

## 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, 11<sup>th</sup> 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 30<sup>th</sup> 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 46.6% in Q2FY21 up by 221 bps versus 44.4% in Q2FY20
- 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

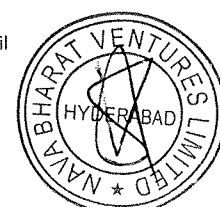
Particulars (in INR Mn)	Q2 FY21	Q2 FY20	YoY%	H1 FY21	H1 FY20	YoY%
Revenue #	6,004	6,717	-10.6%	11,997	14,397	-16.7%
EBITDA #	3,138	3,135	0.1%	6,278	6,336	-0.9%
EBITDA Margin %	46.6%	44.4%	221 bps	48.5%	43.6%	493 bps
Adjusted EBITDA *	3,253	3,276	-0.7%	7,178	7,013	2.4%
PAT	1,340	1,405	(4.6%)	2,295	2,853	(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

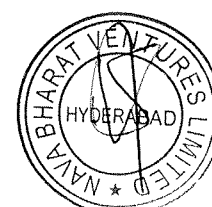
- Total Income grew by 5% YoY in Q2 FY21 led by healthy growth in 'Mining' revenues notwithstanding the decline in 'Power' segment revenue owing to lower plant availability.
  - 'Mining' segment witnessed double-digit growth in revenue (+28% YoY) on the back of higher merchant coal shipments (+12% YoY) 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





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**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
<b>Ferro Alloys (MT)</b>	<b>39,818</b>	<b>37,815</b>	<b>23,012</b>	<b>62,830</b>	<b>79,086</b>	<b>166,655</b>
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
<b>Power (Mn units)</b>	<b>203</b>	<b>371</b>	<b>127</b>	<b>309</b>	<b>852</b>	<b>1,536</b>
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.

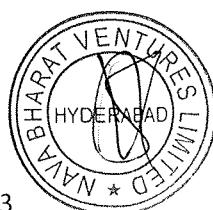
In respect of the ongoing litigations concerning certain subsidiaries, it is considered that their respective contentions are well founded.

**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](http://www.nbventures.com)

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