ii) Non-Interest bearing and repayment terms are not stipulated.

iii) Non-Interest bearing loan repayable on 1st April, 2014.

iv) The loans from IDBI Bank Limited, Andhra Bank, Bank of India, Bank of Baroda, State Bank of Hyderabad,

UCO Bank, State Bank of Mysore and Punjab & Sindh Bank are secured by a first charge created in favour of security trustee on the present and future fixed assets and a Second charge on the Current assets of the Company, an equitable mortgage on the lease rights of land of 170 acres obtained from Holding Company, by a registered mortgage of the Flat No.102 admeasuring 303 Sq. feet situated at Plot No.458-C, III Avenue Road, Indira Nagar, Chennai-600020 and also pledge of 26,00,00,000 equity shares held by the Promoter representing 26% of issued and paid up Share Capital of the Company with Trustee, ranking pari passu with all the lenders.

The lenders have an option to demand for conversion of their loans together with interest into equity in the event of default, for which the Company has agreed in terms of the common loan agreement entered into.

The term loans carry interest @11.50%, 12.50% and 13.5% payable monthly. The Loans are repayable in 36 quarterly equal instalments and the first of such instalment commenced on 1st April, 2013.

v) Loan from Standard Chartered bank secured by a corporate guarantee from the holding company and an exclusive first ranking charge over the Debt Service Reserve Account (DSRA) of the Company. The loan carries interest rate @ 5.15% + LIBOR and repayable on 31.08.2014.

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
07 DEFERRED TAX LIABILITIES (NET):		
Liability:		
Difference between book and tax depreciation	3,730.02	4,379.86
Gross liability	3,730.02	4,379.86
Asset:		
Provision for : Employee benefits	370.05	331.17
: Other expenses	717.16	651.17
: Diminution in the value of investments	11.08	11.01
Gross Asset	1,098.29	993.35
TOTAL	2,631.73	3,386.51

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
08 OTHER LONG TERM LIABILITIES:		
Retention Deposits	227.91	247.12
Other payables	2,537.30	3,661.06
TOTAL	2,765.21	3,908.18

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
09 LONG TERM PROVISIONS:		
Provision for employee benefits:		
Provision for Gratuity	553.00	470.16
Provision for Leave Encashment	544.48	515.46
Provision for Restoration Expenses	51.00	-
TOTAL	1,148.48	985.62

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
10 SHORT TERM BORROWINGS:		
Working Capital Loans from Banks (secured)	1,284.03	5,169.65
Deposits (unsecured)	-	158.74
Buyers Credit	4,006.62	6,767.94
Loans (unsecured)	41,487.58	9,268.21
TOTAL	46,778.23	21,364.54

Working Capital Loans from Banks are secured by hypothecation of raw materials, work-in-progress, finished goods, stores and spares and book debts to the extent of ₹ 32,000 lakhs and a second charge on fixed assets of the Company.

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
11 TRADE PAYABLES:		
Creditors for supplies and Services	54,633.52	9,043.03
Creditors for accrued wages and salaries *	2,103.93	2,421.90
TOTAL	56,737.45	11,464.93
* Includes dues to Directors	963.64	1,206.90



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
12 OTHER CURRENT LIABILITIES:		
Current maturities of long term borrowings	32,694.70	63,075.26
Unpaid Dividends	193.98	177.99
Interest Accrued but not due	70.20	347.79
Pre-Received Income	-	25.51
Security deposits	3,551.03	3,994.82
Advance from Customers	318.25	232.96
Bills Discounted with Banks	-	565.15
Other liabilities:		
Central Excise Duty	582.35	649.93
Withholding taxes	1,736.73	191.80
Sales tax	53.35	53.44
Contribution to Provident Fund	89.43	71.22
Other Statutory dues	611.07	478.16
Other payables	6,485.45	26,220.42
TOTAL	46,386.54	96,084.45

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
13 SHORT TERM PROVISIONS:		
Provision for employee benefits:		
Provision for Gratuity	555.31	550.50
Provision for leave encashment	221.90	173.35
Other Provisions:		
Provision for Dividend	4,215.71	4,215.71
Provision for Corporate Dividend Tax	716.46	716.46
TOTAL	5,709.38	5,656.02

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

14 TANGIBLE ASSETS:

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April, 2013	Prior period adjustment	Additions	Deductions *	As at 31st March, 2014	Upto 1st April, 2013	Upto 31st March, 2014	As at 31st March, 2014
1. Land- Freehold *	3,367.96	-	1,509.18	45.67	4,831.47	-	-	4,831.47
Lease Hold	153.16	-	-	0.01	153.15	9.25	10.90	142.25
2. Buildings- Factory	9,687.47	-	5,643.02	0.31	15,330.18	2,494.24	2,994.32	12,335.86
- Leasehold	1,322.03	-	1,289.54	(134.84)	2,746.41	90.95	169.09	2,577.32
- Others *	4,305.82	-	4,836.82	-	9,142.64	568.36	690.18	8,452.46
3. Plant and Equipment	99,831.67	-	74,269.99	(1,845.91)	175,947.57	34,221.18	43,777.99	132,169.58
4. Furniture and Fixtures	559.53	-	29.51	15.12	573.92	381.19	400.15	173.77
5. Vehicles	1,340.41	-	226.69	39.42	1,527.68	741.46	896.79	630.89
6. Office Equipment	798.38	-	33.26	8.62	823.02	612.35	657.68	165.34
7. Air conditioners and Coolers	231.75	-	14.41	0.21	245.95	115.18	131.82	114.13
8. Railway Sidings	506.35	-	35.51	-	541.86	118.23	145.44	396.42
9. Other Assets	319.65	-	130.05	8.50	441.20	121.37	158.07	283.13
10. Power Lines ***	423.19	-	7,372.90	-	7,796.09	108.55	520.17	7,275.92
11. Air Craft	1,590.62	-	-	(162.24)	1,752.86	65.75	238.34	1,514.52
TOTAL	124,437.99	-	95,390.88	(2,025.13)	221,854.00	39,648.06	50,790.94	171,063.06
Previous Year	107,826.64	7.66	19,255.72	2,652.03	124,437.99	34,019.66	39,648.06	84,789.93

Note:

* Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 2,293.47 lakhs (Previous year gain ₹ 5,425.68 lakhs) which is adjusted against Foreign Currency Translation Reserve.

** Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 239.83 lakhs (Previous year gain ₹ 88.08 lakhs) which is adjusted against Foreign Currency Translation Reserve.

*** Cost incurred by the Company, ownership of which vests with a State Owned Power Distribution Company.

a) The Company's land of about 5.08 acres was given possession to M/s. Hyderabad Vanaspathi Limited. The sale price of the same is yet to be adjusted pending permission from the Government of Andhra Pradesh.

b) The title in respect of the land costing ₹ 15.71 lakhs (previous year ₹ 1.23 lakhs) admeasuring 14.06 acres and 23 guntas (previous year 6 acres 23 guntas) is yet to be transferred in the name of the Company.

c) The title in respect of land costing ₹ 26.06 lakhs admeasuring 5.05 acres allotted by APILC Ltd during the year 2009-10, is yet to be transferred in the name of the Company.

d) Cost of leasehold land amounting to ₹ 153.16 lakhs represents the premium paid to the State Government of Orissa for alienation of 56.91 acres in favour of the Company by virtue of lease deeds for 90/99 years and the said land can be resumed by the Government by giving 6 months notice in writing during the tenure of lease.

e) The long term lease period relating to the land situated at Samalkot, East Godavari Dist. on which Plant and Machinery and Buildings of Sugar manufacturing facility costing ₹ 8,530.96 lakhs (previous year: ₹ 7,940.40 lakhs) and ₹ 1,357.89 lakhs (previous year: ₹ 1,170.27 lakhs) respectively, expired on 12.8.1996. The Company is negotiating with the landlords to get the renewed or sell the same to the Company.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

15 INTANGIBLE ASSETS:

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April, 2013	Adjustment	Deductions *	As at 31st March, 2014	Upto 01.04.2013	Prior period adjustment	For the year	On deductions**
1. Computer Software	423.28	29.40	(3.84)	456.52	303.49	-	76.16	(0.76)
2. Water drawing Rights	898.70	-	-	898.70	343.83	-	72.47	-
3. Goodwill	30,063.80	-	(3,066.38)	33,130.18	-	-	-	-
TOTAL	31,385.78	29.40	(3,070.22)	34,485.40	647.32	-	148.63	(0.76)
Previous Year	27,273.44	61.52	(4,050.82)	31,385.78	465.84	-	181.48	-

Note:

* Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 3,070.22 lakhs (Previous year: gain ₹ 4,050.82 lakhs) which is adjusted against Foreign Currency Translation Reserve.

** Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 0.76 lakhs (Previous year gain ₹ nil) which is adjusted against Foreign Currency Translation Reserve.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
16 CAPITAL WORK-IN-PROGRESS:		
Direct costs	132,098.20	100,118.52
Other attributable revenue costs	-	2,313.24
Borrowing costs	-	4,397.17
TOTAL	132,098.20	106,828.93

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
17 NON - CURRENT INVESTMENTS:		
Investment Property (at cost less accumulated depreciation)		
Land at cost	101.91	101.91
	101.91	101.91
Cost of buildings given on operating leases	173.93	173.93
Less Accumulated depreciation	5.76	2.92
	168.17	171.01
TOTAL	270.08	272.92
i. Trade investments (at cost unless otherwise stated)		
Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
200 shares of ₹ 10/- each in Kothari Sugars & Chemicals Limited #	0.01	0.02
2,857 shares of ₹ 10/- each in The Jeypore Sugar Company Limited	1.16	1.16
Investment in Preference Instruments, fully paid up (unquoted)		
1,35,500 - 6% Shares of ₹ 100 each in Rio Realty Private Limited	135.50	135.50
1,30,000 - 6% Shares of ₹ 100 each in Juventus Infrastructure & Projects Private Limited	130.00	130.00
7,36,000 - 6% Shares of ₹ 100 each in A9 Realty Private Limited	736.00	736.00
Investment in Equity Instruments, fully paid up (unquoted)		
17 shares of ₹ 10/- each in A P Gas Power Corporation Limited	0.00	0.00
6,46,600 shares of ₹ 10/- each in Malaxmi Highway Private Limited	64.66	64.66
25,844 shares of ₹ 10/- each in Kinnera Power Company Limited	2.58	2.58
150 Shares of US\$ 1/- each in Indo Coal Ventures Limited	0.06	0.05



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
17 NON - CURRENT INVESTMENTS: (CONTD.)		
ii. Non - Trade investments (at cost unless otherwise stated)		
a. Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
63,300 Shares of ₹ 10/- each in Avanthi Leathers Limited #	0.63	0.63
76,830 Shares of ₹ 10/- each in NB Footwear Limited #	3.96	4.17
1,500 shares of ₹ 10/- each in Avanthi Feeds Limited	0.15	0.15
8,000 shares of ₹ 10/- each in IDBI Bank Limited #	5.22	6.42
22,800 shares of ₹ 10/- each in Andhra Bank	2.28	2.28
12,284 shares of ₹ 1/- each in Tata Consultancy Services Limited	26.10	26.10
9,651 shares of ₹ 10/- each of MOIL Limited #	24.27	21.52
Investment in Equity Instruments, fully paid up (unquoted)		
75,000 shares of ₹ 10/- each in Srinivasa Cystine Limited	5.00	5.00
8,000 shares of ₹ 10/- each in GSR Advisory Services Private Limited	0.28	0.28
b. Investment in Bonds (unquoted)		
500 bonds of ₹ 100,000/- each in Indian Infrastructure Finance Company Limited	-	511.15
c. Investments in Government Securities (unquoted)		
6 years National Savings Certificates *	2.50	3.60
Rural Electrification bonds (non-trade)	50.00	100.00
TOTAL	1,190.36	1,751.27
TOTAL	1,460.44	2,024.19
# At cost less diminution.		
Aggregate amount of quoted investments	96.40	96.40
Aggregate market value of quoted investments	320.82	251.61
Aggregate amount of unquoted investments	1,093.96	1,654.87
Aggregate provision for diminution in the value of investments	32.61	33.95

* 6 year National Savings Certificates are in the names of employees of the Company and the certificates in respect of face value of ₹ 2.50 lakhs (Previous year ₹ 3.60 lakhs) were pledged with various Government Departments as security.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
18 LONG TERM LOANS AND ADVANCES:		
(Unsecured, considered good)		
Capital Advances:		
Other advances	4,639.91	29,478.45
Security Deposits	1,320.21	1,139.04
Other receivables	772.70	736.54
Loans and Advances to related parties		
Other Advances	-	2.98
Other loans and advances		
Loan to a non-corporate body	2,879.34	2,879.34
Advance for purchases and Expenses	-	20.88
Staff loans	134.83	133.06
(Secured, considered good)		
Other loans and advances:		
Loans to others	8.31	12.69
TOTAL	9,755.30	34,402.98

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
19 OTHER NON-CURRENT ASSETS:		
Prepaid expenses	2,602.01	4.28
Payments made under protest	146.26	92.76
Interest receivable	535.99	295.89
Other receivables	206.34	211.37
MAT Credit Entitlement	18,707.81	15,931.21
TOTAL	22,198.41	16,535.51



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
20 CURRENT INVESTMENTS:		
(Valued at lower of Cost or Market Value)		
DSP Black Rock FMP (12M) (\$153) Fund	521.85	-
DSP Black Rock FMP (12M) (\$146) Fund	500.00	-
IDFC Money Manager Fund	391.27	-
IDFC Fixed Term Plan	961.95	-
HDFC FMP 369D Regular Growth fund	500.00	-
Birla Sunlife Fixed Term Fund	838.65	-
Baroda Pioneer FMP (370 days) Fund	500.00	-
HDFC Floating Rate Income Fund	-	2,059.22
Birla Sunlife Floating Rate Fund	-	3,062.34
IDBI Ultra Short Term Fund	-	1,012.40
Kotak Floater Short Term	-	184.89
UTI Floating Rate Fund	-	2,012.06
Templeton India LD Fund	229.55	286.49
TATA Fixed Maturity Fund	500.00	500.00
IDFC Cash Fund	395.94	-
SBI Premier Liquid Fund	400.43	-
Bank of Baroda	-	554.52
ICICI Bank Ltd	1,120.32	1,062.84
IDBI Bank Ltd	-	1,096.00
Reliance Holdings USA	415.96	-
Canara Bank	-	543.11
Barclays Bank	-	530.06
Bank of India FRN EMTN	599.10	-
Bank of India PERP FRN EMTN	544.61	-
IDBI Bank Ltd, DIFC Dubai EMTN	1,150.27	-
State Bank of India PERP FRN EMTN	1,322.80	-
Syndicate Bank	1,198.20	-
XAU-USD	4,171.49	-
Add: Fair value adjustment in respect of investments held by a foreign subsidiary	-	(16.66)
TOTAL	16,262.39	12,887.27

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
21 INVENTORIES:		
At cost:		
Raw Materials	16,908.12	12,459.71
Raw Material-in-transit	645.11	2,040.79
Work in Progress	53.62	45.95
Finished Goods	28,388.32	26,287.67
Stock-in-trade	387.09	234.56
Stores and Spares	7,004.04	4,439.47
Stores and Spares-in-transit	59.82	35.19
Others	3.11	98.92
At realisable value:		
Finished Goods	416.91	381.79
Scrap	-	1.21
TOTAL	53,866.14	46,025.26

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
22 TRADE RECEIVABLES:		
(Unsecured, considered good)		
Due over six months	1,357.21	-
Due for less than six months	9,748.14	9,533.56
TOTAL	11,105.35	9,533.56

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
23 CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current accounts	10,404.46	20,231.97
On Cash Credit accounts	1,918.27	-
Cheques/Drafts on hand	-	79.47
Cash on Hand	15.06	7.68
Other bank balances:		
On Unpaid Dividend Accounts	193.98	177.99
Fixed Deposits	5,311.10	38,811.29
Margin Money Deposits	1,979.52	852.08
TOTAL	19,822.39	60,160.48



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
24 SHORT TERM LOANS AND ADVANCES:		
Loans and Advances to related parties:		
(Unsecured, considered good)		
Other receivables	-	343.84
	-	343.84
Other loans and advances:		
(Secured, considered good)		
Loans to others	456.16	-
(Unsecured, considered good)		
Loans to other Corporates	2,042.37	12.10
Advances for purchases and expenses	12,411.60	10,160.81
Other receivables	688.50	1,009.97
Security deposits	5.00	12.83
Loans to service providers	20.73	-
Staff Advances	57.89	68.40
Balance with Statutory Authorities	2,366.00	868.18
	18,048.25	12,132.29
TOTAL	18,048.25	12,476.13

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
25 OTHER CURRENT ASSETS:		
Other Receivables	2,426.44	4,622.15
Prepaid Expenses	328.19	663.59
Accrued Conversion Charges	135.94	-
Interest Accrued	734.15	1,042.65
Advance Income Tax (net of provision)	301.07	314.59
Others	1,199.16	3,735.01
TOTAL	5,124.95	10,377.99

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
26 REVENUE FROM OPERATIONS:		
Sale of Products		
Finished Goods:		
Ferro Alloys	39,972.13	38,114.68
Sugar	13,319.51	13,899.44
Electric Power	119,154.27	67,488.98
Others	10,901.60	2,648.89
	183,347.51	122,151.99
Less: Inter Divisional transfers	23,164.60	21,043.00
	160,182.91	101,108.99
Traded goods:		
Fertilizers	311.47	373.84
PVC Pipes	22.86	92.44
Others	327.79	201.22
Sale of Services		
Conversion Charges	12,316.09	12,824.18
Other Operating Revenue		
Export Incentives	1,865.68	1,494.89
Revenue from Operations (Gross)	175,026.80	116,095.56
Less: Excise Duty	2,270.85	1,879.04
Revenue from Operations (Net)	172,755.95	114,216.52

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
27 OTHER INCOME:		
Interest Income:		
Bank Deposits	1,114.61	1,634.96
Non Current Investments	21.00	570.02
Others	4,363.32	1,529.31
Dividend Income:		
Non Current Investments	8.69	6.15
Current investments	1,019.63	278.91
Net Gain on Sale of current investments	847.71	1,977.88



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
27 OTHER INCOME: (CONTD.)		
Adjustments to the carrying amount of investments	(829.35)	343.71
Other Non Operating Income (net of expenses):		
Claims	319.55	75.30
Profit on sale of materials	-	24.89
Gain on Sale of Tangible Assets	15.68	3.72
Rents earned	110.00	55.78
Excess provisions/credit balances written back	221.33	109.84
Miscellaneous Receipts	2,460.76	1,289.05
TOTAL	9,672.93	7,899.52

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
28 COST OF MATERIALS CONSUMED:		
Inventory at the beginning of the year	12,459.71	15,112.68
Add: Purchase of materials	94,799.33	57,341.52
	107,259.04	72,454.20
Less: Cost of materials sold	-	210.11
Internal consumption	-	254.17
Inventory at the end of the year	16,908.12	12,459.71
Cost of materials consumed	90,350.92	59,530.21

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
29 PURCHASE OF TRADED GOODS:		
Fertilizers	274.04	348.82
PVC Pipes	30.22	58.14
Others	250.70	54.66
TOTAL	554.96	461.62

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
30 (INCREASE)/DECREASE IN INVENTORIES:		
Inventories at the end of the year		
Traded goods	79.77	66.29
Finished Goods	10,875.64	12,650.91
Work in Progress	360.94	214.22
Scrap	-	1.21
	11,316.35	12,932.63
Inventories at the beginning of the year		
Traded goods	66.29	53.25
Finished Goods	12,650.91	9,492.20
Work in progress	214.22	1,049.27
Scrap	1.21	0.89
	12,932.63	10,595.61
(Increase)/decrease in inventories	1,616.28	(2,337.02)

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
31 OTHER MANUFACTURING EXPENSES:		
Stores Consumed	3,290.15	2,762.87
Power, Fuel and Water	2,194.05	675.15
Briquetting expenses	412.50	355.05
Fly Ash Brick expenses	37.05	84.52
Organic Manure expenses	77.08	46.99
Raw Material Handling expenses	1,626.38	1,358.11
Finished Product Handling expenses	683.44	641.01
Cane Development expenses	843.73	942.97
Testing and Analysis charges	64.15	56.81
Other expenses	347.44	180.46
TOTAL	9,575.97	7,103.94



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
32 EMPLOYEE BENEFITS EXPENSE:		
Salaries, Wages and Bonus	8,771.88	8,101.55
Contribution to Provident and Other Funds	468.69	413.85
Staff Welfare Expenses	639.36	552.19
Retirement Benefits	538.68	487.32
TOTAL	10,418.61	9,554.91

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
33 FINANCE COSTS:		
Interest	10,033.16	910.59
Bank Charges and Commission	870.28	289.93
Prompt Payment Rebate	1,723.72	680.85
Applicable loss on foreign currency fluctuation	-	1.82
TOTAL	12,627.16	1,883.19

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
34 DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible Assets	11,042.90	5,704.49
Amortisation of Intangible Assets	148.63	181.48
Depreciation on Investment Property	2.84	1.89
	11,194.37	5,887.86
Less: Capitalised	0.23	8.35
TOTAL	11,194.14	5,879.51

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
35 OTHER EXPENSES:		
Rent	255.14	244.00
Administrative Expenses	-	283.40
Central Excise Duty *	(102.44)	264.82
Rates and Taxes	1,982.97	1,450.25
Freight and Transportation	1,624.61	1,421.25
Insurance	818.68	647.93
Advertisement and sales promotion	36.23	81.32
Communications	170.76	170.73
Travelling and Conveyance	503.08	482.73
Vehicle Maintenance	216.48	251.80
Legal and Professional Charges	1,091.37	848.60
Payments to Auditors		
as auditors	58.91	59.10
for tax audit	12.36	8.66
for other matters	47.74	9.24
for expenses	0.25	0.25
Cost Auditor fees	6.52	6.06
Repairs and Maintenance to:		
Machinery	3,384.48	2,602.16
Buildings	574.77	747.14
Other Assets	207.11	80.69
General Charges	1,472.23	1,880.55
Rural Development expenses	413.68	516.62
Project expenses written off	174.66	194.68
Investments written off	-	0.05
Foreign Exchange Fluctuations	1,525.19	2,621.78
Assets discarded	2.52	0.67
Loss on surrender of land	-	130.17
Loss on Sale of Assets	4.87	50.23
TOTAL	14,482.17	15,054.88

* Excise Duty represents the aggregate of Excise Duty borne by the Company and the difference between Excise Duty on opening and closing stock of finished/saleable goods.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
36 EXCEPTIONAL ITEMS:		
Adjustments relating to earlier years (net):		
Miscellaneous income	-	(0.45)
Power price difference	8.73	(105.03)
Input tax credit	37.01	(8.66)
Unscheduled Inter-Change Charges	62.45	39.92
Property tax	-	6.31
Miscellaneous expenses	0.47	2.19
Difference in conversion charges	280.15	35.88
Transport subsidy	48.36	69.09
Investment in progress written off	-	1,392.43
TOTAL	437.17	1,431.68

37 In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

38 The Company uses derivative financial instruments such as forward contracts and currency swap to hedge currency exposures, present and anticipated, denominated mostly in US Dollars and Japanese Yen and all financial and derivative contracts entered into by the Company are for hedging purpose only.

The information on derivative instruments are as follows:

- Derivative contracts outstanding as at the year end: nil (previous year: nil)
- Foreign currency exposure not hedged by derivative instruments:

in lakhs

Particulars	Currency	Amount in foreign currency	
		31st March, 2014	31st March, 2013
Term Loans repayable	JPY	-	3,332.00
Bank loan	USD	66.88	111.49
Payables on account of import of goods	USD	0.74	11.59

- Foreign currency exposure hedged by derivative instruments:

in lakhs

Particulars	Currency	Amount in foreign currency	
		31st March, 2014	31st March, 2013
Unsecured loan	USD	20.00	-

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

₹ in lakhs

Particulars	31st March, 2014	31st March, 2013
39 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
i) Contingent liabilities:		
a) Claims against the Company not acknowledged as debts	2,625.29	2,517.55
b) Guarantees	52,011.08	79,644.47
c) Other money for which the Company is contingently liable:		
i) Demand from Income Tax department disputed	660.08	553.01
ii) Showcause notices received from Central Excise Dept. *	5,760.25	5,948.08
iii) Others	198.81	386.12
d) As per the "Renewal Power Purchase obligation (Compliance by Purchase of Renewal Energy/Renewable Energy Certificates) Regulations 2012" of APERC, the Company is under obligation for the year to comply with the said regulations. However as the Company contested the applicability of regulations to the Company in the Hon'ble High Court of A.P., compliance cost is not provided to the extent of	2,098.46	2,098.46
ii) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,006.68	43.68
b) Export obligation	-	1,362.28

* Represent showcause notices received to issue demands, pending for final consideration and the Company has already submitted its objections in writing against the said notices.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

40 SEGMENT REPORTING AS PER AS 17 ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

A. Primary disclosures:

The company has identified the reportable primary business segments considering:

- the nature of products and services;
- the differing risks and returns;
- the organisation structure; and
- the internal financial reporting system.

₹ in lakhs

Particulars	31st March, 2014					31st March, 2013				
	Ferro Alloys	Power	Sugar	Others	Total	Ferro Alloys	Power	Sugar	Others	Total
1. Segment Revenue (gross)	56,923.35	121,464.42	16,203.82	12,529.88	207,121.47	54,328.81	69,279.37	16,103.06	2,117.45	141,828.69
Less: Inter segment revenue	391.61	22,753.70	813.75	-	23,959.06	223.09	20,843.60	602.25	-	21,668.94
Segment Revenue (net)	56,531.74	98,710.72	15,390.07	12,529.88	183,162.41	54,105.72	48,435.77	15,500.81	2,117.45	120,159.75
2. Segment Result	2,206.84	35,696.90	632.97	4,194.27	42,730.98	5,199.77	21,165.54	2,355.06	(6,539.36)	22,181.01
3. Segment Result excluding inter segment margin	10,756.95	27,206.30	573.46	4,194.27	42,730.98	12,388.89	14,097.74	2,233.74	(6,539.36)	22,181.01
Add:										
Other unallocable Income					1,067.68					3,176.67
Less:										
a) Finance Charges					12,627.16					1,883.19
b) Other unallocable expenditure					-					0.05
Profit before tax					31,171.50					23,474.44
Taxation for the year					3,549.17					6,412.51
Net Profit					27,622.33					17,061.93
4. Segment Assets	37,839.79	172,334.08	18,930.65	220,924.64	450,029.16	35,701.93	167,058.30	20,026.80	123,539.90	346,326.93
Unallocated					44,464.41					80,453.76
Total Assets					494,493.57					426,780.69
5. Segment Liabilities	3,332.60	53,054.11	3,381.38	132,386.77	192,154.86	4,878.29	64,444.72	5,183.19	110,488.72	184,994.92
Unallocated					302,338.71					241,785.77
Total liabilities					494,493.57					426,780.69
6. Capital expenditure	245.21	2,369.16	519.61	117,555.59	120,689.57	1,092.28	29,795.70	1,250.15	4,517.19	36,655.32
Depreciation	840.62	8,036.84	559.30	1,757.38	11,194.14	858.68	3,456.69	514.78	1,049.35	5,879.50
Non-cash expenses other than depreciation	9.58	17.30	5.17	178.59	210.64	31.42	59.03	(35.45)	233.74	288.74

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

B. Secondary disclosures:

Total Carrying amount of Segment Assets by geographical location of Assets, for each geographical Segment whose Segment Assets are 10 per cent or more of the total Assets of all geographical Segments.

₹ in lakhs

Geographical Segment	31st March, 2014		Carrying amount of Segment Assets	31st March, 2013		
	Cost incurred to acquire Assets (Tangible and Intangible)			Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets
	Put to use	Capital Work-in-progress		Put to use	Capital Work-in-progress	
Ferro Alloy Plant Paloncha, Khammam Dist., A.P.	508.84	243.22	29,062.22	647.12	348.16	29,127.82
Ferro Alloy Plant Kharagprasad, Dhenkanal Dist Odisha	58.91	16.13	8,777.57	62.68	34.31	6,574.11
Power Plant Paloncha, Khammam Dist., A.P.	65,306.89	1,043.96	111,349.11	3,094.96	25,654.86	103,941.33
Power Plant Kharagprasad, Dhenkanal Dist Odisha	24,927.51	346.44	49,909.12	97.76	1,371.39	52,191.23
Power Plant Dharmavaram, East Godavari Dist. A.P.	50.09	-	11,075.85	23.37	23.54	10,925.74

- 41** As required by Accounting Standard (AS 28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year other than the assets discarded/ dismantled and written off to Statement of Profit and Loss.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

42 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company:

i) Key Management Personnel:

Sri D. Ashok, Chairman
Sri P.Trivikrama Prasad, Managing Director
Sri G.R.K. Prasad, Executive Director
Sri C.V. Durga Prasad, Director (Business Development)

ii) Relatives of key management personnel:

Smt. D. Ramaa - wife of Sri D Ashok
Sri D. Ashwin - son of Sri D Ashok
Sri D. Nikhil - son of Sri D Ashok
Dr. D. Rajasekhar - brother of Sri D Ashok
Smt. D. Bhaktapriya - mother of Sri D Ashok
Smt. A. Nilima - sister of Sri D Ashok
Smt. P. Rajashree - wife of Sri P Trivikrama Prasad
Smt. P. Sruthi - daughter of Sri P Trivikrama Prasad
Smt. G. S. P. Kumari - wife of Sri G R K Prasad
Smt. C. Umamaheswari - wife of Sri C V Durga Prasad

iii) Enterprises over which key management personnel/their relatives exercise significant influence:

M/s.Nava Bharat Natural Resources India Limited
M/s.Nav Developers Limited
M/s.S R T Investments Private Limited
M/s.A N Investments Private Limited
M/s.V9 Avenues Private Limited
M/s.A9 Homes Private Limited
M/s.AV Dwellings Private Limited
M/s.Brahmani Skyline Constructions Private Limited
M/s.Brahmani Infrastructure Projects Private Limited
M/s.Brahmani Infotech Private Limited
M/s.V9 Infra Ventures Private Limited
M/s.Pinnamaneni Healthcare Private Limited
M/s.Malaxmi Highway Private Limited
M/s.Kinnera Power Company Limited
Dr. Devineni Subba Rao Trust
M/s. Gunnam Subbarao and Ramayamma Trust

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

b) Particulars of transactions during the year:

₹ in lakhs

Nature of transactions	31st March, 2014	31st March, 2013
i) Transactions with Key Management personnel:		
Sri D Ashok		
Remuneration	670.06	721.13
Sri P Trivikrama Prasad		
Remuneration	669.75	719.52
Sri G R K Prasad		
Remuneration	242.51	200.81
Sri C V Durga Prasad		
Remuneration	186.93	138.51
Sri D Ashwin		
Remuneration	421.29	301.63
ii) Transactions with relatives of Key Management personnel:		
Dr. D. Rajasekhar		
Rent	15.20	15.20
Smt. G. S. P. Kumari		
Rent	47.79	39.60
Smt. C. Umamaheswari		
Rent	47.79	39.60
Smt P Sruthi		
Rent	3.60	3.60



NAVA BHARAT

Notes

to Consolidated Financial Statements for the year ended 31st March, 2014

c) Amount due from/(due to) related parties as at the year end:

₹ in lakhs		
Name of the party	31st March, 2014	31st March, 2013
1. Key Management personnel:		
Sri D Ashok	(471.82)	(593.45)
Sri P Trivikrama Prasad	(471.82)	(593.45)

43 EARNINGS PER SHARE (E.P.S.)

Particulars	31st March, 2014	31st March, 2013
a) Net Profit as per Statement of Profit and Loss available for Equity Shareholders (₹ in lakhs)	27,990.72	19,036.61
b) Weighted average number of Equity Shares for Basic and diluted EPS	89,287,741	89,287,741
c) Nominal value of the share (₹)	2.00	2.00
d) Basic earnings per share (₹)	31.35	21.32
e) Diluted earnings per share (₹)	31.35	21.32

44 Previous year figures have been re-grouped and/or reclassified wherever necessary to make them comparable with those of current year.

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 30th May, 2014

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Financial Information of Subsidiary Companies for the year ended 31st March, 2014

Sl. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country of incorporation
1	Nava Bharat (Singapore) Pte. Limited	INR USD in million	82,436.16 137.60	2,349.38 3.92 (53,789.90)	127,578.11 212.95 177,281.20	127,578.11 212.95 177,281.20	29,031.76 48.46 -	27,348.07 45.65 8,440.32	1,135.98 1.90 (2,555.68)	286.25 0.48 12.80	849.73 1.42 (2,568.48)	- - -	Singapore
2	Maamba Collieries Limited	INR USD in million	137,509.09 229.19 266.47	(89.78)	177,281.20 295.91 1,321.29	177,281.20 295.91 1,321.29	- -	14.09	(4.27)	0.02	(4.29)	-	Zambia
3	PT Nava Bharat Sungai Cuka	INR USD in million	0.44	-	2.21	2.21	-	-	-	-	-	-	Indonesia
4	PT Nava Bharat Indonesia	INR USD in million	266.47	-	430.11	430.11	-	-	-	-	-	-	Indonesia
5	Nava Bharat Africa Resources Pvt. Limited	INR USD in million	0.60 0.001	(1.93) (0.003)	0.06 0.00	0.72 0.00	-	-	481.24 (0.80)	-	481.24 (0.80)	-	Indonesia
6	Kobe Green Power Co. Limited	INR USD in million	11.61 0.02	(162.45) (0.27)	2,284.24 3.81	2,284.24 3.81	-	-	-	-	-	-	Mauritius
7	Nava Energy Pte. Limited	INR USD in million	0.60 0.001	-	0.60 0.001	0.60 0.001	-	-	-	-	-	-	Japan
8	Nava Bharat Lao Energy Pte. Limited	INR USD in million	0.60 0.001	-	0.60 0.001	0.60 0.001	-	-	-	-	-	-	Singapore
9	Nava Bharat Projects Limited	INR	9,080.40	14,543.55	23,715.49	23,715.49	17,377.42	1,139.24	740.89	192.03	548.86	-	Singapore
10	Nava Bharat Energy India Limited	INR	20,000.00	7,840.54	78,111.37	78,111.37	-	54,164.44	8,549.77	34.10	8,515.67	-	India
11	Brahmani Infratech Private Limited	INR	6,312.50	1,114.20	10,439.77	10,439.77	4,213.72	686.16	530.60	89.00	441.60	-	India
12	Nava Bharat Realty Limited	INR	5.00	(21.34)	1.06	1.06	-	-	(0.81)	-	(0.81)	-	India
13	Nava Bharat Sugar and Bio Fuels Limited	INR	5.00	(3.55)	1.62	1.62	-	-	(0.59)	-	(0.59)	-	India

Note: Indian Rupee equivalent figures have been arrived at by applying the year end interbank exchange rate of USD = ₹ 59.91.

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Trivikrama Prasad
Managing Director

T. Hari Babu
Chief Financial Officer

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Place : Hyderabad
Date : 30th May, 2014

Notes

[illegible]

COAL MINING AT MAAMBA COLLIERIES LIMITED, ZAMBIA





NAVA BHARAT

www.nbventures.com



NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

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Fax : +91 40 23403013 | E-mail : nbvl@nbv.in | Website : www.nbventures.com
CIN : L27101TG1972PLC001549

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 42nd Annual General Meeting of the Members of Nava Bharat Ventures Limited will be held on Friday, the 8th August, 2014 at 10.00 a.m. at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500 016 to transact the following business:

Ordinary Business:

Item No.1:

Adoption of Financial Statements:

To receive, consider, approve and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon together with the audited consolidated financial statements of the Company for the financial year ended 31st March, 2014.

Item No.2:

Declaration of Dividend on the Equity Shares:

To declare dividend of ₹ 5/- (Rupees Five only) per Equity Share of ₹ 2/- each for the financial year ended 31st March, 2014.

Item No.3:

Re-appointment of Sri G.R.K.Prasad:

To appoint a Director in place of Sri G.R.K.Prasad, who retires by rotation and, being eligible, offers himself for re-appointment.

Item No.4:

Appointment of Auditors:

To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s.Brahmayya & Co., Chartered Accountants, be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors, be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors."

Special Business:

Item No.5:

Appointment of Sri K.Balarama Reddi as an Independent Director:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri K.Balarama Reddi (holding DIN 00012884), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of forthcoming AGM and not liable to retire by rotation.”

Item No.6:

Appointment of Dr.M.V.G.Rao as an Independent Director:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr.M.V.G.Rao (holding DIN 00012704), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of forthcoming AGM and not liable to retire by rotation.”

Item No.7:

Appointment of Dr.E.R.C.Shekar as an Independent Director:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr.E.R.C.Shekar (holding DIN 00013670), Director of the Company, in respect of whom, the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of forthcoming AGM and not liable to retire by rotation.”

Item No.8:

Appointment of Dr.D.Nageswara Rao as an Independent Director:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr.D.Nageswara Rao (holding DIN 02009886), Director of the Company, in respect of whom, the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of forthcoming AGM and not liable to retire by rotation.”

Item No.9:**Appointment of Dr.C.V.Madhavi as an Independent Director:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr.C.V.Madhavi (holding DIN 06472632), Director of the Company, in respect of whom, the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of forthcoming AGM and not liable to retire by rotation."

Item No.10:**Re-appointment of and remuneration payable to Sri. D. Ashok as Chairman:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to such other approvals and consents as may be required, the consent and approval of the Company, be and is hereby accorded to the re-appointment of Sri D.Ashok (holding DIN 00006903) as Chairman and Director in the wholetime employment of the Company for a period of five years with effect from 14.08.2014 on the terms and conditions, remuneration, commission, perquisites/allowances as mentioned below:

- A. Salary : ₹ 7,00,000/- per month
- B. Commission : @ 2% on the net profits of the Company for each/every financial year and
- C. Perquisites : In addition to the Salary and Commission, he shall also be entitled to the allowances and other perquisites as set out below:
 - a) Housing:
 - i) Where accommodation in the Company owned house is provided, he shall pay to the Company, by way of rent 10% of the Salary;
 - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of the Salary;
 - iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the Salary; and
 - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the Salary.
 - b) Medical Reimbursement / Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years;
 - c) Leave Travel Concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the Rules of the Company;
 - d) Club fees: Fees of Clubs, subject to a maximum of two clubs;
 - e) Personal accident insurance: As per the Rules of the Company;
 - f) Car: Free use of Company's car with driver;
 - g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the Rules of the Company;

- h) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;
- i) Communication Facilities: Free communication facilities like Telephones / Internet / Mobiles / Fax at residence;
- j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service;
- k) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company; and
- l) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time."

"RESOLVED FURTHER THAT notwithstanding anything herein stated above, where in any financial year closing on or after 31st March, 2014, during the tenure of Sri D.Ashok as Chairman of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Sri D.Ashok the above remuneration by way of salary, perquisites and other allowances as minimum remuneration subject to the requisite approvals or subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013."

Item No.11:

Revision of remuneration payable to Sri D Ashwin, Managing Director, Nava Bharat (Singapore) Pte. Limited:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT the Company hereby approves, pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals and permissions as may be required, the revision/enhancement of remuneration payable to Sri D Ashwin, Managing Director of the Company's Subsidiary, Nava Bharat (Singapore) Pte. Limited, relative of the Chairman, and his appointment to hold office or place of profit as Managing Director in the Company's Subsidiary, Nava Bharat (Singapore) Pte. Limited on the following remuneration for a period of 5 years with effect from 1st April, 2014:

Salary: USD 875,000 per annum (inclusive of all allowances) with an Annual Increment not exceeding 25% of the prevailing salary as may be decided by the Board of Directors of the Company."

Item No.12:

Appointment of Sri Nikhil Devineni, relative of Sri D Ashok, Chairman, to the office or place of profit in the step down Subsidiary of the Company, implementing 150 MW Hydel Power Project in Laos, as Manager – Business Development:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT the Company hereby approves, pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals and permissions as may be required, the appointment of Sri Nikhil Devineni, to hold office or place of profit, as Manager – Business Development in the step down Subsidiary of the Company, Kobe Green Power Co. Ltd., and/or the Joint Venture Project Company implementing the 150 MW Hydel Power Project in Laos, for a period of 5 years on the following remuneration:

Salary : USD 4000 per month with an Annual Increment not exceeding 25% of the prevailing salary as may be decided by the Board of Directors of the Company.

Allowances :

- (a) One month bonus for every year and performance bonus as per the Rules;
- (b) Medical expenses not exceeding USD 3000 per annum;
- (c) Mobile and other communication facilities;
- (d) Reimbursement of all travel expenses on business; and
- (e) All statutory contributions as required under the law of Laos will be borne by the Company."

Item No.13A:

Transactions with Related Parties under Section 188 of the Companies Act, 2013 - Sale of finished goods to Nava Bharat (Singapore) Pte. Limited:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1st April, 2014 upto the maximum amounts per annum for each and every financial year as specified below:

"RESOLVED THAT the Company do affect sale of finished goods to Nava Bharat (Singapore) Pte.Limited, Company's Subsidiary, upto a sum of ₹ 600 crores per annum for every financial year."

"RESOLVED THAT to give effect to this Resolution, the Board of Directors and / or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalise any documents and writings related thereto. The Board / Committee in its absolute discretion may approve, vary or otherwise the terms of contract as it deems fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

Item No.13B:

Transactions with Related Parties under Section 188 of the Companies Act, 2013 - Provision of Corporate Guarantees / Project Support Services to Maamba Collieries Limited:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1st April, 2014 upto the maximum amounts per annum for each and every financial year as specified below:

"RESOLVED THAT the Company do provide Corporate Guarantees to Banks / Financial Institutions so that the Company's step down Subsidiary, Maamba Collieries Limited, procure financial arrangements / loans from such Banks / FIIs on the security provided by the Company and do charge a commission on the guarantee provided at a mutually agreed rate and the amount of commission not exceeding ₹ 6 crores per annum for every financial year."

"RESOLVED THAT the Company do provide project support services to the step down Subsidiary, Maamba Collieries Limited, for a sum of not exceeding ₹ 18 crores per annum for every financial year."

"RESOLVED THAT to give effect to this Resolution, the Board of Directors and / or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalise any documents and writings related thereto. The Board / Committee in its absolute discretion may approve, vary or otherwise the terms of contract as it deems fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

Item No.13C:

Transactions with Related Parties under Section 188 of the Companies Act, 2013 - Provision of facilities or utilities to the Company's Subsidiary, Nava Bharat Energy India Limited:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1st April, 2014 upto the maximum amounts per annum for each and every financial year as specified below:

"RESOLVED THAT the Company do extend all necessary facilities or utilities to the Company's Subsidiary, Nava Bharat Energy India Limited, which is operating 150MW Power Plant at Paloncha and charge the lease rent, collect utility management charges and consideration for the sale of fly ash bricks or any other materials or goods to Nava Bharat Energy India Limited at such price or sums as may be determined by the Board or its Committee subject to a overall ceiling of not exceeding ₹ 50 crores per annum."

"RESOLVED THAT to give effect to this Resolution, the Board of Directors and / or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalise any documents and writings related thereto. The Board / Committee in its absolute discretion may approve, vary or otherwise the terms of contract as it deems fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

Item No.14:

Ratification of appointment of Cost Auditor for the year 2014-15:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, subject to such guidelines and approval from the Central Government as may be required, the appointment of M/s.Narasimha Murthy & Co., Cost Accountants, 3-6-365, 104, Pavani Estate, Y.V.Rao Mansion, Himayat Nagar, Hyderabad – 500 029, as Cost Auditors to audit the cost records maintained by the Company in respect of Company's Products in all the Units or Plants relating to Electricity; Steel (Ferro Alloys); Sugar and Industrial Alcohol for the Financial Year 2014-15 at an aggregate fee of ₹ 5,70,000/- (Rupees five lakhs and seventy thousand only) plus out of pocket expenses for the visits to the Factory and service tax thereon, be and is hereby approved and ratified."

By order of the Board
For **NAVA BHARAT VENTURES LIMITED**

Hyderabad
May 30, 2014

M.Subrahmanyam
Company Secretary & Vice President

NOTES

1. The Explanatory Statement in respect of the special business in the Notice, pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in the Meeting and the Proxy need not be a member of the Company.
3. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A Proxy Form for the AGM is enclosed.
4. Members/Proxies should bring the duly filled Attendance Slip attached herewith to attend the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
6. The Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. The Register of Members and Share Transfer Books will remain closed from 01.08.2014 to 08.08.2014 (both days inclusive) in connection with the Annual General Meeting and Dividend.
8. The dividend for the year ended 31st March, 2014 as recommended by the Board, i.e. ₹ 5/- per Equity Share of ₹ 2/- each (250%), if declared at the meeting, will be paid to those members whose names appear in the Company's Register of Members after effecting valid transfers received upto the close of business hours on 31.07.2014. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details provided as at the close of business hours on 31.07.2014 by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. The dividend on Equity Shares, if declared at the meeting, will be credited/ dispatched on 14.08.2014.
9. The unclaimed equity dividend for the year ended 31st March, 2007 will be transferred on 27.08.2014 to the 'Investor Education and Protection Fund' on expiry of 7 years from the date of transfer to the Unpaid Dividend Account, pursuant to Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956). Members who have not encashed their Dividend Warrants for the said financial year or subsequent year(s) are requested to send the same to the Company or its Registrars and Transfer Agents for issue of fresh demand drafts.
10. The unclaimed physical share certificates with the Registrars & Transfer Agents of the Company, subsequent to the issue of various reminders, were transferred to unclaimed suspense account and dematerialized to the credit of "Nava Bharat Ventures Limited – Unclaimed Suspense Account". The details were placed on the Website of the Company. The concerned members are requested to approach the Registrars, M/s.Karvy Computershare Private Limited with their claim for the transfer of their shares to their demat account. The dividend accruing on the said shares would be credited to the unpaid dividend account as the dividend is to be paid to the registered holders only. The dividend would also be remitted to the concerned shareholders on claiming their shares out of the Unclaimed Suspense Account.
11. Members are requested to furnish details of their bank accounts viz., name of bank, full address of the branch, account number with 9 digit MICR Code No. and folio number forwarding photo copy of PAN Card and a cancelled cheque leaf for incorporation on the dividend warrant, to the Company's Registrars and Transfer Agents, M/s Karvy Computershare Private Limited, Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad - 500 081. In case of holding shares in electronic mode, members are requested to approach their Depository Participants for updation of bank account details with the aforesaid documents.
12. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.

13. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio.
14. Pursuant to the directions/notifications of SEBI and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated.

Securities and Exchange Board of India, vide Circular ref.no.MRD/Dop/ Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circular, all share transfer requests are therefore to be accompanied with PAN details.

15. Registration of e-mail addresses for sending Annual Reports, communications, etc:

Members are requested to register their e-mail addresses and changes therein from time to time with the Registrars and Transfer Agents (in case of physical shares) or with the concerned Depository Participant (in case of electronic holdings) so that the Company will use the same for sending Notices, Annual Reports and other communications. Copies of Annual Report 2014 are being sent under electronic mode only to all the members, whose e-mail addresses are registered with the Registrars and Transfer Agents of the Company i.e. M/s.Kavy Computershare Private Limited / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.

16. Members may also note that the Notice of the 42nd AGM and the Annual Report 2014 will be available on the Company's website: www.nbventures.com. The physical copies of the aforesaid documents will also be available at the Company's Regd. Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to the Company at: secretarial@nbv.in.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 42nd Annual General Meeting of the Company.

17. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the AGM is furnished and forms part of the Notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
18. Three Special Resolutions were proposed to be passed by Postal Ballot, whose voting would be open from 25th June, 2014 to 24th July, 2014 including voting by electronic means, the results of which would be announced on 26th July, 2014.
19. Retirement of Directors by Rotation:

Sri G.R.K.Prasad, Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Board of Directors commend the re-appointment of Sri G.R.K.Prasad as a Director liable to retire by rotation.

His term as Executive Director was upto 27th June, 2018, as approved by the General Body Meeting held on 16.08.2013.

The proposed re-appointment on retirement by rotation, if made, does not constitute any break in service.

Sri K.Balarama Reddi and Dr.M.V.G.Rao retire by rotation at the Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. They being eligible and offering themselves for appointment are proposed to be appointed as Independent Directors for a term of 5 consecutive years effective from the date of the Annual General Meeting in accordance with the provisions of Section 149 of the Companies Act, 2013.

20. In compliance with the provisions of Clause 35B of Listing Agreement read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, members holding shares in physical or dematerialized form (as on the cut-off date for dispatch of Notice of AGM i.e. 4th July, 2014, may cast their vote electronically on the Ordinary and Special Business as set out in the Notice of 42nd Annual General Meeting of the Company through e-voting platform of M/s.Karvy Computershare P.Ltd., Hyderabad (Karvy), the Share Transfer Agents of the Company through their portal '<https://evoting.karvy.com>'. A copy of this notice has been placed on the website of the Company: www.nbventures.com and the website of Karvy: <https://evoting.karvy.com>

The Company has entered into an arrangement with Karvy for facilitating e-voting for AGM.

The instructions for e-voting are as under :

A. In case a Member receives Notice of AGM through email (for Members whose addresses registered with the Company/Depositories) :

- i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii. Enter the login credentials i.e., user id and password mentioned in your email. Your Folio No./DP ID and Client ID will be your user id. However, if you are already registered with Karvy for e-voting, you can use your existing USER ID and existing password for casting your vote.
- iii. After entering the details appropriately, click on "LOGIN".
- iv. You will reach the 'password change' menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials / password.
- vi. On successful login, the system will prompt you to select the EVEN (e-voting Event Number) i.e., Nava Bharat Ventures Limited.
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the member will appear. In order to cast votes assenting/dissenting to the Resolution, enter the number of shares and click "FOR"/"AGAINST" as the case may be.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through email : prenukaacs@gmail.com.
- xi. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVEN No."
- xii. The Portal will remain open for voting from: **August 01, 2014 (9.00 a.m.) till August 03, 2014 (6.00 p.m.).**
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available at the "download" section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. on Toll Free No. 1-800-34-54-001 for any further clarifications.

B. In case a Member receives the physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories) :

- i. Initial password is provided in the attached ballot form : EVEN (e-voting Event Number), User ID and password.
- ii. Please follow steps from Sl. No. (i) to (xii) under heading 'A' above to vote through e-voting platform.

C. For members who wish to vote using Ballot Form:

Members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutiniser, Mrs. P Renuka, C/o. Karvy Computershare Pvt. Ltd., Unit: Nava Bharat Ventures Limited, Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500081, so as to reach by 6.00 p.m. on August 03, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.

In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

D. GENERAL INSTRUCTIONS :

- i. The e-voting period commences from 9.00 a.m. on August 01, 2014 and ends on 6.00 p.m. on August 03, 2014. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the aforesaid cut-off date i.e. 4th July, 2014 may cast their vote during the above voting period electronically. The e-voting module shall be disabled by Karvy for voting thereafter.
- ii. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iii. In the event, member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
- iv. The Company has appointed Mrs.P Renuka as the Scrutinizer to scrutinise the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process), in a fair and transparent manner.
- v. The Scrutinizer shall, on the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vi. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mrs.P. Renuka, at the Registered Office of the Company not later than August 03, 2014 (6.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to secretarial@nbv.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, Mrs.P.Renuka, C/o.Karvy Computershare Pvt.Ltd., Unit : Nava Bharat Ventures Limited, Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, not later than August 03, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website: www.nbventures.com and on the website of Karvy: <https://evoting.karvy.com>, within two days of the passing of the resolutions at the 42nd Annual General Meeting of the Company on 8th August, 2014 and shall also be communicated to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item Nos.5 to 9:

Appointment of Sri K.Balarama Reddi, Dr.M.V.G.Rao, Dr.E.R.C.Shekar, Dr.D.Nageswara Rao and Dr.C.V.Madhavi as Independent Directors:

Sri K.Balarama Reddi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25.07.1998. Sri K.Balarama Reddi is Chairman of the Audit Committee, Nomination & Remuneration Committee and also Stakeholders Relationship Committee. He is a Senior Consultant of Administrative Staff College of India for about 10 years. He held special positions like President, Central Board of Irrigation and Power, New Delhi and Chairman of Andhra Pradesh State Electricity Board.

Dr.M.V.G.Rao is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25.09.1997. Dr.M.V.G.Rao is a Member of Audit and Nomination & Remuneration Committees. He held senior positions including Chairman and Managing Director of Vera Laboratories, Managing Director of A.P Paper Mills, Executive Director (Operations) of Tamilnadu Newsprint and Papers Limited, etc.

Sri K.Balarama Reddi and Dr.M.V.G.Rao retire by rotation at the Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri K.Balarama Reddi and Dr.M.V.G.Rao, being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for a term of five consecutive years effective from the date of forthcoming AGM.

Dr.E.R.C.Shekar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25.09.1997. He held top management positions including Managing Director of Bhilai Steel Plant and Vice Chairman of Steel Authority of India Limited.

Dr.D.Nageswara Rao is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25.07.2008. Dr.D.Nageswara Rao is a Member in Audit and Nomination & Remuneration Committees. He is a patron of educational and research institutions and a visiting faculty member at Engineering Staff College of India and Rural Electricity Institute.

Dr.C.V.Madhavi is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company on 31.01.2013. She worked with Centre for Organization Development, Hyderabad and provided consultancy to SAIL, VSP, BEL, Power Grid Corporation, Crompton Greaves, etc.

Dr.E.R.C.Shekar, Dr.D.Nageswara Rao and Dr.C.V.Madhavi are also the existing Independent Directors appointed earlier as directors liable to retire by rotation but are not due to retire at the Annual General Meeting and their existing term did not end as at the AGM under the applicable provisions of the erstwhile Companies Act, 1956. Pursuant to the provisions of Section 149 of the Companies Act, 2013 (the Act), the Independent Directors are to be appointed for a term upto 5 consecutive years and they are not liable to retire by rotation. The present tenure of the Independent Directors on the date of commencement of the Act shall not be counted as a term under Section 149 of the Act. It is therefore proposed to appoint Dr.E.R.C.Shekar, Dr.D.Nageswara Rao and Dr.C.V.Madhavi as Independent Directors for a term of 5 consecutive years and not liable to retire by rotation.

The Profiles of the Directors seeking appointment / re-appointment with details as required under Clause 49 of the Listing Agreement are annexed.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from members and is receiving deposits of ₹ 1,00,000/- each proposing the candidatures of Sri K.Balarama Reddi, Dr.M.V.G.Rao, Dr.E.R.C.Shekar, Dr.D.Nageswara Rao and Dr.C.V.Madhavi for the office of Independent Directors, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from each of the five aforesaid Independent Directors (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that each is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that each one meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolutions seek the approval of members separately for the appointment of each of the five Independent Directors as Independent Directors of the Company for a term of five consecutive years effective from the date of forthcoming AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. They are not liable to retire by rotation.

In the opinion of the Board, all the five Independent Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the Management. Copy of the draft letter for appointment of each of them as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considered that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommended the resolutions in relation to appointment of five Independent Directors, for the approval by the Shareholders of the Company.

Except Sri K.Balarama Reddi, Dr.M.V.G.Rao, Dr.E.R.C.Shekar, Dr.D.Nageswara Rao and Dr.C.V.Madhavi being appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in anyway, financial or otherwise, in the resolutions set out at Item Nos.5 to 9 respectively.

Item No.10:

Re-appointment of and remuneration payable to Sri D. Ashok as Chairman:

Sri D.Ashok is an MBA from University of Wisconsin, USA with above 30 years of top management experience in all facets of project management and manufacturing. He oversaw the growth of the Company into a diversified conglomerate with business interests in power generation, ferro alloys, mining and sugar and operations in India, South East Asia and Africa.

He has been holding senior positions in the Company since 1981. He took over as the Executive Director in 1992 and as the Managing Director in 1999.

He was appointed as Chairman on 29th January, 2009 and re-appointed as such on 14th August, 2009.

Sri D.Ashok has brought the Company to a pre-eminent position in the Ferro Alloy Industry pursuing dynamic production and marketing strategies. The Company received several accolades in the areas of exports, productivity, quality, industrial safety, environmental protection etc., under his leadership. The Company has gained distinct competitive edge through well timed expansion, modernization and diversification measures like setting up of coal based power plants and earned a name for execution of large projects well within estimated time and cost parameters.

Sri D.Ashok being highly experienced professional, has substantially contributed to the development of the Company by his rich experience and expertise and the Company has derived considerable benefits which is evident from the enormous growth achieved in terms of diversification, turnover and profitability in the past few years.

The salary, commission and perquisites/allowances payable to him were approved and revised by the General Body on 16th August, 2013 and the proposed re-appointment is at the same remuneration, commission and allowances, perquisites.

The Board at its meeting held on 30th May, 2014 re-appointed Sri D Ashok as Chairman for a period of 5 years from 14th August, 2014 on the remuneration as set out in the resolution placed before you for approval, pursuant to the recommendation of the Nomination and Remuneration Committee.

He holds Directorships in the Companies and Trusteeship in the Trusts and does not hold any Committee Chairmanships/ Memberships as mentioned in the annexure.

The resolutions set out at Item No.10 together with this Explanatory Statement constitute the Memorandum of the terms of appointment of the Chairman under Section 190 of the Companies Act, 2013.

The Board commends the Resolution for members' approval.

Sri D.Ashok is deemed to be interested or concerned in the Resolution, being the appointee. Sri P. Trivikrama Prasad is related to Sri D. Ashok though not under the Companies Act, 2013.

None of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested financial or otherwise in the said resolution except to the extent of their shareholding in the Company.

Item No.11:

Revision of remuneration payable to Sri D Ashwin, Managing Director, Nava Bharat (Singapore) Pte. Limited:

Sri D.Ashwin is a Graduate in Industrial Engineering from the University of Washington, U.S.A. with senior management experience in business development in the power, mining, agriculture and enterprise software sectors. He played crucial roles in corporate acquisitions across North America, Europe, Middle East, Africa and Asia, and had work experience in U.S., Europe and Far East.

He occupied the position of Director, Business Development (Asia Pacific) in Hewlett Packard Software prior to joining the Company's Subsidiary, Nava Bharat (Singapore) Pte.Limited, managing teams across Asia Pacific and was incharge of Business Development and Operations. He had experience in various Organizations including Opware, iConclude, Thirva LLC in different positions.

Sri D.Ashwin, son of the Chairman of the Company, is a Director on the Board of Nava Bharat (Singapore) Pte. Limited with effect from 7th April, 2008. He was appointed as Chief Executive Officer of Nava Bharat (Singapore) Pte. Limited with effect from 1st October, 2008.

The General Body of the Company on 28.07.2011 approved the remuneration of USD 450,000 per annum with an annual increment not exceeding 30% of the prevailing salary with effect from 01.04.2011 to Sri D.Ashwin, CEO of Nava Bharat (Singapore) Pte.Limited. Further, he was re-designated as Managing Director of Nava Bharat (Singapore) Pte.Limited with effect from 01.08.2012 and is discharging responsibilities in various projects in Zambia, Tanzania, Laos and Indonesia aside from trading of ferro alloys in Singapore.

He was allowed annual increments of 25% from 01.04.2012 and 01.04.2013. His overall remuneration was USD 703,200 per annum (inclusive of all allowances) for the FY 2013-14.

The Company has been undertaking various new ventures, expansions and exploring various business opportunities internationally and all such projects are evaluated and undertaken by Nava Bharat (Singapore) Pte.Limited under the stewardship of Sri D Ashwin as Managing Director of the subsidiary company. He has also assumed the responsibility of Maamba Collieries Limited as its Director In-charge.

Sri D.Ashwin as Managing Director of Nava Bharat (Singapore) Pte.Limited, Singapore, has immensely contributed for initiating, developing and managing its international expansions and operations in coal, mining, power and agriculture in countries such as Zambia, Indonesia, Laos and Tanzania.

He is also immensely contributing as Resident Director of Maamba Collieries Limited, which operates Zambia's Largest Coal Mine and it is currently constructing the Nation's first 300MW Thermal Power Plant.

The Board of your Company, pursuant to the recommendations of the Nomination and Remuneration Committee, approved to revise the remuneration payable to Sri D Ashwin as Managing Director of Nava Bharat (Singapore) Pte. Limited for a period of 5 years from 1st April, 2014, subject to your consent as mentioned in the special resolution in terms of Section 188(1)(f) of the Companies Act, 2013 for holding office or place of profit by a relative of the Director in the subsidiary of the Company.

Particulars under Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 under Section 188 of the Companies Act, 2013 are as follows:

a	Name of the related party	Sri D.Ashwin, Managing Director of Nava Bharat (Singapore) Pte.Limited.
b	Name of the director or key managerial personnel who is related, if any	Sri D.Ashok, Chairman of Nava Bharat Ventures Limited.
c	Nature of relationship	Son of Sri D.Ashok.
d	Nature, material terms, monetary value and particulars of the contract or arrangement	Appointment as Managing Director of Nava Bharat (Singapore) Pte.Limited on a remuneration of USD 875,000 (inclusive of all allowances) per annum with an annual increment not exceeding 25% of the prevailing salary as may be decided by the Board of Directors of the Company.
e	Any other information relevant or important for the members to take a decision on the proposed resolution	Sri D.Ashwin has been in the employment of Nava Bharat (Singapore) Pte.Limited as Managing Director and the present appointment is continuing in nature for a period of 5 years with effect from 1st April, 2014. The approval is sought in view of the new provision under Section 188 of the Companies Act, 2013 in respect of related party transactions. The remuneration proposed is reasonable, sufficient to motivate and retain the required quality to run the Company successfully. The proposed remuneration is relatively comparable to the prevailing remuneration in similarly placed bodies corporate. The proposal is recommended by the Nomination & Remuneration and Audit Committees of the Company and approved by the Board, subject to the consent of Members.

The resolution set out at Item No.11 together with explanatory statement constitute Memorandum of the appointment of Sri D.Ashwin as Managing Director of Nava Bharat (Singapore) Pte.Limited and remuneration and the Memorandum of Interest of the Chairman under Section 190 of the Companies Act, 2013.

Your Directors recommend that the Special Resolution be passed.

Except Sri D Ashok, who is related to Sri D.Ashwin together with relatives of Sri D.Ashok, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested financial or otherwise in the Resolution.

Item No.12:

Appointment of Sri Nikhil Devineni, relative of Sri D Ashok, Chairman, to the office or place of profit in the step down Subsidiary of the Company, implementing 150 MW Hydel Power Project in Laos, as Manager – Business Development:

The 150 MW Hydel Power Project, to be implemented as a Joint Venture with Nava Bharat Group, Kobe Green Power Co. Ltd and EDL, the Power Utility of Laos is in advanced stage. It is expected that the Government of Laos would approve the Concession Agreement, the Power Purchase Agreement and the Share Holders' Agreement shortly.

It is necessary for the Group to be involved and associated with various activities of this Project and explore attendant lateral and downstream opportunities given the potential for hydel power generation in Laos. It is proposed to appoint Sri Nikhil Devineni as Manager - Business Development initially in Kobe Green Power Co. Limited and later to be subsumed as such by the JV Project Company, to be formed.

Sri Nikhil Devineni holds a degree in Bachelor of Science in Business Administration (BSBA) (with emphasis on Operations and Information Management) from the University of Colorado, Boulder, USA. He did a follow on internship in KPMG, Mumbai, on assorted projects in the infrastructure space.

Pursuant to the recommendation of the Nomination & Remuneration Committee and Audit Committee, the appointment and the following remuneration is approved by the Board, subject to the consent of the Shareholders by way of Special Resolution:

Salary :USD 4000 per month with an Annual Increment not exceeding 25% of the prevailing salary as may be decided by the Board of Directors of the Company.

Allowances : As mentioned in the proposed resolution and hereunder:

Particulars under Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 under Section 188 of the Companies Act, 2013 are as follows:

a	Name of the related party	Sri Nikhil Devineni
b	Name of the director or key managerial personnel who is related, if any	Sri D.Ashok, Chairman of the Company.
c	Nature of relationship	Son of Sri D.Ashok.
d	Nature, material terms, monetary value and particulars of the contract or arrangement	Appointment as Manager – Business Development in Kobe Green Power Co.Ltd. , to be subsumed by the Joint Venture Project Company, implementing the 150 MW Hydel Power Project, step down Subsidiary of the Company, on a remuneration of USD 4000 per month with the following allowances for a period of 5 years with an annual increment not exceeding 25% of the prevailing salary. Allowances: (a) One month bonus for every year and performance bonus as per the Rules. (b) Medical expenses not exceeding USD 3000 per annum. (c) Mobile and other communication facilities. (d) Reimbursement of all business travel expenses. (e) All statutory contributions as required under the law of Laos will be borne by the Company.
e	Any other information relevant or important for the members to take a decision on the proposed resolution	Sri Nikhil Devineni holds a degree in Bachelor of Science in Business Administration (BSBA) from the University of Colorado, Boulder, USA. He did a follow on internship in KPMG, Mumbai, on assorted projects in the infrastructure space. He is adequately qualified to perform the functions as Manager – Business Development.

The resolution set out at Item No.12 together with explanatory statement constitute Memorandum of the appointment of and remuneration payable to Sri Nikhil Devineni as Manager – Business Development in Kobe Green Power Co.Ltd., Subsidiary of the Company and the Memorandum of Interest of the Chairman under Section 190 of the Companies Act, 2013.

Your Directors recommend that the Special Resolution be passed.

Except Sri D Ashok, who is related to Sri Nikhil Devineni together with relatives of Sri D.Ashok, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise in the said resolution.

Item Nos.13A to 13C:

Transactions with Related Parties under Section 188 of the Companies Act, 2013:

The provisions of Section 188(1) of the Companies Act, 2013 that govern the following Related Party Transactions require the Company to obtain prior approval of the Board of Directors and in case the paid-up share capital of a Company is ₹ 10 crores or more, prior approval of the shareholders by way of a Special Resolution.

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;

- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the Company.

Further, third proviso to Section 188(1) provides that nothing shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on arm's length basis.

The provisions of Section 188(3) also provide that any contract or arrangement entered into under section 188(1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the Companies Act, 2013) for the financial year 2014-15 and beyond.

Members are hereby informed that pursuant to second proviso of Section 188(1) of the Companies Act, 2013, no member of the Company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

All prescribed disclosures as required under the provisions of the Companies Act, 2013 Companies (Meetings of Board and its Powers) Rules, 2014 are given here below for consideration of the members.

Item No.13A :

Sale of finished goods to the Company's Subsidiary, Nava Bharat (Singapore) Pte. Limited:

a	Name of the related party	Nava Bharat (Singapore) Pte.Limited.
b	Name of the director or key managerial personnel who is related, if any	Sri D.Ashok, Chairman and Sri C.V.Durga Prasad, Director (Business Development).
c	Nature of relationship	Directors of holding Company, Nava Bharat Ventures Limited are also Directors of Nava Bharat (Singapore) Pte.Limited. Sri D.Ashwin, Managing Director of Nava Bharat (Singapore) Pte.Limited is related to Sri D.Ashok, Chairman of the Company. NBS is a WOS of the Company and Directors of the Company do not hold any shares in NBS.
d	Nature, material terms, monetary value and particulars of the contract or arrangement	The Company exports Ferro Alloys to Nava Bharat (Singapore) Pte. Limited and which aggregated to ₹ 231.62 crores during 2013-14. Nava Bharat (Singapore) Pte. Limited, in the promotion of export of Ferro Alloys, makes trade enquiries, negotiates the prices of Ferro Alloys, achieves orders from customers and then places back to back orders with the Company for execution. The pricing of Ferro Alloys and Export Orders depend upon the demand and supply position in the international market. The Company raises invoices on Nava Bharat (Singapore) Pte. Limited for shipments to the ultimate customer. The export is made through delivery to the designated Port specified by the ultimate customer. It is estimated that the export of Ferro Alloys through Nava Bharat (Singapore) Pte. Limited will be not exceeding ₹ 600 crores in a financial year.
e	Any other information relevant or important for the members to take a decision on the proposed resolution	This relates to the income / revenue of the Company. The turnover depends upon the quantity of exports, price and demand & supply position.

Except Sri D.Ashok, Sri C.V.Durga Prasad and relatives, no other Directors and Key Managerial Personnel of the Company or their relatives, are concerned or interested financial or otherwise in the Resolution except to the extent of their shareholding

in the Company.

Item No.13B:

Provision of Corporate Guarantees and Project Support Services to the Company's step down Subsidiary, Maamba Collieries Limited:

a	Name of the related party	Maamba Collieries Limited.
b	Name of the director or key managerial personnel who is related, if any	Sri D.Ashok, Chairman and Sri G.R.K.Prasad, Executive Director.
c	Nature of relationship	The Directors of the Company are also the directors of the Subsidiary, Maamba Collieries Limited. Sri D.Ashwin, also a Director in Maamba Collieries Limited is related to the Chairman.
d	Nature, material terms, monetary value and particulars of the contract or arrangement	As Maamba Collieries Limited is implementing a large integrated Coal & Power Project, there could be occasions when the Sponsors are called upon to provide Corporate Guarantees or Standby Letters of Support which would attract commission on an arm's length basis @ 0.875% per annum at present and the total income to the Company was about ₹ 2.48 crores in 2013-14. The income on account of guarantee commission may not exceed ₹ 6 crores in a financial year which depends upon the guarantees extended and as may be required to be extended in future. The Company is also providing Project Management and Support services to Maamba Collieries Limited and the income was ₹ 13.28 crores in 2013-14. The services are provided on an arm's length basis at a reasonable charge. The provision of project support services may not exceed ₹ 18 crores per financial year. The project support services include technical, financial, insurance, etc., in connection with the execution of Power Plant in Maamba Collieries Limited. The earlier agreement for providing project support services is at a charge of USD 50 to 80 per man hour depending upon the experience of the employee ranging from 10 years to 20 years.
e	Any other information relevant or important for the members to take a decision on the proposed resolution	The guarantee commission charged on the corporate guarantees provided by the Company to Banks on Loans taken by Maamba Collieries Limited is similar to that of the commission charged by commercial banks to your Company, in case Bank Guarantees are extended to your Company. Fee for providing project support services is based upon the prevailing rate per man hour charged by a 3rd party offering similar services to Maamba Collieries Limited.

Except Sri D.Ashok, Sri G.R.K.Prasad, no other Directors and Key Managerial Personnel of the Company or their relatives, are concerned or interested financial or otherwise in the Resolution, except to the extent of their shareholding in the Company.

Item No.13C :

Provision of facilities or utilities to the Company's Subsidiary, Nava Bharat Energy India Limited:

a	Name of the related party	Nava Bharat Energy India Limited.
b	Name of the director or key managerial personnel who is related, if any	Sri D.Ashok, Sri P.Trivikrama Prasad, Sri G.R.K.Prasad, Sri K.Balarama Reddi and Dr.M.V.G.Rao.
c	Nature of relationship	The Directors of the Holding Company are also Directors of the Subsidiary.
d	Nature, material terms, monetary value and particulars of the contract or arrangement	Lease rent received, sale of fly ash bricks, utility management charges received, any goods or materials provided, the aggregate value not exceeding ₹ 50 crores in a Financial Year.

e	Any other information relevant or important for the members to take a decision on the proposed resolution	The resolution relates to provision of certain goods, material services or facility extended to the Company's Subsidiary, Nava Bharat Energy India Ltd for operation of its 150MW Power Plant at Paloncha.
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Except Sri D.Ashok, Sri P.Trivikrama Prasad, Sri G.R.K. Prasad, Sri K.Balarama Reddi, Dr.M.V.G.Rao, and relatives, no other Directors and Key Managerial Personnel of the Company or their relatives, are concerned or interested financial or otherwise in the Resolution, except to the extent of their shareholding in the Company.

The Board commends the above Special Resolutions for members' approval.

Item No.14:

Ratification of appointment of Cost Auditor for the year 2014-15:

A proposal for appointment of M/s.Narasimha Murthy & Co., Cost Accountants, 3-6-365, 104, Pavani Estate, Y.V.Rao Mansion, Himayat Nagar, Hyderabad – 500 029, as Cost Auditors for 2014-15 was recommended by the Audit Committee to the Board and the Board approved the same subject to necessary approvals.

Certificate dated 20th May, 2014 issued by the above firm regarding their consent and eligibility for appointment as Cost Auditors was received which will be available for inspection at the Registered Office of the Company during normal business hours on working days.

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence, this resolution is placed before the members for consideration.

None of the Directors and Key Managerial Personnel or their relatives are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

By order of the Board
For **NAVA BHARAT VENTURES LIMITED**

Hyderabad
May 30, 2014

M.Subrahmanyam
Company Secretary & Vice President

ANNEXURE

Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement).

As required under the Listing Agreement, the particulars of Directors, Sri D.Ashok, Sri G.R.K.Prasad, Dr.M.V.G.Rao, Sri K. Balarama Reddi, Dr. E.R.C. Shekar, Dr. D. Nageswara Rao and Dr. C. V. Madhavi, who are proposed to be appointed / re-appointed, are given below:

a	Name	Sri D.Ashok	Sri GRK.Prasad	Dr.M.V.G.Rao	Sri K.Balarama Reddi	Dr.E.R.C.Shekar	Dr.D.Nageswara Rao	Dr.C.V.Madhavi
b	Brief Resume:							
	i) Age	57 years	56 years	73 years	85 years	82 years	66 years	44 years
	ii) Qualification	M.B.A from U.S.A	B.Sc., FCA, FCS	B.Sc.(Hons.) (Chemical Engg.) F.I.E., DFRI (Pulp & Paper Technology) D.Sc. (Honoris Causa)	B.E. Electrical	B.Sc (Hons) PG Diploma in Metallurgy, PhD from Moscow Institute of Metallurgy, RUSSIA	M.E., Ph.D	PhD in Business Management, M.A., M.Phil in Sociology.
	iii) Experience in Specific Functional area	32 years	33 years	49 years	51 years	57 years	39 years	21 years
	iv) Date of appointment on the Board of the Company (Nava Bharat Ventures Ltd.)	19.03.1992	28.06.2003	25.09.1997	25.07.1998	25.09.1997	25.07.2008	31.01.2013
c	Nature of expertise in specific functional areas	Top management experience in planning and execution, project management and diversification. Expertise in managing and monitoring international operations.	Experience in all facets of finance, Corporate Affairs and Overseas Operations. Expertise in project financing and financial management.	Vast experience in manufacturing industry. Top management experience in overall operations of the manufacturing industry.	Eminent Electrical Engineer with vast experience in power sector. Expertise in overall functioning including accounting and financial management.	Specialized skill in iron and steel industry. Expertise in overall management of large industries in Steel Plants and Sector.	Expertise in Electronic Engineering, Science and Technology, Electricity Equipment, monitoring and management systems and power plant operations.	Experience in research and consultancy in Organization Development and Change. Expertise in facilitating executive training and development programmes.

a	Name	Sri D.Ashok	Sri GRK.Prasad	Dr.M.V.G.Rao	Sri K.Balarama Reddi	Dr.E.R.C.Shekar	Dr.D.Nageswara Rao	Dr.C.V.Madhavi
d	Name(s) of other Companies in which Directorships held (as per Sections 275 and 278 of the Companies Act, 1956)	M/s.Maamba Collieries Limited M/s.Nava Bharat (Singapore) Pte. Limited M/s.Chapter One-Books Pte.Limited M/s.Kariba Infrastructure Development Ltd. M/s.NB Tanagro Limited M/s.NB Rufiji Pvt.Ltd. M/s.Nav Developers Limited M/s.A9 Homes Pvt. Ltd. M/s.A.V. Dwellings Pvt.Ltd. M/s.V9 Avenues Pvt. Ltd. M/s.Nava Bharat Projects Ltd. M/s.Nava Bharat Energy India Limited Dr.Devineni Subbarao Trust G.S.R.Trust Usha Mullapudi Cardiac Centre	M/s. Nava Bharat Projects Limited M/s.Nava Bharat Energy India Limited M/s.Brahmani Infretech Pvt.Ltd. M/s.Maamba Collieries Limited M/s.Kariba Infrastructure Development Limited M/s.NB Tanagro Limited.	M/s. Vamshadhara Paper Mills Ltd. M/s.Patmax Infrastructure (India) Pvt. Ltd. M/s.Nava Bharat Energy India Ltd. M/s.Nava Bharat Sugar and Bio Fuels Ltd. M/s.Regma Ceramics Ltd. M/s.Regency Ceramics Limited M/s.Brahmani Infretech Pvt. Ltd. M/s.VVV Infrastructure Pvt.Ltd.	M/s.Nava Bharat Projects Limited M/s.Nava Bharat Realty Limited M/s.GVK Industries Limited M/s.GVK Gautami Power Limited M/s.GVK Jaipur Expressway Pvt. Ltd. M/s.Shree Avantika Food Products Pvt.Ltd. M/s.Venkateswara Financiers Hyderabad Pvt. Ltd.	M/s. Sunflag Iron & Steel Company Limited M/s.Sunflag Special Steels Limited M/s.Sunflag Power Limited M/s.Khappa Coal Company Limited M/s.Synchrosys Technologies Private Limited	M/s.X_Design Ventures Pvt.Ltd. M/s.Jayem Aerospace India Limited M/s.Jayem Automotives Limited M/s.Kushaiguda Electronics Pvt. Ltd. M/s.Drive Lozics Private Limited M/s.Magellan Life Sciences Private Limited	Trustee, Indian Society for Training and Development, Hyderabad

a	Name	Sri D.Ashok	Sri GRK.Prasad	Dr.M.V.G.Rao	Sri K.Balarama Reddi	Dr.E.R.C.Shekar	Dr.D.Nageswara Rao	Dr.C.V.Madhavi
e	Name(s) of companies in which Committee Membership(s)/ Chairmanship(s) held	NIL	Chairman of Audit Committee of M/s.Nava Bharat Energy India Limited Member of the Audit Committee of M/s.Nava Bharat Projects Limited	Member of Audit Committee and Nomination & Remuneration Committee of Nava Bharat Ventures Ltd. Chairman of Audit Committee of M/s.Regma Ceramics Limited Member of Audit Committee of M/s.Nava Bharat Energy India Limited Member of Audit Committee of M/s.Regency Ceramics Limited	Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Chairman of Stakeholders Relationship Committee of M/s.Nava Bharat Ventures Limited Chairman of Audit Committee and Chairman of Nomination & Remuneration Committee of M/s.Nava Bharat Projects Limited Chairman of Audit Committee of M/s.GVK Industries Limited Chairman of Audit Committee of M/s.GVK Gautami Power Limited Member of Audit Committee of M/s. GVK Jaipur Expressway Private Limited	Chairman of Remuneration Committee, Audit Committee and Share Grievance Committee of M/s. Sunflag Iron & Steel Company Ltd.	Member of Audit Committee and Nomination & Remuneration Committee of Nava Bharat Ventures Ltd.	Trustee, Indian Society for Training and Development, Hyderabad

a	Name	Sri D.Ashok	Sri GRK.Prasad	Dr.M.V.G.Rao	Sri K.Balarama Reddi	Dr.E.R.C.Shekar	Dr.D.Nageswara Rao	Dr.C.V.Madhavi
f	No. of shares of ₹ 2/- each held by : the Director	1082268	32586	Nil	Nil	Nil	Nil	Nil
	his relatives	8510583	110000	7780	Nil	Nil	Nil	Nil
	Total	9592851	142586	7780	Nil	Nil	Nil	Nil
g	No. of ESOPs granted on 05.01.2007 and converted into equity	NIL	39600	Nil	Nil	Nil	Nil	Nil
h	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	Related to Sri P.Trivikrama Prasad (Sister's husband) (But not related under the Companies Act, 2013)	Nil	Nil	Nil	Nil	Nil	Nil

NAVA BHARAT VENTURES LIMITED

CIN: L27101TG1972PLC001549

Regd. Office: 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082, Telangana, India
Tel : + 91 40 23403501/40345999; Fax No. : + 91 40 23403013; E-mail: nbvl@nbv.in; Website: www.nbventures.com

ATTENDANCE SLIP

Folio No. DP ID No. Client ID No.

Name of the Member : Signature.

Name of the Proxy holder : Signature.

1. Only Member / Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

NAVA BHARAT VENTURES LIMITED

CIN: L27101TG1972PLC001549

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Tel : + 91 40 23403501/40345999; Fax No. : + 91 40 23403013; E-mail: nbvl@nbv.in; Website: www.nbventures.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered address :

E-mail id :

Folio No./Client ID No. : DP ID No. :

I/We, being the member(s) of Shares of Nava Bharat Ventures Limited, hereby appoint

1. Name : E-mail id :

Address :

Signature : or failing him

2. Name : E-mail id :

Address :

Signature : or failing him

3. Name : E-mail id :

Address :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company, to be held on Friday, the 8th August, 2014 at 10:00 a.m. at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500 016 and at any adjournment thereof in respect of such resolutions as are indicated overleaf of this Form:

Signed this day of, 2014

Signature of shareholder :

Signature of Proxyholder(s) :

Affix
Revenue
Stamp

Notes:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road, Hyderabad – 500 082, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.

Resolutions

1. Adoption of Financial Statements of the Company for the year ended 31 March, 2014.
2. Declaration of Dividend on the Equity Shares.
3. Re-appointment of Sri G.R.K. Prasad, who retires by rotation and, being eligible, offers himself for re-appointment.
4. Appointment of Auditors from the conclusion of this Annual General Meeting until the conclusion of the fourth Annual General Meeting.
5. Appointment of Sri K.Balarama Reddi as Independent Director.
6. Appointment of Dr. M.V.G. Rao as Independent Director.
7. Appointment of Dr. E.R.C.Shekar as Independent Director.
8. Appointment of Dr. D.Nageswara Rao as Independent Director.
9. Appointment of Dr. C.V.Madhavi as Independent Director.
10. Re-appointment of and remuneration payable to Sri D. Ashok, Chairman.
11. Revision of remuneration payable to Sri D.Ashwin, Managing Director, Nava Bharat (Singapore) Pte. Limited.
12. Appointment of Sri Nikhil Devineni, relative of Sri D Ashok, Chairman, to the office or place of profit in the step down Subsidiary of the Company, implementing 150 MW Hydel Power Project in Laos, as Manager – Business Development.
- 13A. Transaction with Related Parties under Section 188 of the Companies Act, 2013 – Sale of finished goods to Nava Bharat (Singapore) Pte. Limited.
- 13B. Transaction with Related Parties under Section 188 of the Companies Act, 2013 – Provision of Corporate Guarantee/Project Services to Maamba Collieries Limited.
- 13C. Transaction with Related Parties under Section 188 of the Companies Act, 2013 – Provision of facilities or utilities to the Company's Subsidiary, Nava Bharat Energy India Limited.
14. Ratification of appointment of Cost Auditor for the year 2014-15.



NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

Regd. Office : 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082, Telangana
 Tel : +91 40 23403501 / 40345999; Fax : +91 40 23403013; E-mail : nbvl@nbv.in; Website: www.nbventures.com
 CIN: L27101TG1972PLC001549

BALLOT FORM

Serial No. :

1. Name and Registered Address of the sole / first
 named Shareholder :

2. Name(s) of the Joint Shareholder(s) if any :

3. Registered Folio No. / DP ID No./ Client ID No.* :
 (*Applicable to investors holding shares in
 dematerialized form)

4. Number of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 42nd Annual General Meeting of the Company to be held on 8th August, 2014 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Description	No. of equity shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Ordinary Business			
1. Adoption of Financial Statements for the FY 2013-14			
2. Declaration of Dividend on the Equity Shares			
3. Re-appointment of Sri G. R. K. Prasad			
4. Appointment of Auditors			
Special Business			
5. Appointment of Sri K. Balarama Reddi as an Independent Director			
6. Appointment of Dr. M. V. G. Rao as an Independent Director			
7. Appointment of Dr. E. R. C. Shekar as an Independent Director			
8. Appointment of Dr. D. Nageswara Rao as an Independent Director			
9. Appointment of Dr. C. V. Madhavi as an Independent Director			
10. Re-appointment of and remuneration payable to Sri. D. Ashok as Chairman			
11. Revision of remuneration payable to Sri D Ashwin, Managing Director, Nava Bharat (Singapore) Pte. Limited			
12. Appointment of Sri Nikhil Devineni, relative of Sri D.Ashok, Chairman, to the office or place of profit in step down subsidiary of the Company, implementing 150MW Hydel Power Project in Laos, as Manager – Business Development			
13A. Transactions with Related Parties under section 188 of the Companies Act, 2013 - Sale of finished goods to Nava Bharat (Singapore) Pte. Limited			
13B. Transactions with Related Parties under section 188 of the Companies Act, 2013 - Provision of Corporate Guarantees / Project Support Services to Maamba Collieries Limited			
13C. Transactions with Related Parties under Section 188 of the Companies Act, 2013 - Provision of facilities or utilities to the Company's Subsidiary, Nava Bharat Energy India Limited.			
14. Ratification of appointment of Cost Auditor for the year 2014-15			

Place :

Date :

Signature of the Member

NOTE: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer before 6.00 p.m. on 3rd August, 2014 shall only be considered.

E-VOTING

Users who wish to opt for e-voting may use the following login credentials (From 9.00 a.m. on 1st August, 2014 to 6.00 p.m. on 3rd August, 2014).

EVEN (e-voting Event No.)	USER ID	PASSWORD

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to - <https://evoting.karvy.com>

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mrs.P.Renuka, Unit: Nava Bharat Ventures Limited, C/o.Karvy Computershare Pvt. Ltd., Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, so as to reach latest by 6.00 p.m. on 3rd August, 2014. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. The identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrars and Share Transfer Agents of the Company (i.e. Karvy Computershare Pvt. Ltd.). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Registrars and Share Transfer Agents, who shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorised representative of the body corporate / Trust / Society, etc. a certified copy of the relevant authorisation / Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company. www.nbventures.com, and Karvy website: <https://evoting.karvy.com>