



MARKET INDICATORS

AS ON 22 APR, 2022, 03:59 PM

NIFTY50

17171.95

SENSEX

57197.15

-220.65 (-1.27%)

-714.53 (-1.23%)

MARKET DASHBOARD

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Nava Bharat Ventures Ltd.

NSE Symbol: NBVENTURES | BSE Code: 513023 | ISIN: INE725A01022 | Sector: infrastructure

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NSE

162.20

Change

2.85

Change %

1.79%

Updated:22 Apr, 2022, 15:58 PM IST

BSE

162.25

Change

2.85

Change %

1.79%

Updated:22 Apr, 2022, 16:01 PM IST

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History

Directors Report

Chairman's Speech

Auditors Report

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 43rd Annual Report and the Company's Audited Financial Statements for the Financial Year ended 31st March, 2015.

ECONOMIC AND BUSINESS REVIEW

The Indian Economy grew at 7.4% during the year 2014–15 notwithstanding a marginal fall in the agricultural growth owing to erratic monsoon. The economic growth in 2014–15 was aided by comfortable external position, resulting from softening of global oil prices and markedly reduced inflation. The sentiment has generally been positive with a pro-reform approach taken by the Government, increased fiscal devolution to states and perceived commitment for higher infrastructure spending. Though discernible results are yet to materialize, it is expected structural bottlenecks will ease with a spurt in demand resulting in higher GDP growth in 2015–16. However, tangible growth in infrastructure spending and industrial consumption only would spur improved performance in the steel and power sectors to which your Company is exposed.

The year 2014–15 was marked by severe volatility in the commodity businesses. While it had helped in reigning in the prices of imported coal following reduction in crude prices, adverse impact on steel and steel intermediates was more pronounced in the backdrop of subdued infrastructure development. The measures initiated by the Central Government in terms of auction of coal blocks in a transparent manner and promised increased availability of domestic coal for power generation are yet to yield results. The Sugar Industry has a plethora of challenges with the FRP of the sugar cane and sugar prices resulting in serious mismatch.

REVIEW OF OPERATIONS

In the backdrop of severe economic and external challenges surrounding the commodity meltdown and given that operations are not integrated with mining of ore or coal relative to certain industry peers, the Company's performance should be considered satisfactory. You would have noted that the production of ferro alloys (manganese and chrome) was sustained a tad higher than that in the previous year and quantum of generation of power was almost on par. The only differential, therefore, was the drop in realizations for manganese alloys and stoppage of conversion of ferro chrome owing to regulatory impediments. The power generation in Telangana and Andhra Pradesh though sustained EBIDTA margins as in the year before, had to absorb a part of the unrecovered fixed cost in the ferro alloy and sugar businesses.

Turnover for the year 2014–15 stood at Rs. 14,747.18 million compared to that of Rs. 14,090.11 million in the previous year and the Profit after Tax stood at Rs. 1424.69 million, reduced from Rs. 1930.99 million in the previous year.

POWER DIVISION

Nava Bharat Ventures's Price Swing Today

NSE

BSE

59.69%

40.31%

Recovery from
Intraday LowFall from Intraday
High

Nava Bharat Ventures's News and Announcements

All

News

Announcements



A) Intimation Of Board Meeting
B) Closure Of Trading Window
By BSE on 20 Jul 2018 | 16:19 PM

Statement Of Holdings Of
Designated Persons As On June

Listen to the audio report generated by NDTV. The Company generated 535.64 MU of which Auxiliaries (including unbilled and transmission losses), self-consumption and units sold respectively were 147.39 MU, 457.55 MU and 794.81 MU (including power purchased 4.11 MU). After balancing the scheduled and unscheduled outages, the power plants at Telangana and Andhra Pradesh performed reasonably well with average PLF standing at 91.12%. Odisha Power works were not able to emulate similar performance, on account of varying value addition out of limited captive consumption or on merchant sale of some surplus power resulting in sub-optimal plant performance and PLF @ 39.59%. Though your Company obtained succor in changing the fuel source to domestic coal in the new 64 MW power plant, commercial operations could not be started as some of last mile clearances from Gridco and CEIG were awaited. Even otherwise, the very subdued merchant power rates for power from Eastern Region precluded any viable operations in this new unit even with a domestic fuel blend. As such, the Company suffered from the lack of return on its investments in Odisha.

FERRO ALLOYS

Market for Manganese alloys was steady for almost three quarters and pressures from the primary steel producers brought the prices down later. As conversion of ferro chrome for Tata Steel was stopped due to impediments arising out of mining license and regulations, your Company tried to operate the furnaces for own production of Ferro Chrome and later Silico Manganese from June 2014. However, cost dynamics were not favouring such ferro chrome production thus while severe correction in Silico Manganese prices during the second half dented the profitability.

SUGAR

The Sugar business continued to be plagued by serious mismatch in the FRP for sugar cane and market prices of sugar. The benefits of integration came in handy to mitigate the pressure on overall margins of sugar.

DIVIDEND

Based on the performance of your Company as a whole, operations and projects of the subsidiaries, your Directors felt it prudent to recommend dividend at Rs. 5/- per Equity Share of Rs. 2/- each for the FY 2014-15, subject to Shareholders' approval at the ensuing Annual General Meeting. The aggregate dividend payout amounts to Rs. 42.15 crores, excluding corporate dividend tax of Rs. 8.58 crores.

RESERVES

The Board proposed to carry an amount of Rs. 50 crores out of profits to General Reserve and the balance amount of Rs. 41.73 crores is being carried to Balance Sheet.

FIXED DEPOSITS

The Company has not accepted any deposits from Public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of balance sheet.

LISTING OF EQUITY SHARES

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

The Company has not issued any Equity Shares during the year. Further, the Company has no Equity Shares carrying differential rights.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY COMPANIES

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

Consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 issued by Institute of Chartered Accountants of India (ICAI) and as per the provisions of the Companies Act, 2013. The audited Consolidated Financial Statements are provided in the Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited Financial Statements of its subsidiaries on its website www.nbventures.com <<http://www.nbventures.com>> and the Company shall furnish a hard copy of Annual Reports of the subsidiaries to any shareholder on demand at any point of time.

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

A Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is presented pursuant to Rule 8(1) of Companies (Accounts) Rules, 2014 as Annexure No.1 to this Report.

NAVA BHARAT (SINGAPORE) PTE. LIMITED (NBS)

NBS, a wholly owned subsidiary of the Company, continues to be the investment arm and holding company 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 ZCCM Investments Holdings Plc. 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



30, 2018

By BSE on 20 Jul 2018 | 12:41 PM



Updates

By NSE on 20 Jul 2018 | 00:00 AM



Updates

By NSE on 16 Jul 2018 | 00:00 AM



AGM

By NSE on 16 Jul 2018 | 00:00 AM

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No Records Found!

Nava Bharat Ventures's Corporate Information

Management Info

D Ashok Chairman

P Trivikrama Prasad Managing Director

V S N Raju Secretary

Registered Office

Address: 6-3-1109/1 6-3-1109/1 Raj

Bhavan Road,-

Tel: +91 40 2340 3501/2340 3540

Fax: +91 40 2340 3013

Email: nbvl@nbv.in; secretarial@nbv.in

Website: www.nbventures.com

Registrars Details

Karvy Fintech Pvt Ltd.-(Karvy Computershare Pvt Ltd.)

Plot No 17-24 , Near Image Hospital, Reliance

Cybervilae, Vithalrao

Nagar, Madhapur, Hyderabad

Plot No 17-24 , Near Image Hospital,

Reliance Cybervilae, Vithalrao Nagar,

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invested on a capital outlay of about USD 840 million for coal mining operations including mine development expenditure and for setting up a 300 MW (2 x 150 MW) coal fired power project. The coal mine related expenditure towards mine development and capital equipment has been substantially incurred while the power project implementation has been completed to the extent of 80%. The power project implementation is under EPC structure and the project is likely to be commissioned in the first half of CY 2016. The Zambian Company has been exploring to increase further the high grade coal sales in the FY 2015–16.

KOBE GREEN POWER CO. LTD. (KGP)

Following the formation of Namphak Power Company Limited as the Hydel Power Project Company wherein 70% of the equity stake remains to be controlled by NBS, investment in KGP ceased to be relevant.

Accordingly, Kobe Green Power Company ceased to be a subsidiary of NBS with effect from 27th February, 2015.

NB TANAGRO LIMITED (NBTL)

The proposed commercial agriculture project of NBTL for oil palm did not take off as allocation of initial 4000 Hectares of land is still awaited. NB Tanagro Limited is entitled for allocation of another 6000 Hectares, though not contiguous to the initial 4000 Hectares, which will take another 12 months from the allocation under Phase – I.

NB RUFJI PVT.LTD. (NBRPL)

NBRPL was formed in Tanzania to pursue another Oil Palm Project under Rufiji Basin Development Authority (RUBADA). There is no further development in this Company during the year.

NAVA BHARAT AFRICA RESOURCES PVT. LTD. (NBAR)

As reported previously, the Singapore Subsidiary took steps to wind up NBAR during the year under review and accordingly NBAR ceased to function.

PT NAVA BHARAT INDONESIA (NBI) AND PT NAVA BHARAT SUNGAI CUKA (NBSC)

As there has been no tangible development on the initiatives of NBI and NBSC, it has been decided to close the operations in Indonesia. The Singapore subsidiary has initiated steps to wind up NBI and NBSC and accordingly necessary provisioning has been made in the accounts of NBS for the investment expenditure.

NAVA ENERGY PTE. LIMITED (NEPL)

NEPL is a wholly owned subsidiary of NBS incorporated in Singapore, to carry on the business of Operation & Maintenance works for Power Plants. NEPL is designated to be the long term O & M Contractor for the proposed 300 MW power plant of Maamba Collieries Limited, Zambia. Detailed agreements to conclude the O& M service arrangement with back up support agreements with Nava Bharat Ventures and overseas supplier are under way.

NAVA BHARAT LAO ENERGY PVT. LIMITED (NBLEPL)

NBLEPL is a Wholly Owned Subsidiary of NBS incorporated in Singapore, and holds 70% stake in Namphak Power Company Limited, the Hydel Power Project Company, in Laos. Aside from contributing the initial paid up capital, NBLEPL has also been funding the initial development expenditure over and above that incurred under KGP which has since been transferred to NPCL.

NAMPHAK POWER COMPANY LIMITED (NPCL)

Namphak Power Company Limited (NPCL) is the Project Company formed to implement the 150 MW Hydel power project on BOOT basis in Laos and executed the Concession Agreement with the Government of Laos. A shareholders' Agreement was executed on 31st July, 2014 among Nava Bharat Lao Energy Pte.Limited (NBLEPL) holding 70%, Kobe Green Power Co. Limited, Japan holding 15% and Electricite du Lao (EDL), the power utility in Laos, holding the balance 15%.

NPCL's shareholders and directors have agreed that the ongoing Development costs and working capital for the project shall be funded via shareholder's loan. NBLEPL being the majority shareholder, has agreed to provide such loan and accordingly NPCL and NBLEPL entered into a Development costs Loan Agreement.

KARIBA INFRASTRUCTURE DEVELOPMENT LIMITED (KIDL)

KIDL is a step down subsidiary of the Company 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 MCL in the Southern Province of Zambia and is aimed at spurring downstream and ancillary industrialization in and around Maamba.

INDIAN SUBSIDIARIES

NAVA BHARAT PROJECTS LIMITED (NBPL)

NBPL has been engaged in project management and O&M services. These cover a wide spectrum of services such as project conceptualization, project management including financial planning, contract documentation, contract management, trading of equipment, O & M activity, technical services etc. Presently, such services are being rendered to M/s. Maamba Collieries Limited, Zambia.

As regards the on-going investigation of CBI/ED of the coal block allotment to M/s. Navabharat Power Private Limited, and subsequent sale of stake in NPPL to M/s. Essar Power Limited, also

Listen to the latest stock report of the company (in his erstwhile position as Non-Executive Chairman of the NPPL), the charge sheet filed by CBI in the II ACMM Court, New Delhi, was transferred to the Honourable Special Court constituted pursuant to the orders of the Hon'ble Supreme Court of India. The Special Court on examining the closure reports filed by the CBI against the Public Servants had directed the CBI to further investigate against the involvement of Public Servants while directing the CBI to place all the records of the case before the Sanctioning Authority for taking a decision. The charge sheet filed by the CBI is not taken cognizance by the Honourable Special Court as on date.

The Enforcement Directorate vide order dated 22.07.2014 had issued the Provisional Attachment Order (PAO) against 74 crores Equity Shares of Rs. 2/- each of NBEIL held by NBPL to the extent of Rs. 138.59 crores. The ED filed a complaint before the Adjudicating Authority seeking confirmation of the PAO. The Adjudicating Authority confirmed the Provisional Attachment on 20th May, 2015 and the Subsidiary, NBPL will approach the Appellate Authority by filing appeal seeking appropriate relief.

NAVA BHARAT ENERGY INDIA LIMITED (NBEIL)

NBEIL operated its 150 MW Power Plant with average PLF of 86.52%, gross generation of 1136.88 MU and delivered energy of 1015.81 MU in 2014-15.

The entire energy generated was dispatched to TS Grid (966.78 MU) excepting 40.59 MU for sale through India Energy Exchange and 8.44 MU for sale through Kerala State Electricity Board.

BRAHMANI INFRA TECH PRIVATE LIMITED (BIPL)

During the year, BIPL acquired interests in certain properties while aiming to diversify its portfolio further and is exploring Joint Development options for infrastructural development.

Award in Arbitration Case No.2 of 2013 between M/s. Mantri Technology Parks Private Limited and BIPL.

Members are aware that, M/s. Mantri Technology Parks Private Limited made a security deposit of Rs. 30 crores on 28.01.2008. On account of delay in execution of the IT/ITES SEZ Project in 150 acres at Mamidipally Village, Shamshabad, BIPL issued notice to forfeit the security deposit of Rs. 30 crores paid by M/s. Mantri Technology Parks Private Limited, due to which certain disputes/issues arose between M/s. Mantri Technology Parks Private Limited and BIPL. The Hon'ble High Court appointed the Sole Arbitrator for resolution of disputes by Arbitration.

The Hon'ble Sole Arbitrator in Arbitration Case No.2 of 2013 (the Arbitral Tribunal) passed the Award on 31.01.2015, inter alia, to the following effect:

MTPPL is held entitled to Rs. 30 crores towards Interest Free Security Deposit; Rs. 4,82,04,854/- being the amount paid to the respondent towards reimbursement of expenses and Rs. 4,36,90,047/- towards expenses for development of the allotted land. All these amounts shall carry interest @12% p.a. from 02.05.2012 till 31.01.2015 (date of the Award).

BIPL is held entitled to receive from the Claimant Rs. 18,13,33,333/- together with interest @12% p.a. from 02.05.2012 till 31.01.2015 and the remaining claims are rejected.

The awarded amount will carry interest at the rate of 18% p.a. from the date of the Award till the date of realization of the awarded amount.

BIPL filed an application in the Hon'ble City Civil Court, Hyderabad, under Section 34 of the Arbitration and Conciliation Act, 1996 to set aside the Award to the extent it is aggrieved and to allow its claims. Further, M/s.MTPPL has also filed an application under Section 9 of the Arbitration and Conciliation Act, 1996. The above applications are pending before the Hon'ble City Civil Court, Hyderabad.

NAVA BHARAT REALTY LIMITED (NBRL)

NBRL is a wholly owned subsidiary of the Company and proposes to be engaged in the development of 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.

KINNERA POWER COMPANY PVT. LTD.(KPCPL)

The Company has off loaded part of equity stake in KPCPL in favour of Meenakshi Infra Group and KPCPL ceased to be a subsidiary. The Company continues with 26% of the equity stake in KPCPL as specified by NHA1 in 2012-13. 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.

CHANGES IN THE SUBSIDIARIES OF THE COMPANY

The following Companies have become or ceased to be the Company's Subsidiaries, Joint Ventures or Associate Companies during the financial year.

COMPANIES WHICH HAVE BECOME SUBSIDIARIES

Namphak Power Company Limited, a Special Project Company, which was established in Laos in 2014 to undertake the development of Hydro Power Project, 150 MW (3 x 50 MW) on BOOT basis has become a Subsidiary.

COMPANIES WHICH HAVE CEASED TO BE SUBSIDIARIES

Listen to the audio recording of the meeting. The Company has fully impaired its investments in PT Nava Bharat Sungai Cuka and PT Nava Bharat Indonesia of USD 475000 each as the subsidiaries are dormant since the date of incorporation. Hence, the Company intended to close its Subsidiaries, PT Nava Bharat Sungai Cuka and PT Nava Bharat Indonesia.

On 27.02.2015, Nava Bharat (Singapore) Pte. Limited sold 80% equity interest in the subsidiary, Kobe Green Power Co. Ltd.(KGPL) for a sale consideration of USD 16,000. Hence, KGPL ceased to be a subsidiary of the Company.

PROPOSED RESTRUCTURING OF ODISHA WORKS

The Corporate Restructuring Plan initiated by the Company is awaiting response from the strategic investors identified by the Company. Some of the key issues include percentage of shareholding to be offered to the Investors and Management Role aside from enterprise valuation.

IEM FOR ESTABLISHMENT OF 3500 TCD SUGAR PLANT AT DHARMAVARAM VILLAGE, PRATHIPADU MANDAL, EAST GODAVARI DIST., A.P.

The Company filed a petition in Hon'ble High Court of A.P. praying for vacation of Interim Suspension Order of Zone declaration issued by the Commissioner and Director of Sugar & Cane Commissioner, Govt. of A.P., Hyderabad. However, the cane development activities are being continued.

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.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

In accordance with the provisions of Section 134 (3)(m) of the Companies Act, 2013, the required information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo have been annexed as Annexure No.2 to this Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE AND POLICY

In compliance with Section 135 of the Companies Act, 2013 read with the (Corporate Social Responsibility Policy) Rules, 2014, the Board constituted CSR Committee consisting of three Directors namely, Sri D. Ashok, Chairman, Dr. D. Nageswara Rao, Independent Director and Dr. C. V. Madhavi, Independent Director.

The Board approved the CSR Policy as recommended by the CSR Committee with various CSR initiatives falling within the purview of the Schedule VII of the Act.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has prioritized and implemented several initiatives that have a significant impact on the communities around its manufacturing facilities and the society in general.

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of education, livelihood, health, drinking water and sanitation, enhancing vocational skills, empowering women, etc. These projects are in accordance with Schedule VII of the Companies Act, 2013.

In Education, the Company's endeavour is to spread, facilitate and supplement quality education at primary and secondary levels in areas around the Company's manufacturing plants. In Health, the goal is to provide quality eye care at affordable cost, promote health awareness, extend free diagnostic services and medicines, make safe drinking water available in villages, promote sanitation, etc. In Livelihoods, the Company strives to provide employment enhancing skills to unemployed youth through vocational training in various trades for both men and women.

The Company has spent Rs. 465.18 lakhs towards CSR activities in 2014-15 i.e. above 2% of the average net profits of the Company for the three immediately preceding financial years.

The CSR Policy is placed on the Company's website under the weblink: http://www.nbventures.com/pdf/corporate_policies/03_pdf_2014-15_csrpolicy.pdf.

The Annual Report on CSR activities is annexed as Annexure No. 3 to this Report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is annexed as Annexure No.4 to this Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in sub-section(1) of Section-188 in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in Annexure No. 5 to this Report.

The policy on materiality of related party transactions and also on dealing with the related party transactions as approved by the Audit Committee and the Board of Directors was placed on the website of the Company under the weblink: http://www.nbventures.com/pdf/corporate_policies/06_pdf_13jan2015_related_party_transactions.pdf.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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The details of Loans given, Guarantees provided and Investments made during the Financial Year ended on March 31, 2015 are given in Annexure No. 6 to this Report in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014. The particulars of aggregate loans, guarantees and investments under Section 186 of the Companies Act, 2013 are disclosed in Financial Statements which may be read as part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management 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 part of this Report.

CORPORATE GOVERNANCE

Your Company is committed to achieving the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators/ applicable laws.

A separate Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached hereto as a part of this report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

DIRECTORS

The Board of Directors of the Company has a combination of Executive, Non-Executive and Independent Directors. The Board comprises nine Directors of which five constituting more than half of the total strength are Non-Executive and Independent Directors.

INDEPENDENT AND NON-EXECUTIVE DIRECTORS

As prescribed under Clause 49 of the Listing Agreement entered with Stock Exchanges and as per Section 149(6) of the Companies Act, 2013, the particulars of Non-Executive and Independent Directors are as under:

Sri K. Balarama Reddi

Dr. E. R. C. Shekar Dr. M. V. G. Rao

Dr. D. Nageswara Rao Dr. C. V. Madhavi

They were appointed as Independent Directors by the shareholders at 42nd AGM on 08.08.2014 for a term of 5 (five) years.

WHOLETIME DIRECTORS

Sri D. Ashok Sri P. Trivikrama Prasad Sri G. R. K. Prasad Sri C. V. Durga Prasad

None of the Directors on the Board is a Member of more than ten Committees across all the Companies in which Directorship is held. Necessary disclosures regarding committee positions in other public companies as on 31st March, 2015 have been made by the Directors.

DECLARATIONS OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their declarations, pursuant to Section 149(7) of the Companies Act, 2013 affirming that they meet the criteria of independence as provided in sub-section (6) of Section 149.

APPOINTMENTS OF KEY MANAGERIAL PERSONNEL

Sri D. Ashok was re-appointed as Chairman (Executive) with effect from 14.08.2014 for a period of 5 years by the Members at the 42nd AGM held on 08.08.2014. There were no other changes during the Financial Year under review.

DIRECTORS RETIRING BY ROTATION

Pursuant to the provisions of the Companies Act, 2013, Sri D. Ashok retires at the AGM and, being eligible, offered himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/Committee meetings are circulated to the Directors in advance to enable them to plan their schedule for participation in the meetings.

The Board met seven (7) times during the FY 2014-15 viz., on 30.05.2014, 08.08.2014, 20.10.2014, 30.10.2014, 17.01.2015, 09.02.2015 and 07.03.2015.

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the working of its Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. A structured set of criteria was adopted after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Evaluation of the Board Members is conducted on an annual basis by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

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The Nomination and Remuneration Committee and the Board of Directors had laid down criteria for performance evaluation of Directors, Committees and Board as a whole.

Performance indicators for evaluation of Independent Directors:

Independent Directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the Independent Directors are evaluated are:

Ability to contribute to and monitor corporate governance practices.

Ability to contribute by introducing international best practices to address top management issues.

Active participation in long term strategic planning.

Commitment to the fulfillment of a Director's obligations and fiduciary responsibilities.

Attendance: The performance evaluation of Independent or Non-Executive Members is done by the Board annually based on criteria of attendance and contributions at Board/ Committee Meetings as also the role played other than at Meetings.

The evaluation process also considers the time spent by each of the Board Members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

REMUNERATION POLICY

The Company adopted a policy relating to the remuneration. This Policy covers the remuneration and other terms of employment for the Company's Executive Team. The remuneration policy for Members of the Board and for Management, aims at improving the performance and enhancing the value of the Company by motivating and retaining them and to attract the right persons to the right jobs in the Company.

The object of this Remuneration Policy is to make your Company a desirable workplace for competent employees and thereby secure competitiveness, future development and acceptable profitability. In order to achieve this, it is imperative that the Company is in a position to offer competitive remuneration in all its operational locations.

Neither the Managing Director nor any Whole-time Director of the Company received any remuneration or commission from any of its Subsidiaries.

A detailed policy on remuneration of the Directors and Senior Management is placed on the Company's website under the weblink: http://www.nbventures.com/pdf/corporate_policies/08_pdf_Remuneration_policy.pdf and also annexed as Annexure No.7 to this Report.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

The Nomination and Remuneration Committee identifies persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

THE CRITERIA FOR THE APPOINTMENT OF DIRECTORS, KMPs AND SENIOR MANAGEMENT

A person for appointment as Director, KMP or in Senior Management should possess adequate qualification, expertise and experience for the position considered for appointment. The Committee decides whether qualification, expertise and experience possessed by a person are sufficient for the concerned position. The Committee ascertains the credentials and integrity of the person for appointment as Director, KMP or Senior Management Level and recommends to the Board his / her appointment.

The Committee, while identifying suitable persons for appointment to the Board, will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment, re-appointment and the Board shall assess the same annually. The Board shall re-assess determination of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence are determined as laid in the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Independent Directors shall abide by the Code for Independent Directors as specified in Schedule IV of the Companies Act, 2013.

COMMITTEES OF THE BOARD

Currently the Board has four committees: The Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

A detailed note on the Board and its Committees is provided under the Corporate Governance Report section in this Report. The Composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

PARTICULARS OF EMPLOYEES

The names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and

Listen to the release on only audio (Shareholder) Rules, 2014, are provided in Annexure No. 8 to this Report.

Particulars of every employee employed throughout the financial year and in receipt of remuneration of Rs. 60 lakhs or more, or employed for part of the year and in receipt of Rs. 5 lakhs or more per month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure No.9 to this Report.

NAVA BHARAT VENTURES EMPLOYEE WELFARE TRUST AND ITS HOLDINGS IN THE COMPANY

Nava Bharat Ventures Employee Welfare Trust through its Trustee, M/s Barclays Wealth Trustees (India) Private Limited, acquired 14 lakhs equity shares of the Company from the secondary market (1.57%) on 9th March, 2012. The Company extended a loan of Rs. 28.79 crores to the Trustee till 31st March, 2015. The Company proposed to implement several schemes relating to welfare measures including incentives, benefits and amenities for the employees under Employee Welfare plans to be set up by the Company.

SEBI issued new Employees Stock Option Regulations permitting Share Based Employee Benefits Schemes on 28th October, 2014 according to which, the acquisition in secondary market under the General Employee Benefits Scheme (GEBS) shall not exceed 2% of the paid up equity share capital of the Company.

The Regulations have provided detailed definitions, procedures and restrictions to be complied with, within one year from the issue of aforesaid guidelines.

According to the new Regulations:

At no point in time, the shares of the Company or shares of its holding company shall exceed ten per cent of the book value or market value or fair value of the total assets of the scheme, whichever is lower, as appearing in its latest balance sheet for the purposes of GEBS. [26.(2)].

Trusts holding shares, for the purposes of implementing GEBS or RBS, which exceed ten percent of the total value of the total assets of the trust(s) as provided under these regulations, shall have a period of five years to bring down its holding in shares to such limits; [Reg.31.(2)(b)(ii)].

SEBI mandated that the regulations should be complied with by aligning the existing Welfare Schemes / Trusts with the Regulations within one year from the issue of the Regulations i.e. one year from 28.10.2014.

Hence, the Company has initiated necessary action including;

Amendment to the Trust; Formation of Welfare Schemes;

Retention of equity to the extent of 10% of the total assets of the Trust towards General Employee Benefits Schemes (GEBS); and

Exiting from the balance equity within a period of 5 years as stipulated under the Regulations.

The Board of Directors approved to amend the Trust Deed and file the amended Trust Deed with Stock Exchanges.

Subject to the approval of the shareholders, the Board considered and recommended Nava Bharat Ventures General Employee Benefits Scheme, 2015, inter alia, to provide welfare benefits such as medical, housing and education related assistance to employees of the Company ("Employees"); and utilizing and applying the assets of existing trust settled by the Company called Nava Bharat Employee Welfare Benefit Trust ("Trust") for the purposes of implementing the Scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("Regulations").

The details of General Employee Benefits Scheme being implemented are posted on the Website of the Company under the web link http://www.nbventures.com/pdf/corporate_policies/08_pdf_General_Employee_Benefit_Scheme.pdf.

The Board further decided, subject to the approval of the shareholders, to undertake such steps and actions to enable the Company and the Trust to conform to the Regulations in its entirety within the five year period as envisaged in the Regulations.

The Trustee shall not be eligible to exercise voting rights in General Meetings on the shares of the Company held by the Trust. Pursuant to Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, it is disclosed that the Trustee abstained from voting at the AGM held on 08.08.2014 and Postal Ballot held on 26.07.2014.

EMPLOYEES' STOCK OPTION SCHEME

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.

No shares including Sweat Equity Shares were issued to employees or others during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS & AUDITORS' REPORT

M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. They were appointed as Auditors of the Company during the transitional period of 3 years at the 42nd Annual General Meeting held on 8th August, 2014 subject to ratification by the Members at every AGM held after 42nd AGM. The Statutory Auditors have confirmed that their appointment, if made, would be in accordance with the provisions of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

They are eligible for ratification/re-appointment from the ensuing AGM till the conclusion of next AGM as provided in Section 139(2) of the Companies Act, 2013.

The Auditors' Report on the financial statements of the Company for financial year ended 31st March, 2015 does not contain any reservation, qualification or adverse remarks and their report together with notes to Financial Statements are self explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

COST AUDIT

The Board has appointed M/s. Narasimha Murthy & Co., Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for Sugar, Industrial Alcohol Electricity and Steel (Ferro Alloys) for the Financial Year 2014-15 on the recommendations of the Audit Committee. The same was ratified by the Members at the 42nd Annual General Meeting held on 8th August, 2014.

The Cost Audit Reports for FY 2013-14 were filed with Ministry of Corporate Affairs on 19th September, 2014.

Further, the Board has appointed M/s. Narasimha Murthy & Co., Cost Accountants, as Cost Auditors on 8th May, 2015 for conducting the audit of cost records of the Company for Sugar, Industrial Alcohol, Electricity and Steel (Ferro Alloys) for the Financial Year 2015-16 on the recommendations of the Audit Committee. The same is placed before the Members at the ensuing AGM for ratification.

INTERNAL AUDITORS FOR COSTING SYSTEMS AND COST ACCOUNTING RECORDS

M/s. Sagar & Associates, Internal Auditors, conducted internal audit of cost records for the Financial Year 2014-15.

The Board appointed M/s Sagar & Associates, as Internal Auditors, for conduct of internal Audit of Cost Records for the Financial Year 2015-16.

SECRETARIAL AUDIT

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s.P.S.Rao & Associates, Practicing Company Secretaries to conduct Secretarial Audit pursuant to the recommendations of the Audit Committee for the Financial Year 2014-15 for the Company.

The Secretarial Audit Report for the financial year ended 31st March, 2015 issued by Practicing Company Secretary is annexed as Annexure No.10 to this Report and the Report does not contain any reservation, qualification or adverse remarks.

MATERIAL CHANGES AND COMMITMENTS

There are no Material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2015 to the date of the signing of the Director's Report.

MATERIAL ORDERS PASSED BY THE REGULATORS

No significant and material orders were passed by the Regulators or courts or tribunals impacting the going concern status and company's operations in future.

Pursuant to the ongoing investigation into the allotment of coal blocks to M/s. Navabharat Power Private Limited (NPPL) and subsequent sale of stake in NPPL to M/s. Essar Power Limited also involving the Director of the Company in his erstwhile position as Non-Executive Chairman of NPPL, and the Charge Sheet filed by CBI, the Enforcement Directorate vide order dated 22.07.2014 had issued the Provisional

Attachment Order (PAO) against 74 crores Equity Shares of Rs. 2/- each of NBEIL held by NBPL to the extent of Rs. 138.59 crores. The ED filed a complaint before the Adjudicating Authority seeking confirmation of the PAO. The Adjudicating Authority confirmed the provisional attachment and the Subsidiary of the Company will prefer an appeal before the appropriate authority.

INSURANCE

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company maintains all its records in SAP system and the work flow and approvals are routed through SAP

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, the Units undertake corrective action in their respective areas and strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower policy, policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A of the Companies Act 1956 (Section 124 (5) of the Companies Act, 2013), an amount of Rs. 15,51,380/- which remained unclaimed for a period of 7 years had been transferred by the Company on 27th August 2014 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. The account showed a balance of 6,71,215 equity shares belonging to 1,319 shareholders as at the beginning of the year. During the year, the Company and its Registrars, M/s. Karvy Computershare Pvt. Ltd., have received certain claims from the shareholders which were verified by the Registrars as per their records and procedures. The claims of rightful owners, after collection of all the required documents and due processing by the Registrars, had been placed before the Stakeholders Relationship Committee and after its approval, 28,220 shares belonging to 38 shareholders were transferred from the Unclaimed Suspense Account during the year to the Shareholders / Successors / Nominees/rightful claimants. The unclaimed suspense account has a closing balance of 6,42,995 equity shares in respect of 1,281 shareholders as at the close of the financial year 2014–15.

VIGIL MECHANISM

The Company established a vigil mechanism for Directors and Employees to report genuine concerns pursuant to Section 177 of the Companies Act, 2013. The vigil mechanism provided for adequate safeguards against victimisation of employees who use such mechanism and for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The policy lays down the mechanism for making enquiry into whistle blower complaint received by the Company. Employees who may become aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee.

The details of such mechanism are communicated to all the Directors and Employees and it was also disclosed on the website of the Company under the weblink: http://www.nbventures.com/pdf/corporate_policies/04_>_pdf_13jan/2015_whistle_blower.pdf.

RISK MANAGEMENT POLICY

The Board formulated and implemented Risk Management Policy for the Company which identifies various elements of risks which in its opinion may threaten the existence of the Company and measures to contain and mitigate risks. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedures are reviewed by the Audit Committee and the Board on quarterly basis at the time of review of quarterly financial results of the Company.

INDUSTRIAL SAFETY AND ENVIRONMENT

Utmost importance continues to be given to the safety of personnel and equipment in all the plants of the Company. The Company reviews thoroughly the various safety measures adopted and takes effective steps 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.

AWARDS

Your Company received the following awards/recognitions during 2014–15:

The Company's Sugar Division received "Silver Award for Best Distillery in Andhra Pradesh for the Season 2013–14" in the form of a Certificate from The South Indian Sugarcane & Sugar Technologists' Association, on 25th July, 2014.

Further, a "Certificate of Appreciation" for Commendable Performance for the Season 2013–14 was received from The South Indian Sugarcane & Sugar Technologists' Association, Chennai on 25th July, 2014. The same Division won the "15th National Award for Excellence in Energy Management 2014" in the form of a Shield and a Certificate as "Excellent Energy Efficient Unit"

Listen to the latest podcast only of Nava Bharat Ventures in the month of October, 2014. The Sugar Division received this award for the 7th time.

The Company's Odisha Works won the "15th National Award for Excellence in Energy Management 2014" in the form of a Shield and a Certificate as "Energy Efficient Unit" from Confederation of Indian Industry in the month of October, 2014.

The Company's Paloncha Works won the Regional Export Award as Star Performer – Large Enterprise (Ferro Alloys) in recognition of outstanding contribution to Engineering Exports for the Year 2012–13 in the form of a Certificate and Shield from EEPICINDIA, Southern Region.

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 and the Company continues to send Annual Reports and other communications in electronic mode to the members having email ids.

INDUSTRIAL RELATIONS

Industrial relations have been cordial during the year under review 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, patronage and co-operation received from the Financial Institutions, the Company's Bankers, Insurance Companies, the Govt. of India, Governments of various countries, Govt. of Telangana, Govt. of Andhra Pradesh and Govt. of Odisha, the State utilities and Shareholders, during the year under review.

For and on behalf of the Board

P. Trivikrama Prasad

Managing Director

G. R. K. Prasad

Executive Director

Date : 29th May, 2015

Place : Hyderabad

Nava Bharat Ventures

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