



NAVA BHARAT

INVESTOR PRESENTATION - November 2019

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BEYOND
BOUNDARIES



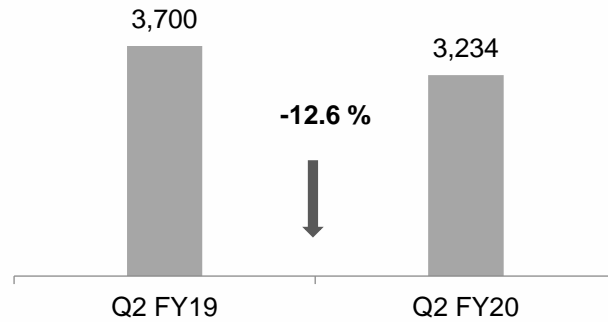
NAVA BHARAT

Financial Performance Update - Q2 & H1 FY20

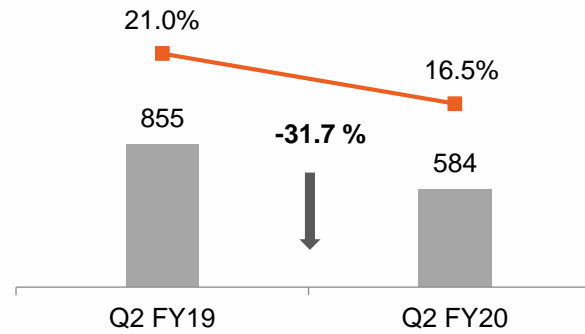
Q2 & H1 FY20 - Domestic Financial Performance



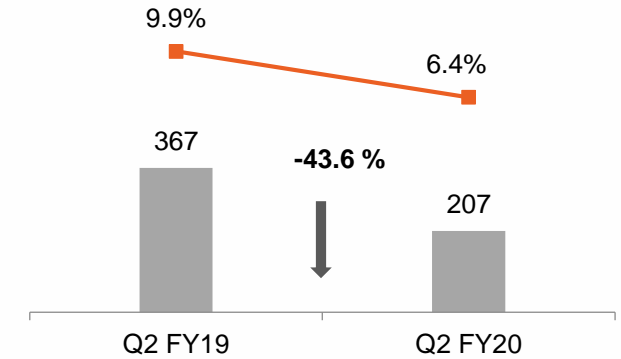
NET REVENUES (INR Mn)



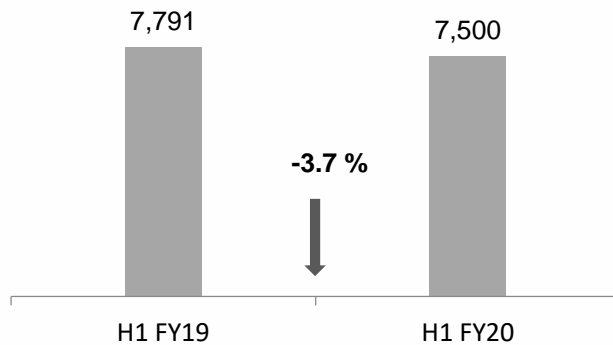
EBITDA & EBITDA MARGIN (INR Mn)



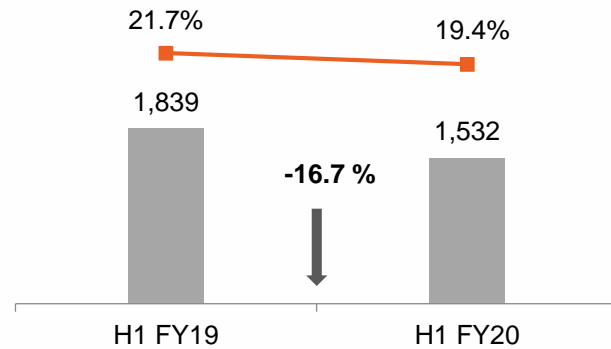
PAT & PAT MARGIN (INR Mn)



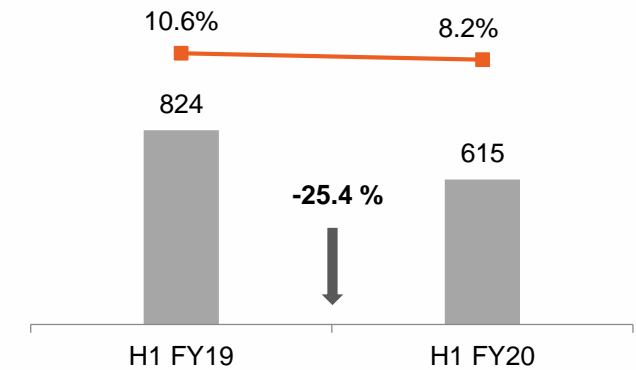
NET REVENUES (INR Mn)



EBITDA & EBITDA MARGIN (INR Mn)



PAT & PAT MARGIN (INR Mn)



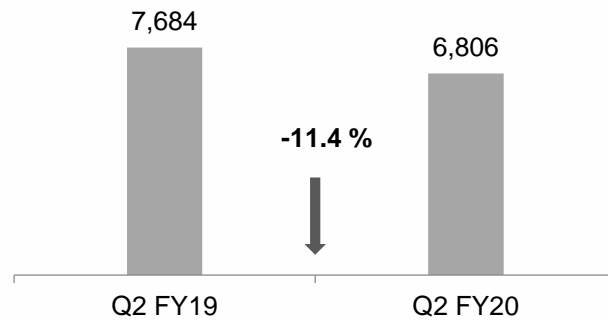
Note:

- Domestic operations include Standalone and NBEIL financials. EBITDA includes other income
- * Other expenses include MTM (loss)/gain on account of Interest rate swaps (IRS) - Q2FY20: INR 36.3 Mn; Q2FY19: (INR 1.9 Mn); H1FY20: INR 75.8 Mn; H1FY19: INR 82.8 Mn

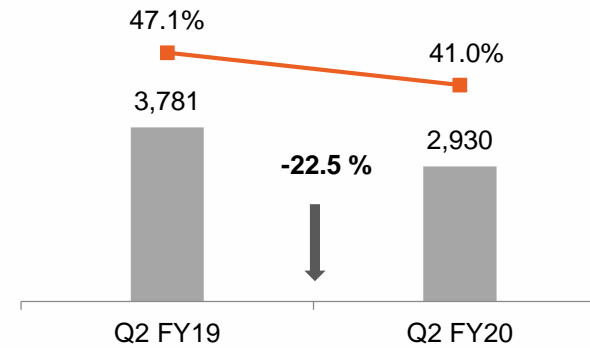
Q2 & H1 FY20 - Consolidated Financial Performance



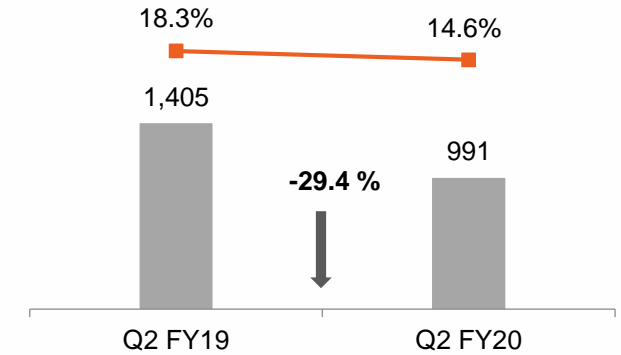
NET REVENUES (INR Mn)



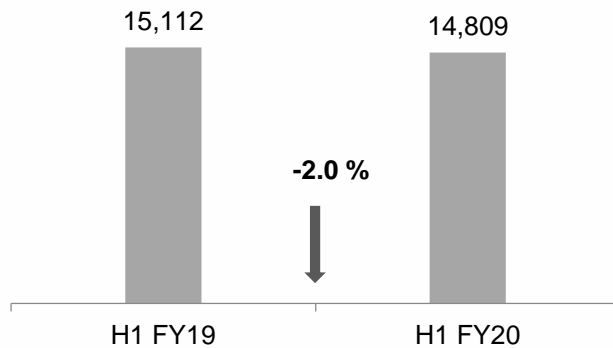
EBITDA & EBITDA MARGIN (INR Mn)



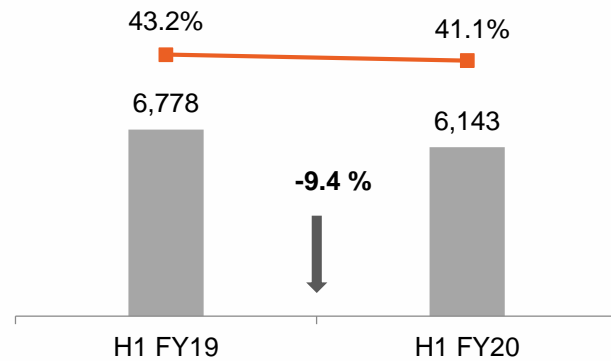
PAT & PAT MARGIN (INR Mn)



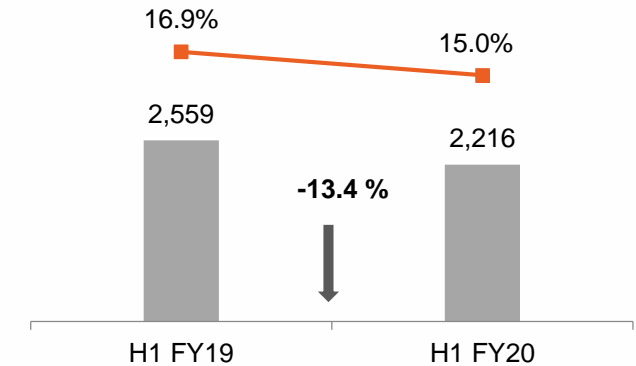
NET REVENUES (INR Mn)



EBITDA & EBITDA MARGIN (INR Mn)



PAT & PAT MARGIN (INR Mn)



Note:

- EBITDA includes other income
- * Other expenses include MTM (loss)/gain on account of Interest rate swaps (IRS) - Q2FY20: INR 247.8 Mn; Q2FY19: INR 145.1 Mn; H1FY20: (INR 126.2 Mn); H1FY19: INR 239.6 Mn

Q2 & H1 FY20 - Domestic Profit & Loss Statement



Particulars (INR Million)	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Total Revenue	3,233.6	3,699.8	-12.6%	7,500.2	7,790.8	-3.7%
Cost of Goods Sold	2,055.7	2,335.1	-12.0%	4,595.3	4,976.3	-7.7%
Gross Profit	1,177.9	1,364.6	-13.7%	2,904.9	2,814.5	3.2%
Gross Margin (%)	36.4%	36.9%	-46bps	38.7%	36.1%	260bps
Manufacturing Expenses	262.3	254.0	3.2%	515.2	475.6	8.3%
Employee Expenses	253.0	248.4	1.8%	514.9	503.8	2.2%
Other Operating Expenses	385.6	371.4	3.8%	758.3	671.9	12.9%
Other Income	307.1	364.4	-15.7%	415.6	675.9	-38.5%
EBITDA	584.2	855.2	-31.7%	1,532.0	1,839.2	-16.7%
EBITDA Margin (%)	16.5%	21.0%	-454bps	19.4%	21.7%	-237bps
Finance Costs	126.8	117.7	7.8%	261.6	217.2	20.4%
Depreciation and Amortisation expense	166.5	165.4	0.6%	331.0	330.1	0.3%
Profit Before Tax	290.9	572.1	-49.2%	939.4	1,291.9	-27.3%
Taxes	83.9	204.9	-59.1%	324.9	468.3	-30.6%
Tax Rate (%)	28.8%	35.8%	-698bps	34.6%	36.2%	-166bps
Profit After Tax	207.0	367.2	-43.6%	614.5	823.6	-25.4%
PAT Margin (%)	6.4%	9.9%	-352bps	8.2%	10.6%	-238bps

Note:

- Domestic operations include Standalone and NBEIL financials. EBITDA includes other income
- * Other expenses include MTM (loss)/gain on account of Interest rate swaps (IRS) - Q2FY20: INR 36.3 Mn; Q2FY19: (INR 1.9 Mn); H1FY20: INR 75.8 Mn; H1FY19: INR 82.8 Mn

Q2 & H1 FY20 - Consolidated Profit & Loss Statement



Particulars (INR Million)	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Total Revenue	6,806.0	7,683.5	-11.4%	14,809.3	15,111.9	-2.0%
Cost of Goods Sold	2,109.1	2,572.8	-18.0%	4,768.5	5,403.9	-11.8%
Gross Profit	4,696.9	5,110.7	-8.1%	10,040.8	9,708.0	3.4%
Gross Margin (%)	69.0%	66.5%	250bps	67.8%	64.2%	356bps
Manufacturing Expenses	676.1	549.0	23.2%	1,332.4	1,095.6	21.6%
Employee Expenses	427.2	409.2	4.4%	863.3	833.0	3.6%
Other Operating Expenses	1,007.7	717.7	40.4%	1,847.4	1,568.5	17.8%
Other Income	343.7	346.0	-0.6%	145.7	567.5	-74.3%
EBITDA	2,929.6	3,780.7	-22.5%	6,143.3	6,778.4	-9.4%
EBITDA Margin (%)	41.0%	47.1%	-611bps	41.1%	43.2%	-215bps
Finance Costs	840.5	939.5	-10.5%	1,644.4	1,801.9	-8.7%
Depreciation and Amortisation expense	767.0	722.2	6.2%	1,515.7	1,421.9	6.6%
Profit Before Tax	1,322.0	2,119.0	-37.6%	2,983.2	3,554.7	-16.1%
Taxes	330.6	713.9	-53.7%	767.5	996.1	-22.9%
<i>Tax Rate (%)</i>	<i>25.0%</i>	<i>33.7%</i>	<i>-868bps</i>	<i>25.7%</i>	<i>28.0%</i>	<i>-229bps</i>
Profit After Tax	991.4	1,405.1	-29.4%	2,215.7	2,558.6	-13.4%
PAT Margin (%)	14.6%	18.3%	-372bps	15.0%	16.9%	-197bps

Note:

- EBITDA includes other income
- * Other expenses include MTM (loss)/gain on account of Interest rate swaps (IRS) - Q2FY20: INR 247.8 Mn; Q2FY19: INR 145.1 Mn; H1FY20: (INR 126.2 Mn); H1FY19: INR 239.6 Mn

Consolidated Balance Sheet



ASSETS (INR Mn)	H1 FY20	FY19
<u>Non Current Assets</u>		
Fixed Assets	62,064.1	62,387.4
Investments	124.0	106.6
Other Financial Assets	128.0	156.5
Deferred tax assets (net)	1,026.1	1,322.3
Non-current tax assets (net)	150.7	84.5
Other non-current assets	307.8	314.3
Total Non-current Assets	63,800.8	64,371.7
<u>Current Assets</u>		
Inventories	3,719.7	4,196.7
Investments	1,089.4	1,445.0
Trade receivables	17,900.8	13,784.8
Cash & Bank Balance	4,434.1	2,488.5
Loans	1.9	2.3
Other Financial Assets	142.2	96.9
Other Current Assets	1,103.4	1,014.0
Total Current Assets	28,391.4	23,028.1
Total Assets	92,192.3	87,399.8

EQUITY AND LIABILITIES (INR Mn)	H1 FY20	FY19
<u>Equity</u>		
Equity Share capital attributable to Shareholders	39,657.3	38,099.8
Minority Interest	5,091.8	4,415.9
Total Equity	44,749.1	42,515.7
<u>Non-Current liabilities</u>		
Borrowings	28,542.7	30,425.7
Other Financial Liabilities	567.6	470.6
Provisions	770.5	742.4
Deferred Tax Liabilities (net)	2,129.4	1,999.2
Total Non-current Liabilities	32,010.2	33,637.9
<u>Current liabilities</u>		
Borrowings	1,398.6	1,314.9
Trade Payables	1,025.8	1,406.5
Other Financial Liabilities	11,205.7	7,573.2
Other Current Liabilities	1,450.6	662.9
Provisions	163.8	153.0
Current Tax Liabilities (net)	188.5	135.8
Total Current Liabilities	15,433.0	11,246.3
Total Liabilities	92,192.3	87,399.8

- Net Debt at the end of September 2019 stood at INR 30,902 Million (reduction of 4% since March 2019)
 - Further, MCL has repaid debt of USD 29.5 Mn in Oct 2019; bringing down the total gross debt to ~USD 413 Mn
 - In addition to regular debt repayment in MCL, the company is on track to reduce debt in its Indian operations by 50% by June 2020

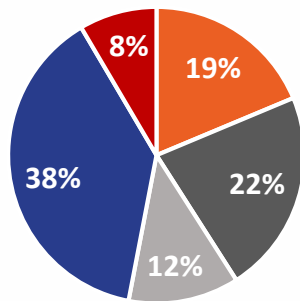
Q2 & H1 FY20 - Segmental Performance Highlights



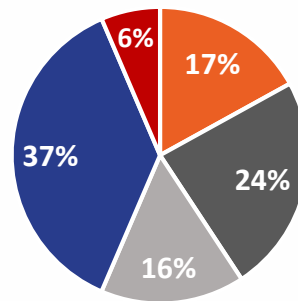
Revenue Breakdown - By Segments (INR Mn)						
Segments	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
India – Power Operations	1,711.5	1,794.8	-4.6%	4,093.8	3,966.7	3.2%
Ferro Alloys	2,036.4	2,509.5	-18.9%	4,332.5	4,572.8	-5.3%
Sugar & Others	1,105.9	1,662.9	-33.5%	1,917.4	2,610.2	-26.5%
Zambia – Power Operations	3,524.0	3,920.4	-10.1%	7,179.1	7,275.4	-1.3%
Zambia – Mining	776.0	680.9	14.0%	1,558.8	1,128.4	38.1%
Revenue from Operations	9,153.6	10,568.5	-13.4%	19,081.5	19,553.5	-2.4%
Revenue from Operations (net of inter-segment transactions)	6,806.0	7,683.5	-11.4%	14,809.3	15,111.9	-2.0%

Q2 FY20 - SEGMENT REVENUE SHARE %

Q2 FY20



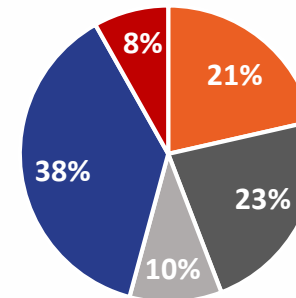
Q2 FY19



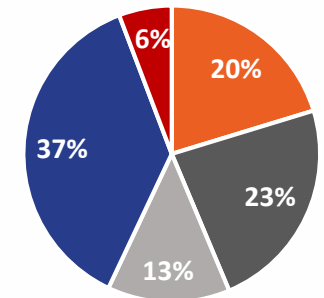
■ India – Power ■ Ferro Alloys ■ Sugar & Others ■ Zambia – Power ■ Mining

H1 FY20 - SEGMENT REVENUE SHARE %

H1 FY20



H1 FY19



■ India – Power ■ Ferro Alloys ■ Sugar & Others ■ Zambia – Power ■ Mining

Q2 & H1 FY20 - Segmental Performance Highlights

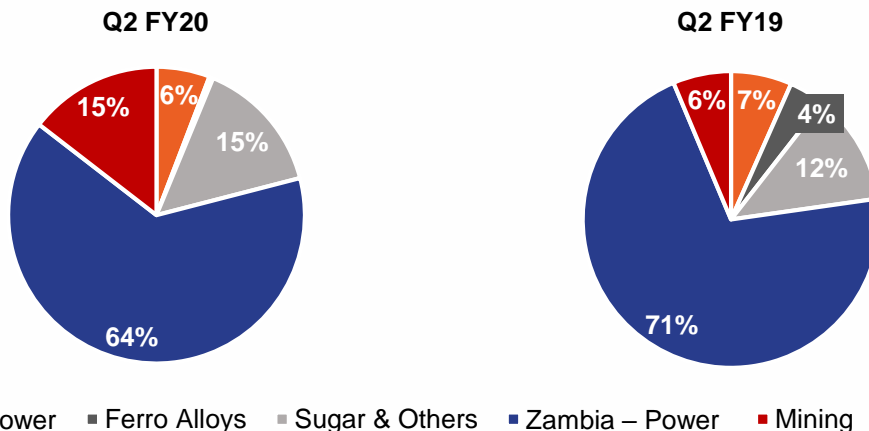


EBITDA Breakdown (INR Mn) - By Segments

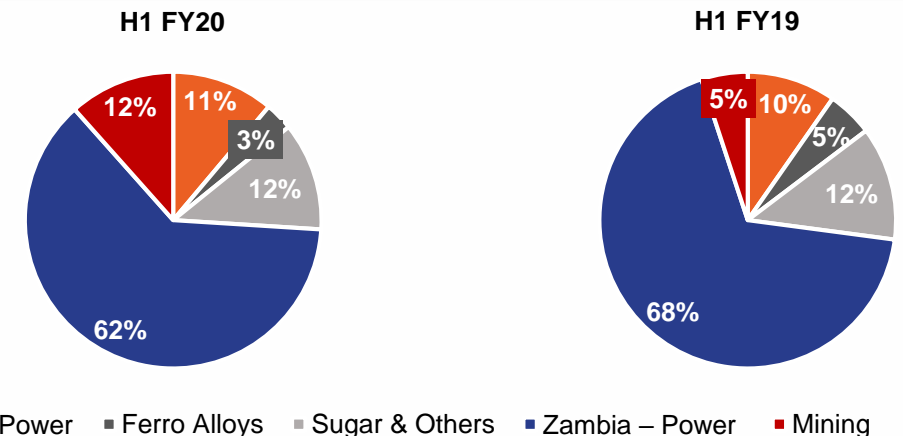
Segments	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
India – Power	213.0	283.8	-24.9%	788.8	742.6	6.2%
Ferro Alloys	15.4	166.8	-90.8%	215.8	382.0	-43.5%
Sugar & Others	539.6	522.0	3.4%	836.1	949.4	-11.9%
Zambia – Power	2,361.2	3,031.7	-22.1%	4,418.9	5,191.2	-14.9%
Zambia – Mining	532.1	272.9	95.0%	819.6	387.4	111.6%
Total EBITDA	3,661.2	4,277.2	-14.4%	7,079.2	7,652.6	-7.5%
Total EBITDA (net of inter-segment transactions)	2,929.6	3,780.6	-22.5%	6,143.4	6,778.4	-9.4%

	% EBITDA Margin	Q2 FY20	Q2 FY19	H1 FY20	H1 FY19
India - Power		12.4%	15.8%	19.3%	18.7%
Ferro Alloys		0.8%	6.6%	5.0%	8.4%
Sugar & Others		48.8%	31.4%	43.6%	36.4%
Zambia - Power		67.0%	77.3%	61.6%	71.4%
Zambia - Mining		68.6%	40.1%	52.6%	34.3%

Q2 FY20 - SEGMENT EBITDA SHARE %



H1 FY20 - SEGMENT EBITDA SHARE %



Note: EBITDA includes other income. * Other expenses include MTM (loss)/gain on account of Interest rate swaps (IRS) - Q2FY20: INR 247.8 Mn; Q2FY19: INR 145.1 Mn; H1FY20: (INR 126.2 Mn); H1FY19: INR 239.6 Mn

India Power Operations - Financial & Operating Metrics



Key Operating Metrics	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Total Power Units Sold (in Million Units)	373	364	2.5%	855	822	4.0%
Merchant Sales	193	181	6.6%	506	458	10.5%
Captive	180	183	-1.6%	349	364	-4.1%
* Average PLF (%)	54.0%	51.9%	211 bps	62.7%	60.2%	252 bps

Key Financial Metrics (INR Millions)	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Revenue from Operations	1,711.5	1,794.8	-4.6%	4,093.8	3,966.7	3.2%
Operating Expenses	1,498.5	1,511.0	-0.8%	3,305.0	3,224.1	2.5%
EBITDA	213.0	283.8	-24.9%	788.8	742.6	6.2%
EBITDA Margin (%)	12.4%	15.8%	-337bps	19.3%	18.7%	55bps

- **Total power units sold increased by 4.0% YoY in H1 FY20**
 - Merchant power sales increased by 10.5%
 - Captive Power sales declined by 4.1% as subdued performance of the silico manganese business led to relatively lower off-take
 - In Q2 FY20, NBEIL performance was adversely impacted by maintenance outage for 37 days and severe back downs imposed by the grid
 - Notwithstanding this, NBEIL delivered a distinctly better performance in H1 FY20 versus H1 FY19
- EBITDA declined by 24.9% to INR 213 Mn in Q2 FY20 as profitability in the standalone operations got adversely impacted due to poor quality of coal and higher maintenance costs
- **Operating profitability improved in H1 FY20 on a YoY basis –**
 - EBITDA in H1 FY20 increased by 6% to INR 788.8 Mn, with ~55 bps expansion in margins
- **Recent Developments**
 - NBEIL signed a short-term bilateral PPA with Telangana Discom at Rs 4.98 per unit commencing from July 2019 onwards.

Note:

- NBEIL: Nava Bharat Energy India Ltd; IPP: Independent Power Producer; CPP: Captive Power Plant.
- * Standalone PLF (%) provided for Operating Capacities of 213 MW

Key Operating Metrics	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
<u>Ferro Chrome</u>						
Production (tons)	16,690	16,642	0.3%	33,612	27,938	20.3%
Sales (tons)	16,690	16,642	0.3%	33,612	27,938	20.3%
<u>Ferro & Silico Manganese</u>						
Production (tons)	25,927	27,606	-6.1%	50,083	53,499	-6.4%
Sales (tons)	21,125	27,249	-22.5%	45,474	49,706	-8.5%

Key Financial Metrics (INR Millions)	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Ferro Chrome (Sales)	571.8	633.4	-9.7%	1,164.5	1,049.5	11.0%
Ferro & Silico Manganese (Sales)	1,464.6	1,876.1	-21.9%	3,168.0	3,523.3	-10.1%
Total Revenue	2,036.4	2,509.5	-18.9%	4,332.5	4,572.8	-5.3%
EBITDA	15.4	166.8	-90.8%	215.8	382.0	-43.5%
EBITDA Margin (%)	0.8%	6.6%	-589bps	5.0%	8.4%	-337bps

- Ferro Alloys Revenues declined by 5.3% YoY in H1 FY20 and 18.9% YoY in Q2 FY20 primarily on account of subdued steel demand
 - Ferro chrome revenues saw healthy growth of 11% in H1 FY20 backed by 20% growth in shipments.
 - However, the ferro chrome conversion operations suffered marginal forbearance in Q2 FY20
 - Silico manganese revenues and shipments were down due to the sluggish steel demand

Key Operating Metrics	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Sugar Volume Sold (tons)	7,052	7,064	-0.2%	14,566	23,706	-38.6%
Ethanol Sold (tons)	485	560	-13.4%	1,832	1,468	24.8%

Key Financial Metrics (INR Millions)	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Sugar Revenue	236.1	233.9	1.0%	484.0	705.7	-31.4%
Ethanol Revenue	26.1	23.4	11.8%	87.2	60.5	44.3%
Others	13.8	31.2	-55.8%	27.8	51.0	-45.5%
Total Revenue	276.0	288.5	-4.3%	599.0	817.2	-26.7%
EBITDA	-18.7	-17.3	-8.5%	-6.3	-38.4	83.7%
EBITDA Margin (%)	-6.8%	-6.0%	-78bps	-1.1%	-4.7%	365bps

Zambia Power Operations - Financial & Operating Metrics



Key Operating Metrics	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Power Units Sold (in Million Units)	462.2	433.8	6.6%	933.0	821.5	13.6%
Average PLF (%)	78.9%	74.2%	470 bps	80.0%	70.6%	935 bps

Key Financial Metrics	USD Millions						INR Millions					
	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Revenue from Operations	50.4	57.3	-12%	102.6	106.4	-4%	3,524.0	3,920.4	-10%	7,179.1	7,275.4	-1%
Operating Expenses	17.3	15.8	9%	40.8	34.0	20%	1,210.8	1,083.3	12%	2,854.9	2,328.3	23%
EBITDA	33.8	44.3	-24%	63.2	75.9	-17%	2,361.4	3,031.6	-22%	4,418.9	5,191.2	-15%
EBITDA Margin (%)	67.0%	77.3%	-1,032bps	61.6%	71.4%	-980bps	67.0%	77.3%	-1,032bps	61.6%	71.4%	-980bps
Receivables	230.1	116.9	97%	230.1	116.9	97%	16,268.6	8,471.5	92%	16,268.6	8,471.5	92%
Debt	414.9	442.6	-6%	414.9	442.6	-6%	29,329.3	32,076.7	-9%	29,329.3	32,076.7	-9%

- Revenue for H1 FY20 remained stable at USD 103 Mn in H1 FY20 –
 - Although, average PLF improved to 80% in H1 FY20 (increase of 935 bps), lower plant availability (80% in H1 FY20 vs. 91.8% in H1 FY19) adversely impacted the performance
- EBITDA saw a decline of 17% to USD 63 Mn in H1 FY20; primarily on account of differential mark to market provision on interest rate swaps (a notional charge), provisioning for expected credit loss against receivables (a notional charge) and higher mining cost associated with a new pit
 - Provisioning for expected credit loss against receivables was higher at USD 5.8 Mn in H1 FY20 (USD 4.0 Mn in H1 FY19) and USD 4.5 Mn in Q2 FY20 (Nil in Q2 FY19)
- MCL continues to be on track with its debt servicing - Repaid USD 49 Mn in October 2019 (USD 29.5 Mn towards principal repayment and USD 19.5 for interest payment). Post repayment, the gross debt stands at US\$ 413 Million (USD 387 Mn in Power; USD 26 Mn in Mining)
- Company is making all possible efforts and is continuously engaging with ZESCO (Zambia Utility) to regularize the receivables cycle

Zambia Coal Mining - Financial & Operating Metrics



Key Operating Metrics	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Coal Sales to outsiders (In MTPA)	55,182	63,196	-12.7%	122,969	107,539	14.3%

Key Financial Metrics	USD Millions						INR Millions					
	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)	Q2 FY20	Q2 FY19	YoY (%)	H1 FY20	H1 FY19	YoY (%)
Revenue from Operations	11.1	10.0	11.4%	22.3	16.5	35.1%	776.0	680.9	14.0%	1,558.8	1,128.4	38.1%
Operating Expenses	2.7	5.8	-53.9%	9.8	10.8	-9.6%	188.3	398.9	-52.8%	685.0	741.0	-7.6%
EBITDA	7.6	4.0	92.2%	11.7	5.7	106.9%	532.7	271.1	96.5%	819.6	387.4	111.6%
EBITDA Margin (%)	68.7%	39.8%	2,884 bps	52.6%	34.3%	1,825 bps	68.7%	39.8%	2,884 bps	52.6%	34.3%	1,825 bps
Receivables	0.7	0.8	-12%	0.7	0.8	-12%	48.7	54.0	-10%	48.7	54.0	-10%
Debt	27.6	29.4	-6%	27.6	29.4	-6%	1,951.0	2,133.8	-9%	1,951.0	2,133.8	-9%

- Coal mining business continued to witness healthy traction – with revenues growing by 35% YoY in H1 FY20 to USD 22.3 Mn driven by higher volumes sold (+14.3%) and improved realisations
- Positive operating leverage led to significant improvement in profitability – as EBITDA grew by 107% to USD 11.7 Mn; EBITDA margins expanded by 1,825 bps to 52.6%
- This segment continues to provide consistent cash flow (no receivables overdue)
- The company's focus is on driving strong growth in this segment in the near-term with 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
- MCL repaid USD 49 Mn on 11 October 2019 (USD 29.5 Mn towards principal repayment and USD 19.5 for interest). Post this mining debt stands at USD 26 Mn



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

- **Healthy growth in Revenue and Profitability in FY19**
 - **Revenue:** INR 31,035 Mn (3-Yr CAGR: 24.4%)
 - **EBITDA:** INR 14,197 Mn (3-Yr CAGR: 45.9%)
 - **PAT:** INR 4,648 Mn (3-Yr CAGR: 15.5%)
- **Low Gearing:** Debt to Equity Ratio of 0.9x (FY19)

Sugar & Allied Business

- Operates Sugar & Allied Business in Andhra Pradesh
 - Sugar: 4,000 TCD,
 - Distillery: 20 KLPD
 - Ethanol: 30 KLPD

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
- Could enable pursuit of similar opportunities from leading drug makers



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

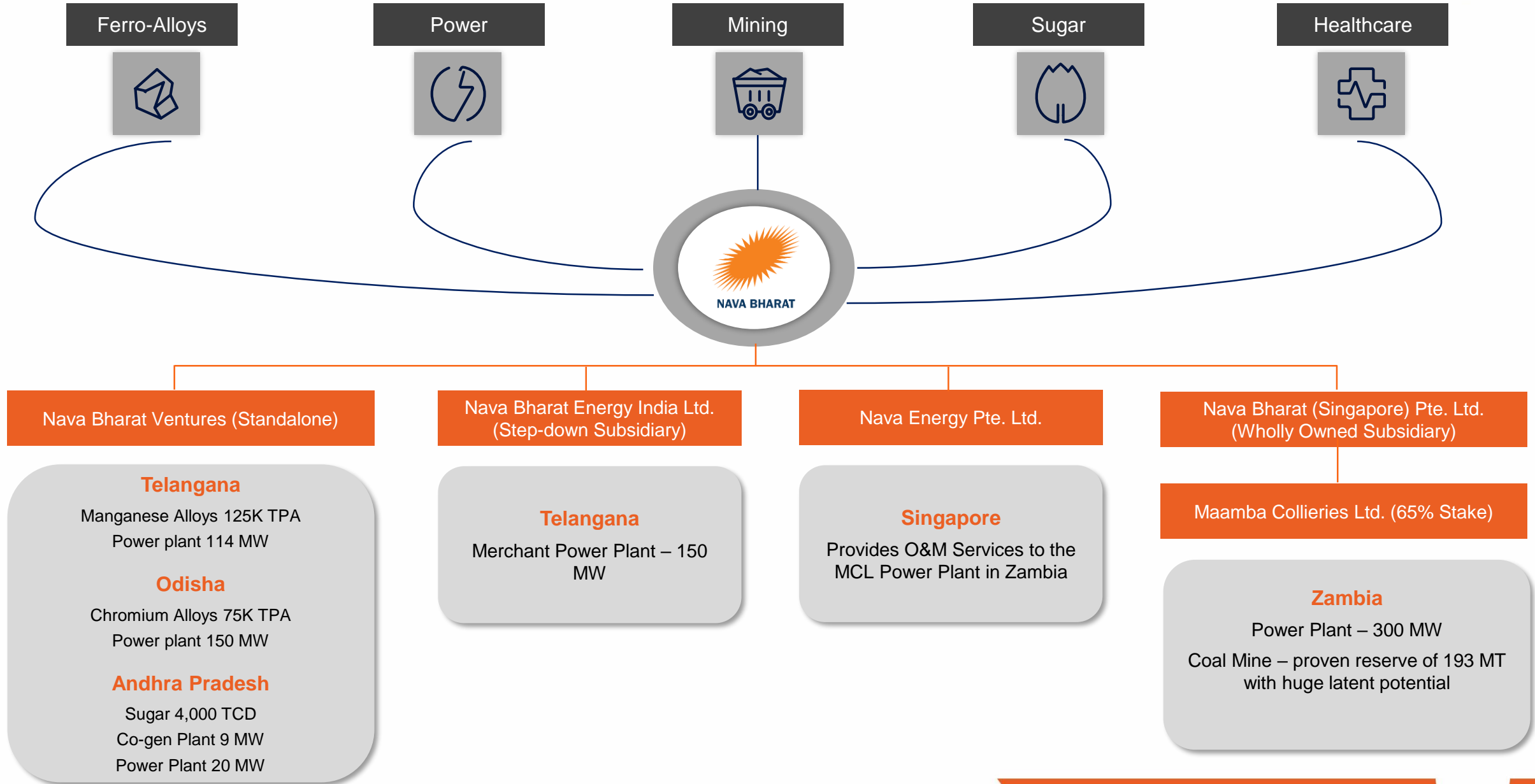
Power

- **India –**
 - 5 power plants with installed capacity of 443 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

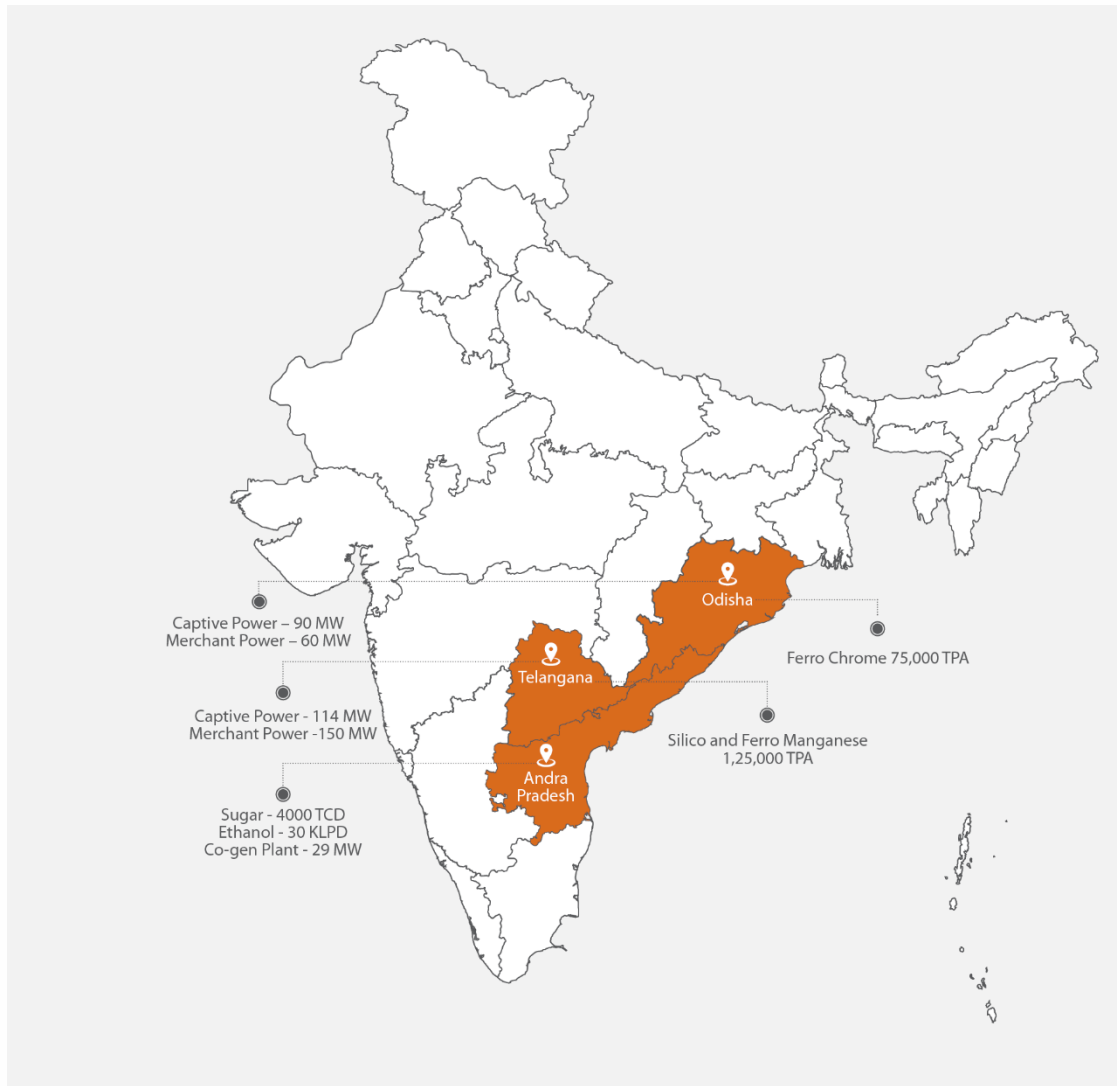
Coal Mining

- 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)

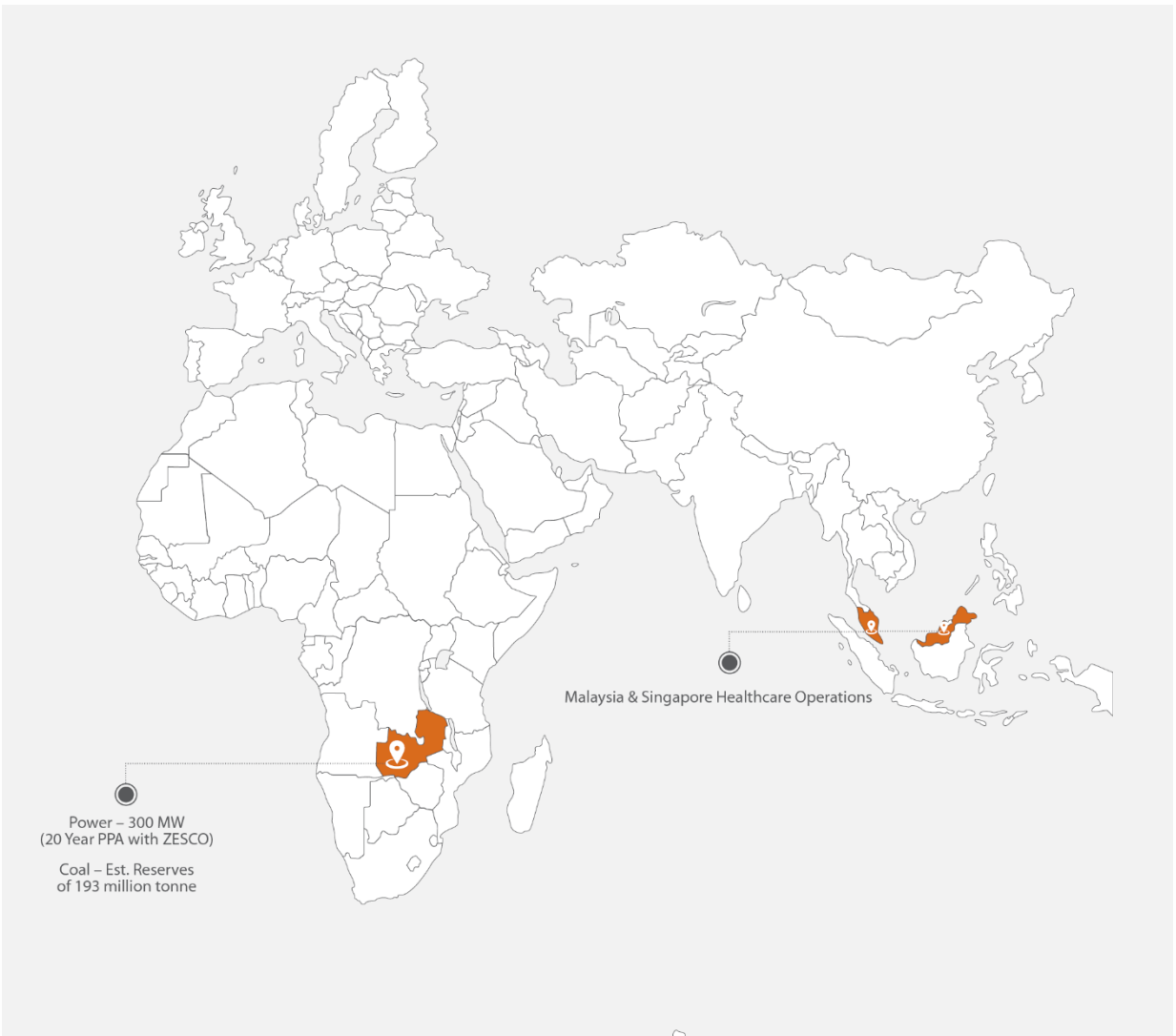
Company Structure



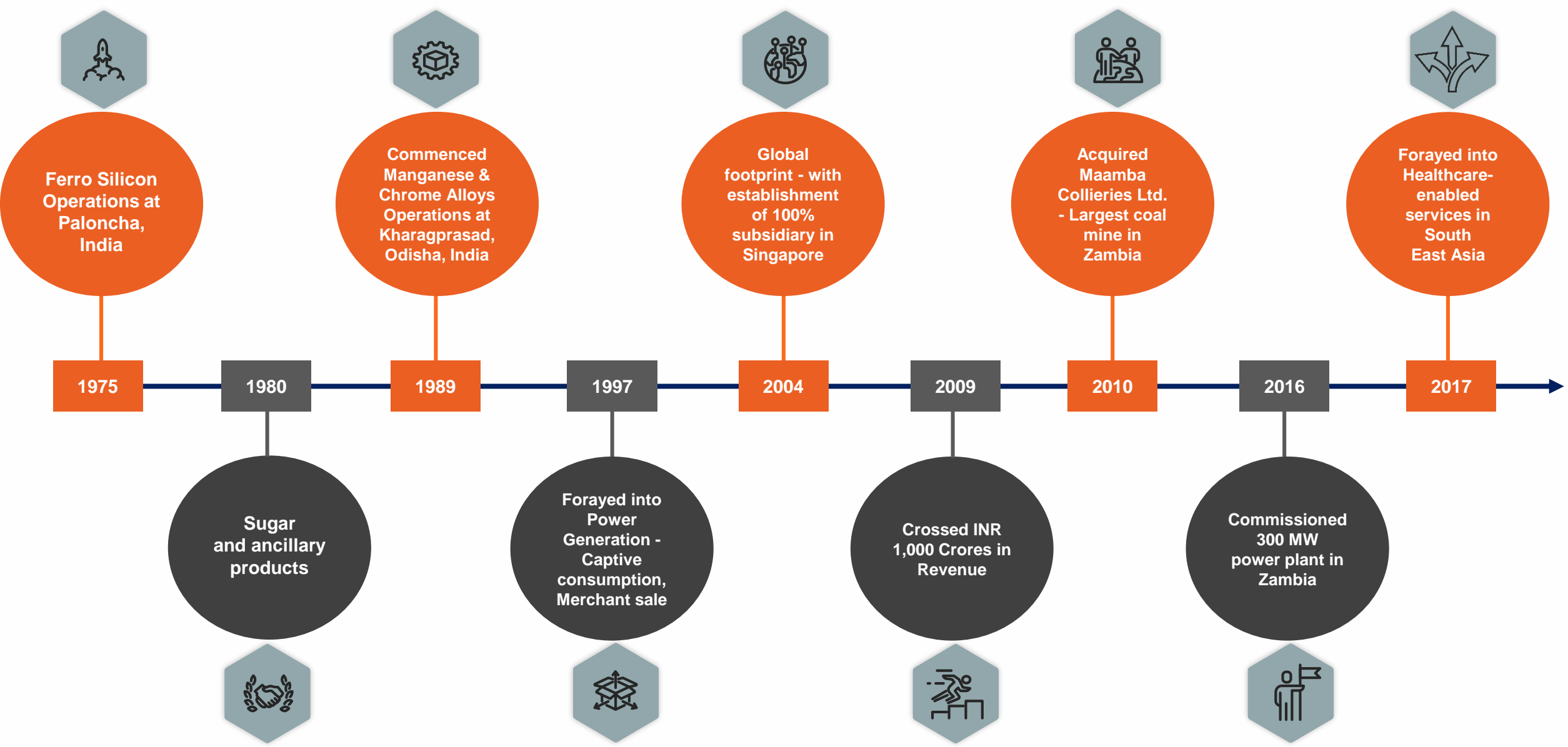
Domestic Operations – Facilities Chart on India Map



Global Operations – Facilities Chart on Global Map



Key Milestones in 40+ Years



Mr. D Ashok, Chairman

- 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

- 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

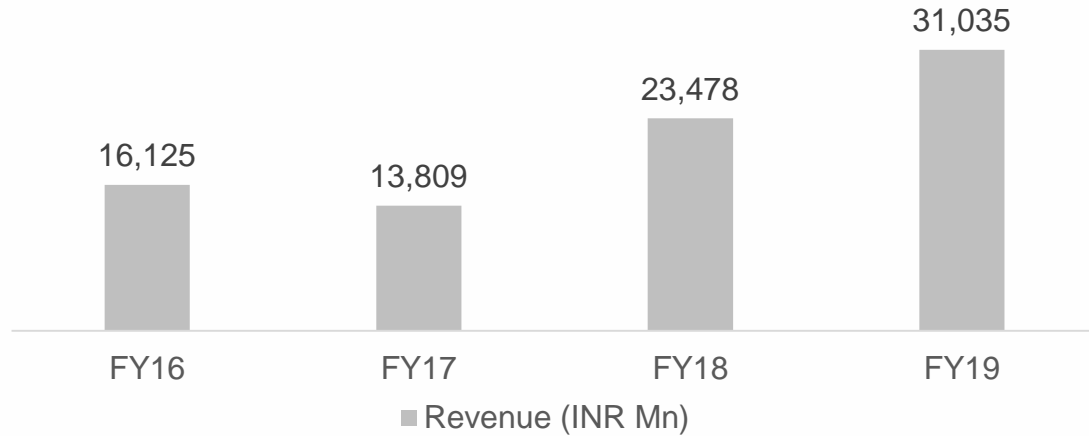
- A Graduate in Commerce with 45 years of industrial experience in ferro alloys industry.
- Responsible for marketing & sourcing of ferro alloys, raw materials etc.

Analyzing Yearly Financials - Consolidated Operations



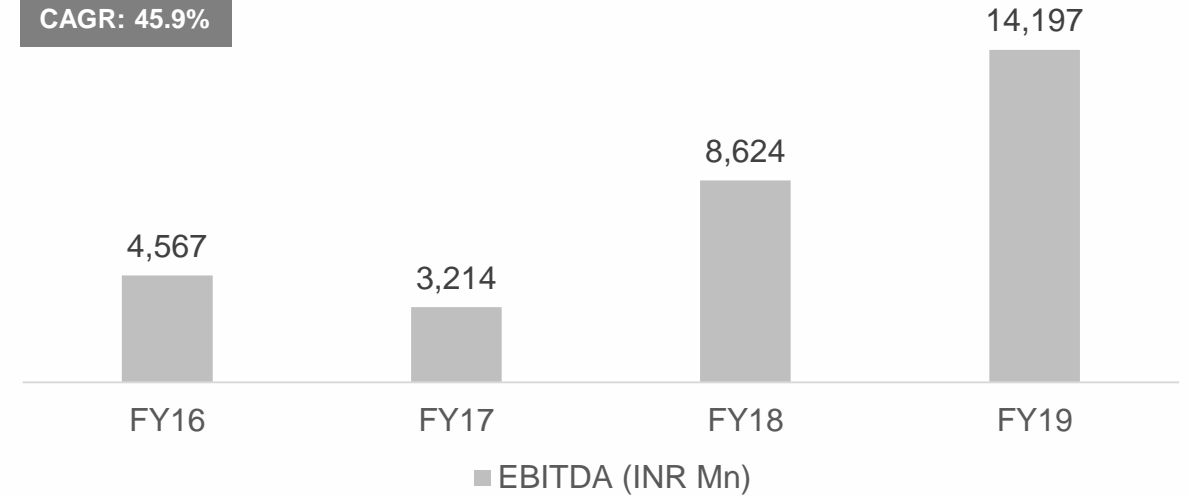
Revenue

CAGR: 24.4%



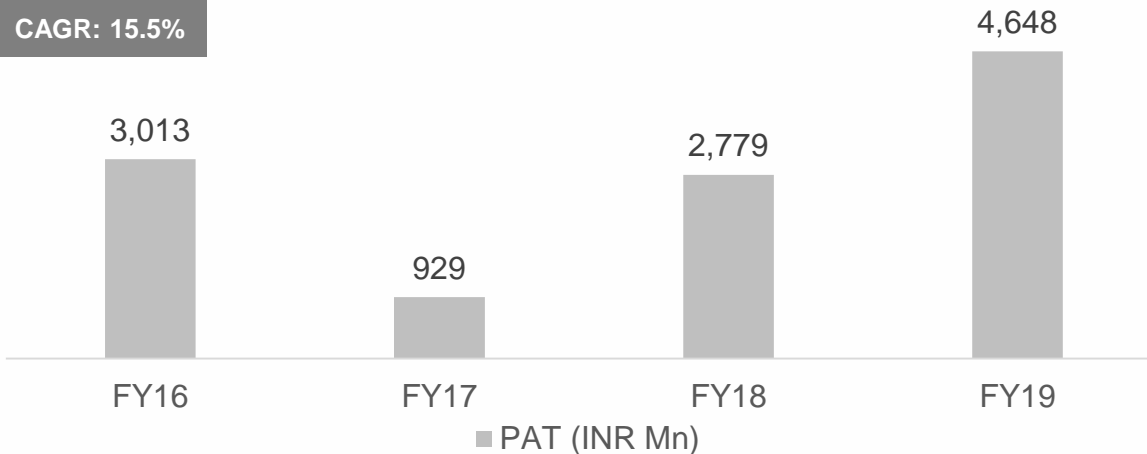
EBITDA

CAGR: 45.9%



PAT

CAGR: 15.5%

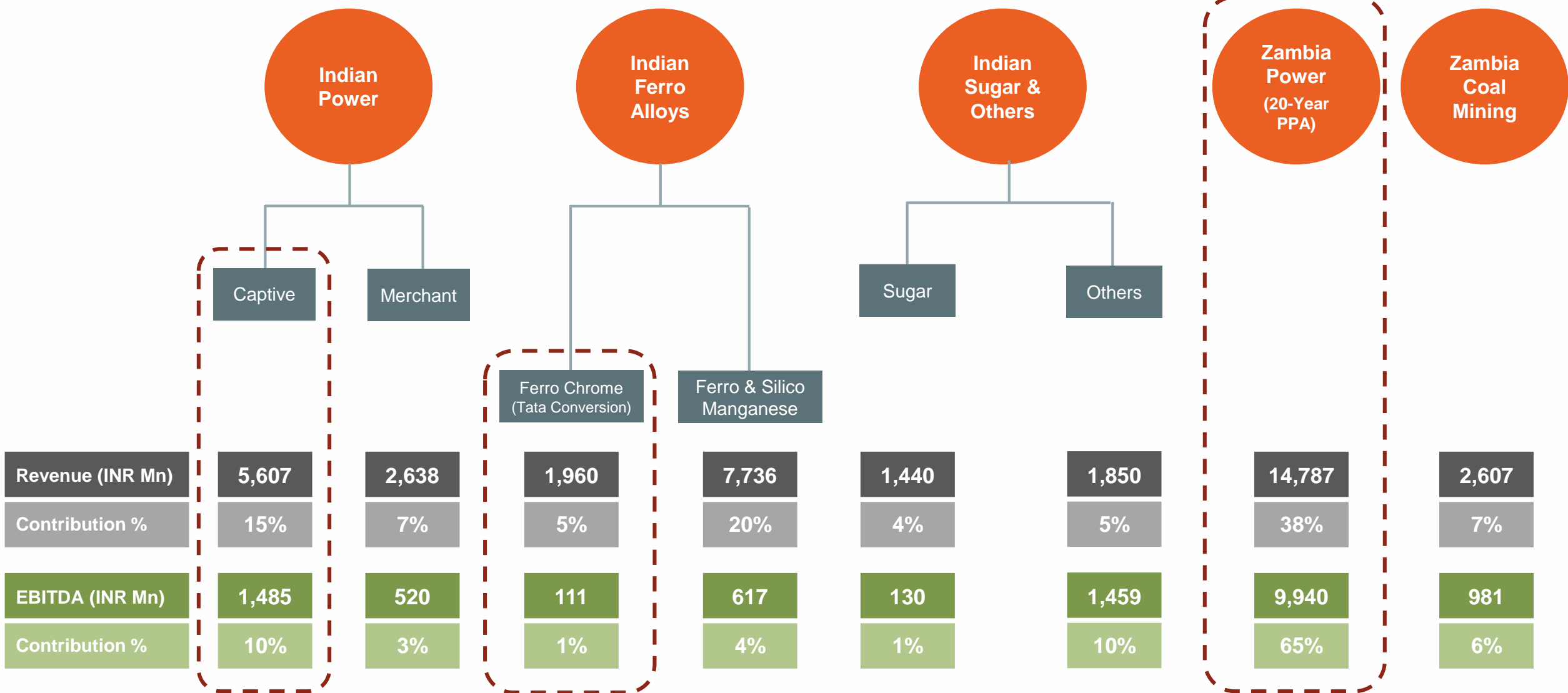


Debt Equity Ratio



Note: EBITDA includes other income

60%+ of Total Revenue & EBITDA is Largely Non-cyclical



Note:

- These figures pertain to FY2019. 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.

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

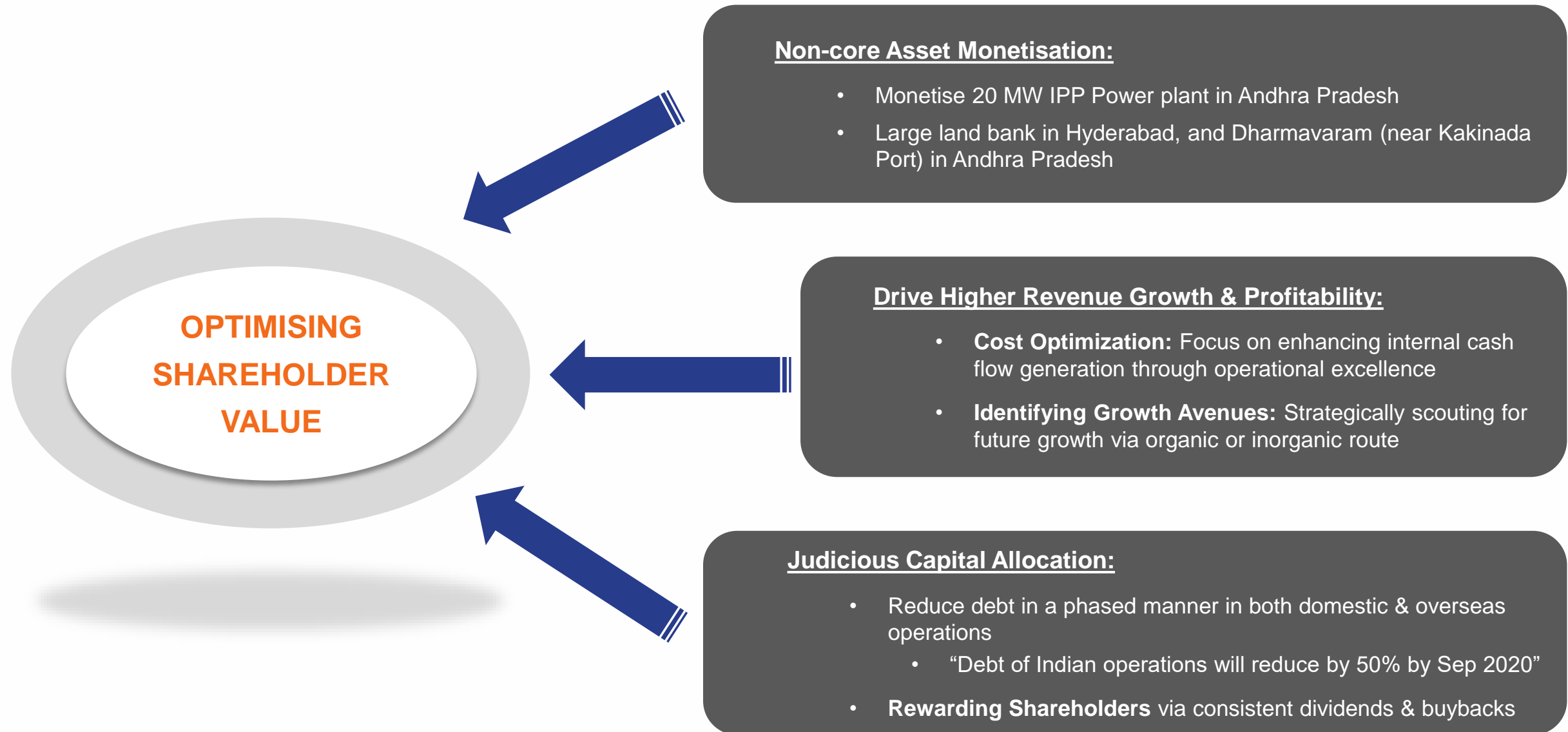
- i) **Steady off-take** from Ferro Alloy plants
- ii) All power plants are **located very nearby** to fuel sources
- iii) FBC technology Boilers

- i) Assured offtake leads to **better plant utilization** - CPP contributed to 68% of Power Revenue & 74% of Power 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



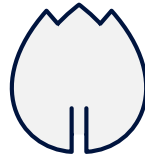
DISCUSSING OUR BUSINESS SEGMENTS



**Indian Ferro
Alloys**



Indian Power



**Indian Sugar &
Allied**



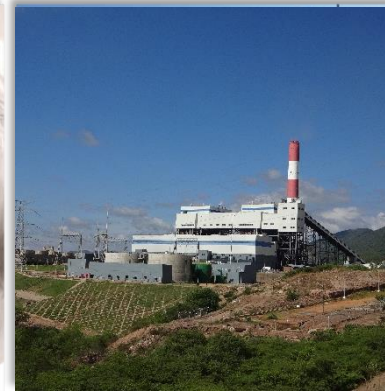
Healthcare



Zambia Power



Zambia Mining





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)	29MW (1 x 20MW, 1 x 9 MW)
Type of Plant	CPP	CPP – 90 MW IPP – 60 MW	Co-generation plant
Fuel	Coal	Coal	Bagasse
Source Mix	Linkage	Linkage	Captive
FY19 Financials - Revenue: INR 5,607 Mn, EBIDTA: INR 1,485 Mn, PLF: 67% *			

Paloncha, Telangana
150 MW (1 x 150MW)
IPP
Coal
E-auction
FY19 Financials - Revenue: INR 2,638 Mn, EBIDTA: INR 520 Mn, PLF : 49%

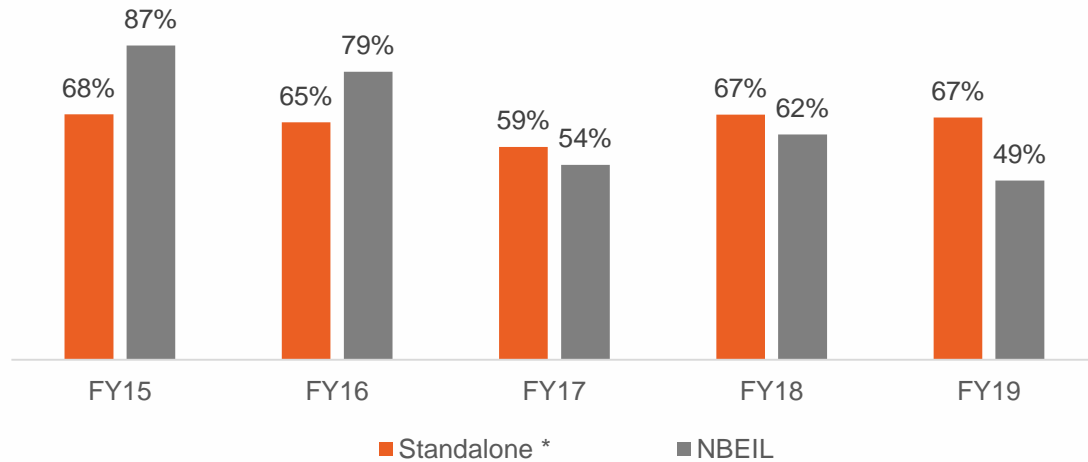
Mix of CPP and IPP gives diversity in Revenue mix. CPP generates stable income whereas IPP gives flexibility to capture spot IEX prices

- Note:**
- NBEIL: Nava Bharat Energy India Ltd; IPP: Independent Power Producer; CPP: Captive Power Plant.
 - * Standalone PLF (%) provided for Operating Capacities of 213 MW

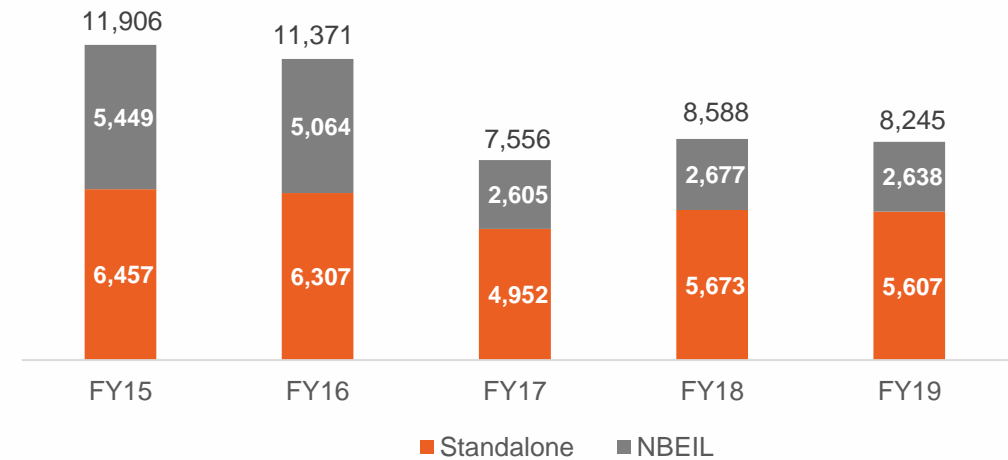
CPP provides stability to earnings in Indian Power Business



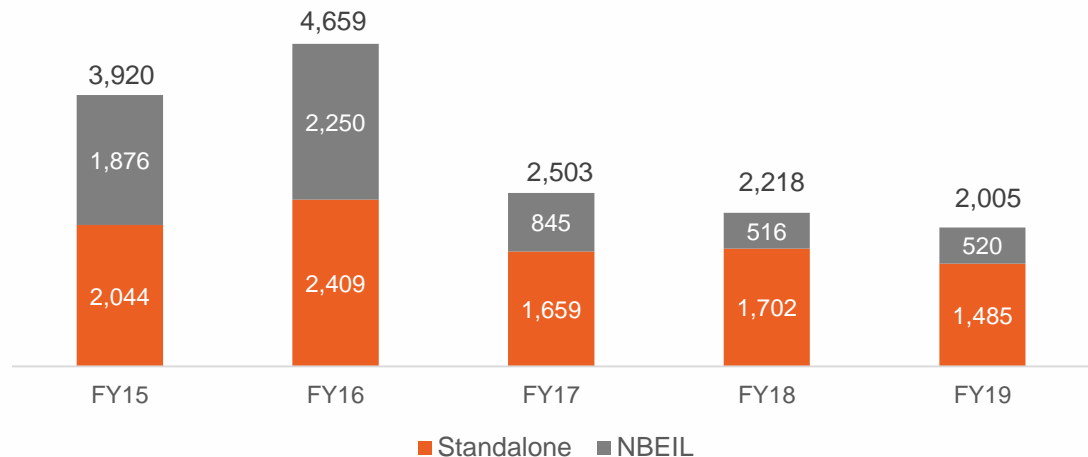
PLF



India Power Revenue (INR Mn)



EBIDTA (INR Mn)



- Note:**
- NBEIL: Nava Bharat Energy India Ltd; IPP: Independent Power Producer; CPP: Captive Power Plant.
 - * Standalone PLF (%) provided for Operating Capacities of 213 MW

- Standalone Operations have installed capacity of 293MW of which ~204MW 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 (150MW) is an IPP plant which operates on short to medium term PPA
 - Signed a new PPA agreement for the Telangana plant in July 2019, which will drive improvement in PLF from Q2 FY20 onwards.
- In FY19 CPP units generated ~68% of Revenue and 74% 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.



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 - 114MW CPP	Captive - 90MW CPP
User Industry	Carbon Steel	Stainless Steel
Cyclicalilty	Medium: 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.	LOW: Company produces Ferro Chrome under conversion agreement with TATA Steel. Thereby its operations are steady and insulated from FeCr prices

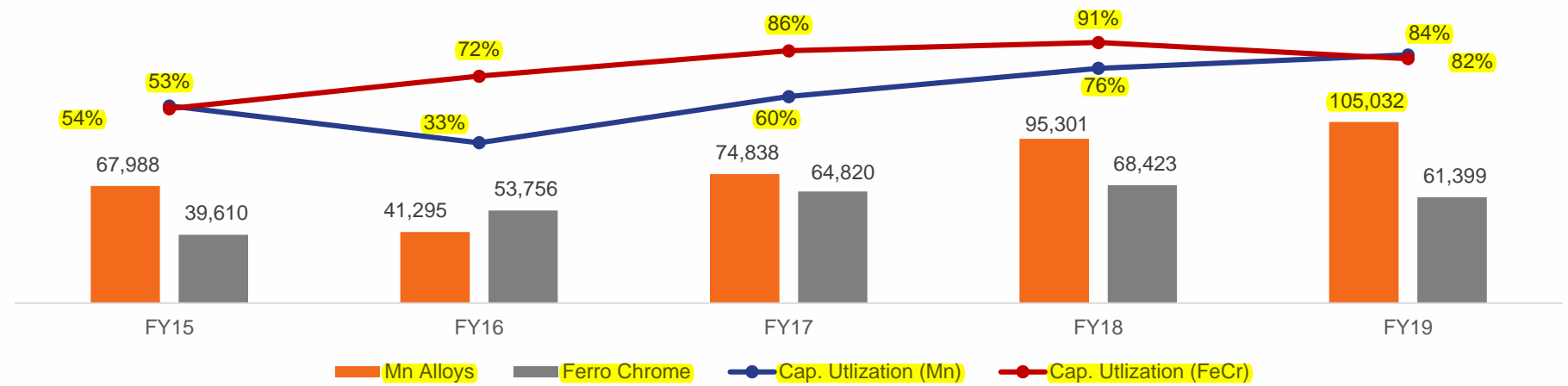
Ferro Alloys in Brief...

- 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 41% from INR 496 Mn in FY15 to INR 1,960 Mn in FY19**
 - Subsequently its share in Ferro Alloys revenue has increased from 7% in FY15 to 20% in FY19, 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 of 80% at both these plants is considered above par as per industry standard

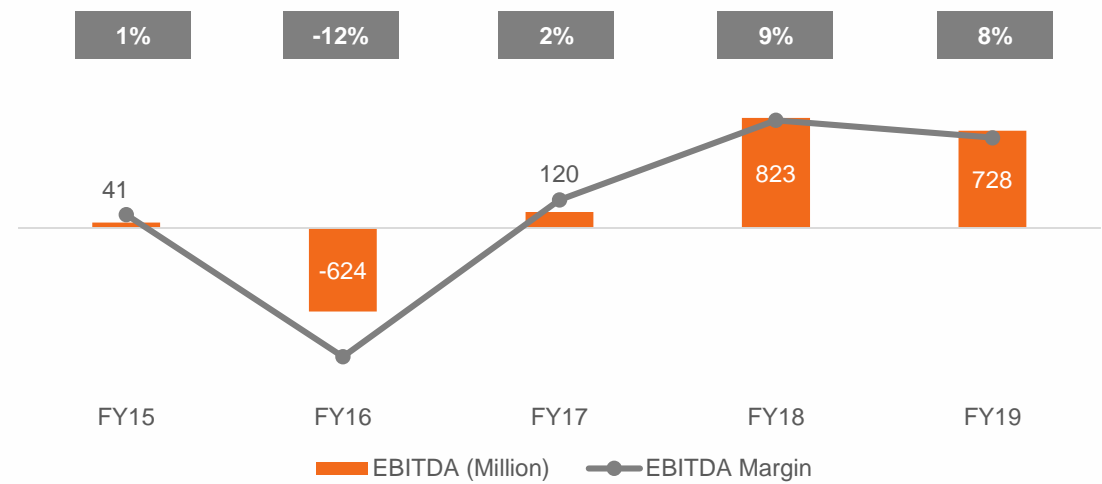
Ferro Alloys - Key Financial & Operating Metrics



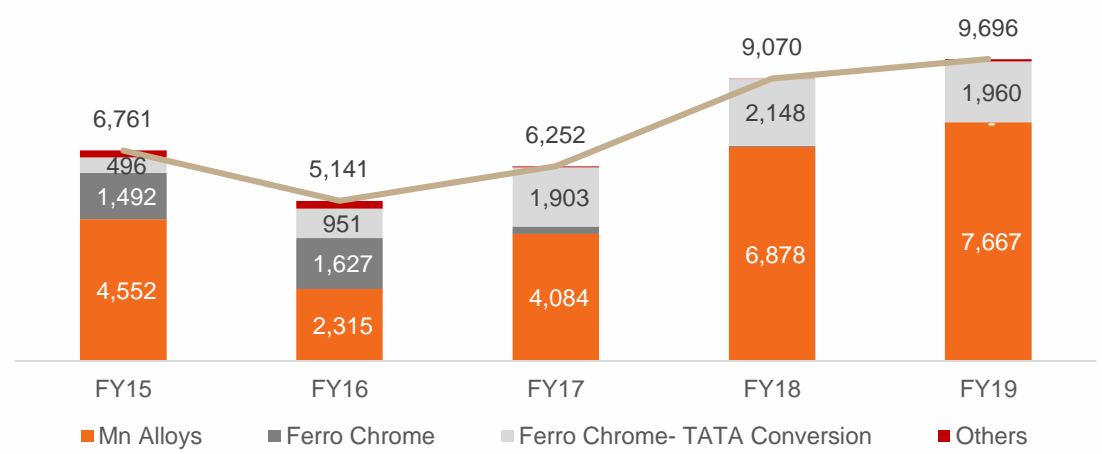
Production (tons) & Capacity Utilization (%)



EBITDA (INR Mn)



Ferro Alloys Revenue (INR Mn)



Note: Mn: Manganese Alloys; FeCr: Ferro Chrome



NAVA BHARAT

Sugar & Allied Business

NBVL Produces Sugar and Allied Products like Ethanol, Rectified Spirit and Extra Neutral Alcohol at Samalkot, Andhra Pradesh



Sugar

Product: White Crystal Sugar
Capacity: 4,000 TCD
Average Cane recovery: 10%



Distillery

Product: Rectified Spirit, Extra Neutral Alcohol
Capacity: 20 KLPD



Ethanol

Product: Ethanol
Capacity: 30 KLPD

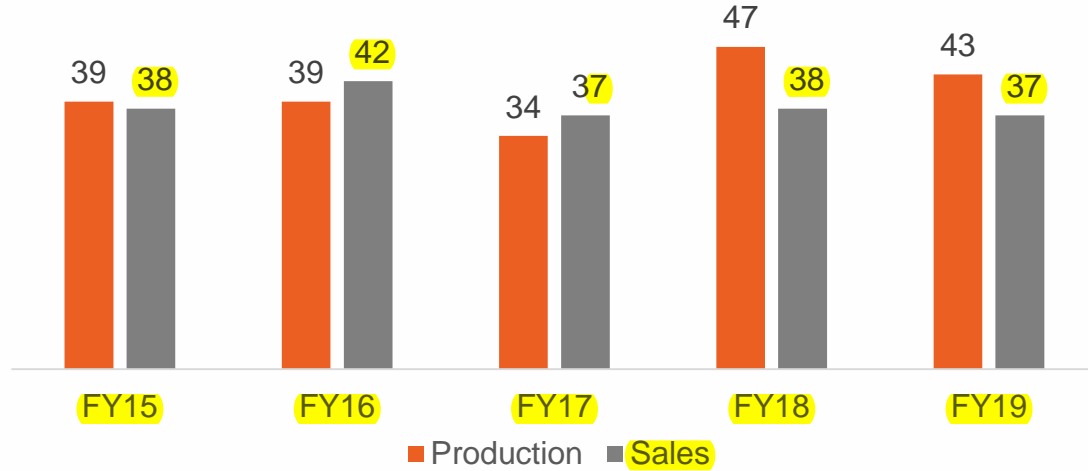
Favourable Regulatory Policies for Ethanol to help retain profitability though Sugar per se looks weak

- Government has set the MSP of Sugar at INR 31,000/tonne
- Encouraging Ethanol Push –
 - New Biofuel Policy allowing manufacturing of ethanol from B Molasses as well as from direct sugarcane along with Improved Pricing for Ethanol
 - Set-up higher blending target to lower dependence of crude imports
 - OMCs (IOCL, BPCL and HPCL) have floated a fresh tender for supply of 329 crores liters of Ethanol in SS 18s – 19
 - Providing Loans at subsidised interest rates to set-up ethanol production plants

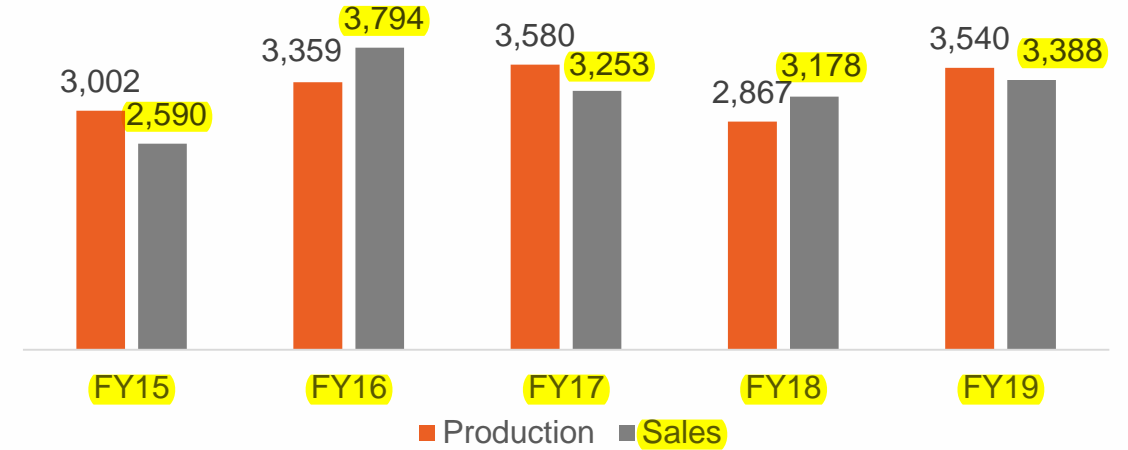
Sugar Operations - Financial & Operating Metrics



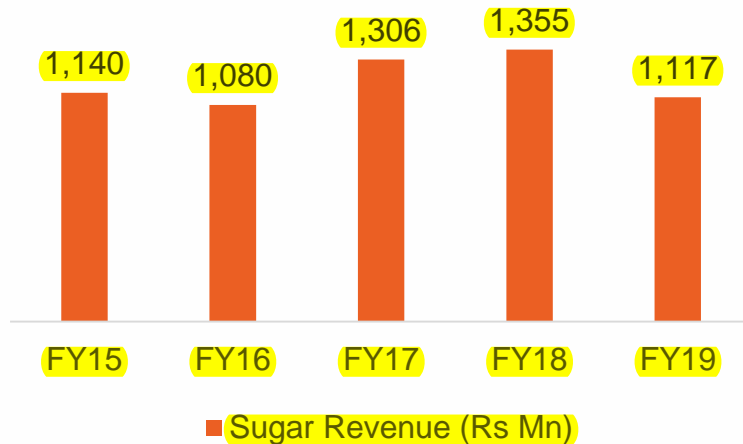
Sugar (000' MT)



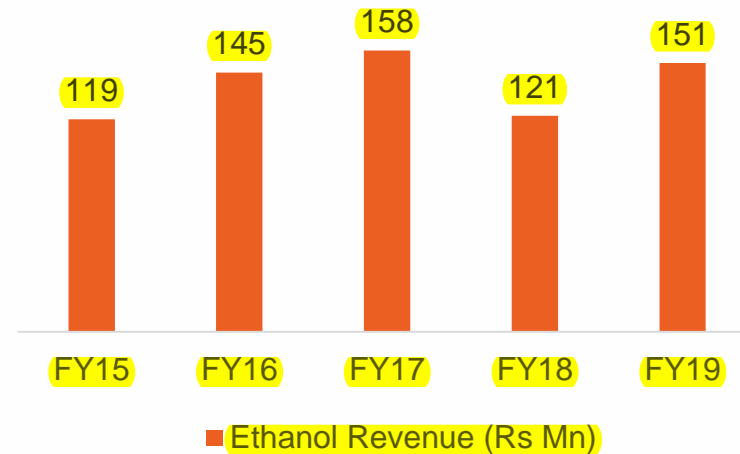
Ethanol (Kilo Litres per annum)



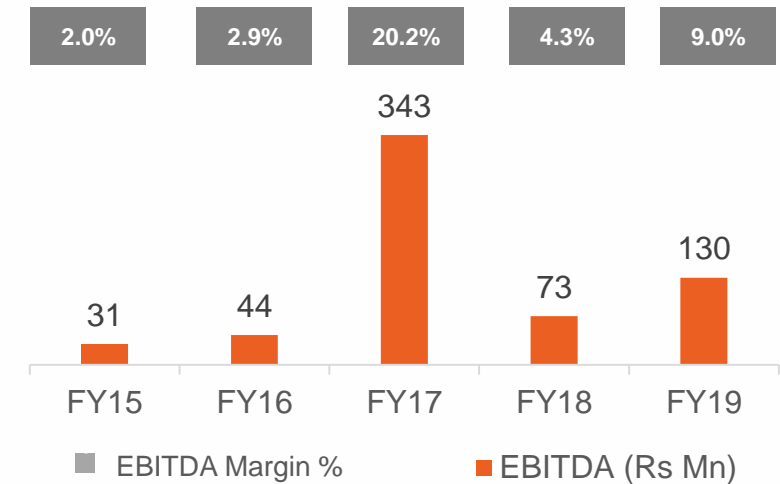
Sugar Revenue (INR Mn)



Ethanol Revenue (INR Mn)



Sugar & Allied Business EBITDA (INR Mn)





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 TIAASH 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.
 - Recently launched the iron drug in Malaysia
 - [Similar rights available with Lupin for India and Pfizer for Canada]





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 ~680 Mn (~USD 10 Mn) in FY2019



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 442 Mn
 - Successfully repaid ~148 Mn (5 semi-annual installments of ~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 \$52 Mn in FY19
- 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:** 75% (FY 2019)
- **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 FY2019 (USD Mn) :

- **Revenue:** 205 Mn; **EBITDA:** 138 Mn; **PBT:** 70 Mn
- Healthy EBITDA and PBT Margins; comparable to peers in African region

Zambia Power - Financial & Operating Metrics



Key Operating Metrics	FY18	FY19	YoY (%)
Power Units Sold (in Million Units)	958.3	1731.8	81%
Availability (%)	69.4%	87.0%	1,760 bps
Average PLF (%)	62.1%	74.6%	1,250 bps
Realisation per unit (USD / ton)	0.11	0.12	6%

Currency	USD (In Millions)			INR (In Millions)		
Key Financial Metrics	FY18	FY19	YoY (%)	FY18	FY19	YoY (%)
Revenue from Operations	103.6	205.0	98%	7,036.3	14,787.2	110%
Operating Expenses	28.7	67.2	134%	1,948.5	4,847.3	149%
EBITDA	74.9	137.8	84%	5,087.8	9,939.9	95%
<i>EBITDA Margin (%)</i>	<i>72.3%</i>	<i>67.2%</i>	<i>-509 bps</i>	<i>72.3%</i>	<i>67.2%</i>	<i>-509 bps</i>
<i>Debt</i>	<i>469.5</i>	<i>414.9</i>	<i>-12%</i>	<i>30,599.5</i>	<i>28,695.3</i>	<i>-6.2%</i>
<i>Receivables</i>	<i>80.4</i>	<i>165.7</i>	<i>106%</i>	<i>5,240.0</i>	<i>11,460.0</i>	<i>118.7%</i>



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



Zambia Coal Mining - Financial & Operating Metrics



Key Operating Metrics	FY17	FY18	FY19	CAGR (%)
Coal Sales to outsiders (Metric Tons Per Annum)	276,486	326,612	233,754	-8.1%

Currency	USD (In Millions)				INR (In Millions)			
Key Financial Metrics	FY17	FY18	FY19	CAGR (%)	FY17	FY18	FY19	CAGR (%)
Revenue from Operations	20.0	29.9	36.1	34.4%	1,294.7	2,032.5	2,606.8	41.9%
Operating Expenses	9.4	26.4	22.5	54.7%	608.5	1,795.9	1,626.0	63.5%
EBITDA	10.6	3.5	13.6	13.3%	686.2	236.6	980.8	19.6%
<i>EBITDA Margin (%)</i>	<i>53.1%</i>	<i>11.6%</i>	<i>37.6%</i>		<i>53.1%</i>	<i>11.6%</i>	<i>37.6%</i>	
<i>Debt</i>	<i>-</i>	<i>31.8</i>	<i>27.4</i>		<i>-</i>	<i>2,074.0</i>	<i>1,894.7</i>	



THANK YOU



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