NAVA BHARAT VENTURES LIMITED

MINUTES OF PROCEEDINGS OF THE 41ST ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, THE 16th AUGUST, 2013 AT 10.00 A.M. AT MARIGOLD HOTEL, BY AND BESIDE GREEN PARK HOTEL, 7-1-25, GREENLANDS, BEGUMPET, HYDERABAD – 500 016.

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PRESENT:

DIRECTORS:

1. Shri K Balarama Reddi
2. Dr.M V G Rao
3. Dr.D.Nageswara Rao
4. Sri C.S.V.Rao
5. Dr.C.V.Madhavi
6. Shri D Ashok
7. Shri P Trivikrama Prasad
8. Shri G.R.K.Prasad
9. Shri C V Durga Prasad

AUDITORS:

Sri D. Seetharamaiah and Sri P.Chandramouli	-	M/s.Brahmayya & Co., Chartered Accountants

IN ATTENDANCE:

Shri M Subrahmanyam	-	Company Secretary & Vice President

PRESENT:

a) Members present in Person	:	About - 319
b) Members present in Proxy	:	About - 88

		407
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QUORUM:

The Meeting was called to order, as the requisite quorum was present.

Sri D.Ashok, Chairman, conducted the proceedings.

LEAVE OF ABSENCE:

Leave of absence was granted to Dr.E.R.C.Shekar, Director, who could not attend the meeting.

Display of auto run visual aids:

The Company displayed slides on the progress made in the projects, technological improvements and CSR activities during 2012-13.

Inspection of Statutory Registers:

The Register of Directors' shareholding under Section 307(7) of the Companies Act, 1956, was made available for inspection by any of the Members any time during the Meeting.

Chairman's Speech:

The Chairman briefly addressed the Members and delivered his statement. The text of the Chairman's Speech is annexed.

Notice of AGM:

The Notice of Annual General Meeting together with the Explanatory Statement, with the consent of the Meeting, was taken as read.

Auditors' Report:

The Company Secretary read the Report of the Auditors to the Members with annexure on the Accounts for the year 2012-13 ended on 31st March, 2013.

The Chairman invited the Members to seek clarifications, if any, and members' queries were clarified in detail.

After clarifying the queries raised by all the members, the meeting proceeded with the agenda as mentioned in the Notice:

Ordinary Business:

Item No.1:

Adoption of Accounts for the Financial Year ended 31st March, 2013.

As an Ordinary Resolution:

PROPOSED BY : Sri Suresh Chand Jain
R.F./CLIENT ID No.: 1205140000085968

SECONDED BY : Sri Md.Anwarum Rahman Sufi
R.F./CLIENT ID No.: NVB012110

"RESOLVED THAT the Audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit & Loss for the year ended 31st March, 2013 together with all the notes and schedules forming part of the accounts of the Company, Cash Flow Statement and the Reports of the Directors together with all annexures including Management Discussion and Analysis, Corporate Governance Report, Corporate Social Responsibility Report, Reports of the Auditors and Annexure thereto, Secretarial Audit Report, Statement pursuant to Section 212 of the Companies Act, 1956, be and are hereby received, approved and adopted."

"RESOLVED FURTHER THAT the Audited Consolidated Balance Sheet of the Company as on 31st March, 2013, the Consolidated Statement of Profit & Loss for the year ended 31st March, 2013 together with all Notes and Schedules to Consolidated Financial Statements, Cash Flow Statements, the Report of the Auditors, Financial Information of Subsidiary Companies and all the statements forming part of the Annual Report, be and are hereby received, approved and adopted."

The resolution was put to vote by show of hands and was carried unanimously.

Item No.2:

Declaration of Dividend on Equity Shares.

As an Ordinary Resolution:

PROPOSED BY : Sri Ramesh Shankar Golla
R.F./CLIENT ID No.: 18138399

SECONDED BY : Sri L.Srinivasu
R.F./CLIENT ID No.: 10026472

"RESOLVED THAT Equity Dividend at the rate of 250% (Dividend of ₹ 5/- per Equity Share) on the Paid-up Equity Share Capital of the Company of 8,43,14,231 Equity Shares of ₹ 2/- each for the Financial Year 2012-13, be and is hereby approved and declared."

The resolution was put to vote by show of hands and was carried unanimously.

Item No.3:

Re-appointment of Retiring Director, Sri C.V.Durga Prasad

As an Ordinary Resolution:

PROPOSED BY : Sri Bharat H.Shah
R.F./CLIENT ID No.: 1301440000009951

SECONDED BY : Sri Praful Chavda
R.F./CLIENT ID No.: NVB005223

"RESOLVED THAT Sri C.V.Durga Prasad, Director (Business Development) of the Company, who retires by rotation and who offered himself for re-appointment, being eligible, be and is hereby re-appointed as Director of the Company."

The resolution was put to vote by show of hands and was carried unanimously.

Item No.4:

Re-appointment of Retiring Director, Dr.E.R.C.Shekar

As an Ordinary Resolution:

PROPOSED BY : Sri Raghuveer Rao Marneni
R.F./CLIENT ID No.: 31079733

SECONDED BY : Sri Ramesh Manguluri
R.F./CLIENT ID No.: 11655169

"RESOLVED THAT Dr.E.R.C.Shekar, Director of the Company, who retires by rotation and who offered himself for re-appointment, being eligible, be and is hereby re-appointed as Director of the Company."

The resolution was put to vote by show of hands and was carried unanimously.

Item No.5:

Appointment of Auditors and fixing their remuneration.

As an Ordinary Resolution:

PROPOSED BY : Sri Praful Chavda
R.F./CLIENT ID No.: NVB005223

SECONDED BY : Sri Ramesh Manguluri
R.F./CLIENT ID No.: 11655169

"RESOLVED THAT M/s.Brahmayya & Co., Chartered Accountants, the Auditors of the Company, being eligible, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and that the Board of Directors, be and is hereby authorised to fix their remuneration."

The resolution was put to vote by show of hands and was carried unanimously.

SPECIAL BUSINESS:

Item No.6:

Appointment of Dr.C.V.Madhavi, Additional Director, as Director (Independent Director):

As an Ordinary Resolution:

PROPOSED BY : Sri Shantilal C.Shah
R.F./CLIENT ID No.: 20208729

SECONDED BY : Sri A.Satyanarayana Sharma
R.F./CLIENT ID No.: 12143339

"RESOLVED THAT Dr. C.V.Madhavi, whose term of office as an Additional Director of the Company expires at the Annual General Meeting and in respect of whom the Company received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement by rotation."

The resolution was put to vote by show of hands and was carried unanimously.

Item No.7:

Re-appointment of and remuneration payable to Sri G.R.K.Prasad, Executive Director:

As a Special Resolution:

PROPOSED BY : Sri Shujath Ali Khan
R.F./CLIENT ID No.: 1205450000015647

SECONDED BY : Sri Md.Anwarum Rahman Sufi
R.F./CLIENT ID No.: NVB012110

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/consents as may be required, the approval and

consent of the Company be and is hereby accorded to the re-appointment of Sri G.R.K.Prasad, as Executive Director, for a further period of five years with effect from 28th June, 2013 on the remuneration, incentive, perquisites and other allowances as mentioned below:

A. Salary : Salary in the range of ₹7,00,000/- to ₹12,00,000/- per month, as may be decided by the Board from time to time and ₹7,00,000/- per month with effect from 28.06.2013.

B. Perquisites : In addition to the salary, he shall also be entitled to the allowances and other perquisites as set out below which shall be computed on the enhanced salary from time to time.

C. Incentive : In addition to the salary and perquisites/allowances, an incentive of ₹60,00,000/- per annum, be allowed and paid to Sri G.R.K.Prasad during the tenure of his re-appointment.

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 the remuneration aforesaid including the perquisites, other allowances and incentive shall be allowed and paid to Sri G.R.K. Prasad, Executive Director, as minimum remuneration during the currency of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding three years."

The special resolution was put to vote by show of hands and was carried unanimously.

Item No.8:

Re-appointment of and remuneration payable to Sri C.V.Durga Prasad, Director (Business Development):

As a Special Resolution:

PROPOSED BY : Sri Shantilal C.Shah
R.F./CLIENT ID No. : 20208729

SECONDED BY : Sri Bharat H.Shah
R.F./CLIENT ID No. : 1301440000009951

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/consents as may be required, the approval and consent of the Company, be and is hereby accorded to the re-appointment of

Sri C.V.Durga Prasad, as Director (Business Development), for a further period of five years with effect from 28th June, 2013 on the remuneration, perquisites and other allowances as mentioned below:

A. Salary : Salary in the range of ₹7,00,000/- to ₹12,00,000/- per month, as may be decided by the Board from time to time and ₹7,00,000/- per month with effect from 28.06.2013.

B. Perquisites : In addition to the salary, he shall also be entitled to the allowances and other perquisites as set out below which shall be computed on the enhanced salary from time to time.

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 the remuneration aforesaid including the perquisites and other allowances shall be allowed and paid to Sri C.V.Durga Prasad, Director (Business Development), as minimum remuneration during the currency of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding three years."

The special resolution was put to vote by show of hands and was carried unanimously.

Item No.9:

Revision of remuneration payable to Sri D. Ashok, Chairman:

As a Special Resolution:

PROPOSED BY : Sri Suresh Chand Jain
R.F./CLIENT ID No. : 1205140000085968

SECONDED BY : Sri Raghuveer Rao Marneni
R.F./CLIENT ID No. : 31079733

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/consents, as may be required, the remuneration, commission, perquisites and other allowances payable to Sri D. Ashok, Chairman, be revised and enhanced with effect from 1st April, 2013 for the remainder of his tenure, as follows:

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 the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Sri. D. Ashok, Chairman, as minimum remuneration during the remaining period of his tenure, in the event of loss or inadequacy of profits in any financial year."

The special resolution was put to vote by show of hands and was carried unanimously.

Item No.10:

Revision of remuneration payable to Sri P. Trivikrama Prasad, Managing Director:

As a Special Resolution:

PROPOSED BY : Sri A.Satyanarayana Sharma
R.F./CLIENT ID No. : 12143339

SECONDED BY : Sri Bharat H.Shah
R.F./CLIENT ID No. : 1301440000009951

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/consents, as may be required, the remuneration, commission, perquisites and other allowances payable to Sri P. Trivikrama Prasad, Managing Director, be revised and enhanced with effect from 1st April, 2013 for the remainder of his tenure, as follows:

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 the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Sri P. Trivikrama Prasad, Managing Director, as minimum remuneration during the remaining period of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding 3 years."

The special resolution was put to vote by show of hands and was carried unanimously.

The Meeting concluded with a vote of thanks to the Chair.

Place : Hyderabad
Date : 21.08.2013

D.ASHOK
CHAIRMAN

NAVA BHARAT VENTURES LIMITED
Chairman's Speech - 41st Annual General Meeting

Ladies and Gentlemen,

I welcome you all to this 41st Annual General Meeting of your Company. I trust by now all of you have received Company's Annual Report for FY 2012-13.

The world economic growth in the first half of 2013 continued to be passive. In the developed world, moderate growth rate was registered in the United States as the equity, housing and automobile markets showed signs of improvement coupled with higher employment rates. Europe continued to face recessionary conditions with GDP falling sharply for most countries while growth in emerging and developing economies was moderate. The Chinese economy has off late slowed down impacting the growth momentum in Asia, especially in the commodity space.

Back home, we have seen the Rupee depreciate by a significant 14% at peak level against the USD over the past few months, adversely impacting imports and borrowings. The liquidity tightening measures adopted by RBI to stem the volatility are yet to bear fruits while the domestic interest rates remained higher. Both these factors affect the competitiveness especially in power generation, accentuated further by infrastructure and regulatory bottlenecks. Business confidence quotient in the Country has been on a low ebb with GDP growth, expected to be around 6% for 2012-13.

Nava Bharat's performance for the year was healthy considering the overall economic challenges. The Company endeavoured to optimise power generation and value addition thereof through either merchant sale or captive consumption as the opportunities arose. The salient features of 2012-13 are:

- Total Income of Rs. 1,124.2 crore
- Profit after tax of Rs. 238.3 crore
- Your Directors have recommended a dividend of 250%, i.e. Rs. 5/- per share entailing an outgo of Rs 49.3 crore including the dividend distribution tax.

The power sector in India reached an installed capacity of 225.13 GW in May, 2013, the world's fifth largest. Of this capacity Non-Renewable Energy constitutes 87.55%

and Renewable Energy, the balance 12.2%. In terms of fuel, coal-fired plants account for 57% of India's installed electricity generating capacity. While India is the world's fourth largest energy consumer, it continues to suffer major nationwide shortages of electricity. Blackouts and power shedding, resorted by financially weak state utilities, which continued to interrupt agricultural and manufacturing activities throughout the country.

As we know, the demand for electricity is continuously rising and it is expected to increase at a 9% CAGR through 2015. Average fuel cost in power generation has been moving upwards, increasing pooled power cost. Under this scenario, merchant power rates should have minimal effect on the Utilities' purchase cost and so, demand for this segment of power is likely to sustain. For that to happen however, the financial restructuring of all the utilities and strengthening of transmission network should be concluded in a time bound programme, paving way for healthy bi-lateral merchant power transactions at a reasonable price.

Your Company was able to utilise available captive power generating facilities in AP and Odisha to meet the ferro alloy consumption and merchant power sales. The new 64 MW unit in Odisha, though commissioned, could not be run commercially owing to un-remunerative power rates and high blend cost of fuel. The 150 MW power unit, implemented by the Company's subsidiary, Nava Bharat Energy India Ltd, has turned out satisfactory performance with average PLF of 80% in the first few months during the current financial year.

The ferro alloy operations of the Company have been stable excepting for a temporary stoppage of Conversion activity in Odisha due to the inability of Tata Steel to supply ore from January to June 2013. While the conversion activity has since resumed, sale of surplus power remains fraught with transmission constraints and lower merchant power realisations. In this context your Board of Directors have decided to consider restructuring both ferro alloy and power operations in Odisha by carving them in to separate SPVs to facilitate induction of strategic investors and ensure full use of the facilities with attendant economic benefits.

In the year gone by, the sugar industry has witnessed a much awaited turnaround due to partial decontrol of the sector, related to levy obligations and release

mechanism. Removal of the monthly release mechanism would help mill owners to sell sugar without any quantitative restriction. The cost of inputs in this sector however remain high thwarting any significant increase in margins excepting by volumes and by-product realizations.

The Group's investment in coal and power project in Zambia has gained momentum. Both the Sponsors have infused substantial amount of equity in to the Project which has gained significant traction on site and offshore. The investment is estimated at US$ 800 Million, including cost of mine development and is proposed to be funded on a debt equity ratio of 70:30. Commissioning of the 300 MW power plant is likely in Q4 of FY 2015 following which the project would yield returns on investment.

The Hydroelectric project in Laos is scaled at 145 MW on a run of river scheme at an estimated cost of US$ 235 Million. The Joint Venture Company has received most of the key clearances like Environmental clearance, tariff approval and negotiations for a Concession Agreement are under way.

The commercial Agriculture projects in Tanzania have the support and participation by the Governmental agencies. Your Company hopes to enter in to Joint venture Agreements with them shortly following which initial pilot projects would be launched to test the feasibility and long term viability.

Your Company has received the following awards during 2012-13:

- **The National Award for Excellence in Water Management 2012 as Excellent Water Efficient Unit** from Confederation of Indian Industry for its Power Plant at Kharagprasad
- **National Award for Excellence in Energy Management 2012 as Excellent Energy Efficient Unit** from Confederation of Indian Industry for the Sugar Division which received this award in all categories of industries for the 6th consecutive year
- **Silver Shield for Star Performer as Large Enterprise in the Product Group of Ferro Alloys** in recognition of outstanding contribution to engineering exports during 2010-11 under the category of Regional Awards for Export Excellence, from EEPCINDIA, Southern Region

- **Sri Abhaya Group Parisramika Puraskaralu** honouring the spirit of entrepreneurship in large industries category from Zee 24 hours Telugu TV channel

I would like to take this opportunity to thank the members of the Board for their immense contribution and co-operation, the shareholders and bankers for their support, customers and suppliers for continued association and members of the 'Nava Bharat Team' for their commitment and dedication to deliver best value.

D.ASHOK
CHAIRMAN