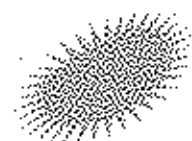


# NAVA BHARAT VENTURES LIMITED



Investor Presentation



# Contents

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Nava Bharat Group at a glance

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Financials

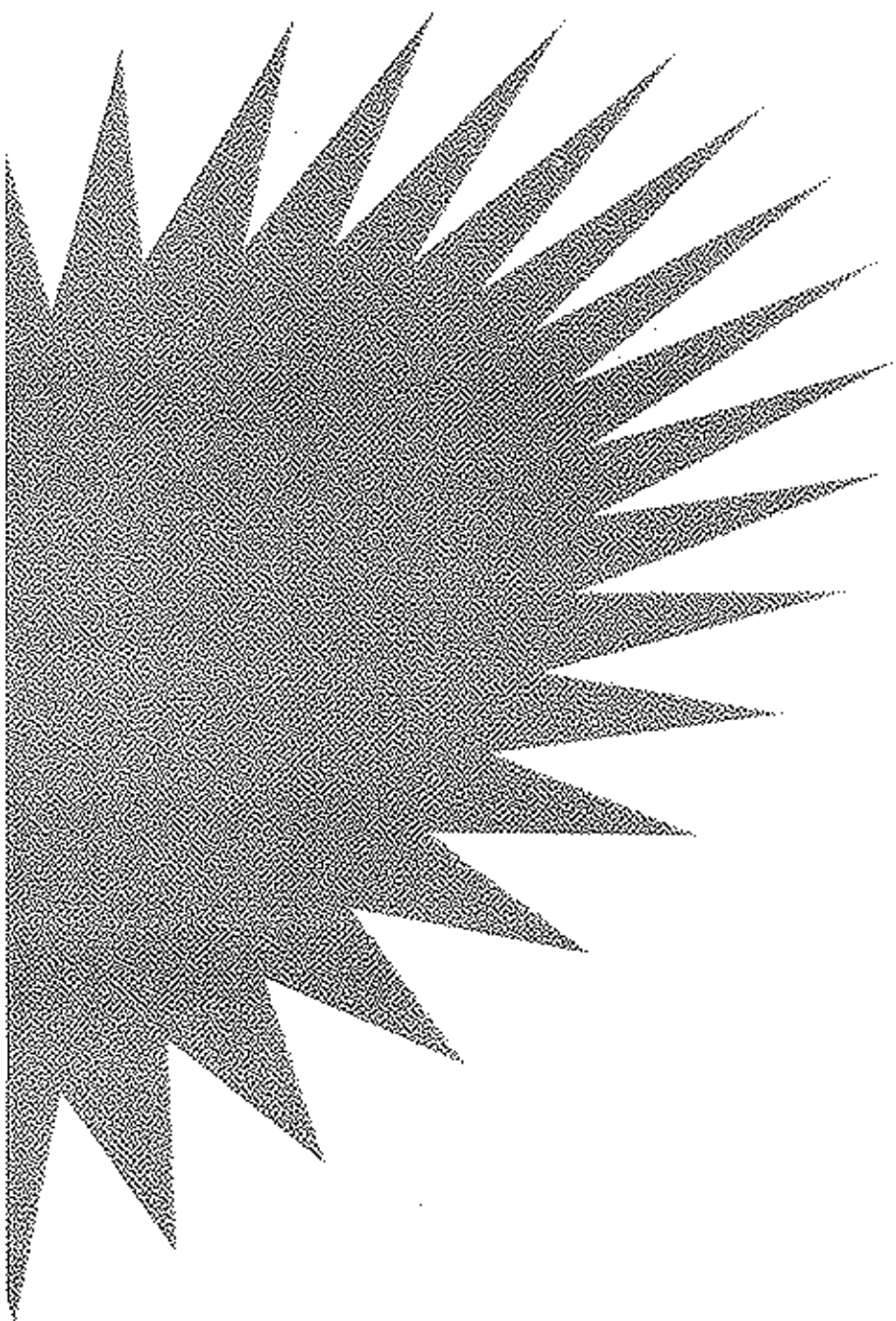
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Power business – the key growth driver

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International foray



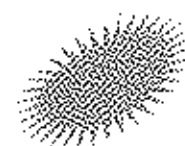


## Nava Bharat Group -Value proposition



# Mission Statement

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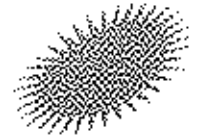
We will provide innovative and cost-effective solutions for value addition and sustainable local growth

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



# Nava Bharat Group

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- 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 11.52 Bn) top line for FY 2015

US\$ 23 Mn (Rs 1.42 Bn) bottom line for FY 2015

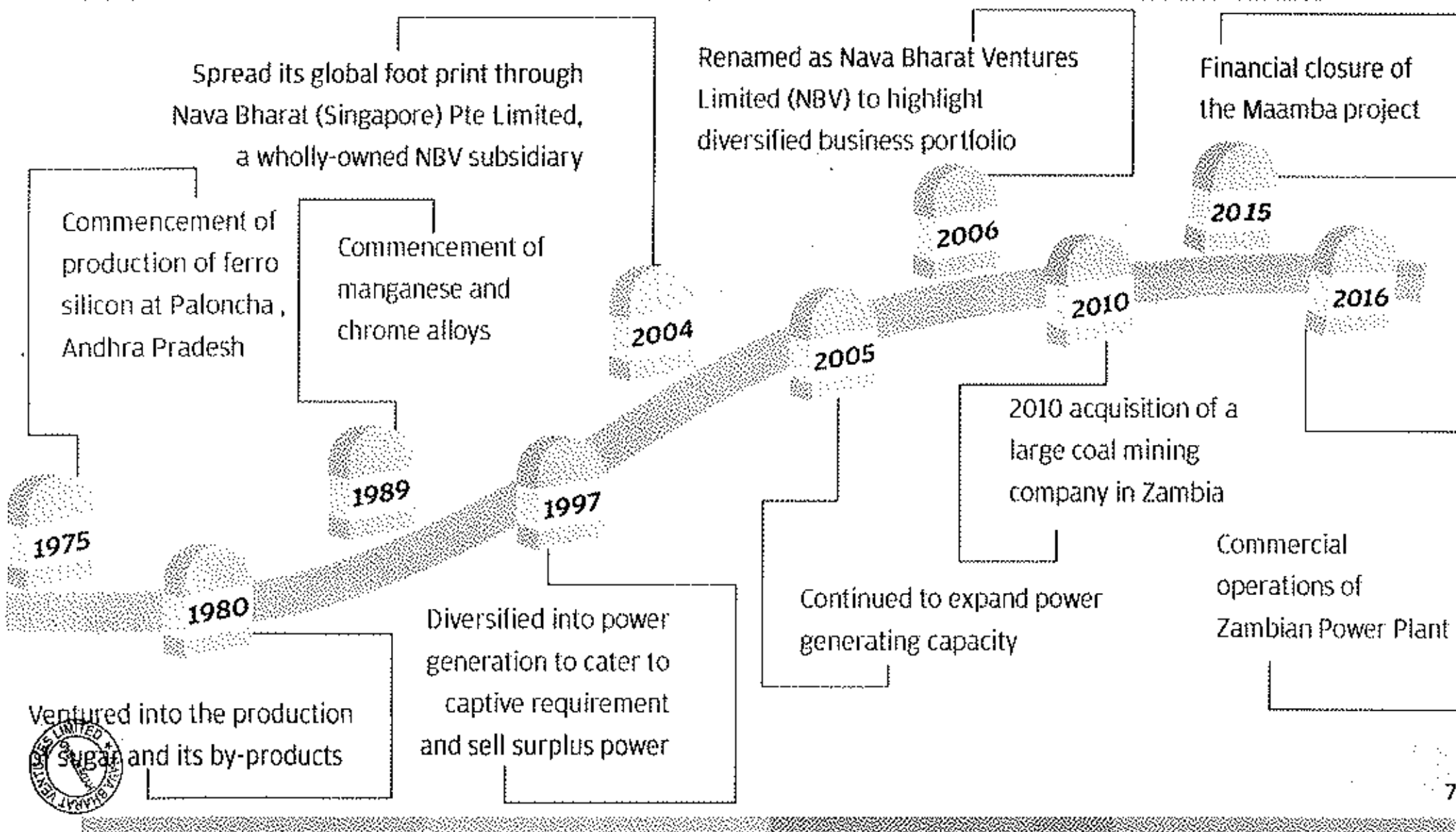
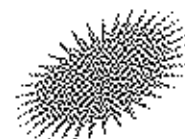
US\$ 255 Mn (Rs 15.96 Bn) market capitalization (as on 31/03/2015)



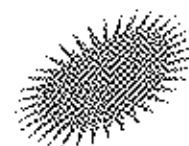
\*For FY 2015 numbers conversion rate is Rs/USD= 62.495



# 40 years of excellence



# Group strengths

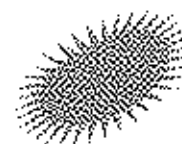


- Diversified revenue streams
- Strong Design, Engineering, Project Execution and O& M skills for process and power plants
- Energy efficient plants
- Distributed power assets to exploit the usage of low grade coal and washery rejects
- Environmentally responsible corporate citizen and strong believer 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 VENTURES LIMITED

Domestic  
(India)

International  
(Africa\* and South East Asia\*\*)

Power

Ferro Alloys

Projects

Trading

Infrastructure & others

Sugar

Power

Mining

Agri

Hydro

Thermal

Coal

Mineral Ores



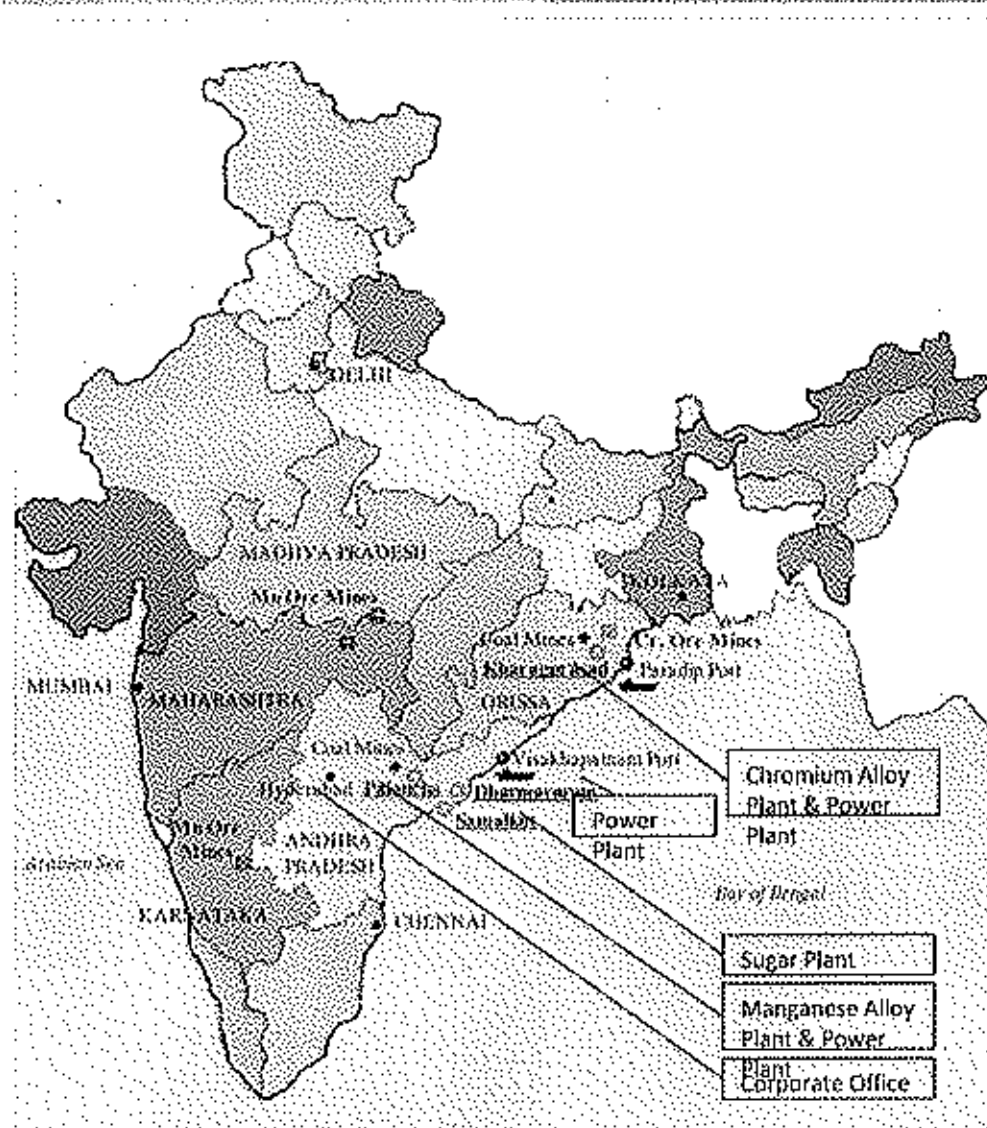
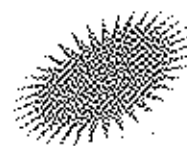
\*Zambia

\*\*Laos

Presently there are no initiatives under infrastructure or mineral ores

# Indian presence

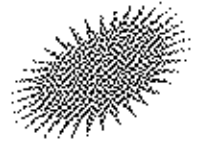
## Unit locations

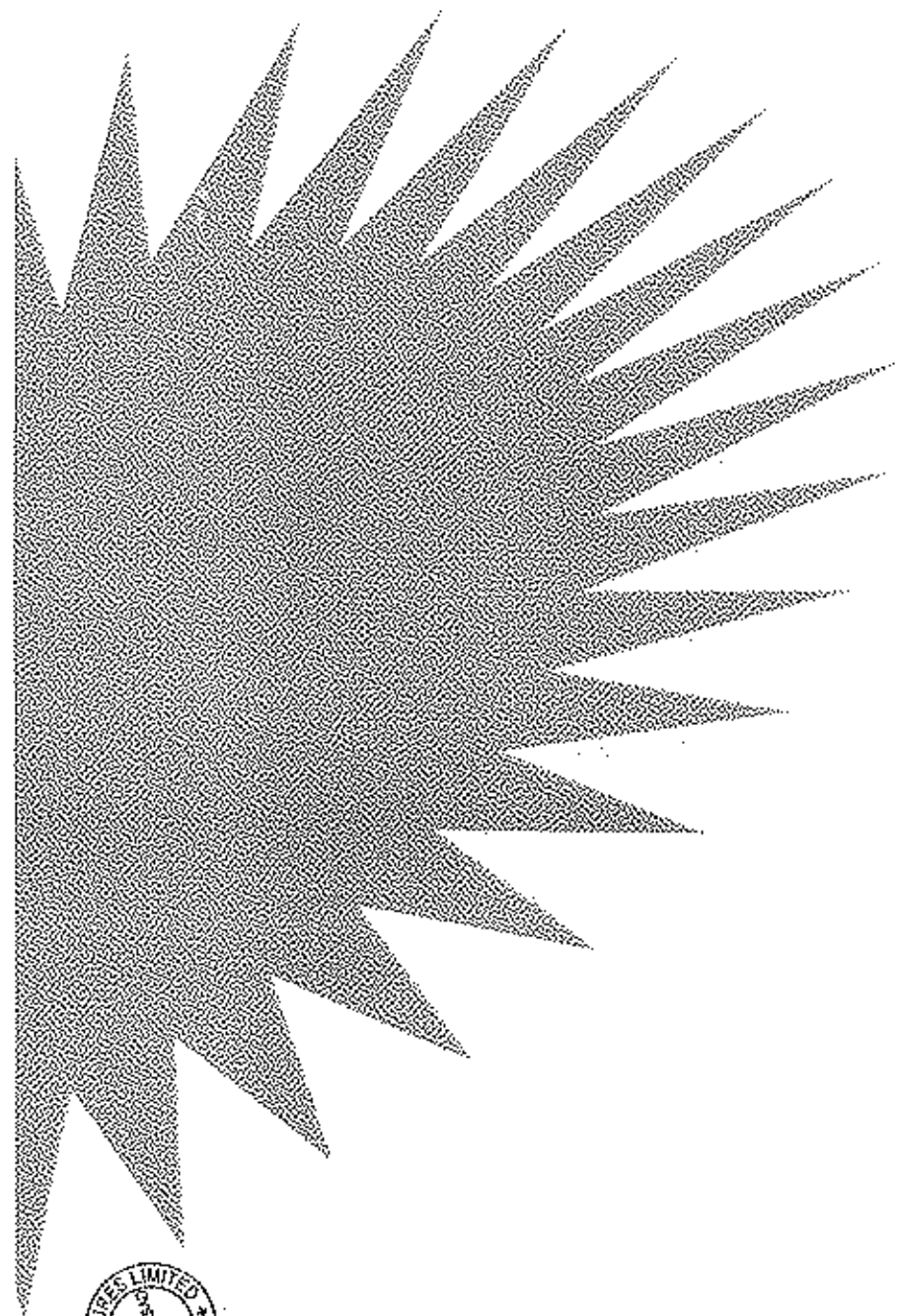


# International footprints

## Unit locations

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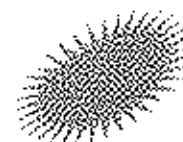


## Financials

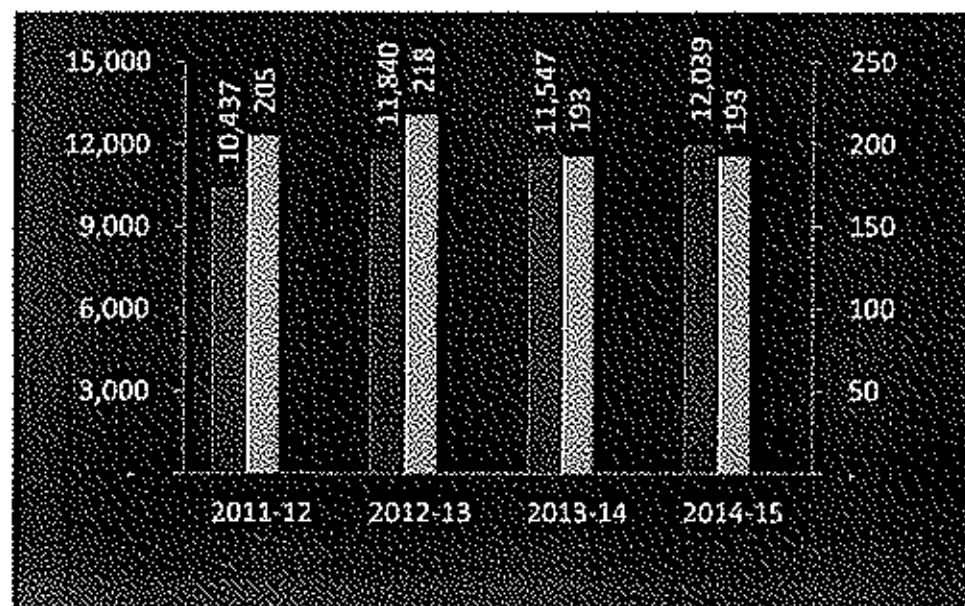




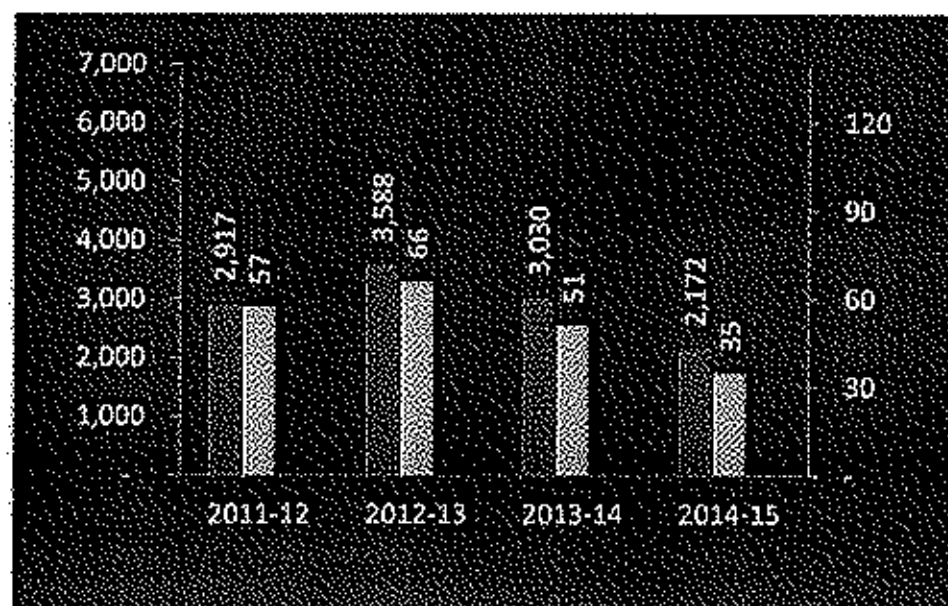
# Year-on-year performance



## Revenue



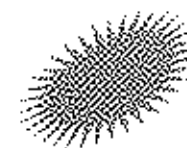
## EBIDTA



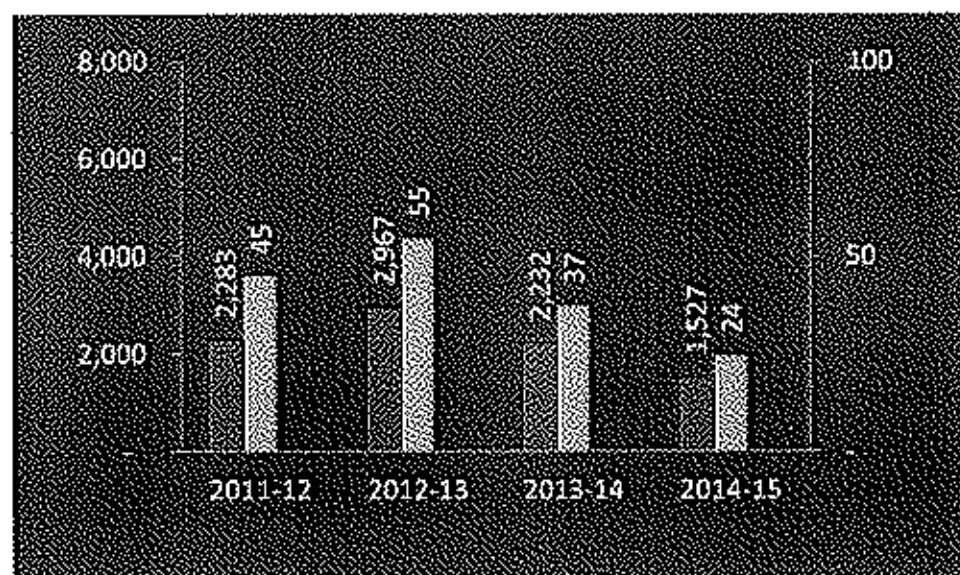
Rs. Mn

USD Mn

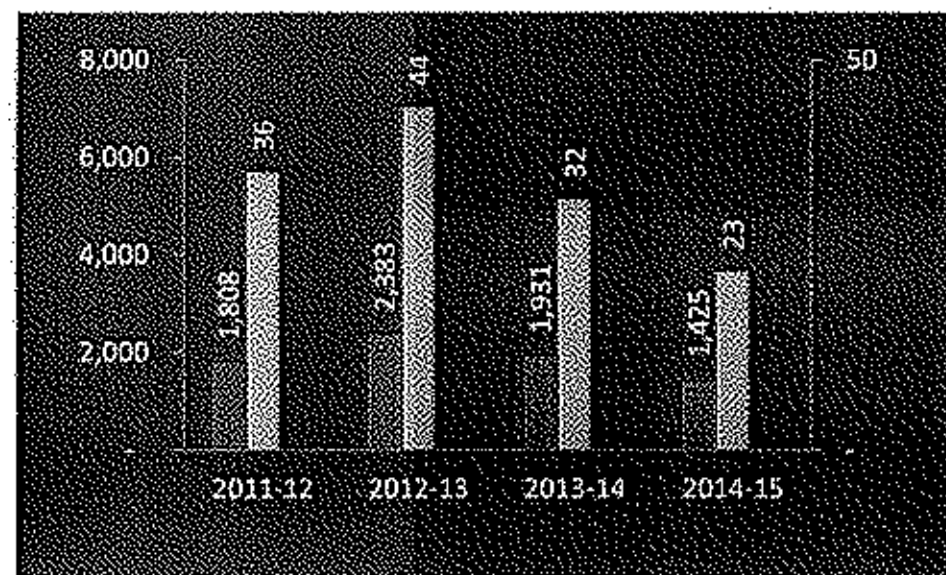
## Year-on-year performance (contd.)



PBT



PAT



Rs. Mn  
USD Mn

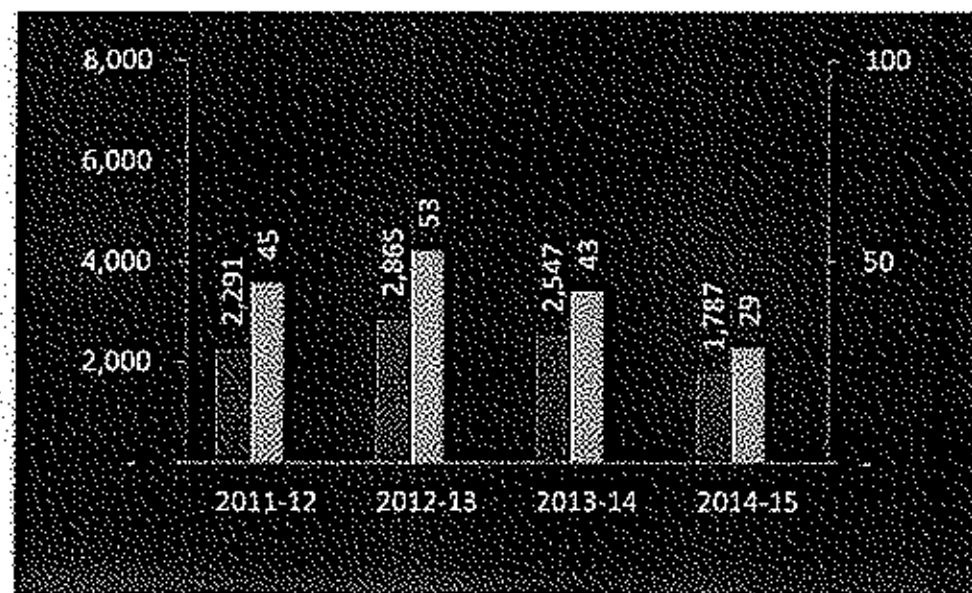




## Year-on-year performance (contd.)



### Net cash accruals

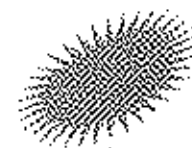


Rs. Mn

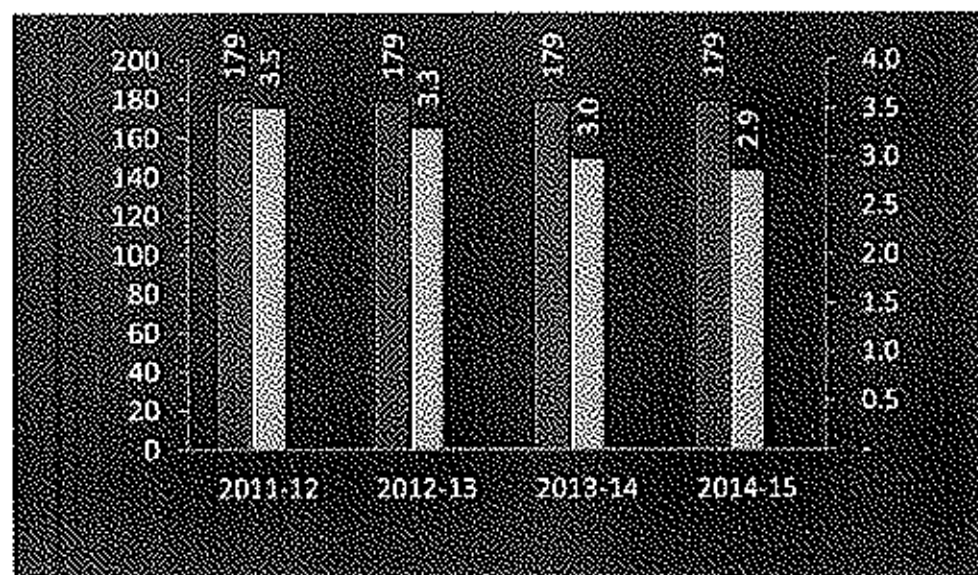
USD Mn



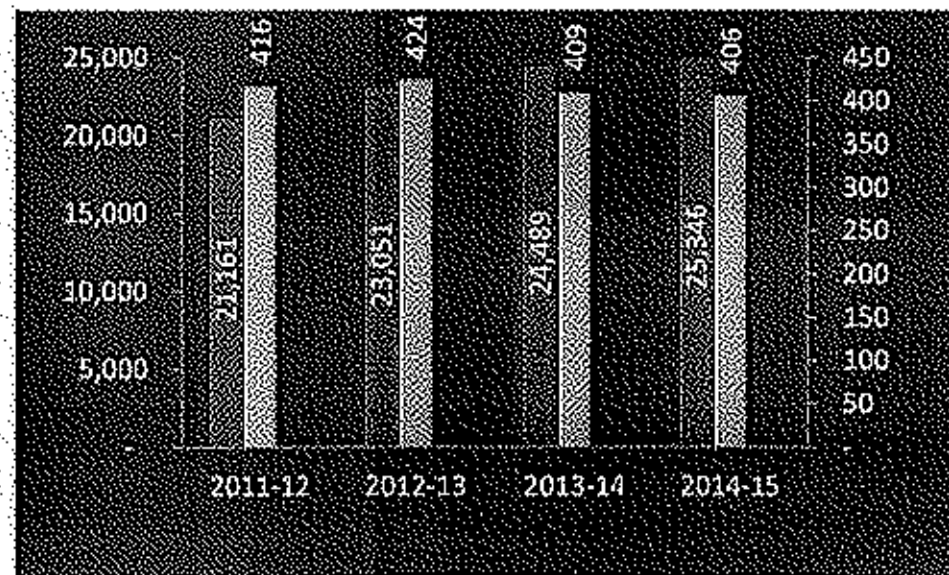
## Year-on-year performance (contd.)



Share capital



Net worth



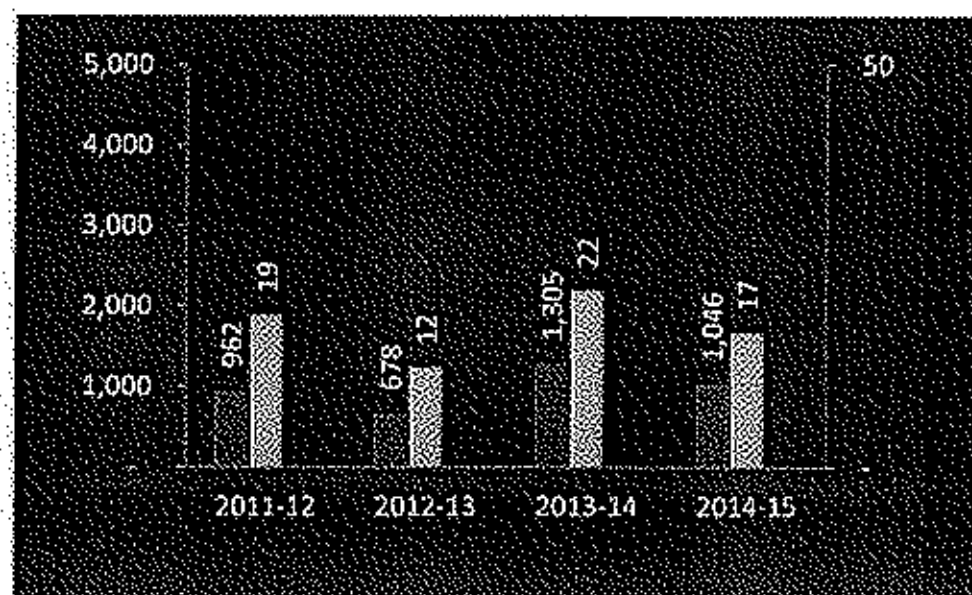
Rs. Mn  
USD Mn



## Year-on-year performance (contd.)



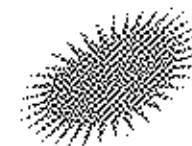
Total debt



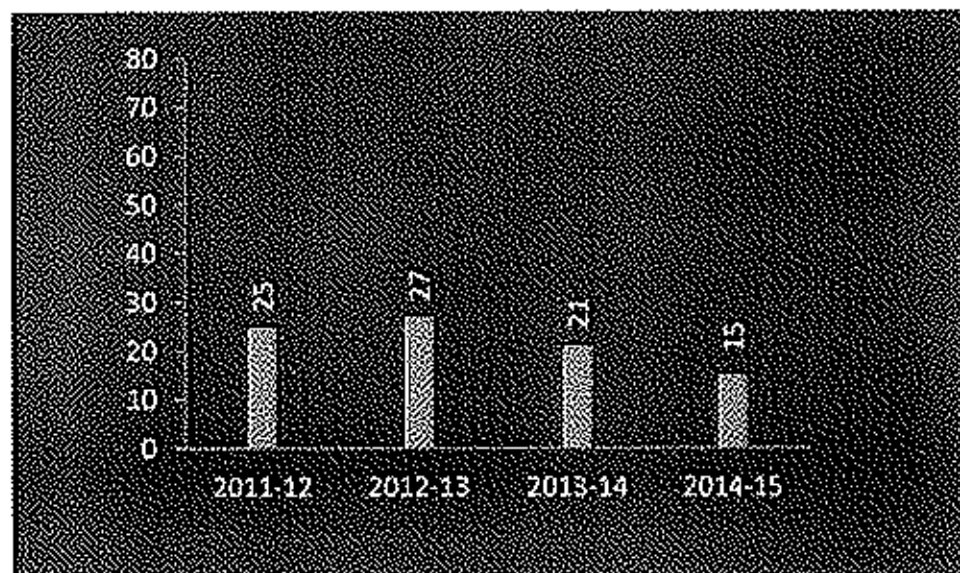
Rs. Mn

USD Mn

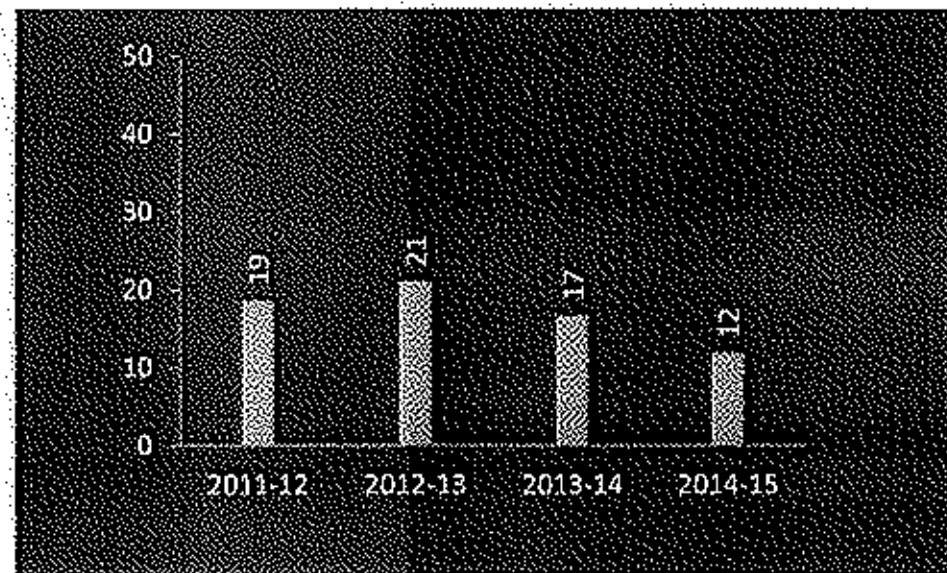
# Margins



Operating margins (%)

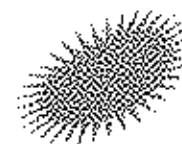


Net profit margins (%)

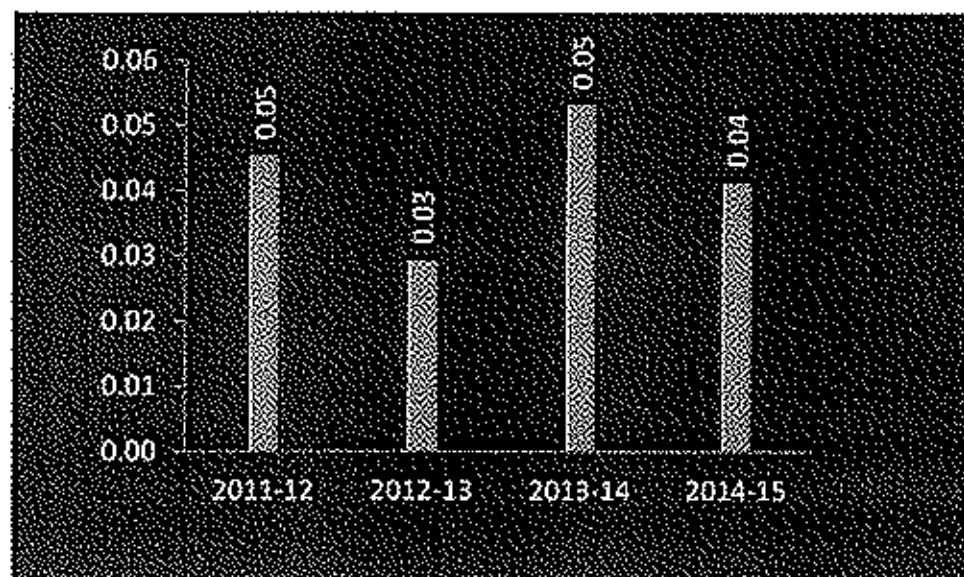




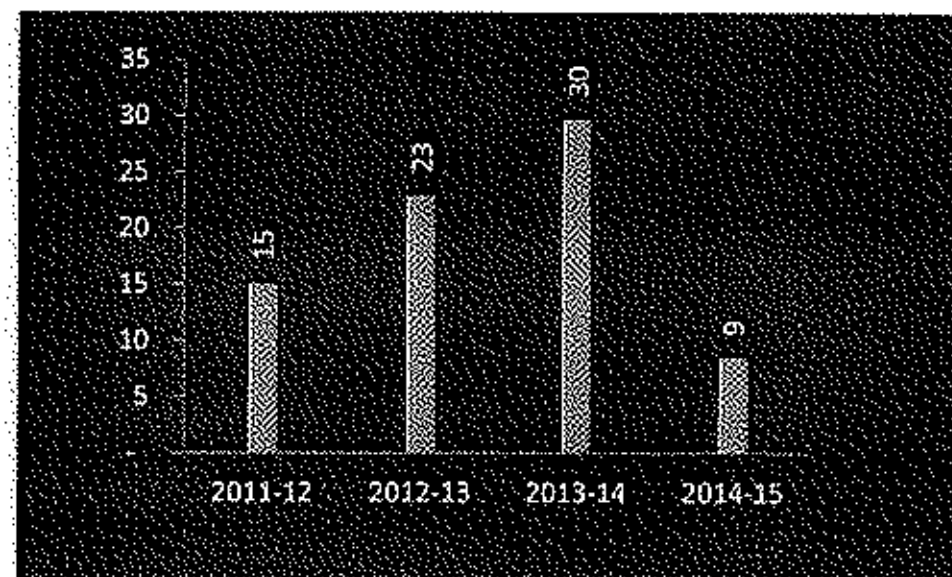
# Low leverage and Strong coverage



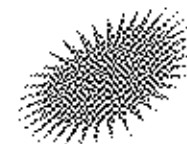
Debt-equity



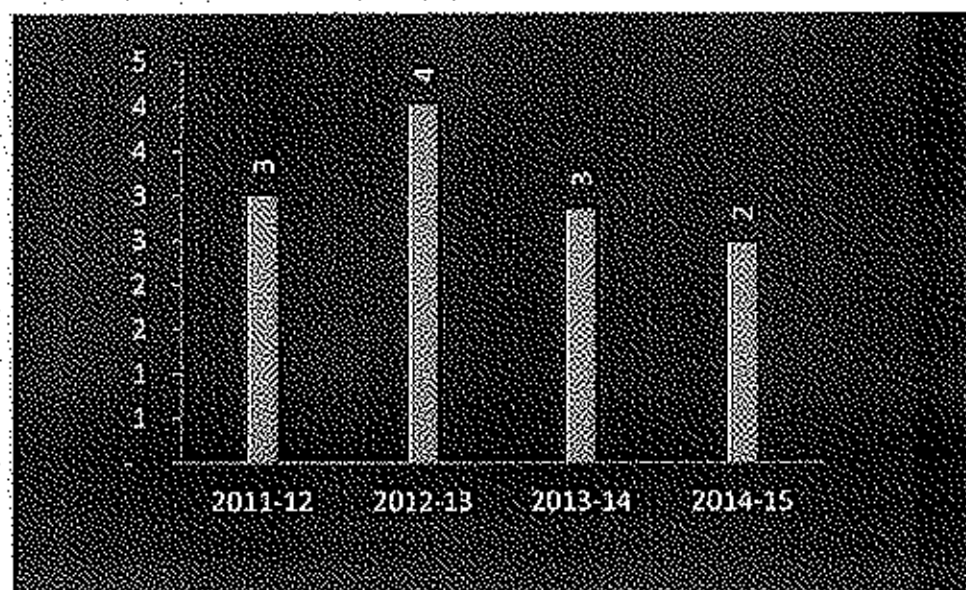
Interest cover



# Strong leverage and coverage



Current ratio

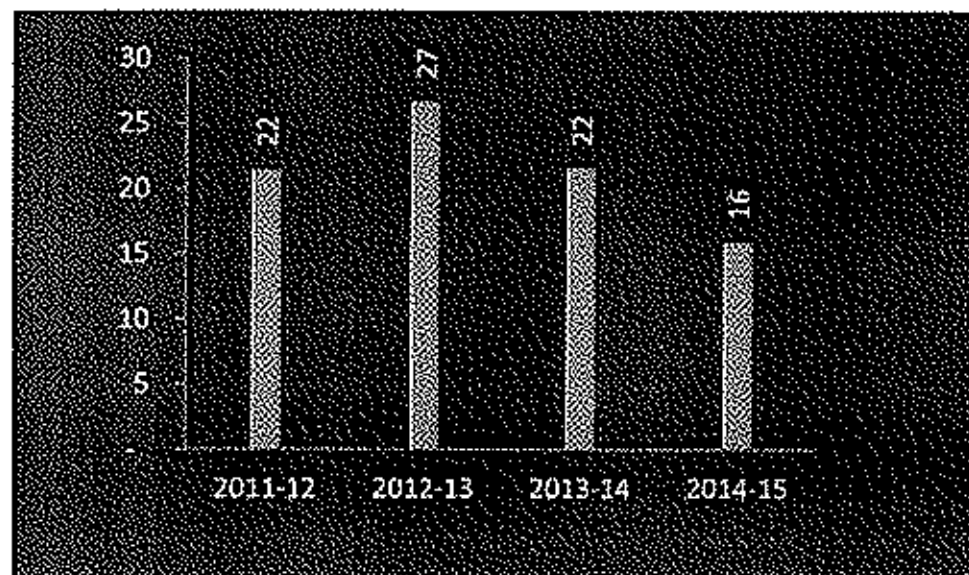




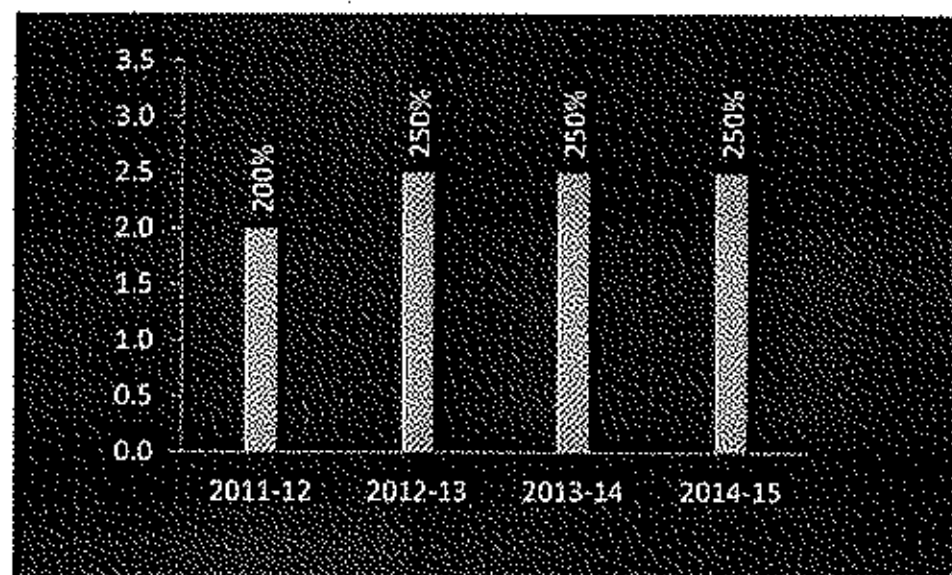
# Uninterrupted shareholder returns



EPS (Rs.)



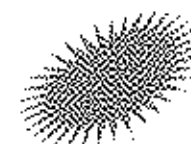
Dividend (per share of Rs. 2)



The Company enjoys a record of uninterrupted dividends since inception



## FY 2015 results table

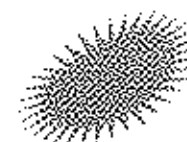


(Figures in Mn)

Particulars	FY 2015		FY2014	
	INR	US\$	INR	US\$
Total Income	12,039	192.6	11,546	192.7
EBIDTA	2,172	34.8	3,073	51.3
Depreciation	363	5.8	615	10.2
Interest	282	4.5	182	3.0
PBT	1527	24.4	2,275	37.9
Tax				
--Current	331	5.3	473	7.8
--Deferred	20	0.3	-75	1.2
--Earlier years	1	0.02	0.8	0.01
--MAT credit	-250	-4	-97.5	-1.62
PAT	1,425	22.8	1,930	32.2
EPS (Diluted) (per share of Rs 2 or US 4.4c)	15.96	25c	21.63	36c
Equity Share Capital	179	2.9	179	2.9



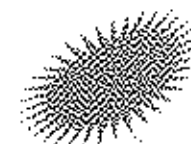
## FY 2015 segmental results



(Figures in Rs. Mn)

Segment	Power	Ferro Alloys	Sugar
Revenues (Amt and %)	6,457 (44%)	6,760 (46%)	1,463(10%)
PBIT (Amt and %)	1,135 (65%)	641 (36%)	-23 (-1%)

# Quarterly review

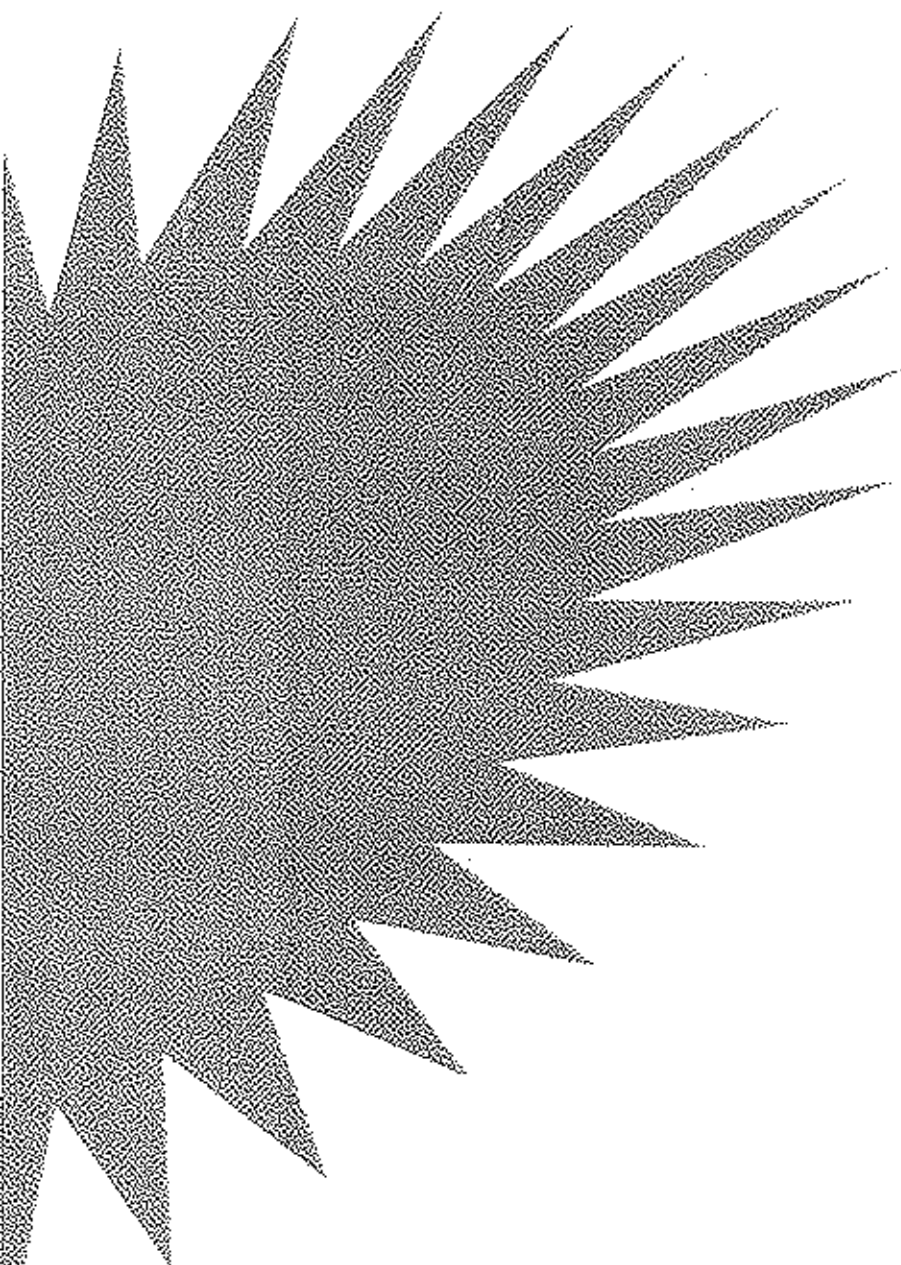


(Figures in Rs. Mn)

Particulars	Q1 FY2016	Q1 FY2015	Q4 FY2015
Total Income	2005.5	3,061.9	2797.3
EBITDA	277.0	773.1	436.3
PBT	146.0	615.7	250.7
PAT	129.5	562.4	244.0
EPS (Rs.)	1.45	6.30	2.74

- 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



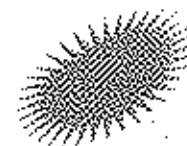


## Power business, a key growth driver





# Sustained growth through strategic foresight and initiative



1997	2003	2008
<ul style="list-style-type: none"><li>• <b>Opportunity:</b> We foresaw an emerging power shortage and increase in power cost, a major component for the production of ferro alloys.</li><li>• <b>Result:</b> NBVL set up industrial power plants for ferro alloy operations.</li></ul>	<ul style="list-style-type: none"><li>• <b>Opportunity:</b> We anticipated an increase in power realization due to the Open Access Policy for power plants in India.</li><li>• <b>Consequence:</b> NBVL expanded aggressively power generation capacities and minimized the dependence on commodity business; Concurrently, we adopted a distributed asset model and eco-friendly technologies to utilize inferior coal grades</li></ul>	<ul style="list-style-type: none"><li>• <b>Opportunity:</b> We envisaged emerging challenges in the pricing of merchant power sales and fuel security for future power projects.</li><li>• <b>Outcome:</b> Geographic diversification of power assets and entry into mining and power projects in Africa</li></ul>





# Contribution of power sales



	2011-12	2012-13	2013-14	2014-15
Total revenue (Rs Mn)*	11,679	13,963	14,038	14,681
Revenue from power sales (Rs Mn)*	5,480	6,908	6,762	6,457
Proportion of power sales to the total revenue (%)	47	49	48	44

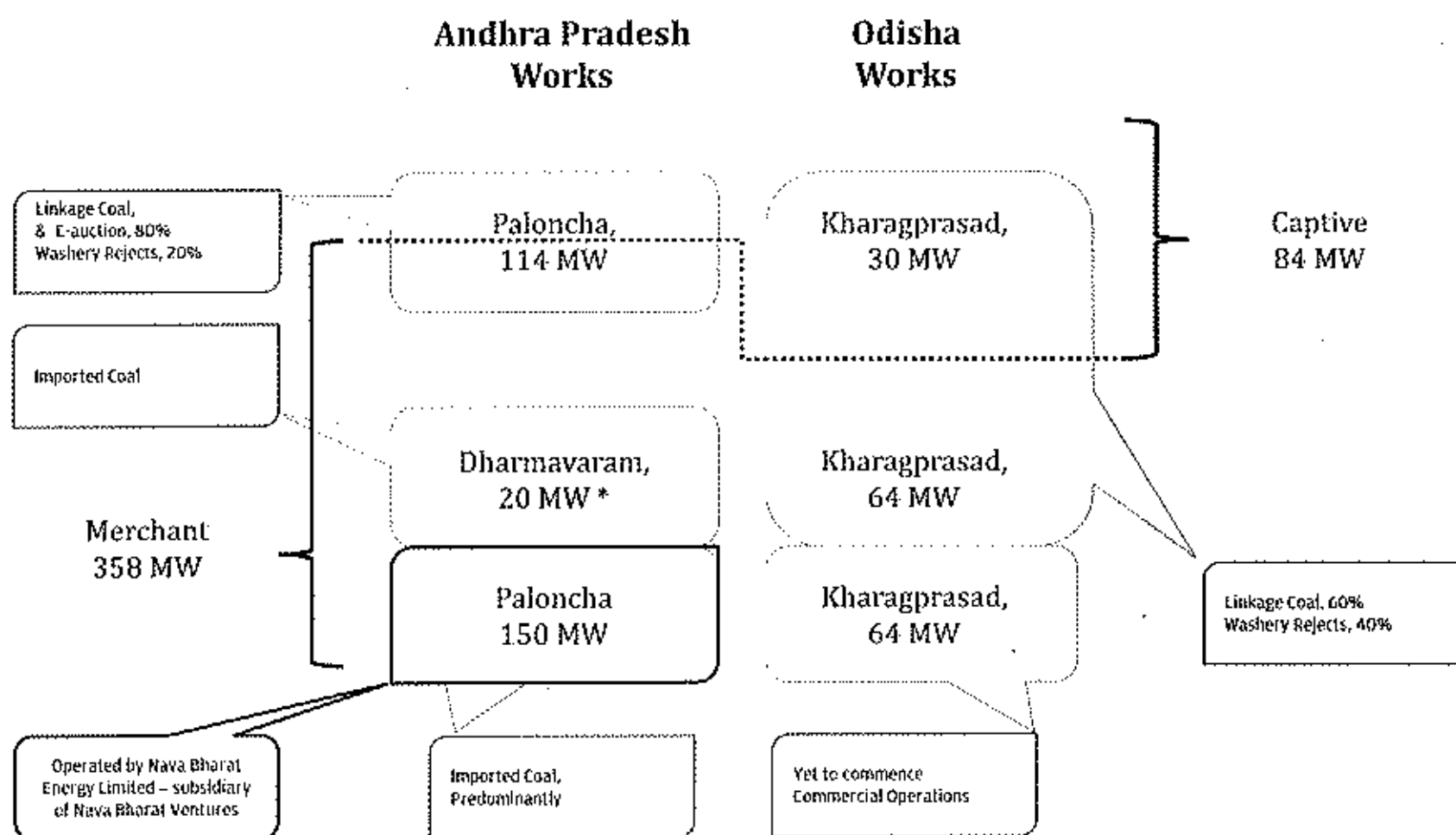
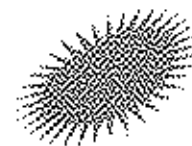
\*Including captive sale

	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	Q1 FY16
Captive M.U.	67	114	126	124	124	117	106	111	63
Merchant Sales M.U.	262	201	198	201	235	148	187	220	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

# Maximizing value from every unit of power



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

# Existing capacities



## Coal fired power plants



### Power Plants (A.P.)

Paloncha:

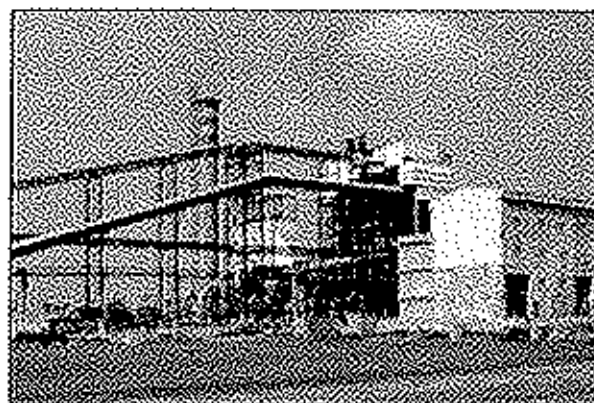
1 x 50 MW

2 x 32 MW

1 X 150 MW (NBEIL)

Total capacity:

264 MW



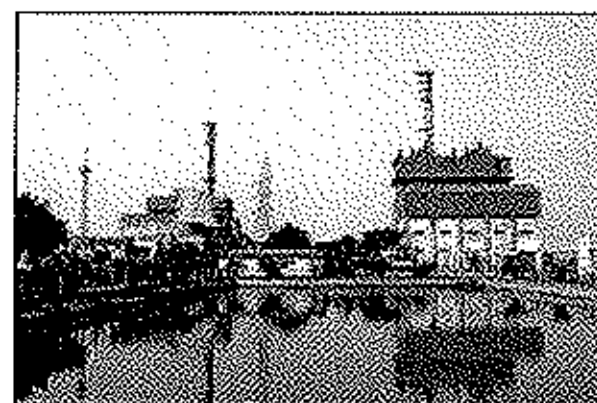
### Power Plants (A.P.)

Dharmavaram:

1 x 20 MW

Total capacity:

20 MW



### Power Plants (Orissa)

Kharagprasad:

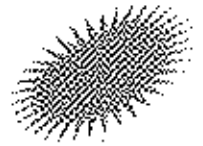
1 x 30 MW

2 x 64 MW

Total capacity:

158 MW

# The Ferro Alloys operation



- 125,000 TPA Silico Manganese and Ferro Manganese production facility at Paloncha – Andhra Pradesh
  - Facility equipped with three smelters of 16.5 MVA and one smelter of 27.6 MVA
- 75,000 TPA unit at Kharagprasad –Orissa, now focusing on Manganese Alloys
  - 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 ores. Additional sources for ore identified and contracted in Australia
- 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 production of Ferro Chrome or Manganese alloys to ensure recovery of fixed costs and value addition for captive consumption

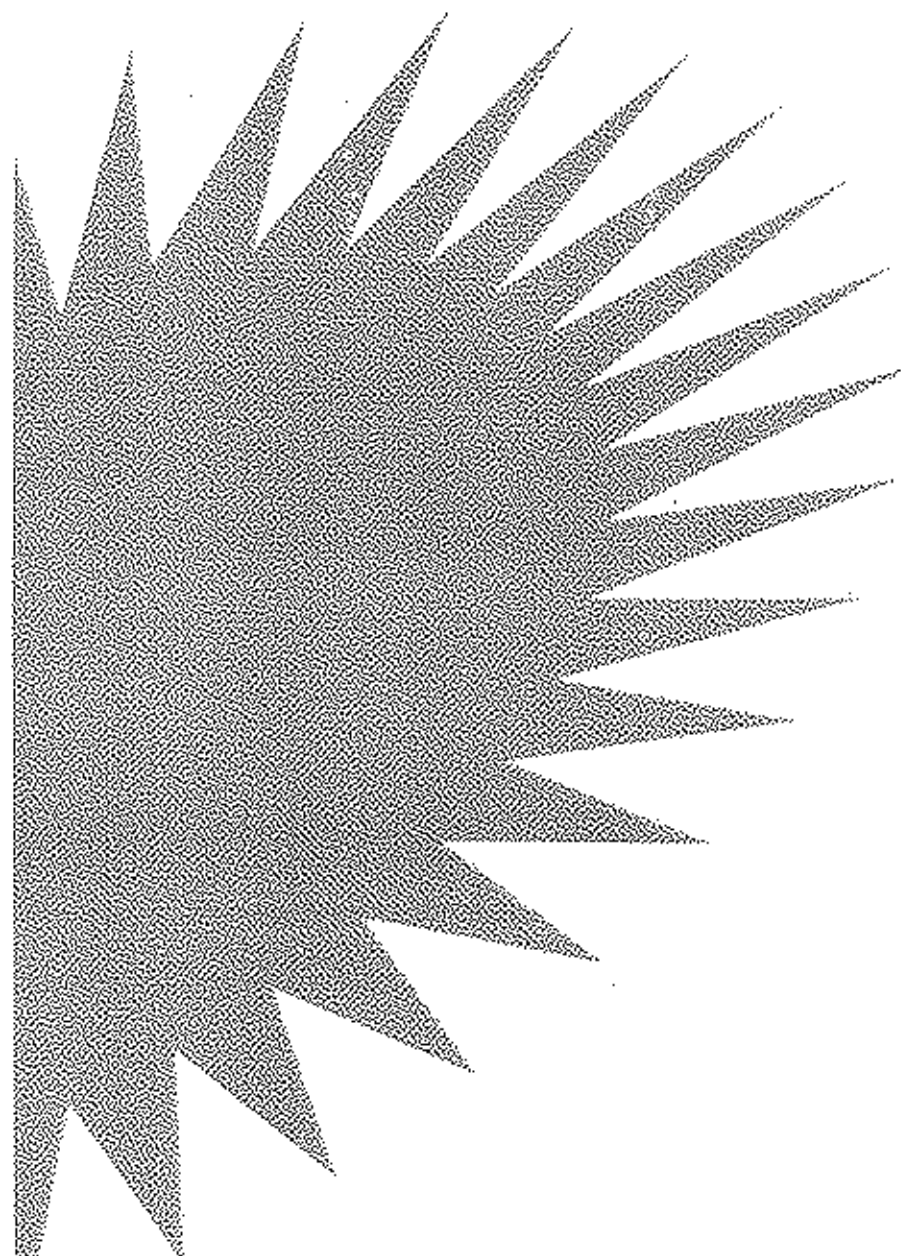


# The integrated Sugar operations



- 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



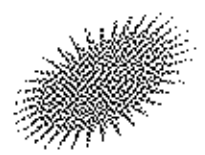


## International foray





# Growth model



## 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



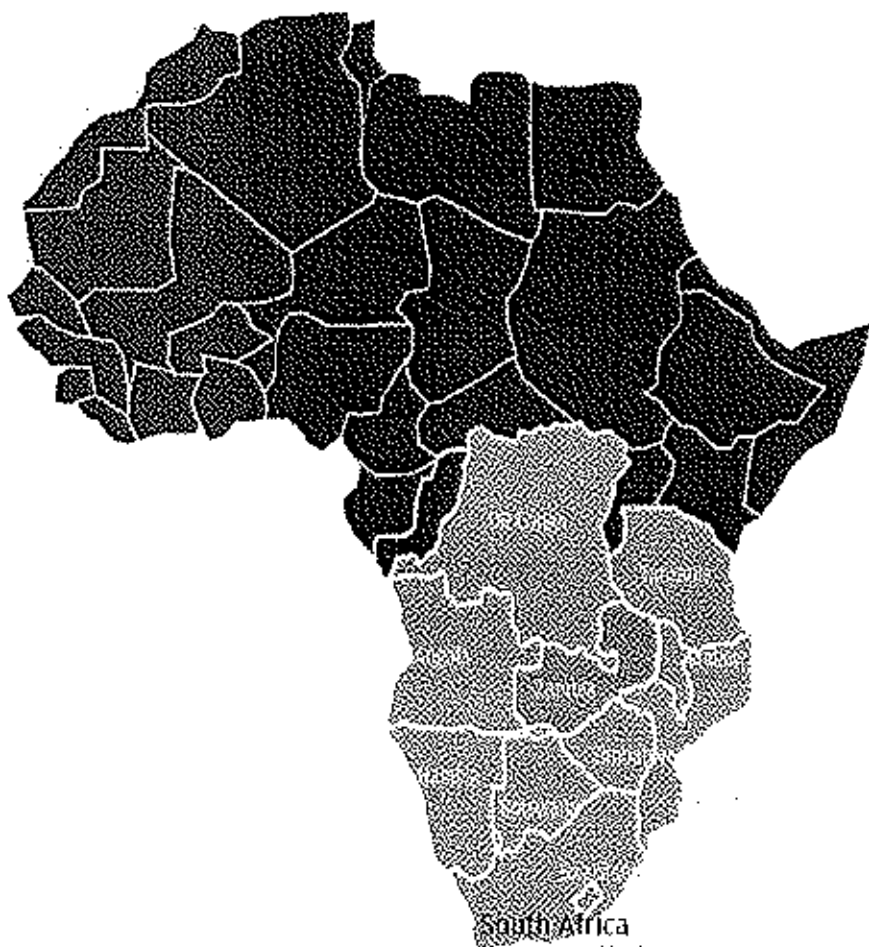
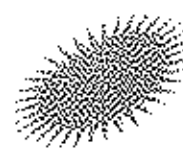
**Focus geographies:**  
Africa and South East Asia

## Project snapshot



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	A Special Purpose Project Company has been formed with 70% shareholding of Nava Bharat through its step down subsidiary. Concession agreement was entered in to with the local Government and selection of EPC Contractor is in progress.
Tanzania	Identifying opportunities for mining and setting up agro-projects	MOUs signed with Govt. authorities Land identified and is under allocation by the Government

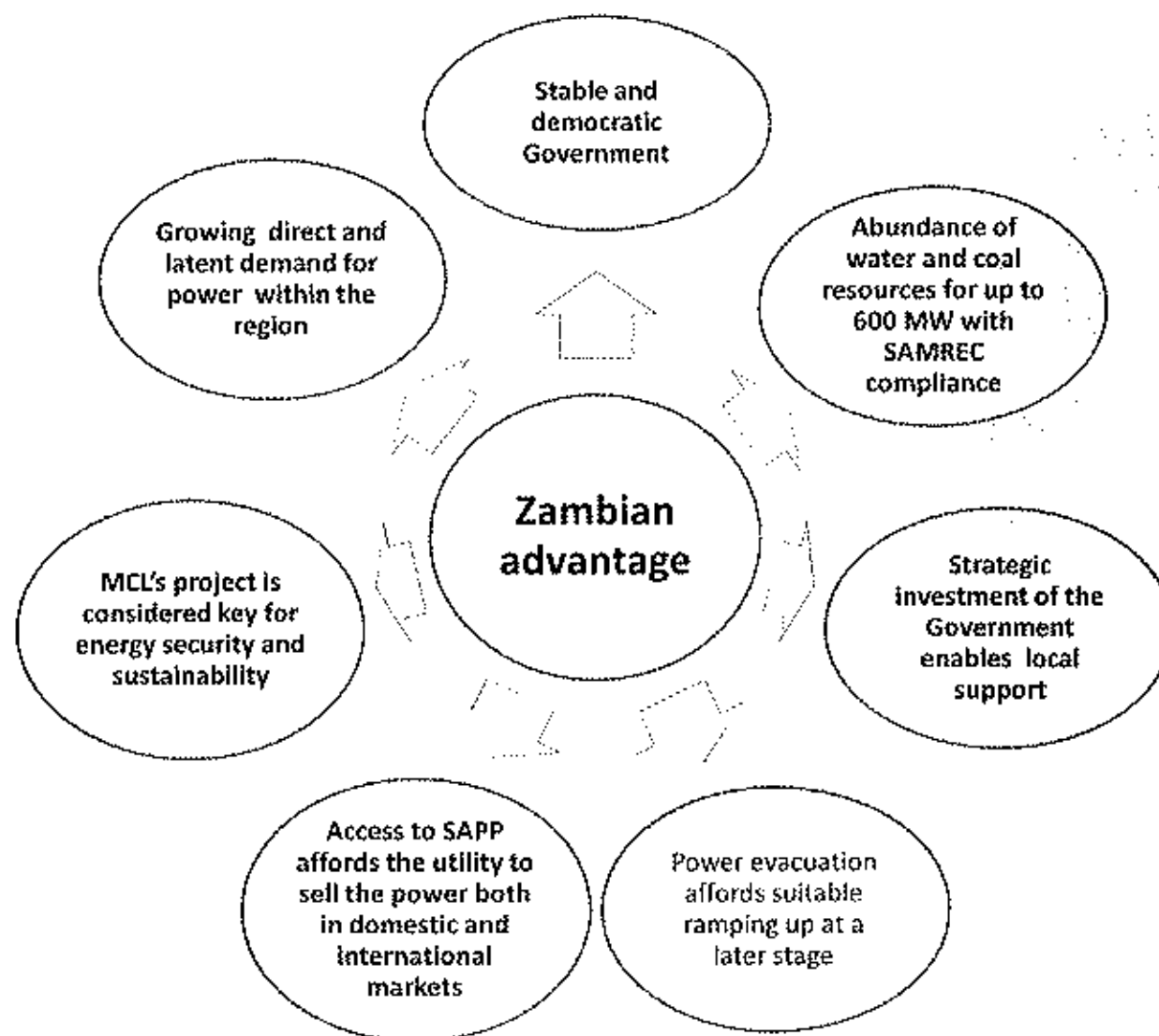
# Zambia project



## Major investment initiative of NBV Group in Africa

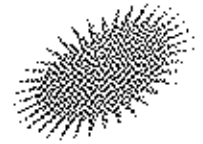
- Acquired 65% stake in Maamba Collieries Limited (MCL), Zambia's largest coal mine
- More than 150 Mn tonnes of coal reserves in active mining area of about 11 sq km out of total area of 77 sq km.
- Reserves of thermal grade coal to fully support power generation
- Opportunity to leverage in-house expertise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

## Zambia project (contd.)





# Overseas Projects - Zambia



## Objectives

### Completed

- Revival of coal mining activity at Maamba with scientific, efficient and environment friendly operations.
  - Investment of about US\$ 100 million including mine development expenditure

### Under implementation

- Establishment of mine-mouth, coal fired, eco friendly power plant, using thermal grade coal and rejects as fuel.
  - Investment of about US\$ 740 million for 300 MW, including 330 kV DC Transmission system (48 Kms) and Intake Water System ( 28 Kms) equipped for 600 MW
- Socio economic development through CSR initiatives



# Overseas Projects - Coal Mining, Zambia

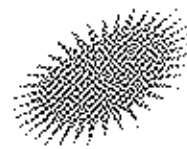


## Coal Mining operations at Maamba

- A modular state-of-the-art Coal Handling and Processing Plant (CHPP) commissioned in May 2012
- A SAMREC Compliant resource and reserve assessment and detailed mining plan in the active mining area prepared
- Current sale volume of high grade coal ranges from 25000 to 40000 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

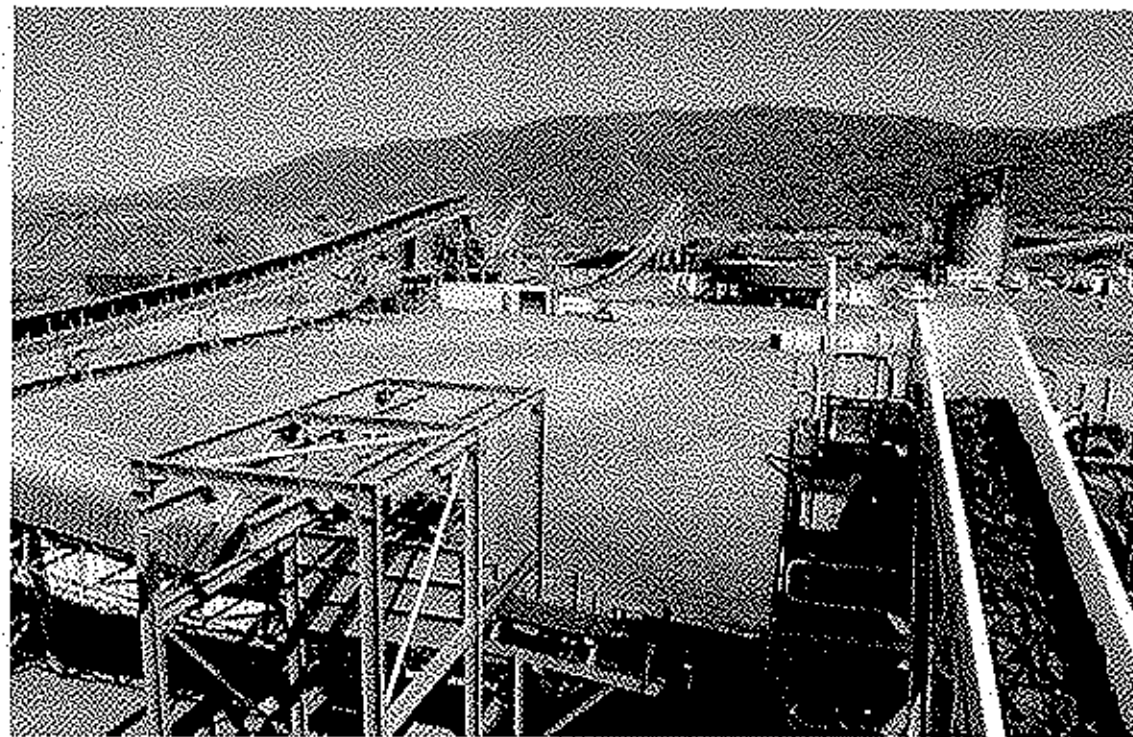


# Overseas Projects - Coal Mining, Zambia



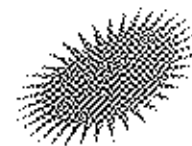
## Features of new CHPP

- 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

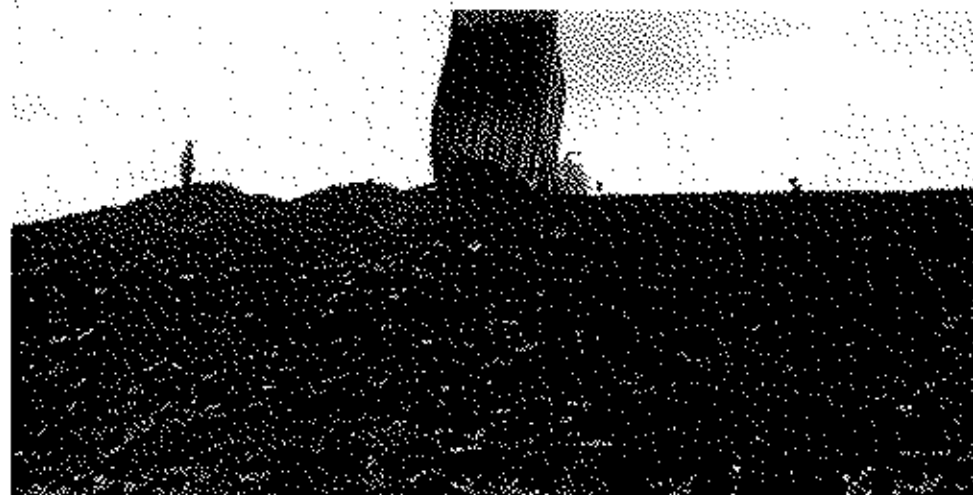


**New Coal Handling & Processing Plant**

# Overseas Projects - Coal Mining, Zambia



Coal Mining



TPP Coal Stock Yard





# Overseas Projects - Power Project, Zambia

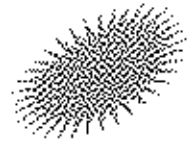


Key factors in support of Coal Fired Power project by Maamba Collieries Ltd.

- 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

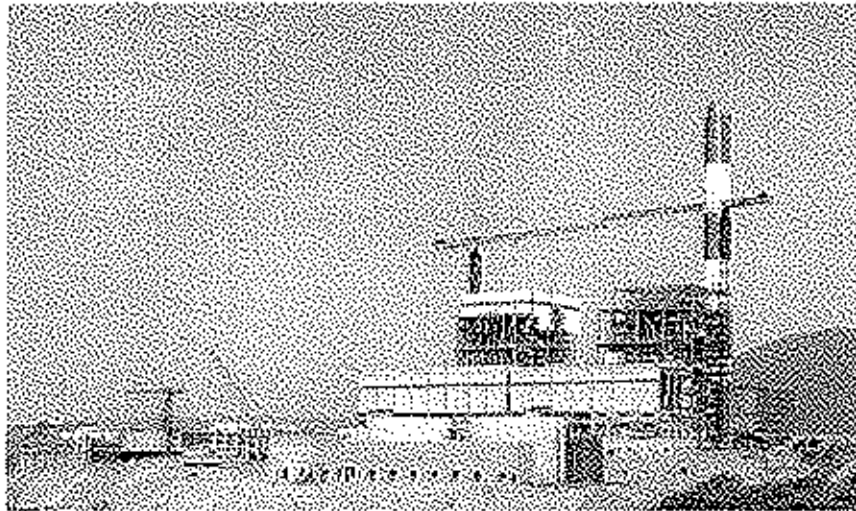
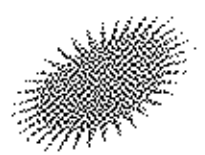


## Status of Power Project at Maamba

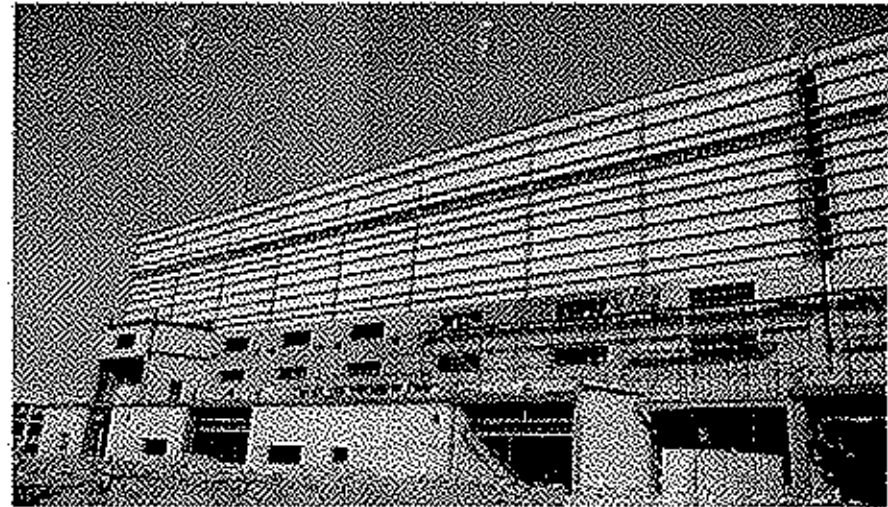
- Following key agreements have been completed till date:
  - Development & Connection Agreement with ZESCO for 330 kV DC Transmission line
  - Power Purchase Agreement with ZESCO for 300 MW
  - Implementation Agreement for 300 MW Power Plant
  - Transmission Agreement with ZESCO for 300 MW
  - Environmental clearance has been received
- Financial closure on non-recourse basis is completed in Q1 FY 2016. Total loan component is US\$ 590 Million .
- About 80% of project work, onshore and offshore has been completed.
- Commissioning is scheduled in Q3 of FY 2017 , delayed on account of delay in Financial Closure



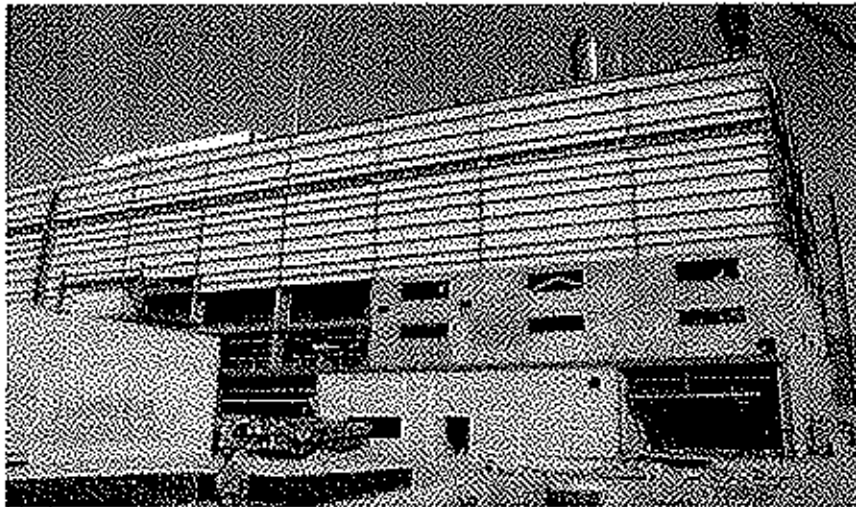
# Current Status – Power Project



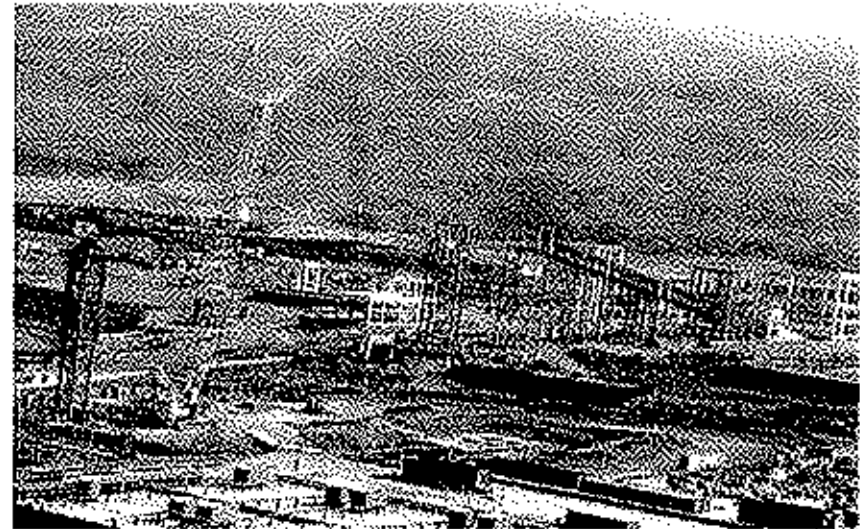
Overview of Power Plant



Unit – 1 Main Building



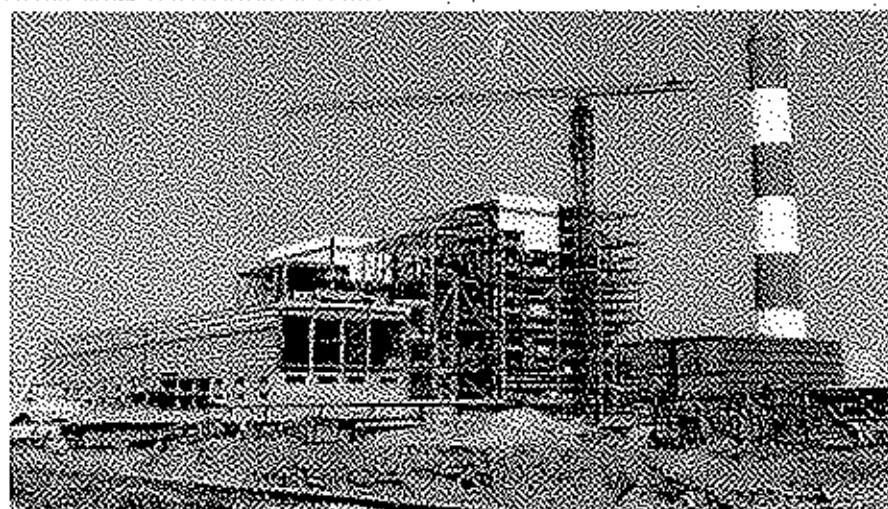
Unit – 2 Main Building



Overview of CHP



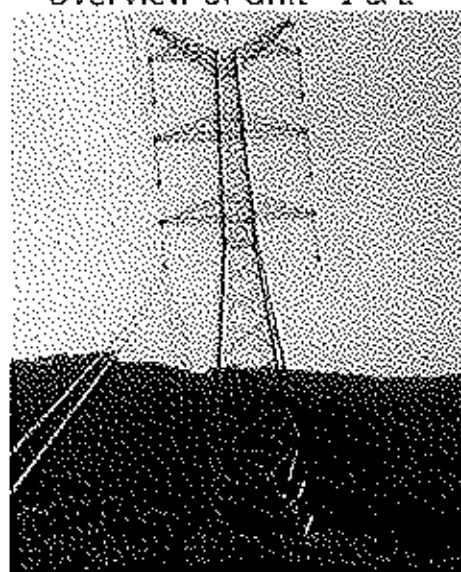
# Current Status – Power Project



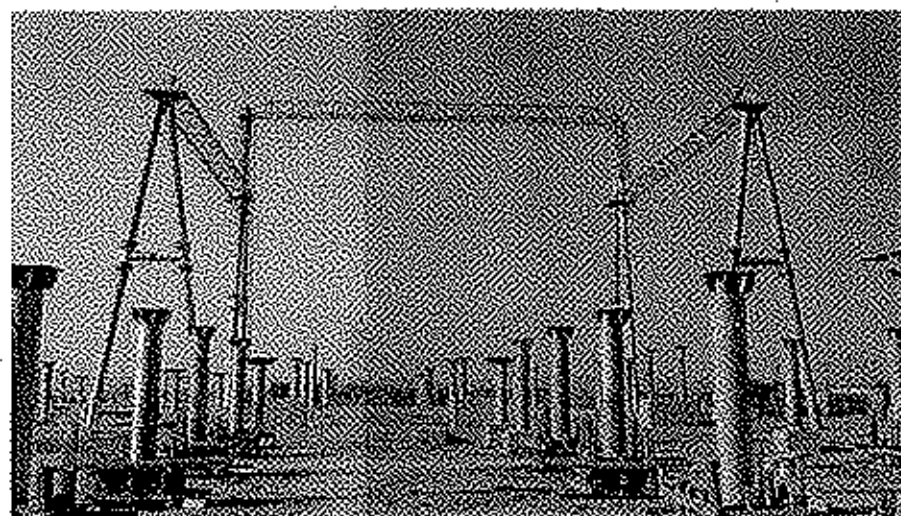
Overview of Unit - 1 & 2



DM Plant



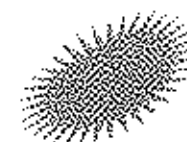
330kv DC Transmission Line



330kv Switch Yard Erection Work



# MCL-Key Project Financials (Estimated)



## Means of finance

Particulars	USD mn
Sinosure Facility	365.00
Commercial Facility	79.89
DBSA Facility	100.00
IDC Facility	50.00
Equity	252.80
EPS (Rs.)	842.69

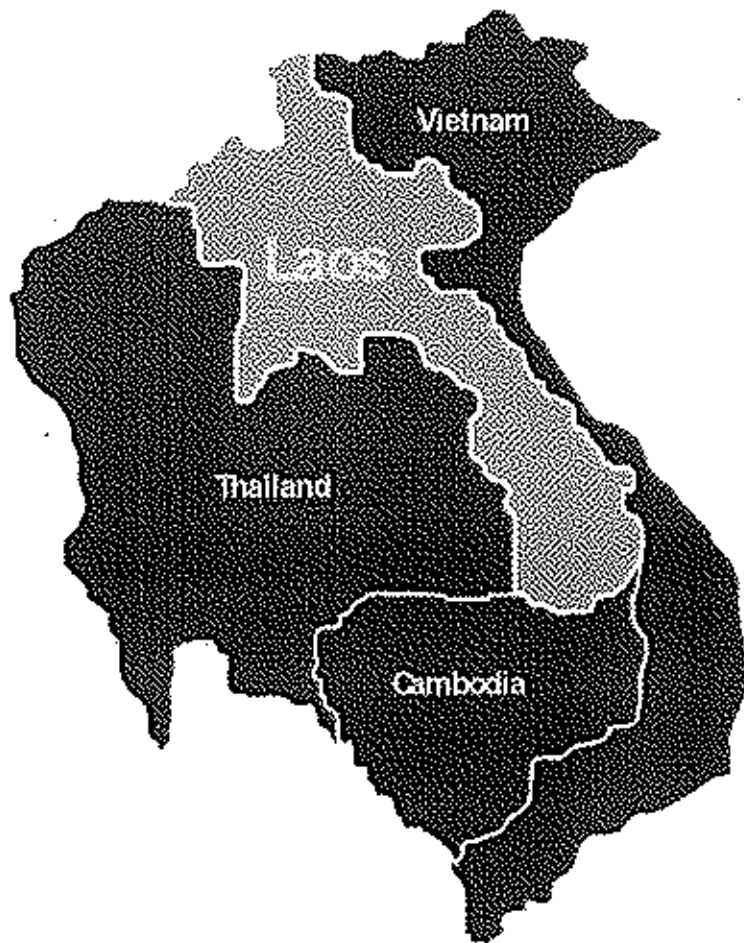
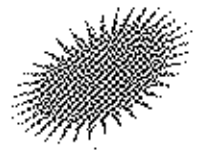
## Returns and Key Ratios

IRR	USD mn
Project Ungeared	15.80%
Project geared	15.09%
Equity (Post tax)	13.63%
DSCR min	1.30X
LLCR min	1.61X

## Financials

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Plant Availability	92.1%	85.4%	86.3%	86.3%	83.1%	83.1%	86.3%	86.3%	83.1%
Generation (MUs)	1,425.96	1,986.47	2,006.83	2,012.83	1,931.50	1,932.90	2,006.83	2,012.83	1,931.50
Total Power Revenue (USD mm)	153.63	222.19	228.71	234.13	230.18	235.87	251.17	257.67	253.72
EBITDA (USD mm)	107.23	156.58	160.75	162.71	156.15	158.06	174.33	176.27	164.42
Net Profit (USD mm)	18.73	46.71	57.59	67.11	68.27	75.85	97.29	104.53	98.13
Distributable Surplus (USD mm)	14.90	33.55	47.67	50.53	50.31	59.74	75.88	81.23	74.65

# Laos Hydro power project under Development



## The Project

- A new project company called Namphak Power Company Limited has been incorporated in Laos to implement 150 MW hydel power project
- NBS through a wholly owned subsidiary holds 70% stake in Namphak Power Company Limited



# Laos project



## Key features

- Power demand outstripping supply in neighboring 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



# Laos project



## Current status

- Shareholders' Agreement has been signed denoting 70% stake to a subsidiary of NBS while the balance 30% stake to KGP & EDL(Power Utility) in Namphak Power Company Limited(NPCL)
- Tariff has been agreed with the Power Utility and MOU has been signed.
- Concession Agreement has been signed by NPCL 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



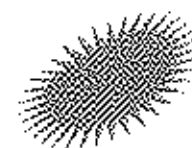
# Commercial Agro Projects in Tanzania



## 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 2017 subject to the outcome of the Pilot Project





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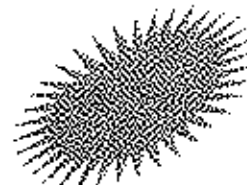
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# Thank you

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FORNDA SHARAY VENTURES LIMITED

Executive Director



