

NAVA BHARAT



NAVA BHARAT VENTURES LIMITED

Investor Presentation

Contents

Nava Bharat Group at a glance

Financials

Power business – the key growth driver

International foray

Nava Bharat Group -Value proposition



Mission Statement



NAVA BHARAT

We will provide innovative and cost-effective solutions for value addition and sustainable local growth

We will achieve this through efficient utilisation of natural resources, leveraging our strengths in design, engineering, project execution and operation and maintenance

- Large industrial conglomerate with interests across power, coal mining, ferro alloys and sugar
- Headquartered at Hyderabad in India
- Presence across India, Africa and South East Asia
- Around USD 1 billion investments proposed in natural resources and power generation
- Accredited with ISO 9001, ISO 14001 , ISO 18001 and ISO 50001

At a glance



US\$ 193 Mn (Rs 11.54 Bn) top line for FY 2014

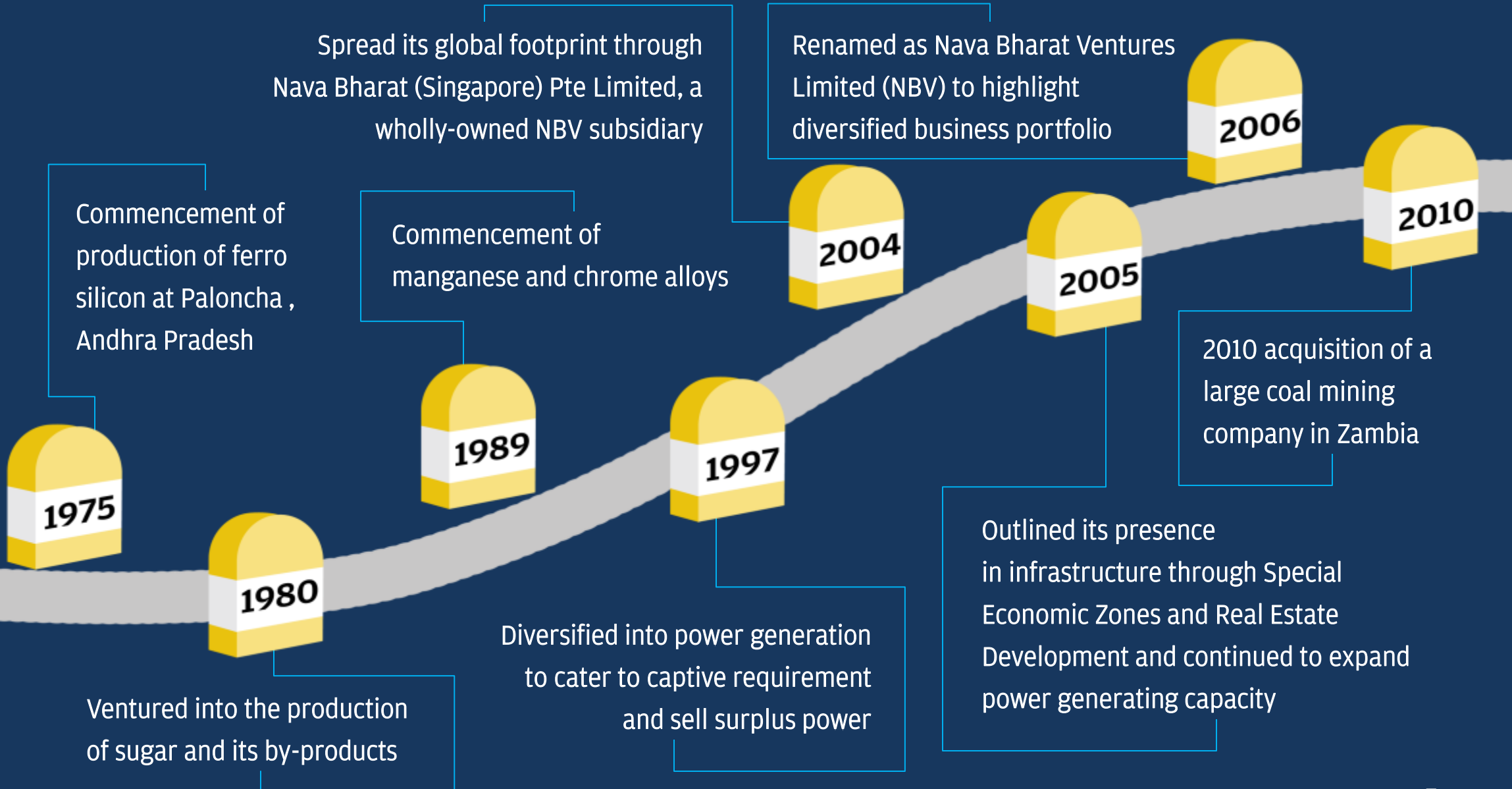
US\$ 32 Mn (Rs 1.93 Bn) bottom line for FY 2014

US\$ 334 Mn (Rs 20.53 Bn) market capitalization (as on 07/08/14)

39 years of excellence



NAVA BHARAT



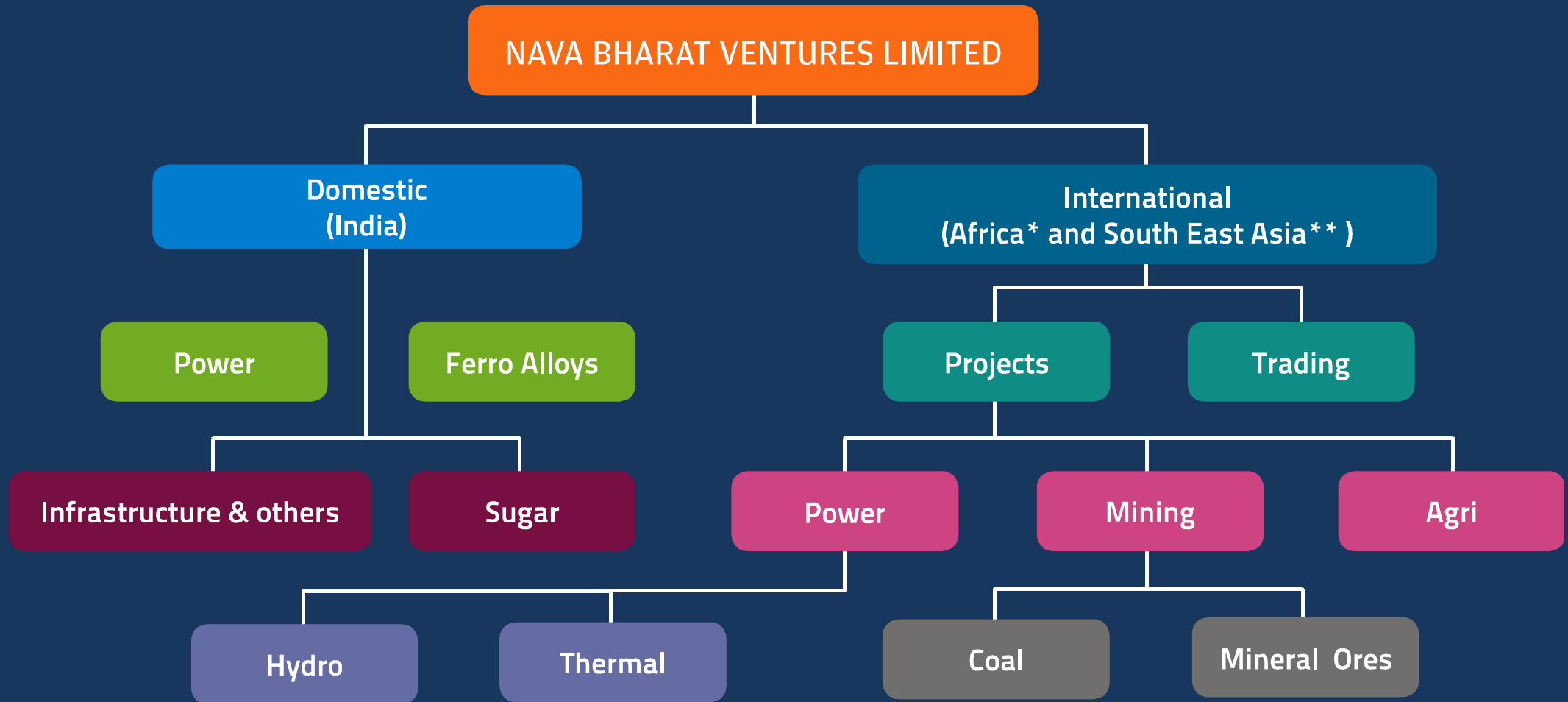
Group strengths

- Diversified revenue streams
- Strong Design, Engineering, Project Execution and O& M skills for process and power plants
- Energy efficient plants
- Distributed power assets to exploit the usage of low grade coal and washery rejects
- Environmentally responsible corporate citizen and strong believer of Corporate Social Responsibility
- Good track record with lenders and investors
- Strategic planning to be well ahead of competition

From single product, single location to multi-product, multi-location



NAVA BHARAT



*Zambia and Tanzania

**Laos

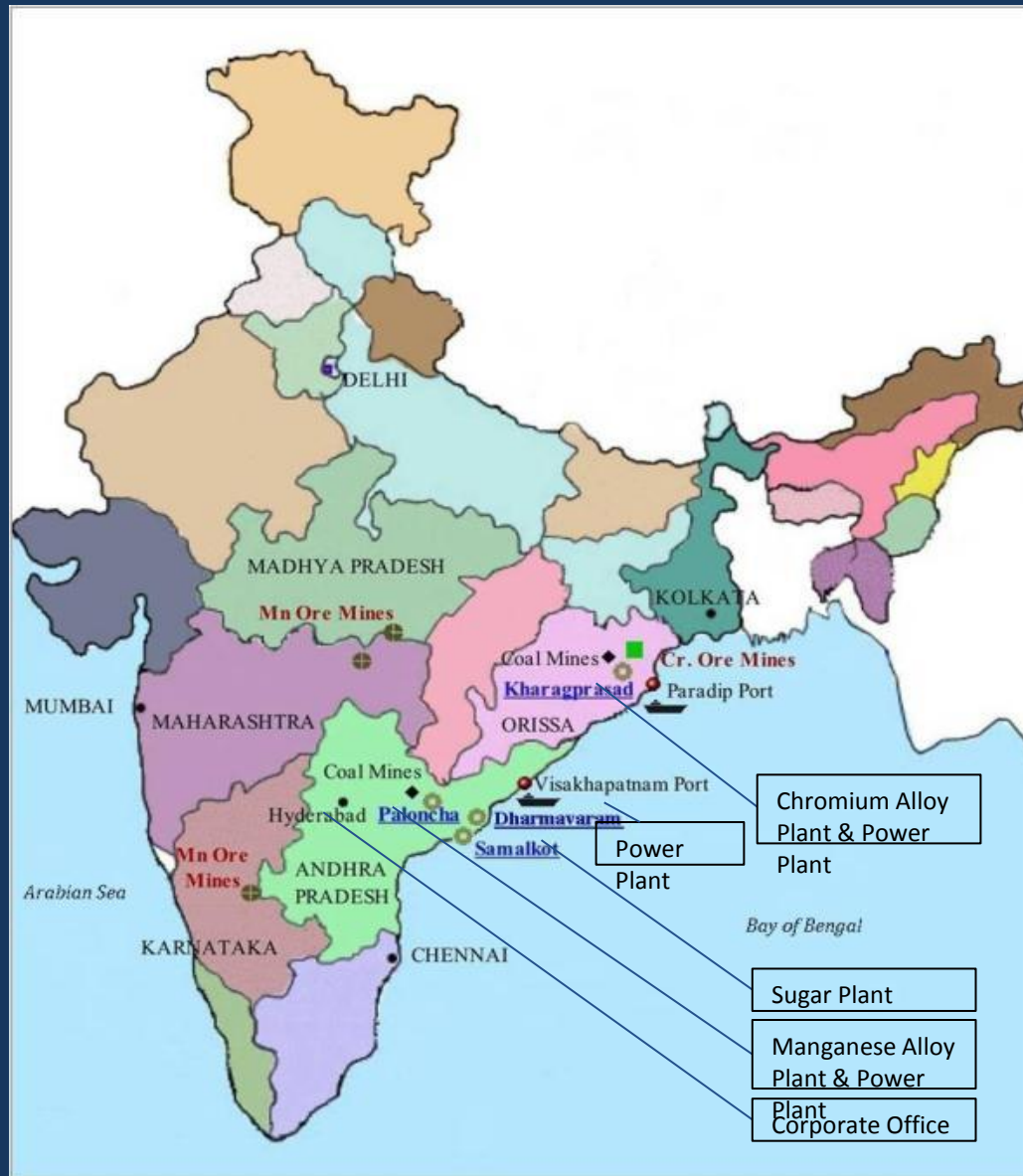
Presently there are no initiatives under infrastructure or mineral ores

Indian presence

Unit locations



NAVA BHARAT



International footprints

Unit locations



NAVA BHARAT



Financials

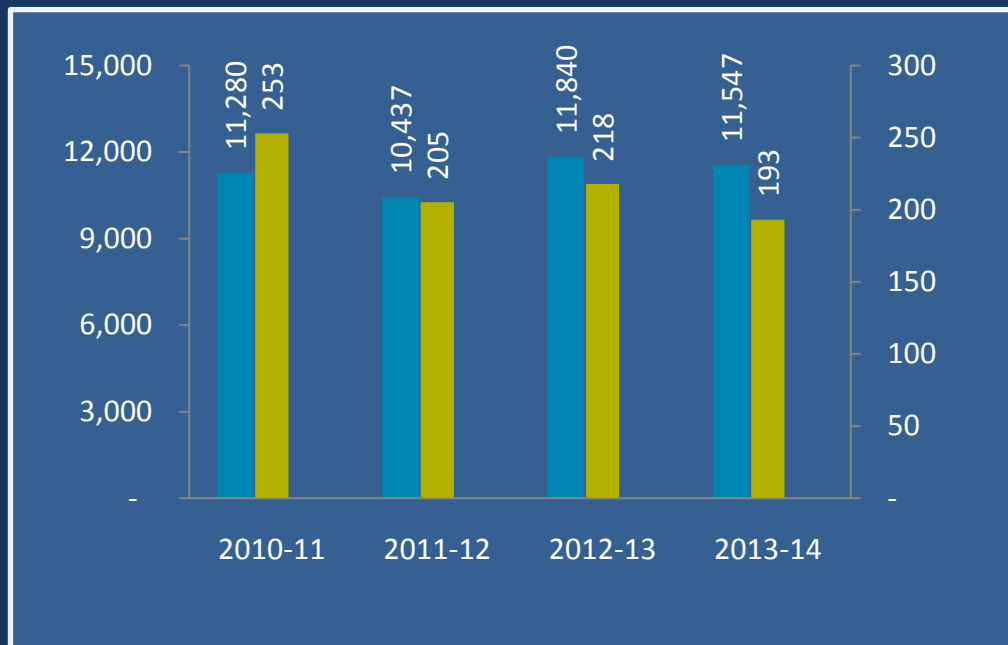


Year-on-year performance

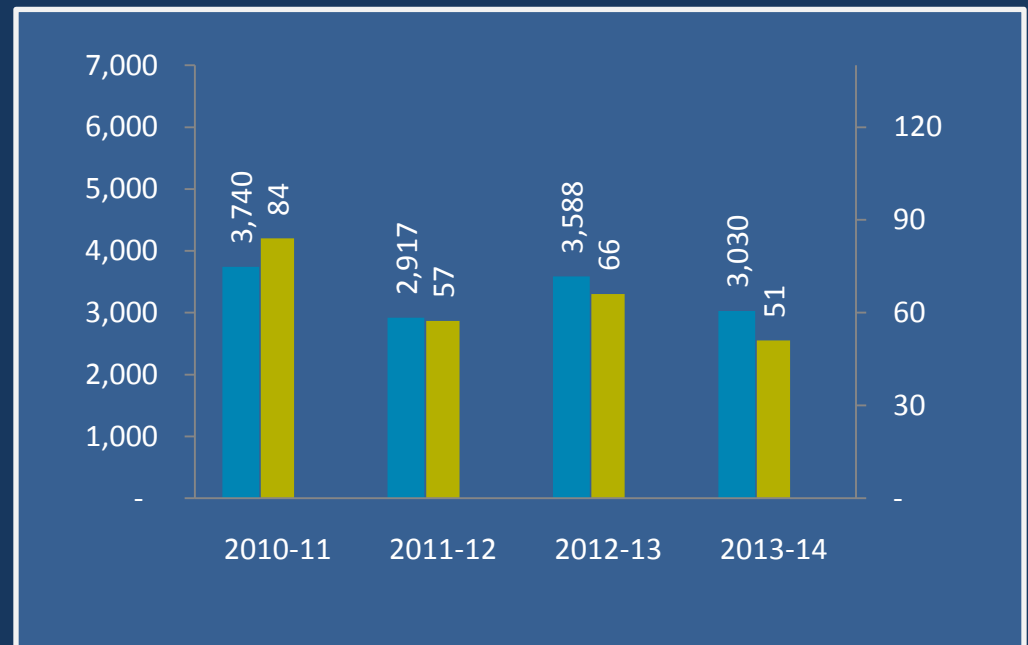


NAVA BHARAT

Revenue



EBIDTA



Rs. Mn

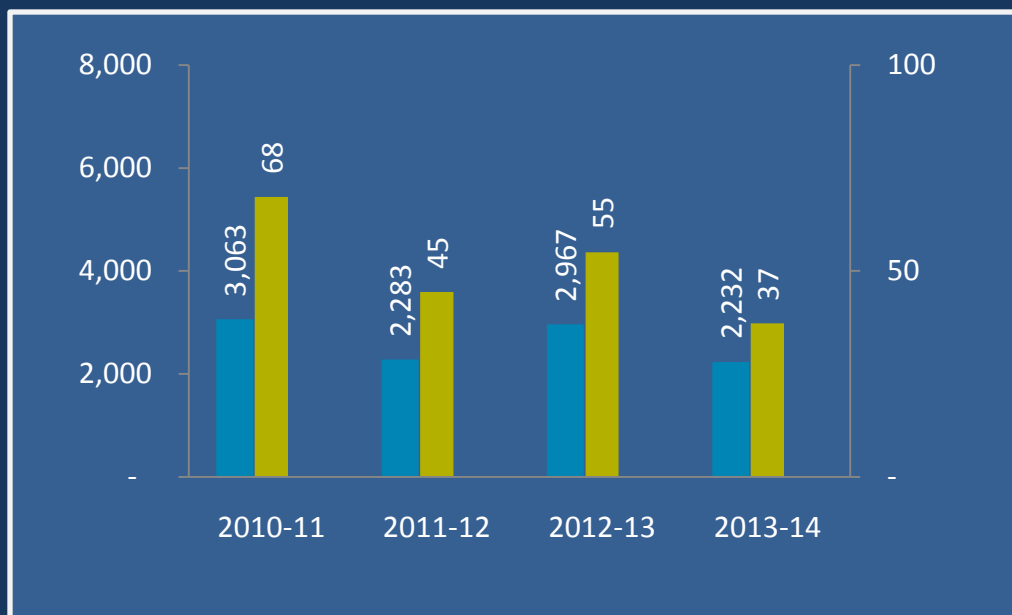
USD Mn

Year-on-year performance (contd.)

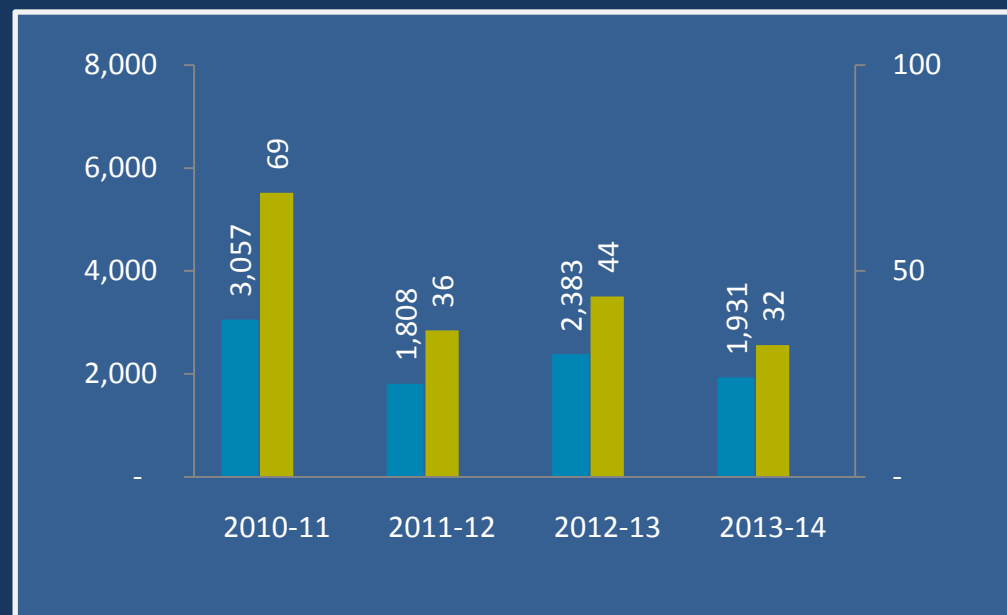


NAVA BHARAT

PBT



PAT

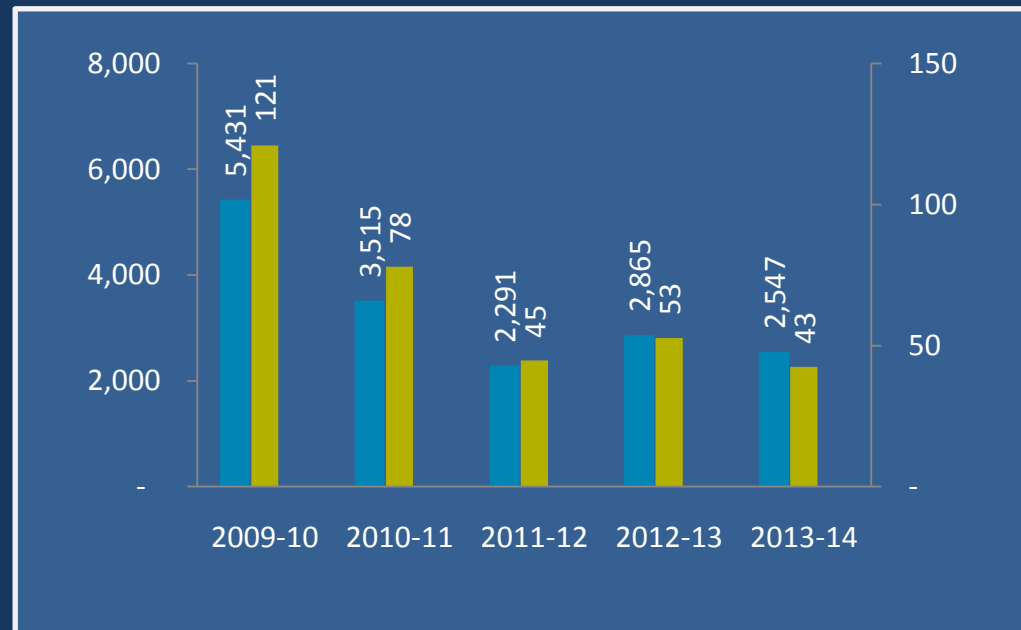


Rs. Mn

USD Mn

Year-on-year performance (contd.)

Net cash accruals



Rs. Mn

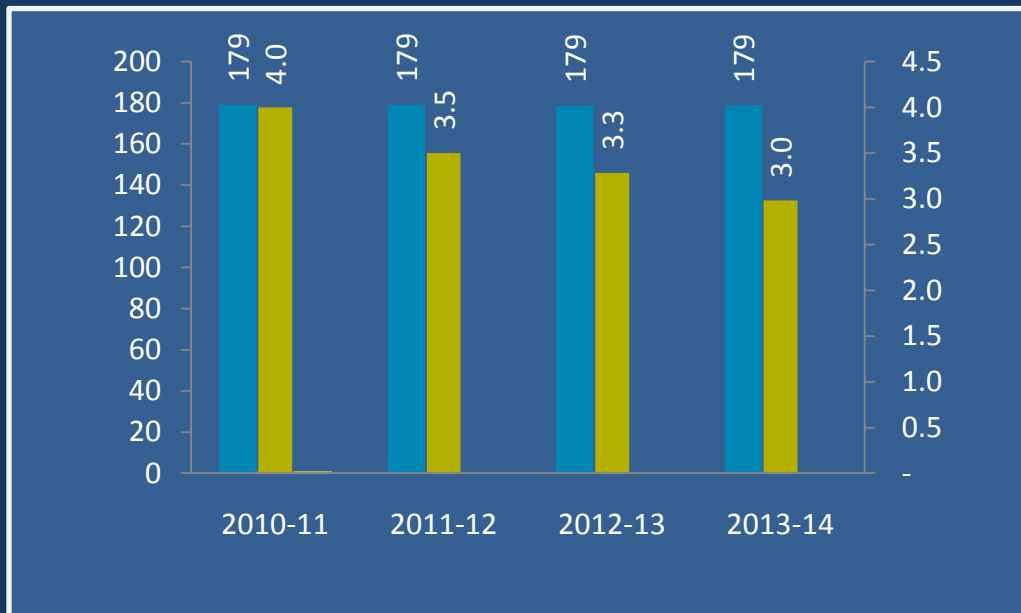
USD Mn

Year-on-year performance (contd.)

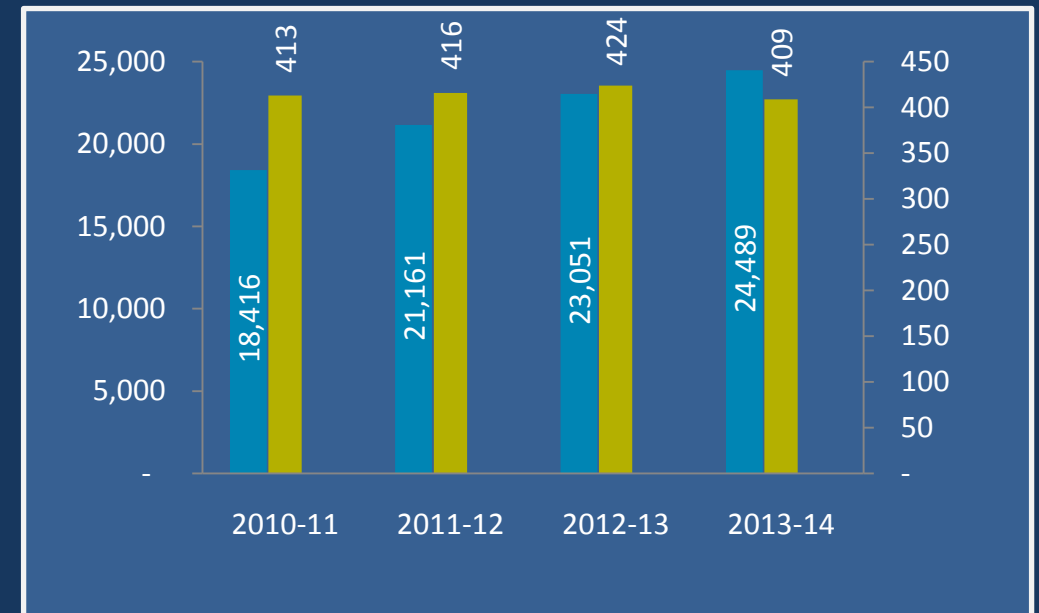


NAVA BHARAT

Share capital



Net worth

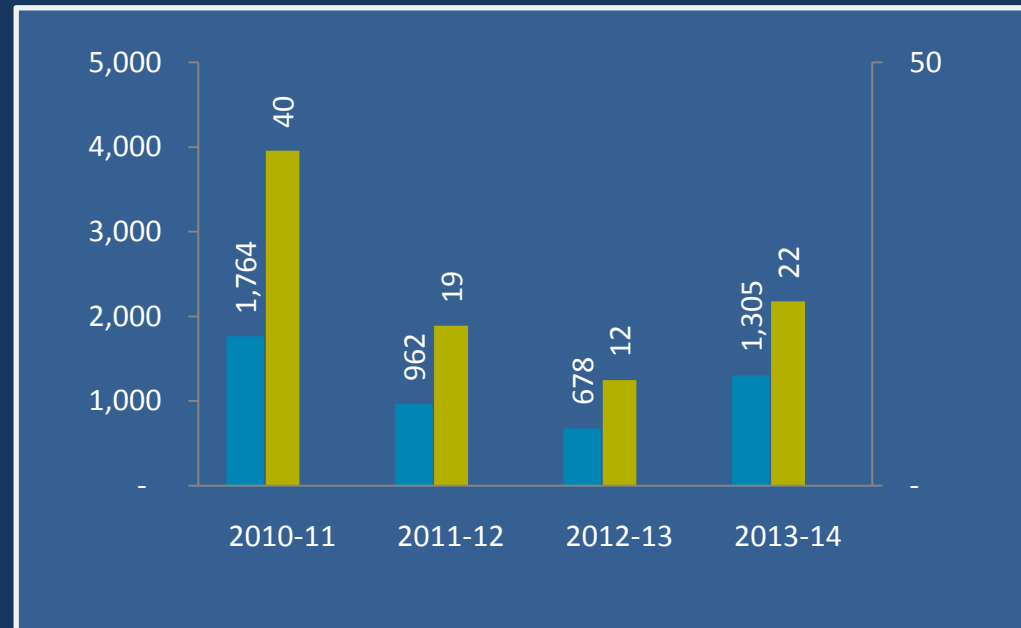


Rs. Mn

USD Mn

Year-on-year performance (contd.)

Total debt

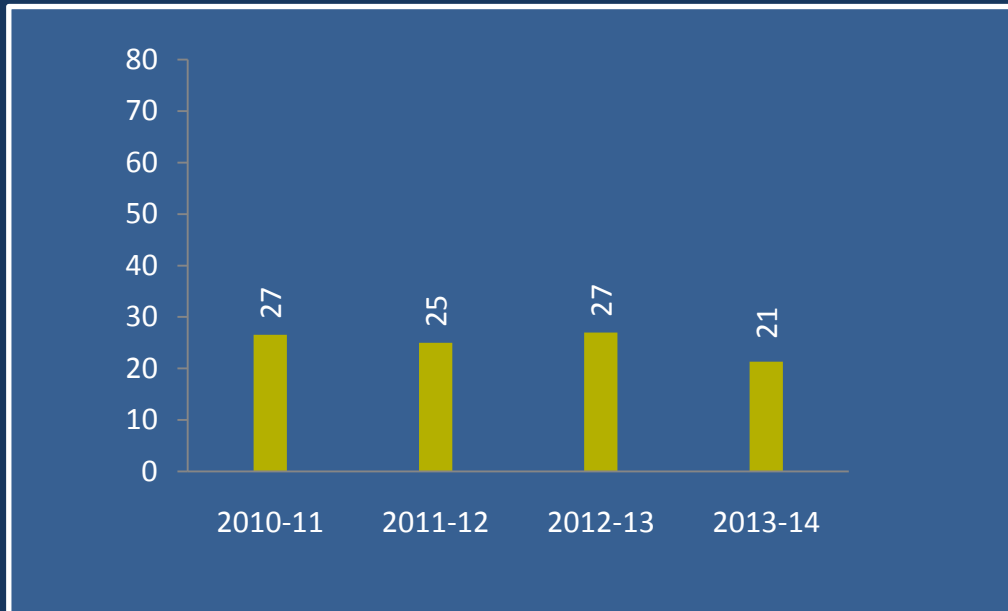


Rs. Mn

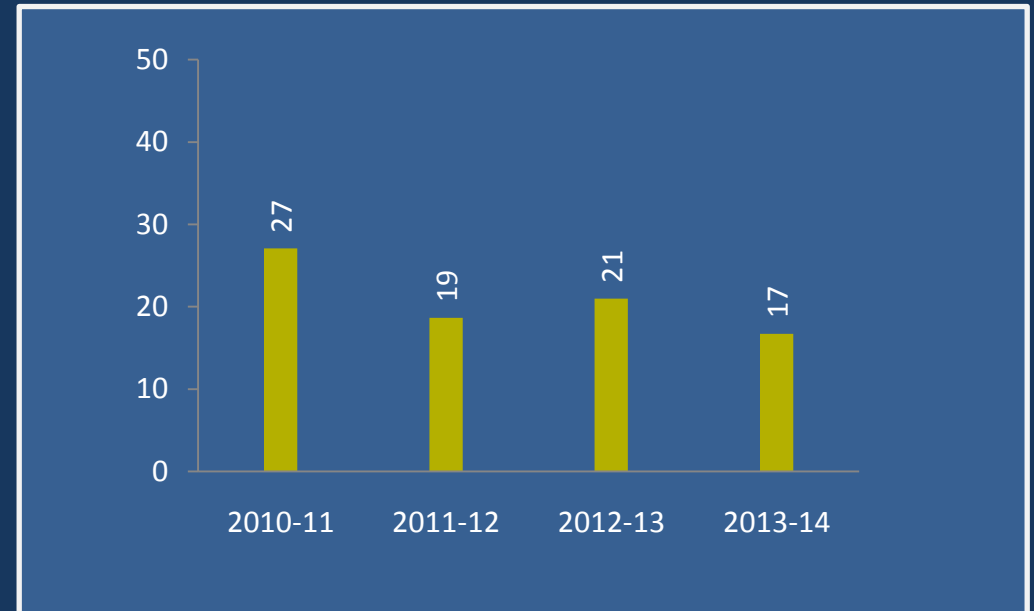
USD Mn

Margins

Operating margins (%)



Net profit margins (%)

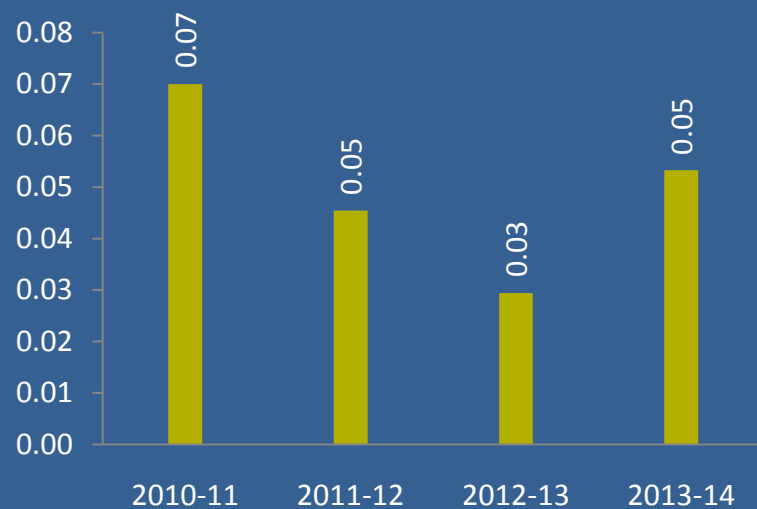


Low leverage and Strong coverage

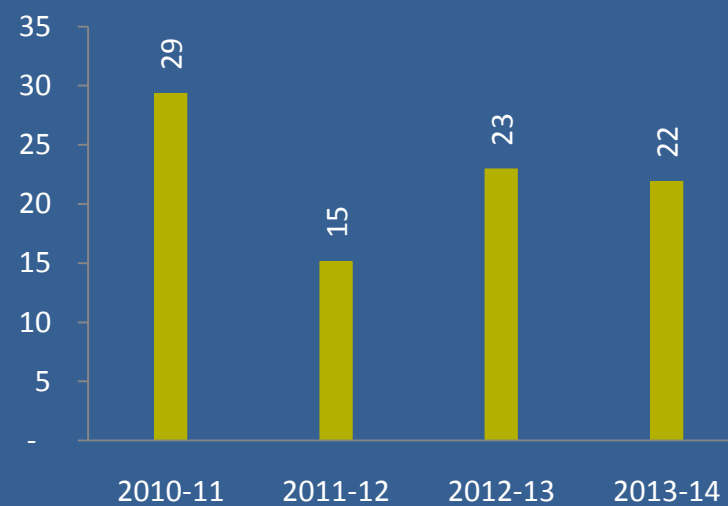


NAVA BHARAT

Debt-equity

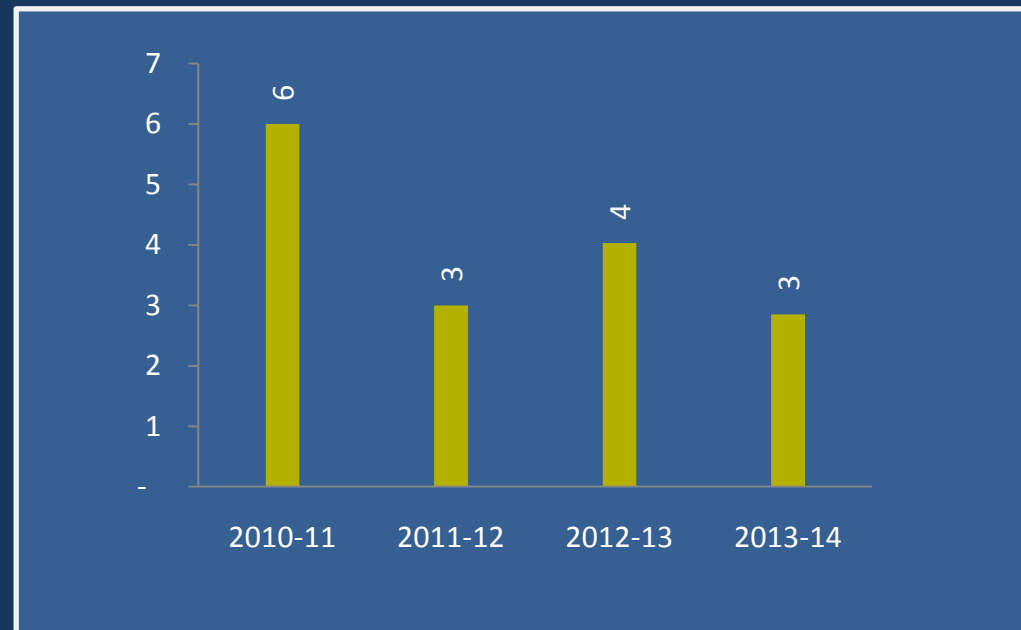


Interest cover



Strong leverage and coverage

Current ratio

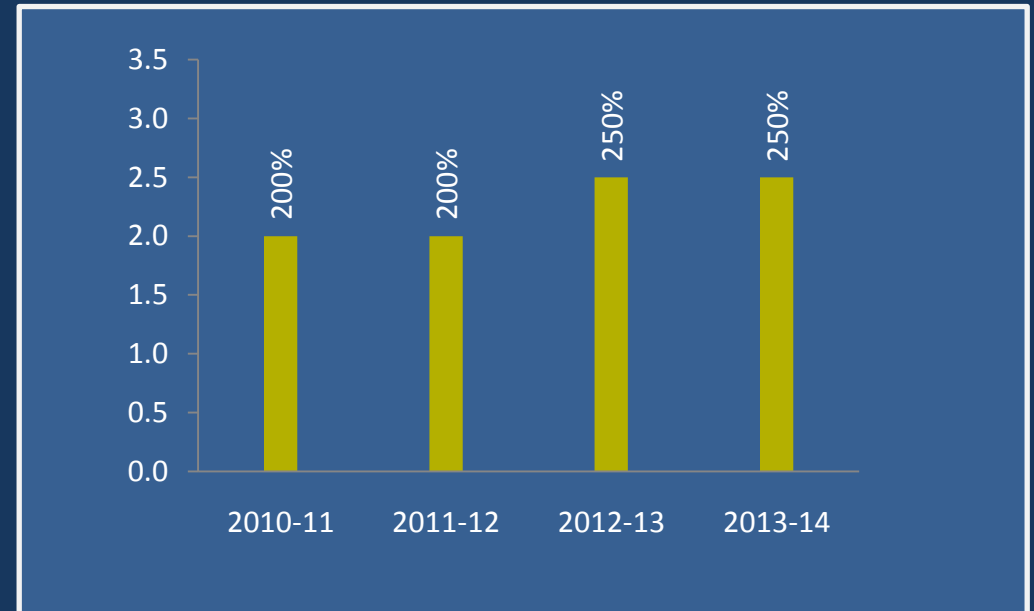


Uninterrupted shareholder returns

EPS (Rs.)



Dividend (per share of Rs. 2)



The Company enjoys a record of uninterrupted dividends since inception

FY 2014 results table



NAVA BHARAT

(Figures in Mn)

Particulars	FY 2014		FY2013	
	INR	US\$	INR	US\$
Total Income	11,546	192.7	11,839	217.77
EBIDTA	3,073	51.3	3,588	66.00
Depreciation	615	10.2	483	8.88
Interest	182	3.0	138	2.54
PBT	2,275	37.9	2967	54.58
Tax				
—Current	473	7.8	598	11.00
—Deferred	-75	1.2	-8	-0.15
—Earlier years	0.8	0.01	52	0.96
—MAT credit	-97.5	-1.62	-58	-1.07
PAT	1,930	32.2	2383	43.83
EPS (Diluted) (per share of Rs 2 or US 4.4c)	21.63	36c	26.69	49c
Equity Share Capital	179	2.98	179	3.4

FY 2014 segmental results



(Figures in Rs. Mn)

Segment	Power	Ferro Alloys	Sugar
Revenues (Amt and %)	4,487 (48%)	5,615 (38%)	1,539(13%)
PBIT (Amt and %)	1,230 (52%)	1,075(45%)	57.3 (3%)

Quarterly review



NAVA BHARAT

(Figures in Rs. Mn)

Particulars	Q1 FY2015	Q4 FY2014	Shift %	Q1 FY2014	Shift %
Total Income	3,061.9	3,143.9	(2.6)	2,523.7	21.3
EBITDA	773.1	945.5	(18.2)	714.2	8.2
PBT	615.6	589.6	4.4	567.8	8.4
PAT	562.4	462.7	21.5	502.4	11.9
EPS	6.30	5.19	21.4	5.63	11.9

- Power showed stable revenues with a marginal moderation in volumes in the AP units. The merchant environment in Odisha continues to be tepid leading to a corresponding decline in performance
 - Merchant tariffs witnessed correction despite demand-supply gap, owing to continued weak position of the utilities buying power
- Ferro Alloys benefitted from enhanced volumes across both export and domestic markets whereas at an overall level pricing saw moderation
 - However there has been a contraction in margins owing to rise in ore cost
 - Pricing benefits were more pronounced in exports
- Sugar was impacted by lower realisations which is characteristic of the lower recoveries seen during the initial phase of the crushing season

Power business, a key growth driver



Sustained growth through strategic foresight and initiative



NAVA BHARAT

1997

- **Opportunity:** We foresaw an emerging power shortage and increase in power cost, a major component for the production of ferro alloys.
- **Result:** NBVL set up industrial power plants for ferro alloy operations.

2003

- **Opportunity:** We anticipated an increase in power realisation due to the Open Access Policy for power plants in India.
- **Consequence:** NBVL expanded aggressively power generation capacities and minimised the dependence on commodity business; Concurrently, we adopted a distributed asset model and eco-friendly technologies to utilize inferior coal grades

2008

- **Opportunity:** We envisaged emerging challenges in the pricing of merchant power sales and fuel security for future power projects.
- **Outcome:** Geographic diversification of power assets and entry into mining and power projects in Africa

Contribution of power sales

	2010-11	2011-12	2012-13	2013-14
Total revenue (Rs Mn)*	11,765	11,679	13,963	14,038
Revenue from power sales (Rs Mn)*	6,531	5,480	6,908	6,762
Proportion of power sales to the total revenue (%)	55	47	49	48

*Including captive sale

	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY 15
Captive M.U.	109	148	110	97	67	114	126	124	124
Merchant Sales M.U.	266	257	253	272	262	201	198	201	235

Strategy for merchant operations

- Aim to deliver optimal generation from existing facilities to meet contracted merchant volumes
 - Roughly 80 MW of merchant capacity available
 - Supported by optimal mix of coal from linkages, e-auctions and washery rejects
- Subsidiary scaled up PLF to optimal levels at new 150 MW plant in Q1 of FY2015

Domestic strategy –update on Odisha works



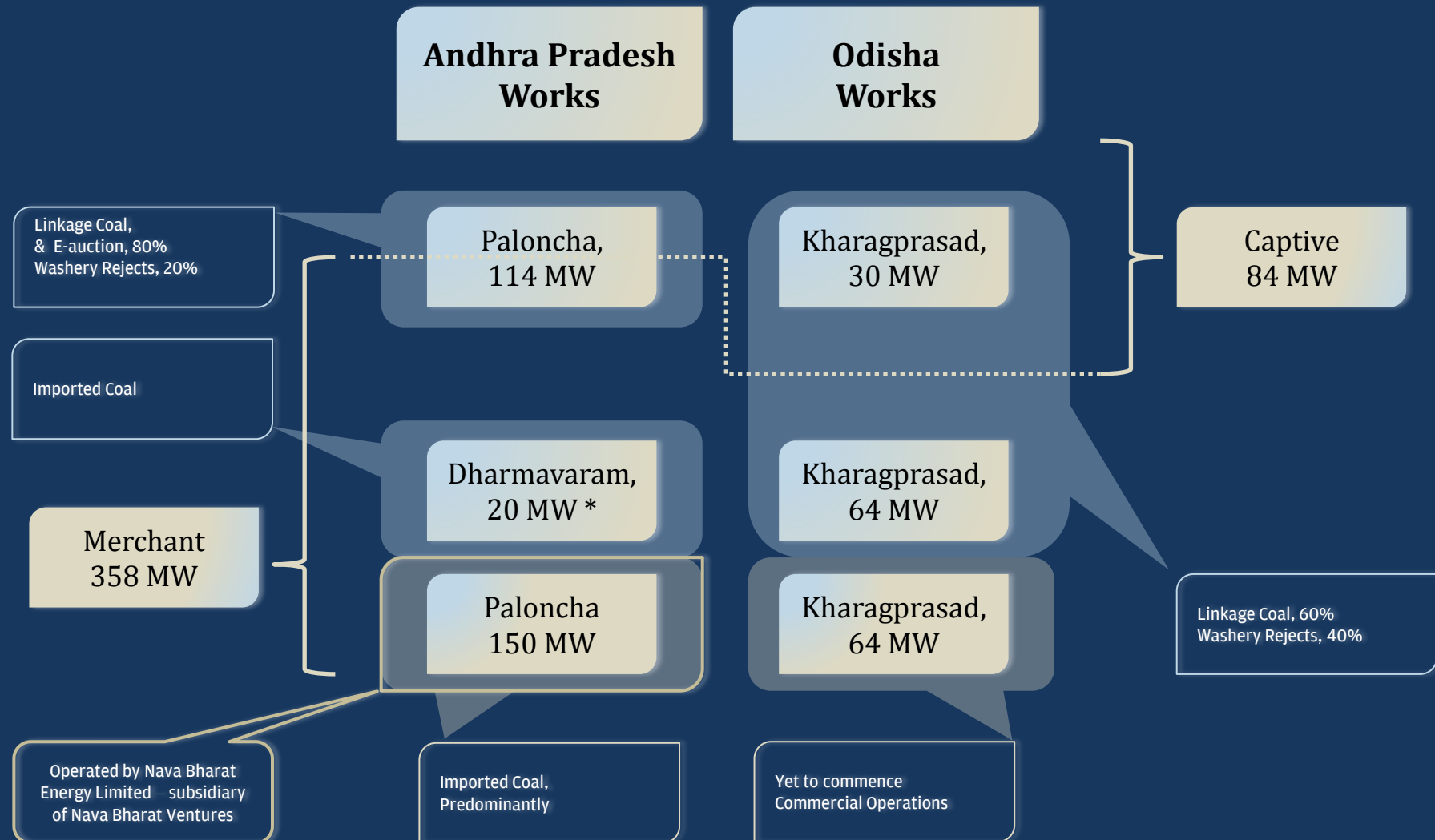
NAVA BHARAT

- The Board of Directors has approved a proposal, in principle 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 to induct strategic investors so as to:
 - Make the restructured SPVs as captive units under mining and power regulations
 - Facilitate sustained operations in both the SPVs
- The proposal is subject to identification of suitable investors, mutual agreement on valuation and equity stake
- The Company is pursuing production of Manganese Alloys in Odisha Works from H2 FY 15
- The New 64 MW Unit has secured approval of the Government of India to use domestic coal instead of imported coal, paving way for merchant power generation from this unit from H2
- The Company is pursuing for execution of MOU with the Government of Odisha

Maximizing value from every unit of power



NAVA BHARAT



*Uses a mix of bagasse, washery rejects and e-auctions

Existing capacities



NAVA BHARAT

Coal fired power plants



Power Plants (A.P.)

Paloncha:

1 x 50 MW

2 x 32 MW

1 X 150 MW (NBEIL)

Total capacity:

264 MW



Power Plants (A.P.)

Dharmavaram:

1 x 20 MW

Total capacity:

20 MW



Power Plants (Orissa)

Kharagprasad:

1 x 30 MW

2 x 64 MW

Total capacity:

158 MW

The Ferro Alloys operation



- 125,000 TPA Silico Manganese, Ferro Manganese facility at Paloncha –Andhra Pradesh
 - Facility equipped with three smelters of 16.5 MVA and one smelter of 27.6 MVA
- 75,000 TPA Ferro Chrome unit at Kharagprasad –Orissa
 - Plant has two smelters of 22.5 MVA each
- Self-sufficiency in power with 208 MW coal-based, captive capacity
- Ore suppliers from Madhya Pradesh, Maharashtra and Karnataka and Odisha for Mn and Cr ores. Additional sources for ore identified and contracted in Australia , Africa and Gulf regions
- Proximity to Visakhapatnam (for Paloncha) and Paradip (for Kharagprasad) ports - strong exports to Japan, Korea, Europe and possibly USA
- The Odisha unit will alternate between conversion of Ferro Chrome for Tata Steel or production of manganese alloys to ensure recovery of fixed costs and value addition for captive consumption

The integrated Sugar operations



NAVA BHARAT

- Integrated sugar facility at Samalkot, Andhra Pradesh
 - 4,000 TCD crushing mill capable of producing 40,000 tonnes sugar a year
 - 20 MW co-generation plant
 - 20 Klpd. distillery that makes approx. 2.50 million bulk litres of rectified spirit (which is used to manufacture ethanol/extra neutral alcohol)
- Superior technology that produces quality refined sugar conforming to 26-28 ICUMSA whiteness standard
- Retail Sugar is marketed under the 'Deccan' brand
- The facility is located in fertile cane growing region of Eastern A.P.
 - Average cane recovery of 10%
- Nava Bharat's corporate cane development program involves farmers to improve cane yields and recoveries

International foray



Growth model



NAVA BHARAT

What others follow:

Exploiting natural resources of developing countries for supporting business activities in the native countries

What we follow:

Utilizing natural resources of the developing countries for sustained economic and social development of the region through value addition

Focus geographies:
Africa and South East Asia



Project snapshot



NAVA BHARAT

Country	Activity	Status
Zambia	Mining and power generation	Majority stake acquired in Maamba Collieries Limited. Revamped coal mine and a 300 MW power plant is being set up
Laos	Development of hydro-electric power project	Entered into a joint venture with Kobe Green Power Limited. Currently in discussion with Govt. Authorities for executing various project agreements.
Tanzania	Identifying opportunities for mining and setting up agri projects	MOUs signed with Govt. authorities Land identified and is under allocation by the Government

Zambia project



NAVA BHARAT



First footprint of NBV Group in Africa

- Acquired 65% stake in Maamba Collieries Limited (MCL), Zambia's largest coal mine
- More than 150 Mn tonnes of coal reserves in active mining area of about 11 sq km out of total area of 77 sq km.
- Reserves of thermal grade coal to fully support power generation
- Opportunity to leverage in-house expertise in design, engineering, project execution and Operation & Maintenance of power plants

Zambia project (contd.)



NAVA BHARAT



Overseas Projects - Zambia



Objectives

- Revival of coal mining activity at Maamba coal mine with scientific, efficient and environment friendly operations.
 - Investment of about US\$ 100 million including mine development expenditure
- Establishment of mine-mouth, coal fired, eco friendly power plant, using thermal grade coal and rejects as fuel.
 - Investment of about US\$ 700 million for 300 MW including 330 kV DC Transmission system (48 Kms) and Intake Water System (28 Kms)
- Socio economic development through CSR initiatives

Overseas Projects - Coal Mining, Zambia



Coal Mining operations at Maamba

- A modular state-of-the-art Coal Handling and Processing Plant (CHPP) commissioned in May 2012
- Detailed mining plan in the active mining area prepared
- Current sale volume of high grade coal ranges from 20000 to 30000 MT per month which is likely to spurt with addition of new customers from FY 2016 onwards
- Coal mining and haulage are being outsourced to cater to extraction of high grade coal and thermal grade coal

Overseas Projects - Coal Mining, Zambia

Features of new CHPP

- Capacity : 2.4 million tpa of ROM coal
- Design : Compact, modular type
- Washed coal : Ash <20 %; S < 1 %
- Generates less fines than conventional crushers
- Supplier: EPE Engineering Pvt. Ltd., SA



New Coal Handling & Processing Plant

Overseas Projects - Coal Mining, Zambia



NAVA BHARAT



Coal Mining



TPP Coal Stock Yard

Overseas Projects - Power Project, Zambia



Key factors in support of Coal Fired Power project by Maamba Collieries Ltd.

- Energy Security to Zambia : Meets base load requirements of the Grid.
- Latent Demand : Opportunity to export power to Southern African Power Pool (SAPP) countries

Overseas Projects - Power Project, Zambia



Status of Power Project at Maamba

- Following key activities have been completed till date:
 - Development & Connection Agreement with ZESCO for 330 kV DC Transmission line
 - Power Purchase Agreement with ZESCO for 300 MW
 - Implementation Agreement for 300 MW Power Plant
 - Transmission Agreement with ZESCO for 300 MW
 - Environmental clearance has been received
- Financial closure on non-recourse basis is expected to be completed in 2014. Total loan component is US\$ 560 Million and sanctions have been received/underway
- About 65% of project work, onshore and offshore has been completed with Sponsors' Equity, Bridge Finance and extended Suppliers Credit by SEPCO, the EPC Contractor
- Commissioning is scheduled in Q3 of FY 2016 , delayed on account of delay in Financial Closure

Current Status – Power Project



NAVA BHARAT



Overview of TG Building, Boiler and Chimney



Erection of ESP



Cooling Water Pump House



Deareator

Current Status – Power Project



NAVA BHARAT



CW Pipe installation works



Clarified Water Storage Tank area



330kV DC Transmission Line



Start-up Power Transformer (20 MVA)

Laos Hydro power project under Development



NAVA BHARAT



Acquisition

- NBS has 80% stake in Kobe Green Power, which holds the Power Development rights for the 150 MW hydel power project in Laos
- A new project company in Laos will be formed in which NBS proposes to hold 70% stake through its subsidiary in Singapore

Key features

- Power demand outstripping supply in neighbouring countries (Thailand, Vietnam and Cambodia)
- Potential of hydro-electric power generation: 23,000 MW
- Power Purchase Agreement for 13,500 MW signed between the Government of Laos and Thailand, Vietnam & Cambodia
- Attractive tax incentives and long concession period of 25 years , post construction

Current status

- Share Holders' Agreement has been signed denoting 70% stake to a subsidiary of NBS while the balance 30% stake to KGP & EDL(Power Utility) in the Hudel Project Company to be formed in Laos
- Tariff has been agreed with the Power Utility and MOU has been signed.
- Government approved the Concession Agreement to be entered in to by the Project Company on BOOT basis
- PPA with the Power Utility , EDL and selection of EPC contractors are being pursued
- Construction period: 4 years after executing all the above agreements
- Expected investment is around US\$ 235 million

Commercial Agro Projects in Tanzania



NAVA BHARAT

Current status

- Projects under tie ups with Government Agencies
- Identification of land area of approximately 10,000 Ha has been done in consultation with the Government agency. 4000 Ha of land is being allocated by the Government in the first phase.
- Oil palm project is to be developed , subject to feasibility test through a Pilot project
- Investments will be committed from FY 2016 subject to the outcome of the Pilot Project



NAVA BHARAT

REGISTERED OFFICE

Nava Bharat Ventures Limited

Nava Bharat Chambers, Raj Bhavan Road, HYDERABAD - 500 082, India.

Phone : +91 40 23403501 / 23403540, **Fax :** +91 40 23403013

E-mail : nbvl@nbv.in, website : www.nbventures.com

CORPORATE OFFICE

Nava Bharat Ventures Limited

Silicon House, Road No.14, Banjara Hills, HYDERABAD - 500 034, India.

Phone : +91 40 23607930 /31/32 , **Fax :** +91 40 23607923

E-mail : nbvl@nbv.in, website : www.nbventures.com

INTERNATIONAL OFFICE

Nava Bharat (Singapore) Pte Limited

120 Lower Delta Road, #05-14, Cendex Centre, SINGAPORE 169208

Phone: + 65 6278 8996, Fax: + 65 6278 7116

Thank you



NAVA BHARAT