



NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

39th Annual Report 2010-11

Contents

02	Overview
06	Performance
08	Corporate Social Responsibility
14	Statutory Reports
53	Standalone Financial Statements
93	Consolidated Financial Statements

Corporate Information

BOARD OF DIRECTORS

Mr. D. Ashok

Chairman

Mr. P. Trivikrama Prasad

Managing Director

Mr. G.R.K.Prasad

Executive Director

Mr. C.V. Durga Prasad

Director (Business Development)

Dr. E.R.C. Shekar

Dr. M.V.G. Rao

Mr. K. Balarama Reddi

Dr. D. Nageswara Rao

Mr. S.V. Satyanarayana

IDBI Nominee

Mr. M. Subrahmanyam

Company Secretary & Vice President

AUDITORS

Messrs. Brahmayya & Co.

Chartered Accountants

Flat No. 403, Golden Green Apartments

Irrum Manzil Colony

Hyderabad - 500 082

COST AUDITORS

Messrs. Narasimha Murthy & Co

Cost Accountants

104, Pavani Estates

3-6-365, Himayat Nagar

Hyderabad - 500 029

BANKERS

State Bank of India

Andhra Bank

Bank of India

State Bank of Hyderabad

UCO Bank

REGISTRARS AND SHARE TRANSFER AGENTS

Messrs. Karvy Computershare Private Limited

Plot No. 17 to 24, Near Image Hospital

Vittalrao Nagar, Madhapur

Hyderabad - 500 081

REGISTERED OFFICE

6-3-1109/1

Nava Bharat Chambers

Raj Bhavan Road

Hyderabad -500 082

WORKS

Ferro Alloy Division

Ferro Alloy Plant (A.P.)

Paloncha -507 154

Khammam District

Andhra Pradesh

Ferro Alloy Plant (Odisha)

Kharagprasad Village-759 121

Dhenkanal District

Odisha

Power Division

Power Plant (A.P.)

Paloncha -507 154

Khammam District

Andhra Pradesh

Dharmavaram-533 430

Prathipadu Mandal

East Godavari District

Andhra Pradesh

Power Plant (Odisha)

Kharagprasad Village-759 121

Dhenkanal District

Odisha

Sugar Division

Samalkot - 533 440

East Godavari District

Andhra Pradesh

Machine Building Division

Nacharam

Hyderabad - 500 076

Andhra Pradesh



Nava Bharat Ventures Limited (NBVL) - profile in brief

NBVL is a leading industrial conglomerate with global interests across power generation, mining, ferro alloys and agri-business.



The Company leverages its core strengths in design, engineering, project execution and operation & maintenance, for efficient execution of domestic and overseas projects for expansion as well as diversification and subsequent operations.

NBVL has a strong value system built on efficient utilization and conservation of natural resources and protection of environment in all its operations.

The global headquarters of Nava Bharat group, of which NBVL is the flagship company, is located in Hyderabad, India, while the production facilities are spread over India, Africa and South-East Asia.

Vision

- We will be a dependable source of products and services exceeding our customer's expectations
- We will add best value to our inputs and strive to protect the environment in all our endeavours

Mission

- We will continue to manufacture products at less cost, fulfill stricter quality demands and find solutions to the limitations of energy and raw materials as well as environmental constraints
- We will improve our competencies through innovation and continuous learning

Business Operations

Domestic

POWER

Fuel	Capacity (MW)	Location
Coal	114	Paloncha, Andhra Pradesh
	94	Kharagprasad, Odisha
Bagasse/coal	20	Dharmavaram, Andhra Pradesh
Total generating capacity	228	

The Company is also implementing merchant power plants in Odisha and Andhra Pradesh (through a Special Purpose Vehicle).

FERRO ALLOYS

Product	Capacity (tpa)	Location
Manganese Alloys	1,15,000	Paloncha, Andhra Pradesh
Chromium Alloys	75,000	Kharagprasad, Odisha
Total production capacity	1,90,000	

SUGAR

Produces white crystal sugar, rectified spirit and extra neutral alcohol:

Plant	Capacity	Location
Sugar Plant	3,500 tcd	Samalkot, Andhra Pradesh
Distillery	20 klpd	Samalkot, Andhra Pradesh
Co-gen Plant	9MW	Samalkot, Andhra Pradesh

International

■ Power ■ Mining ■ Agri-business

INTERNATIONAL PROJECT SNAPSHOT

Country	Activity	Status
Zambia	Mining and power generation	65% stake acquired in Maamba Collieries Limited. Revamping coal mine and setting up a power plant in progress
Zimbabwe	Identifying opportunities for mining	Exploratory stage
Laos	Development of hydro-electric power project	Entered into a joint venture with Kobe Green Power Co. Limited
South Africa	Exploring opportunity for coal and power	Exploratory stage



Awards and Recognitions

Award	Awarding authority
Silver Trophy for Outstanding Export Performance for the year 2008-09	The Federation of Andhra Pradesh Chambers of Commerce & Industry, Hyderabad
Silver Trophy for Excellence in Rural Development for the year 2008-09	The Federation of Andhra Pradesh Chambers of Commerce & Industry
Best Management Award for outstanding contribution to maintenance of Industrial Relations, Labour Welfare and Productivity for the year 2009-10	The Labour Department of Government of Andhra Pradesh
Best Technical Efficiency Award (1st Prize) for the season 2009-10 in Andhra Pradesh, bagged by the Sugar Plant, Samalkot	The South Indian Sugarcane & Sugar Technologists' Association
National Award for Excellence in Energy Management, 2010 as Excellent Energy Efficient Unit, bagged by the Sugar Division for the 4th consecutive year	Confederation of Indian Industry



Award	Awarding authority
Rank No.1 in 500 of India's best-performing midsize enterprises	Inc. India magazine in a survey published in its September-October 2010 issue
National Award for Water Management 2010 as Water Efficient Unit, bagged by the Ferro Alloy and Power Plants at Paloncha	The Confederation of Indian Industry
Silver Shield for Star Performer as Large Enterprise for outstanding contribution to Engineering Exports during 2008-09	EEPC INDIA
CII Environmental Best Practices Award 2011 for Most Innovative Environmental Project, , bagged by Ferro Alloy Plant, Paloncha	Confederation of Indian Industry
CII Environmental Best Practices Award 2011 for Most Innovative Environmental Project, bagged by Sugar Division, Samalkot	Confederation of Indian Industry

Three Decades of Excellence

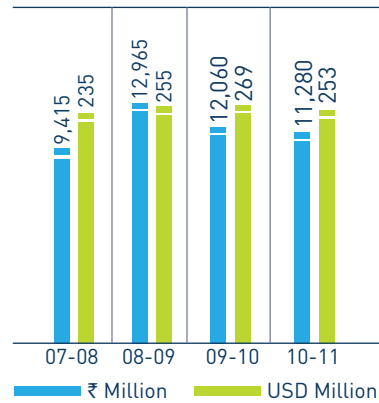
- **1975** - Commenced production of Ferro silicon at Paloncha, AP
- **1980** - Ventured into production of sugar and its by-products
- **1989** - Commenced production of manganese and chrome alloys
- **1997** - Diversified into power generation by catering to captive requirements and selling surplus power
- **2004** - Spread its global footprints through Nava Bharat (Singapore) Pte Limited, a wholly owned subsidiary of NBVL
- **2006** - Renamed as Nava Bharat Ventures Limited to reflect its varied business portfolio
- **2010** - Acquired a large coal mining company in Zambia (Maamba Collieries Limited)



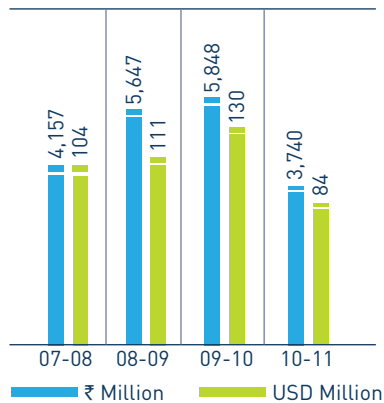


Financial performance

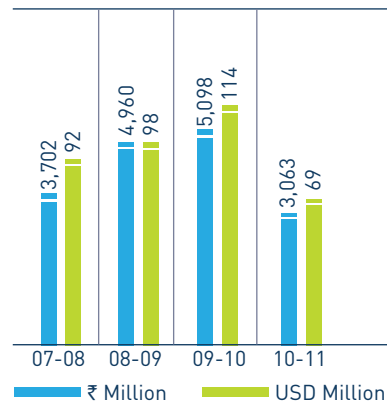
REVENUE



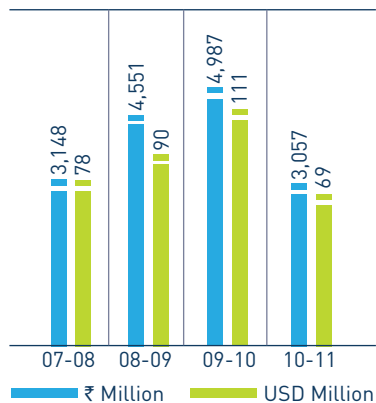
EBIDTA



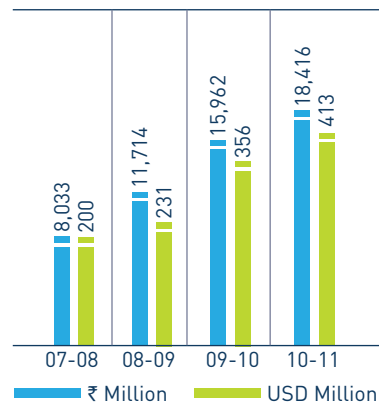
PBT



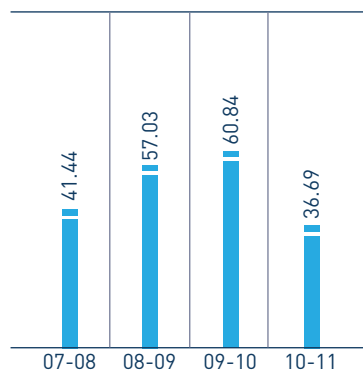
PAT



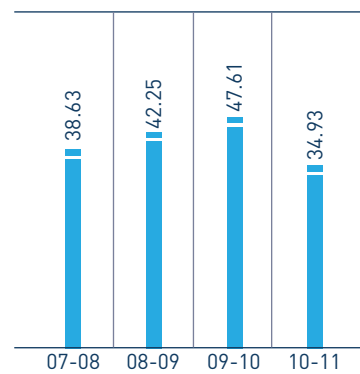
NET WORTH



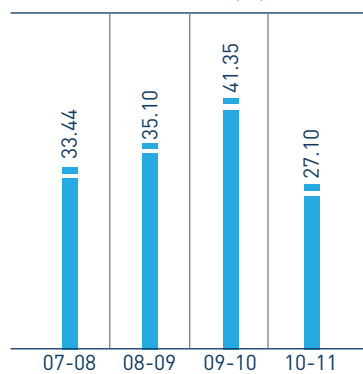
EPS (DILUTED) ₹



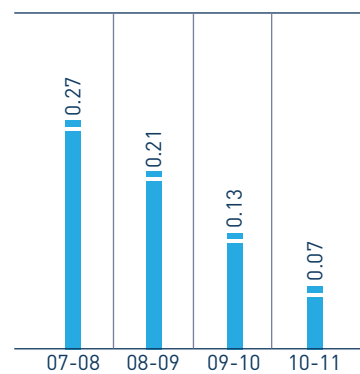
OPERATING MARGINS (%)



NET PROFIT MARGINS (%)



DEBT-EQUITY



USD rate/INR

2007-08	2008-09	2009-10	2010-11
40.115	50.79	44.89	44.59

Note: The financial highlights are based on standalone figures



Report on Corporate Social Responsibility

Nava Bharat Ventures Limited (NBV), believes in responsible corporate citizenship – that it owes its success to various stakeholders including the employees, the community and the environment that sustain its operations.

Less than 300 kilometers from Hyderabad, Paloncha is a small industrial town in a largely tribal district of Khammam where the Company started its operations. NBV operates a Ferro Alloy Plant and a coal-based Power Plant at this place. Home to 13 per cent of the state's tribal population, Khammam is rich in resources but poor in infrastructure. The same applies to Dhenkanal, a predominantly tribal district in Odisha, where the Company has established a Ferro Alloy Plant and a coal-based Thermal Power Plant. For this reason, these two districts benefit the most from the Company's Corporate Social Responsibility (CSR) initiatives.

The third beneficiary is Samalkot, also an industrial town, in East Godavari district, where the Company's sugar complex is located.

The CSR initiatives of NBV lean towards healthcare, education, livelihood and environment protection - the four areas that are bound to have a lasting impact on the community's future. Rather than merely funding, the Company has focused more on building the infrastructure necessary to empower the local community --- improved health awareness and access to reliable healthcare, safe drinking water, better schools, more opportunities for earning a livelihood and a cleaner environment.

HEALTH

The financial year 2011, is a milestone year for the Company in its journey to improve healthcare. It is during this year that NBV has started providing world-class eye care, a vital and pressing need of the society, in Khammam district.



Establishment of Nava Bharat Eye Centre at Paloncha

In association with L.V. Prasad Eye Institute, Hyderabad, the Company is establishing an Eye Care Centre at Paloncha for providing high quality outpatient care, surgical care and nursing care and serving the needs of mostly tribal and underprivileged population. Paloncha is particularly suited for location of such an eye care centre as it is in a

semi-urban area and geographically a central point for the entire Khammam district. The quality of services will be the same for the rich and the poor. The company has constructed the building for the centre on 1.1 acres of its land and donated funds for purchase of necessary equipment.