

NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

41st Annual Report 2012-13

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Standalone

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Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

SRI ASHOK DEVINENI

Chairman

SRI P.TRIVIKRAMA PRASAD

Managing Director

SRI G.R.K.PRASAD

Executive Director

SRI C.V.DURGA PRASAD

Director (Business Development)

CHIEF FINANCIAL OFFICER

SRI T.HARI BABU

AUDITORS

M/s. BRAHMAYYA & CO

Chartered Accountants, Hyderabad

BANKERS

STATE BANK OF INDIA**ANDHRA BANK****BANK OF INDIA****STATE BANK OF HYDERABAD****UCO BANK**

Ferro Alloy Plant(A.P.)
Paloncha – 507 154
Khammam Dist.(A.P.)

Power Plant(A.P.)
Paloncha – 507 154
Khammam Dist.(A.P.)

REGISTERED OFFICE

6-3-1109/1
'NAVA BHARAT CHAMBERS'
RAJ BHAVAN ROAD
HYDERABAD – 500 082(A.P.), INDIA

WORKS

FERRO ALLOY DIVISION

INDEPENDENT DIRECTORS

SRI K. BALARAMA REDDI**Dr. E.R.C.SHEKAR****Dr. M.V.G.RAO****Dr. D.NAGESWARA RAO****SRI C.S.V.RAO****Dr. C.V.MADHAVI**

COMPANY SECRETARY

SRI M.SUBRAHMANYAM

COST AUDITORS

M/s. NARASIMHA MURTHY & CO

Cost Accountants, Hyderabad

REGISTRARS & SHARE TRANSFER AGENTS

M/s. KARVY COMPUTERSHARE PVT. LTD.

Plot No.17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081(A.P.), India

Ferro Alloy Plant(Odisha)
Kharagprasad Village – 759 121
Dhenkanal Dist.(Odisha)

Power Plant(A.P.)
Dharmavaram – 534 430
East Godavari Dist.(A.P.)

POWER DIVISION

Power Plant(Odisha)
Kharagprasad Village – 759 121
Dhenkanal Dist.(Odisha)

SUGAR DIVISION

Samalkot – 533 440
East Godavari Dist.(A.P.)

MACHINE BUILDING DIVISION

Nacharam
Hyderabad – 500 076(A.P.)

About Us

Nava Bharat Ventures Limited (NBVL) is a diversified business organisation with distributed asset base. Its business verticals comprise power generation, ferro alloys, mining and agri-business. While the Company's assets are spread over different geographies, such as India, Southeast Asia and Africa, its global headquarters is located in Hyderabad, India.



The Company's core strengths lie in design, engineering, project management as well as operation and maintenance of plants. These, coupled with committed human resources, enable timely and cost-effective project execution and efficient plant operation across all geographies it focuses on.

Conservation of natural resources, protection of environment, local value addition and development of communities around the manufacturing facilities are integral part of NBVL's corporate philosophy.

VISION

- We will be a diversified company with operations in different geographies and adding best value to the available natural resources.
- We will ensure that our operations benefit the local community and the nation, while rewarding the stakeholders.
- Minimising the impact on environment shall be a guiding principle in all our business endeavours.

Business Operations

DOMESTIC

POWER

Fuel	Capacity (MW)	Location
Coal	*264	Paloncha, Andhra Pradesh
	**158	Kharagprasad, Odisha
Bagasse	20	Dharmavaram, Andhra Pradesh
Total generating capacity	442	

* 150 MW Power Plant set up by Nava Bharat Energy India Limited (NBEIL) commenced commercial operation on 1st April, 2013

** 64 MW Power Plant synchronised with grid; commercial operation yet to commence

FERRO ALLOYS

Product	Capacity (TPA)	Location
Manganese Alloys	1,25,000	Paloncha, Andhra Pradesh
Chromium Alloys	75,000	Kharagprasad, Odisha
Total installed capacity	2,00,000	

SUGAR

Plant	Capacity	Location
Sugar plant	4,000 tcd	Samalkot, Andhra Pradesh
Distillery	20 klpd	Samalkot, Andhra Pradesh
Ethanol plant	30 klpd	Samalkot, Andhra Pradesh
Co-gen Plant	9 MW	Samalkot, Andhra Pradesh

INTERNATIONAL

- Power
- Mining
- Agri-business

INTERNATIONAL PROJECT SNAPSHOT

Country	Activity	Status
Zambia	Mining and power generation	Coal mine revamped and commercial production of coal commenced; 2 x 150 MW power plant under construction
Tanzania	Commercial agro-based investments	In development phase
Laos	Development of hydro-electric power project	Feasibility studies completed; agreements in progress
South Africa	Exploring opportunity for coal and power	Exploratory stage

Awards and Recognitions

Your Company received the following awards/recognitions during 2012-13:

1. **National Award for Excellence in Water Management 2012 as Excellent Water Efficient Unit** from Confederation of Indian Industry (Power Plant at Kharagprasad received this award).
2. **National Award for Excellence in Energy Management 2012 as Excellent Energy Efficient Unit** from Confederation of Indian Industry (Sugar Division received this award in all categories of industries for the 6th consecutive year).
3. **Silver Shield for Star Performer as Large Enterprise in the Product Group of Ferro Alloys** in recognition of outstanding contribution to Engineering Exports during 2010-11 under the category of Regional Awards for Export Excellence, from EEPICINDIA, Southern Region.
4. **Sri Abhaya Group Parisramika Puraskaralu** honouring the spirit of entrepreneurship in large industries category from Zee 24 Hours Telugu TV Channel.



Three Decades of Excellence

1975

Commenced production of ferro silicon at Paloncha, A.P.

1980

Diversified into production of sugar and downstream products at Samalkot, A.P.

1989

Commenced commercial production of manganese and chrome alloys

1997

Diversified into power generation by catering to captive requirements and selling surplus power

2004

Spread its global footprints through Nava Bharat (Singapore) Pte. Limited

2006

Company renamed as Nava Bharat Ventures Limited to reflect its multi-vertical business

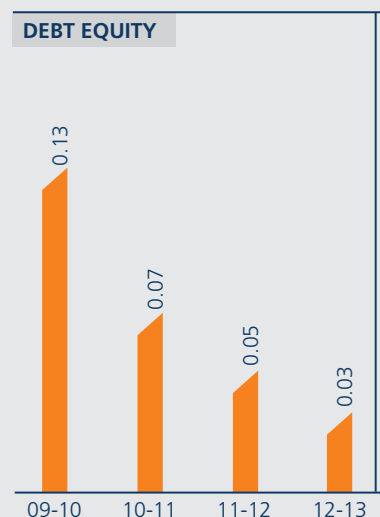
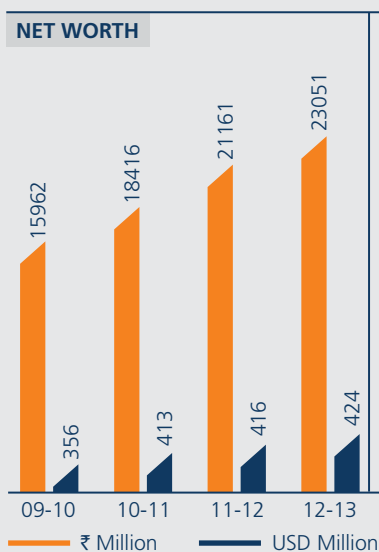
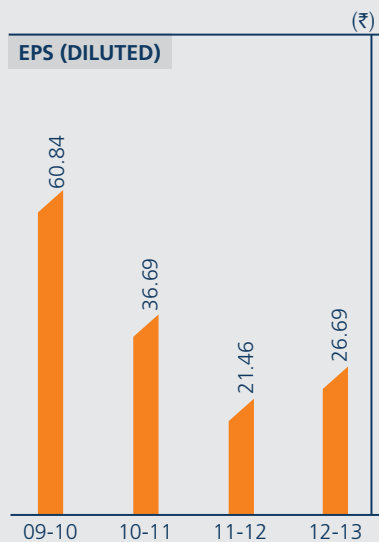
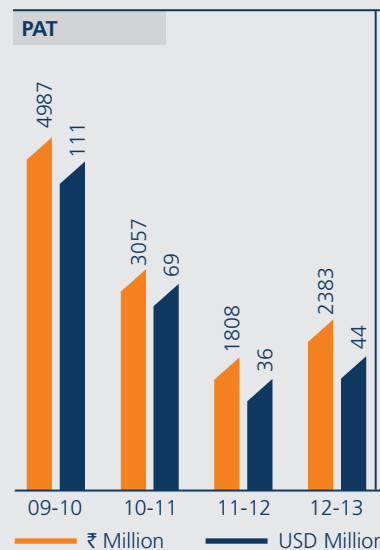
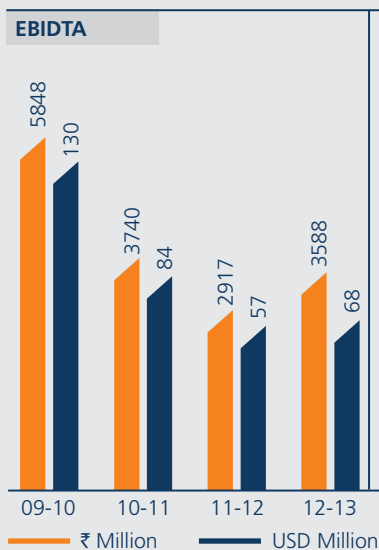
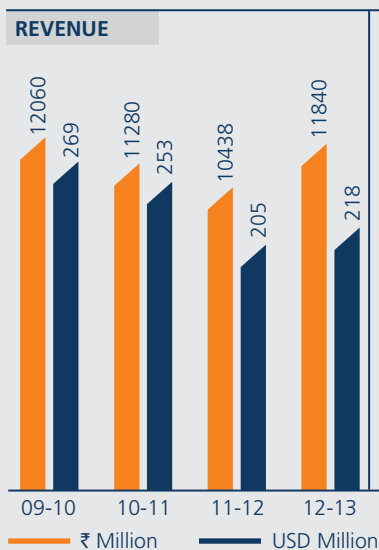
2010

Acquired a large coal mining company (Maamba Collieries Limited) in Zambia





Financial Performance



USD/INR-Exchange Rate

2009-10	2010-11	2011-12	2012-13
44.89	44.59	50.87	54.365

Report on Corporate Social Responsibility

Fulfilling Corporate Social Responsibility (CSR) is a vital and integral part of the overall business strategy of Nava Bharat Ventures Limited (NBVL). Several initiatives taken by the Company demonstrate the core philosophy that various stakeholders, including the society at large, contribute to NBVL's sustained success and growth.

NBVL makes constant efforts to lend a helping hand to the needy and underprivileged sections of the communities around its facilities and contribute to their well-being and development.

The Company is committed to protection of environment in all its operations across different business verticals and geographies. In addition, it has chosen health, education and creation of livelihoods as the three pillars of its CSR platform.

Apart from the above initiatives, the Company has contributed significantly to the care of disabled persons during 2012-13.

HEALTH



Nava Bharat Eye Center, Paloncha

NAVA BHARAT EYE CENTER (NBEC)

The Company established this facility in its own premises at Paloncha and handed it over to L V Prasad Eye Institute (LVPEI), Hyderabad, to manage and provide quality eye care to needy patients. During 2012-13, NBEC conducted 2,622 surgeries, compared to 2,347 surgeries in 2011-12. As many as 23,414 out-patients were treated in 2012-13, as against 22,643 in 2011-12. In 2012-13, about 66% of surgeries were carried out free of charge and 41% of out-patients were treated free of cost.

Further, NBVL and LVPEI are exploring the provision of Primary Health Care, utilising the existing facilities at NBEC.



Ophthalmic Centre at UTH, Lusaka, Zambia

OPHTHALMIC CENTRE, LUSAKA

In association with Operation Eyesight Universal, Canada, NBVL established a modern Ophthalmic Centre at the University Teaching Hospital (UTH) in Lusaka, Zambia.

In 2012, as many as 15,230 patients were examined by the above Centre. Among them, 1,284 patients received eye surgery (an increase of 30 per cent over 2011) and 2,585 people were provided with new eyeglasses. Many of these people never had access to eye care before.



Community Health Centre, Kharagprasad, Odisha

COMMUNITY HEALTH CENTRE

NBVL continued its support for effective functioning of the Community Health Centre established by it at Kharagprasad village in Odisha.

As a preventive measure, the Company organised spraying of anti-mosquito chemicals at Charadagadia and Motanga villages in Odisha.



Free Diabetic Camp at Sibapur village

MEDICAL CAMPS

NBVL organised free Medical Camps at Sibapur village in Odisha, and, Prathipadu and Jaggutanda villages in Andhra Pradesh. The Company provided medical services to rural people at these two camps. Medical experts in Diabetology, Surgery, Gynaecology, Ophthalmology, Dental Care, Dermatology, Orthopaedics, Paediatrics and others rendered voluntary services in these camps, benefiting around 1,000 people. The doctors advised the patients on the principles of health and good habits to maintain hygiene.

WATER

There are several villages that lack the infrastructure to fulfil basic needs, such as a source of water. To address this problem, NBVL has sunk bore wells in Upper Primary Schools at Old Paloncha, KCR Nagar, Sonia Nagar, Pitchaiah Nagar and Palakoyathanda, near its facilities at Paloncha.

Besides, the Company supplied drinking water to Jagguthanda in Khammam district, and Dharmavaram and surrounding villages in East Godavari district, Andhra Pradesh.

EDUCATION



Free Tuitions at Upper Primary School, Old Paloncha

MANAGING SCHOOLS

NBVL continues to emphasise on providing quality education to students coming from the rural communities around its manufacturing units. The curricula of the schools are planned to impart knowledge to students in various subjects. Besides, it blends trends and tradition to build character and help the overall development of the students. Yoga and meditation classes are included in the regular curriculum to provide serene academic ambience at the schools.

Nava Bharat Schools at Paloncha in A.P. as well as Brahmani Public School at Kharagprasad in Odisha, supported by the Company, have provided education to about 2,000 students from rural areas.

The schools achieved cent per cent results and excellent performance once again during the academic year 2012-13. Out of the 99 students who appeared for 10th Class All India Secondary School Examination - 2013 from Nava Bharat Public School, 97 students secured distinctions and the balance, first division. Sixteen students from the school topped the batch with 10 grade points each, the maximum possible. Out of the 46 students who appeared for the SSC Examination - 2013 from Nava Bharat High School, 39 secured distinctions, six students secured first division and one student passed in second division. Out of the seven students who appeared for the 10th Class Examination from Brahmani Public School, six students secured first division and one passed in second division. Most of the students are children of agricultural labourers or daily wage earners.

FREE TUTIONS TO POOR STUDENTS

This is an ongoing endeavour by NBVL for the fourth successive year. This initiative was started in 2009-10 in four villages with a total participation of 134 students. By 2012-13, the number of students swelled to 480 in nine schools in neighbouring villages, with remarkable improvement in the marks obtained by the students attending these tuitions.

The Company also encourages students and teachers in these tuition centres by awarding incentives for outstanding performance.

With every passing day, increasing number of students are participating in the tuitions, reflecting the encouraging response from the community. This effort helped reduce the number of school dropouts considerably.

FINANCIAL & INFRASTRUCTURAL SUPPORT

NBVL extended grant in aid to Brahmani Public School and Nimidha High School in Odisha. Besides, the Company extended financial assistance to The University College of Engineering, Kakatiya University, Paloncha, to conduct workshops. The objective of these workshops is to create impetus for research activity and improve technical knowledge to meet current industry requirements.

The Company provided infrastructural support like supplying school furniture, carrying out repairs to school buildings, and so on to Jawaharlal Nehru Municipal High School, Peddapuram, ZPP High School, Dharmavaram and other institutions in Andhra Pradesh and Odisha.



LIVELIHOODS



VOCATIONAL TRAINING

With fast economic development, there has been a steep increase in the demand for skilled manpower in many fields. However, the availability is still lagging far behind. Responding to this dire necessity, the Company established Nava Bharat Vocational Institute (NBVI) at Paloncha to impart vocational skills to unemployed youth in rural areas and improve their employability.

This institute has been providing quality training to unemployed youth to help them get employed as welders, electricians, fitters and plumbers. The number of trainees

increased from 80 in 2011-12 to 130 in 2012-13. People who received training at NBVI have been employed by reputed industrial units with decent remuneration. The Company contemplates to add new trades, like air conditioner repairing for men, and, tailoring and embroidery for women in the training schedule.

Convinced with the training facilities established and the quality of training imparted by NBVI, the Government of Andhra Pradesh entered into an MoU with the Company under Rajiv Education Employment Mission in Andhra Pradesh (REEMAP). The objective of this contract is to enlarge the scope and coverage of training for skill development.

OTHER CSR ACTIVITIES



Integrated Farmers' Service Centre, Samalkot

COACHING IN ENGLISH

The English Coaching Centre, established by NBVL at Paloncha, has been providing coaching in verbal and written communication in English to educated, unemployed youth in the age group of 18 to 30 years. The English Coaching Centre imparts free training to students for three months. Classes of one and a half hour per day are conducted for five days in a week.

This coaching programme aims to impart skills in unemployed youth to face interviews with confidence, thus improving their employment chances.

disseminate knowledge on best agricultural practices including mechanisation, maintenance of farm machinery and enhancement of skill sets of farmers. The Ananda Jyothi programme provides a platform for small, marginal and landless farmers to discuss their problems and find solutions through knowledge sharing.

The Chaitanya Jyothi programme helps to create awareness among rural women from farming community on women welfare, community hygiene, adult women education and so on. The programme empowers them through skill utilisation for stitching, knitting and so on.

INTEGRATED FARMERS' SERVICE CENTRE

To help the farming community improve returns from their agricultural activities, NBVL established an Integrated Farmers' Service Centre (IFSC) at its Sugar Division at Samalkot.

Equipped with Soil Testing Laboratory, Bio-Control & Inoculants Laboratory, Plant Health Clinic and Farmers' Training Centre under one roof, IFSC continues to

HOME FOR THE DISABLED

The Home for the Disabled, established at Bansilalpet, Secunderabad, has been taking care of disabled persons of all age groups, ethnic origins and disabilities for the past 80 years. It is managed by a registered, charitable organisation and has become a loving and caring home for 320 persons now. To accommodate more inmates, the Home is constructing an Extension Unit at Sampanbole

village in Shamirpet Mandal, RR district. The first phase of this Extension Unit, which has been completed recently, helps accommodate 30 disabled persons.

In appreciation of the noble cause served by the Home, NBVL and its promoters extended financial assistance to meet part of the construction cost at Sampanbole. In recognition of this support, the extension unit is named HOME FOR THE DISABLED (FINANCIAL SPONSOR: NAVA BHARAT VENTURES LIMITED).

CONSTRUCTION AND MAINTENANCE OF ROADS

To mitigate the hardships created by bad roads in villages, the Company laid WBM roads at Yerragunta, Gandhinagar, Sekharambanjara, and Manchikantinagar in Andhra Pradesh. It also repaired the village road from NH16 to Veldurthy and the approach road to railway bridge at Samalkot in Andhra

Pradesh. NBVL also carried out maintenance works of the approach road to Nimidha village in Odisha.

SUPPORT TO SPORTS

The Company extended financial support to conduct district-level Mini Olympiad at Kakinada and Tennis Championships of East and West Godavari districts at Peddapuram, Andhra Pradesh.

COMMUNITY HALL

NBVL provided financial assistance to construct a Community Hall at Samalkot, Andhra Pradesh.

FESTIVALS AND SOCIAL FUNCTIONS

The Company extended financial assistance for celebrating community festivals and social functions in villages around its facilities in Odisha.

ENVIRONMENT PROTECTION



AAQMS at Paloncha

It is every person's responsibility to conserve natural resources and protect the environment. As a responsible corporate citizen, NBVL has in place a comprehensive Environmental Management System, which is accredited with ISO 14001. It strives to develop innovative practices to improve its environmental performance. The important measures taken by NBVL in this direction during 2012-13 are given below.

ONLINE STACK MONITORING SYSTEM

In line with the Company's commitment to environment protection, Opacity Meters were installed for Power Plant stacks. These Opacity Meters help online monitoring of SPM (Suspended Particulate Matter) in the gases which are finally released in the atmosphere. Similarly, Flue Gas Analysers were installed to monitor SO_x, NO_x and CO in these gases.

These facilities, set up at Paloncha and Dharmavaram in Andhra Pradesh and Kharagprasad in Odisha, are connected to the websites of respective State Pollution Control Boards which display live monitoring data from NBVL's Plants.

ONLINE AMBIENT AIR QUALITY MONITORING STATIONS (AAQMS)

To control ambient air quality, NBVL installed AAQMS in the plant premises at Paloncha and Kharagprasad.

The AAQMSs continuously record SPM, SO_x, NO_x, and CO in the ambient air. These Stations are connected online to the websites of respective State Pollution Control Boards for live display of data.

Moreover, meteorological stations established at the above locations continuously record data like relative humidity, temperature, rain fall, wind direction, wind speed, dew point, solar radiation and others.

DUST EXTRACTION/SUPPRESSION

NBVL installed a dust extraction system at the Coal Handling Plant at Paloncha. This captures the dust emitted during the fall of feed coal at transfer points in the coal conveying circuit.

A truck-mounted water sprinkling system was introduced in the raw material yards and on the roads. The objective was to avoid dust emission during handling of raw materials and truck movement on the roads. In addition, a tractor-mounted Sweeping Machine regularly sweeps the dust from the roads to avoid dust emission during the movement of trucks.

AVENUE PLANTATION

Apart from regular plantation of saplings around manufacturing facilities for sustained development of a green belt, the Company has carried out avenue plantation in several villages surrounding its facilities.



Secretarial **Audit Report**

To

The Board of Directors
Nava Bharat Ventures Limited
Nava Bharat Chambers
6-3-1109/1, Raj Bhavan Road
Hyderabad-500082

We have examined the registers, records and documents of Nava Bharat Ventures Limited ("the Company") for the year ended 31st March, 2013 according to the provisions of:

- a) The Companies Act, 1956 ("the Act") and the Rules made under that Act;
- b) The Memorandum of Association and the Articles of Association of the Company;
- c) The Listing Agreements with BSE Limited & National Stock Exchange including in particular Clause 49;
- d) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
 - The Securities Contracts (Regulations) Act, 1956 ('SCRA'), the Rules made under that Act.

COMPANIES ACT, 1956 :

1. Based on our examination and verification of the registers, records and documents produced to us and according to the information and explanations given to us by the Company, we report that the Company has in our opinion, complied with the provisions of

the Companies Act, 1956 (Act) and the Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:

- a. The maintenance of various statutory registers and making necessary entries therein;
- b. Filing of forms, returns and documents with the Registrar of Companies, Central Government;
- c. Service of documents by the Company on its Members, Auditors, and Registrar of Companies;
- d. Closure of the Register of Members;
- e. Proper service of notice to the Board, Committee and General Meetings;
- f. The 40th Annual General Meeting held on 8th August, 2012;
- g. Constitution of the Board of Directors/Committees of Directors and appointment, retirement and re-appointment of Directors including the Managing and Whole-time Directors;
- h. Minutes of proceedings of general meetings, board and committee meetings;
- i. Meetings of Directors and committees of Directors including passing of resolutions;
- j. Approvals of members, Board of Directors, committees of Directors wherever required;
- k. Payment of remuneration to the Directors including the Managing Director and Whole-time Directors;
- l. Appointment and remuneration of auditors and cost auditors;
- m. Transfers and transmission of the Company's shares and delivery of certificates after duly transferred;
- n. Declaration and payment of dividends;
- o. Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
- p. Borrowings and registration, modification and satisfaction of charges;

- q. Investment of the Company's funds including inter corporate loans and investments and loans to others;
- r. Giving guarantees in connection with loans taken by subsidiaries and associate companies;
- s. Form of Balance Sheet and Profit and Loss Account under the Act;
- t. Board's Report;
- u. Contracts, common seal, registered office and publication of name of the Company;
- v. The Company has not accepted any fixed deposits and hence the provisions of Sections 58A and 58AA and Rules framed thereunder are not applicable to the Company;

2. I further report that:

- a. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- b. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- c. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against/on the Company, its Directors and Officers.

- 3. I further report that:** the company has complied with the provisions of the Depositories Act, 1996 and the Bye-Laws framed thereunder by the Depositories with regard to dematerialisation/rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.

4. I further report that:

- a. The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and National Stock Exchange of India Limited;
- b. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- c. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- d. The Company has complied with the provisions of Circular No.CIR/CFD/DIL/3/2013 dated 17th January, 2013 and amendments thereto under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

- 5. I further report that:** as per Clause-5A (II) of the Listing Agreement, the Company has transferred the unclaimed split physical share certificates to Unclaimed Suspense Account.

For **P. S. Rao & Associates**
Company Secretaries

Place : Hyderabad
Date : 23rd May, 2013

P. S. Rao
C. P. No.3829



Directors' Report

Dear members,

Your Directors have pleasure in presenting the 41st Annual Report along with the audited accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

The financial performance of the Company, for the year ended 31st March, 2013 is summarised below:

	(₹ in lakhs)	
	12 months ended 31st March, 2013	12 months ended 31st March, 2012
Turnover/Income (Gross)	141,318.51	119,975.80
Profit before Finance charges, Depreciation and Taxation	35,881.86	29,169.24
Less: Finance charges (excluding amount capitalised)	1,381.62	1,610.13
Profit before Depreciation and Taxation	34,500.24	27,559.11
Less : Depreciation	4,825.71	4,731.44
Profit for the year after Depreciation	29,674.53	22,827.67
Less : Provision for taxation - Current tax	5,975.00	4,610.00
- Deferred tax	(77.54)	1408.00
- Tax of earlier years	525.87	--
- MAT credit entitlement	(580.00)	(1,271.00)
Profit after Tax	23,831.20	18,080.67
Balance brought forward from last year	109,836.65	91,593.59
Transfer from contingency reserve	--	8,100.00
Excess provision of dividend written back	--	982.08
Profit available for Appropriation	133,667.85	118,756.34
Appropriations		
Dividend on Equity Share Capital	4,215.71	3,372.57
Corporate Dividend Tax	716.46	547.12
General Reserve	5,000.00	5,000.00
Surplus carried to Balance Sheet	123,735.68	109,836.65
	133,667.85	118,756.34

ECONOMIC AND BUSINESS ENVIRONMENT

The economic activity in India remained subdued in the face of infrastructure slow down, global uncertainty, weakening business and consumer confidence. The loss in growth momentum continued in FY 2012-13 also with growth rate projected at about 5%. The softening of commodity prices, notwithstanding the rally of US dollar against rest of the currencies in the world has impacted the competitive strengths in exports while imports have become dearer. The performance of your Company for FY 2012-13 should therefore be considered good given the difficult economic conditions.

REVIEW OF OPERATIONS

A robust performance in the ferro alloy and sugar divisions, coupled with higher average merchant power realisations in FY 2012-13, helped your Company post a total gross income of ₹ 141,318 lakhs reflecting an increase by 18% over the previous year. This is notwithstanding the stoppage of conversion of Ferro chrome during the fag end of the year. The Profit Before Tax of ₹ 29,674 lakhs reflected an increase by 30% over the previous year despite a higher tax provision including that for previous years resulted in Profit After Tax of ₹ 23,831 lakhs an increase by 32%.

The Consolidated gross total income and net profit stood at ₹ 141,318 lakhs and ₹ 23,831 lakhs, taking into account the mine development expenditure in Zambia in the form of proportionate operational deficit and indirect expenditure pertaining to Overseas investments having been written off.

Power Division

While the Company's power plants, i.e., 114 MW and 20 MW in AP were run optimally due to sustained off-take from the AP Grid, the 94 MW Power Plants in Odisha operated within the limitations of local sale restrictions and transmission constraints. The Company generated 1,671.68 MU and delivered 1,511.18 MU after auxiliary consumption and transmission losses. The captive consumption was to the tune of 464.80 MU while the balance 1,046.38 MU were sold on short term open access.

The Company used a blend of linkage coal, coal through e-auction, washery rejects and imported coal to meet the fuel requirement in power generation. The advent of

150 MW unit under Nava Bharat Energy India Ltd pushed up the requirement of imported coal in the current year.

The merchant power realisations have been dictated by regional transmission constraints and active demand management by the state utilities across the various States. While the AP power units have been able to dispatch the surplus power to the local utilities at a reasonable price, the situation in Odisha has been a cause of concern with severe congestion in the transmission corridor limiting the open access route for sale of power. In this back drop, the new 64 MW power unit, though synchronised with the Odisha Grid, could not be commercially operated. The higher average power realisations during a part of the year could neutralise these shortcomings to some extent.

Ferro Alloys

The ferro alloy business registered volume jump on account of conversion arrangement for ferro chrome for most of the year and sustained off-takes for manganese alloys from the steel industry in India and abroad. The ferro chrome conversion for Tata Steel Limited (TSL) was however stopped in February as ore could not be supplied by TSL. The rise in income levels in this business was accompanied by corresponding higher profit owing to higher average realisations in manganese alloys notwithstanding the set back in conversion business.

Sugar

The sugar division registered an impressive performance during the year with higher income and profit which was contributed by the main products as well as by-products in equal measure. During the year under review, Ethanol was added to the portfolio of products for sale. Higher volume of sugar cane crushing with improved recovery were contributing factors for the decent performance. The Company will carefully watch the market developments following the decontrol measures initiated by the Government of India and will adjust its business plans accordingly.

The Company has taken certain effective steps in the pursuit of a new 3500 TCD Sugar Plant at Dharmavaram. These included land in the possession of the Company acquired for Sugar Plant and Power Facility.



OPERATIONS OF SUBSIDIARIES ABROAD AND IN INDIA

Nava Bharat (Singapore) Pte. Limited (NBS):

NBS, a wholly owned subsidiary of the Company, continues to be the investment holding arm of the overseas strategic investments while rendering trading services for ferro alloys within the Group. Details of the step down overseas subsidiaries are given below:

Maamba Collieries Limited (MCL):

MCL is a step down subsidiary of the Company with NBS holding about 65% of the equity stake while the balance is held by the Zambian Government Investment Holding Company. MCL has the largest coal concession in Zambia with two grades of coal; Metallurgical Grade Coal with applications in Cement, Steel and Breweries and Thermal Grade Coal which can be used as a feedstock for power generation. MCL has embarked upon a capital outlay of about USD 800 million for coal mining operations including mine development expenditure and for establishing 300 MW (2 x 150 MW) coal fired power project. MCL has the requisite land, coal reserves, water and transmission facility, as part of the project and obtained all the necessary statutory clearances. The coal mine related expenditure has been substantially incurred while the power project implementation has been completed to the extent of 30%. The power project implementation is under EPC structure and the project is likely to be commissioned in FY 2014-15. While high grade coal sales take place in Zambia and surrounding regions which have a limited appetite, the power project is expected to drive the revenues and profitability of MCL going forward.

Kobe Green Power Co. Ltd. (KGP):

KGP, a step down subsidiary incorporated in Japan with 80% of equity stake in favour of NBS, is pursuing a Hydel Power Project in Laos, Southeast Asia. The capacity of the Hydel Power Project, based on 'Run of the River' scheme is about 145 MW and is estimated to cost USD 270 million. KGP is pursuing clearances from the Government of Laos and its agencies to facilitate power sale to the local utility under a Concession Agreement lasting about 25 years under a Build Own Operate and Transfer scheme.

NB Tanagro Private Limited (NBTP):

NBTP is a step down subsidiary of NBS and is pursuing investment in commercial agricultural in Tanzania. The

investment plans are in the initial stage with certain agreements being entered into with Government Investment Development Agencies. The investment plans surround palm oil and sugar which will be implemented through specific companies.

Kariba Infrastructure Development Limited (KIDL):

KIDL is a step down subsidiary of NBS and is pursuing the development of a Multi Facility Economic Zone (MFEZ) at Maamba in Zambia. The MFEZ will, inter alia, comprise the infrastructure development surrounding Maamba including the Coal and Power project of MCL in the Southern Province of Zambia.

PT Nava Bharat Indonesia (NBI) and PT Nava Bharat Sungai Cuka (NBSC):

These Companies are foreign owned companies in Indonesia under NBS and were formed to pursue the coal and other mineral opportunities in Indonesia. The Indonesian coal investment has been sub judice with parallel action being initiated against erstwhile intermediaries in Singapore as well. After the outcome of the litigation, further plans will be evolved on the Indonesian operations.

Nava Bharat Africa Resources Pvt. Ltd. (NBAR):

NBAR is a step down subsidiary of the Company through NBS and is expected to focus on investments in the East African and SADC region.

INDIAN SUBSIDIARIES

Nava Bharat Projects Limited (NBPL):

During the year under review, NBPL, a wholly owned subsidiary, continued to render contract management, project management and financial planning services to the overseas subsidiaries of the Company. It is proposed that NBPL, leveraging upon the group experience in operating power plants, should render O & M services directly or through specific Special Purpose Vehicles abroad.

Ongoing investigations on coal block allotment and stake sale in Navabharat Power Pvt Ltd (NPPL):

The transaction of coal block allotment to NPPL in which NBPL along with an individual associate together held 50% stake originally has been under enquiry and investigation by CBI and ED in respect of the allegations made against persons mentioned in RC: 2192912 E 0011 dated 3rd September, 2012 and ECIR/2/HZO/2013 respectively.

Neither NBPL nor the said individual associate representing Nava Bharat who held Non-Executive Chairman position in NPPL had any role in the day-to-day affairs of the Company. The said individual associate was not aware of any allegations as referred in the said cases and he was not privy to any other related matters. NPPL continues with the 1040 MW Power Project for which the shared coal block was allotted and is under the management of ESSAR Group, post the divestment of 50% stake by NBPL and individual associate in favour of ESSAR. The stake sale did not result in change of End user. Submissions have accordingly been made to CBI and ED with due documentary evidence including orders of Hon'ble Company Law Board.

Nava Bharat Energy India Limited (NBEIL):

NBEIL, the step down subsidiary through NBPL has implemented the 150 MW coal fired power project at Paloncha during the year well within the estimated project cost of ₹ 666 crores and on schedule. The Unit went on commercial stream from April, 2013 and accretion of revenues and income and profit at the consolidated level augur well.

26% of the equity stake in NBEIL is now held by the Company and the balance 74% by NBPL.

Brahmani Infratech Private Limited (BIPL):

The Company continues to hold majority stake (65.74%) in the equity share capital of BIPL. During the year under review, BIPL terminated the Joint Development Agreement with M/s.Mantri Technology IT Parks Pvt.Ltd. (MTPL), a Subsidiary of M/s.Mantri Developers Pvt.Ltd. (MDPL). This termination followed material breach on the part of MTPL and through it by MDPL, respectively being the Co-developer and the Technical Associate in the IT/ITES SEZ Project.

BIPL has since surrendered the land of 250 acres to APIIC following the directions of the General Body in this regard as extension of timelines for the execution of project was not acceded to by APIIC/the Government of A.P. BIPL also served a notice of forfeiture of security deposit on MTPL/MDPL following which they have sought legal redressal and arbitration process. The matter is sub judice and arbitration panel is yet to be finalised and proceedings are yet to start.

BIPL is exploring other viable options in the Real Estate Sector.

Kinnera Power Company Pvt.Ltd. (KPCPL):

During the year under review, the Company has off-loaded part of equity stake in KPCPL in favour of Meenakshi Infra Group, so as to de-subsidiarise it while continuing with 26% of the equity stake in KPCPL as specified by NHAI. As per the professed intention and there being no economic interest, the Company plans to fully off-load its stake in KPCPL in favour of Meenakshi Infra Group in due course as per the regulations.

Nava Bharat Realty Limited (NBRL):

NBRL is a wholly owned subsidiary of the Company and proposes to be engaged in realty focused investments. There have been no operations in this Company.

Nava Bharat Sugar and Bio Fuels Limited (NBSBL):

NBSBL is a wholly owned subsidiary of the Company and proposes to be engaged in sugar, bio-fuel and agri based investments. There have been no operations in this Company.

Proposed Restructuring of Odisha Works

Members will agree that the Odisha operations comprising the Ferro Chrome smelting capacity to the extent of 75,000 MTPA and Power generating capacity to the extent of 158 MW, including the new 64 MW power unit, have been sub-optimal for some time. While the Company has created the facilities with diligent efforts and against stiff local conditions, external factors and dependency on outsourced ore, mean that these facilities continue to be susceptible to volatility and returns would be moderate besides being forced to stay idle at times. To overcome these inherent issues of Odisha works, it is proposed to consider a restructuring option of the entire works. The option envisages that ferro chrome smelting and power generation should be spun off under an appropriate process into separate Special Purpose Vehicles and the Company could consider induction of strategic investor(s) in such a way of equity holding structure as would make the SPVs inter dependent captive units for the ferro chrome operations as well as other uses of power by the Investor. The Company hopes that this move would ensure steady and reasonable operations and returns on investment from Odisha Works. This initiative is however subject to various factors, principal ones being the enterprise valuation, continuity of existing management structure and captive usage dispensation.



OUTLOOK AND FUTURE PLANS

The outlook and future plans of the Company have been mentioned in detail under the "Management Discussion and Analysis" section that forms part of this report.

DIVIDEND ON EQUITY SHARE CAPITAL

Considering the satisfactory performance of your Company and keeping in view the ongoing capital works and growth trajectory, your Directors are pleased to recommend dividend at ₹ 5/- per Equity Share of ₹ 2/- each, subject to necessary approvals.

The aggregate dividend payout for the FY 2012-13 amounts to ₹ 49.32 crores, including corporate dividend tax.

Nava Bharat Ventures Limited Employee Welfare Trust and its holdings in the Company

Barclays Wealth Trustees (India) Private Limited, the Trustee of Nava Bharat Ventures Employee Welfare Trust acquired 14 lakhs equity shares of the Company from the secondary market on 9th March, 2012. The Company extended a loan of ₹ 28.79 crores to the Trust till 31st March, 2013.

The Company proposed to implement several schemes relating to welfare measures including various incentives, benefits and amenities for the employees under Employee Welfare plans to be set up by the Company.

Securities and Exchange Board of India (SEBI) issued a set of guidelines vide CIR/CFD/DIL/3/2013 dated 17th January, 2013 & CIR/CFD/DIL/7/2013 dated 13th May, 2013, which stipulate inter alia as follows:

- Holdings of securities by Trusts beyond 31st December, 2013
Employee benefits trusts which have already acquired securities of the Company from secondary market before the date of the Circular No.CIR/CFD/DIL/3/2013 i.e. 17th January, 2013, may continue to hold such securities beyond the date specified for alignment of the schemes with SEBI (ESOS and ESPS) Guidelines 1999 i.e. 31st December, 2013, provided that the schemes have been aligned with SEBI(ESOS and ESPS) Guidelines 1999 and such securities are used only in accordance with such aligned schemes.
- Continued holding of securities by non-ESOP employee benefit schemes

Existing employee benefit schemes involving securities of the Company which does not involve granting of options to/purchase of securities by employees shall be permitted to either:

- a) hold the securities of the Company already acquired by them beyond 31st December, 2013 provided the schemes have been aligned with SEBI (ESOS and ESPS) Guidelines 1999; or
- b) dispose of the securities of the Company held by them by 31st December, 2013.

Your Board of Directors would consider the above at its forthcoming Board meeting and initiate necessary action to comply with the said Circular.

EMPLOYEES' STOCK OPTION SCHEME 2006

During the year under review, no employee stock options were granted. No ESOPs were also exercised as there were no outstanding options as at the beginning of the year.

LISTING OF SHARES

The Securities of the Company are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The listing fees for these Stock Exchanges were paid.

FIXED DEPOSITS

The amount of deposits outstanding as on 31st March, 2013 was nil. There were no overdue deposits, as on date.

INSURANCE

All the properties of the Company including buildings, plant and machinery and stocks have been adequately insured.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Sri C.V.Durga Prasad and Dr. E.R.C.Shekar, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

Dr.C.V.Madhavi was appointed as Additional Director with effect from 31st January, 2013 under Section 260 of the Companies Act, 1956 and she would hold office up to the date of Annual General Meeting. The Company received notice from a member with necessary deposit proposing that Dr.C.V.Madhavi, be appointed as the Director, liable to

retire by rotation, pursuant to the provisions of Companies Act, 1956.

Dr.C.V.Madhavi holds a Ph.D in Business Management and M.Phil in Sociology. She possesses about two decades of experience in research, training and consultancy in Organisation Development and Change Management. She worked at the Centre for Organisation Development, Hyderabad and provided training and consultancy inputs to major organisations like SAIL, BEL, NMDC, SCCL, CGL etc. She is an expert in facilitating executive development programmes in the field of organisation development. She is a visiting faculty at the NISG, the NATFM and the NACEN and an author of a book and several research papers presented at national and international conferences.

Dr.C.V.Madhavi is an Independent Director fulfilling the specified conditions. She is totally independent of the management and has no relationship with any of the Directors and Senior Management Personnel. With her induction into the Board, there would be appropriate balance of skills, experience and knowledge in the Board so as to enable it to discharge its functions and duties effectively.

SUBSIDIARY COMPANIES AND CONSOLIDATED ACCOUNTS

The Company has Indian and Overseas direct and step down Subsidiaries.

The Company has opted to avail the exemption, provided under Section 212 (8) of the Companies Act, 1956 and accordingly disclosed the prescribed information for each subsidiary including step down subsidiaries covering capital, reserves, total assets, total liabilities, investment, turnover, profit before taxation, provision for taxation, profit after taxation, etc.

The Annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder in the Registered Office of the holding Company and of the subsidiary companies concerned.

The Company shall furnish a hard copy of Annual Reports of the subsidiaries to any shareholder on demand at any point of time.

The audited Consolidated Financial Statements are provided in the Annual Report.

AUDITORS

M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

COST AUDIT

M/s. Narasimha Murthy & Co, Cost Auditors, have been appointed by the Company to conduct the cost audit in respect of Industrial Alcohol, Sugar, Electricity and Steel (Ferro Alloys) for the FY 2012-13. The approval of the Central Government was received for this appointment.

The Cost Audit reports for FY 2012-13 were due to be submitted on or before 30th September, 2013. The Cost Audit reports for FY 2011-12 were filed with Ministry of Corporate Affairs on 30th January, 2013.

APPOINTMENT OF INTERNAL AUDITORS FOR COSTING SYSTEMS AND INTERNAL AUDIT COST ACCOUNTING RECORDS

As per the Master Circular No.2/2011 dated 11th November, 2011 issued by the Ministry of Corporate Affairs on Cost Accounting and Cost Audit, the Company appointed Internal Auditors, M/s.K.K.Rao & Associates for internal audit of cost records for the Financial Year 2012-13.

APPOINTMENT OF COMPANY SECRETARY IN PRACTICE AND SECRETARIAL AUDIT

The Board at its meeting held on 30th May, 2012 appointed M/s.P.S.Rao & Associates, Practicing Company Secretaries for the conduct of Secretarial Audit pursuant to the recommendations of the Audit Committee for the Financial Year 2012-13 for the Company and its Subsidiaries.



The Report of the Secretarial Audit for the Financial Year 2012-13 is also presented as a part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming a part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that in the preparation of Annual Accounts for the year ended 31st March, 2013

- All applicable accounting standards were followed.
- The accounting policies framed in accordance with the guidelines of the Institute of Chartered Accountants of India have been applied.
- Reasonable and prudent judgement and estimates were made so as to give a true and fair view of the state of affairs of the Company.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts were prepared on a going concern basis.

CORPORATE GOVERNANCE

A separate section on Corporate Governance with a detailed compliance report thereto is annexed and forms a part of the Annual Report. The Auditors' Certificate in respect of compliance with the provisions concerning Corporate Governance, as required by Clause 49 of the Listing Agreement, is also annexed.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, relevant amounts which remained unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

TRANSFER OF PHYSICAL SHARE CERTIFICATES TO UNCLAIMED SUSPENSE ACCOUNT IN ELECTRONIC MODE

Pursuant to Clause 5A (II) of the Listing Agreement, Postal Return cases as per the records of the Registrars were initially transferred to Suspense Account. A demat account under the name and style 'Nava Bharat Ventures Limited - Unclaimed Suspense Account' was opened by the Company and the unclaimed shares in respect of the 6 shareholders for 915 equity shares were transferred to the said account on 11th May, 2012.

The Company's Registrars also sent three notices under Clause 5A to the shareholders whose physical share certificates in respect of stock split cases are lying with them on 23rd January, 2012, 28th May, 2012 and 30th October, 2012 and reduced the number of unclaimed physical stock split cases to the extent possible.

Physical split share certificates lying with the Registrars for 683,550 shares were transferred to Suspense Account 'Nava Bharat Ventures Limited - Unclaimed Suspense Account' on 15th March, 2013 and also dematerialised the same by way of credit to the beneficiary ID No.18391954 in the name of 'Nava Bharat Ventures Limited - Unclaimed Suspense Account' on 23rd March, 2013.

Since these shares stood transferred to 'Nava Bharat Ventures Limited - Unclaimed Suspense Account' and dividend is required to be paid to the registered holders only in terms of Section 206 of the Companies Act, the dividend accruing on the shares involved will also be credited to Unpaid Dividend Account, which will be remitted to the shareholders on claiming the shares out of the Suspense Account.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, the required information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo have been given in the Annexure - I, which forms a part of this Report.

INDUSTRIAL SAFETY AND ENVIRONMENT

Safety & Environment

Utmost importance continues to be given to safety of personnel and equipment in all the Company's plants. The

Company reviews thoroughly the various safety measures adopted and proactive steps taken to avoid accidents. Safety drills are also conducted at regular intervals to train the employees for taking timely and appropriate action in case of accidents.

Particulars of Employees

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure – II to the Directors' Report.

Voluntary Guidelines on Corporate Governance and Corporate Social Responsibility

The Ministry of Corporate Affairs, Govt. of India, issued Voluntary Guidelines for Corporate Governance and for Corporate Social Responsibility. The Voluntary Guidelines for Corporate Governance provide for various measures and your Company considers the same in due course.

Awards

Your Company received the following awards/recognition during 2012-13:

1. **National Award for Excellence in Water Management 2012 as Excellent Water Efficient Unit** from Confederation of Indian Industry (Power Plant at Kharagprasad received this award).
2. **National Award for Excellence in Energy Management 2012 as Excellent Energy Efficient Unit** from Confederation of Indian Industry (Sugar Division received this award in all categories of industries for the 6th consecutive year).
3. **Silver Shield for Star Performer as Large Enterprise in the Product Group of Ferro Alloys** in recognition of outstanding contribution to Engineering Exports during the FY 2010-11 under the category Regional Awards for Export Excellence, from EEPICINDIA, Southern Region.
4. **Sri Abhaya Group Parisramika Puraskaralu** honouring the spirit of entrepreneurship in large industries category from Zee 24 Hours Telugu TV Channel.

Green initiative in Corporate Governance by Hon'ble Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has taken a green initiative in Corporate Governance by allowing paperless

compliances by the Companies and permitted the service of Annual Reports and documents to the shareholders through electronic mode subject to certain conditions. Your Company appreciates the initiative taken by MCA as it strongly believes in a green environment. This initiative also helps in prompt receipt of communication, apart from avoiding losses / delays in postal transit. The Notice of Annual General Meeting, full Annual Reports and all communications hitherto were sent to the members in electronic form at the e-mail address registered with the Registrars & Transfer Agents of the Company for sending Annual Reports, etc. The Annual Reports will be sent by post physically to the Members, whose e-mail addresses are not registered. Members can also have access to the documents through the Company's website. The documents will also be available to the members for inspection at the Registered Office of the Company during the office hours.

Members are also entitled to be furnished with hard copies of full Annual Reports, free of cost, upon receipt of requisition by the Company at any point of time.

INDUSTRIAL RELATIONS

Industrial relations have been cordial and your Directors appreciate the sincere and efficient services rendered by the employees of the Company at all levels towards successful working of the Company.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, the Company's Bankers, Insurance companies, the Government of India, Govt. of Andhra Pradesh and Odisha, the State utilities and Shareholders during the year under review.

for and on behalf of the Board

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 23rd May, 2013

D. Ashok
Chairman

Annexure-I to the Directors' Report

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) rules, 1988 and forming part of Directors' Report.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken

I) Sugar Division

- i. Installation of electrical melting system for sulphur melting.
- ii. Installation of plate type heat exchanger for raw juice 2nd stage heating with 4th vapour in the place of conventional juice heater, to reduce steam consumption.
- iii. Diversion of rotary juice screen wash water to mill maceration tank to reduce steam consumption.
- iv. Replacement of 3 nos. of welding transformers with welding rectifiers to reduce the power consumption.

II) Power Division

Power Plant (AP - Paloncha)

- i. Upgradation of waste heat recovery unit.
- ii. Use of variable frequency drive for SA Fans – A&B of Boiler-1 instead of outlet damper control.
- iii. Change of operation of PA Fan of Boiler-4, to variable frequency mode.

Power Plant (Odisha)

- i. Energy conservation in Lighting:
 - a) Replacement of conventional tube lights with T5 lights at Unit-I (DM Plant, Compressor House, Make-up Water Pump House, CW Pump House and CWP MCC room), Unit-II (Compressor House) and Engineering Office.
 - b) Optimising use of day light by providing transparent sheets at

30 MW Boiler feeder floor roof and side walls.

- ii. Energy conservation in Electro Static Precipitator (ESP):
 - a) Replacement of damaged thermostats of hopper heaters.
 - b) Resetting the DC Current (IDC) limits to minimise the spark rate without affecting the collection efficiency and stack emissions.
- iii. Energy conservation by optimising compressed air consumption:
 - a) Separation of Low pressure ash conveying and high pressure ash conveying.
 - b) Utilisation of FD fan discharge air instead of compressed air for self-cooling bearings.
 - c) Resetting of Cycle timing for Vent Filter Purging.
- iv. Optimising running time of blow down pumps by controlling the ash conditioning during ash unloading at silos and reducing idle running of the pump.
- v. Optimising running time of bed ash cooler fan by utilising FD air for cooling the bed ash.
- vi. Reducing the running hours of main hydrant pump by shifting of blow down pump priming line from main hydrant line to Unit-II side stream filter pump discharge line.

III) Ferro Alloy Division

Andhra Pradesh

- i. Replacement of 50 HP motor with energy efficient motor for Muller mixer of Sinter Plant.

ii. Provision of timers for starters of all tap hole drill machines to avoid idle running of motors.

iii. Replacement of old type window air conditioners by new 5 star rated split air conditioners at 'A' type Guest House.

Odisha

i. Replacement of 500 CFM Air Compressor with 90 kW motor by 524 CFM Compressor with 75kW motor.

ii. Modification in PLC program at Gas Cleaning Plants to run the main fan at preset RPM with respect to electrical load of furnaces.

(b) Additional investments and proposals, being implemented for reduction of consumption of energy

I) Power Division

Power Plant (AP - Paloncha)

Energy Conservation Scheme in Boiler Feed Pump of Unit-3.

Power Plant (Odisha)

Arrangement of bypass chute for primary crusher of Coal Stacking System.

Other Investment Proposals for FY 2013-14

I) Sugar Division

i. Replacement of Direct contact heater by Plate type heat exchanger for clear juice heating to reduce steam consumption.

ii. Replacement of old fermenters with higher capacity efficient fermenters at distillery.

II) Power Division

Power Plant (AP - Paloncha)

Reduction of energy consumption by the Unit-3 boiler feed pump by reducing the operating pressure.

Power Plant (Odisha)

i. Replacement of 2nd Jack well (VT Pump-1) 110kW vertical pump by 75kW vertical pump at Raw Water Pump House.

ii. Installation of VFDs for Condensate Extraction Pumps at PP(O) Unit-1.

iii. Utilising the blower for fluidising pads of ESP hoppers in Unit-II instead of using compressor air.

iv. Optimising use of day light by providing Transparent sheets in Unit-I & II CHP.

v. Utilisation of FD fan discharge air instead of compressed air for self-cooling bearing of Boiler-2 of Unit-II and both Boilers of Unit-I.

III) Ferro Alloy Division

Andhra Pradesh

Increasing production of manganese ore sinters from 90 MT to 120 MT/day.

Odisha

Replacement of HSD oil burner of chrome ore dryer with coal fired, fluidised bed combustor.

(c) Impact of the measures of (a) and (b) given above for reduction of energy consumption and consequent impact on the cost of production of goods

I) Sugar Division

i. Installation of electrical melting system for sulphur melting resulted in fuel savings of 710 MT of bagasse.

ii. Installation of Plate type Heat Exchanger for Raw juice 2nd stage heating with IV vapor resulted in fuel saving of 900 MT of bagasse.

iii. Diversion of Rotary juice screen wash water to mill maceration tank resulted in fuel saving of 720 MT of bagasse.



- iv. Replacement of 3 Nos. of welding transformers with welding rectifiers resulted in electrical energy saving of 58,500 kWh per year.

II) Power Division

Power Plant (AP - Paloncha)

- i. With upgraded waste heat recovery unit, heat energy recovery increased by equivalent of 10 MT of coal per day in addition to existing 36 MT coal per day.
- ii. Use of variable frequency drive for SA Fans – A&B of Boiler-1 instead of outlet damper control, resulted in energy savings of 583kWh/day.
- iii. Change of operation of PA fan of Boiler-4, to variable frequency mode resulted in energy savings of 750kWh/day.

Power Plant (Odisha)

- i. Energy conservation measures in Lighting resulted in saving 117kWh per day.
- ii. Energy conservation measures at Electro Static Precipitator (ESP) resulted in saving 130kWh per day.
- iii. Energy conservation by optimising the consumption of compressed air resulted in saving 220kWh per day (Actual savings by separation of Low pressure and High pressure ash conveying will be calculated after the running of the Unit-III 64MW [IPP]).
- iv. Optimising the running hours of Blow down pumps by controlling the ash conditioning during ash unloading at silos and reducing the idle running of pump resulted in saving 200kWh per day.

- v. Optimising the running hours of bed ash cooler fan by utilising FD air for cooling the bed ash, resulted in saving 270kWh per day.

- vi. Reducing the running hours of main hydrant pump by shifting of Blow down pump priming line from main hydrant line to Unit-II side stream filter pump discharge line resulted in saving 99kWh per day.

III) Ferro Alloy Division

Andhra Pradesh

- i. Replacement of 50 HP motor with energy efficient motor for Muller mixer of Sinter Plant resulted in saving 17,000kWh per year.
- ii. Provision of timers for starters of all tap hole drill machines to avoid idle running of motors resulted in saving 10,000kWh per year.
- iii. Replacement of old type window air conditioners by new 5 star rated split air conditioners at 'A' type Guest House resulted in saving 2,000kWh per year.

Odisha

- i. Replacement of 500 CFM Air Compressor with 90 kW motor by 524 CFM Compressor with 75kW motor resulted in saving 98,550 kWh per annum.
- ii. Modification in PLC program at Gas Cleaning Plants to run the main fan at preset RPM with respect to electrical load of furnaces resulted in saving 94,900kWh per annum.

d (i) Total energy consumption and energy consumption per unit of production

	FAP(AP)		FAP(O)	
	Current Year 31st March, 2013	Previous Year 31st March, 2012	Current Year 31st March, 2013	Previous Year 31st March, 2012
Ferro Alloy Division:				
A. Power and fuel Consumption				
1. Electricity				
a. Electricity Consumed from CPP :				
Units (kWh)	276,887,173	276,376,753	183,929,449	103,357,207
Total amount (₹ in lakhs)	10,410.95	8,208.39	9,674.69	5,126.52
Rate/Unit (₹) ^A	3.76	2.97	5.26	4.96
b. Electricity Purchased from GRID:				
Units (kWh)	10,000	134,000	5,000	179,000
Total amount (₹ in lakhs)	125.89	212.32	0.36	50.16
Rate/Unit (₹) ^B	--	--	7.23	28.02
c. Own Generation:				
i) Through Diesel Generators (Units)				
Units per litre of Diesel Oil	--	--	4.30	4.20
Cost/Unit (₹)	--	--	39.06	39.80
ii) Through Steam Turbine Generator:				
Units Export Consumption	Not applicable	Not applicable	Not applicable	Not applicable
Units per litre of fuel oil/gas				
Cost/Unit(₹)				

d (i) Total energy consumption and energy consumption per unit of production (Contd.)

	FAP(AP)		FAP(O)	
	Current	Previous	Current	Previous
	Year 31st March, 2013	Year 31st March, 2012	Year 31st March, 2013	Year 31st March, 2012
2. Coal	--	--	--	--
3. HSD (in Ltrs) (Used for chrome ore Dryer) ^c	--	--	793,680	445,519
4. Others/internal generation/ Natural Gas	--	--	--	--
B. Consumption per Unit of production				
1. High Carbon Silico Manganese Specific Power (kWh/MT) ^p :				
- Furnace	4,114	3,949	--	--
- Aux.	401	399	--	--
Total	4,515	4,348	--	--
Total Production (MT)	61,309	63,602	--	--
2. High Carbon Ferro Manganese Specific Power (kWh/MT):				
- Furnace	--	--	--	--
- Aux.	--	--	--	--
Total	--	--	--	--
Total Production (MT)	--	--	--	--
3. High Carbon Ferro Chrome Specific Power (kWh/MT):				
- Furnace	--	--	3,447	3,641
- Aux.	--	--	224	316
Total	--	--	3,671	3,957
Total Production (MT)	--	--	50,116	26,163

^AThe cost of unit for the power purchased from CPP increased as the unit rate is calculated on the basis of revised retail tariff by OERC from April, 2012.

^BThe rate/unit for energy purchased from GRID is not mentioned as the total amount comprises minimum MD charges with very less consumption of units.

^CThe increase in consumption of HSD is due to the increased production of Ferro Chrome.

^DSpecific power increased in FY 2012-13 due to more production of high grade (65-70) than in the previous FY 2011-12.

d (ii) Total energy consumption and energy consumption per unit of production

	Current Year 31st March, 2013	Previous Year 31st March, 2012
Sugar Division:		
A. Power and fuel Consumption		
1. Electricity		
a. Electricity Purchased:		
Units (kWh)	1,078,650	1,050,030
Total amount (₹ in lakhs)	84.56	59.37
Rate/Unit (₹) ^A	7.84	5.65
b. Own Generation:		
i) Through diesel generator (Units)		
Units per litre of diesel oil	2.30	2.52
Cost/Unit (₹) ^B	20.67	16.78
ii) Through Steam Turbine Generator:		
Units	25,701,300	21,480,500
Export	11,879,320	9,072,650
Consumption	13,821,980	12,407,850
Units per litre of fuel oil/gas	--	--
Cost/Unit (₹)	3.04	2.98
	(subject to cost audit)	
2. Coal (Distillery)	--	--
3. Furnace Oil (LDO in Litres)	--	--
4. Others/internal generation/Natural Gas	--	--
B. Consumption per unit of production		
1. Sugar from cane (Qtl.) ^C		
Power (kWh)	27.27	26.99
Steam (Tonne)	0.33	0.33



d (ii) Total energy consumption and energy consumption per unit of production (Contd.)

	Current Year 31st March, 2013	Previous Year 31st March, 2012
2. Sugar from raw sugar (Qtl.)		
Power (kWh)	--	--
Steam (Tonne)	--	--
3. Alcohol (kL) ^p		
Power (kWh)	386.51	269.75
Steam (Tonne)	1.70	1.31

^AThe purchase price per kWh of electrical energy increased due to increase in tariff rates from April, 2012 and high recorded Maximum Demand (MD) with less consumption of units during season (from December to February).

^BThe cost of power generation by DG set increased due to hike in diesel oil price and operation of D.G sets at low load conditions.

^CThe power consumption per quintal of sugar increased due to reduction in sugar recovery from 10.10 to 9.83.

^PThe power and steam consumption for distillery increased due to operation of new 30 KLPD Ethanol Plant.

As per the prevailing rules, Power Generation is an excluded industry for the purpose of this information under (d) and hence the above particulars pertain to Ferro Alloy Plants and Sugar Plant only.

B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption

1. Areas in which efficiency improvement was carried out by the Company

I) Power Division

Power Plant (Odisha)

- i. Installation of Ammonia dosing system in the ESP of Unit-I Power Plant.
- ii. Erection & commissioning of Ambient Air Quality Monitoring station & GPRS (RT-DAS) system for the transmission of real time data on PM10, PM2.5, NO, NO₂, SO₂ & CO for Ambient Air Quality Monitoring and SPM, SO₂, NOx & CO for power plant chimney, to SPCB Server.
- iii. Provision of manhole to the existing coal distribution chute to clear the coal jam at boiler bunker floors, fabrication of approach

platform at screen house and providing belt curtains at Unit-III primary crusher.

II) Ferro Alloy Division

Andhra Pradesh

- i. Replaced DSL bus bar of Armsel grab crane with trailing cable system.
- ii. Replaced Electronic relays with Digital motor protection relays for 300 HP motor at pump house.
- iii. Replaced ordinary switch fuse unit with 250A MCCB for Shivpra grab crane.
- iv. Replaced 10 Nos. of MCBs at welding institute with Earth leakage circuit breakers.
- v. Arranged vibration monitor for 900KW HT motor of Gas Cleaning Plant-4.
- vi. Arranged new radio remote control for 40 Ton Shivpra crane.

vii. New 100 Ton weigh bridge commissioned.

viii. New Air compressor system installed.

Odisha

i. One new Jaw Crusher (150mm/3mm) and one Vibratory Cup Mill (10mm/5 micron) procured from M/s. Insmart Systems.

ii. Installed 45 CFM Tank Mounted Air Compressor at Metal Recovery Plant.

v. Continuous monitoring of HT motor vibrations.

vi. Reliable operation.

vii. Heavy trucks weighment made easy.

viii. Reduced maintenance with efficiency improvement.

Odisha

i. Reduced sampling time.

ii. Smooth operation of the jig.

2. Benefits derived as a result of above modifications

I) Power Division

Power Plant (Odisha)

- Reduced stack emissions.
- Effective monitoring of ambient air quality.
- Reduced coal spillage.

II) Ferro Alloy Division

Andhra Pradesh

- Reliable operation of the equipment and easy maintenance.
- More reliable operation of equipment
- Better protection of equipment.
- Improved safety.

3. Future Plan of Action

I) Power Division

Power Plant (AP - Paloncha)

Up-gradation of 50 MW unit internals to improve the efficiency.

Power Plant (Odisha)

- Installation of sewage treatment plant with Sequential Batch Reactor (SBR) technology.
- Collection and reuse of Blow down water from Unit-II Boiler.

II) Ferro Alloy Division

Andhra Pradesh

Arranging Dust suppression system at Raw Material Handling.

Odisha

- Incorporation of PLC for raw material handling system.
- Conversion of dryer inlet belt feeders to belt weigh feeders.

4. Expenditure on Efficiency Improvement:

(₹ in lakhs)

		Sugar Division	FAP (AP)	FAP (O)	PP (AP)	PP (O)
a.	Capital	31.40	33.33	--	--	49.65
b.	Recurring (Revenue)	2.60	5.02	17.55	--	2.27
c.	Total	34.00	38.35	17.55	--	51.92
d.	Total expenditure on efficiency improvement as a percentage of total turnover	0.21	0.10	0.13	--	0.28

**Technology absorption, adaptation and innovation:**

No imported technology is in operation.

C. FOREIGN EXCHANGE EARNINGS & OUTGO :**(f) Activities relating to export, initiatives to increase exports, developments of new export markets for products and services and export plan:**

The Company exported ferro alloys to Belgium, Italy, Japan, Korea, Mexico, Qatar, Russia, Senegal, Taiwan and Tanzania. The total quantity of exports during FY 2012-13 stood at 39,727 MT with an FOB value of USD 42,442,159.

(g) Total foreign exchange used and earned:

(₹ in lakhs)

	Current Year 31st March, 2013	Previous Year 31st March, 2012
1. Foreign Exchange Outgo:		
i. CIF value of Imports	8,100.83	5,090.30
ii. Interest	152.66	126.79
iii. Others	23.38	205.94
2. Foreign Exchange Earnings at FOB Value:		
i. Export of goods	23,226.87	23,640.91
ii. Others	574.39	449.94

for and on behalf of the Board

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 23rd May, 2013

D. Ashok
Chairman

Annexure-II to the Directors' Report

Statement of particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2013

Sl. No.	Name of the Employee	Designation/ Nature of duties	Remuneration (₹ in lakhs)		Qualifications	Experience (years)	Date of commencement of employment	Age (years)	Particulars of previous employment
			Salary and perquisites	Commission					
1	Sri D.Ashok	Chairman	127.68	593.45	M.B.A.	31	28th August, 1981	56	--
2	Sri P.Trivikrama Prasad	Managing Director	126.07	593.45	M.B.A.	31	1st August, 1981	60	--
3	Sri G.R.K.Prasad	Executive Director	200.81	-	B.Sc., F.C.A. & F.C.S.	32	12th August, 1995	55	General Manager, DCL Polysters Ltd.
4	Sri C.V.Durga Prasad	Director (Business Development)	138.51	-	B.Com.	40	1st July, 1973	61	--
5	Sri J.Ramesh	Executive Vice President (FAP-O)	122.32	-	B.Com., M.B.A.	30	1st April, 1997	55	Director, Nav Chrome Ltd.
6	Sri P.J.V.Sarma	Senior Executive Vice President (Strategy & Planning)	88.80	-	B.Tech., AICWA, PSDFM	32	2nd August, 2010	54	Regional Director, ICICI Lombard General Insurance Co Ltd.

- Notes:
1. Remuneration, as shown above, includes salary, commission, Company's contribution to Provident and Superannuation Funds, medical reimbursement and other perquisites.
 2. Sri D.Ashok and Sri P.Trivikrama Prasad are related to each other.
 3. Conditions of employment are contractual or governed by the Company's rules.
 4. The experience shown above refers to the total period in years of career.

for and on behalf of the Board

P. Trivikrama Prasad
Managing Director

D. Ashok
Chairman

Place : Hyderabad
Date : 23rd May, 2013



Management Discussion and Analysis

The Management Discussion and Analysis summarises the performance of your Company in the FY 2012-13, in terms of financial, operating and strategic objectives. The discussion below should be read along with the Directors' Report and the audited Financial Statements that form part of the Annual Report.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Power

A very unique feature of India's power market is that close to 55% of the 182 GW installed capacity is based on coal. These plants account for over 80% of the total power generated in the country. In the growing Indian economy, the demand for power routinely exceeds its supply, leading to many rural areas not receiving electricity altogether, forced power cuts in many thriving towns and cities and weekly power holidays at industrial and commercial units. The peak deficits in the supply of power in the 10th and 11th five year plan periods stood at 13.8% and 12.3% respectively.

The peak load and energy requirement during the terminal year of 12th Plan (2012-17) are expected to be 197,686 MW and 1,403 BU respectively. The capacity addition planned during the 12th five year plan corresponding to this demand works out to 75,785 MW. Correspondingly the total investment in the power sector in the period will be of the order of ₹ 14 trillion, indicative of the magnitude of the sector's potential.

As it stands today, a part of the demand is met through short-term trading of power where merchant power companies like ourselves trade in power. The market volume for short-term trading of power is expected

to stand at 99.2 bn kWh in the FY 2012-13 and it is expected to grow at 45% over the next 2 years. Given the gradual acceptance of higher tariffs by the consumers (i.e. the state distribution utilities), better T&D (transmission and distribution) facilities and implementation of the open access policy in true spirit, all the existing merchant power producers are likely to benefit.

Whereas various mechanisms for mitigating shortages of coal have been proposed, the concept of coal price pooling for imported coal is the most prominent and projects based on imported coal are likely to benefit as the cost of imported coal will be shared by other projects further inland. Whereas the issue of the price of imported coal has been addressed, the aspect of under-remunerative tariffs has also been tackled through a recent CERC order that allows compensation against unforeseen increments in the cost of fuel (i.e. coal in most of the cases).

Power in India is typically distributed to end customers by state-owned utilities, which usually refrain from increasing their power purchases in line with growing demand, from the power trading market and long-term bilateral deals due to weak finances. Measures to reform and restructure these utilities have been taken following which state-owned utilities have come forward with tariff revision proposals. Additionally, some states have initiated steps to manage power more intelligently and reduce the subsidy component to the agriculture sector; this has been achieved by way of separation of their agricultural load from that for their industrial and retail consumers and focus on reduction of AT&C (Aggregate Technical and Commercial) losses.

The Indian power sector has made incremental progress over the last decade in the areas of policy reforms, private sector participation in generation and transmission, new technology and capabilities, but there is still much to achieve and a number of challenges to overcome before the opportunities can be leveraged.

Ferro Alloys

Ferro alloys are crucial inputs used in the manufacture of steel. They impart special properties to steel. These alloys increase resistance to corrosion, improve hardness & tensile strength at high temperatures, give wear & abrasion resistance and enhance the creep strength of steel. While the Indian ferro alloy industry is predominantly an export oriented industry, domestic demand is also showing healthy growth. The manufacturing base of ferro alloys within the country is fragmented. The major units are located mainly in West Bengal, Andhra Pradesh and Chattisgarh. There are some units present across Jharkhand, Himachal Pradesh, Gujarat, Arunachal Pradesh and Odisha. Ferro alloys are mainly exported using ports at Kolkata, Haldia and Vishakhapatnam.

The bulk ferro alloys comprise Ferro Manganese, Silico Manganese, Ferro Silicon and Ferro Chrome. Your Company has presence in this entire range. Out of the total ferro alloy production by your Company, just over half comprises Manganese Alloys and the rest, Chromium Alloys (as under the Tata Steel conversion project). Your Company's Ferro alloy units employ the latest technology that can use non-metallurgical grade ores (both lumps and fines) after necessary beneficiation and agglomeration.

The main inputs for the manufacture of ferro alloys are power and the ore. In India, where the cost and availability of electricity is uncertain, producers of ferro alloys have invested in captive power generation. Of the ores, Manganese ore is supplied domestically by a PSU miner, but prices of the ore are linked to international markets. The supplies and prices of Chromite ore have been volatile with Orissa Mining Corporation, the

public sector mining Company, resorting to e-auction and limited tendering. Your Company therefore felt it prudent to do conversion business for the Chromium alloys obviating the need to procure the chromite ore and reductants. This, however, is a low margin arrangement and is principally aimed at fixed/sunk cost recovery.

Sugar

The sugar industry is the second largest agro-based industry next to textiles in India. Traditionally the cane crushing units have come up around fertile sugarcane growing regions i.e. in Uttar Pradesh and Maharashtra; both the states account for 60% of the total sugar produced in the country. Another 25% comes from the states of Karnataka, Gujarat, Tamil Nadu, and Andhra Pradesh. Like many commodity based industries, sugar manufacturing is fragmented. India after Brazil, is the topmost producer of sugar while, at the same time, it also happens to be the largest consumer of the commodity in the world. India remains a key growth driver for world sugar market, growing above the Asian and world consumption growth averages.

The chief component of cost in the production of sugar is the cost of sugarcane itself. Whereas a national FRP (Fair and Remunerative Price) is recommended by the Centre, respective states prescribe prices that individual cane crushers must pay the farmers. Post the announced dis-mantling of the levy mechanism, crushing units will have the leeway to sell their entire production in the open market at market determined prices.

Sugar, like a typical commodity, follows a cyclical business pattern where for 3 years at a stretch production runs into surplus and is followed by equal number of years in deficit. Demand meanwhile continues to grow at a steady 3.5-4.5% yoy. The model of integrated operations where the by-products of crushing namely, bagasse and alcohol are monetised clearly helps in balancing the cyclicity of the industry. In terms of the by-products of sugar, given the mandatory fuel-blending norms in place in the country,



the oil marketing companies have floated tenders for 1.4 billion litres of ethanol for FY 2013-14. At present, this is met partially through imports whereas cane crushing units are ramping up their capacities to meet this demand.

2. OPPORTUNITIES AND THREATS

Power

Demand for electricity is expected to increase at a 9% CAGR through 2015. With the visibility afforded by the planned capacity addition in the 12th plan, one should expect a gradual elimination of the base level shortages of power and peak shortages. However, the actual incremental generation might fall well below the expected level and as the country aims to expand its GDP substantively, significant deficit scenario is more than likely. Indicative of the surging and latent demand for electricity, the country faced crippling outages in the year 2012 that denied power to more than half of the nation for several hours at a stretch.

The demand for merchant power, as captured by the trends in the short-term trading market, is tending to grow. Given the financial revival of many distressed state power utilities, the associated increases in tariffs and further development of the power transmission grid –the total short-term market volume will stand at an estimated 10-12% of the generation capacity or 143.9 Bn kWh in FY 2014-15.

The merchant power business has certain challenges which the country has to overcome to evolve from a developing market to a mature market. A number of stipulations imposed at the level of the state utilities curb the healthy functioning of the merchant power market, the primary reason for the same being the poor financial health of those utilities. However, the situation is getting redressed by way of a restructuring package that has been worked out to share the burden of the losses that these utilities have run up. Around 21 state electricity boards corresponding to state power utilities accounting for 80% of the power in the country have revised their tariffs by 15% as a result.

Moreover, state electricity regulators in certain instances have curtailed the quantum of short-term power purchases and have placed ceilings on the purchases. Correspondingly, investments towards strengthening the inter-regional grid connectivity are underway and that should facilitate a smooth growth of the market for short-term power trading, though in the initial phase and till power flows normalise, such trading could see marginal corrections in the realisations.

The domestic operations of your Company consist of an installed thermal power capacity of 442 MW; with 264 MW at Paloncha, Andhra Pradesh, 20 MW, at Dharmavaram, Andhra Pradesh and 158 MW at Kharagprasad, Odisha. These include the latest plants commissioned at Paloncha (150 MW) and Kharagprasad (64 MW). Your Company also operates a 9 MW biomass-based facility at Samalkot, that uses the bagasse generated by the Company's sugar facility as fuel.

Overseas investments

Maamba Collieries Limited (MCL), a step-down subsidiary of your Company is developing an integrated pit-head power project at Maamba in Zambia at a total cost of USD 800 million. The investment is being done through Nava Bharat (Singapore) Pte. Limited (NBS), a wholly owned subsidiary of your Company. MCL is in the process of arranging finance through a judicious mix of borrowings from Development Financial Institutions, and Commercial Banks backed by insurance cover from Export Credit Agency in China. NBS is a 65% shareholder in MCL while the balance 35% is held by ZCCM-IH, the mineral investments holding Company of the Government of Republic of Zambia.

The project had envisaged simultaneous development of the coal mine and a 300 MW power plant. As on date, the operationalisation of the coal mine has been completed and the extraction of coal has commenced. Post completion of the Coal Handling and Processing

Plant (CHPP), the marketing and sale of the high-grade coal (6,300 kcal/kg) from the mine is underway. The primary customers are cement producers, breweries and copper mines located within Zambia itself, to be supplemented at a later date by exports to adjoining countries within Africa. While the market for high grade coal in Zambia and surrounding regions is limited, the real upside for MCL remains in coal fired power generation in FY 2014-15. MCL has also extracted and compacted about 1.3 million tonnes of thermal grade coal which can facilitate the coal inventory buffer, required in power generation.

NBS holds controlling interest in Kobe Green Power Co. Ltd., that is implementing the Namphak hydro-electric project in Laos. Your Company considers the Laos project as a long term green investment initiative. This project is wrapping up certain key agreements from the Government of Laos and its agencies to move further into project implementation mode, in FY 2015-16.

Ferro Alloys

Out of the global production of over 1,527 million tonnes, India's share in steel manufacturing is 77.6 million tonnes which is increasing. The country already features in the global top 10 producers' list. Along with China, India is providing the impetus for the growth of this industry. Given the important role that infrastructure creation can play in restoring economic growth in the country, the consumption of steel is bound to show an increasing trend. This is a positive indicator for growth of ferro alloy production in India, as ferro alloys are vital inputs to steel-making.

Your Company manufactures Silico Manganese and Ferro Manganese at Paloncha, Andhra Pradesh with a capacity to produce 125,000 TPA of these alloys. It has a capacity to produce 75,000 TPA of Ferro Chrome at Kharagprasad, Odisha. Each unit is self-sufficient in power with captive generation. These products are exported to several countries across the globe.

The year under review, saw a tepid recovery in the emerging and developing economies, whereas the

European continent was plagued by multiple debt crises, prolonging the pick-up in steel consumption. The U.S. has seen an economic revival with improvements in the housing construction and automotive sectors, auguring well for the steel industry.

As you are aware, we have chosen to contract manufacture 50,000 MT of Ferro Chrome for Tata Steel Ltd. This arrangement gives us fixed but predictable returns for the conversion which otherwise would not have been possible due to the cost dynamics of both the ore and reductant coupled with flat realisations in Ferro Chrome.

Sugar

India's sugar production is likely to stand reduced by 8-12% to 23-24 million tonnes in the crushing season 2012-13. The consumption of sugar at the same time will average 23 million tonnes. Continuing exports in the earlier part of the year have aided hitherto stagnating prices to rise and sugar now sells at a price range of ₹ 33-36 per kg. At the same time, the international market facing a glut is seeing a downward movement in the prices of sugar. Conversion margins for the industry have however come under pressure owing to cane prices that were ₹ 40-50 higher per quintal in the recent crushing season, the growth in realisations notwithstanding. The prices of by-products of cane crushing namely alcohol and bagasse were buoyant following healthy demand from end consumers.

Your Company operates a 4,000 TCD (tonnes crushed per day) integrated facility at Samalkot, Andhra Pradesh. The integrated operations comprising sale of Alcohol and Ethanol and cogeneration of power provide a balancing scenario in this segment.

Your Company's agro-initiative in Tanzania is at a prospecting stage and joint ventures with government agencies are being explored. Your Company's foray into Africa will allow it to benefit from leveraging the expertise in sugar and allied agri-business in one of the fastest growing regions in the world.



3. SEGMENT-WISE PERFORMANCE

Your Company is focused on power business, as reflected in its performance. The table given below gives the operational details of the three business segments of your Company.

Sl. No.	Particulars	Ferro Alloys		Power		Sugar	
		31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
1.	Production (MT)/(MU)	111,812*	89,765*	1,512	1,354	43,801	40,864
2.	Sales (MT)/(MU)	109,044*	91,063*	1,512	1,354	42,626	40,756
3.	Revenue (₹ in Crores)	542.24	484.86	482.40	410.74	155.01	133.97
4.	PBIDT (₹ in Crores)	123.89	110.44	146.20	93.83	22.34	8.77

* Ferro Alloys include 47,503 MT (previous year: 23,373 MT) on account of conversion to Tata Steel Ltd.

4. OUTLOOK

Power

The 12th five year plan foresees a total investment of ₹ 11 trillion in the power sector, towards addition of 75 GW in generation capacity. As per the projected requirement and availability of coal in the 12th five year plan, there will be a shortage of up to 213 million tonnes and coal based power plants will have to resort to imports. Your Company's captive power plants are run on a combination of linkage coal and washery rejects whereas the newly commissioned plants will principally use a mix of imported coal, washery rejects and coal through e-auctions in a dynamic proportion depending on availability and costs. Given the positive developments in the market for short-term trading of power, merchant realisations are expected to show an upward trend and consequently ensure healthy returns to your Company.

The new 150 MW power plant at Paloncha and the 64 MW power plant in Odisha will facilitate additional power for merchant sales though the operations in Odisha remain critically dependent on realisations, higher than the marginal generation cost. The Odisha facility is expected to earmark 12% of its generation for supply to Odisha GRIDCO (the state utility) at a tariff determined by OERC (electricity regulator for Odisha).

Ferro Alloys

Whereas the production of crude steel in India is estimated to reach 126 million tonnes by the

FY 2016-17 the production of ferro alloys is expected to stand at 3 million tonnes in the same year, both growing nearly 50% in this period. The Indian ferro alloy industry can compete with any country and continues to be a key player in the international market. According to industry associations, on an average, about 35 to 40% production is exported.

Although the domestic production of manganese ore is expected to fall short of the demand, it is likely that the manufacture of both Silico Manganese and Ferro Manganese will not suffer in the 12th five year plan period as imports of the ore will be sufficient to bridge the gap. Nevertheless, domestic mining activity will need to be stepped up and the quality of the existing ores upgraded to meet the continuing demand from Indian ferro alloy producers.

The Ferro Chrome conversion business had to be curtailed and stopped owing to certain regulatory restrictions impacting the supply of ore by Tata Steel. These issues are being resolved to ensure conversion from the second quarter of 2013-14.

Sugar

India is unlikely to undertake exports of sugar in the near future as production costs remain high and the country faces a shortfall owing to drought-like conditions in key cane growing regions. Since many sugar companies are reeling under high cost of production due to rise in cane cost, a further rise in the production cost would, in turn, lead to companies earning lower operating margins.

Nevertheless, the decontrol of sugar is bound to have a positive impact on the profitability of cane crushing units as the industry will be allowed to sell its entire production at market determined prices. It has the potential to break the infamous sugar cycle as manufacturers of sugar will be in a position to offer value-added varieties of sugar and plan long-term supply contracts with institutions at higher prices, given that predictability over sales volumes will become the norm. The domestic sugar prices are likely to follow trends set by the international market and by the dynamics of the local market in 2013 with imports of sugar expected to moderate both supply deficiencies and prices domestically.

5. RISKS AND CONCERNS

Power

State utilities are reluctant to enter into stable, long-term power procurement agreements with generators due to perceived high tariffs coupled with risks associated with execution of the projects with regard to fuel supply, obtaining requisite regulatory clearances and land acquisition for the projects. Meanwhile, the State utilities continue to record high losses on account of unviable tariffs, rising cost of power supply, inability to control distribution losses within normative limits as well as inadequate subsidy support from State Governments.

Given the extant situation, power generating companies are exposed to a significant rise in fuel supply risks both arising out of domestic coal shortages and inadequate domestic gas supplies. High dependency on imported coal is likely to put an upward pressure on the power generating cost for almost all the players in the country. These, coupled with the political and regulatory risks in the country as well as in coal exporting countries like Indonesia and Australia, pose serious fundamental risk to the growth of power generation in the country.

Ferro Alloys

The government of India had set a target of over 100 million tonnes of steel production by FY 2012-13 with sufficient capacity creation also expected from the domestic ferro alloy industry. However, as India is yet to resume its usual economic momentum marked by an 8-9% GDP expansion and with creation of fresh

infrastructure getting stifled, the demand for steel and thereby ferro alloys is getting muted. The capacity utilisation of the ferro alloy industry is currently low at around 60-65%. This makes the probability of achieving the government targets very low.

Chinese products are getting commonly accepted by domestic steel manufacturers these days due to their competitive pricing. Moreover, the high power tariff in India, which has been increasing every year by approximately 15-20%, is eroding the competitive edge that Indian producers of ferro alloys used to enjoy. To add to it, the quality of Chinese imports is almost at par with that of the domestic producers. Rising imports remain one of the major concerns for the industry.

Sugar

The primary risk to the sugar business comes in the form of regulatory hurdles more than anything else. Determination of cane price is the most pertinent of them. In the coming year, one can expect the cane cost to show a rising trend. Cane crushing units will have a narrower margin of profitability. The movement in the international sugar market as determined by the dynamics of Brazil's ratio of ethanol and sugar production, will need to be watched closely.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's internal control systems have evolved in line with the expansion in the scope of its business. The business processes are well-defined and there is ample management and Board-level oversight built into them. The Company has ensured that the operations continue optimally with adequate measures in place to protect all the resources and assets, ensure that every rule, law and regulation in force are followed and the internal policies that have been clearly outlined are complied with.

The aim and objective of the Company's internal control system is to ensure:

- Implementation of the corporate strategy
- Protection to the Company's assets from misuse, loss and fraud



- Complete accuracy in recording
- High-quality standards of internal and external reporting
- Instantaneous response to risks contingent and otherwise originating from both within the Group of which your Company is a part and dynamics of its business operations
- Adherence to latest policies & procedures, listing requirements, management guidelines and circulars
- Determination of and proper and timely execution of corrective measures

Every internal control system is an integral component of the corporate governance system. Its importance lies in ensuring sound continuity of the operations of your Company with emphasis on the reliability of the financial information coming out of the organisation and thorough compliance with the law of the land where it operates.

In accordance with these defined internal policies and procedures, the Audit Committee of your Company has considered and deliberated on the internal audit reports given from time to time during the FY 2012-13. The comments and observations that have come about have been acknowledged and their implementation has been overseen continually.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

	FY 2012-13 ₹ crores	FY 2011-12 ₹ crores	% Change
1. Net sales/income from operations	1,124.20	969.96	15.9
2. Other income	59.77	73.74	(18.9)
3. Total income (1 + 2)	1,183.97	1,043.70	13.4
4. Total expenditure	886.83	814.90	8.8
5. Operating profit	308.33	244.87	25.9
6. Operating margin %	27.42	25.55	8.4
7. Finance charges	13.82	16.10	(14.2)
8. Gross profit after finance charges but before depreciation and tax	345.00	275.59	25.12
9. % of Gross profit after finance charges but before depreciation and tax to total income	29.14	26.41	10.3
10. Depreciation	48.26	47.31	2.0
11. Profit/(loss) after exceptional items and before tax	296.74	228.28	30.0
12. Provision for - Current tax	59.75	46.10	
- Deferred tax	(0.78)	14.08	
- Tax of earlier years	5.26	0.00	
- MAT credit entitlement	(5.80)	(12.71)	
Total	58.43	47.47	23.1
13. Profit/(loss) after tax	238.31	180.81	31.8
14. Return on capital employed %	12.64	10.73	

The fully-diluted book value of every equity share belonging to your Company was ₹ 258.16 as on 31st March, 2013. The closing price of the equity shares of your Company ranged from ₹ 154.30 per share to ₹ 216.55 per share on the National Stock Exchange of India Limited and ₹ 158.10 per share to ₹ 217.15 per share on the Bombay Stock Exchange Limited during the FY 2012-13.

8. HUMAN RESOURCES

The Company believes that human resources are the key to its business performance for which knowledge workforce, talent management and cordial industrial relations are the cornerstones.

Knowledge Workforce

Nava Bharat's effort in this direction begins with focused induction training to new recruits. This is complemented by curriculum based training for fresh engineers which develops not only their technical skills but soft skills too. These training programmes are conducted by in-house as well as external domain experts. Apart from this, emphasis is also laid on imparting critical skills to the management staff. Inter-unit learning in various fields is encouraged to ensure dissemination of knowledge throughout the organisation. Employees are also encouraged to participate in external training programmes where they learn through sharing experiences with participants coming from different organisations. The Company encourages suggestions from employees to bring out their lateral talent.

Talent Management

The Company fosters a challenging, motivating and rewarding culture that encourages continuous learning. As a growing organisation, it opens up ample opportunities for contribution and growth not only in India but in other countries where it is establishing new businesses. The Company has fair compensation practices based on prevailing industry levels. It encourages multi-skilling of employees and a lean and flat organisation structure to ensure timely decision making and high efficiency of human resources.

The Management provides good educational, housing, recreational and sports facilities in residential colonies in close proximity to its Works, enabling the employees to have a good work - life balance.

The employees have a sense of belonging and pride to be part of Nava Bharat. Many employees retired from

the services of the Company from time to time after serving for a number of decades which is a testimony to this.

Industrial Relations

The Company gives utmost importance to ensuring efficient, safe and healthy work environment. It is continually engaged with the employees at all levels and has maintained cordial industrial relations. The Company pays to its workmen, fair wages, above the minimum wages applicable and negotiated through periodic wage agreements.

The Company has a committed team of human resources and has very low attrition rate. There was a net reduction of 10 employees during the year, taking the overall manpower strength to 1075 as of 31st March, 2013.

9. CAUTIONARY FORWARD-LOOKING STATEMENTS

Some of the statements made in this document may not be historical but may be forward looking statements. These forward-looking statements tend to include estimates for financial growth as well as plans, strategies, intentions and beliefs that concern the business and the dynamic markets in which your Company operates.

These statements are based on information currently available and the Management assumes no responsibility and obligation to update these statements periodically to reflect a change in prospects. There continue to be risks and uncertainties associated with the business which could cause actual events to unfold differently from what is mentioned in these forward-looking statements.

These risks include, but are not limited to, the level of market demand for your Company's services and products, market conditions that could cause your Company's customers to reduce their spending on the services and products, the ability to create, acquire and build new businesses and to grow existing businesses, the ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Report on Corporate Governance

CORPORATE GOVERNANCE

The Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement as stipulated by Securities and Exchange Board of India and Stock Exchanges.

The Company presents its report on compliance of conditions specified in Clause 49 of the Listing Agreement.

1. Company's Philosophy on Code of Governance:

The Company's philosophy on code of governance is conducting business in a fair and transparent manner, enhancing stakeholders' value. The Company will continue to focus on its resources, strengths and strategies for creation and safeguarding of shareholders wealth and interests.

Corporate Social Responsibility (CSR)

Social development is at the core of the Company's philosophy and this continues to be a priority for the Company. The Officers at the Company's manufacturing divisions interact with the neighbouring community on regular basis. The Company's contributions are in the areas of health, education, infrastructure development, construction of health centres, schools, etc., and assistance in the event of natural calamities and contributions to other social development organisations. Sri C V Durga Prasad, Director (Business Development) monitors the CSR activities of the Company.

2. Board of Directors:

The Board of Directors of the Company has a combination of Executive, Non-Executive and

Independent Directors. The Board comprises ten Directors, of which six are Non-Executive and Independent and more than half of the total strength of the Board comprises Independent Directors (6 out of 10).

None of the Directors on the Board, is a Member of more than ten Committees or Chairman of more than five Committees across all the companies in which Directorship is held. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2013 have been made by the Directors.

The Board was constituted as prescribed. The Non-Executive Directors' compensation was fixed by the Board of Directors and approved by the shareholders in General Meeting.

Disclosure of relationships between Directors inter-se

Sri P. Trivikrama Prasad, Managing Director, is related to Chairman (as Chairman's sister's husband) and Sri D. Ashok, Chairman as such is related to Managing Director. In respect of the other Directors, there is no Inter-se relation as per Section 6 and Schedule 1A of the Companies Act, 1956 or in any other manner.

The details of composition of the Board along with category of Directors, attendance of Directors at Board Meetings and Annual General Meeting and also the details of other directorships and chairmanship/memberships of audit and shareholders/investors grievance committees in other companies [other than in Nava Bharat Ventures Limited (NBVL)] are as follows:

Name of the Director & Designation	Director Identification Number	Attendance Particulars			No. of other Boards in which he/she is a Director		Number of Committee positions held in other Companies	
		Board Meetings during his/her Directorship in 2012-13		Last Annual General Meeting	Pvt.	Pub	Chairman	Member
		Held	Attended					
Sri D. Ashok Chairman Executive	00006903	5	5	Yes	8	5	-	-
Sri P. Trivikrama Prasad Managing Director Executive	00006887	5	5	Yes	10	6	-	-
Sri C.S.V. Rao Independent Director IDBI Bank Limited Nominee	01515286	5	3	-	-	1	-	-
Dr. E.R.C. Shekar Independent Director Non-Executive	00013670	5	4	Yes	3	4	3	-
Dr. M.V.G. Rao Independent Director Non-Executive	00012704	5	4	Yes	4	5	1	2
Sri K. Balarama Reddi Independent Director Non-Executive	00012884	5	5	Yes	3	4	4	1
Dr. D. Nageswara Rao Independent Director Non-Executive	02009886	5	5	Yes	3	2	-	-
Dr. C.V.Madhavi* Additional Director Independent Non-Executive	06472632	1	1	NA	-	-	-	-
Sri C. V. Durga Prasad Director (Business Development) Executive	00006670	5	4	Yes	2	1	-	-
Sri G. R. K. Prasad Executive Director Executive	00006852	5	5	Yes	1	4	1	1

* Appointed as Additional Director with effect from 31st January, 2013.



Details of Board Meetings

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board met at least once in every quarter and the intervening period between two Board meetings was well within the maximum gap of four months. During the Financial Year, five Board Meetings were held: on 16th April, 2012; 30th May, 2012; 8th August, 2012; 25th October, 2012 and 31st January, 2013.

The agenda items with notes prepared by functional departments or Units, are circulated to all the Directors well before the meeting for consideration. Minutes of Board Meetings are circulated to all Directors before the next meeting and confirmed at the subsequent Board Meetings. Copies of minutes of Board Meetings of subsidiaries of the Company are also circulated.

Review of compliance report

The Board periodically reviewed the compliance reports of all Laws applicable to the Company at its quarterly Board Meetings.

3. Audit Committee:

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

i. Brief description of terms of reference

The role of the Audit Committee is as prescribed under the Act and include the following:

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

- b. Recommendation of appointment etc., of the Statutory Auditors and their fee for audit and other services;
- c. Review of Annual Financial Statements with particular reference to Directors' Responsibility Statement, changes in accounting policies, major accounting entries involving estimates, disclosure of related party transactions, qualifications in the draft audit report, etc;
- d. Discussions with Internal Auditors on significant findings and with Statutory Auditors of the nature and scope of audit and on areas of concern;
- e. Review of quarterly financial statements, uses and application of funds raised, performance of Statutory and Internal Auditors, adequacy of internal control system and internal audit function and
- f. Review of Management Discussion and Analysis report on financial condition, operations, significant related party transactions, internal control weaknesses reported by the Statutory Auditors and Internal Auditors and the appointment and remuneration of Internal Auditor.

ii. Composition, Names of Members and Chairperson

The Audit Committee consists of two Independent Directors and one Institutional Nominee, who is also Independent Director. All the members of the Committee including the Chairman have adequate financial and accounting knowledge.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Director	Category	Member/ Chairman	Number of Meetings during the FY 2012-13	
			Held	Attended
Sri K. Balarama Reddi	Independent Director	Chairman	4	4
Dr. M. V. G. Rao	Independent Director	Member	4	3
Sri C.S.V.Rao	IDBI Bank Limited Nominee & Independent Director	Member	4	2

iii. Meetings of the Audit Committee held during FY 2012-13

During the year, four meetings of the Audit Committee were held: on 30th May, 2012; 7th August, 2012; 25th October, 2012 and 31st January, 2013. Necessary quorum was present for all the meetings.

Subsidiary Companies

Independent Directors viz. Sri K. Balarama Reddi and Dr. M. V. G. Rao are the Directors on the boards of the non-listed Indian Subsidiary Companies as detailed below:

Name of the Independent Director	Director on the Board of Subsidiary Companies
Sri K. Balarama Reddi	1. Nava Bharat Projects Limited 2. Nava Bharat Realty Limited
Dr. M. V. G. Rao	1. Brahmani Infratech Private Limited 2. Nava Bharat Energy India Limited 3. Nava Bharat Sugar and Bio Fuels Limited

The financial statements and the minutes of the board meetings of the subsidiary companies are considered at the meetings of the Board of Directors of the Company.

Related Party Transactions

The Audit Committee and Board considered periodically the statement of related party transactions together with basis, at their meetings.

Risk Management

The Board laid down the risk assessment and minimisation procedures, which are reviewed periodically at its meetings, to ensure that executive management controls risk through a properly defined framework. The Risk Management Policy was placed on the Website of the Company.

Proceeds from fresh/further issues

No further issues were made by the Company during the FY 2012-13.

4. Remuneration Committee:

i. Brief Description of Terms of Reference

The functioning and terms of reference of the Remuneration Committee are as prescribed under the Listing Agreement and it determines the Company's policy on all elements of the remuneration packages of the Directors including the Executive Directors.

The remuneration of the Directors is approved by the Remuneration Committee and the Board of Directors as per the Company's policy.



ii. Composition, names of Members and Chairperson

The Remuneration Committee comprises two Independent Directors and one Institutional Nominee Director, who is also Independent. The composition of the Remuneration Committee and particulars of meetings attended by the members of the Remuneration Committee are given below:

Name of the Director	Category	Member/ Chairman	Number of Meetings during the FY 2012-13	
			Held	Attended
Sri K. Balarama Reddi	Independent Director	Chairman	1	1
Dr. M. V. G.Rao	Independent Director	Member	1	1
Sri C.S.V.Rao	IDBI Bank Limited Nominee & Independent Director	Member	1	1

iii. Meetings held during the FY 2012-13

During the period from 1st April, 2012 to 31st March, 2013, Remuneration Committee Meeting was held on 30th May, 2012.

The Committee which met on 30th May, 2012 and 23rd May, 2013, interalia, considered and recommended the revision of remuneration (annual increments) to Sri Ashwin Devineni, Managing Director of the Company's Subsidiary, Nava Bharat (Singapore) Pte. Limited pursuant to Section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956.

The Committee on 23rd May, 2013 further revised the remuneration payable to Sri D.Ashok, Chairman; Sri P.Trivikrama Prasad, Managing

Director; Sri G.R.K.Prasad, Executive Director; and Sri C.V.Durga Prasad, Director (Business Development) with effect from 1st April, 2013 and also recommended the re-appointment of and remuneration payable to Sri G.R.K.Prasad, Executive Director and Sri C.V.Durga Prasad, Director(Business Development) with effect from 28th June, 2013.

iv. Remuneration Policy

As a policy, the remuneration committee considers the financial position and profitability of the Company, nature and responsibility of the position, remuneration packages prevailing in the industry or other organisations comparable in regard to the size and complexity of operations.

v. Details of Remuneration and other payments to or transactions of all Directors during the FY 2012-2013

Name of the Director	Sitting Fee (Board & Committee) (₹)	Salaries (₹)	Perquisites and Allowances (₹)	Commission as approved by General Body (₹)	Other Transactions/ Incentive (₹)	Total (₹)
Sri D. Ashok Chairman	--	6,000,000	6,767,750	59,344,880	--	72,112,630
Sri P. Trivikrama Prasad Managing Director	--	6,000,000	6,607,347	59,344,880	--	71,952,227
Sri C.S.V. Rao*	67,500	--	--	387,096	--	454,596
Dr.E.R.C. Shekar	30,000	--	--	387,096	--	417,096
Dr.M.V.G. Rao	60,000	--	--	387,096	--	447,096

v. Details of Remuneration and other payments to or transactions of all Directors during the FY 2012–2013 (Contd.)

Name of the Director	Sitting Fee (Board & Committee) (₹)	Salaries (₹)	Perquisites and Allowances (₹)	Commission as approved by General Body (₹)	Other Transactions/ Incentive (₹)	Total (₹)
Sri K.Balarama Reddi	75,000	--	--	387,096	--	462,096
Dr.D.Nageswara Rao	37,500	--	--	387,096	--	424,596
Dr.C.V.Madhavi	--	--	--	64,520	--	64,520
Sri C.V.Durga Prasad Director(Business Development)	--	6,600,000	7,250,915	--	--	13,850,915
Sri G.R.K.Prasad Executive Director	--	6,600,000	7,481,251	--	6,000,000	20,081,251

*Paid to IDBI Bank Limited.

vi. Service Contract, Notice period, severance fees

There are no specific contracts nor any severance fees. Terms of appointment are as decided by the Board and General Body.

Stock Options: The Company has no Options outstanding as at the beginning of the year and has not granted any Stock Options during the FY 2012-13.

vii. Remuneration to the Non-Executive Directors and criteria

The Board, at its meeting held on 29th May, 2010 and Annual General Meeting on 16th August, 2010 approved payment of remuneration/ commission to the Non-Executive Directors for each year for a period of 5 years commencing from 1st April, 2011, as the Board may from time to time determine (to be divided equally amongst the Non-Executive Directors) not exceeding 1% of the net profits of the Company in any financial year subject to an overall ceiling of ₹ 20.00 lakhs per year to be paid and distributed equally among all the Non-Executive Directors of the Company for each year, in addition to the sitting fees for every meeting of the Board or Committee not exceeding ₹ 7,500/- per meeting as may be determined by the Board from time to time.

Criteria

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the Non-Executive Directors in the supervision and control of the Company and their guidance for the growth of the Company as Members of the Board and also as Chairman or Members of the relevant Committees of the Board, the Board and Shareholders decided that such remuneration/commission would commensurate with their role which has undergone significant qualitative changes.

viii. Details of shares held by Non-Executive Directors as on 31st March, 2013

Sl. No.	Name	Equity Shares of ₹ 2/- each held
1.	Sri K. Balarama Reddi	NIL
2.	Dr. E. R. C. Shekar	NIL
3.	Dr. M. V. G. Rao	NIL
4.	Dr. D. Nageswara Rao	NIL
5.	Sri C. S. V. Rao	NIL
6.	Dr. C. V. Madhavi	NIL



ix. Details of shares held by Chairman, Managing Director and Directors in the whole-time employment of the Company as on 31st March, 2013

Sl. No.	Name	Equity Shares of ₹ 2/- each held in their name
1.	Sri D. Ashok	1,081,989
2.	Sri P. Trivikrama Prasad Sri P. Trivikrama Prasad (HUF)	1,708,836 351,315
3.	Sri G. R. K. Prasad	32,586
4.	Sri C. V. Durga Prasad	70,915

Management disclosure

The Senior Management personnel disclosed to the Board the transactions for the year under review wherever they have personal interest, such as dealings in the Company's shares.

5. Shareholders/Investors Grievances Committee:

- i. The Company has Shareholders/Investors Grievances Committee at the Board level, which consists of two Directors namely Sri K. Balarama Reddi and Sri P Trivikrama Prasad. Sri K. Balarama Reddi, Non-Executive and Independent Director chairs the Shareholders/Investors Grievances Committee. It deals with the complaints of the Shareholders on a regular basis. All the complaints have been solved to the satisfaction of the members concerned.
- ii. Name and Designation of Compliance Officer: Sri M. Subrahmanyam, Company Secretary and Vice President
- iii. Number of Shareholders complaints received during the year ended 31st March, 2013 : 18
- iv. Number not solved to the satisfaction of Shareholders : Nil
- v. Number of pending complaints : Nil

6. General Body Meetings:

i. The location, time and venue of the last three Annual General Meetings were as under:

Nature of Meeting	Date and Time	Venue of Meeting	Special resolutions passed
40th Annual General Meeting	8th August, 2012 at 10.00 a.m.	Hotel Marigold By and Beside Green Park Hotel Hyderabad – 500 016	One
39th Annual General Meeting	28th July, 2011 at 9.30 a.m.	Hotel Green Park, Begumpet Hyderabad – 500 016	Six
38th Annual General Meeting	16th August, 2010 at 10.00 a.m.	Hotel Green Park, Begumpet Hyderabad – 500 016	One

- ii. No Extra-Ordinary General Meeting of the shareholders was held during the year.
- iii. No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

7. Disclosures:

- i. Materially significant related party transactions that may have potential conflict with the interests of the Company at large:

There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large except for those disclosed in the financial statements for the year ended 31st March, 2013.

- ii. Details of non compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years: Nil.

- iii. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

The Company has not yet established a mechanism for Whistle Blower Policy. However, no personnel have been denied access to the Audit Committee.

- iv. Details of compliance with the mandatory requirements and adoption of non-mandatory requirements:

All mandatory requirements are scrupulously complied with and non-mandatory requirements are partially adopted.

a. Mandatory Requirements

The Company complied with all the mandatory requirements enumerated in Clause 49 as prescribed relating to i. Board of Directors; ii. Audit Committee; iii. Subsidiary Companies; iv. Disclosures; v. CEO/CFO Certification; vi. Report on Corporate Governance and vii. Compliance.

b. Non-mandatory Requirements

- i. **The Board**

The maximum tenure of Independent Directors is not adopted by the Company.

- ii. **Remuneration Committee**

The Board has constituted the Remuneration Committee with the role and functions as prescribed, with three Directors, all of whom are Non-Executive and Independent Directors including the Chairman.

- iii. **Shareholders' Rights**

The Half-yearly financial performance was published in the Newspapers and placed on the Company's Website. The same was also sent individually to each Shareholder through e-mail or by post. All the Quarterly Financial results are also placed on the Company's Website: www.nbventures.com apart from publishing the same in the Newspapers.

- iv. **Audit Qualifications**

There are no audit qualifications in the Company's financial statements.

- v. **Training of Board Members**

The Company has yet to plan for the same.

- vi. **Mechanism for evaluating Non-Executive Board Members**

The aforesaid mechanism is yet to be introduced.

- vii. **Whistle Blower Policy**

The Company has not yet introduced the same.

Accounting Standards and Treatment

The accounting treatment, as prescribed in the Accounting Standards has been followed in the preparation of financial statements.

C.E.O./C.F.O. Certification

The C.E.O (Managing Director) and the C.F.O. certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 23rd May, 2013.

**8. Means of Communication:**

The quarterly, half-yearly and annual results of the Company were normally published by the Company in the Newspapers in English version circulating in the whole of India including Business Line/Business Standard and in Newspapers in the language of Region including Andhra Prabha. The results were also displayed on the Company's website www.nbventures.com. Half-yearly results were sent to the Members along with a message from the Chairman on the Company's performance during the half-year ended 30th September, 2012. Press releases made by the Company from time to time were also displayed on the Company's website. Official news items were sent to the Stock Exchanges i.e. National Stock Exchange of India Limited and Bombay Stock Exchange Limited, where shares of the Company were listed and the Exchanges present the same on their Websites. The presentations, if any, to Institutional Investors will be covered in the Company's Website.

9. General Shareholder Information:**i. Ensuing Annual General Meeting:**

Date	16th August, 2013
Time	10.00 A.M.
Venue	Hotel Marigold By and Beside Green Park Hotel Hyderabad – 500 016

ii. Financial Calendar for AGM/Dividend Payment (For the Financial Year April, 2012 to March, 2013):

Board Meeting for consideration of Audited Accounts and recommendation of Dividend for 2012-13	23rd May, 2013
Posting of Annual Report	18th to 22nd July, 2013

ii. Financial Calendar for AGM/Dividend Payment (For the Financial Year April, 2012 to March, 2013): (Contd.)

Book Closure dates	8th August, 2013 to 16th August, 2013 (both days inclusive)
Last date for receipt of Proxy forms	14th August, 2013 before 10.00 a.m.
Date of the 41st AGM	16th August, 2013
Dividend on Equity Shares	₹ 5/- per share (250% of face value of ₹ 2/-each)
Dividend pay-out date	23rd August, 2013

As required under Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchanges, particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting (AGM) were given in the Annexure to the Notice of the AGM to be held on 16th August, 2013.

iii. Financial Calendar:

Financial Year 2012-13 (1st April, 2012 to 31st March, 2013)				
1.	First Quarter Results	8th	August	2012
2.	Second Quarter and Half Year Results	25th	October	2012
3.	Third Quarter Results	31st	January	2013
4.	Annual Results (Audited)	23rd	May	2013

iv. Listing on Stock Exchanges:

The Securities of the Company are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Listing fee for these Stock Exchanges was paid.

v. Website:

The Company's website: www.nbventures.com contain a separate dedicated section: 'Investors', where shareholders' information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

vi. Reminder to Investors:

Reminders for unclaimed physical share certificates and unpaid dividend were sent to the shareholders periodically.

vii. (a) NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web based application designed by NSE for Corporates. Hitherto the Shareholding Pattern, Corporate Governance Report and various other Reports are filed electronically on NEAPS. Your Company is also filing various Reports through NEAPS.

(b) Bombay Stock Exchange Limited Online Portal:

Bombay Stock Exchange Limited launched its Online Portal to make the Corporate filings easy and your Company is filing various compliances under BSE Online Portal.

viii. Stock Codes/Symbol:

Bombay Stock Exchange Scrip Code/Trading Symbol: '513023'/'NBVENTURE'

National Stock Exchange Trading Symbol: 'NBVENTURES'

ix. International Securities Identification Number (ISIN):

ISIN is a unique identification number allotted to dematerialised scrip. The ISIN has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN number for the equity shares of the Company is INE 725A01022.

x. Corporate Identify Number (CIN):

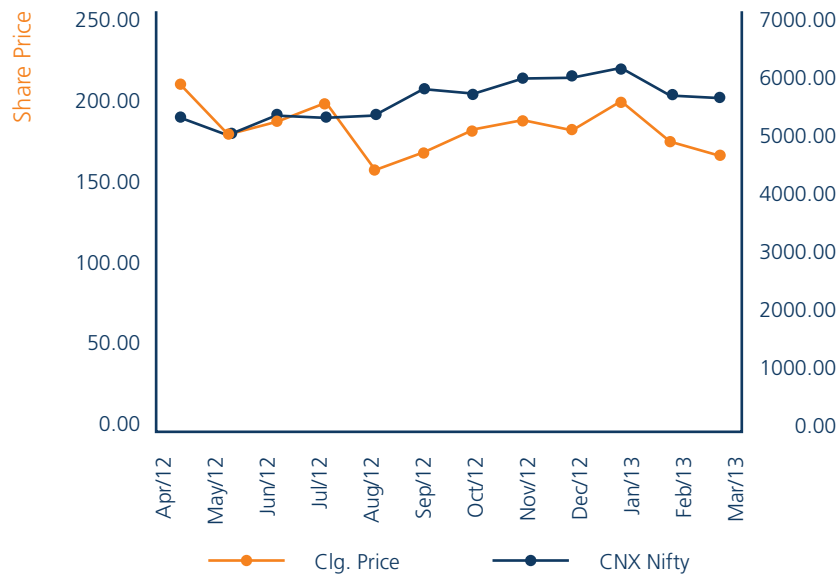
Our Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, the Government of India is L27101AP1972PLC001549 and our Company's Registration Number is 1549 of 1972-73.

xi. Market Price Data: High/Low (daily closing prices) on National Stock Exchange of India Limited during each month in the FY 2012-13:

Month	Equity Shares of ₹ 2/-each				
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)	Closing NSE S & P CNX NIFTY
2012					
April	216.55	200.40	207.50	288833	5248.15
May	212.10	175.95	176.95	1734267	4924.25
June	185.00	171.60	184.25	96196	5278.90
July	195.15	181.65	195.15	205629	5229.00
August	194.50	154.30	154.30	476860	5258.50
September	168.90	160.85	166.05	702414	5703.30
October	187.00	166.50	178.90	549182	5619.70
November	186.65	176.05	185.00	5168670	5879.85
December	191.05	180.00	180.00	171608	5905.10
2013					
January	196.40	179.40	196.40	343172	6034.75
February	200.40	172.85	172.85	219362	5693.05
March	177.05	165.20	167.40	79130	5682.55

xii. The Company is not forming part of NSE S & P CNX NIFTY. Overall performance of the scrip of the Company in comparison to NSE S & P CNX NIFTY is as follows:

Performance of M/s. Nava Bharat Ventures Ltd Closing Share price on NSE in comparison to NSE S & P CNX NIFTY

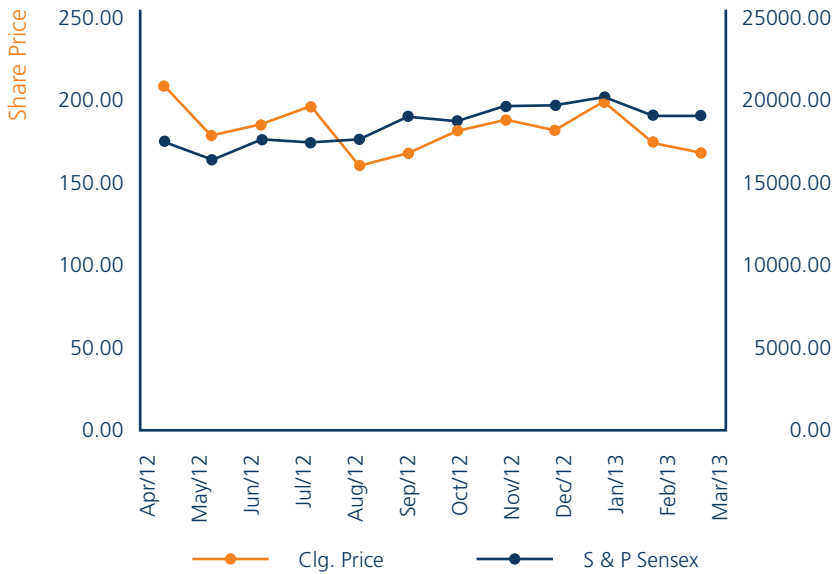


xiii. Market Price Data: High/Low (daily closing prices) on Bombay Stock Exchange Limited during each month in the FY 2012-13:

Month	Equity Shares of ₹ 2/-each					
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)	Closing S & P BSE SENSEX	Closing S & P BSE MIDCAP
2012						
April	217.15	201.00	206.90	57104	17318.81	6315.85
May	212.75	175.40	176.70	57501	16218.53	5907.95
June	185.85	172.20	183.10	74503	17429.98	6153.72
July	193.90	182.55	193.90	40713	17236.18	6012.28
August	193.50	158.10	158.10	51555	17429.56	6005.02
September	169.25	160.90	165.90	116487	18762.74	6607.29
October	187.55	166.85	178.90	256296	18505.38	6565.99
November	186.80	176.15	185.60	291291	19339.90	6901.99
December	190.85	180.25	180.25	37375	19426.71	7112.89
2013						
January	195.75	179.85	195.75	164658	19894.98	6970.88
February	200.30	172.05	172.05	50657	18861.54	6302.78
March	178.05	163.35	166.35	25235	18835.77	6142.06

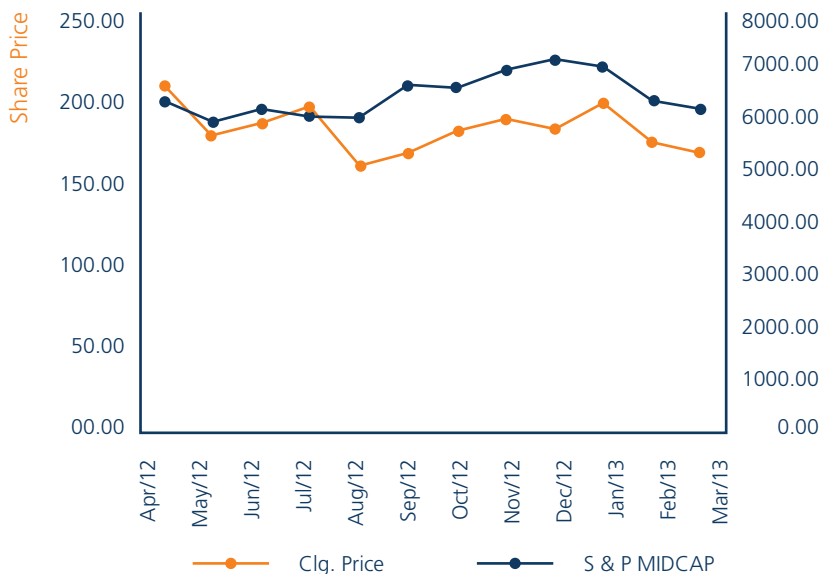
xiv. The Company is not forming part of BSE Sensex. Overall performance of the scrip of the Company in comparison to BSE Sensex is as follows:

Performance of M/s. Nava Bharat Ventures Ltd Closing Share price on BSE in comparison to BSE Sensex



xv. The Company is forming part of BSE MIDCAP. Overall performance of the scrip of the Company in comparison to BSE MIDCAP is as follows:

Performance of M/s. Nava Bharat Ventures Ltd Closing Share price on BSE in comparison to BSE MIDCAP INDEX





xvi. Registrars & Transfer Agents (for Shares held in both Physical and Demat mode)	:	M/s. KARVY Computershare Private Limited (Unit: Nava Bharat Ventures Limited) Plot No.17 to 24, Vittal Rao Nagar, Madhapur Hyderabad – 500 081
Telephone Numbers	:	+ 91 40 4465 5000
Direct	:	+ 91 40 4465 5152
Fax No.	:	+ 91 40 4465 5024
Contact Person	:	Sri M. S. Madhusudhan/Sri Mohd. Mohsinuddin
E-mail id	:	mohsin.mohd@karvy.com
Website	:	www.karvycomputershare.com

xvii. Share Transfer System:

M/s. Karvy Computershare Private Limited, Hyderabad, is the Company's Registrars and Share Transfer Agents. Share Transfers are registered and returned in the normal course within a period of less than 15 days from the date of receipt, if the documents are in order in all respects. Request for dematerialisation of shares are processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrars and Share transfer agents were delegated the power of share transfer to expedite the transfer formalities.

xviii. a. Distribution of shareholding

Range of equity shares held	As on 31st March, 2013				As on 31st March, 2012			
	Shareholders		Shareholding		Shareholders		Shareholding	
	Number	%	Number	%	Number	%	Number	%
1	465	2.91	465	0.00	449	2.36	449	0.00
2-10	1518	9.48	10880	0.01	1778	9.34	12989	0.01
11-50	3818	23.85	131374	0.15	4740	24.89	160413	0.18
51-100	2317	14.47	210286	0.24	2764	14.51	247909	0.28
101-200	2381	14.87	424515	0.48	3076	16.15	503690	0.56
201-500	3100	19.37	1127854	1.26	3543	18.60	1324764	1.48
501 to 1000	1004	6.27	803773	0.90	1132	5.95	894996	1.00
1001 to 5000	954	5.96	2279909	2.55	1090	5.72	2523502	2.83
5001 to 10000	162	1.01	1208058	1.35	175	0.92	1291391	1.45
10001 and above	289	1.81	83090627	93.06	297	1.56	82327638	92.21
TOTAL	16008	100.00	89287741	100.00	19044	100.00	89287741	100.00

b. Shareholding Pattern

Category	As on 31st March, 2013			As on 31st March, 2012		
	Shareholders (No.)	No. of Shares of ₹ 2/- each held	Voting strength (%)	Shareholders (No.)	No. of Shares of ₹ 2/- each held	Voting strength (%)
A. Promoter Group:						
i. Individuals	12	15245007	17.07	12	13951600	15.63
ii. Bodies Corporate	6	18360183	20.56	6	17869754	20.01
iii. Trust*	1	4973510	5.57	1	4973510	5.57
Total Shareholding of Promoter Group	19	38578700	43.21	19	36794864	41.21
B. Public Shareholding:						
i. Mutual Funds	4	339281	0.38	9	773264	0.87
ii. Financial Institutions/ Banks	9	27734	0.03	15	36525	0.04
iii. Foreign Institutional Investors	51	28547259	31.97	61	19127783	21.42
iv. Bodies Corporate	477	2352902	2.64	548	1579425	1.77
v. Individuals						
a. Shareholders holding nominal share capital upto ₹ 1 Lakh	14668	8530236	9.55	17471	9253254	10.36
b. Shareholders holding nominal share capital in excess of ₹ 1 Lakh	55	8565276	9.59	55	9329677	10.45
vi. Directors and Relatives	8	280631	0.31	8	280631	0.31
vii. Non Resident Indians	304	213823	0.24	362	235747	0.26
viii. Trusts	7	7444	0.01	7	7248	0.01
ix. Hindu Undivided Family	387	439454	0.49	401	422090	0.47
x. Clearing Members	18	5001	0.01	86	41666	0.05
xi. Foreign Corporate Bodies (FDI)	0	0	0	1	10005567	11.21
xii. Nava Bharat Ventures Employee Welfare Trust through Barclays Wealth Trustees (India) Private Ltd.	1	1400000	1.57	1	1400000	1.57
Total Shareholding of Public	15989	50709041	56.79	19025	52492877	58.79
GRAND TOTAL (A+B)	16008	89287741	100.00	19044	89287741	100.00

*Holding shares of the Company (NBVL) for the benefit of the Company (NBVL)

Company's Shares held by Promoter Group pledged or otherwise encumbered: Nil

c. Particulars of the Shareholders (non-promoter group) holding more than 1% of the shares of the Company as on 31st March, 2013

Sl. No.	Name of the Shareholder	No. of Shares of ₹ 2/-each	Percentage (%)
1.	Wellington Management Company, LLP with its PACs	11641444	13.04
2.	Highfields Capital Management LP A/c: HC Mauritius Limited	8482989	9.50
3.	Deutsche Securities Mauritius Limited	1845356	2.07
4.	Copthall Mauritius Investment Limited	1660549	1.86
5.	Nava Bharat Ventures Employee Welfare Trust through Barclays Wealth Trustees(India) Private Limited	1400000	1.57
6.	Credit Suisse(Singapore) Limited	1161600	1.30
7.	Sunitha Vemulapalli	1008315	1.13

d. Unclaimed Equity Dividend

Section 205A(5) of the Companies Act, 1956, mandates that companies should transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). The dividend for the years mentioned below, if unclaimed within a period of seven years, will be transferred to IEPF in accordance with the following schedule:

Sl. No	Financial Year	Date of Declaration of Equity Dividends	% of Dividend (Equity Dividend)	Date of transfer to Unpaid Dividend A/c	Amount outstanding as on 31st March, 2013 (₹)	Due for transfer to Central Government's Investor Education & Protection Fund on
1	2011-2012	8th August, 2012	200%	7th September, 2012	2,441,648/-	7th September, 2019
2	2010-2011	28th July, 2011	300%	27th August, 2011	2,873,820/-	27th August, 2018
3	2009-2010	16th August, 2010	450%	16th September, 2010	3,652,443/-	16th September, 2017
4	2008-2009	31st July, 2009	400%	31st August, 2009	3,271,696/-	31st August, 2016
5	2007-2008	25th July, 2008	300%	25th August, 2008	2,645,010/-	25th August, 2015
6	2006-2007	27th July, 2007	200%	27th August, 2007	1,733,392/-	27th August, 2014
7	2005-2006	27th July, 2006	100%	28th August, 2006	1,181,188/-	28th August, 2013

The Company is sending periodic communication to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders are informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

xix. Reconciliation of Share capital:

In accordance with Regulation 55A of SEBI (Depositories & Participants) Regulations, 1996, a quarterly audit is conducted by a qualified Company Secretary in Practice for reconciliation of share capital of the Company.

The Reconciliation of Share Capital Audit Report inter alia covers and certifies that the total shares held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and those in physical form tally with the paid-up and listed capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc. Details of changes in share capital of the Company during the quarter are also covered in this report.

The Reconciliation of Share Capital Audit Report is submitted to BSE and NSE and is also placed before the meetings of the Board of Directors.

xx. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has in place a Code of Conduct for prevention of insider trading.

The code is applicable to all the Heads of the Departments of the Company who are likely or may reasonably be expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code is applicable to Chief General Managers and above levels and Designated Employees (All Heads of the Finance & Accounts Department in all Units and Corporate Office).

xxi. Details about Company's dematerialised shares as on 31st March, 2013:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
88019145	98.58	15294	95.54

Shareholders, who continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialised form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL). The system for getting the shares dematerialised is as under:

- Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the depository

Participant(DP) with whom he/she has opened a Depository Account;

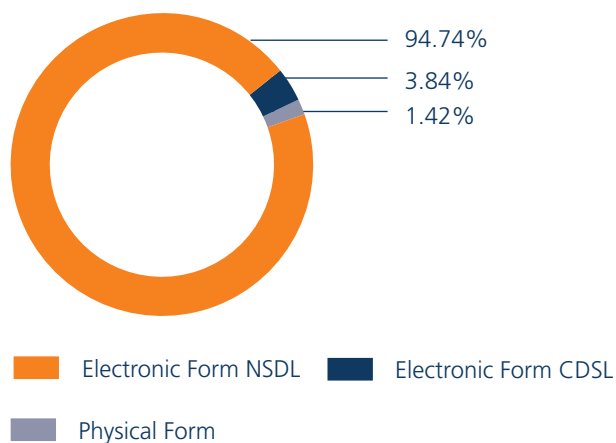
- DP processes the DRF and generates a unique number viz.DRN;
- DP forwards the DRF and share certificates to the Company's Registrar & Share Transfer Agent;
- The Company's Registrar & Share Transfer Agent after processing the DRF, confirm the request to the Depositories by cancellation of physical share certificates and
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.



The break-up of shares in demat and physical form as on 31st March, 2013 is as follows:

Particulars	No. of Shares of ₹ 2/-each	% of Shares
Demat Segment		
NSDL	84588172	94.74
CDSL	3430973	3.84
Sub-total	88019145	98.58
Physical Segment	1268596	1.42
TOTAL	89287741	100.00

Equity Shares



xxii. Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity:

No GDRs/ADRs/Warrants or any Convertible instruments have been issued by the Company during the year under review.

xxiii. Transfer of Physical Share Certificates to Suspense Account in electronic mode:

Pursuant to Clause 5A (II) of the Listing Agreement, the Company has to transfer all

the physical share certificates lying with the Company to the Suspense Account and also to dematerialise the same.

Postal Return cases as per the records of the Registrars were initially transferred to Suspense Account. A demat account under the name and style 'Nava Bharat Ventures Limited - Unclaimed Suspense Account' was opened by the Company and the unclaimed shares in respect of the said 6 shareholders for 915 equity shares were transferred to the said account on 11th May, 2012.

The Company's Registrars also sent three notices under Clause 5A to the shareholders whose physical share certificates in respect of stock split cases lying with them on 23rd January, 2012, 28th May, 2012 and 30th October, 2012 and reduced the number of unclaimed physical stock split cases to the extent possible.

Physical split share certificates lying with the Registrars for 6,83,550 shares were transferred to Suspense Account 'Nava Bharat Ventures Limited – Unclaimed Suspense Account' on 15th March, 2013 and were also dematerialised by way of credit to the beneficiary ID No.18391954 in the name of 'Nava Bharat Ventures Limited – Unclaimed Suspense Account' on 23rd March, 2013. Full details of the unclaimed shares, so transferred, were placed on the Website of the Company.

Pursuant to Clause 5A of the Listing Agreement, the voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares claim the shares.

The dividend on the shares in the Unclaimed Suspense Account will be remitted to the Shareholders on their claiming the shares, till which time, the dividend will be available in the Unpaid Dividend Bank Account.

The following are the details of unclaimed shares transferred to Unclaimed Suspense account:

Sl. No.	Particulars	No. of Shareholders	No. of Equity Shares of ₹ 2/-each
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the FY 2011-12	6	915
(ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	NIL	NIL
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account	NIL	NIL
(iv)	Physical Share Certificates in respect of Stock split transferred to Unclaimed Suspense Account on 15th March, 2013	1,335	683,550
(v)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	1,341	684,465

xxiv. Plant Locations:

The Company's plants are located at:

Paloncha - 507 154 Khammam District Andhra Pradesh	Samalkot - 533 440 East Godavari District Andhra Pradesh	Dharmavaram - 534 430 Prathipadu Mandal East Godavari District Andhra Pradesh	Kharagprasad Village - 759 121 Dhenkanal District Odisha
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xxv. Address for Correspondence:

Registered Office	M/s. NAVA BHARAT VENTURES LIMITED, 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082
Telephone Numbers	+91 40 2340 3501/2340 3540
Fax Number	+91 40 2340 3013
Website	www.nbventures.com
E-mail	nbvl@nbv.in; secretarial@nbv.in
Grievance redressal division E-mail id	grd@nbv.in

for and on behalf of the Board

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 23rd May, 2013

D. Ashok
Chairman



NAVA BHARAT

Declaration on compliance with Code of Conduct

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions of Clause 49 of the Listing Agreement.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company at its meeting held on January 29, 2005. The Code of Conduct was also posted on the Website of the Company.

All the Board Members and Senior Management Personnel affirmed that they have complied with the said Code of Conduct on an annual basis in respect of the financial year ended 31st March, 2013.

I hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and Senior Management Personnel, that the Code of Conduct has been complied with.

On behalf of the Board
For **Nava Bharat Ventures Limited**

Place : Hyderabad
Date : 23rd May, 2013

P. Trivikrama Prasad
Managing Director

CERTIFICATE

To the Members of
Nava Bharat Ventures Limited
HYDERABAD (A.P).

We have examined the compliance of conditions of Corporate Governance by NAVA BHARAT VENTURES LIMITED, Hyderabad (A.P) for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **Brahmayya & Co.,**
Chartered Accountants.
Firm's Registration No.0005135

Place : Hyderabad
Date : 23rd May, 2013

P. Chandramouli
Partner
Membership No.025211

Independent Auditors' Report

To

The Members of

Nava Bharat Ventures Limited,
Hyderabad.

Report on the Financial Statements:

We have audited the accompanying financial statements of NAVA BHARAT VENTURES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for **Brahmayya & Co.**

Chartered Accountants

Firm's Registration Number: 0005135

(**P. Chandramouli**)

Place : Hyderabad

Partner

Date : May 23, 2013

Membership Number: 025211



Annexure to the Auditors' Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of NAVA BHARAT VENTURES LIMITED, HYDERABAD, for the year ended March 31, 2013.,

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
 - c. The plant and machinery disposed off during the year by the Company is not substantial and hence, it has not affected the going concern status of the Company.
2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a. During the year, the Company has neither granted nor taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b. In view of our comment in paragraph (a) above, (III) (b), (c), (d), (e), (f) and (g) of paragraph 4 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a. In our opinion and according to the information and explanations given to us by the Management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.
 - b. In respect of the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, in the absence of any comparable quotes, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public. Hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to this Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of sugar, distillery, power and Ferro alloys and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete. The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any other products of the Company.
9. a. According to the records of the Company, the Company is regular (but for what is stated in Para (b) below) in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

Annexure to the Auditors' Report

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at March 31, 2013 for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of payment
AP AL(CFNAP) Act, 2006	Land Conversion Tax	6,466,061	2010 -11		Not yet paid
Orissa Electricity Duty Act, 1961	Electricity Duty	1,091,227	2008-09	30.04.2009	Not yet paid
		325,551	2009-10	30.04.2010	
Customs Act, 1962	Customs Duty	1,761,860	1985 – 87		Not yet paid
GoAP (I & CAD Dept)	Water Charges	304,945	2008-09	30.04.2009	Not yet paid
		156,781	2009-10	30.04.2010	
		156,867	2010-11	30.04.2011	
		260,127	2011-12	30.04.2012	
OSPCB	Water Cess	52,560	2008-09	30.04.2009	Not yet paid
		60,994	2009-10	30.04.2010	
		11,518	2011-12	30.04.2012	
GoAP, APPCB	Water Cess	28,460	2008-09	31.03.2009	Not yet paid
		56,699	2011-12	31.03.2012	
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	7,260,282	2003-04 to 2007-08	15.04.2008	Not yet paid
- do -	- do -	407,520	2008- 09	30.04.2009	Not yet paid
- do -	- do -	437,520	May-10	30.06.2010	Not yet paid
		251,868	Jun-10	31.07.2010	
		535,680	Jul-10	31.08.2010	
		514,944	Aug-10	30.09.2010	
		5,324,777	Sept-10	31.10.2010	
- do -	- do -	5,239,126	2003-04 to 2010-11	30.04.2012	Not yet paid
- do -	- do -	48,979	Apr-11	31.05.2011	Not yet paid
		645,905	May-11	30.06.2011	
		495,380	Mar-12	30.04.2012	
- do -	- do -	62,095	Apr-12	30.05.2012	Not yet paid
AP Municipalities Act, 1965	Property Tax	2,412,779	2011-12	31.03.2012	Not yet paid
O S Govt.	Ground Rent	7,592	2009-10	31.03.2010	Not yet paid
		5,955	2011-12	31.03.2012	
East Coast Railways	Water way line charges	180,932	2002-03 to 2009-10	31.03.2010	Not yet paid

Annexure to the Auditors' Report

- c. According to the records of the Company and the information and explanations given to us, the dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
AP (Ag. Produce & Live Stock) Marketing Act, 1966	Agricultural Market Cess	2,815,396	1980-81 to 1989-90	The Secretary, Agricultural Marketing Committee, Visakhapatnam
AP Municipalities Act, 1965	Property Tax	149,952	1995-96 to 2000-01	Hon'ble High Court of AP
-do-	-do-	200,798	1995-96 to 2000-01	Hon'ble High Court of AP
Various Sales Tax Acts	Central Sales Tax	220,130	2004-05	Asst. Commissioner of Sales Tax, Range-II, Cuttack
		1,430,850	2005-06	
		6,487,532	2000-01	
	APGST	7,935,607	2003-04	Asst. Commissioner of Commercial Taxes, Warangal
Excise Central Act, 1944	Excise Duty	16,432,500	2004-05 to 2009-10	CESTAT, Bangalore
		96,766,489	2012-13	Appeal to be filed
		5,529,064	1997-98	CESTAT, New Delhi
		13,690,286	2000-01 to 2001-02	Commissioner Of Central Excise, Visakhapatnam
		315,629	2000-01	CESTAT, Bangalore
		1,085,589	2000-01 to 2005-06	Commissioner Of Central Excise(Appeals), Visakhapatnam
		8,390	2011-12	No dispute
	25,383	2011-12 to 2012-13	No dispute	
	Service Tax	3,939,456	2000- 01 to 2010 -11	Hon'ble High Court of A.P.
11,910,633		1996-97 to 2010-11	Hon'ble High Court of A.P.	
The A.P. Electricity Duty Act, 2003. (as amended)	Electricity Duty	55,850,012	2003-04 to 2012-13	Hon'ble High Court of AP
The AP Non-Agricultural Land Assessment Act, 1963	NALA TAX	1,225,116	1993-94 to 1998-99	Hon'ble High Court of AP
AP State Excise & Prohibition Act, 1972	Establishment charges under State Excise	3,551,781	1968-69 to 1987-88	Commissioner of State Excise & Prohibition, Hyderabad

Annexure to the Auditors' Report

10. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, the terms and conditions on which the Company has given guarantees for the loans taken by Others from banks and financial institutions are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
17. In our opinion and according to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year, therefore the question of creating security or charge in respect thereof does not arise.
20. During the year, the Company has not made any public issue, therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for **Brahmayya & Co.**

Chartered Accountants

Firm's Registration Number: 000513S

(P. Chandramouli)

Partner

Place : Hyderabad

Date : May 23, 2013

Membership Number: 025211



NAVA BHARAT

Balance Sheet

as at 31st March, 2013

₹ in lakhs

Particulars	Notes	31st March, 2013	31st March, 2012
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	04	1,787.01	1,787.01
Reserves and Surplus	05	228,722.49	209,823.46
		230,509.50	211,610.47
Non - Current Liabilities			
Long - term borrowings	06	4,527.57	3,882.01
Deferred tax liabilities (Net)	07	3,393.74	3,471.28
Other Long - term liabilities	08	242.47	200.61
Long - term provisions	09	968.00	854.73
		9,131.78	8,408.63
Current Liabilities			
Short term borrowings	10	8,169.65	9,775.21
Trade Payables	11	7,291.33	7,972.67
Other Current liabilities	12	5,321.76	9,682.33
Short - term provisions	13	5,655.50	4,659.57
		26,438.24	32,089.78
TOTAL		266,079.52	252,108.88
ASSETS			
Non - Current Assets			
Fixed assets			
Tangible assets	14	63,954.00	64,617.44
Intangible Assets	15	643.05	755.88
Capital Work in Progress	16	26,055.77	26,039.28
Non-current investments	17	47,432.27	29,589.54
Long-term loans and advances	18	4,937.17	4,468.36
Other non-current assets	19	16,534.41	15,650.22
		159,556.67	141,120.72
Current Assets			
Inventories	20	29,264.06	29,153.55
Trade receivables	21	16,596.66	11,659.56
Cash and cash equivalents	22	46,370.77	48,697.73
Short-term loans and advances	23	12,052.24	18,371.70
Other current assets	24	2,239.12	3,105.62
		106,522.85	110,988.16
TOTAL		266,079.52	252,108.88
Notes forming part of financial statements	01 - 47		

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 23rd May, 2013

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Statement of Profit and Loss

for the year ended 31st March, 2013

₹ in lakhs

Particulars	Notes	31st March, 2013	31st March, 2012
INCOME			
Revenue from operations	25	112,419.63	96,996.10
Other Income	26	5,976.84	7,374.37
Total Revenue		118,396.47	104,370.47
EXPENSES			
Cost of Materials Consumed	27	61,210.44	51,687.29
Purchase of traded goods	28	461.62	542.86
(Increase)/Decrease in Inventories	29	(2,316.68)	684.84
Other Manufacturing expenses	30	7,103.94	6,047.61
Employee benefit expense	31	7,186.68	6,031.54
Finance Costs	32	1,381.62	1,610.13
Depreciation and amortisation expense	33	4,825.71	4,731.44
Other expenses	34	8,829.36	10,154.68
Total Expenses		88,682.69	81,490.39
Profit Before Exceptional Items and Tax		29,713.78	22,880.08
Exceptional Items :	35		
Adjustments relating to earlier years (net)		39.25	52.41
Profit After Exceptional Items and Before Tax		29,674.53	22,827.67
Tax Expense			
Current Tax		5,975.00	4,610.00
Deferred Tax		(77.54)	1,408.00
Earlier years		525.87	-
MAT Credit Entitlement		(580.00)	(1,271.00)
		5,843.33	4,747.00
Profit for the year after Tax		23,831.20	18,080.67
Earnings per Equity Share of ₹ 2/- Each			
Basic		26.69	21.46
Diluted		26.69	21.46
Notes forming part of financial statements	01 - 47		

per our report of even date
for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 23rd May, 2013

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman



NAVA BHARAT

Cash Flow Statement

for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	29,674.53	22,827.67
Adjustments for:		
Interest earned	(2,733.08)	(2,453.34)
Excess Provisions written back	(109.84)	(70.60)
Input tax Credit written off	0.55	-
Bad debts and Advances written off	2.57	14.47
Investments written off	0.05	-
Depreciation and amortisation expense	4,825.71	4,731.44
Assets discarded	0.67	3.20
Profit on sale of Assets	(3.35)	(169.88)
Net (Gain)/loss on Sale of non current investments	-	(9.32)
Net (Gain)/loss on Sale of current investments	(1,805.50)	(3,152.60)
Adjustment to the carrying amount of investments	(10.47)	14.36
Interest from non-current investments	(34.61)	(34.33)
Dividend from non-current investments	(6.15)	(4.42)
Interest (excluding the amount capitalised)	512.73	720.72
Operating Profit before Working Capital Changes	30,313.81	22,417.37
Adjustments for:		
Increase/(decrease) in other long term liabilities	41.86	(76.62)
Increase/(decrease) in long term provisions	113.27	-
Increase/(decrease) in trade payables	(681.34)	483.14
Increase/(decrease) in other current liabilities	(745.27)	1,232.73
Increase/(decrease) in short term provisions	(16.55)	105.65
(Increase)/decrease in long term loans and advances	(468.81)	1,518.92
(Increase)/decrease in other non-current assets	(884.19)	(1,099.57)
(Increase)/decrease in inventories	(110.51)	334.13
(Increase)/decrease in receivables	(4,939.67)	8,743.02
(Increase)/decrease in short term loans and advances	(2,023.82)	(808.87)
(Increase)/decrease in other current assets	960.93	(396.38)
Cash generated from Operations	21,559.71	32,453.52
Direct Taxes paid	(5,968.14)	(4,438.57)
Net Cash from Operating Activities (A)	15,591.57	28,014.95
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Loans (received)/given	8,390.00	(11,269.34)
Purchase of fixed assets (excluding Interest capitalised) including tangible assets and Capital work-in-progress	(4,354.62)	(4,898.76)
Proceeds from sale of fixed assets	291.37	238.14
Purchase of non-current Investments (including advances)	(17,832.31)	(10,869.78)

Cash Flow Statement

for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
Purchase of current Investments	(153,638.44)	(153,638.44)
Proceeds from sale of non-current Investments	-	9.88
Proceeds from sale of current Investments	155,443.94	156,791.04
Investments in bank deposits (having original maturity of more than three months)	(10,018.90)	16,861.58
Interest received	2,673.26	1,309.34
Dividend received	6.15	4.42
Net Cash used in Investing Activities (B)	(19,039.55)	(5,461.92)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Shares	-	12,304.55
Proceeds from short term borrowings	(1,605.56)	6,366.03
Repayment of long term borrowings (net)	(2,847.98)	(17,646.10)
Interest paid (including interest capitalised)	(530.04)	(1,022.57)
Dividend paid	(3,914.30)	(4,968.73)
Net Cash generated in Financing Activities (C)	(8,897.88)	(4,966.82)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(12,345.86)	17,586.21
Cash and Cash equivalents at the beginning of the year	48,505.34	30,919.13
Cash and Cash equivalents at the end of the year	36,159.48	48,505.34
Notes:		
Cash and Cash equivalents include:		
Cash and Cheques on hand	74.36	2.12
Balances with Banks:		
On Current Accounts	6,573.25	6,203.89
On Unpaid Dividend Accounts	177.99	171.80
On Cash Credit Accounts	-	71.18
Deposits with maturity of less than 3 months	28,600.00	41,477.32
Margin Money Deposits	733.88	579.03
Cash and Cash equivalents considered for cash flow	36,159.48	48,505.34

per our report of even date
for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration Number: 0005135

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 23rd May, 2013

for and on behalf of the Board

G.R.K. Prasad
Executive Director

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman



Notes

to Financial Statements for the year ended 31st March, 2013

01 NATURE OF OPERATIONS:

Nava Bharat Ventures Limited (the Company) has been incorporated on 7th November, 1972. At present the Company is engaged in the business of manufacture of ferro alloys, sugar and generation of power.

02 BASIS OF ACCOUNTING:

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

03 SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and other attributable costs to bring the asset to its working condition for its intended use.

Direct overhead expenditure incurred and other attributable revenue costs on projects under implementation is treated as unallocated capital

expenditure pending allocation to the assets and are included under Capital work-in-progress.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation

- i. Depreciation on Fixed Assets is provided on Written Down Value/Straight Line method as per Schedule XIV of the Companies Act, 1956.
- ii. Fixed Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.
- iii. The cost of leasehold Land is amortised over the lease period.
- iv. Improvements to premises taken on lease are amortised over the primary lease period.

d) Intangible Assets

- i. Costs incurred towards purchase of computer software is amortised over the useful lives of such software as estimated by the management which is of three years.
- ii. Expenditure incurred to acquire water drawing rights from Government/Local authorities or other parties is amortised over the primary period of right to use the facilities which is ten years for the time being.

e) Impairment

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their

Notes

to Financial Statements for the year ended 31st March, 2013

- present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.
- f) Prior period items**
All items of income/expenditure pertaining to prior period, which are material, are accounted through “prior period adjustments” and the others are shown under respective heads of account in the Profit and Loss.
- g) Investments**
Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.
- h) Inventories**
- i. Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined at weighted average basis.
 - ii. Goods in transit are valued at Cost.
 - iii. Finished goods, Work in progress, Scrap, by-products, loose tools and other stock in trade are valued at lower of cost and net realisable value.
 - iv. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis and Cost of finished goods includes excise duty. Cost of traded goods includes purchase and allied costs incurred to bring the inventory to its present condition and location, determined on weighted average basis.
 - v. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.
- i) Revenue Recognition**
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:
- i. Sale of Goods:**
Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading.
 - ii. Income from Services:**
Revenue is recognised as and when the conversion job is completed irrespective of the billing.
 - iii. Interest and Guarantee Commission:**
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
 - iv. Dividends:**
Dividend is recognised when the right to receive payment is established by the balance sheet date.



Notes

to Financial Statements for the year ended 31st March, 2013

v. Export Benefits:

Export Entitlements in the form of Duty Drawback on accrual and Duty Entitlement Pass Book (DEPB) Schemes on realisation are recognised in the Statement of Profit and Loss.

vi. Other Sundry Incomes

Insurance claims and conversion escalations are accounted for on realisation.

j) Foreign Currency Transactions

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

ii. Conversion

Foreign currency monetary items not covered by forward contracts are restated at the exchange rates prevailing at the year end.

iii. Exchange differences

Exchange differences arising, on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

iv. Forward Exchange Contracts (Derivative Instruments) not intended for trading or speculation purposes

The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which

the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

k) Government Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

l) Retirement and Other Employee Benefits

i. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

ii. The Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Trusts.

iii. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary as at the end of the year.

iv. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

Notes

to Financial Statements for the year ended 31st March, 2013

- v. In respect of employees stock options, the excess of fair price on the date of grant, over the exercise price, is recognised as deferred compensation cost and amortised over the vesting period.
- vi. Compensation paid under the Company's voluntary retirement scheme is charged to the Statement of Profit and Loss in the year of payment.
- m) Borrowing Costs**
Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalised. Other Borrowing costs are recognised as an expense in the year in which they are incurred.
- n) Segment Reporting Policies**
- i. **Identification of Segments:**
The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets.
- The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:
- Sales within India include sales to customers located within India.
 - Sales outside India include sales to customers located outside India.
- ii. **Allocation of Common Costs:**
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- iii. **Unallocated Items:**
Includes general corporate income and expense items which are not allocated to any business segment.
- o) Earnings per Share (Basic and Diluted)**
Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.
- p) Leases**
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.
- Where the Company is the lessee:**
Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.
- Where the Company is the lessor:**
Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss.
- q) Taxes on Income**
Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.



Notes

to Financial Statements for the year ended 31st March, 2013

r) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation

that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

t) Cash Flow Statement

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

u) Dividends

Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders/lending institutions approval wherever applicable.

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
04 SHARE CAPITAL:		
Authorised		
250,000,000 Equity Shares of ₹ 2/- each	5,000.00	5,000.00
TOTAL	5,000.00	5,000.00
Issued and Subscribed		
89,539,216 Equity Shares of ₹ 2/- each	1,790.78	1,790.78
TOTAL	1,790.78	1,790.78
PAID UP		
89,287,741 Equity Shares of ₹ 2/- each fully paid up	1,785.75	1,785.75
Add: Forfeited Shares (amount originally paid up)	1.26	1.26
TOTAL	1,787.01	1,787.01

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	31st March, 2013	31st March, 2012
	No. of shares	No. of shares
Equity Shares at the beginning of the year	89,287,741	76,364,668
Add: Equity Shares issued on conversion of FCCBs	-	12,923,073
Equity Shares at the end of the year	89,287,741	89,287,741

Notes

to Financial Statements for the year ended 31st March, 2013

b. Rights attached to equity Shares:

The Company has only one class of equity shares having a face value of ₹ 2/- per share with one vote per each equity share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The amount of dividend proposed to be distributed for the year ended 31st March, 2013, to equity shareholders is ₹ 5.00 per share (31st March, 2012 ₹ 4.00 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

	31st March, 2013		31st March, 2012	
	No. of shares	% in the class	No. of shares	% in the class
Equity Shares of ₹ 2/- each fully paid: Wellington Management Company, LLP with its PACs.	11,641,444	13.04	5,250,838	5.88
Highfields Capital Management LP A/c. HC Mauritius Limited	8,482,989	9.50	4,982,989	5.58
Nav Developers Limited	7,467,845	8.36	7,252,416	8.12
Kingfisher Capital CLO Limited	-	-	10,005,567	11.21

d. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Financial year	31st March, 2013	31st March, 2012
	No. of shares	No. of shares
2008-09	1,920,000	1,920,000
2009-10	12,500	12,500
TOTAL	1,932,500	1,932,500

- e. The paid up share capital includes 4,973,510 equity shares of ₹ 2/- each fully paid-up, owned by the Company, pursuant to the order of Hon'ble High Court of Andhra Pradesh dated 30th December, 1996 in the Scheme of amalgamation of Nav Chrome Limited with the Company, which are vested in a Trustee for the benefit of the Company which are to be sold and net sale proceeds are to be paid to the Company and such shares are not considered for dividend.



Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
05 RESERVES AND SURPLUS:		
Capital Reserves:		
As per last Balance Sheet	60.20	60.20
Capital Redemption Reserve:		
As per last Balance Sheet	826.39	826.39
Securities Premium Reserve:		
As per last Balance Sheet	26,214.22	14,168.13
Add: Received during the year	-	12,046.09
Closing Balance	26,214.22	26,214.22
Contingency Reserve:		
As per last Balance Sheet	-	8,100.00
Less: Transferred to Surplus	-	8,100.00
Closing Balance	-	-
General Reserve:		
As per last Balance Sheet	72,852.40	67,852.40
Add: Additions during the year	5,000.00	5,000.00
Closing Balance	77,852.40	72,852.40
Other Reserves:		
Subsidies:		
As per last Balance Sheet	33.60	33.60
Surplus i.e. balance in Statement of Profit and Loss		
As per last Balance Sheet	109,836.65	91,593.59
Add: Net profit after tax transferred from Statement of Profit and Loss	23,831.20	18,080.67
Transferred from Contingency Reserve	-	8,100.00
Excess provision of Dividend written back *	-	982.08
Amount available for appropriation	133,667.85	118,756.34
Appropriations:		
General Reserve	5,000.00	5,000.00
Dividend on Equity Capital	4,215.71	3,372.57
Corporate Dividend Tax	716.46	547.12
Closing Balance	123,735.68	109,836.65
TOTAL	228,722.49	209,823.46

* Refers to the amount provided for the year ended 31st March, 2011 on the expected conversion of FCCBs into equity capital, which was no longer payable as such conversion was not taken place before the book closure.

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
06 LONG TERM BORROWINGS:		
Term Loans from Banks [Secured] *		
Indian Rupee Loans		
IDBI Bank Limited (i)	4,822.00	2,000.00
Less: Current maturities	333.33	250.00
	4,488.67	1,750.00
State Bank of India (ii)	-	493.40
Less: Current maturities	-	493.40
	-	-
Foreign Currency Loans		
Bank of India (iii)	1,918.71	4,134.26
Less: Current maturities	1,918.71	2,067.63
	-	2,066.63
IDBI Bank Limited (iv)	-	2,934.55
Less: Current maturities	-	2,934.55
	-	-
Other Loans and Advances [Unsecured]		
From other Bodies Corporate (v)	30.01	30.01
Deferred Sales Tax Liability (vi)	8.89	35.37
TOTAL	4,527.57	3,882.01

* The above loans are secured by first charge by way of equitable mortgage by deposit of title deeds to cover all immovable properties of the Company and hypothecation of all movable properties including movable Plant and Machinery, spares, tools and accessories, both present and future and a second charge by way of hypothecation of all movable properties both present and future (except book debts) subject to prior charges created/to be created in favour of Company's bankers on its stocks of raw materials, semi-finished and finished goods, consumable stores for securing borrowings for working capital requirements. The mortgage/charge created above shall rank pari-passu with the charges created/to be created in favour of other Financial Institutions/Banks.

* The above loans are also guaranteed by some of the directors of the Company in their personal capacity.

i) Carries floating rate of interest (at present 12.75% p.a.) payable monthly. The loan is repayable in 24

quarterly installments of ₹ 529.00 lakhs commencing from 1st July, 2012.

ii) Carries floating rate of interest (at present 14.00% p.a.) payable monthly. The Loan is repayable in 20 quarterly installments of ₹ 125.00 lakhs commencing from 30th June, 2008.

iii) Carries interest at 6 months LIBOR plus 1.50% (at present 1.82% p.a.). The Loan is repayable in 24 quarterly installments of JPY 83,340,000/- commencing from 9th June, 2008.

iv) The loans along with interest (at present 6 months LIBOR plus 3.30% p.a.) are repayable after 179 days but before 360 days at the option of the Company, from the respective drawdown.

v) Non-Interest bearing and repayment terms are not stipulated.

vi) Non-Interest bearing loan repayable on 1st April, 2014.

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
11 TRADE PAYABLES:		
Creditors for supplies and services (Refer Note 38)	5,313.32	6,560.85
Creditors for accrued wages and salaries *	1,978.01	1,411.82
TOTAL	7,291.33	7,972.67
* Includes dues to Directors	1,206.90	863.65

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
12 OTHER CURRENT LIABILITIES:		
Current maturities of long term borrowings	2,252.04	5,745.58
Unpaid Dividends **	177.99	172.60
Interest accrued but not due	2.13	19.44
Pre-Received Income	5.33	13.00
Security deposits	253.67	453.64
Advance from Customers	64.47	86.16
Bills Discounted with Banks	565.15	1,395.54
Others:		
Central Excise Duty	649.93	429.47
Withholding taxes	42.07	52.90
Sales tax	53.44	53.47
Contribution to Provident Fund	71.22	56.90
Other Statutory dues	475.04	424.57
Other payables	709.28	779.06
TOTAL	5,321.76	9,682.33

**Appropriate amount shall be transferred to "Investor Education and Protection Fund" as and when due.

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
13 SHORT TERM PROVISIONS:		
Provision for Employee Benefits:		
Provision for Gratuity	550.37	493.67
Provision for Leave Encashment	172.96	246.21
Other Provisions:		
Provision for Dividend	4,215.71	3,372.57
Provision for Corporate Dividend Tax	716.46	547.12
TOTAL	5,655.50	4,659.57

Notes

to Financial Statements for the year ended 31st March, 2013

14 TANGIBLE ASSETS:

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 1st April, 2012	Additions	Deductions	As at 31st March, 2013	Upto 1st April, 2012	For the year	On deductions	Upto 31st March, 2013	As at 1st April, 2012	As at 31st March, 2013
1. Land- Freehold *	2,871.95	24.05	101.91	2,794.09	-	-	-	-	2,871.95	2,794.09
- Leasehold	140.33	12.83	-	153.16	7.70	1.55	-	9.25	132.63	143.91
2. Buildings- Factory	9,499.50	187.97	-	9,687.47	2,179.30	314.94	-	2,494.24	7,193.23	7,193.23
- Others *	4,306.40	173.35	173.93	4,305.82	494.76	74.63	1.03	568.36	3,737.46	3,737.46
3. Plant and Equipment	77,373.03	3,698.99	15.20	81,056.82	28,524.17	4,001.35	9.13	32,516.39	48,540.43	48,540.43
4. Furniture and Fixtures	447.05	18.32	-	465.37	262.63	36.95	-	299.58	184.42	165.79
5. Vehicles	500.50	60.34	34.51	526.33	280.64	62.10	25.94	316.80	209.53	209.53
6. Office Equipment	762.46	31.55	19.77	774.24	553.95	61.27	18.64	596.58	177.66	177.66
7. Air conditioners and Coolers	217.99	11.31	-	229.30	96.87	17.98	-	114.85	114.45	114.45
8. Railway Sidings	506.35	-	-	506.35	91.49	26.74	-	118.23	388.12	388.12
9. Other Assets	230.29	58.94	-	289.23	92.52	22.02	-	114.54	174.69	174.69
10. Power Lines ***	423.19	-	-	423.19	77.57	30.98	-	108.55	314.64	314.64
TOTAL	97,279.04	4,277.65	345.32	101,211.37	32,661.60	4,650.51	54.74	37,257.37	64,617.44	63,954.00
Previous Year	94,798.81	2,807.92	327.69	97,279.04	28,352.54	4,565.29	256.23	32,661.60	64,617.44	66,446.27

* Deduction represents the conversion into investment property.

*** Cost incurred by the Company, ownership of which vests with a State Owned Power Distribution Company

- The Company's land of about 5.08 acres was given possession to M/s. Hyderabad Vanaspathi Limited. The sale price of the same is yet to be adjusted pending permission from the Government of Andhra Pradesh.
- The title in respect of the land costing ₹ 15.71 lakhs (previous year ₹ 15.71 lakhs) admeasuring 14.06 acres and 23 guntas (previous year 14.06 acres 23 guntas) is yet to be transferred in the name of the Company.
- The title in respect of land costing ₹ 26.06 lakhs admeasuring 5.05 acres allotted by APIC Ltd during the year 2009-10, is yet to be transferred in the name of the Company.
- Cost of leasehold land amounting to ₹153.16 lakhs represents the premium paid to the State Government of Odisha for alienation of 56.91 acres in favour of the Company by virtue of lease deeds for 90/99 years and the said land can be resumed by the Government by giving 6 months notice in writing during the tenure of lease.
- The long term lease period relating to the land situated at Samalkot, East Godavari Dist. on which Plant and Machinery and Buildings of Sugar manufacturing facility costing 7,940.40 lakhs and ₹ 1,170.27 lakhs respectively, expired on 12th August, 1996. The Company is negotiating with the landlords to get the renewed or sell the same to the Company.

15 INTANGIBLE ASSETS:

Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK			
	As at 1st April, 2012	Additions	Deductions	As at 31st March, 2013	Upto 1st April, 2012	For the year	On deductions	Upto 31st March, 2013	As at 1st April, 2012	As at 31st March, 2013
1. Computer Software	322.67	60.48	-	383.15	194.13	100.84	-	294.97	88.18	128.54
2. Water drawing Rights	898.70	-	-	898.70	271.36	72.47	-	343.83	554.87	627.34
TOTAL	1,221.37	60.48	-	1,281.85	465.49	173.31	-	638.80	755.88	755.88
Previous Year	1,163.85	57.52	-	1,221.37	299.34	166.15	-	465.49	755.88	864.51

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
16 CAPITAL WORK-IN-PROGRESS:		
Direct costs	24,077.96	25,055.89
Other attributable revenue costs	763.37	412.77
Borrowing costs	1,214.44	570.62
TOTAL	26,055.77	26,039.28

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
17 NON - CURRENT INVESTMENTS:		
Investment Property (at cost less accumulated depreciation)		
Land at cost	101.91	-
	101.91	-
Cost of buildings given on operating leases	173.93	-
Less Accumulated depreciation	2.92	-
	171.01	-
TOTAL	272.92	-
i. Trade investments (at cost unless otherwise stated)		
a. Investment in Subsidiaries		
Investment in Equity instruments, fully paid up (unquoted)		
25,844 (Previous year 50,000) shares of ₹ 10/- each in Kinnera Power Company Limited #	2.58	-
41,499,998 shares of ₹ 10/- each in Brahmani Infratech Private Limited	4,150.00	4,150.00
250,000 shares of ₹ 2/- each in Nava Bharat Realty Limited #	5.00	-
454,020,000 shares of ₹ 2/- each in Nava Bharat Projects Limited	9,080.40	9,080.40
260,000,000 (previous year nil) shares of ₹ 2/- each in Nava Bharat Energy India Limited	5,200.00	-
250,000 shares of ₹ 2/- each in Nava Bharat Sugar and Bio Fuels Limited #	5.00	2.83
16,870 shares of S\$ 1/- each in Nava Bharat (Singapore) Pte. Limited	4.36	4.36



Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
17 NON - CURRENT INVESTMENTS: (Contd.)		
55,590,000 (previous year 31,590,000) shares of US\$ 1/- each in Nava Bharat (Singapore) Pte. Limited	28,064.87	15,703.47
b. Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
200 shares of ₹ 10/- each in Kothari Sugars & Chemicals Limited #	0.02	0.01
2,857 shares of ₹ 10/- each in The Jeypore Sugar Company Limited	1.16	1.16
Investment in Equity Instruments, fully paid up (unquoted)		
17 shares of ₹ 10/- each in A P Gas Power Corporation Limited	0.00	0.00
646,600 shares of ₹ 10/- each in Malaxmi Highway Private Limited	64.66	64.66
ii. Non-Trade investments (at cost unless otherwise stated)		
a. Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
63,300 shares of ₹ 10/- each in Avanthi Leathers Limited #	0.63	0.63
76,830 shares of ₹ 10/- each in NB Footwear Limited #	4.17	3.17
1,500 shares of ₹ 10/- each in Avanthi Feeds Limited	0.15	0.15
8,000 shares of ₹ 10/- each in IDBI Bank Limited @	6.42	6.50
22,800 shares of ₹ 10/- each in Andhra Bank	2.28	2.28
12,284 shares of ₹ 1/- each in Tata Consultancy Services Limited	26.10	26.10
9,651 shares of ₹ 10/- each of MOIL Limited @	21.52	24.15
Investment in Equity Instruments, fully paid up (unquoted)		
75,000 shares of ₹ 10/- each in Srinivasa Cystine Limited	5.00	5.00
8,000 shares of ₹ 10/- each in GSR Advisory Services Private Limited	0.28	0.28

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
17 NON - CURRENT INVESTMENTS: (Contd.)		
b. Investment in Bonds (unquoted)		
500 bonds of ₹ 100,000/- each in Indian Infrastructure Finance Company Limited	511.15	511.15
c. Investments in Government Securities(unquoted)		
6 years National Savings Certificates *	3.60	3.24
TOTAL	47,159.35	29,589.54
TOTAL	47,432.27	29,589.54
# Current year: at Cost; Previous year at Cost less diminution.		
@ Current year: at Cost less diminution; Previous year: at cost.		
Aggregate amount of quoted investments	62.45	64.15
Aggregate market value of quoted investments	251.61	211.17
Aggregate amount of unquoted investments	47,096.90	29,525.39
Aggregate provision for diminution in the value of investments	33.95	44.42

* 6 year National Savings Certificates are in the names of employees of the Company and the certificates in respect of face value of ₹ 3.60 lakhs (Previous year ₹ 3.19 lakhs) were pledged with various Government Departments as security.

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
18 LONG TERM LOANS AND ADVANCES:		
(Unsecured, considered good)		
Capital Advances		
Share application money to a subsidiary	17.00	17.00
Other advances	127.06	331.81
Security Deposits	1,012.42	369.25
Other receivables	739.12	702.33
Other loans and advances		
Loan to a non-corporate body	2,879.34	2,879.34
Advance for purchases and expenses	20.88	-
Staff loans	133.06	168.63
(Secured, considered good)		
Other loans and advances:		
Loans to others	8.29	-
TOTAL	4,937.17	4,468.36



Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
19 OTHER NON-CURRENT ASSETS:		
Prepaid expenses	3.18	6.45
Payments made under protest	92.76	68.51
Interest receivable	295.89	17.71
Other receivables	211.37	206.34
MAT Credit Entitlement	15,931.21	15,351.21
TOTAL	16,534.41	15,650.22

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
20 INVENTORIES:		
At cost:		
Raw Materials	11,277.69	15,112.68
Raw Material-in-transit	1,262.31	13.28
Work in Progress	214.22	1,049.27
Finished Goods	12,269.12	8,419.75
Stock-in-trade	45.95	53.25
Stores and Spares	3,769.05	3,401.83
Stores and Spares-in-transit	35.19	19.30
Others	7.53	10.85
At realisable value:		
Finished Goods	381.79	1,072.45
Scrap	1.21	0.89
TOTAL	29,264.06	29,153.55

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
21 TRADE RECEIVABLES:		
(Unsecured, considered good)		
Due over six months	2,791.36	105.82
Due for less than six months:		
from a subsidiary Company	7,888.48	4,909.35
from Others	5,916.82	6,644.39
TOTAL	16,596.66	11,659.56

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
22 CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current accounts	6,573.25	6,203.89
On Cash Credit accounts	-	71.18
Cheques/Drafts on hand	69.18	0.80
Cash on Hand	5.18	1.32
Other bank balances:		
Fixed Deposits *	38,811.29	41,669.71
Margin Money Deposits	733.88	579.03
On Unpaid Dividend Accounts	177.99	171.80
TOTAL	46,370.77	48,697.73

*Includes an amount of ₹ 10,000.00 lakhs given as margin against Letter of Credit established for a related party.

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
23 SHORT TERM LOANS AND ADVANCES:		
Loans and Advances to related parties:		
(Unsecured, considered good)		
Inter Corporate Deposit	-	8,390.00
Other receivables	343.84	818.84
	343.84	9,208.84
Other loans and advances:		
(Secured, considered good)		
Loans to others	4.40	16.55
(Unsecured, considered good)		
Advances for purchases and expenses	9,773.52	7,831.34
Other receivables	993.30	417.59
Security deposits	9.28	403.71
Loans to service providers	-	12.25
Staff Advances	67.63	85.69
Balance with Statutory Authorities	860.27	395.73
	11,708.40	9,162.86
TOTAL	12,052.24	18,371.70



Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
24 OTHER CURRENT ASSETS:		
Prepaid Expenses	195.56	194.39
Accrued Job Charges	-	429.37
Interest Accrued *	1,494.67	1,400.24
Advance Income Tax (net of provision)	548.89	1,081.62
TOTAL	2,239.12	3,105.62
* Includes on loan to a related party	556.26	119.01

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
25 Revenue From Operations:		
Sale of Products		
Finished Goods		
Ferro Alloys	38,065.78	38,895.08
Sugar	13,899.44	11,492.64
Electric Power	67,488.98	52,881.60
Others	976.06	561.30
	120,430.26	103,830.62
Less: Inter Divisional transfers	21,043.00	13,832.11
	99,387.26	89,998.51
Traded goods		
Fertilisers	373.84	470.54
PVC Pipes	92.44	43.13
Others	126.06	78.45
Sale of Services		
Conversion Charges	12,824.18	6,332.94
Other Operating Revenue		
Export Incentives	1,494.89	1,845.75
Revenue from Operations (Gross)	114,298.67	98,769.32
Less: Excise Duty	1,879.04	1,773.22
Revenue from Operations (Net)	112,419.63	96,996.10

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
26 OTHER INCOME:		
Interest Income:		
Bank Deposits	1,608.79	2,179.64
Non Current Investments	34.61	34.33
Others	1,124.29	273.70
Dividend Income:		
Non Current Investments	6.15	4.42
Net Gain on Sale of non current investments	-	9.32
Net Gain on Sale of current investments	1,805.50	3,152.60
Adjustments to the carrying amount of investments	10.47	(14.36)
Other Non Operating Income (net of expenses):		
Claims	75.30	1.46
Profit on sale of materials	24.89	-
Net Gain on Sale of Tangible Assets	3.72	170.85
Rents earned	57.72	54.42
Excess provisions/credit balances written back	109.84	70.60
Miscellaneous Receipts	1,115.56	1,437.39
TOTAL	5,976.84	7,374.37

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
27 COST OF MATERIALS CONSUMED:		
Inventory at the beginning of the year	15,112.68	14,751.45
Add: Purchase of materials	57,839.73	52,048.52
	72,952.41	66,799.97
Less: Cost of materials sold	210.11	-
Internal consumption	254.17	-
Inventory at the end of the year	11,277.69	15,112.68
Cost of materials consumed	61,210.44	51,687.29



Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
27 COST OF MATERIALS CONSUMED: (Contd.)		
Details of materials consumed:		
Coal	37,254.26	28,912.21
Quartz	274.48	176.71
Dolomite	142.80	127.78
Chrome Ore	-	103.76
Manganese Ore	11,781.24	12,871.95
Ferro Manganese Slag	358.53	131.96
Coke	314.94	443.40
Anthracite Coal	19.68	32.49
Cane	10,028.35	8,118.14
Others	1,036.16	768.89
TOTAL	61,210.44	51,687.29
Details of Inventory:		
Coal	7,762.20	8,732.73
Quartz	111.40	140.56
Dolomite	86.91	77.52
Manganese Ore	2,753.49	4,917.36
Ferro Manganese Slag	226.41	584.94
Coke	142.77	233.91
Anthracite Coal	11.65	241.44
Cane	-	0.65
Others	182.86	183.57
TOTAL	11,277.69	15,112.68

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
28 PURCHASE OF TRADED GOODS:		
Fertilisers	348.82	426.10
PVC Pipes	58.14	65.36
Others	54.66	51.40
TOTAL	461.62	542.86

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
29 (INCREASE)/DECREASE IN INVENTORIES:		
Inventories at the end of the year		
Traded goods	45.95	53.25
Finished Goods	12,650.91	9,492.20
Work in Progress	214.22	1,049.27
Scrap	1.21	0.89
	12,912.29	10,595.61
Inventories at the beginning of the year		
Traded goods	53.25	38.65
Finished Goods	9,492.20	9,659.38
Work in progress	1,049.27	1,580.79
Scrap	0.89	1.63
	10,595.61	11,280.45
(Increase)/decrease in inventories	(2,316.68)	684.84

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
30 OTHER MANUFACTURING EXPENSES:		
Stores Consumed	2,762.87	2,571.14
Power, Fuel and Water	675.15	508.13
Briquetting expenses	355.05	195.54
Fly Ash Bricks manufacturing	84.52	80.63
Organic Manure expenses	46.99	30.86
Raw Material Handling expenses	1,358.11	988.95
Finished Product Handling expenses	641.01	527.39
Cane Development expenses	942.97	911.78
Testing and Analysis charges	56.81	35.45
Other expenses	180.46	197.74
TOTAL	7,103.94	6,047.61



Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
31 EMPLOYEE BENEFIT EXPENSE:		
Salaries, Wages and Bonus	5,981.66	4,917.14
Contribution to Provident and Other Funds	351.68	309.95
Staff Welfare Expenses	427.20	400.04
Retirement Benefits	426.14	404.41
TOTAL	7,186.68	6,031.54

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
32 FINANCE COSTS:		
Interest	512.73	720.72
Bank Charges and Commission	186.22	224.11
Prompt Payment Rebate	680.85	665.09
Applicable loss on foreign currency fluctuation	1.82	0.21
TOTAL	1,381.62	1,610.13

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
33 DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible Assets	4,650.51	4,565.29
Amortisation of Intangible Assets	173.31	166.15
Depreciation on Investment Property	1.89	-
TOTAL	4,825.71	4,731.44

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
34 OTHER EXPENSES:		
Rent	177.23	166.79
Central Excise Duty *	264.82	(17.30)
Rates and Taxes	1,350.64	1,175.09
Freight and Transportation	1,421.25	1,607.38
Insurance	417.56	393.26
Advertisement and sales promotion	35.03	39.11
Communications	76.69	72.24
Travelling and Conveyance	264.01	244.83
Vehicle Maintenance	74.11	72.53
Legal and Professional Charges	600.15	574.18
Payments to Auditors		
as auditors	23.60	20.22
for tax audit	7.87	6.74
for other matters	8.81	9.51
for expenses	0.25	0.25
Cost Auditor fees	6.06	5.85
Repairs and Maintenance to:		
Machinery	2,141.98	1,841.62
Buildings	747.14	925.63
Other Assets	80.34	53.35
General Charges	1,223.33	1,500.87
Rural Development expenses	104.84	73.12
Project expenses written off	10.90	-
Investments written off	0.05	0.02
Foreign Exchange Fluctuations	(208.34)	1,385.22
Assets Discarded	0.67	3.20
Loss on Sale of Assets	0.37	0.97
TOTAL	8,829.36	10,154.68

* Excise Duty represents the aggregate of Excise Duty borne by the Company and the difference between Excise Duty on opening and closing stock of finished/saleable goods.



Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
35 EXCEPTIONAL ITEMS:		
Adjustments relating to earlier years (net):		
Miscellaneous income	(0.45)	-
Power price difference	(105.03)	-
Input credit	(8.66)	-
Unscheduled Inter-Change Charges	39.92	-
Property tax	6.31	-
Miscellaneous expenses	2.19	0.02
Difference in conversion charges	35.88	-
Transport subsidy	69.09	-
Electricity Duty	-	52.39
TOTAL	39.25	52.41

36 In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

37 Considering the projects being implemented and in view of expected cash inflows in subsidiaries in coming years, the management is of the opinion that there is no need to provide for the losses so far incurred by the subsidiaries.

38 i) Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors.

ii) Details of total outstanding dues to Micro and Small Enterprises as per "Micro, Small and Medium Enterprises Development Act, 2006".

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	634.59	482.09
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	Nil	Nil

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

- 39** The Company uses derivative financial instruments such as forward contracts and currency swap to hedge currency exposures, present and anticipated, denominated mostly in US Dollars and Japanese Yen and all financial and derivative contracts entered into by the Company are for hedging purpose only.

The information on derivative instruments are as follows:

- Derivative contracts outstanding as at the year end: nil (previous year: nil)
- Foreign currency exposure not hedged by derivative instruments:

in lakhs

Particulars	Currency	Amount in foreign currency	
		31st March, 2013	31st March, 2012
Receivable on account of sale of goods	USD	115.12	96.51
Term Loans repayable	JPY	3,332.00	6,665.60
	USD	-	83.19
Payables on account of import of goods	USD	0.45	17.40



Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
40 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
i) Contingent liabilities:		
a) Claims against the Company not acknowledged as debts	2,517.55	1,328.22
b) Guarantees	67,721.13	57,319.70
c) Other money for which the Company is contingently liable:		
i) Demand from Income Tax department disputed	553.01	2,555.00
ii) Showcause notices received from Central Excise Dept.*	5,948.08	12,149.96
iii) Others	386.12	386.12
d) As per the "Renewal Power Purchase obligation (Compliance by Purchase of Renewal Energy/Renewable Energy Certificates) Regulations 2012" of APERC, the Company is under obligation for the year to comply with the said regulations. However as the Company contested the applicability of regulations to the Company in the Hon'ble High Court of A.P., compliance cost is not provided to the extent of	2,098.46	-
ii) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	43.68	31.72
b) Export obligation	1,362.28	1,362.28

* Represent showcause notices received to issue demands, pending for final consideration and the Company has already submitted its objections in writing against the said notices.

₹ in lakhs

Particulars	31st March, 2013		31st March, 2012	
	Percentage	Value	Percentage	Value
41.1 Value of material consumed				
Indigenous	84.93	56,084.48	81.08	45,363.43
Imported	15.07	9,951.88	18.92	10,587.27
TOTAL	100.00	66,036.36	100.00	55,950.70

Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
41.2 Value of imports calculated on C.I.F. basis in respect of		
Raw Materials	7,763.99	4,310.47
Components and spare parts	333.53	628.48
Capital goods	3.31	151.35

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
41.3 Expenditure in foreign currency during the year on account of (on accrual basis)		
Interest	152.66	126.79
Others	23.38	205.94

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
41.4 Earnings in foreign exchange on account of		
Export of goods calculated on F.O.B. basis	23,226.87	23,640.91
Guarantee commission earned	574.39	427.83
Sale of Certified Emission Reductions	-	22.11

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
42 EMPLOYEE DEFINED BENEFITS AS PER AS-15 (REVISED): GRATUITY		
a) The amounts recognised in the Balance Sheet are as under:		
Present value of obligation	1,466.36	1,329.63
Fair value of Plan Assets	457.99	417.98
Net Assets/(Liability) recognised in Balance Sheet as provision	(1,008.37)	(911.65)
b) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as under:		
Present value of obligation as at the beginning of the year	1,329.63	1,162.14
Interest cost	98.71	87.52



Notes

to Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
42 EMPLOYEE DEFINED BENEFITS AS PER AS-15 (REVISED): GRATUITY (Contd.)		
Current Service Cost	186.34	152.59
Benefits paid	(191.61)	(149.99)
Actuarial (gain)/loss on obligation	43.29	77.37
Present value of obligation as at the end of the year	1,466.36	1,329.63
Fair value of plan assets as at the beginning of the year	417.98	356.14
Return on plan assets	39.42	34.51
Actuarial gain/(loss)	(2.27)	0.83
Contributions	68.79	88.49
Benefits paid	(65.93)	(61.99)
Fair value of plan assets as at the end of the year	457.99	417.98
c) The amounts recognised in the Statement of Profit and Loss are as under:		
Current Service Cost	186.34	152.59
Interest cost	98.71	87.52
Expected return on Plan Assets	(39.42)	(12.79)
Actuarial (gain)/loss on benefits paid	45.57	80.18
Expenses recognised in the Statement of Profit and Loss	291.20	307.50
d) Principal actuarial assumptions at the Balance Sheet date are as follows:		
Mortality Table (LIC)	1994-96	1994-96
Discount rate per annum	8.00%	8.00%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Rate of return (expected) on plan assets	9.40%	9.25%
Retirement age	58 years	58 years

The rate of escalation in salary considered in actuarial valuation is estimated taking into account inflation, seniority, promotion and other relevant factors.

The above information is certified by an actuary.

Notes

to Financial Statements for the year ended 31st March, 2013

43 SEGMENT REPORTING AS PER AS 17 ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

A. Primary disclosures:

The Company has identified the reportable primary business segments considering:

- the nature of products and services;
- the differing risks and returns;
- the organisation structure; and
- the internal financial reporting system.

Particulars	31st March, 2013				31st March, 2012				Total	
	Ferro Alloys	Power	Sugar	Others	Total	Ferro Alloys	Power	Sugar		Others
1. Segment Revenue (gross)	54,446.96	69,083.90	16,102.98	-	139,633.84	48,485.66	54,799.52	13,503.33	-	116,788.51
Less: Inter segment revenue	223.09	20,843.60	602.25	-	21,668.94	-	13,725.81	106.30	-	13,832.11
Segment Revenue (net)	54,223.87	48,240.30	15,500.73	-	117,964.90	48,485.66	41,073.71	13,397.03	-	102,956.40
Segment Result	5,199.77	21,687.94	2,355.06	(43.30)	29,199.47	5,332.38	15,016.69	954.36	(51.94)	21,251.49
3. Segment Result excluding inter segment margin	12,388.89	14,620.14	2,233.74	(43.30)	29,199.47	11,043.87	9,382.56	877.00	(51.94)	21,251.49
Add:										
Other unallocable Income					1,856.73					3,186.31
Less:										
a) Finance Charges					1,381.62					1,610.13
b) Other unallocable expenditure					0.05					-
Profit before tax					29,674.53					22,827.67
Taxation for the year					5,843.33					4,747.00
Net Profit					23,831.20					18,080.67
4. Segment Assets	35,701.93	93,338.36	20,026.80	31.42	149,098.51	30,351.63	92,607.91	18,981.04	34.08	141,974.66
Unallocated					116,981.01					110,134.22
Total Assets					266,079.52					252,108.88
5. Segment Liabilities	4,878.29	10,605.91	5,183.19	78.01	20,745.40	6,679.40	15,065.08	5,168.01	77.31	26,989.80
Unallocated					245,334.12					225,119.08
Total liabilities					266,079.52					252,108.88
6. Capital expenditure	1,092.28	4,113.07	1,250.15	213.23	6,668.73	270.17	3,530.56	1,301.86	93.63	5,196.22
Depreciation	858.69	3,449.63	514.78	2.61	4,825.71	823.52	3,433.43	471.59	2.90	4,731.44
Non-cash expenses other than depreciation	31.42	59.03	(35.45)	0.10	55.10	0.94	8.06	9.56	0.08	18.64

₹ in lakhs



Notes

to Financial Statements for the year ended 31st March, 2013

B. Secondary disclosures:

Total Carrying amount of Segment Assets by geographical location of Assets, for each geographical Segment whose Segment Assets are 10 per cent or more of the total Assets of all geographical Segments.

₹ in lakhs

Geographical Segment	31st March, 2013			31st March, 2012		
	Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets	Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets
	Put to use	Capital Work-in-progress		Put to use	Capital Work-in-progress	
Ferro Alloy Plant Paloncha, Khammam Dist., A.P.	647.12	348.16	29,127.82	792.97	165.78	22,274.63
Ferro Alloy Plant Kharagprasad, Dhenkanal Dist. Odisha	62.68	34.31	6,574.11	17.03	13.26	8,056.46
Power Plant Paloncha, Khammam Dist., A.P.	3,067.19	-	30,221.39	742.27	14.23	28,035.24
Power Plant Kharagprasad, Dhenkanal Dist. Odisha	97.76	1,371.39	52,191.23	211.40	2,624.10	52,312.97
Power Plant Dharmavaram, East Godavari Dist. A.P.	23.37	23.54	10,925.74	48.32	29.72	12,259.69

Note: As it is not practicable to identify the expenditure relating to export turnover, the revenue from sales to customers located outside India is not considered as a reportable geographical segment.

44 As required by Accounting Standard (AS 28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year other than the assets discarded/dismantled and written off to Statement of Profit and Loss.

Notes

to Financial Statements for the year ended 31st March, 2013

45 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company:

i)	Key Management Personnel:	Sri D. Ashok, Chairman Sri P. Trivikrama Prasad, Managing Director Sri G.R.K. Prasad, Executive Director Sri C.V. Durga Prasad, Director (Business Development)
ii)	Relatives of key management personnel:	Smt. D. Ramaa - wife of Sri D Ashok Sri D. Ashwin - son of Sri D Ashok Sri D. Nikhil - son of Sri D Ashok Dr. D. Rajasekhar - brother of Sri D Ashok Smt. D. Bhaktapriya - mother of Sri D Ashok Smt. A. Nilima - sister of Sri D Ashok Smt. P. Rajashree - wife of Sri P Trivikrama Prasad Smt. P. Sruthi - daughter of Sri P Trivikrama Prasad Smt. G. S. P. Kumari - wife of Sri G R K Prasad Smt. C. Umamaheswari - wife of Sri C V Durga Prasad
iii)	Enterprises controlling the reporting Enterprise: Subsidiaries:	M/s.Nava Bharat Energy India Limited M/s.Nava Bharat Projects Limited M/s.Nava Bharat Realty Limited M/s.Nava Bharat Sugar and Bio Fuels Limited M/s.Brahmani Infratech Private Limited M/s.Kinnera Power Company Limited (Upto 18.10.2012) M/s.Nava Bharat (Singapore) Pte Limited M/s.PT Nava Bharat Sungai Cuka M/s.PT Nava Bharat Indonesia M/s.Maamba Collieries Limited M/s.Kobe Green Power Co. Ltd M/s.Nava Bharat Africa Resources Pvt Limited M/s.Kariba Infrastructure Development Limited M/s.NB Rufiji Private Limited M/s. NB Tanagro Private Limited



Notes

to Financial Statements for the year ended 31st March, 2013

45 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS: (Contd.)

a) Names of related parties and relation with the Company: (Contd.)

Enterprises over which	M/s.Nava Bharat Natural Resources India Limited
key management personnel/	M/s.Nav Developers Limited
their relatives exercise	M/s.S R T Investments Private Limited
significant influence:	M/s. A N Investments Private Limited
	M/s.V9 Avenues Private Limited
	M/s.A9 Homes Private Limited
	M/s.AV Dwellings Private Limited
	M/s.Brahmani Skyline Constructions Private Limited
	M/s.Brahmani Infrastructure Projects Private Limited
	M/s.Brahmani Infotech Private Limited
	M/s.V9 Infra Ventures Private Limited
	M/s.Pinnamaneni Healthcare Private Limited
	M/s.Malaxmi Highway Private Limited
	M/s.Operation Eyesight Universal (Upto 15.11.2012)
	Dr. Devineni Subba Rao Trust
	M/s. Gunnam Subbarao and Ramayamma Trust

b) Particulars of transactions during the year:

Nature of transactions	₹ in lakhs	
	31st March, 2013	31st March, 2012
i) Transactions with Key Management personnel:		
Sri D Ashok		
Remuneration	721.13	548.65
Sri P Trivikrama Prasad		
Remuneration	719.52	547.80
Sri G R K Prasad		
Remuneration	200.81	205.38
Sri C V Durga Prasad		
Remuneration	138.51	145.39
ii) Transactions with relatives of Key Management personnel:		
Dr. D. Rajasekhar		
Rent	15.20	14.94
Smt. G. S. P. Kumari		
Rent	39.60	39.60

Notes

to Financial Statements for the year ended 31st March, 2013

b) Particulars of transactions during the year: (Contd.)

₹ in lakhs		
Nature of transactions	31st March, 2013	31st March, 2012
Smt. C. Umamaheswari		
Rent	39.60	39.60
iii) Transactions with Subsidiaries:		
M/s.Nava Bharat (Singapore) Pte Limited		
Sale of finished goods	19,891.56	23,977.59
Guarantee Commission	247.48	311.22
Advances/Loans given/(received back)	-	(794.81)
Finance provided (Equity Contributions in Cash)	12,361.40	6,201.50
M/s.Maamba Collieries Limited		
Guarantee Commission	307.88	116.55
Project Support Services	215.29	262.14
Guarantee provided	15,222.20	19,839.30
M/s.Nava Bharat Projects Limited		
Services received	623.60	612.17
Finance provided (Equity Contributions in Cash)	-	4,668.00
M/s.Brahmani Infratech Private Limited		
Interest expense	270.00	270.00
M/s.Nava Bharat Energy India Limited		
Lease rent earned	1.88	1.93
Lease rent received in advance	1.43	1.41
Utility charges received	2.18	-
Sale of Electric Power	60.39	-
Sale of Fly Ash Bricks	48.38	-
Sale of stores material	14.64	-
Interest income	618.07	132.23
Advances/Loans given/(received back)	(8,390.00)	8,390.00
Finance provided (Equity Contributions in Cash)	5,200.00	-
iv) Transactions with Associates/Enterprises over which shareholders, key management personnel and their relatives exercise control or significant influence:		
M/s. Operation Eyesight Universal		
Donation given	-	112.42



NAVA BHARAT

Notes

to Financial Statements for the year ended 31st March, 2013

c) Amount due from/(due to) related parties as at the year end:

₹ in lakhs

Name of the party	31st March, 2013	31st March, 2012
1. Key Management personnel:		
Sri D Ashok	(593.45)	(421.82)
Sri P Trivikrama Prasad	(593.45)	(421.82)
2. Subsidiaries:		
M/s.Brahmani Infratech Private Limited	(3,000.00)	(81.00)
M/s.Nava Bharat (Singapore) Pte. Limited	10,253.14	5,086.34
M/s.Nava Bharat Realty Limited	17.00	17.00
M/s.Nava Bharat Energy India Limited	556.26	8,558.84
M/s.Maamba Collieries Limited	445.60	592.02

46 EARNINGS PER SHARE (E.P.S.)

Particulars	31st March, 2013	31st March, 2012
a) Net Profit as per Statement of Profit and Loss available for Equity Shareholders (₹ in lakhs)	23,831.20	18,080.67
b) Weighted average number of Equity Shares for Basic and diluted EPS	89,287,741	84,270,588
c) Nominal value of the share (₹)	2.00	2.00
d) Basic earnings per share (₹)	26.69	21.46
e) Diluted earnings per share (₹)	26.69	21.46

47 Previous year figures have been re-grouped and/or reclassified wherever necessary to make them comparable with those of current year.

per our report of even date
for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 23rd May, 2013

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Statement pursuant to Section 212 of the Companies Act, 1956, related to Subsidiary Companies

1.	Name of the subsidiary	Nava Bharat (Singapore) Pte. Limited	Maamba Collieries Limited	PT Nava Bharat Sungai Cuka	PT Nava Bharat Indonesia	Kobe Green Power Co. Limited	Nava Bharat Africa Resources Pvt. Limited	Nava Bharat Projects Limited	Nava Bharat Energy India Limited	Brahmani Infotech Private Limited	Nava Bharat Realty Limited	Nava Bharat Sugar and Bio Fuels Limited
2.	Financial year of the subsidiary ended on the above date:	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013
3.	Shares of the subsidiary held by the Company on the above date: a) Number of Shares Face Value	55,606,870 16,870 Equity Shares of \$ 1/- each and 55,590,000 Equity Shares of USD 1/- each	57,315,846 Equity Shares of ZMK 1 each	475,000 Equity Shares of USD 1 each	475,000 Equity Shares of USD 1 each	160 Equity Shares of USD 100 each	100 Equity Shares of USD 10 each	454,020,000 Equity Shares of ₹ 2/- each	250,250,000 Equity Shares of ₹ 2/- each	41,499,998 Equity Shares of ₹ 10/- each	2,50,000 Equity Shares of ₹ 2/- each	2,50,000 Equity Shares of ₹ 2/- each
b)	Extent of holding	100.00%	65.00%	95.00%	95.00%	80.00%	100.00%	100.00%	100.00%	65.74%	100.00%	100.00%
4.	Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of the Company: a) dealt with in the accounts of the Company for the year ended 31st March, 2013 b) not dealt with in the accounts of the Company for the year ended 31st March, 2013 (₹ in lakhs)	Nil USD 1,480,774 (₹ 805.02 lakhs)	Nil USD 6,909,044 (₹ 3,756.10 lakhs)	Nil Nil	Nil Nil	Nil Nil	Nil (USD 195,375) (₹ 106.22 lakhs)	Nil 404.39	Nil (437.42)	Nil 92.25	Nil (0.69)	Nil (0.44)
5.	Net aggregate amount of profits/(losses) for previous years of the subsidiary, since it became a subsidiary so far as they concern members of the Company: a) dealt with in the accounts of the Company for the year ended 31st March, 2013 b) not dealt with in the accounts of the Company for the year ended 31st March, 2013 (₹ in lakhs)	Nil USD 1,022,408 (₹ 555.83 lakhs)	Nil USD 6,930,384 (₹ 3,767.70 lakhs)	Nil Nil	Nil Nil	Nil Nil	Nil (USD 611,117) (₹ 332.23 lakhs)	Nil 13,590.31	Nil (237.71)	Nil 349.93	Nil (19.83)	Nil (2.52)
6.	Change in the interest of the Company in the subsidiary between the end of the financial year of the subsidiary and that of the Company	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7.	Material Changes between the end of the financial year of the subsidiary and end of the financial year of the Company in respect of the subsidiary's fixed assets, investments, lending and borrowing for the purpose other than meeting their current liabilities	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
8.	Remarks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Trivikrama Prasad
Managing Director

D. Ashok
Chairman

T. Hari Babu
Chief Financial Officer

M. Subrahmanyam
Company Secretary &
Vice President

Place : Hyderabad
Date : 23rd May, 2013



NAVA BHARAT

Independent Auditors' Report

To
The Board of Directors of
Nava Bharat Ventures Limited,
Hyderabad.

We have audited the accompanying consolidated financial statements of NAVA BHARAT VENTURES LIMITED ("the Company"), and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We

conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditors on the consolidated financial statements of the subsidiaries as noted below, the consolidated financial statements give

a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b. in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date

Other Matters:

We did not audit the consolidated financial statements of one of the subsidiaries viz., Nava Bharat (Singapore) Pte. Ltd. Singapore, whose financial statements reflect total assets of USD 239,602,018 equivalent to ₹ 130,259.64 lakhs, total revenue of USD 41,929,811 equivalent to ₹ 22,795.14 lakhs and net cash flows amounting to USD 1,436,900 equivalent to ₹ 781.17 lakhs. The consolidated financial statements of the said subsidiary for the year ended 31st March, 2013 were audited by other auditors, whose report has been furnished to us by the Management.

The other auditors have expressed a "Disclaimer Opinion" on the said financial statements and also drawn the attention of the members to the validity of going concern assumption on which the financial Statements are prepared.

Our opinion, insofar as it relates to the amounts included in respect of such subsidiary is solely based on and subject to the report of the other auditors. Our opinion is not qualified in respect of this matter.

for **Brahmayya & Co.**

Chartered Accountants

Firm's Registration Number: 000513S

(P. Chandramouli)

Partner

Place : Hyderabad

Date : May 23, 2013

Membership Number: 025211



NAVA BHARAT

Consolidated Balance Sheet

as at 31st March, 2013

₹ in lakhs

Particulars	Notes	31st March, 2013	31st March, 2012
EQUITY AND LIABILITIES			
Share holders funds			
Share Capital	04	1,787.01	1,787.01
Reserves and Surplus	05	244,276.89	229,467.91
		246,063.90	231,254.92
Minority Interest			
		(4,966.41)	(4,412.37)
Non - Current liabilities			
Long Term Borrowings	06	42,832.95	45,328.50
Deferred tax liabilities (Net)	07	3,386.51	3,467.45
Other Long - term liabilities	08	3,903.53	4,561.87
Long - term provisions	09	985.62	875.18
		51,108.61	54,233.00
Current liabilities			
Short term Borrowings	10	14,601.25	18,596.78
Trade Payables	11	11,470.73	16,851.46
Other Current liabilities	12	102,846.59	23,520.92
Short - term provisions	13	5,656.02	4,661.06
		134,574.59	63,630.22
TOTAL		426,780.69	344,705.77
ASSETS			
Non - Current assets			
Fixed assets			
Tangible assets	14	84,789.93	73,806.98
Intangible Assets	15	30,738.46	26,807.60
Capital Work in Progress	16	106,828.93	91,804.96
Non - current investments	17	2,021.61	2,540.03
Long-term loans and advances	18	34,401.16	7,303.36
Other non - current assets	19	16,731.81	15,924.49
		275,511.90	218,187.42
Current Assets			
Current investments	20	12,887.27	9,027.90
Inventories	21	46,025.26	32,967.76
Trade receivables	22	9,533.56	7,401.15
Cash and cash equivalents	23	60,160.48	55,541.65
Short-term loans and advances	24	12,480.53	9,193.28
Other current assets	25	10,181.69	12,386.61
		151,268.79	126,518.35
TOTAL		426,780.69	344,705.77
Notes forming part of financial statements	01 - 44		

per our report of even date
for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 23rd May, 2013

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2013

₹ in lakhs

Particulars	Notes	31st March, 2013	31st March, 2012
INCOME			
Revenue from operations	26	114,216.52	99,585.04
Other Income	27	7,830.92	17,590.68
Total Revenue		122,047.44	117,175.72
EXPENSES			
Cost of Materials Consumed	28	59,530.21	52,300.21
Purchase of traded goods	29	540.30	542.86
(Increase)/Decrease in Inventories	30	(2,337.02)	684.84
Other manufacturing expenses	31	7,103.94	6,047.61
Employee benefit expense	32	9,554.91	9,086.30
Finance Costs	33	1,888.21	2,466.86
Depreciation and amortisation expense	34	5,879.51	5,142.50
Other expenses	35	14,981.26	12,840.57
Total Expenses		97,141.32	89,111.75
Profit Before Exceptional Items And Tax		24,906.12	28,063.97
Exceptional Items :	36		
Adjustments relating to earlier years (net)		1,431.68	(3,985.33)
Profit After Exceptional Items and Before Tax		23,474.44	32,049.30
Tax Expense			
Current Tax		6,541.19	6,741.31
Deferred Tax		(80.93)	1,406.58
Earlier years		532.25	(1.17)
MAT Credit Entitlement		(580.00)	(1,271.00)
		6,412.51	6,875.72
Profit for the year After Tax		17,061.93	25,173.58
Minority share (loss)		1,974.68	3,239.34
Profit for the year After Minority Share		19,036.61	28,412.92
Earnings Per Equity Share of ₹ 2/- Each			
Basic		21.32	33.72
Diluted		21.32	33.72
Notes forming part of financial statements	01 - 44		

per our report of even date
for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration Number: 0005135

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 23rd May, 2013

for and on behalf of the Board

G.R.K. Prasad
Executive Director

T. Hari Babu
Chief Financial Officer

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director

D. Ashok
Chairman



NAVA BHARAT

Consolidated Cash Flow Statement

for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after Minority Share and before Tax and extraordinary items	26,880.80	31,303.31
Adjustments for:		
Interest earned	(3,164.27)	(2,744.04)
Excess Provisions written back	(109.84)	(1,265.43)
Input tax Credit written off	0.55	-
Bad debts and Advances written off	2.57	14.47
Investments written off	0.05	-
Depreciation and amortisation expense	5,879.51	5,142.50
Assets discarded	0.67	3.20
Net loss/(Profit) on sale of Assets	46.51	(169.01)
Loss on surrender of land	130.17	-
Net (Gain)/loss on Sale of non current investments	-	(8,058.70)
Net (Gain)/loss on Sale of current investments	(1,977.88)	(3,056.33)
Adjustment to the carrying amount of investments	(343.71)	452.23
Interest from non-current investments	(570.02)	(39.78)
Dividend from non-current investments	(6.15)	(4.42)
Dividend from current investments	(278.91)	(1,135.03)
Interest (excluding the amount capitalised)	910.58	1,621.78
Effect of exchange rate change	(8,683.88)	(1,346.18)
Operating Profit before Working Capital Changes	18,716.75	20,718.57
Adjustments for:		
Increase/(decrease) in other long term liabilities	(658.34)	(1,722.30)
Increase/(decrease) in long term provisions	110.44	1.57
Increase/(decrease) in trade payables	(5,380.73)	4,885.10
Increase/(decrease) in other current liabilities	25,834.91	4,609.27
Increase/(decrease) in short term provisions	(17.52)	107.14
Increase/(decrease) in minority interest	(554.04)	5,646.10
(Increase)/decrease in long term loans and advances	(27,097.80)	8,657.15
(Increase)/decrease in other non-current assets	50.86	(2,399.94)
(Increase)/decrease in inventories	(13,057.50)	(3,340.18)
(Increase)/decrease in receivables	(2,134.98)	649.95
(Increase)/decrease in short term loans and advances	(3,287.80)	(12.84)
(Increase)/decrease in other current assets	1,066.27	(9,447.41)
Cash generated from Operations	(6,409.47)	28,352.18
Direct Taxes paid	(6,337.07)	(9,028.60)
Cash flow before extraordinary items	(12,746.54)	19,323.58
Extraordinary items	(1,431.68)	3,985.33
Net Cash from Operating Activities (A)	(14,178.23)	23,308.91

Consolidated Cash Flow Statement

for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Loan given	-	(2,879.34)
Purchase of fixed assets (excluding Interest capitalised) including tangible assets and Capital work-in-progress	(34,340.52)	(67,415.76)
Proceeds from sale of fixed assets	7,461.39	266.50
Purchase of non-current Investments (including advances)	801.76	(49.89)
Purchase of current Investments	(96,366.91)	(180,083.14)
Proceeds from sale of non-current Investments	-	11,157.71
Proceeds from sale of current Investments	94,818.65	187,934.10
Investments in bank deposits (having original maturity of more than three months)	(10,018.90)	16,861.58
Interest received	3,858.38	1,726.76
Dividend received	285.06	1,139.45
Net Cash used in Investing Activities (B)	(33,501.09)	(31,342.03)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Shares	-	12,304.55
Proceeds from short term borrowings	(3,995.53)	20.93
Proceeds from long term borrowings (net)	50,833.57	7,814.89
Interest paid (including interest capitalised)	(644.49)	(2,014.69)
Dividend paid	(3,914.30)	(4,968.74)
Net Cash generated in Financing Activities (C)	42,279.25	13,156.94
Net Increase In Cash and Cash Equivalents (A+B+C)	(5,400.07)	5,123.82
Cash and Cash equivalents at the beginning of the year	55,349.26	50,225.44
Cash and Cash equivalents at the end of the year	49,949.19	55,349.26
Notes:		
Cash and Cash equivalents include:		
Cash and Cheques on hand	87.15	8.68
Balances with Banks:		
On Current Accounts	20,231.97	12,674.92
On Unpaid Dividend Accounts	177.99	171.80
On Cash Credit Accounts	-	71.18
Deposits with maturity of less than 3 months	28,600.00	41,477.32
Margin Money Deposits	852.08	945.36
Cash and Cash equivalents considered for cash flow	49,949.19	55,349.26

per our report of even date
for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 23rd May, 2013

for and on behalf of the Board

G.R.K. Prasad
Executive Director

T. Hari Babu
Chief Financial Officer

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director

D. Ashok
Chairman



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

01 Consolidated financial statements have been prepared to meet the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges.

a) Basis of consolidation

The consolidation of accounts is done in accordance with the requirements of Accounting Standard (AS 21) "Consolidation of Financial Statements" and (AS 23) "Accounting for Investments in Associates in Consolidated Financial Statements" as notified by Companies (Accounting Standards) Rules, 2006 (as amended). Financial statements of subsidiaries were prepared for the year ended 31st March, 2013 and the same have been adopted for consolidation.

b) The subsidiary Companies considered in the consolidated financial statements are:

Name of the Company	Place of incorporation	Percentage of shareholding
Subsidiaries:		
Nava Bharat Energy India Limited	India	100.00
Nava Bharat Projects Limited	India	100.00
Nava Bharat Realty Limited	India	100.00
Nava Bharat Sugar and Bio Fuels Limited	India	100.00
Brahmani Infratech Private Limited	India	65.74
Nava Bharat (Singapore) Pte Limited *	Singapore	100.00
Subsidiaries of Nava Bharat (Singapore) Pte Limited:		
PT Nava Bharat Sungai Cuka *	Indonesia	95.00
PT Nava Bharat Indonesia *	Indonesia	95.00
Maamba Collieries Limited *	Zambia	65.00
Nava Bharat Africa Resources Pvt Limited *	Mauritius	100.00
Kobe Green Power Co. Limited *	Japan	80.00

* Accounts have been prepared in compliance with applicable IFRS and any differences in GAAPs between Holding and Subsidiary Companies are not considered for consolidation.

In accordance with para 11 of AS 21 on "Consolidated Financial Statements" the financial Statements of Kinnera Power Company Limited was not considered for consolidation.

c) Principles of consolidation:

The consolidated financial statements have been prepared based on a line-by-line consolidation of Profit and Loss and Balance Sheet. All inter-company balances and transactions are eliminated on consolidation.

d) Goodwill:

The excess of cost to the group of its investments in subsidiary Companies over its share of the equity of the subsidiary Companies at the dates on which the investments in the subsidiary Companies are made, is recognised as "Goodwill" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary Companies as on the date of investment is in excess of cost of investment of the group, it is recognised as "Capital Reserve" and shown under the head "Reserves and Surplus", in the consolidate financial statements.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	As at 31st March, 2013	As at 31st March, 2012
02 MINORITY INTEREST:		
25,000 shares in the Share Capital of PT Nava Bharat Sungai Cuka	13.59	12.72
25,000 shares in the Share Capital of PT Nava Bharat Indonesia	13.59	12.72
7,50,72,199 (Previous year 3,08,62,154) Shares in the Share Capital of Maamba Collieries Limited	8,757.60	1,160.59
40 Shares in the Share Capital of Kobe Green Power Co. Limited	2.17	2.03
2,16,25,002 Equity shares in the Share Capital of Brahmani Infratech Pvt Ltd	2,162.50	2,162.50
Share in Reserves	(15,915.86)	(7,762.93)
TOTAL	(4,966.41)	(4,412.37)

03 SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and other attributable costs to bring the asset to its working condition for its intended use.

Direct overhead expenditure incurred and other attributable revenue costs on projects under implementation is treated as unallocated capital expenditure pending allocation to the assets and are included under Capital work-in-progress.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation

- i. Depreciation on Fixed Assets is provided on Written Down Value/Straight Line method as per Schedule XIV of the Companies Act, 1956.
- ii. Fixed Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.
- iii. The cost of leasehold Land is amortised over the lease period.
- iv. Improvements to premises taken on lease are amortised over the primary lease period.

d) Intangible Assets

- i. Costs incurred towards purchase of computer software is amortised over the useful lives of such software as estimated by the management which is of three years.
- ii. Expenditure incurred to acquire water drawing rights from Government/Local authorities or other parties is amortised over the primary period of right to use the facilities which is ten years for the time being.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

e) Impairment

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

f) Prior period items

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of account in the Profit and Loss.

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.

h) Inventories

- i. Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined at weighted average basis.
- ii. Goods in transit are valued at Cost.
- iii. Finished goods, Work in progress, Scrap, by-products, loose tools and other stock in trade are valued at lower of cost and net realisable value.
- iv. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis and Cost of finished goods includes excise duty. Cost of traded goods includes purchase and allied costs incurred to bring the inventory to its present condition and location, determined on weighted average basis.
- v. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

i. Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading.

ii. Income from Services

Revenue is recognised as and when the conversion job is completed irrespective of the billing.

iii. Interest and Guarantee Commission

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

- iv. **Dividends**
Dividend is recognised when the right to receive payment is established by the balance sheet date.
 - v. **Export Benefits**
Export Entitlements in the form of Duty Drawback on accrual and Duty Entitlement Pass Book (DEPB) Schemes on realisation are recognised in the Statement of Profit and Loss.
 - vi. **Other Sundry Incomes**
Insurance claims and conversion escalations are accounted for on realisation.
- j) Foreign Currency Transactions**
- i. **Initial Recognition**
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.
 - ii. **Conversion**
Foreign currency monetary items not covered by forward contracts are restated at the exchange rates prevailing at the year end.
 - iii. **Exchange differences**
Exchange differences arising, on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.
 - iv. **Forward Exchange Contracts (Derivative Instruments) not intended for trading or speculation purposes**
The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.
- k) Government Grants and Subsidies**
Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.
- When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.
- l) Retirement and Other Employee Benefits**
- i. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
 - ii. The Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Trusts.
 - iii. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary as at the end of the year.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

- iv. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.
- v. In respect of employees stock options, the excess of fair price on the date of grant, over the exercise price, is recognised as deferred compensation cost and amortised over the vesting period.
- vi. Compensation paid under the Company's voluntary retirement scheme is charged to the Statement of Profit and Loss in the year of payment.

m) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalised. Other Borrowing costs are recognised as an expense in the year in which they are incurred.

n) Segment Reporting Policies

i. Identification of Segments:

The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets.

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

ii. Allocation of Common Costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iii. Unallocated Items:

Includes general corporate income and expense items which are not allocated to any business segment.

o) Earnings per Share (Basic and Diluted)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

Where the Company is the lessee:

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss. Costs, including depreciation are recognised as an expense in the statement of profit and loss.

q) Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

r) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

t) Cash Flow Statement

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

u) Dividends

Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders/lending institutions approval wherever applicable.

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
04 SHARE CAPITAL:		
Authorised		
250,000,000 Equity Shares of ₹ 2/- each	5,000.00	5,000.00
TOTAL	5,000.00	5,000.00
Issued And Subscribed		
89,539,216 Equity Shares of ₹ 2/- each	1,790.78	1,790.78
TOTAL	1,790.78	1,790.78
Paid Up		
89,287,741 Equity Shares of ₹ 2/- each fully paid up	1,785.75	1,785.75
Add: Forfeited Shares (amount originally paid up)	1.26	1.26
TOTAL	1,787.01	1,787.01



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
05 RESERVES AND SURPLUS:		
Capital Reserves:		
As per last Balance Sheet	60.20	60.20
Capital Redemption Reserve:		
As per last Balance Sheet	826.39	826.39
Securities Premium Reserve:		
As per last Balance Sheet	26,214.22	14,168.13
Add: Received during the year	-	12,046.09
Closing Balance	26,214.22	26,214.22
Contingency Reserve:		
As per last Balance Sheet	-	8,100.00
Less: Transferred to Surplus	-	8,100.00
Closing Balance	-	-
General Reserve:		
As per last Balance Sheet	72,852.40	67,852.40
Add: Additions during the year	5,000.00	5,000.00
Closing Balance	77,852.40	72,852.40
Other Reserves:		
Subsidies:		
As per last Balance Sheet	33.60	33.60
Foreign Currency Translation Reserve (arising on consolidation)		
As per last Balance Sheet	(885.17)	(5,334.68)
Additions/(deletions) during the year	704.54	4,449.51
Closing Balance	(180.63)	(885.17)
Asset Replacement Reserve:		
As per last Balance Sheet	-	1.95
Additions/(deletions) during the year	-	(1.95)
Closing Balance	-	-
Surplus i.e. balance in Statement of Profit and Loss		
As per last Balance Sheet	130,366.27	101,789.01
Add: Net profit after tax transferred from Statement of Profit and Loss	19,036.61	28,412.92
Transferred from Contingency Reserve	-	8,100.00

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
05 RESERVES AND SURPLUS: (Contd.)		
Transferred from Asset Replacement Reserve	-	1.95
Excess provision of Dividend written back *	-	982.08
Amount available for appropriation	149,402.88	139,285.96
Appropriations:		
General Reserve	5,000.00	5,000.00
Dividend on Equity Capital	4,215.71	3,372.57
Corporate Dividend Tax	716.46	547.12
Closing Balance	139,470.71	130,366.27
TOTAL	244,276.89	229,467.91

* Refers to the amount provided for the year ended 31st March, 2011 on the expected conversion of FCCBs into equity capital, which was no longer payable as such conversion was not taken place before the book closure.

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
06 LONG TERM BORROWINGS:		
Term Loans from Banks [Secured]*		
Indian Rupee Loans		
IDBI Bank Limited (i) and (viii)	12,449.00	2,438.00
Less: Current maturities	1,240.77	250.00
	11,208.23	2,188.00
State Bank of India (ii)	-	493.40
Less: Current maturities	-	493.40
	-	-
Andhra Bank (viii)	13,225.10	440.00
Less: Current maturities	1,374.42	-
	11,850.68	440.00
Bank of India (viii)	3,043.43	-
Less: Current maturities	280.25	-
	2,763.18	-
Bank of Baroda (viii)	5,217.24	309.00
Less: Current maturities	480.42	-
	4,736.82	309.00
State Bank of Hyderabad (viii)	5,218.57	309.00
Less: Current maturities	480.42	-
	4,738.15	309.00



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to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
06 LONG TERM BORROWINGS: (Contd.)		
UCO bank (viii)	3,040.32	180.00
Less: Current maturities	280.25	-
	2,760.07	180.00
State Bank of Mysore (viii)	3,043.68	-
Less: Current maturities	280.25	-
	2,763.43	-
Punjab & Sind Bank (viii)	2,173.66	129.00
Less: Current maturities	200.17	-
	1,973.49	129.00
Foreign Currency Loans		
Bank of India (iii)	1,918.71	4,134.26
Less: Current maturities	1,918.71	2,067.63
	-	2,066.63
IDBI Bank Limited (iv)	-	2,934.55
Less: Current maturities	-	2,934.55
	-	-
Andhra Bank (vii)	6,767.94	8,056.11
Less: Current maturities	6,767.94	8,056.11
	-	-
ICICI Bank Ltd (ix)	-	8,139.71
Less: Current maturities	-	2,712.39
	-	5,427.32
Australia and New Zealand Banking Corporation Ltd (ix)	-	10,174.00
Less: Current maturities	-	-
	-	10,174.00
Standard Chartered Bank (ix)	32,619.00	24,040.17
Less: Current maturities	32,619.00	-
	-	24,040.17
State Bank of India (ix)	23,920.60	-
Less: Current maturities	23,920.60	-
	-	-
Other Loans and Advances [Unsecured]		
From other Bodies Corporate (v)	30.01	30.01
Deferred Sales Tax Liability (vi)	8.89	35.37
TOTAL	42,832.95	45,328.50

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

- * The above loans are secured by first charge by way of equitable mortgage by deposit of title deeds to cover all immovable properties of the Company and hypothecation of all movable properties including movable Plant and Machinery, spares, tools and accessories, both present and future and a second charge by way of hypothecation of all movable properties both present and future (except book debts) subject to prior charges created/to be created in favour of Company's bankers on its stocks of raw materials, semi-finished and finished goods, consumable stores for securing borrowings for working capital requirements. The mortgage/ charge created above shall rank pari-passu with the charges created/to be created in favour of other Financial Institutions/Banks.
- * The above loans are also guaranteed by some of the Directors of the Company in their personal capacity.
- i) Carries floating rate of interest (at present 12.75% p.a.) payable monthly. The loan is repayable in 24 quarterly installments of ₹ 529.00 lakhs commencing from 1st July, 2012.
 - ii) Carries floating rate of interest (at present 14.00% p.a.) payable monthly. The Loan is repayable in 20 quarterly installments of ₹ 125.00 lakhs commencing from 30th June, 2008.
 - iii) Carries interest at 6 months LIBOR plus 1.50% (at present 1.82% p.a.). The Loan is repayable in 24 quarterly installments of JPY 83,340,000/- commencing from 9th June, 2008.
 - iv) The loans along with interest (at present 6 months LIBOR plus 3.30% p.a.) are repayable after 179 days but before 360 days at the option of the Company, from the respective drawdown.
 - v) Non-Interest bearing and repayment terms are not stipulated.
 - vi) Non-Interest bearing loan repayable on 1st April, 2014.
 - vii) Secured by a related party by providing 100% cash margin to the lenders. The loan along with the interest is repayable after 177 days but before 334 days at the option of the Company, from the respective drawdown.
 - viii) The loans from IDBI Bank Limited, Andhra Bank, Bank of India, Bank of Baroda, State Bank of Hyderabad, UCO Bank, State Bank of Mysore and Punjab & Sind Bank are secured by a first charge created in favour of security trustee on the present and future fixed assets and a Second charge on the Current assets of the Company, an equitable mortgage on the lease rights of land of 170 acres obtained from Holding Company, by a registered mortgage of the Flat No. 102 admeasuring 303 Sq. feet situated at Plot No. 458-C, III Avenue Road, Indira Nagar, Madras-600020 and also pledge of 260,000,000 equity shares held by the Promoter representing 26% of issued and paid up Share Capital of the Company with Trustee, ranking pari passu with all the lenders.
- The lenders have an option to demand for conversion of their loans together with interest into equity in the event of default, for which the Company has agreed in terms of the common loan agreement entered into.
- The term loans carry interest @13.50% payable monthly. The loans are repayable in 36 quarterly equal installments and the first of such instalment falls due on 1st April, 2013.
- ix) The bank borrowings shall be secured by a corporate guarantee from the holding company and an exclusive first ranking charge over the Debt Service Reserve Account (DSRA) of the Company. The interest and repayment schedule are as follows:

Bank	Interest rate	Fully repayable by
Standard Chartered Bank	4.76% + LIBOR	February, 2014
Standard Chartered Bank	4.00% + LIBOR	July, 2013
State Bank of India	2.40% + LIBOR	October, 2013
State Bank of India	2.40% + LIBOR	November, 2013
ICICI Bank	3.50% + LIBOR	July, 2014
ICICI Bank	4.60% + LIBOR	July, 2015
Standard Chartered Bank	3.50% + LIBOR	October, 2013
ANZ Bank	2.65% + LIBOR	October, 2014



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
07 DEFERRED TAX LIABILITIES (NET):		
Liability:		
Difference between book and tax depreciation	4,379.86	4,295.87
Gross liability	4,379.86	4,295.87
Asset:		
Provision for : Employee benefits	331.17	295.79
: Other expenses	651.17	518.22
: Diminution in the value of investments	11.01	14.41
Gross Asset	993.35	828.42
TOTAL	3,386.51	3,467.45

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
08 OTHER LONG TERM LIABILITIES:		
Retention Deposits	242.47	200.61
Other payables	3,661.06	4,361.26
TOTAL	3,903.53	4,561.87

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
09 LONG TERM PROVISIONS:		
Provision for employee benefits:		
Provision for Gratuity	470.16	428.06
Provision for Leave Encashment	515.46	447.12
TOTAL	985.62	875.18

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
10 SHORT TERM BORROWINGS:		
Working Capital Loans from Banks (secured)	5,169.65	6,775.21
Deposits (unsecured)	163.39	3,001.53
Loans (unsecured)	9,268.21	8,820.04
TOTAL	14,601.25	18,596.78

Working Capital Loans from Banks are secured by hypothecation of raw materials, work-in-progress, finished goods, stores and spares and book debts to the extent of ₹ 20,000 lakhs and a second charge on fixed assets of the Company.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
11 TRADE PAYABLES:		
Creditors for supplies and Services	9,048.83	15,243.97
Creditors for accrued wages and salaries*	2,421.90	1,607.49
TOTAL	11,470.73	16,851.46
*Includes dues to Directors	1,206.90	863.65

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
12 OTHER CURRENT LIABILITIES:		
Current maturities of long term borrowings	69,843.20	16,514.08
Share Application Money pending allotment	-	712.83
Unpaid Dividends**	177.99	172.60
Interest Accrued but not due	347.79	81.70
Pre-Received Income	25.51	13.00
Security deposits	3,994.82	2,744.84
Advance from Customers	232.96	86.16
Bills Discounted with Banks	565.15	1,395.54
Others:		
Central Excise Duty	649.93	429.47
Withholding taxes	191.80	88.21
Sales tax	53.44	53.47
Contribution to Provident Fund	71.22	56.90
Other Statutory dues	478.15	470.13
Other payables	26,214.63	701.99
TOTAL	102,846.59	23,520.92

**Appropriate amount shall be transferred to "Investor Education and Protection Fund" as and when due.

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
13 SHORT TERM PROVISIONS:		
Provision for employee benefits:		
Provision for Gratuity	550.50	494.05
Provision for leave encashment	173.35	247.32
Other Provisions:		
Provision for Dividend	4,215.71	3,372.57
Provision for Corporate Dividend Tax	716.46	547.12
TOTAL	5,656.02	4,661.06



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

14 TANGIBLE ASSETS:

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1st April, 2012	Prior period adjustment	Additions Deductions*	As at 31st March, 2013	Upto 1st April, 2012 adjustment	For the year deductions**	Upto 31st March, 2013	As at 31st March, 2013	As at 1st April, 2012
1. Land- Freehold*	8,551.03	-	24.05	3,367.96	-	-	-	3,367.96	8,551.03
- Lease Hold	140.33	-	12.83	153.16	7.70	1.55	9.25	143.91	132.63
2. Buildings - Factory	9,499.50	-	187.97	9,687.47	2,179.30	314.94	2,494.24	7,193.23	7,320.20
- Leasehold	995.00	-	258.67	1,322.03	51.97	35.42	90.95	1,231.08	943.03
- Others*	4,306.40	-	173.35	4,305.82	494.76	74.63	568.36	3,737.46	3,811.64
3. Plant and Equipment	80,250.82	(0.47)	16,662.75	99,831.67	29,384.85	(49.78)	34,222.51	65,609.16	50,865.97
4. Furniture and Fixtures	579.66	2.74	34.22	579.53	344.61	46.53	381.19	178.34	235.05
5. Vehicles	1,321.33	-	199.66	1,340.41	629.06	213.69	741.46	598.95	692.27
6. Office Equipment	779.15	5.39	34.52	798.38	564.59	64.81	612.35	186.03	214.56
7. Air conditioners and Coolers	219.21	-	12.54	231.75	96.91	18.27	115.18	116.57	122.30
8. Railway Sidings	506.35	-	-	506.35	91.49	26.74	118.23	388.12	414.86
9. Other Assets	254.67	-	64.54	319.65	96.85	23.19	120.04	199.61	157.82
10. Power Lines***	423.19	-	-	423.19	77.57	30.98	108.55	314.64	345.62
11. Air Craft	-	-	1,590.62	1,590.62	-	65.75	65.75	1,524.87	-
TOTAL	107,826.64	7.66	19,255.72	124,437.99	34,019.66	5,704.49	39,648.06	84,789.93	73,806.98
Previous Year	101,302.43	753.38	5,994.05	107,826.64	28,520.85	755.65	34,019.66	73,806.98	72,781.58

Note:

- * Includes ₹ 101.91 lakhs and ₹ 173.93 lakhs in Land-Freehold and Buildings respectively converted into investment property.
- ** Includes ₹ 1.03 lakhs in Buildings converted into investment property.
- * Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 5,425.68 lakhs (Previous year gain ₹ 135.97 lakhs) which is adjusted against Foreign Currency Translation Reserve.
- ** Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 88.08 lakhs (Previous year gain ₹ 20.09 lakhs) which is adjusted against Foreign Currency Translation Reserve.
- *** Cost incurred by the Company, ownership of which vests with a State Owned Power Distribution Company.
- a) The Company's land of about 5.08 acres was given possession to M/s. Hyderabad Vanaspathi Limited. The sale price of the same is yet to be adjusted pending permission from the Government of Andhra Pradesh.
- b) The title in respect of the land costing ₹ 15.71 lakhs (previous year ₹ 1.23 lakhs) admeasuring 14.06 acres and 23 guntas (previous year 6 acres 23 guntas) is yet to be transferred in the name of the Company.
- c) The title in respect of land costing ₹ 26.06 lakhs admeasuring 5.05 acres allotted by APIC Ltd during the year 2009-10, is yet to be transferred in the name of the Company.
- d) Cost of leasehold land amounting to ₹ 153.16 lakhs represents the premium paid to the State Government of Odisha for alienation of 56.91 acres in favour of the Company by virtue of lease deeds for 90/99 years and the said land can be resumed by the Government by giving 6 months notice in writing during the tenure of lease.
- e) The long term lease period relating to the land situated at Samalkot, East Godavari Dist. on which Plant and Machinery and Buildings of Sugar manufacturing facility costing ₹ 7,940.40 lakhs and ₹ 1,170.27 lakhs respectively, expired on 12th August, 1996. The Company is negotiating with the landlords to get the renewed or sell the same to the Company.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

15 INTANGIBLE ASSETS:

₹ in lakhs

Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK				
	As at 1st April, 2012	Additions	Deductions *	As at 31st March, 2013	Upto 1st April, 2012	Prior period adjustment	For the year	On deductions	Upto 31st March, 2013	As at 31st March, 2013	As at 1st April, 2012
1. Computer Software	359.33	61.52	(2.43)	423.28	194.48	-	109.01	-	303.49	119.79	164.85
2. Water drawing Rights	898.70	-	-	898.70	271.36	-	72.47	-	343.83	554.87	627.34
3. Goodwill	26,015.41	-	(4,048.39)	30,063.80	-	-	-	-	-	30,063.80	26,015.41
TOTAL	27,273.44	61.52	(4,050.82)	31,385.78	465.84	-	181.48	-	647.32	30,738.46	26,807.60
Previous Year	21,462.22	126.63	(5,684.59)	27,273.44	299.34	-	166.50	-	465.84	26,807.60	21,162.88

Note:

* Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 4,050.82 lakhs (Previous year: ₹ 5,684.89 lakhs) which is adjusted against Foreign Currency Translation Reserve.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
16 CAPITAL WORK-IN-PROGRESS:		
Direct costs	104,851.12	90,821.57
Other attributable revenue costs	763.37	412.77
Borrowing costs	1,214.44	570.62
TOTAL	106,828.93	91,804.96

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
17 NON - CURRENT INVESTMENTS:		
Investment Property (at cost less accumulated depreciation)		
Land at cost	101.91	-
	101.91	-
Cost of buildings given on operating leases	173.93	-
Less Accumulated depreciation	2.92	-
	171.01	-
TOTAL	272.92	-
i. Trade investments (at cost unless otherwise stated)		
Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
200 shares of ₹ 10/- each in Kothari Sugars & Chemicals Limited #	0.02	0.01
2,857 shares of ₹ 10/- each in The Jeypore Sugar Company Limited	1.16	1.16
Investment in Preference Instruments, fully paid up (unquoted)		
135,500 - 6% shares of ₹ 100 each in Rio Realty Private Limited	135.50	135.50
130,000 - 6% shares of ₹ 100 each in Juventus Infrastructure & Projects Private Limited	130.00	130.00
736,000 - 6% shares of ₹ 100 each in A9 Realty Private Limited	736.00	736.00
90,000 - 6% shares of ₹ 100 each in Down Town Infra & Projects Private Limited	-	90.00
700,000 - 6% shares of ₹ 100 each in Sri Gruha Private Limited	-	700.00
Investment in Equity Instruments, fully paid up (unquoted)		
17 shares of ₹ 10/- each in A P Gas Power Corporation Limited	0.00	0.00
646,600 shares of ₹ 10/- each in Malaxmi Highway Private Limited	64.66	64.66
150 shares of USD 1/- each in Indo Coal Ventures Limited	0.05	0.05

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
ii. Non - Trade investments (at cost unless otherwise stated)		
a. Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
63,300 shares of ₹ 10/- each in Avanthi Leathers Limited#	0.63	0.63
76,830 shares of ₹ 10/- each in NB Footwear Limited#	4.17	3.17
1,500 shares of ₹ 10/- each in Avanthi Feeds Limited	0.15	0.15
8,000 shares of ₹ 10/- each in IDBI Bank Limited@	6.42	6.50
22,800 shares of ₹ 10/- each in Andhra Bank	2.28	2.28
12,284 shares of ₹ 1/- each in Tata Consultancy Services Limited	26.10	26.10
9,651 shares of ₹ 10/- each of MOIL Limited@	21.52	24.15
Investment in Equity Instruments, fully paid up (unquoted)		
75,000 shares of ₹ 10/- each in Srinivasa Cystine Limited	5.00	5.00
8,000 shares of ₹ 10/- each in GSR Advisory Services Private Limited	0.28	0.28
b. Investment in Bonds (unquoted)		
500 bonds of ₹ 100,000/- each in Indian Infrastructure Finance Company Limited	511.15	511.15
c. Investments in Government Securities (unquoted)		
6 years National Savings Certificates*	3.60	3.24
Rural Electrification bonds (non-trade)	100.00	100.00
TOTAL	1,748.69	2,540.03
TOTAL	2,021.61	2,540.03
# Current year: at Cost; Previous year: at Cost less diminution.		
@ Current year: at Cost less diminution; Previous year: at cost.		
Aggregate amount of quoted investments	62.45	64.15
Aggregate market value of quoted investments	251.61	211.17
Aggregate amount of unquoted investments	1,959.16	2,475.88
Aggregate provision for diminution in the value of investments	33.95	44.42

* 6 year National Savings Certificates are in the names of employees of the Company and the certificates in respect of face value of ₹ 3.60 lakhs (Previous year ₹ 3.19 lakhs) were pledged with various Government Departments as security.



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
18 LONG TERM LOANS AND ADVANCES:		
Secured, considered good		
Capital Advances	-	582.96
(Unsecured, considered good)		
Capital Advances		
Other advances	29,478.45	2,589.66
Security Deposits	1,139.04	372.99
Other receivables	739.12	702.33
Loans and Advances to related parties		
Other Advances	2.98	7.45
Other loans and advances		
Loan to a non-corporate body	2,879.34	2,879.34
Advance for purchases and Expenses	20.88	-
Staff loans	133.06	168.63
(Secured, considered good)		
Other loans and advances:		
Loans to others	8.29	-
TOTAL	34,401.16	7,303.36

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
19 OTHER NON-CURRENT ASSETS:		
Prepaid expenses	200.58	280.72
Payments made under protest	92.76	68.51
Interest receivable	295.89	17.71
Other receivables	211.37	206.34
MAT Credit Entitlement	15,931.21	15,351.21
TOTAL	16,731.81	15,924.49

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
20 CURRENT INVESTMENTS:		
(Valued at lower of Cost or Market Value)		
DSP Black Rock FMP-Series 42	-	250.00
IDFC Fixed Maturity Plan - Series 74	-	100.00
Kotak Floater Short Term	-	50.03
Reliance Quarterly Interval Fund Series-III	-	960.00
Taurus Quarterly Interval Fund	-	954.22
HDFC Floating Rate Income Fund	2,059.22	-
Birla Sunlife Floating Rate Fund	3,062.34	-
IDBI Ultra Short Term Fund	1,012.40	-
Kotak Floater Short Term	184.89	-
UTI Floating Rate Fund	2,012.06	-
Templeton India LD Fund	286.49	-
TATA Fixed Maturity Fund	500.00	-
State Bank of India PERP FRN and EMTN	-	1,121.41
ICICI Bank UK FRN	-	1,986.48
Axis Bank EMTN	-	381.53
Bank of Baroda	554.52	518.87
Bank of India FRN EMTN	-	1,025.54
ICICI Bank Ltd	1,062.84	-
IDBI Bank Ltd	1,096.00	1,025.54
Canara Bank	543.11	508.19
Barclays Bank	530.06	495.98
Add: Fair value adjustment in respect of investments held by a foreign subsidiary	(16.66)	(349.89)
TOTAL	12,887.27	9,027.90



NAVA BHARAT

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
21 INVENTORIES:		
At cost:		
Raw Materials	12,459.72	15,112.68
Raw Material-in-transit	2,040.79	13.28
Work in Progress	45.95	53.25
Finished Goods	26,287.67	12,030.69
Stock-in-trade	234.56	1,049.27
Stores and Spares	4,439.47	3,602.95
Stores and Spares-in-transit	35.19	19.30
Others	98.91	13.00
At realisable value:		
Finished Goods	381.79	1,072.45
Scrap	1.21	0.89
TOTAL	46,025.26	32,967.76

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
22 TRADE RECEIVABLES:		
(Unsecured, considered good)		
Due over six months	-	105.82
Due for less than six months	9,533.56	7,295.33
TOTAL	9,533.56	7,401.15

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
23 CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current Accounts	20,231.97	12,674.92
On Cash Credit Accounts	-	71.18
Cheques/Drafts on hand	79.47	6.05
Cash on Hand	7.68	2.63
Other bank balances:		
On Unpaid Dividend Accounts	177.99	171.80
Fixed Deposits*	38,811.29	41,669.71
Margin Money Deposits	852.08	945.36
TOTAL	60,160.48	55,541.65

*Includes an amount of ₹ 10,000.00 lakhs given as margin against Letter of Credit established for a related party.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
24 SHORT TERM LOANS AND ADVANCES:		
Loans and Advances to related parties: (Unsecured, considered good)		
Other receivables	343.84	2.78
	343.84	2.78
Other loans and advances: (Secured, considered good)		
Loans to others	4.40	16.55
(Unsecured, considered good)		
Loans to other Corporates	12.10	11.87
Advances for purchases and expenses	10,160.81	7,841.69
Other receivables	1,009.97	417.59
Security deposits	12.83	403.71
Loans to service providers	-	12.25
Staff Advances	68.40	86.66
Balance with Statutory Authorities	868.18	400.18
	12,136.69	9,190.50
TOTAL	12,480.53	9,193.28

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
25 OTHER CURRENT ASSETS:		
Other Receivables	4,622.15	7,025.42
Prepaid Expenses	663.59	564.76
Accrued Job Charges	-	429.37
Interest Accrued	1,042.65	1,444.92
Advance Income Tax (net of provision)	118.29	854.67
Others	3,735.01	2,067.47
TOTAL	10,181.69	12,386.61



NAVA BHARAT

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
26 REVENUE FROM OPERATIONS:		
Sale of Products		
Finished Goods:		
Ferro Alloys	38,114.68	41,048.85
Sugar	13,899.44	11,492.64
Electric Power	67,488.98	52,881.60
Others	2,648.89	996.47
	122,151.99	106,419.56
Less: Inter Divisional transfers	21,043.00	13,832.11
	101,108.99	92,587.45
Traded goods:		
Fertilizers	373.84	470.54
PVC Pipes	92.44	43.13
Others	201.22	78.45
Sale of Services		
Conversion Charges	12,824.18	6,332.94
Other Operating Revenue		
Export Incentives	1,494.89	1,845.75
Revenue from Operations (Gross)	116,095.56	101,358.26
Less: Excise Duty	1,879.04	1,773.22
Revenue from Operations (Net)	114,216.52	99,585.04

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
27 OTHER INCOME:		
Interest Income:		
Bank Deposits	1,634.96	2,203.05
Non Current Investments	570.02	39.78
Others	1,529.31	540.99
Dividend Income:		
Non Current Investments	6.15	4.42
Current investments	278.91	1,135.03
Net Gain/(loss) on Sale of non current investments	-	8,058.70
Net Gain/(loss) on Sale of current investments	1,977.88	3,056.33

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
27 OTHER INCOME: (Contd.)		
Adjustments to the carrying amount of investments	343.71	(452.23)
Other Non Operating Income (net of expenses):		
Claims	75.30	1.46
Profit on sale of materials	24.89	-
Gain on Sale of Tangible Assets	3.72	170.85
Rents earned	55.78	52.49
Excess provisions/credit balances written back	109.84	1,265.43
Miscellaneous Receipts	1,220.45	1,514.38
TOTAL	7,830.92	17,590.68

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
28 COST OF MATERIALS CONSUMED:		
Inventory at the beginning of the year	15,112.68	14,751.45
Add: Purchase of materials	56,159.50	52,661.44
	71,272.18	67,412.89
Less: Cost of materials sold	210.11	-
Internal consumption	254.17	-
Inventory at the end of the year	11,277.69	15,112.68
Cost of materials consumed	59,530.21	52,300.21

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
29 PURCHASE OF TRADED GOODS:		
Fertilizers	348.82	426.10
PVC Pipes	58.14	65.36
Others	133.34	51.40
TOTAL	540.30	542.86



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
30 (INCREASE)/DECREASE IN INVENTORIES:		
Inventories at the end of the year		
Traded goods	66.29	53.25
Finished Goods	12,650.91	9,492.20
Work in Progress	214.22	1,049.27
Scrap	1.21	0.89
	12,932.63	10,595.61
Inventories at the beginning of the year		
Traded goods	53.25	38.65
Finished Goods	9,492.20	9,659.38
Work in progress	1,049.27	1,580.79
Scrap	0.89	1.63
	10,595.61	11,280.45
(Increase)/decrease in inventories	(2,337.02)	684.84

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
31 OTHER MANUFACTURING EXPENSES:		
Stores Consumed	2,762.87	2,571.14
Power, Fuel and Water	675.15	508.13
Briquetting expenses	355.05	195.54
Fly Ash Brick expenses	84.52	80.63
Organic Manure expenses	46.99	30.86
Raw Material Handling expenses	1,358.11	988.95
Finished Product Handling expenses	641.01	527.39
Cane Development expenses	942.97	911.78
Testing and Analysis charges	56.81	35.45
Other expenses	180.46	197.74
TOTAL	7,103.94	6,047.61

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
32 EMPLOYEE BENEFIT EXPENSE:		
Salaries, Wages and Bonus	8,101.55	7,933.94
Contribution to Provident and Other Funds	413.85	322.30
Staff Welfare Expenses	552.19	412.75
Retirement Benefits	487.32	417.31
TOTAL	9,554.91	9,086.30

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
33 FINANCE COSTS:		
Interest	910.58	1,621.78
Bank Charges and Commission	289.93	179.78
Prompt Payment Rebate	680.85	665.09
Applicable loss on foreign currency fluctuation	6.85	0.21
TOTAL	1,888.21	2,466.86

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
34 DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible Assets	5,704.49	4,979.30
Amortisation of Intangible Assets	181.48	166.50
Depreciation on Investment Property	1.89	-
	5,887.86	5,145.80
Less: Capitalised	8.35	3.30
TOTAL	5,879.51	5,142.50



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
35 OTHER EXPENSES:		
Rent	244.00	224.96
Administrative Expenses	283.40	2,153.72
Central Excise Duty*	264.82	(17.30)
Rates and Taxes	1,381.65	1,183.48
Freight and Transportation	1,421.25	1,607.38
Insurance	646.79	393.54
Advertisement and sales promotion	81.32	40.60
Communications	175.25	74.79
Travelling and Conveyance	482.73	262.33
Vehicle Maintenance	251.80	72.53
Legal and Professional Charges	848.60	604.28
Payments to Auditors		
as auditors	59.10	29.17
for tax audit	8.66	6.74
for other matters	9.24	10.28
for expenses	0.25	0.25
Cost Auditor fees	6.06	5.85
Repairs and Maintenance to:		
Machinery	2,602.16	1,286.62
Buildings	747.14	925.63
Other Assets	80.69	54.76
General Charges	1,877.18	2,179.22
Rural Development expenses	516.62	73.12
Project expenses written off	194.68	10.24
Investments written off	0.05	0.02
Foreign Exchange Fluctuations	2,616.75	1,653.32
Assets Discarded	0.67	3.20
Loss on surrender of land	130.17	-
Loss on Sale of Assets	50.23	1.84
TOTAL	14,981.26	12,840.57

* Excise Duty represents the aggregate of Excise Duty borne by the Company and the difference between Excise Duty on opening and closing stock of finished/saleable goods.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013	31st March, 2012
36 EXCEPTIONAL ITEMS:		
Adjustments relating to earlier years (net):		
Miscellaneous income	(0.45)	-
Power price difference	(105.03)	-
Input credit	(8.66)	-
Mineral royalty taxes forgiveness	-	(35.34)
PAYE penalties forgiveness	-	(1,433.71)
Corporate tax liability forgiveness	-	(2,568.69)
Unscheduled Inter-Change Charges	39.92	-
Property tax	6.31	-
Miscellaneous expenses	2.19	0.02
Difference in conversion charges	35.88	-
Transport subsidy	69.09	-
Electricity Duty	-	52.39
Investment in progress written off	1,392.43	-
TOTAL	1,431.68	(3,985.33)

37 In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

38 The Company uses derivative financial instruments such as forward contracts and currency swap to hedge currency exposures, present and anticipated, denominated mostly in US Dollars and Japanese Yen and all financial and derivative contracts entered into by the Company are for hedging purpose only.

The information on derivative instruments are as follows:

- Derivative contracts outstanding as at the year end: nil (previous year: nil)
- Foreign currency exposure not hedged by derivative instruments:

Particulars	Currency	Amount in foreign currency	
		in lakhs	
		31st March, 2013	31st March, 2012
Term Loans repayable	JPY	3,332.00	6,665.60
	USD	-	83.19
Unsecured loan	USD	111.49	158.37
Payables on account of import of goods	USD	11.59	38.97



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

- c) Foreign currency exposure hedged by derivative instruments:

Particulars	Currency	(lakhs)	
		Amount in foreign currency	
		31st March, 2013	31st March, 2012
Unsecured loan	USD	13.00	-

Particulars	₹ in lakhs	
	31st March, 2013	31st March, 2012
39 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
i) Contingent liabilities:		
a) Claims against the Company not acknowledged as debts	2,517.55	1,328.22
b) Guarantees	68,559.05	69,243.04
c) Other money for which the Company is contingently liable:		
i) Demand from Income Tax department disputed	553.01	2,555.00
ii) Showcause notices received from Central Excise Dept*	5,948.08	12,149.96
iii) Others	386.12	386.12
d) As per the "Renewal Power Purchase obligation (Compliance by Purchase of Renewal Energy/Renewable Energy Certificates) Regulations 2012" of APERC, the Company is under obligation for the year to comply with the said regulations. However as the Company contested the applicability of regulations to the Company in the Hon'ble High Court of A.P., compliance cost is not provided to the extent of	2,098.46	-
ii) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	43.68	6,971.33
b) Export obligation	1,362.28	1,362.28

* Represent showcause notices received to issue demands, pending for final consideration and the Company has already submitted its objections in writing against the said notices.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

40 SEGMENT REPORTING AS PER AS-17 ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

A. Primary disclosures:

The Company has identified the reportable primary business segments considering:

- the nature of products and services;
- the differing risks and returns;
- the organisation structure; and
- the internal financial reporting system.

Particulars	31st March, 2013				31st March, 2012				Total	
	Ferro Alloys	Power	Sugar	Others	Total	Ferro Alloys	Power	Sugar		Others
1. Segment Revenue (gross)	54,628.97	69,115.47	16,102.98	2,117.45	141,964.87	46,611.90	54,822.32	13,503.33	6,000.49	120,938.04
Less: Inter segment revenue	223.09	20,843.60	602.25	-	21,668.94	-	13,725.81	106.30	-	13,832.11
Segment Revenue (net)	54,405.88	48,271.87	15,500.73	2,117.45	120,295.93	46,611.90	41,096.51	13,397.03	6,000.49	107,105.93
2. Segment Result	5,199.77	21,170.56	2,355.06	(6,539.36)	22,186.03	5,332.38	14,742.53	954.36	1,644.86	22,674.13
3. Segment Result excluding inter segment margin	12,388.89	14,102.76	2,233.74	(6,539.36)	22,186.03	11,043.87	9,108.40	877.00	1,644.86	22,674.13
Add:										
Other unallocable Income					3,176.67					11,842.03
Less:										
a) Finance Charges					1,888.21					2,466.86
b) Other unallocable expenditure					0.05					-
Profit before tax					23,474.44					32,049.30
Taxation for the year					6,412.51					6,875.72
Net Profit					17,061.93					25,173.58
4. Segment Assets	35,701.93	167,058.30	20,026.80	123,539.90	346,326.93	30,351.63	135,994.55	18,981.04	91,641.29	276,968.51
Unallocated					80,453.76					67,737.26
Total Assets					426,780.69					344,705.77
5. Segment Liabilities	4,878.29	64,444.72	5,183.19	110,488.72	184,994.92	6,679.40	53,515.58	5,168.01	67,705.28	133,068.27
Unallocated					241,785.77					211,637.50
Total liabilities					426,780.69					344,705.77
6. Capital expenditure	1,092.28	29,795.70	1,250.15	4,517.19	36,655.32	270.17	40,807.16	1,301.86	25,337.32	67,716.51
Depreciation	858.69	3,456.69	514.78	1,049.35	5,879.51	823.52	3,433.43	471.59	413.96	5,142.50
Non-cash expenses other than depreciation	31.42	59.03	(35.45)	233.74	288.74	0.94	8.06	9.56	0.95	19.51

₹ in lakhs



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

B. Secondary disclosures:

Total Carrying amount of Segment Assets by geographical location of Assets, for each geographical Segment whose Segment Assets are 10% or more of the total Assets of all geographical Segments.

₹ in lakhs

Geographical Segment	31st March, 2013			31st March, 2012		
	Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets	Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets
	Put to use	Capital Work-in-progress		Put to use	Capital Work-in-progress	
Ferro Alloy Plant Paloncha, Khammam Dist. A.P.	647.12	348.16	29,127.82	792.97	165.78	22,274.63
Ferro Alloy Plant Kharagprasad, Dhenkanal Dist. Odisha	62.68	34.31	6,574.11	17.03	13.26	8,056.46
Power Plant Paloncha, Khammam Dist. A.P.	3,094.96	25,654.86	103,941.33	1,116.47	36,916.63	71,420.06
Power Plant Kharagprasad, Dhenkanal Dist. Odisha	97.76	1,371.39	52,191.23	211.40	2,624.10	52,312.97
Power Plant Dharmavaram, East Godavari Dist. A.P.	23.37	23.54	10,925.74	48.32	29.72	12,259.69

41 As required by Accounting Standard (AS-28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year other than the assets discarded/dismantled and written off to Statement of Profit and Loss.

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

42 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS-18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company:

- | | |
|--|--|
| i) Key Management Personnel: | Sri D. Ashok, Chairman
Sri P. Trivikrama Prasad, Managing Director
Sri G.R.K. Prasad, Executive Director
Sri C.V. Durga Prasad, Director (Business Development) |
| ii) Relatives of key management personnel: | Smt. D. Ramaa - wife of Sri D Ashok
Sri D. Ashwin - son of Sri D Ashok
Sri D. Nikhil - son of Sri D Ashok
Dr. D. Rajasekhar - brother of Sri D Ashok
Smt. D. Bhaktapriya - mother of Sri D Ashok
Smt. P. Sruthi - daughter of Sri P Trivikrama Prasad
Smt. G. S. P. Kumari - wife of Sri G R K Prasad
Smt. C. Umamaheswari - wife of Sri C V Durga Prasad |
| iii) Enterprises over which key management personnel/ their relatives exercise significant influence: | M/s.Nava Bharat Natural Resources India Limited
M/s.Nav Developers Limited
M/s.S R T Investments Private Limited
M/s. A N Investments Private Limited
M/s.V9 Avenues Private Limited
M/s.A9 Homes Private Limited
M/s.AV Dwellings Private Limited
M/s.Brahmani Skyline Constructions Private Limited
M/s.Brahmani Infrastructure Projects Private Limited
M/s.Brahmani Infotech Private Limited
M/s.V9 Infra Ventures Private Limited
M/s.Pinnamaneni Healthcare Private Limited
M/s.Malaxmi Highway Private Limited
M/s.Operation Eyesight Universal (Upto 15th November, 2012)
Dr. Devineni Subba Rao Trust
M/s. Gunnam Subbarao and Ramayamma Trust |



Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

b) Particulars of transactions during the year:

	₹ in lakhs	
	31st March, 2013	31st March, 2012
Nature of transactions		
i) Transactions with Key Management personnel:		
Sri D Ashok		
Remuneration	721.13	548.65
Sri P Trivikrama Prasad		
Remuneration	719.52	547.80
Sri G R K Prasad		
Remuneration	200.81	205.38
Sri C V Durga Prasad		
Remuneration	138.51	145.39
Sri D Ashwin		
Remuneration	301.63	76.15
ii) Transactions with relatives of Key Management personnel:		
Dr. D. Rajasekhar		
Rent	15.20	14.94
Smt. G. S. P. Kumari		
Rent	39.60	39.60
Smt. C. Umamaheswari		
Rent	39.60	39.60
Smt P Sruthi		
Rent	3.60	3.60
iii) Transactions with Associates/Enterprises over which shareholders, key management personnel and their relatives exercise control or significant influence:		
M/s. Operation Eyesight Universal		
Donation given	-	112.42

Notes

to Consolidated Financial Statements for the year ended 31st March, 2013

c) Amount due from/(due to) related parties as at the year end:

₹ in lakhs

Name of the party	31st March, 2013	31st March, 2012
1. Key Management personnel:		
Sri D Ashok	(593.45)	(421.82)
Sri P Trivikrama Prasad	(593.45)	(421.82)
2. Associates:		
M/s. Brahmani Skyline Constructions Private Limited	-	200.00
M/s. Brahmani Infrastructure Projects Private Limited	-	250.00
M/s. Brahmani Infotech Private Limited	-	250.00

Particulars	31st March, 2013	31st March, 2012
43 EARNINGS PER SHARE (E.P.S.)		
a) Net Profit as per Statement of Profit and Loss available for Equity Shareholders (₹ in lakhs)	19,036.61	28,412.92
b) Weighted average number of Equity Shares for Basic and diluted EPS	89,287,741	84,270,588
c) Nominal value of the share (₹)	2.00	2.00
d) Basic earnings per share (₹)	21.32	33.72
e) Diluted earnings per share (₹)	21.32	33.72

44 Previous year figures have been re-grouped and/or reclassified wherever necessary to make them comparable with those of current year.

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 000513S

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 23rd May, 2013

for and on behalf of the Board

G.R.K. Prasad
Executive Director

T. Hari Babu
Chief Financial Officer

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director

D. Ashok
Chairman

Financial Information of Subsidiary Companies

Sl. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country of incorporation
1	Nava Bharat (Singapore) Pte Limited	INR USD in million	30,226.94	1,360.85	66,455.68	66,455.68	20,559.74	22,423.49	1,018.44	213.42	805.02	-	Singapore
2	Maamba Collieries Limited	INR USD in million	79,636.98	(41,710.76)	87,430.90	87,430.90	-	41.25	1.87	0.39	1.48	-	Zambia
3	PT Nava Bharat Sungai Cuka	INR USD in million	146.49	(76.72)	160.82	160.82	-	4.71	(10.56)	0.07	(10.63)	-	Indonesia
4	PT Nava Bharat Indonesia	INR USD in million	279.20	-	1,269.51	1,269.51	-	-	-	-	-	-	Indonesia
5	Nava Bharat Africa Resources Pvt. Limited	INR USD in million	0.54	(438.45)	11.15	11.15	-	-	(106.22)	-	(106.22)	-	Mauritius
6	Kobe Green Power Co. Limited	INR USD in million	11.57	(0.81)	0.02	0.02	-	-	(0.20)	-	(0.20)	-	Japan
7	Nava Bharat Projects Limited	INR	9,080.40	13,994.69	23,166.64	23,166.64	18,286.12	1,306.88	562.18	157.79	404.39	-	India
8	Nava Bharat Energy India Limited	INR	20,000.00	(675.13)	73,719.94	73,719.94	-	204.82	(368.21)	69.20	(437.41)	-	India
9	Brahmani Infratech Private Limited	INR	6,312.50	672.60	10,001.61	10,001.61	6,732.78	476.20	229.32	89.00	140.32	-	India
10	Nava Bharat Realty Limited	INR	5.00	(20.52)	1.87	1.87	-	-	(0.69)	-	(0.69)	-	India
11	Nava Bharat Sugar and Bio Fuels Limited	INR	5.00	(2.96)	2.21	2.21	-	-	(0.44)	-	(0.44)	-	India

Note: Indian Rupee equivalent figures have been arrived at by applying the year end interbank exchange rate of USD = ₹ 54.365.

for and on behalf of the Board

G.R.K. Prasad
Executive Director

P. Trivikrama Prasad
Managing Director

T. Hari Babu
Chief Financial Officer

M. Subrahmanyam
Company Secretary &
Vice President

D. Ashok
Chairman

Place : Hyderabad
Date : 23rd May, 2013

SKILL DEVELOPMENT PROGRAMMES IN VARIOUS FIELDS FOR UNEMPLOYED LOCAL YOUTH



Nava Bharat Vocational Institute, Paloncha



Welding



Fitting



Electrical

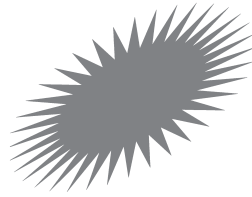


Plumbing



NAVA BHARAT

www.nbventures.com



NAVA BHARAT
Nava Bharat Ventures Limited

Registered Office: 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road
Hyderabad – 500 082

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 41st Annual General Meeting of the Members of Nava Bharat Ventures Limited will be held on Friday, the 16th August, 2013 at 10.00 a.m. at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500 016 to transact the following business:

Ordinary Business:

Item No.1 – Adoption of Accounts:

To receive, consider, approve and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.

Item No.2 – Declaration of Dividend on the Equity Shares:

To declare dividend for the financial year ended 31st March, 2013.

Item No.3 – Re-appointment of Sri C V Durga Prasad:

To appoint a Director in place of Sri C.V.Durga Prasad, who retires by rotation and, being eligible, offers himself for re-appointment.

Item No.4 – Re-appointment of Dr.E.R.C.Shekar:

To appoint a Director in place of Dr. E.R.C.Shekar, who retires by rotation and, being eligible, offers himself for re-appointment.

Item No.5 – Appointment of Auditors:

To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

Item No.6 – Appointment of Dr.C.V.Madhavi, Additional Director, as Director (Independent Director):

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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

Item No.7 - Re-appointment of and remuneration payable to Sri G.R.K.Prasad, Executive Director:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/consents as may be required, the approval and consent of the Company be and is hereby accorded to the re-appointment of Sri G.R.K.Prasad, as Executive Director, for a further period of five years with effect from 28th June, 2013 on the remuneration, incentive, perquisites and other allowances as mentioned below:

- A. Salary : Salary in the range of ₹ 700,000/- to ₹ 1,200,000/- per month, as may be decided by the Board from time to time and ₹ 700,000/- per month with effect from 28th June, 2013.
- B. Perquisites : In addition to the salary, he shall also be entitled to the allowances and other perquisites as set out below which shall be computed on the enhanced salary from time to time.
- C. Incentive : In addition to the salary and perquisites/allowances, an incentive of ₹ 6,000,000/- per annum, be allowed and paid to Sri G.R.K.Prasad during the tenure of his re-appointment.
- a) Housing:
- i) Where accommodation in the Company owned house is provided, he shall pay to the Company, by way of rent 10% of the Salary;
 - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of the Salary;
 - iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the Salary and
 - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the Salary.
- b) Medical Reimbursement/Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years;
- c) Leave Travel Concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company;
- d) Club fees : Fees of Clubs, subject to a maximum of two clubs;
- e) Personal accident insurance: As per the rules of the Company;
- f) Car: Free use of Company's car with driver;
- g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company;
- h) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;
- i) Communication Facilities: Free communication facilities like Telephones/ Internet/Mobiles/Fax at residence;
- j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service;
- k) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company and
- l) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time."

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

Item No.8 - Re-appointment of and remuneration payable to Sri C.V.Durga Prasad, Director (Business Development):

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/consents as may be required, the approval and consent of the Company, be and is hereby accorded to the re-appointment of Sri C.V.Durga Prasad, as Director (Business Development), for a further period of five years with effect from 28th June, 2013 on the remuneration, perquisites and other allowances as mentioned below:

- A. Salary : Salary in the range of ₹ 700,000/- to ₹ 1,200,000/- per month, as may be decided by the Board from time to time and ₹ 700,000/- per month with effect from 28th June, 2013.
- B. Perquisites : In addition to the salary, he shall also be entitled to the allowances and other perquisites as set out below which shall be computed on the enhanced salary from time to time.
- a) Housing:
- i) Where accommodation in the Company owned house is provided, he shall pay to the Company, by way of rent 10% of the Salary;
 - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of the Salary;
 - iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the Salary and
 - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the Salary.
- b) Medical Reimbursement/Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years;
- c) Leave Travel Concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company;
- d) Club fees : Fees of Clubs, subject to a maximum of two clubs;
- e) Personal accident insurance: As per the rules of the Company;
- f) Car: Free use of Company's car with driver;
- g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company;
- h) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;
- i) Communication Facilities: Free communication facilities like Telephones/ Internet/Mobiles/Fax at residence;
- j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service;
- k) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company and

- l) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.”

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

Item No.9 - Revision of remuneration payable to Sri D. Ashok, Chairman:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

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

- A. Salary : ₹ 700,000/- per month
- B. Commission : @ 2% on the net profits of the Company for each/every financial year and
- C. Perquisites : In addition to the Salary and Commission, he shall also be entitled to the allowances and other perquisites as set out below:
- a) Housing:
 - i) Where accommodation in the Company owned house is provided, he shall pay to the Company, by way of rent 10% of the Salary;
 - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of the Salary;
 - iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the Salary and
 - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the Salary.
 - b) Medical Reimbursement/Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years;
 - c) Leave Travel Concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company;
 - d) Club fees: Fees of Clubs, subject to a maximum of two clubs;
 - e) Personal accident insurance: As per the rules of the Company;
 - f) Car: Free use of Company's car with driver;
 - g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company;
 - h) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;
 - i) Communication Facilities: Free communication facilities like Telephones/ Internet/Mobiles/Fax at residence;

- j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service;
- k) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company and
- l) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time."

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

Item No.10 - Revision of remuneration payable to Sri P. Trivikrama Prasad, Managing Director:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

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

- A. Salary : ₹ 700,000/- per month
- B. Commission : @ 2% on the net profits of the Company for each / every financial year and
- C. Perquisites : In addition to the Salary and Commission, he shall also be entitled to the allowances and other perquisites as set out below:
 - a) Housing:
 - i) Where accommodation in the Company owned house is provided, he shall pay to the Company, by way of rent 10% of the Salary;
 - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of the Salary;
 - iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the Salary and
 - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the Salary.
 - b) Medical Reimbursement/Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years;
 - c) Leave Travel Concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company;
 - d) Club fees: Fees of Clubs, subject to a maximum of two clubs;
 - e) Personal accident insurance: As per the rules of the Company;
 - f) Car: Free use of Company's car with driver;
 - g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company;
 - h) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;

- i) Communication Facilities: Free communication facilities like Telephones/ Internet/Mobiles/Fax at residence;
- j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service;
- k) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company and
- l) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.
"RESOLVED FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Sri P. Trivikrama Prasad, Managing Director, as minimum remuneration during the remaining period of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding 3 years."

By order of the Board
For **NAVA BHARAT VENTURES LIMITED**

Hyderabad
23rd May, 2013

M. Subrahmanyam
Company Secretary & Vice President

Registered Office:

6-3-1109/1
'Nava Bharat Chambers'
Raj Bhavan Road
HYDERABAD – 500 082

NOTES

1. The Explanatory Statement in respect of the special business in the Notice, pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on a poll only and the Proxy need not be a Member of the Company.
3. The instrument appointing the Proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
4. Members/Proxies should bring the duly filled Attendance Slip attached herewith to attend the meeting.
5. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the Members at the Annual General Meeting.
6. The Register of Members and Share Transfer Books will remain closed from 8th August, 2013 to 16th August, 2013 (both days inclusive) in connection with the Annual General Meeting and Dividend.
7. The dividend for the year ended 31st March, 2013 as recommended by the Board, i.e. ₹ 5/-per Equity Share of ₹ 2/- each (250%), if declared at the meeting, will be paid to those members whose names appear in the Company's Register of Members after effecting valid transfers received upto the close of business hours on 7th August, 2013. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details provided as at the close of business hours on 7th August, 2013 by National Securities Depository Limited and Central Depository

Services (India) Limited for this purpose. The dividend on Equity Shares, if declared at the meeting, will be credited/ dispatched on 23rd August, 2013.

8. The unclaimed equity dividend for the year ended 31st March, 2006 will be transferred on 28th August, 2013 to the 'Investor Education and Protection Fund' on expiry of 7 years from the date of transfer to the Unpaid Dividend Account, pursuant to Section 205C of the Companies Act, 1956. It may be noted that after the expiry of the said period of 7 years on 28th August, 2013, no claim shall lie in respect of unclaimed dividend. Members who have not encashed their Dividend Warrants for the said financial year or subsequent year(s) are requested to send the same for issue of fresh demand drafts.
9. The unclaimed physical share certificates with the Registrars & Transfer Agents of the Company, subsequent to the issue of various reminders, were transferred to unclaimed suspense account and dematerialised to the credit of "Nava Bharat Ventures Limited – Unclaimed Suspense Account". The details were placed on the Website of the Company. The concerned members are requested to approach the Registrars, M/s. Karvy Computershare Private Limited with their claim for the transfer of their shares to their demat account. The dividend accruing on the said shares would be credited to the unpaid dividend account as the dividend is to be paid to the registered holders only. The dividend would also be remitted to the concerned shareholders on claiming their shares out of the Unclaimed Suspense Account.
10. Members are requested to furnish details of their bank accounts viz., name of bank, full address of the branch, account number with 9 digit MICR Code No. and folio number forwarding photo copy of PAN Card and a cancelled cheque leaf for incorporation on the dividend warrant, to the Company's Registrars and Transfer Agents, M/s Karvy Computershare Private Limited, Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad - 500 081. In case of holding shares in electronic mode, members are requested to approach their Depository Participants for updation of bank account details with the aforesaid documents.
11. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
12. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio.
13. Pursuant to the directions/notifications of SEBI and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated.

Securities and Exchange Board of India, vide Circular ref.no.MRD/Dop/ Cir-05/2009 dated 20th May, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circular, all share transfer requests are therefore to be accompanied with PAN details.

14. Registration of e-mail addresses for sending Annual Reports, communications, etc:
Members are requested to register their e-mail addresses and changes therein from time to time with the Registrars and Transfer Agents (in case of physical shares) or with the concerned Depository Participant (in case of electronic holdings) so that the Company will use the same for sending Notices, Annual Reports and other communications.
15. Retirement of Directors by Rotation:
Sri C.V.Durga Prasad, Director (Business Development) of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

His term as a Whole-time Director was upto 27th June, 2013 as approved by the General Body earlier. The Board of Directors on 23rd May, 2013 re-appointed him as Director(Business Development) for a further period of 5 years i.e., upto 27th June, 2018, subject to your consent by Special Resolution.

The proposed re-appointment on retirement by rotation, if made, does not constitute any break in service.

Sri C.V.Durga Prasad is a Graduate in Commerce with Industrial experience spanning over 40 years in a wide spectrum of commercial functions comprising global marketing of Ferro Alloys, production parameters, sourcing of vital raw materials from indigenous and international suppliers, development and nurturing markets in India & abroad.

The Board of Directors commend the re-appointment of Sri C.V.Durga Prasad, as a Director, liable to retire by rotation.

Dr. E.R.C. Shekar, Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Dr.E.R.C.Shekar is a Ph.D. from Moscow Institute of Metallurgy, Russia, with over 40 years of experience in Iron and Steel Industry out of which over 20 years in the Chief Executive Cadre holding top management positions including as Managing Director of Bhilai Steel Plant and Vice Chairman of Steel Authority of India Limited.

The Board of Directors commend the re-appointment of Dr. E.R.C. Shekar, as a Director, liable to retire by rotation.

16. Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

As required under the Listing Agreement, the particulars of Directors, Sri C.V.Durga Prasad, Dr.E.R.C.Shekar, Dr.C.V.Madhavi and Sri G.R.K.Prasad, who are proposed to be appointed/re-appointed, are given below:

a	Name	Sri C.V.Durga Prasad	Dr. E.R.C. Shekar	Dr.C.V. Madhavi	Sri G.R.K. Prasad
b	Brief Resume:				
	i) Age	62 years	81 years	43 years	55 years
	ii) Qualification	B. Com	B.Sc (Hons) PG Diploma in Metallurgy, Ph.D from Moscow Institute of Metallurgy, RUSSIA	PhD in Business Management, M.A., M.Phil in Sociology	B.Sc., FCA, FCS
	iii) Experience in Specific Functional area	40 years	56 years	20 years	32 years
	iv) Date of appointment on the Board of the Company (Nava Bharat Ventures Ltd.)	28th June, 2003	25th Sept., 1997	31st Jan., 2013	28th June, 2003
c	Nature of expertise in specific functional areas	Commercial functions like raw material procurement, sales, marketing and business development	Specialised skill in iron and steel industry	Experience in research and consultancy in Organisation Development and Change	Experience in all facets of finance, Corporate Affairs and Overseas Operations

	Name	Sri C.V.Durga Prasad	Dr. E.R.C. Shekar	Dr.C.V. Madhavi	Sri G.R.K. Prasad
d	Name(s) of other Companies in which Directorships/ Commissionerships held (as per Sections 275 and 278 of the Companies Act, 1956)	M/s.Nava Bharat (Singapore) Pte. Limited M/s.JCG Resources Private Limited M/s.The Indian Ferro Alloy Producers Association	M/s. Sunflag Iron & Steel Company Limited M/s.Sunflag Special Steels Limited M/s.Sunflag Power Limited M/s. SPA Computers (P) Limited M/s. Hazira Plate Limited M/s.Khappa Coal Company Private Limited M/s. Synchronsys Technologies Private Limited	Trustee Member of Indian Society for Training and Development	M/s.Maamba Collieries Limited M/s.Nava Bharat Projects Limited M/s.Nava Bharat Energy India Limited M/s.Brahmani Infratech Private Limited M/s.PT Nava Bharat Walalindo M/s.PT Nava Bharat Sungai Cuka M/s.Kariba Infrastructure Development Limited
e	Name(s) of Companies in which Committee Membership(s)/ Chairmanship(s) held	NIL	Chairman of Remuneration Committee, Audit Committee and Shareholders/ Investors Grievance Committee of M/s.Sunflag Iron & Steel Company Ltd.	NIL	Chairman of Audit Committee of M/s.Nava Bharat Energy India Limited Member of Audit Committee of M/s.Nava Bharat Projects Limited
f	No. of shares of ₹ 2/- each held by:				
	the Director	70,915	Nil	Nil	32,586
	his relatives	61,350	Nil	Nil	108,000
	Total	132,265	Nil	Nil	140,586
g	No. of ESOPs granted on 05.01.2007 and converted into equity	43,700	Nil	Nil	39,600
h	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	Nil	Nil	Nil	Nil

17. Members are requested to bring their copies of the Annual Report to the Meeting.

Explanatory Statement under Section 173 (2) of the Companies Act, 1956

Item No.6:

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

Dr.C.V.Madhavi was appointed as Additional Director under Section 260 of the Companies Act, 1956 and she would hold office upto the date of Annual General Meeting.

The Company had received notice with necessary deposit proposing that Dr.C.V.Madhavi, be appointed as Director, liable to retire by rotation pursuant to the provisions of Companies Act, 1956.

Dr.C.V.Madhavi holds a Ph.D. in Business Management and M.Phil in Sociology. She possesses about two decades of experience in research, training and consultancy in Organisation Development and Change Management. She worked at the Centre for Organisation Development, Hyderabad and provided training and consultancy inputs to major organisations like SAIL, BEL, NMDC, SCCL, CGL etc. She is an expert in facilitating executive development programmes in the field of organisation development. She is a visiting faculty at the NISG, the NATFM and the NACEN and an author of a book and several research papers presented at national and international conferences.

Dr.C.V.Madhavi is an Independent Director fulfilling the specified conditions. She is totally independent of the management and has no relationship with any of the Directors and Senior Management Personnel. With her induction into the Board, there would be appropriate balance of skills, experience and knowledge in the Board so as to enable it to discharge its functions and duties effectively.

The Board commends the Ordinary Resolution for members' approval.

Except Dr. C.V.Madhavi, no other Director is deemed to be interested or concerned in the Resolution.

Item No.7:

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

Sri G. R. K. Prasad is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India and has 32 years of varied professional experience and has been in charge of Finance & Accounts of the Company since August, 1995 and additionally Corporate Affairs as Director (Finance & Corporate Affairs) with effect from 28th June, 2003.

Sri G.R.K. Prasad was appointed as Director (Finance & Corporate Affairs) by the members with effect from 28th June, 2003 and re-appointed as Director (Finance & Corporate Affairs) with effect from 28th June, 2008 for a period of 5 years at the AGM held on 25th July, 2008. Sri G.R.K.Prasad was appointed as Executive Director with effect from 29th October, 2010 as approved by the General Body on 28th July, 2011.

The General Body at the AGM held on 28th July, 2011 approved the revision of remuneration payable to him in the range of ₹ 550,000/- to ₹ 1,000,000/- per month, as may be decided by the Board from time to time and ₹ 550,000/- per month with effect from 1st April, 2011 apart from the allowances and perquisites thereon together with an incentive of ₹ 6,000,000/- per annum with effect from 1st April, 2011.

Pursuant to the recommendations of the Remuneration Committee, the Board of Directors at its meeting held on 23rd May, 2013 reviewed and revised the salary payable to Sri G.R.K.Prasad, Executive Director to ₹ 700,000/- per month with effect from 1st April, 2013. The Perquisites would be computed on the enhanced salary and the incentive will remain the same.

He holds Directorships/Commissionerships in the following Companies:

S.No. Name of the Company

1. M/s.Maamba Collieries Limited
2. M/s.Nava Bharat Projects Limited
3. M/s.Nava Bharat Energy India Limited
4. M/s.Brahmani Infratech Private Limited
5. M/s.PT Nava Bharat Walalindo
6. M/s.PT Nava Bharat Sungai Cuka
7. M/s.Kariba Infrastructure Development Limited

The Board, on the recommendations of the Remuneration Committee at its meeting held on 23rd May, 2013, considered and approved the re-appointment and the remuneration payable to the Executive Director in appreciation of his contribution, for a further period of 5 years from 28th June, 2013 as set out in the Resolution apart from the incentive, allowances and perquisites thereon, subject to the approval of members at the ensuing Annual General Meeting.

The resolution as set out at Item No.7 together with this Explanatory Statement constitute the abstract of terms of the appointment and remuneration payable to the Executive Director and Memorandum of Interest of Sri G.R.K.Prasad under Section 302 of the Companies Act, 1956.

The Board commends the Special Resolution for members' approval.

Except Sri G. R. K. Prasad, no other Director is deemed to be interested or concerned in the Resolution.

Item No.8

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

Sri C.V.Durga Prasad is a Graduate in Commerce with Industrial experience spanning over 40 years in a wide spectrum of commercial functions comprising global marketing of Ferro Alloys, production parameters, sourcing of vital raw materials from indigenous and international suppliers, development and nurturing markets in India & abroad.

Sri C.V. Durga Prasad was appointed by the Members as Director (Business Development) with effect from 28th June, 2003 for a period of 5 years at the AGM held on 30th August, 2003 and was re-appointed with effect from 28th June, 2008 as approved by the General Body on 25th July, 2008.

He holds Directorships in the following Companies:

S.No. Name of the Company

1. M/s. Nava Bharat (Singapore) Pte. Limited
2. M/s. JCG Resources Private Limited
3. M/s. The Indian Ferro Alloy Producers Association

The General Body at the AGM held on 28th July, 2011 approved the revision of remuneration payable to him in the range of ₹ 550,000/- to ₹ 1,000,000/- per month as may be decided by the Board from time to time and ₹ 550,000/- per month with effect from 1st April, 2011 apart from the allowances and perquisites thereon.

Pursuant to the recommendations of the Remuneration Committee, the Board of Directors at its meeting held on 23rd May,

2013 reviewed and revised the salary payable to Sri C.V.Durga Prasad, Director (Business Development) to ₹ 700,000/- per month with effect from 1st April, 2013. The Perquisites would be computed on the enhanced salary.

The Board, on the recommendations of the Remuneration Committee at its meeting held on 23rd May, 2013, considered and approved the re-appointment and remuneration payable to the Director (Business Development) in appreciation of his contribution, for a further period of 5 years from 28th June, 2013 as set out in the Resolution apart from the allowances and perquisites thereon, subject to the approval of members at the ensuing Annual General Meeting.

The resolution as set out at Item No.8 together with this explanatory statement constitute abstract of terms of the re-appointment and remuneration payable to the Director (Business Development) and the Memorandum of Interest of Sri C.V.Durga Prasad under Section 302 of the Companies Act, 1956.

The Board commends the Special Resolution for members' approval.

Except Sri C.V. Durga Prasad, no other Director is deemed to be interested or concerned in the Resolution.

Item No. 9:

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

Sri D. Ashok was re-appointed as Chairman, by the members with effect from 14th August, 2009 for a period of 5 years at the Annual General Meeting held on 31st July, 2009. Sri D.Ashok, Chairman, is paid a salary of ₹ 500,000/- per month with effect from 1st April, 2008 apart from the commission of 2% on the net profits for every financial year and other perquisites as approved by the General Body at its meeting held on 25th July, 2008.

The Board, on the recommendations of the Remuneration Committee, took up the review of the remuneration being paid to the Chairman at its meeting held on 23rd May, 2013. After taking into account the substantial growth and improvement in the operations and financial position of the Company and the prevailing remuneration packages in other Companies, the Board decided that a revision was called for and accordingly approved the revised remuneration as set out in the Resolution with effect from 1st April, 2013 for the remainder of his tenure i.e. upto 13th August, 2014.

Sri D.Ashok has been holding senior positions in the Company since 1981. He took over as the Executive Director in 1992, Managing Director in 1999 and Chairman in 2009.

Sri D.Ashok is an MBA from USA with 30 years of top management experience in all facets of project management and manufacturing. He oversaw the growth of the Company into a diversified conglomerate with business interests in power generation, ferro alloys, mining and sugar and operations in India, South East Asia and Africa.

He holds Directorships/Commissionerships/Trusteeships in the following Companies/Trusts and does not hold any Committee Chairmanship/Membership:

S.No. Name of the Company/Trust

- 1 M/s. Maamba Collieries Limited
- 2 M/s. Nava Bharat (Singapore) Pte.Limited
- 3 M/s. Chapter One-Books PTE.Limited
- 4 M/s. NB Tanagro Private Limited
- 5 M/s. NB Rufiji Pvt. Limited
- 6 M/s. Kariba Infrastructure Development Limited

- 7 M/s. Brahmani Infratech Private Limited
- 8 M/s. Nav Developers Limited
- 9 M/s. A9 Homes Private Limited
- 10 M/s. AV Dwellings Private Limited
- 11 M/s. V9 Avenues Private Limited
- 12 M/s. Nava Bharat Projects Limited
- 13 M/s. Nava Bharat Energy India Limited
- 14 M/s. PT Nava Bharat Walalindo
- 15 M/s. PT Nava Bharat Sungai Cuka
- 16 M/s. G.S.R.Trust
- 17 M/s. Usha Mullapudi Cardiac Centre
- 18 Dr. Devineni Subbarao Trust

The resolution set out at Item No.9 together with this Explanatory Statement constitute abstract of terms of the remuneration and the Memorandum of Interest of the Chairman and also Managing Director under Section 302 of the Companies Act.

The Board commends the Special Resolution for members' approval.

Except Sri.D.Ashok, Chairman and Sri.P.Trivikrama Prasad, Managing Director, being related, no other Director is deemed to be interested or concerned in the Resolution.

Item No. 10:

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

Sri P.Trivikrama Prasad was re-appointed as Managing Director, by the members with effect from 19th March, 2012 for a period of 5 years at the Annual General Meeting held on 28th July, 2011. Sri P. Trivikrama Prasad, Managing Director, is paid a salary of ₹ 500,000/- per month with effect from 1st April, 2008 apart from the commission of 2% on the net profits for every financial year and other perquisites as approved by the General Body at its meeting held on 25th July, 2008.

The Board, on the recommendations of the Remuneration Committee, took up the review of the remuneration being paid to the Managing Director at its meeting held on 23rd May, 2013. After taking into account the substantial growth and improvement in the operations and financial position of the Company and the prevailing remuneration packages in other Companies, the Board decided that a revision was called for and accordingly approved the revised remuneration as set out in the Resolution with effect from 1st April, 2013 for the remainder of his tenure i.e. upto 18th March, 2017.

Sri P. Trivikrama Prasad joined the Company in 1981 and was appointed as Executive Director in 1992 and Managing Director in 2009.

Sri P.Trivikrama Prasad is an MBA from USA with 30 years of top management experience in industry in policy formulation, corporate planning and overall management control with special emphasis on Financial Management. He steers the funding of Company's expansion schemes and ongoing operations through optimal mix of financial instruments.

He holds Directorships in the following Companies/Trusteeship in the Trusts and membership on the Shareholders'/Investors' Grievances Committee of the Company:

S.No. Name of the Company/Trust

- 1 M/s. Nava Bharat (Singapore) Pte. Limited
- 2 M/s. Nava Bharat Africa Resources Pvt.Limited
- 3 M/s. NB Tanagro Private Limited
- 4 M/s. NB Rufiji Pvt. Limited
- 5 M/s. Brahmani Infratech Private Limited
- 6 M/s. Kinnera Power Company Private Limited
- 7 M/s. Nav Developers Limited
- 8 M/s. A9 Homes Private Limited
- 9 M/s. AV Dwellings Private Limited
- 10 M/s. V9 Avenues Private Limited
- 11 M/s. Nava Bharat Projects Limited
- 12 M/s. Nava Bharat Energy India Limited
- 13 M/s. Nava Bharat Sugar and Bio Fuels Limited
- 14 M/s. Nava Bharat Natural Resources India Limited
- 15 M/s. Nava Bharat Realty Limited
- 16 M/s. V9 Infra Ventures Private Limited
- 17 Dr. Devineni Subbarao Trust
- 18 M/s. G.S.R.Trust

The resolution as set out at Item No.10 together with this Explanatory Statement constitute abstract of terms of the remuneration and the Memorandum of Interest of the Managing Director and also Chairman under Section 302 of the Companies Act.

The Board commends the Special Resolution for members' approval.

Except Sri P. Trivikrama Prasad, Managing Director and Sri D. Ashok, Chairman, being related, no other Director is deemed to be interested or concerned in the Resolution.

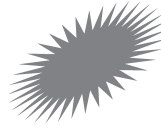
By order of the Board
For **NAVA BHARAT VENTURES LIMITED**

Hyderabad
23rd May, 2013

M. Subrahmanyam
Company Secretary & Vice President

Registered Office:

6-3-1109/1
'Nava Bharat Chambers'
Raj Bhavan Road
HYDERABAD – 500 082



NAVA BHARAT

Nava Bharat Ventures Limited

Registered Office:6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082
Telephone Nos.(040) 23403501, 23403540; Fax No.(040) 23403013; E-mail: nbvl@nbv.in; Website: www.nbventures.com

ATTENDANCE SLIP

Annual General Meeting on 16th August, 2013 at 10.00 a.m. at Marigold Hotel, By and Beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500 016

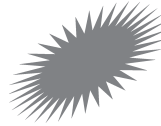
Name of the Shareholder

Folio No./Client I.D.No.
No. of Shares :

- A member/proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance.
- If you intend to appoint a proxy, please complete the Proxy Form below and deposit it at the Company's Registered Office 48 hours before the time fixed for commencement of the meeting. Please ensure that the proxy brings this Attendance Slip for the meeting. I hereby record my presence at the 41st Annual General Meeting of the Company, on 16th August, 2013.

Name of the Proxy (if any) in Block Letters

Signature of the Member / Proxy



NAVA BHARAT

Nava Bharat Ventures Limited

Registered Office:6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082
Telephone Nos.(040) 23403501, 23403540; Fax No.(040) 23403013; E-mail: nbvl@nbv.in; Website: www.nbventures.com

PROXY FORM

Folio No./Client I.D.No.
No. of Shares :

I/We.....ofin the district of
..... being a member/members of NAVA BHARAT VENTURES LIMITED, hereby
appoint.....of..... in the district of.....or failing
him.....of in the district of.....as my / our proxy to attend
and vote for me/us on my/our behalf at the 41st Annual General Meeting of the Company to be held on 16th August, 2013 and at any
adjournment thereof.

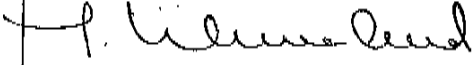
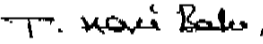

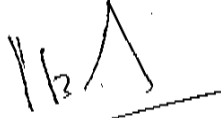
Signed this.....day of2013 Signature:

Affix ₹ 1/- Revenue Stamp

Note: The Proxy Form duly completed, must be deposited at the Regd. Office of the Company at 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082 not less than 48 hours before the time fixed for commencement of the Meeting.

FORM A

Format of covering letter of the annual Audit Report
to be filed with the Stock Exchanges

1.	Name of the Company	M/s.Nava Bharat Ventures Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	Managing Director	 (P.TRIVIKRAMA PRASAD)
	Chief Financial Officer	 (T. HARI BABU)
	Auditor of the Company	 (P.CHANDRAMOULI)
	Audit Committee Chairman	 (K.BALARAMA REDDI)