NAVA BHARAT VENTURES LIMITED
NAVA BHARAT CHAMBERS, RAJ BHAVAN ROAD, HYDERABAD-500 082, TELANGANA, INDIA
NAVA BHARAT

NBV/SECTL/0519/2014-15
July 24, 2014

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (E)
MUMBAI – 400 051

Kind attn : Sri K.Hari, Vice President

Dear Sir,

Sub: Clarification regarding the Provisional Attachment Order of the Enforcement Directorate concerning shares of Nava Bharat Energy India Limited (NBEIL), held by Nava Bharat Projects Limited (NBPL)

We wish to clarify the subject matter as under;

1.NBPL , a subsidiary of Nava Bharat Ventures Limited (NBVL) had held 50% equity stake in a Joint Venture company called Navabharat Power Private Limited (NPPL) along with Malaxmi Group and sold this stake to Essar Power Limited (EPL) in 2010 and 2011 in two tranches. NBVL promptly reported these sale transactions on the NSE and BSE in the course of normal disclosures and also paid appropriate taxes on the income.

2. A regular case was filed by Central Bureau of Investigation (CBI) against NPPL and its Promoter Directors in September 2012, alleging that they had misrepresented and embellished the networth for securing a shared coal block in 2008 and subsequently sold their stake to EPL.

3. Enforcement Directorate (ED) had also filed ECIR in the same case in 2013 and investigated the matter.

4. NBPL was represented by Mr P Trivikrama Prasad, the Managing Director of NBVL as a Non-executive Chairman on the Board of NPPL while the Joint venture partner held the executive management of NPPL during the relevant period. Detailed submissions, duly substantiated by orders of Hon'ble Company Law Board evidencing the non-participation of Mr Trivikrama Prasad in the Board proceedings of NPPL during the relevant period, were accordingly made to CBI and ED.

5. CBI filed a Charge Sheet before the Ld Special Judge (PC Act) in May 2014. The Hon'ble Court, observing that the allegations in the Charge Sheet were confined to provisions of penal code and not under the Prevention of Corruption Act, directed that the case be tried by the Court of the Chief Metropolitan Magistrate.

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ISO 9001 ISO 14001

6. **Hon'ble Chief Metropolitan Magistrate in the court of the Additional Chief Metropolitan Magistrate Court –II, passed an interim order, observing that piecemeal cognizance of the alleged offences cannot be taken and directing the CBI to file the report before 30th August 2014. As such the Charge Sheet has not been taken cognizance off.**

7. As matters stood thus, the ED issued a Provisional Attachment order for a period of 180 days in respect of the following assets of NBPL.

Description of the Property	Property Held by	No.of Shares	Value in Rs.
Shares of M/s.Nava Bharat Energy India Ltd. (M/s.NBEIL) each share value @ Rs.2/-	M/s.Nava Bharat Projects Ltd, Nava Bharat Chambers, 6-3-1109/1, Raj Bhavan Road Hyderabad	73,99,99,994	Rs.147,99,99,988 (Attachment to the extent of Rs.138.59 crores)

8. The Subsidiaries of the Company will initiate necessary steps and are confident of obtaining appropriate reliefs against the action of ED.

This is for your kind information and records, please.

Thanking you,

Yours faithfully,
for NAVA BHARAT VENTURES LIMITED

Company Secretary
& Vice President