NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

Nava Bharat Chambers 6-3-1109/1. Raj Bhavan Road, Hyderabad - 500082

For immediate attention

Q2 PAT doubles to Rs. 522 million

H1 Net Profits rise 83% to Rs. 1,101 million; EPS at Rs. 15.48

Power drives profitability; H1 Power PBIT at Rs. 950 million

Momentum in Ferro Alloys continues; H1 Ferro Alloys Revenues up 38%

Hyderabad, October 27, 2007: Nava Bharat Ventures (Nava Bharat) today announced its results for the second quarter and half-year ended 30th September, 2007.

Q2 FY2008 financial review: Second Quarter Net revenues were at Rs. 1616.1 million, growing 13.8% from Rs. 1420.5 million last year, owing to better results in Power and continued strong performance in Ferro Alloys. The increase in Power revenues was at 21.3% from Rs. 544.7 million to Rs. 660.9 million; given that the quarter corresponded with the monsoon season when demand for electricity is generally lower. Meanwhile Ferro Alloys recorded an increase in results to Rs. 1,082.5 million as against Rs. 974.0 million last year with realisations trending upward. Consequent to this the Operating Profits showed growth of 88.1% to Rs. 687.5 million. Nava Bharat's Interest costs changed from Rs. 41.2 million to Rs. 38.5 million whereas its Depreciation remained stable at Rs. 49 million. Profit Before Tax was at Rs.600.0 million (Rs. 275.5 million previously) and Net Profit was at Rs. 521.7 million (Rs. 261.3 million). The EPS during the quarter was at Rs. 7.03 as compared to Rs. 3.91 last year.

H1 FY2008 financial review: Net revenues in the First-Half stood at Rs. 3,423.7 million as compared to Rs. 2,584.5 million previously. This considers the 31.9 % improvement in Power revenues to Rs. 1,563.3 million from Rs. 1,185.7 million last year. Consequently segmental contribution saw an increment from 37.5% to 38.7%. Ferro Alloys which have witnessed a stronger rise in realisations saw revenues increase to Rs. 1,994.7 million since H1 FY2007 when they were at Rs. 1,450.5 million. There was a healthy expansion in EBIDTA margins by 101.9% at Rs 1417.6 Million against an EBIDTA of Rs. 702.0 million in the last year. The Company's Interest and Depreciation related expenditure stood at Rs. 192.5 million as against Rs. 183.1 million in the same period in FY2007. A robust operating performance translated into PBT of Rs 1,225.0 Million reflecting growth of 93.1% from Rs. 634.5 million in H1 FY2007. Profit after Tax was at Rs. 1,101.3 million (Rs. 603.1 million) thus gave an EPS of Rs. 15.48 (Rs. 9.03).

Commenting on Nava Bharat's second quarter results, Mr. D. Ashok, Managing Director at Nava Bharat Ventures said: *"Our performance during the quarter shows that the revenue mix of the business is shifting in favour of power though ferro alloy business is robust in the near term. I believe that being in this business has really allowed us to participate in a fantastic growth opportunity. This is where we are focused as a Company; our new 32 MW coal-based unit at our Paloncha unit has been commissioned recently and will allow us to undertake higher sales under the merchant route. We are making similar good progress with the 64 MW unit at Kharagprasad which we expect to commission over the next few months.. We are seeing strong traction in the Ferro Alloys side of the business. Our realisations here continue to demonstrate healthy momentum and are contributing robustly to margin growth."*

Expansion of Power Generation

- Nava Bharat has successfully commissioned its new, 32 MW coal-based facility at its Paloncha, Ferro Alloy works.
- The unit has fully stabilised and the Company's total rated generation capacity at the location now stands at 114 MW. The average PLF at each of the 3 generating units here stood at 85% +
- Nava Bharat manufactures Silico Manganese and Ferro Manganese at this facility. The total power requirement here stands at 55 MW, meaning therefore about 50 MW is available for merchant trading.
- Nava Bharat's expansion plan further includes a 64 MW increase in coal-based generation at the Kharagprasad unit and additional 20 MW of co-generation at Samalkot. The two projects have cost the Company Rs. 2.8 billion and are expected to be commissioned by Q3 FY2009.

-ENDS-

Included: Details to the announcement

About Nava Bharat Ventures Limited (Nava Bharat)

Nava Bharat Ventures has a diversified business profile with interests in power generation, ferro alloys (essential inputs to steel manufacture), sugar & its downstream products and infrastructure. The Company has total installed power generation capacity of 153 MW which is being expanded to 237 MW. Nava Bharat is a leading producer/exporter of ferro alloys with annual production of about 1,25,000 MT of Manganese and Chrome Alloys in the aggregate. Nava Bharat also undertakes production of sugar and allied products in its 3,500 TCD integrated plant. The Power business will be fuelling the Company's growth. Additional information on Nava Bharat Ventures Limited is available on the Company website *www.nbv.in*

Investor contacts

G.R.K. Prasad
Nava Bharat Ventures Limited
Phone: 040 2340 2064
Fax: 040 2340 3013
Email: grkprasad@nbv.in

Siddharth Rangnekar
Citigate Dewe Rogerson
Phone : 022 4007 5005
Fax: 022 2284 4561
Email: siddharth@cdr-india.com

***Note:** This document contains 'forward-looking' statements at places. The Company has operations across several segments of business and remains subject to undetermined contingencies and risks. Nava Bharat Ventures would not be liable for any action undertaken based on such 'forward-looking' statements and does not commit to revising/updating them publicly.*

Hyderabad, October 27, 2007

Details to the announcement

- Q2/H1 FY2008 segmental overview
- Q2/H1 FY2008 results table

Q2/H1 FY2008 segmental overview

Power

Rs. Million	Q2 FY2008	Q2 FY2007	Shift %	H1 FY2008	H1 FY2007	Shift %
Revenues	660.9	544.7	21.3	1,563.3	1,185.7	31.8
PBIT	395.0	248.2	59.1	949.9	576.1	64.9

Revenues

Q2 Revenues were at Rs. 660.9 million, rising 21.3% from Rs. 544.7 million in light of the merchant sales undertaken during the quarter. Given the lean demand for power in the monsoon, the Company utilised a greater portion of the electricity generated towards making Ferro Alloys, especially from the 30 MW Power unit attached to the Ferro Chrome Unit in Orissa. In H1 FY2008 Revenues from Power were at Rs. 1,563.3 million or 31.8% higher as compared to Rs. 1,185.7 million earlier.

PBIT

Segmental Profits (PBIT) rose 59.1% from Rs. 248.2 million to Rs. 395.0 million and contributed over 61.9% to the overall profitability of the Company. Margins in the period were at 59.8% compared to 45.6% previously. First-half PBIT improved 64.9% to Rs. 949.9 million from Rs. 576.1 million as Nava Bharat realised gains from higher demand for electricity.

Ferro Alloys

Rs. Million	Q2 FY2008	Q2 FY2007	Shift %	H1 FY2008	H1 FY2007	Shift %
Revenues	1,082.5	974.0	11.1	1,994.7	1,450.5	37.5
PBIT	280.9	37.3	652.9	406.4	47.4	757.8

Revenues

Ferro Alloys Revenues were at Rs. 1,082.5 million as compared to Rs. 974.0 million in Q2 FY2007. This increase was the result of a firm trend in realisations across board. H1 Sales stood at Rs. 1,994.7 million since Rs. 1,450.5 million last year riding on higher unit realisations though sales volume was lower on account of delayed shipments. The sales volumes in the half-year period were at 40,423 M.T. as against 45,180 M.T. The Company has been registering healthy capacity utilisation levels in the period and expects the trend to continue for the next few months.

PBIT

Second quarter PBIT was at Rs. 280.9 million, growing 652.9% over Rs. 37.3 million in the same period in FY2007. This followed a better margin performance at 25.9% against 3.8% in Q2 FY2007 as the Company was able to drive incremental realisations faster than the rise in input costs which also spurted significantly over the same period. H1 FY2008 PBIT too recorded a substantial increase at Rs. 406.4 million compared to Rs. 47.4 million.

Sugar

Rs. Million	Q2 FY2008	Q2 FY2007	Shift %	H1 FY2008	H1 FY2007	Shift %
Revenues	245.6	254.2	(3.4)	479.8	528.2	(9.2)
PBIT	(36.8)	32.1	-	(45.0)	96.3	-

Revenues

Q2 FY2008 Sugar Revenues were at Rs. 245.6 million as compared to Rs. 254.2 million earlier. There remained a continued weakness in the realisation of Sugar The Company's performance in the first-half was also subdued, giving Revenues of Rs. 479.8 million versus Rs. 528.2 million in H1 FY2007.

PBIT

Sugar had an operating level loss of Rs. 36.8 million given Rs. 32.1 million profit in Q2 FY2007 following softer realisations in the period. Given the current scenario in the sector the Company is focussed on conserving margins. H1 saw a segmental loss of Rs. 45 million at the PBIT level given Rs. 96.3 million profit in FY2007.

Q2/H1 FY2008 results table

Rs. Million	**Q2 FY2008**	**Q2 FY2007**	**Shift %**	**H1 FY2008**	**H1 FY2007**	**Shift %**
Total Income	**1,616.1**	**1,420.5**	**13.8**	**3,423.7**	**2,584.5**	**32.5**
EBIDTA	**687.5**	**365.5**	**88.1**	**1,417.6**	**702.0**	**101.9**
Depreciation	49.0	48.8	0.4	107.3	99.3	8.0
Interest	38.5	41.2	(6.6)	85.2	83.8	1.8
PBT*	**600.0**	**275.5**	**117.7**	**1,225.0**	**634.5**	**93.1**
Tax						
– Current	67.5	31.0	117.7	139.0	71.5	94.4
– Deferred	1.4	12.5	(88.8)	3.3	11.0	(70.0)
– MAT credit	8.7	(30.0)	-	(20.0)	(52.5)	-
– FBT	0.7	0.7	-	1.4	1.4	-
PAT	**521.7**	**261.3**	**99.6**	**1,101.3**	**603.1**	**82.6**
EPS (Diluted)	7.03	3.91	79.8	15.48	9.03	71.4
Equity Share Capital	145.3	133.6	8.8	145.3	133.6	8.8

**Note: Post extra-ordinary items of Rs. 115.6 million in H1 FY2007*

For NAVA BHARAT VENTURES LIMITED

G.R.K. Prasad
Director (Finance & Corporate Affairs)