

NAVA BHARAT VENTURES LIMITED

NAVA BHARAT CHAMBERS, RAJ BHAVAN ROAD, HYDERABAD-500082, TELANGANA, INDIA

NAVA BHARAT

NBV/SECTL/ 374 /2020-21
November 11, 2020

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (E)
MUMBAI – 400 051
NSE Symbol : 'NBVENTURES'

Dept.of Corp.Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI – 400 001

Scrip Code : '513023' / 'NBVENTURES'

Dear Sir,

Sub: Press Release – Unaudited Financial Results – September 30, 2020.
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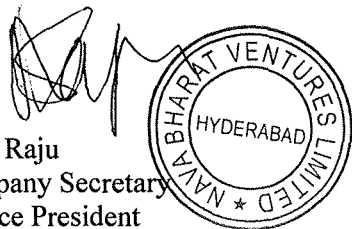
Please find enclosed the press release in connection with announcement of Unaudited Financial Results (Standalone and Consolidated) for the second quarter and half-year ended September 30, 2020.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,
for Nava Bharat Ventures Ltd.,

VSN Raju
Company Secretary
& Vice President



Encl: as above

**Nava Bharat Ventures Limited Reports its Q2 FY21 Financial Results****Consolidated Revenue Stood at INR 6,004 Mn and Net Profit at INR 1,340 Mn in Q2 FY21****Standalone Operations Recovered Sharply Reporting a 16% YoY growth in Net Profit**

Hyderabad, India, 11th November 2020: Nava Bharat Ventures Ltd, a diversified organisation with interests in power generation, ferro alloys, and coal mining, announced its financial results for the second quarter ended 30th September 2020.

Financial Performance – Consolidated Operations – Q2 FY21

- Revenue from operations for the quarter received a boost from the coal mining business partly neutralising the decline owing to planned and forced maintenance outages in MCL, Zambia and distinctly weaker merchant power scenario in the country, exacerbated by the Covid-19 Virus pandemic.
- Nevertheless, Indian operations rebounded strongly in Q2 FY21 from the Covid-19 induced disruption led by the strong sequential growth in the company's ferro alloys and captive power segments.
- Adjusted EBITDA Margins stood at 48.3% in Q2FY21 up by 302 bps versus 45.3% in Q2FY20, though in value terms EBITDA trailed by 10% on YoY basis.
- Q2 FY21 Net Profit stood marginally lower on a YoY basis at INR 1,340 Mn owing to lower EBITDA, higher finance costs and depreciation.
- The Company continues to sell the remaining sugar and ethanol stock in the upcoming quarters, and this is likely to release cash flow of INR ~500 Mn. Further, the company is putting a thrust to complete the sale of integrated sugar plant assets.
- Consolidated Debt stood lower at INR 35,204 Mn as on Sep'20 (INR 36,441 Mn as on March'20)
 - For Q2 & H1 FY21, MCL has serviced normal interest on loans in full and sought moratorium from Lenders regarding payment of certain principal instalments commencing from March 2020 and restructuring of the balance loans in accordance with revised cash flow projections.
 - MCL expects the lenders to consider its request following cash flow certainty arising out of prospective power tariff adjustment with ZESCO which is underway.
- **Update on MCL Receivables:** During the quarter ended 30 September 2020, MCL has initiated the international arbitration proceedings against its customer ZESCO limited for recovery of dues arising out of power purchase agreements entered into with them for sale of power.

Q2 FY21 Financial Performance – Consolidated

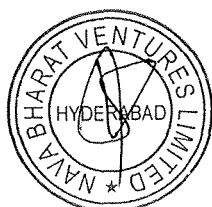
| Particulars (in INR Mn) | Q2 FY21 | Q2 FY20 | YoY% | H1 FY21 | H1 FY20 | YoY% |
|----------------------------|---------|---------|---------|---------|---------|-----------|
| Revenue [#] | 6,004 | 7,680 | (21.8%) | 27,587 | 29,460 | (6.4%) |
| EBITDA [#] | 3,138 | 3,494 | (10.2%) | 11,725 | 13,182 | (11.1%) |
| EBITDA Margin % | 46.6% | 43.6% | 307 bps | 41.1% | 44.5% | (344 bps) |
| Adjusted EBITDA * | 3,253 | 3,635 | (10.5%) | 12,625 | 13,859 | (8.9%) |
| PAT | 1,340 | 1,405 | (4.6%) | 2,295 | 2,853 | (19.6%) |

Exchange rate USD= INR 75.1 (Q2 FY21); INR 69.96 (Q2 FY20); INR 75.9 (H1 FY21); INR 69.6 (H1 FY20)

[#] Revenue and EBITDA excludes discontinued operations

*Adjusted for Forex and MTM (loss)/gain on account of Interest rate swaps (IRS), Provision for expected credit loss, and interest income on outstanding receivables –

- **Forex and MTM (loss)/gain on IRS** – Q2FY21: INR 392 Mn; Q2FY20: INR 173 Mn; H1 FY21: INR 291 Mn; H1 FY20: (INR 271 Mn)
- **ECL Provision** – Q2FY21: (INR 808 Mn); Q2FY20: (INR 315 Mn); H1 FY21: (INR 1,757 Mn); H1 FY20: (INR 406 Mn)
- **Interest Income on Outstanding Receivables** – Q2FY21: INR 300 Mn; Q2FY20: Nil; H1 FY21: INR 566 Mn; H1 FY20: Nil



**Financial Performance – Standalone Operations – Q2 FY21**

- Standalone Revenues in Q2 were marked by steady performance in both manganese and chrome alloy operations, affording sustenance for power division also through captive consumption
 - Ferro Alloys Revenue grew by 3.6% YoY led by healthy volume growth in Silico Manganese business (+10% YoY) and stable performance by the ferro chrome conversion business.
 - EBITDA Margins expanded by ~300 bps YoY to 25.9% in Q2 FY21 aided by benign raw material prices, cost optimization efforts, and technical support services income.
- Q2 FY21 Standalone Net Profit grew by 16% YoY on the back of improved operational performance and lower finance costs.
- Standalone Debt stood lower at INR 1,842 Mn as the company's deleveraging process remained on track.

Q2 FY21 Financial Performance – Standalone

| Particulars (in INR Mn) | Q2 FY21 | Q2 FY20 | YoY% | H1 FY21 | H1 FY20 | YoY% |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Revenue # | 2,450 | 2,595 | (5.6%) | 3,978 | 5,505 | (27.7%) |
| EBITDA* # | 658 | 664 | (1.0%) | 1,134 | 1,373 | (17.4%) |
| EBITDA Margin % | 25.9% | 22.9% | 299 bps | 26.9% | 23.3% | 367 bps |
| PAT | 375 | 323 | 16.2% | 599 | 682 | (12.2%) |

Revenue and EBITDA excludes discontinued operations

*Other expenses include Forex & MTM (loss)/gain on account of IRS – Q2FY21: INR 3 Mn; Q2FY20: INR 116 Mn; H1 FY21: INR 7 Mn; H1 FY20: INR 91 Mn

Financial Performance – MCL – Q2 FY21

- Total Income grew by 5% YoY in Q2 FY21 led by healthy growth in 'Mining' revenues notwithstanding the decline in 'Power' segment revenue owing to lower plant availability.
 - 'Mining' segment witnessed double-digit growth in revenue (+28% YoY) on the back of higher merchant coal shipments (+12% YoY) and better realizations.
 - Revenue from 'Power' segment declined by 7% YoY during the quarter owing to lower plant availability on account of planned and forced outages.
- Q2 FY21 Adjusted EBITDA & PAT stood lower at USD 34.1 Mn and USD 12.5 Mn respectively, as the profitability in the 'Power' business was impacted due to lower plant availability, aside from accounting provision for extended trade credit period.

Q2 FY21 – Financial Performance - MCL

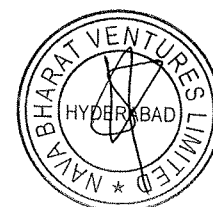
| Particulars | Q2 FY21 | Q2 FY20 | YoY% | H1 FY21 | H1 FY20 | YoY% |
|----------------------------------|---------|---------|---------|---------|---------|---------|
| Plant Availability (%) | 75.9% | 80.1% | - | 84.3% | 80.3% | - |
| Power (Mn kwh) | 501 | 523 | - | 1,109 | 1,054 | - |
| Average PLF (%) | 75.7% | 78.9% | - | 84.2% | 80.0% | - |
| External Coal Sales (000 tonnes) | 76,002 | 67,787 | - | 161,096 | 122,834 | - |
| Total Revenue (USD Mn) | 59.4 | 56.7 | 4.8% | 125.7 | 113.7 | 10.6% |
| EBITDA (USD Mn) | 32.5 | 38.7 | (16.0%) | 68.6 | 72.4 | (5.2%) |
| Adjusted EBITDA * | 34.1 | 42.4 | (19.6%) | 80.6 | 83.4 | (3.3%) |
| PAT (USD Mn) | 12.5 | 18.7 | (33.2%) | 22.6 | 33.1 | (31.7%) |

*Adjusted for Forex and MTM (loss)/gain on account of Interest rate swaps (IRS), Provision for expected credit loss, and interest income of outstanding receivables –

- Forex and MTM (loss)/gain on IRS – Q2FY21: USD 5.2 Mn; Q2FY20: USD 0.8 Mn; H1 FY21: USD 3.8 Mn; H1 FY20: (USD 5.2 Mn)
- ECL Provision – Q2FY21: (USD 10.8 Mn); Q2FY20: (USD 4.5 Mn); H1 FY21: (USD 23.3 Mn); H1 FY20: (USD 5.8 Mn)
- Interest Income on Outstanding Receivables – Q2FY21: USD 4.0 Mn; Q2FY20: Nil; H1 FY21: USD 7.5 Mn; H1 FY20: Nil

MCL Receivables Realised (USD Mn)

| Period | Billed | Realized | Realized % |
|-----------------------|--------|----------|------------|
| July 2016 to Sep 2020 | 909 | 550 | 61% |



Cash and debt position as on Sep 30, 2020 (INR Mn)

| Particulars | Overall Debt | | Cash & bank balances | |
|--------------|--------------|------------|----------------------|------------|
| | 30.09.2020 | 31.03.2020 | 30.09.2020 | 31.03.2020 |
| Standalone | 1,842 | 2,969 | 1,133 | 458 |
| Consolidated | 35,204 | 36,441 | 4,537 | 4,099 |

Quantitative Table of Operational data (sales in Qty)

| | Q2 FY21 | Q2 FY20 | Q1 FY21 | H1 FY21 | H1 FY20 | FY20 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Ferro Alloys (MT) | 39,818 | 37,815 | 23,012 | 62,830 | 79,086 | 166,655 |
| Silico Manganese | 23,168 | 21,125 | 11,673 | 34,841 | 45,474 | 97,998 |
| Ferro Chrome | 16,650 | 16,690 | 11,339 | 27,989 | 33,612 | 68,657 |
| | | | | | | |
| Power (Mn units) | 203 | 371 | 127 | 309 | 852 | 1,536 |
| Merchant sales | 21 | 95 | 12 | 13 | 196 | 307 |
| Captive sales | 182 | 180 | 114 | 296 | 349 | 706 |
| NBEIL | 0 | 95 | 0 | 0 | 306 | 523 |
| | | | | | | |
| Sugar (MT) | 5,516 | 7,052 | 7,060 | 12,576 | 14,566 | 29,537 |
| Ethanol (Bulk ltrs) | 454,000 | 484,800 | 1,392,000 | 1,846,000 | 1,831,800 | 3,793,800 |

Corporate Actions

The Company's monetization efforts of certain lands and operationalization of idle power assets including the 150 MW in the subsidiary have been severely disrupted by the pandemic outbreak of Covid-19 virus resulting in extended timelines for these activities. Approval for the scheme of reduction of capital also has got delayed similarly. While the 150 MW Unit faced the brunt of this disruption, the delay in monetization however had minimal effect on other operations of the Company.

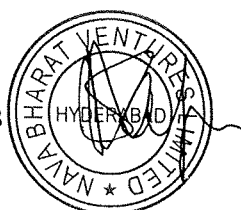
In respect of the ongoing litigations concerning certain subsidiaries, it is considered that their respective contentions are well founded.

About Nava Bharat Ventures Limited:

Nava Bharat Ventures Limited is a power focused company with interests in Ferro alloys and sugar. The Group has total installed power generation capacity of 442MW in Telangana, AP and Odisha. Nava Bharat is one of the leading Ferro alloy producers in India with about 125,000 MT of Manganese and about 75,000 MT of Chrome Alloy capacities. Nava Bharat also undertakes production of sugar and allied products in its 4,000 TCD integrated plant. Nava Bharat has investments and operations through subsidiaries in India, Zambia, Singapore and Malaysia. For more information about the Company and its businesses, please visit us at www.nbventures.com

For more information, contact

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