



NAVA BHARAT

## INVESTOR PRESENTATION - August 2020

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BEYOND  
BOUNDARIES



NAVA BHARAT

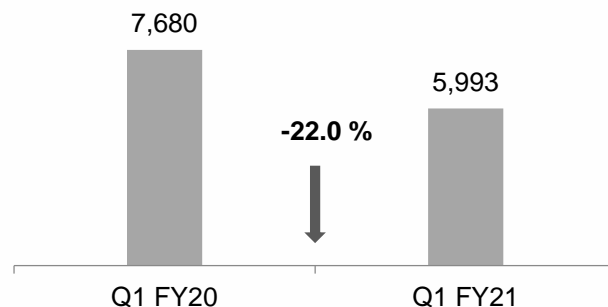
## Financial Performance Update - Q1 FY21



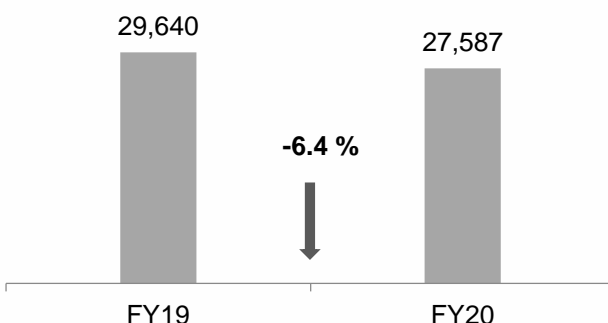
# Q1 FY21 - Consolidated Financial Performance



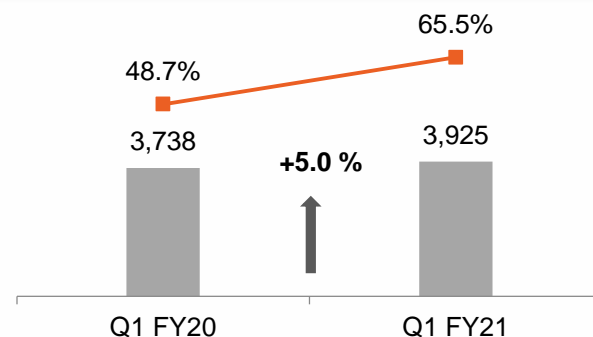
## NET REVENUES (INR Mn) #



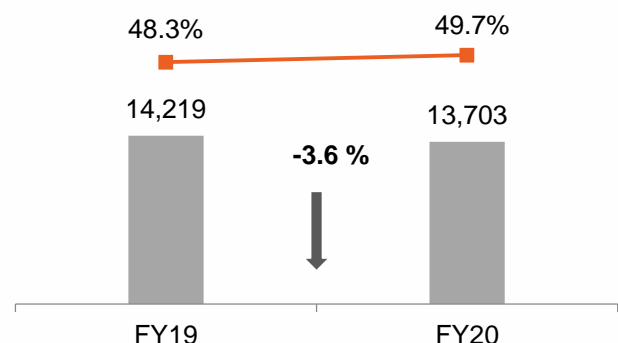
## NET REVENUES (INR Mn) #



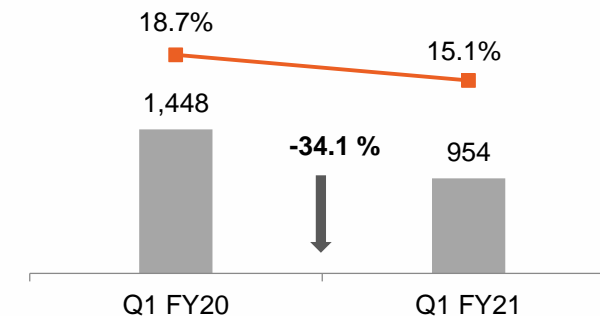
## ADJUSTED EBITDA & EBITDA MARGIN (INR Mn) #



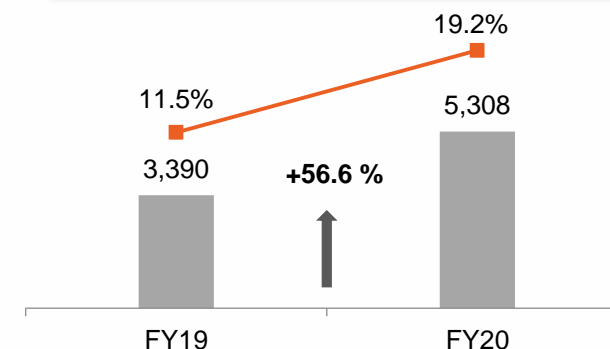
## ADJUSTED EBITDA & EBITDA MARGIN (INR Mn) #



## PAT & PAT MARGIN (INR Mn)



## PAT & PAT MARGIN (INR Mn)



**Note:** Adjusted EBITDA includes other income and has been adjusted for 1) Forex and MTM (loss)/gain on account of Interest rate swaps, 2) Provision for expected credit loss, and 3) Interest income of overdue receivables. (see slide 7 for details on computation of Adjusted EBITDA)

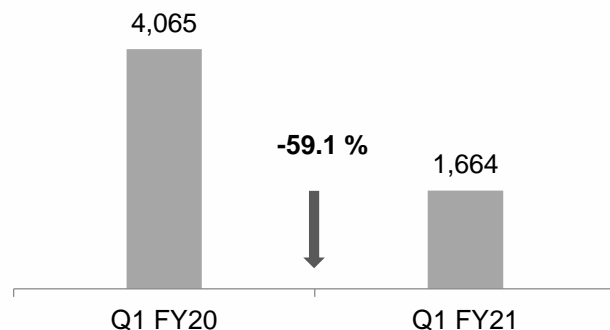
# Net Revenue and EBITDA excludes discontinued operations (Sugar & Allied Business).

- Consolidated Revenues for the quarter came in lower as the Covid-19 led lockdown & disruption adversely impacted the domestic business performance. Nevertheless, strong operating performance by the Zambia business helped offset the fall in domestic revenues in the consolidated performance to some extent.
- Despite the Covid-19 disruption, the company was able to keep its operating profitability intact as the Adjusted EBITDA (see note above) in Q1 FY21 grew by 5% YoY to INR 3,925 Mn. Higher contribution from the Zambia Business, increase in O&M income, and benign raw material prices helped drive higher operating Margins on a YoY basis.
- Q1 FY21 Net Profit stood lower on a YoY basis at INR 954 Mn mainly due to 1) higher finance costs (recognition of fair value adjustment to borrowings of INR 303 Mn), and 2) lower tax outgo in the corresponding quarter of previous year owing to deferred tax restatement which resulted in a reversal of INR 228 Mn

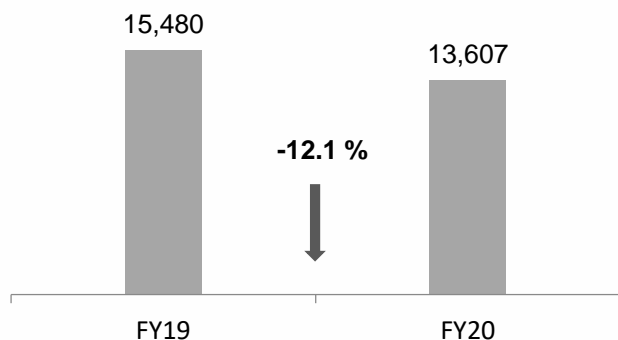
# Q1 FY21 - Domestic Financial Performance



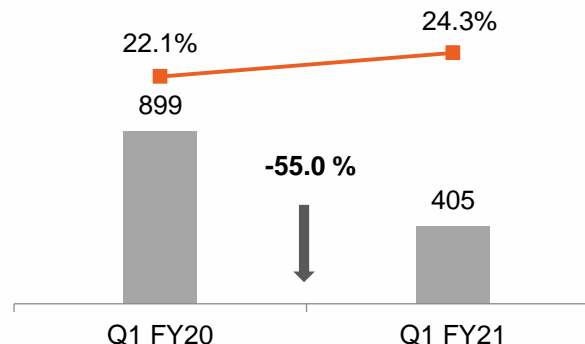
NET REVENUES (INR Mn) #



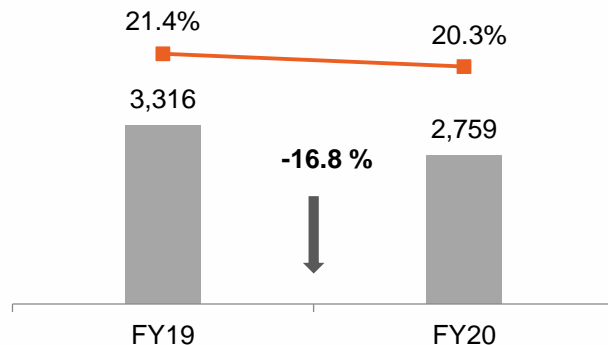
NET REVENUES (INR Mn) #



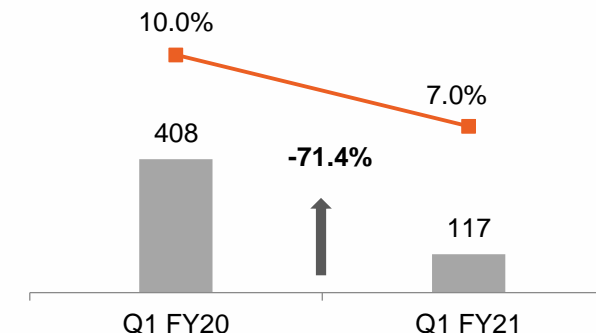
ADJUSTED EBITDA & EBITDA MARGIN (INR Mn) #



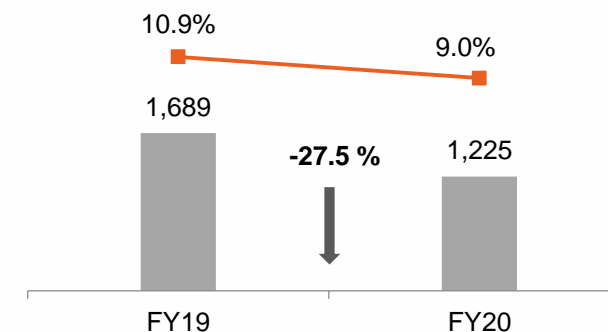
ADJUSTED EBITDA & EBITDA MARGIN (INR Mn) #



PAT & PAT MARGIN (INR Mn)



PAT & PAT MARGIN (INR Mn)



**Note:** Domestic operations include NBVL and NBEIL. EBITDA includes other income and has been adjusted for Forex and MTM (loss)/gain on account of Interest rate swaps (IRS) – Q1FY21: INR 0.3 Mn; Q1FY20: (INR 3 Mn); FY20: INR 66 Mn; FY19: INR 170 Mn.

# Net Revenue and EBITDA excludes discontinued operations (Sugar & Allied Business).

- Plant shutdowns in April 2020 which was followed by a stabilization period in May 2020 impacted the domestic performance. Given the unprecedented scenario this was an unusual quarter for the company. **Had it not been for the Covid-19 induced disruption, the domestic revenues and profitability for the quarter would have significantly higher than reported.**
- Benign raw material prices and operational efficiency continue to aid margins, besides an increase in the O&M Income during the quarter
- The ferro alloys and captive power plants in Telangana & Odisha resumed operations in the first week of May 2020 along with a gradual ramp up in production & sales. Performance and utilization levels improved significantly in June 2020 as the unlocking of economy gained pace. Both the ferro alloys and captive power plants are currently operating at healthy utilization levels



# Q1 FY21 - Consolidated Profit & Loss Statement



Particulars (INR Million) #	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
<b>Total Revenue</b>	<b>5,993</b>	<b>7,680</b>	<b>(22.0%)</b>	<b>27,587</b>	<b>29,460</b>	<b>(6.4%)</b>
Cost of Goods Sold	711	2,410	(70.5%)	7,848	9,580	(18.1%)
<b>Gross Profit</b>	<b>5,282</b>	<b>5,270</b>	<b>0.2%</b>	<b>19,739</b>	<b>19,880</b>	<b>(0.7%)</b>
<b>Gross Margin (%)</b>	<b>88.1%</b>	<b>68.6%</b>	<b>1,951 bps</b>	<b>71.6%</b>	<b>67.5%</b>	<b>407 bps</b>
Manufacturing Expenses	599	643	(6.7%)	2,603	2,295	13.4%
Employee Expenses	396	404	(1.9%)	1,620	1,607	0.8%
Other Operating Expenses	1,460	1,072	36.2%	4,735	2,937	61.2%
Other Income	313	49	543.1%	1,222	893	36.8%
<b>EBITDA</b>	<b>3,140</b>	<b>3,201</b>	<b>(1.9%)</b>	<b>12,003</b>	<b>13,934</b>	<b>(13.9%)</b>
<b>EBITDA Margin (%)</b>	<b>49.8%</b>	<b>41.4%</b>	<b>838 bps</b>	<b>43.5%</b>	<b>47.3%</b>	<b>(379 bps)</b>
<b>Adjusted EBITDA *</b>	<b>3,925</b>	<b>3,738</b>	<b>5.0%</b>	<b>13,703</b>	<b>14,219</b>	<b>(3.6%)</b>
Finance Costs	1,063	799	32.9%	3,188	3,621	(12.0%)
Depreciation and Amortisation expense	764	714	7.1%	2,886	2,763	4.5%
Profit Before Tax	<b>1,313</b>	<b>1,688</b>	<b>-22.2%</b>	5,929	7,550	(21.5%)
Taxes	<b>352</b>	<b>232</b>	<b>52.0%</b>	597	4,181	(85.7%)
Tax Rate (%)	26.8%	13.7%	1310 bps	10.1%	55.4%	-
<b>Profit After Tax</b>	<b>954</b>	<b>1,448</b>	<b>(34.1%)</b>	<b>5,308</b>	<b>3,390</b>	<b>56.6%</b>
<b>PAT Margin (%)</b>	<b>15.1%</b>	<b>18.7%</b>	<b>(360 bps)</b>	<b>19.2%</b>	<b>11.5%</b>	<b>773 bps</b>
<b>Gross Debt</b>	<b>36,551</b>	<b>36,441</b>	<b>0.3%</b>	<b>36,441</b>	<b>36,007</b>	<b>1.2%</b>

**Note:**

- EBITDA includes other income. Adjusted EBITDA has been adjusted for 1) Forex and MTM (loss)/gain on account of Interest rate swaps, 2) Provision for expected credit loss, and 3) Interest income of overdue receivables.
  - Forex and MTM (loss)/gain on IRS** - Q1FY21: (INR 101 Mn); Q1FY20: (INR 444 Mn); FY20: (INR 801 Mn); FY19: (INR 581 Mn)
  - ECL Provision** - Q1FY21: (INR 949 Mn); Q1FY20: (INR 93 Mn); FY20: (INR 1,560 Mn); FY19: (INR 275 Mn)
  - Interest Income on Outstanding Receivables** - Q1FY21: INR 265 Mn; Q1FY20: Nil; FY20: INR 661 Mn; FY19: INR 571 Mn
- # Except Profit After Tax all the other line items exclude discontinued operations (Sugar & Allied Business)

# Q1 FY21 - Domestic Profit & Loss Statement



Particulars (INR Million) #	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
<b>Total Revenue</b>	<b>1,664</b>	<b>4,065</b>	<b>(59.1%)</b>	<b>13,607</b>	<b>15,480</b>	<b>(12.1%)</b>
Cost of Goods Sold	713	2,290	(68.8%)	7,682	8,812	(12.8%)
<b>Gross Profit</b>	<b>950</b>	<b>1,775</b>	<b>(46.4%)</b>	<b>5,925</b>	<b>6,669</b>	<b>(11.5%)</b>
<b>Gross Margin (%)</b>	<b>57.1%</b>	<b>43.7%</b>	<b>1346 bps</b>	<b>43.5%</b>	<b>43.1%</b>	<b>47 bps</b>
Manufacturing Expenses	147	231	(36.5%)	885	883	0.2%
Employee Expenses	226	226	(0.2%)	912	876	4.1%
Other Operating Expenses *	173	421	(58.9%)	1,303	1,423	(8.4%)
<b>EBITDA</b>	<b>405</b>	<b>896</b>	<b>(54.8%)</b>	<b>2,825</b>	<b>3,486</b>	<b>(19.0%)</b>
<b>EBITDA Margin (%)</b>	<b>24.3%</b>	<b>22.1%</b>	<b>229 bps</b>	<b>20.8%</b>	<b>22.5%</b>	<b>(176 bps)</b>
<b>Adjusted EBITDA</b>	<b>405</b>	<b>899</b>	<b>(55.0%)</b>	<b>2,759</b>	<b>3,316</b>	<b>(16.8%)</b>
Finance Costs	64	80	(20.4%)	284	314	(9.7%)
Depreciation and Amortisation expense	155	154	0.3%	622	617	0.8%
Profit Before Tax	186	662	(71.8%)	1,919	2,555	(24.9%)
Taxes	<b>63</b>	<b>246</b>	<b>(74.3%)</b>	<b>670</b>	<b>918</b>	<b>(27.1%)</b>
Tax Rate (%)	33.9%	37.1%	-	34.9%	35.9%	-
<b>Profit After Tax</b>	<b>117</b>	<b>408</b>	<b>(71.4%)</b>	<b>1,225</b>	<b>1,689</b>	<b>(27.5%)</b>
<b>PAT Margin (%)</b>	<b>7.0%</b>	<b>10.0%</b>	<b>(300 bps)</b>	<b>9.0%</b>	<b>10.9%</b>	<b>(190 bps)</b>

**Note:**

- Domestic operations include NBVL and NBEIL financials.
- \* Other expenses include Forex and MTM (loss)/gain on account of Interest rate swaps (IRS) – Q1FY21: INR 0.3 Mn; Q1FY20: (INR 3 Mn); FY20: INR 66 Mn; FY19: INR 170 Mn. Adjusted EBITDA excludes forex & MTM gain / (loss) on IRS
- # Except Profit After Tax all the other line items exclude discontinued operations (Sugar & Allied Business)



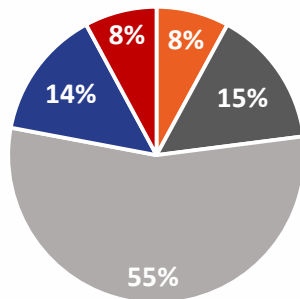
# Q1 FY21 - Segmental Performance Highlights



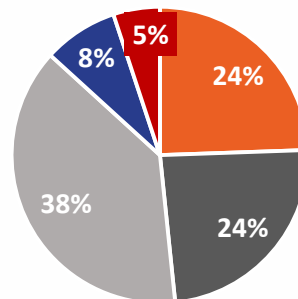
Revenue Breakdown - By Segments (INR Mn)						
Segments	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
India – Power Operations	639	2,348	(72.8%)	7,400	8,243	(10.2%)
Ferro Alloys	1,214	2,296	(47.1%)	8,831	9,696	(8.9%)
Zambia – Power Operations	4,436	3,689	20.2%	14,313	14,654	(2.3%)
Zambia – Mining	1,142	783	45.9%	2,911	2,607	11.7%
Others	635	488	30.0%	1,996	1,850	7.9%
<b>Revenue from Operations</b>	<b>8,066</b>	<b>9,605</b>	<b>(16.0%)</b>	<b>35,450</b>	<b>37,049</b>	<b>(4.3%)</b>
<b>Revenue from Operations (net of inter-segment transactions)</b>	<b>5,993</b>	<b>7,680</b>	<b>(22.0%)</b>	<b>27,587</b>	<b>29,460</b>	<b>(6.4%)</b>

Q1 FY21 - SEGMENT REVENUE SHARE %

Q1 FY21



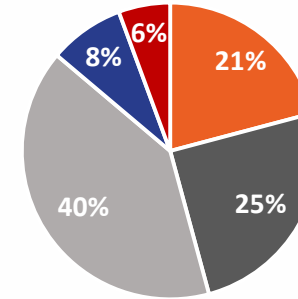
Q1 FY20



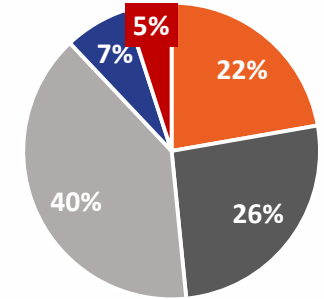
India – Power   Ferro Alloys   Zambia – Power   Mining   Others

FY20 - SEGMENT REVENUE SHARE %

FY20



FY19



India – Power   Ferro Alloys   Zambia – Power   Mining   Others

**Note:** Revenue from operations excludes discontinued operations (Sugar & Allied Business)

# Q1 FY21 - Segmental Performance Highlights

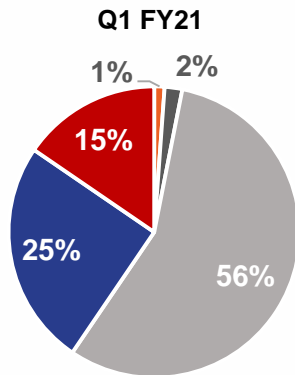


EBITDA Breakdown (INR Mn) - By Segments

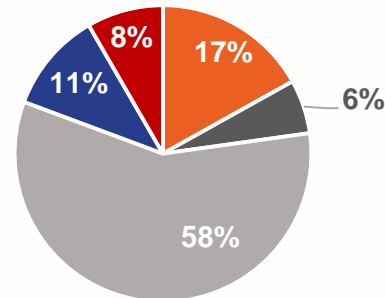
Segments	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
India – Power	38	576	(93.3%)	1,736	2,005	(13.4%)
Ferro Alloys	66	200	(67.1%)	451	728	(38.0%)
Zambia – Power	1,893	1,971	(4.0%)	9,607	9,481	1.3%
Zambia – Mining	841	374	124.8%	1,738	1,261	37.8%
Others	519	284	82.6%	1,449	1,459	(0.7%)
<b>Total EBITDA</b>	<b>3,357</b>	<b>3,405</b>	<b>(1.4%)</b>	<b>14,981</b>	<b>14,934</b>	<b>0.3%</b>
<b>Total EBITDA (net of inter-segment transactions)</b>	<b>3,140</b>	<b>3,201</b>	<b>(1.9%)</b>	<b>12,003</b>	<b>13,934</b>	<b>(13.9%)</b>

	% EBITDA Margin	Q1 FY21	Q1 FY20	FY20	FY19
India - Power		6.0%	24.5%	23.5%	24.3%
Ferro Alloys		5.4%	8.7%	5.1%	7.5%
Zambia - Power		42.7%	53.4%	67.1%	64.7%
Zambia - Mining		73.6%	47.8%	59.7%	48.4%
Others		81.6%	58.1%	72.6%	78.9%

Q1 FY21 - SEGMENT EBITDA SHARE %



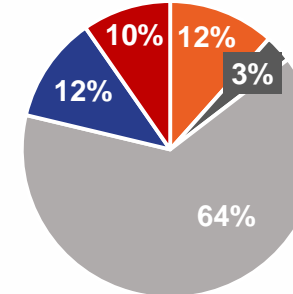
Q1 FY20



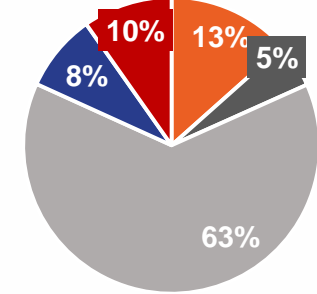
India – Power Ferro Alloys Zambia – Power Mining Others

FY20 - SEGMENT EBITDA SHARE %

FY20



FY19



India – Power Ferro Alloys Zambia – Power Mining Others

## Note:

- EBITDA includes other income and excludes discontinued operations of sugar & allied business.
- Other expenses includes - 1) Forex and MTM (loss)/gain on IRS - Q1FY21: (INR 101 Mn), Q1FY20: (INR 444 Mn), FY20: (INR 801 Mn), FY19: (INR 581 Mn); 2) ECL Provision - Q1FY21: (INR 949 Mn), Q1FY20: (INR 93 Mn), FY20: (INR 1,560 Mn), FY19: (INR 275 Mn)



Key Operating Metrics	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
<b>Total Power Units Sold (in Million Units)</b>	<b>127</b>	<b>485</b>	<b>(74%)</b>	<b>1,535</b>	<b>1,659</b>	<b>(8%)</b>
Merchant Sales	13	316	(96%)	829	972	(15%)
Captive	114	169	(32%)	706	688	3%
* Average PLF (%)	19%	72%	-	56%	60%	-

Key Financial Metrics (INR Millions)	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
<b>Revenue from Operations</b>	<b>639</b>	<b>2,348</b>	<b>(72.8%)</b>	<b>7,400</b>	<b>8,243</b>	<b>(10.2%)</b>
Operating Expenses	601	1,772	(66.1%)	5,663	6,238	(9.2%)
<b>EBITDA</b>	<b>38</b>	<b>576</b>	<b>(93.3%)</b>	<b>1,736</b>	<b>2,005</b>	<b>(13.4%)</b>
<b>EBITDA Margin (%)</b>	<b>6.0%</b>	<b>24.5%</b>	<b>(1,851 bps)</b>	<b>23.5%</b>	<b>24.3%</b>	<b>(86 bps)</b>

- Domestic power division revenues and profitability were adversely impacted by the ferro alloy and power plant shutdowns in April on account of the Covid-19 led lockdown and disruption.
- Furthermore, revenue contribution from sale of merchant power was muted owing to the weak external power demand and non-remunerative rates on power exchanges
  - In the absence of PPA, the 150 MW unit of NBEIL, was particularly hard hit. The company is exploring multiple options to operationalize this asset at the earliest.
- Cost optimization efforts helped in arresting the impact of negative operating leverage to some extent

**Note:**

- NBEIL: Nava Bharat Energy India Ltd; IPP: Independent Power Producer; CPP: Captive Power Plant.
- \* Standalone PLF (%) provided for Operating Capacities of 204 MW

Key Operating Metrics	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
<b><u>Ferro &amp; Silico Manganese</u></b>						
Production (tons)	15,360	24,156	(36.4%)	100,803	105,032	(4.0%)
Sales (tons)	11,673	24,349	(52.1%)	97,998	105,611	(7.2%)
<b><u>Ferro Chrome</u></b>						
Production (tons)	11,339	16,922	(33.0%)	68,657	61,171	12.2%
Sales (tons)	11,339	16,922	(33.0%)	68,657	61,567	11.5%

Key Financial Metrics (INR Millions)	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
Ferro Chrome (Sales)	382	593	(35.6%)	2,117	1,960	8.0%
Ferro & Silico Manganese (Sales)	832	1,703	(51.1%)	6,714	7,735	(13.2%)
<b>Total Revenue</b>	<b>1,214</b>	<b>2,296</b>	<b>(47.1%)</b>	<b>8,831</b>	<b>9,696</b>	<b>(8.9%)</b>
<b>EBITDA</b>	<b>66</b>	<b>200</b>	<b>(67.0%)</b>	<b>451</b>	<b>728</b>	<b>(38.0%)</b>
<b>EBITDA Margin (%)</b>	<b>5.4%</b>	<b>8.7%</b>	<b>(330 bps)</b>	<b>5.1%</b>	<b>7.5%</b>	<b>(240 bps)</b>

- Plant shutdowns in April on account of the pandemic, resulted in significant loss of production and sales in Q1 FY21
- Further, movement of finished goods in the domestic market was subjected to restrictions placed enroute by the local authorities
- Profitability was impacted by the under absorption of fixed costs
- Post the gradual ramp-up of operations beginning in May 2020, both the ferro alloy plants reported a significant performance improvement in June 2020. Currently, both the plants are operating at healthy utilization levels



# Zambia Power Operations - Financial & Operating Metrics



Key Operating Metrics	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
Power Units Sold (in Million Units)	608	531	14.5%	1,781	1,732	2.9%
Average PLF (%)	93%	81%	-	76%	75%	-

Key Financial Metrics	USD Millions						INR Millions					
	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
Revenue from Operations	58.5	53.0	10.2%	201.9	210.0	(3.8%)	4,436	3,689	20.2%	14,313	14,655	(2.3%)
Operating Expenses	33.5	24.7	35.7%	72.9	75.1	(2.9%)	2,543	1,718	48.0%	5,166	5,241	(1.4%)
EBITDA	25.0	28.3	(11.9%)	135.5	135.8	(0.2%)	1,893	1,971	(4.0%)	9,607	9,481	1.3%
EBITDA Margin (%)	42.7%	53.4%	(1,075 bps)	67.1%	64.7%	242 bps	42.7%	53.4%	(1,075 bps)	67.1%	64.7%	242 bps
Adjusted EBITDA *	34.0	29.7	14.5%	148.2	131.6	12.6%	2,577	2,064	24.9%	10,506	9,185	14.4%
Receivables (Gross)	325	211	54%	279	166	68%	24,580	14,555	69%	21,067	11,460	84%
Debt	387	415	(7%)	387	415	(7%)	29,244	28,634	2%	29,182	29,329	(1%)

## Note:

- \* Adjusted EBITDA has been adjusted for Provision for expected credit loss, and interest income of outstanding receivables –
  - ECL Provision - Q1FY21: (INR 949 Mn); Q1FY20: (INR 93 Mn); FY20: (INR 1,560 Mn); FY19: (INR 275 Mn)
  - Interest Income on Outstanding Receivables - Q1FY21: INR 265 Mn; Q1FY20: Nil; FY20: INR 661 Mn; FY19: INR 571 Mn

- Q1 FY21 Revenues grew by 20% YoY to INR 4,436 Mn driven by 1) higher plant availability (93% in Q1 FY21 vs. 81% in Q1 FY20) and 2) rupee depreciation against USD
- Adjusted EBITDA grew by 25% YoY to INR 2,577 Mn in Q1 FY21 (INR 2,064 Mn in Q1 FY20) led by the healthy growth in topline (refer to the note above for the details on Adj. EBITDA computation)
- Debt stood stable on a QoQ basis at INR 29,244 Mn. MCL could not pay the half yearly debt service that fell due in March 2020, however the interest has been paid. It has approached the lenders for a stand-still arrangement and their decision is awaited.
- Furthermore, MCL has chalked out a multi-pronged action plan to set right the cash flow mismatch arising out of payment shortfalls by ZESCO. This involves enforcement of certain dispute resolution rights under the PPA, prospective adjustment of power tariff and simultaneous restructuring of debt of USD 413 Mn.

# Zambia Coal Mining - Financial & Operating Metrics



Key Operating Metrics	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
Coal Sales to outsiders (In MTPA)	85,095	67,787	25.5%	241,016	233,754	3.1%

Key Financial Metrics	USD Millions						INR Millions					
	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)	Q1 FY21	Q1 FY20	YoY (%)	FY20	FY19	YoY (%)
Revenue from Operations	15.1	11.3	33.8%	41.1	37.3	10.0%	1,142	783	45.9%	2,911	2,607	11.7%
Operating Expenses	4.0	5.9	(32.4%)	17.6	19.2	(8.6%)	301	409	(26.3%)	1,246	1,342	(7.2%)
EBITDA *	11.1	5.4	106.1%	24.5	18.1	35.7%	841	374	124.8%	1,738	1,261	37.8%
<b>EBITDA Margin (%)</b>	<b>73.6%</b>	<b>47.8%</b>	<b>2,583 bps</b>	<b>59.7%</b>	<b>48.4%</b>	<b>1,132 bps</b>	<b>73.6%</b>	<b>47.8%</b>	<b>2,583 bps</b>	<b>59.7%</b>	<b>48.4%</b>	<b>1,132 bps</b>
<b>Receivables</b>	<b>1.8</b>	<b>2.9</b>	<b>(37%)</b>	<b>0.3</b>	<b>1.6</b>	<b>(80%)</b>	<b>139</b>	<b>201</b>	<b>(31%)</b>	<b>24</b>	<b>113</b>	<b>(79%)</b>
<b>Debt</b>	<b>25.8</b>	<b>27.6</b>	<b>(7%)</b>	<b>25.8</b>	<b>27.4</b>	<b>(6%)</b>	<b>1,945</b>	<b>1,905</b>	<b>2%</b>	<b>1,945</b>	<b>1,895</b>	<b>3%</b>

**Note:** \* EBITDA includes a forex gain/(loss) – FY20 INR 72 Mn, and FY19: (INR 4 Mn)

- In Q1 FY21, the Mining business delivered a robust all-round performance backed by strong top-line growth and improved margins
  - Robust growth in Mining revenues (+46% YoY) was driven by higher merchant coal shipments (+26% YoY), better realizations and depreciation of the rupee against the dollar. External coal sales demand improved given the pent-up demand after the power outages experienced during the period from October – March 2020
  - Q1 FY21 EBITDA more than doubled on a YoY basis to INR 841 Mn as the mining operations benefited from positive operating leverage
- Mining segment continues to provide consistent cash flow (no receivables overdue)
- Focus remains on significantly ramping up the external sale of coal to 40,000 tons per month in next 15-18 months



Company Overview

## Leading Business Group

- Diversified organization with interests in power generation, O&M services, ferro alloys, coal mining, sugar and health care
- Operates in different geographies spanning across India, South-east Asia and Africa

## Strong Financial Performance

- **Reported Healthy 3-Year in Revenue and Profitability**
  - **Revenue:** INR 27,587 Mn (3-Yr CAGR: 26%)
  - **EBITDA:** INR 12,003 Mn (3-Yr CAGR: 55%)
  - **PAT:** INR 5,308 Mn (3-Yr CAGR: 79%)
- **Low Gearing:** Debt to Equity Ratio of 0.8x (FY20)

## Power

- **India –**
  - 5 power plants with installed capacity of 434 MW spread across Telangana, Odisha and Andhra Pradesh.
  - Strategically located thermal power plants in proximity to coal mines
- **Zambia –**
  - Operates Zambia's only integrated thermal power plant with installed capacity of 300 MW
  - Facilitates brown field expansion to 600 MW
- Signed PPA for more than 70% power output available for sale



**NAVA BHARAT**

## Ferro Alloys

- Leading manufacturer & exporter of Manganese and Chromium Alloys
  - Manganese Alloys – 125,000 TPA
  - Chromium Alloys – 75,000 TPA
- Leverages upon captive power and long term tie up for Manganese Ore
- Tie-up with Tata Steel for ferro chrome conversion

## Healthcare

- Focus on Iron Deficiency, for life-style improvement
- Low Capex, Asset Light Business Model offering good growth potential
- Has exclusive distribution rights for “Monofer” in Malaysia & Singapore
- Could enable pursuit of similar opportunities from leading drug makers

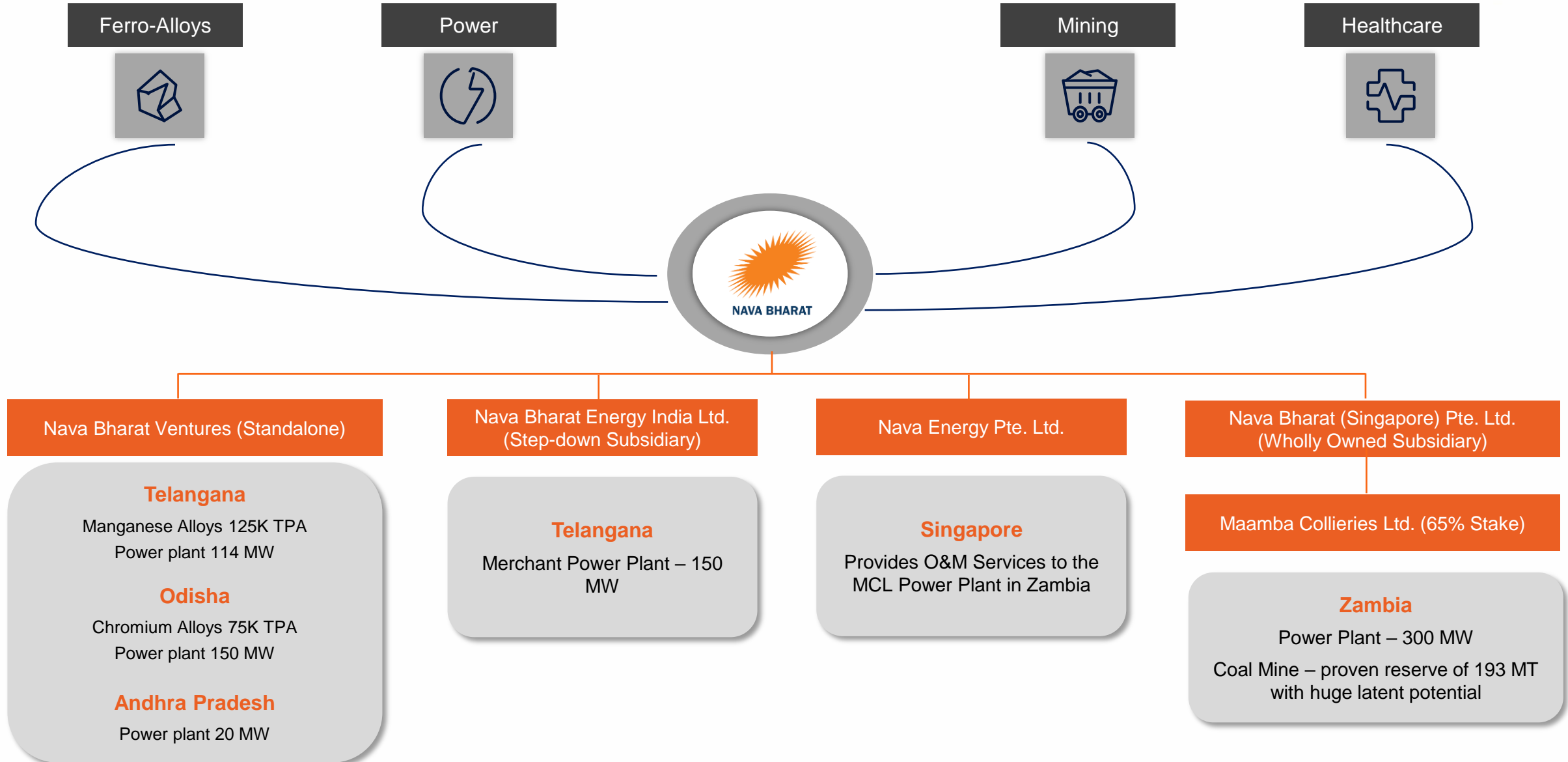
## Coal Mining

- Operates Zambia's largest coal mine - Supplies high-grade coal to industrial consumers in Zambia
  - Customers include marquee clients like Lafarge, Dangote and others
  - SAMREC accredited coal reserves of 193 Million Tons in active mining area (18% of the concession area)

**Note:** Sugar & Allied Business including a sugar Processing Plant of 4,000 TCD, and Power Plant of 9 MW in Andhra Pradesh, has been classified as Discontinued Operations

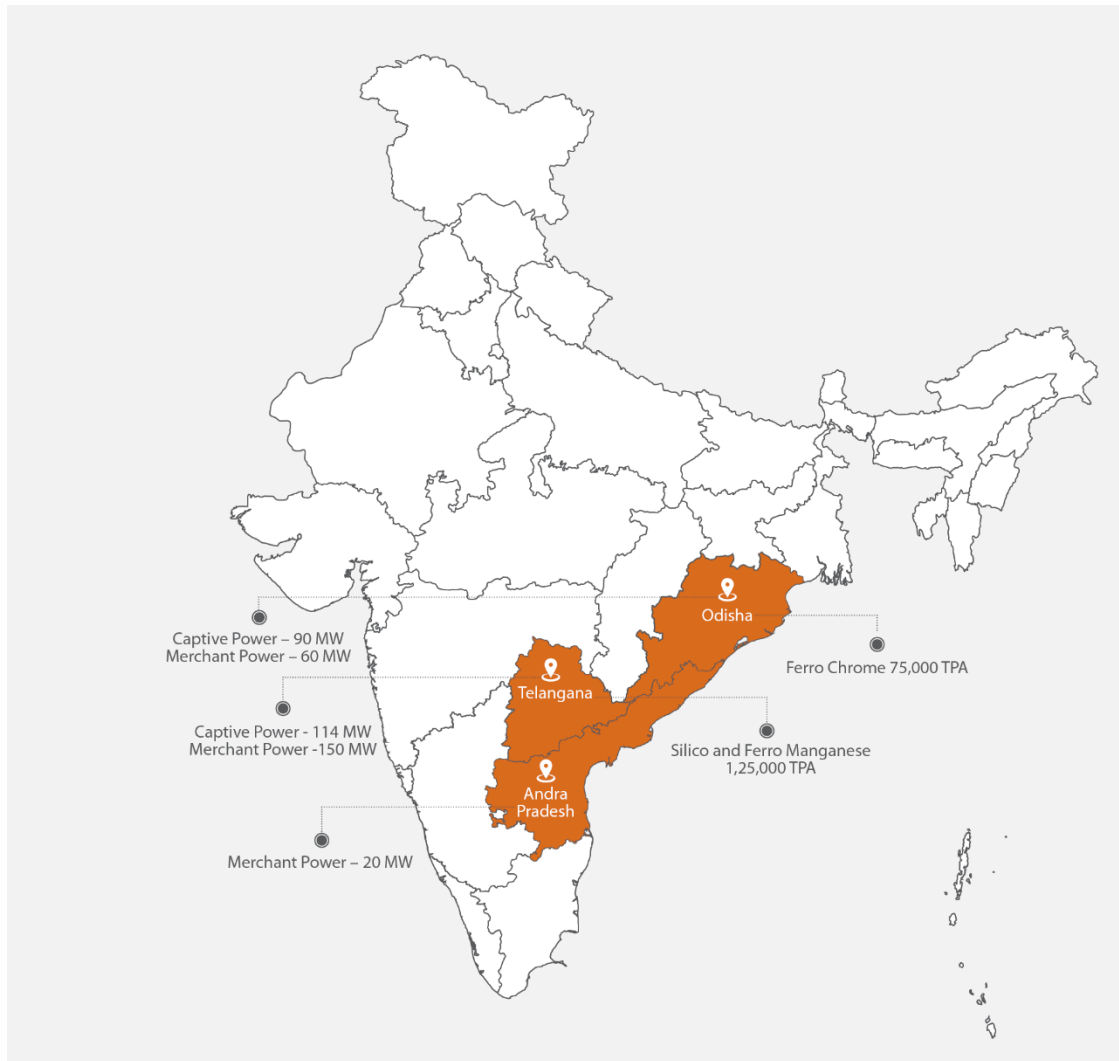


# Company Structure

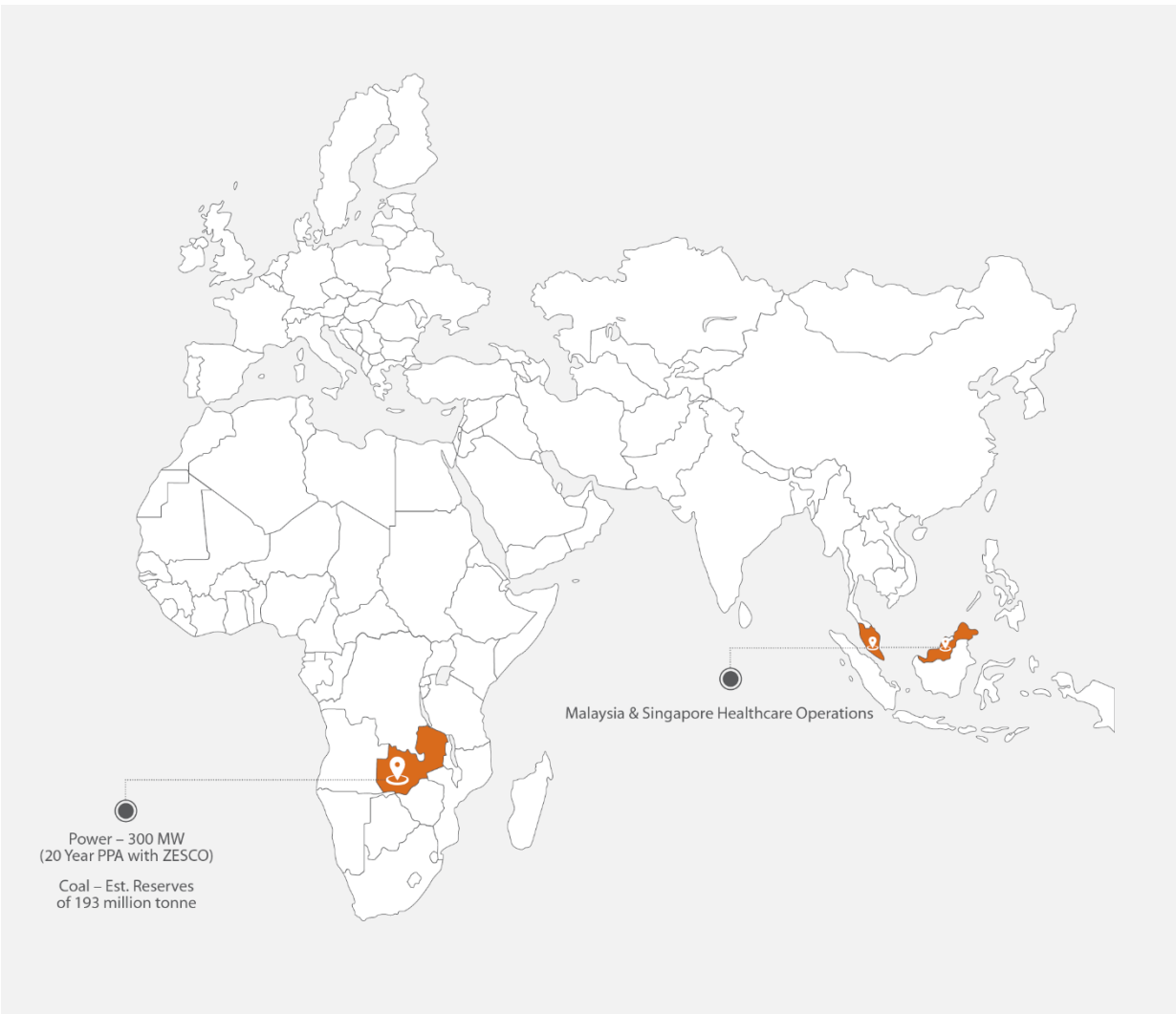


**Note:** Sugar & Allied Business including a sugar Processing Plant of 4,000 TCD, and Power Plant of 9 MW in Andhra Pradesh, has been classified as Discontinued Operations

## Domestic Operations – Facilities Chart on India Map

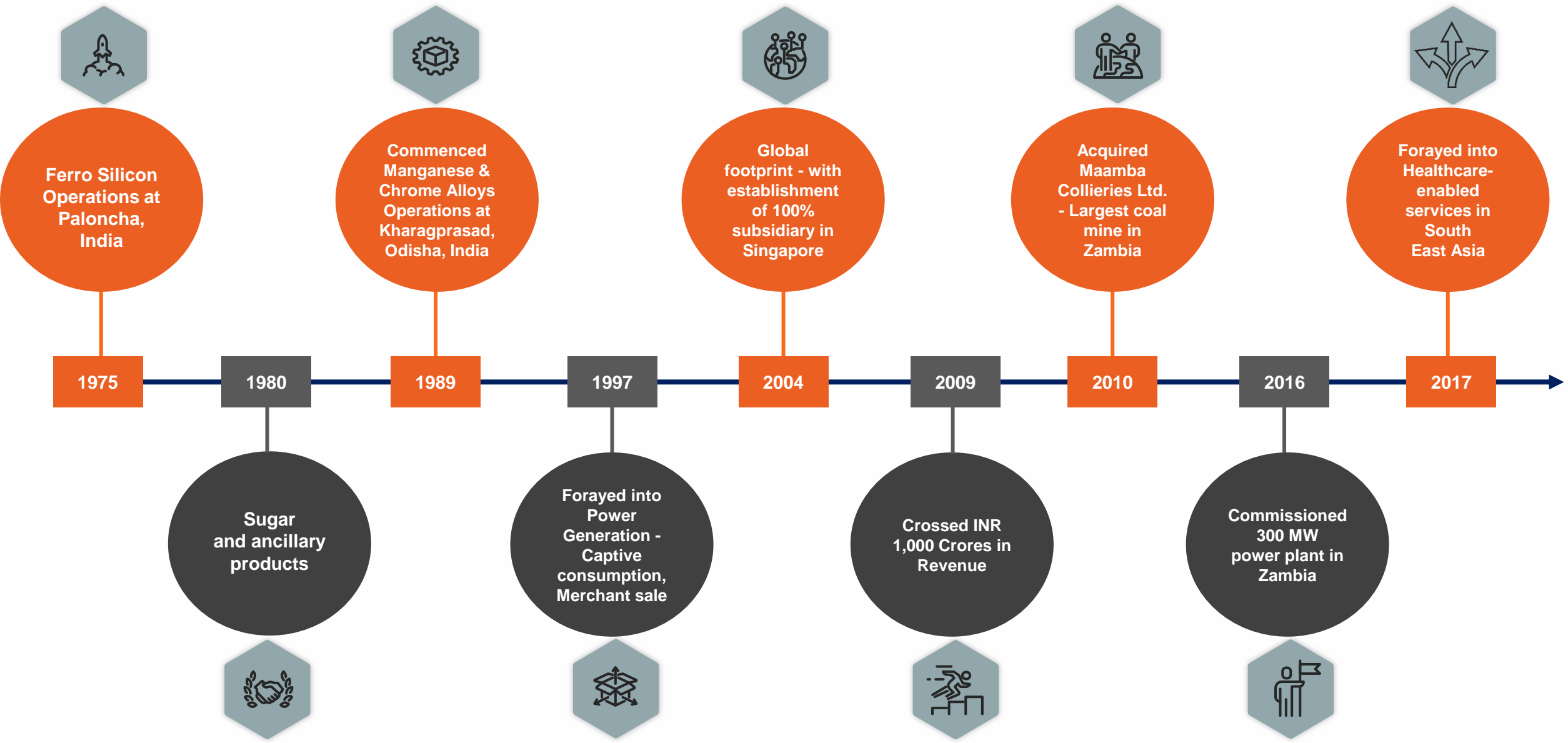


## Global Operations – Facilities Chart on Global Map



**Note:** Sugar & Allied Business including a sugar Processing Plant of 4,000 TCD, and Power Plant of 9 MW in Andhra Pradesh, has been classified as Discontinued Operations

# Key Milestones in 40+ Years



## Mr. D Ashok, Chairman

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- MBA from USA with 36 years experience in all facets of project management, manufacturing and strategy.
- Oversaw the growth of the Company into a diversified business conglomerate.

## Mr. P Trivikrama Prasad, MD

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- MBA from USA with 36 years experience in sugar industry, corporate planning and financial management.
- Responsible for funding of the group's projects through optimal mix of equity & debt.

## Mr. D Ashwin, CEO

---

- An Engineering Graduate from USA with 10+ years experience in business development.
- Oversees Nava Bharat's regular operations with a focus on developing and managing international businesses in Asia and Africa

## Mr. GRK Prasad, Executive Director

---

- CA, CS with 37 years experience in Finance & Accounts, Internal control, taxation and corporate laws.
- An expert in project financing, M&A areas; looks after investor relations of the group.

## Mr. C V Durga Prasad, Director BD

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- A Graduate in Commerce with 45 years of industrial experience in ferro alloys industry.
- Responsible for marketing & sourcing of ferro alloys, raw materials etc.

## Mr. Sultan Baig, CFO

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- CA with 20 years experience in Corporate Finance, Fund raising, Treasury management, Accounting & Taxation in India and overseas .
- Heads overall Finance function of Nava Bharat Group.

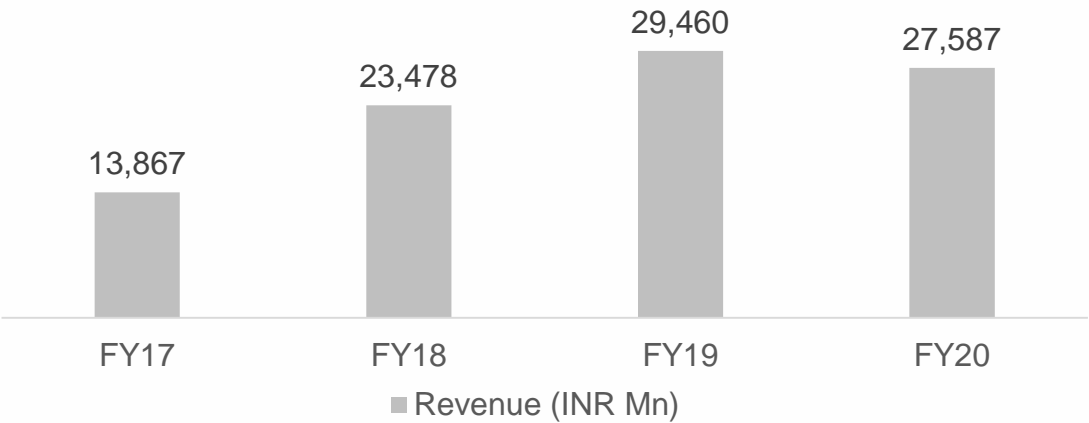


# Analyzing Yearly Financials - Consolidated Operations



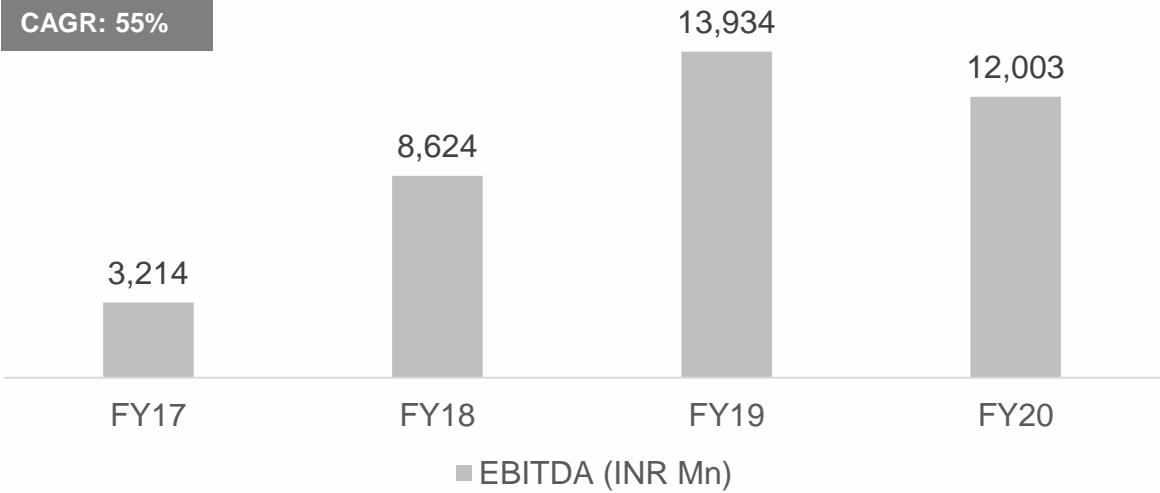
## Revenue

CAGR: 26%



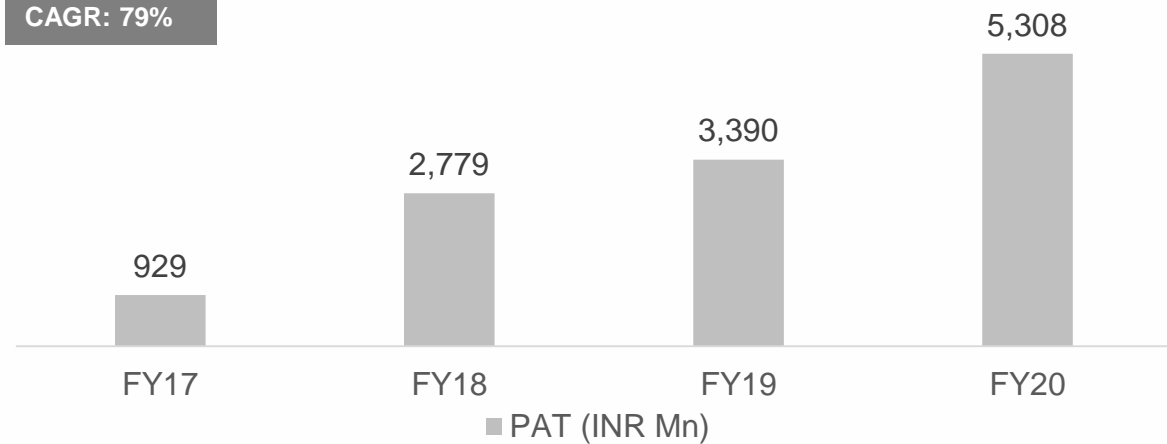
## EBITDA

CAGR: 55%

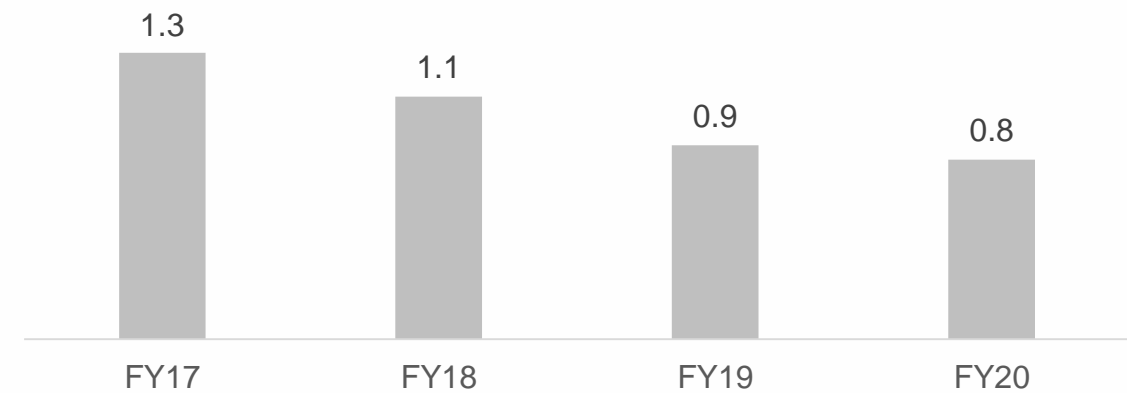


## PAT

CAGR: 79%

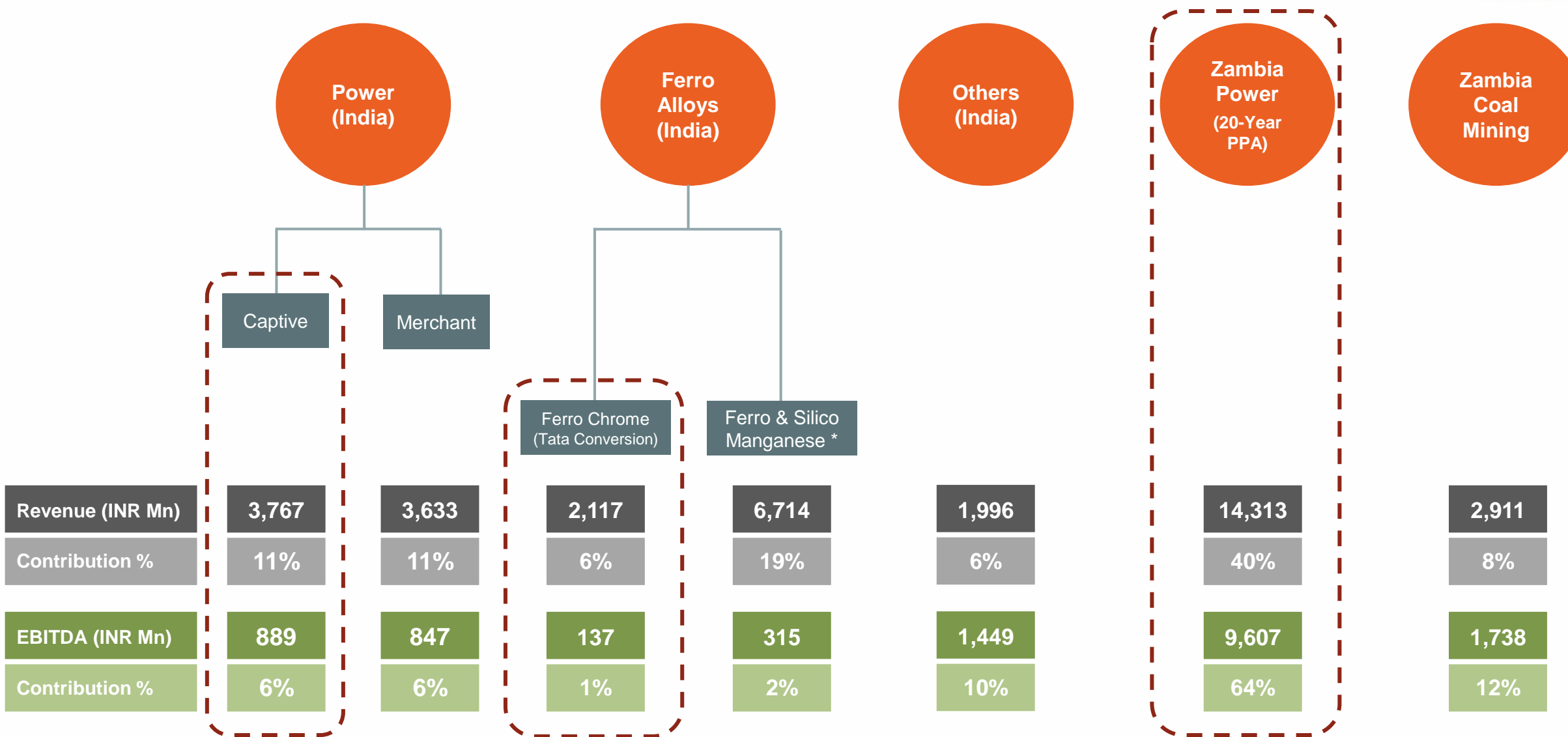


## Debt Equity Ratio



*Note: EBITDA includes other income*

# 55%+ of Total Revenue & EBITDA is Largely Non-cyclical



**Note:**

- These figures pertain to FY 2020. EBITDA refers to Gross EBITDA (before any inter-segment transactions) and is inclusive of other income
- Others segment includes Power O&M Services, Interest income on loans given to subsidiary companies and interest income & dividends on the investments made etc.
- \* Includes sales of others also in the ferro alloys segment

# Key Strengths: Recurring Revenue & Captive Resources



## Business

## Strengths

## Benefits

**Ferro Alloys:**  
Manganese Alloys & Ferro Chrome

- i) CPP 204 MW
- ii) Conversion Agreement with TATA Steel for Ferro Chrome
- iii) Import tie up for bulk of the Manganese ore

- i) **Substantial cost savings**
- ii) **Steady revenue** from TATA steel conversion arrangement, **stable margins**

**India Power:**  
Standalone and NBEIL

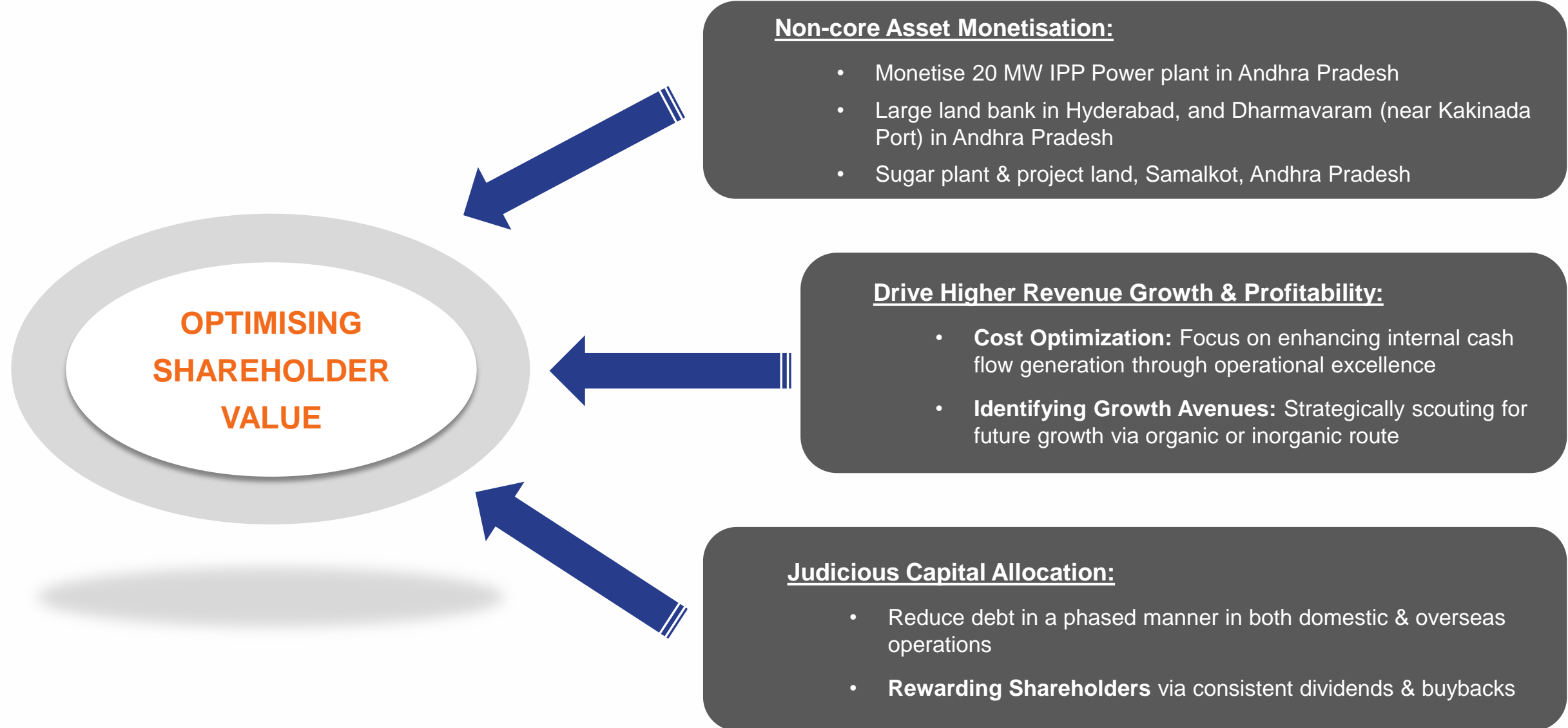
- i) **Steady off-take** from Ferro Alloy plants
- ii) All power plants are **located very nearby** to fuel sources
- iii) FBC technology Boilers

- i) Assured offtake leads to **better plant utilization** – Captive power operations generate 51% of the Power Revenue and 54% of EBIDTA
- ii) 150 MW - using **washery coal rejects & slurry** to the maximum extent as feedstock
- iii) Back end technical support for O&M division earning attendant revenues

**Zambia Power & Mining:**  
Mamba Collieries Ltd (MCL)

- i) **Long term PPA for 20 years** including the “**Take or pay**” option
- ii) Captive coal resources

- i) Availability based tariff revenue of USD 20 Mn per month
- ii) Healthy EBITDA margin comparable to peers in the African region
- iii) Third party coal sales supplementing power revenues







## DISCUSSING OUR BUSINESS SEGMENTS



**Indian Ferro  
Alloys**



**Indian Power**



**Healthcare**



**Zambia Power**



**Zambia Mining**







NAVA BHARAT

## Indian Power Business



# Indian Power Assets: Ideal Mix of CPP & IPP



Power plants with capacity of 443MW are spread across over the states of Telangana, Odisha & Andhra Pradesh



## Standalone Operations



## Wholly Owned Subsidiary - NBEIL



Location	Paloncha, Telangana	Kharagprasad, Odisha	Andhra Pradesh
Capacity	114 MW (1 x 50MW, 2 x 32MW)	150 MW (1 x 30 MW, 2 x 60MW)	20 MW (1 x 20MW, 1 x 9 MW)
Type of Plant	CPP	CPP – 90 MW IPP – 60 MW	IPP
Fuel	Coal	Coal	Coal & Bagasse
Source Mix	Linkage	Linkage	Captive
<b>FY20 Financials</b> - Revenue: INR 5,046 Mn, EBIDTA: INR 1,269 Mn, PLF: 64% *			

Paloncha, Telangana
150 MW (1 x 150MW)
IPP
Coal
E-auction
<b>FY20 Financials</b> - Revenue: INR 2,482 Mn, EBIDTA: INR 467 Mn, PLF : 46%

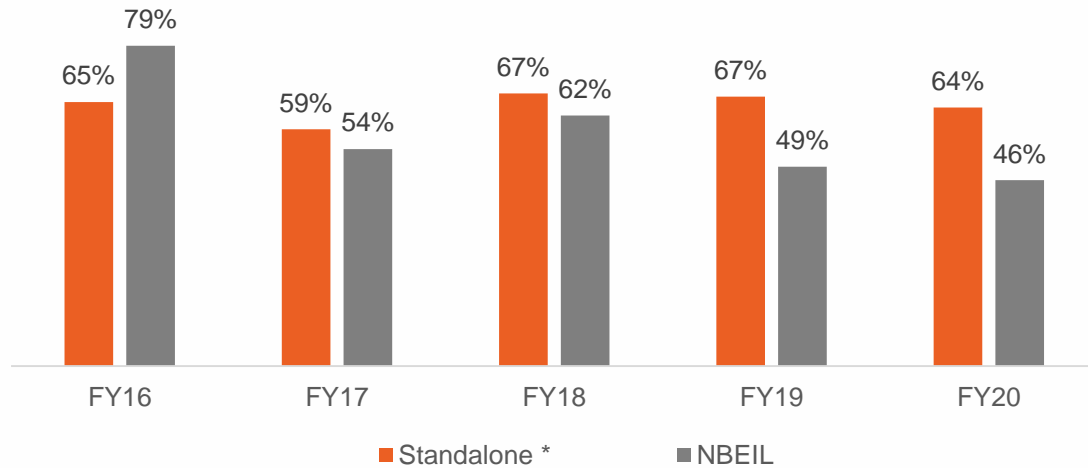
Mix of CPP and IPP gives diversity in Revenue mix. CPP generates stable income whereas IPP gives flexibility to capture spot IEX prices

- Note:**
- NBEIL: Nava Bharat Energy India Ltd; IPP: Independent Power Producer; CPP: Captive Power Plant.
  - \* Standalone PLF (%) provided for Operating Capacities of 204 MW

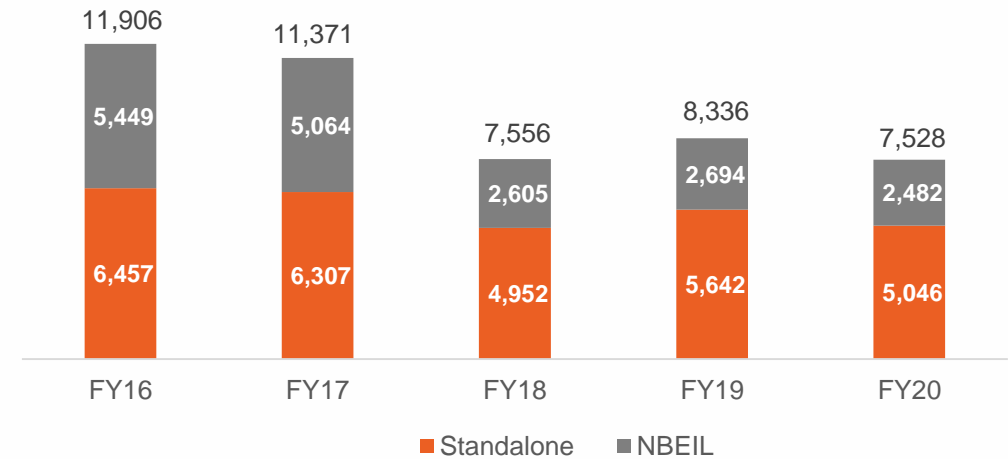
# CPP provides stability to earnings in Indian Power Business



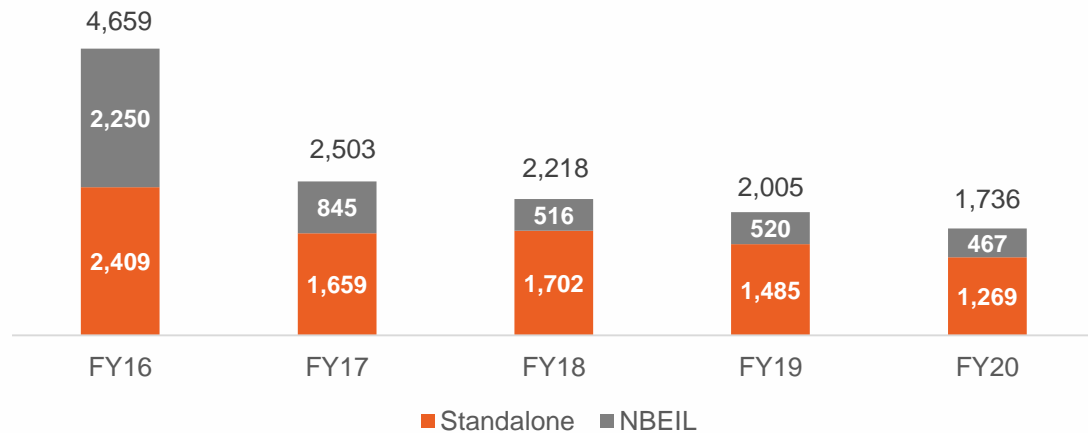
## PLF



## India Power Revenue (INR Mn)



## EBIDTA (INR Mn)



- Standalone Operations have installed capacity of 284 MW of which ~204 MW is used for captive consumption in Ferro alloys
- Operation of 60 MW IPP in Odisha is dependent upon resolution of legal dispute and dynamics of IEX rates
- NBEIL (150 MW) is an IPP plant which operates on short to medium term PPA
- In FY20, CPP units generated 51% of Revenue and 54% of EBIDTA of Indian Power Business.
- **Thus, CPP remains the stable income generator for the company's Indian operations, while IPP provides an opportunity to play on market dynamics.**
- Proximity to coal mines and FBC technology enables higher utilization of waste grade coal leading to lower cost and improved profitability.

**Note:**

- NBEIL: Nava Bharat Energy India Ltd; IPP: Independent Power Producer; CPP: Captive Power Plant.
- \* Standalone PLF (%) provided for Operating Capacities of 204 MW





NAVA BHARAT

## Ferro Alloys



Ferro Alloys business has been one of the key drivers of growth



Location	Paloncha, Telangana	Kharagprasad, Odisha
Products	Silico Manganese, Ferro Manganese	Ferro Chrome
Capacity	1,25,000 TPA	75,000 TPA
Raw Material	Manganese Ore	Chrome Ore
Raw Material Sourcing	Imported, Domestic	For Own- Domestic TATA Conversion- From TATA Steel
Power	Captive – 114 MW CPP	Captive – 90 MW CPP
User Industry	Carbon Steel	Stainless Steel
Cyclicalty	<b>Medium:</b> Manganese Alloys sales is subject to volatility in International prices. Company exports 40-50% of its production thereby Mn alloys sales is cyclical in nature.	<b>LOW:</b> Company produces Ferro Chrome under conversion agreement with TATA Steel. Thereby its operations are steady and insulated from FeCr prices

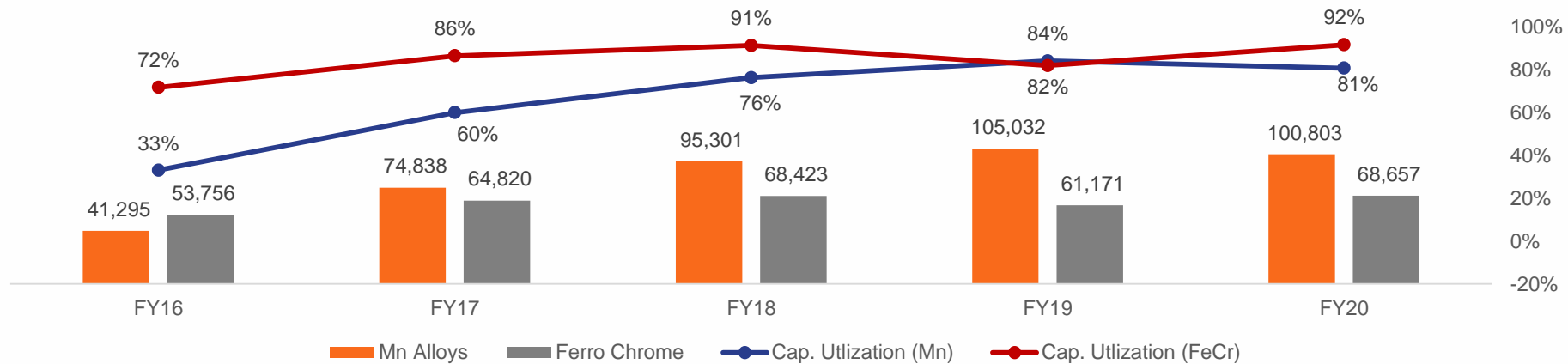
## Ferro Alloys in Brief...

- Company's Ferro Alloys capacities are supported by captive power giving them inherent advantage over competitors.
- Company has contracted with Tata Steel for making ferro chrome on a fixed margin basis which insulates its margins from volatility and assures regular Cash Flows.
  - Revenue from Ferro chrome conversion has increased at CAGR of 34% from INR 496 Mn in FY15 to INR 2,117 Mn in FY20**
  - Subsequently its share in Ferro Alloys revenue has increased from 7% in FY15 to 24% in FY20, ultimately resulting into consistency in Revenue**
- Exports ~40% of the Manganese Alloys, more so to East Asian, South East Asian & Middle East Countries. Enduring client relationships in India as well as in international markets.
- Current Capacity Utilization above 80% at both these plants is considered above par as per industry standard

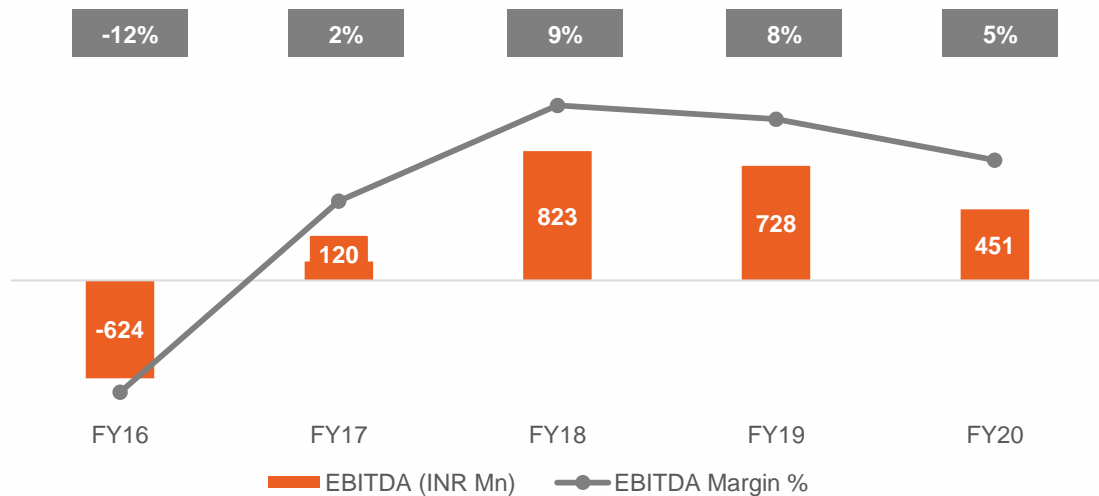
# Ferro Alloys - Key Financial & Operating Metrics



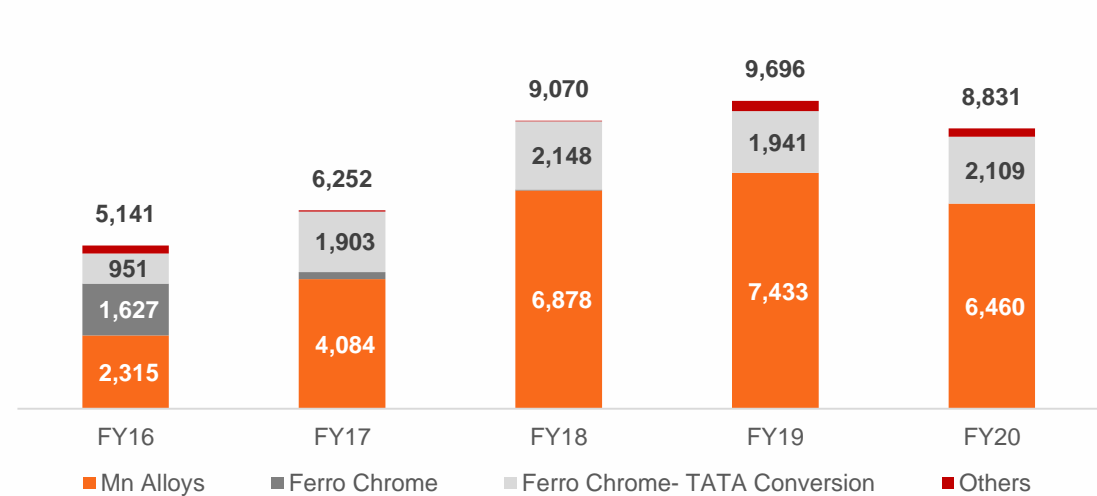
## Production (tons) & Capacity Utilization (%)



## EBITDA (INR Mn)



## Ferro Alloys Revenue (INR Mn)



Note: Mn: Manganese Alloys; FeCr: Ferro Chrome



NAVA BHARAT

Healthcare



We have forayed into healthcare-enabled services with initial focus in Singapore and Malaysia

## Key Highlights

- Asset-light model - Services covering diagnosis, drug procurement to administration.
- Acquired 65% stake in TIA SH Pte Ltd. that provided entry to healthcare enabled services.
- Focus on iron deficiency in Singapore and Malaysia
  - Launched “The Iron Suites” clinic in Singapore to concentrate on the diagnosis and treatment of iron deficiency.
  - Signed exclusive distribution agreement with a global MNC for selling iron drug in Malaysia and Singapore.
  - Sales of iron drug in Malaysia are on track







NAVA BHARAT

**Operation & Maintenance**

NBVL's Subsidiary "*Nava Energy Pte Ltd*" Provides Operations and Maintenance Related Services for MCL's Power Plant in Zambia. This Generates a Stable Cash Flow Stream which is being repatriated to India

- NBVL's wholly-owned subsidiary "***Nava Energy Pte Ltd***" provides contract operations and maintenance services to the Maamba Collieries Limited power plant in Zambia
- Billing is denominated in USD
- The contract includes an annual escalation clause which is linked to US Producers Price Index
- This segment generates steady cash flows, a part of which are repatriated to India for back end technical support
- O&M Operations generated a Revenue of INR ~1,140 Mn (~USD 16 Mn) in FY2020





NAVA BHARAT

**Zambia Power**





**Maamba Collieries Limited (NBVL's 65% Subsidiary) is the only Thermal Power Producer in Zambia Making it an Indispensable Asset Given Zambia's Power Deficit Status and Excessive Dependence on Hydropower**

## **Mamba Collieries Limited – Zambia Power Plant Overview**

- Operates **Zambia's only integrated thermal power plant**
- Total installed capacity of 300 MW - represents about 10% of Zambia's total installed power generation capacity
- Became operational in FY 2018. Since then, successfully ramped-up utilization
- **Key focus is on De-leveraging** – At present, outstanding debt stands at USD 413 Mn
  - Successfully repaid ~USD 177 Mn (6 semi-annual installments of ~USD 29.5 Mn) since 2017. MCL will continue to repay its debt as per schedule becoming debt-free by 2026
  - This will lead to a steady reduction in interest costs from USD 47 Mn in FY20
- There are no further capital infusions or equity infusions required from the parent company

## **Why is MCL's Thermal Power Plant Vital for Zambia ?**

- Zambia is a power-deficit country mainly dependent on hydropower for meeting its energy needs (85% of the power needs met via hydropower)
- Further, hydel power production can be quite erratic due to either acute water shortage or excessive rainfall.
- In case of drought or erratic weather conditions, MCL's thermal power plant acts as a consistent and stable energy source allowing mining and manufacturing companies to continue functioning seamlessly
- This makes it an indispensable asset for Zambia, given that it plays a pivotal role in driving the country's economic activity & earning valuable foreign exchange



## **Key Features :**

- **Installed Capacity:** 300 MW; **PLF:** 76% (FY 2020)
- **Fuel:** Captive coal (Huge estimated reserves of 193 MT assure fuel security)
- **PPA:** 20 years with state utility (ZESCO), backed by Sovereign Guarantee. The agreement also includes the **"Take or Pay" clause**
- **Generation Tariff:** 0.101 USD / per unit and **transmission tariff : 0.011 USD /per unit based on plant availability**

## **Key Financials Metrics FY2020 (USD Mn) :**

- **Revenue:** 202 Mn; **EBITDA:** 136 Mn; **PBT:** 35 Mn
- Healthy EBITDA and PBT Margins; comparable to peers in African region

# Zambia Power - Financial & Operating Metrics



Key Operating Metrics	FY18	FY19	FY20
Power Units Sold (in Million Units)	958	1,732	1,781
Availability (%)	69.4%	87.0%	76.6%
Average PLF (%)	62.1%	74.6%	76.3%
Realisation per unit (USD)	0.11	0.12	0.11

Currency	USD (In Millions)				INR (In Millions)			
Key Financial Metrics	FY18	FY19	FY20	CAGR (%)	FY18	FY19	FY20	CAGR (%)
Revenue from Operations	104	210	202	39%	7,036	14,655	14,313	43%
Operating Expenses	29	75	73	59%	1,948	5,241	5,166	63%
EBITDA	75	136	136	35%	5,088	9,481	9,607	37%
EBITDA Margin (%)	72.3%	64.7%	67.1%	-	72.3%	64.7%	67.1%	-
Receivables (Gross)	80	166	279	-	5,240	11,460	21,067	-
Debt	470	415	387	-	30,600	29,329	29,182	-

**Note:** \* EBITDA includes a forex gain/(loss) – Q4 FY20: INR 459 Mn, FY19: INR 68 Mn





## Zambia Coal Mining



# Zambia Coal Mining - Effectively Complements Power Business



Maamba Collieries Limited (NBVL's 65% Subsidiary) Operates the Largest Coal Mine in Zambia – Supplying High-Grade Coal to Industrial Customers like Lafarge, Dangote and others. Majority of the Billing is in USD, and we realize the amounts within stipulated credit period

## Mamba Collieries Limited – Zambia Coal Mining Operations Overview

- **Operates Zambia's largest coal mine** – supplying thermal grade coal to MCL's Power Plant and high-grade coal to industrial consumers in the country
  - Supplies coal to marquee clients including Lafarge, Dangote and others
- **Large Reserves:** 193 MT SAMREC-compliant coal in active mining area
- **State of art unit:** Contemporary equipment for coal washing, handling and processing
- Majority billing is in **USD or equivalent** - **thereby mitigating forex risk** to a large extent. We also realize the amount due within the stipulated credit period.
  - Hence, this segment **provides consistent cash flow** (no receivables overdue)
- **Focus on Growth:** Plans to significantly ramp-up its external sale of coal to 40,000 tons per month in the next 18 months, versus 20,000 tons per month run-rate at present



Key Operating Metrics	FY17	FY18	FY19	FY20	CAGR (%)
Coal Sales to outsiders (Metric Tons Per Annum)	276,486	326,612	233,754	241,016	(4%)

Currency	USD (In Millions)					INR (In Millions)				
Key Financial Metrics	FY17	FY18	FY19	FY20	CAGR (%)	FY17	FY18	FY19	FY20	CAGR (%)
Revenue from Operations	20	30	37	41	27%	1,295	2,033	2,607	2,911	31%
Operating Expenses	9	26	19	18	26%	609	1,796	1,342	1,246	27%
EBITDA *	11	4	18	25	31%	686	237	1,261	1,738	36%
EBITDA Margin (%)	53.1%	11.6%	48.4%	59.7%	-	53.1%	11.6%	48.4%	59.7%	-
Debt	-	32	27	26	-	-	2,074	1,895	1,945	-

**Note:** \* EBITDA includes a forex gain/(loss) - Q4 FY20: INR 72 Mn, FY19: (INR 4 Mn)



**THANK YOU**



NAVA BHARAT

**VSN Raju**

Vice President & Company Secretary

Nava Bharat Ventures Ltd

Tel : + 91 40 2340 3501

Email : vsnraju@nbv.in

**DICKENSON**

**Mandar Kapse / Chintan Mehta**

Dickenson World

Tel : + 91 9867550004 / +91 9892183389

Email : nava.bharat@dickensonworld.com