



# NAVA BHARAT VENTURES LIMITED

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

**REVISED**

*For immediate attention*

## **PRESS RELEASE**

**Annual PAT at Rs. 3,148 million, rises by 124%**

**Net Sales at Rs.9253.4 million, rises by 62%**

**Diluted EPS at Rs. 41.44**

**Annual Power PBIT at Rs. 2,112.5 million, 54% higher**

**Q4 Net Profit increases 196% to Rs. 1294 million**

**Board recommends 300% dividend for the year**

Hyderabad, May 17, 2008: Nava Bharat Ventures (Nava Bharat) today announced its results for the fourth quarter and full-year ended 31<sup>st</sup> March 2008.

### **Q4 FY2008 financial review:**

Nava Bharat's made record Net Sales at Rs. 3,437.0 million in the quarter from Rs. 1,822.7 million – contributed mainly by Power and Ferro Alloys. The share in topline of these key segments stood at 27.6% and 67.9% respectively (as against 32.4% and 51.5% last year). Operating Profitability in the period was at Rs. 1,638.7 million from Rs. 574.2 million as a result of better realisations on merchant sales of power and continued excellent margins in ferro alloys. Interest and Depreciation related cost increased 7.6% from Rs. 95.0 million to Rs.102.2 million in Q4 FY2008. Profit Before Tax was at Rs. 1,536.5 million in Q4 as compared to Rs. 479.2 million. Net Profits for Nava Bharat stood 196.1% better at Rs.1,294.1 million –giving an EPS of Rs. 16.09 (Rs. 6.53 in Q4 FY2008).

### **FY2008 financial review:**

The Company's power strategy and operational flexibility delivered excellent results with Net Sales for Nava Bharat stood improved by 62.3% from Rs. 5,701.1 million last year to Rs. 9,253.4 million presently. Contribution of Power stood at 32.8% as against 37.7% previously. Revenues from Ferro Alloy

operations were substantially higher given better value growth. The Company's made Operating Profit at Rs. 4,118.0 million in FY2008 from Rs. 1,736.4 million in FY2007 given good growth across key segments of business. Interest related cost was higher by 8.4% from Rs. 152.0 million to Rs. 164.7 million in FY2007. Depreciation was at Rs. 251.4 million -12.0% higher over Rs. 224.5million in FY2007. The PBT stood higher by 172% at Rs. 3,701.9 million from Rs. 1,359.9 million last year. Profit After Tax for the year was significantly higher -given better operating results -at Rs. 3,148.4 million in FY2008 as opposed to Rs. 1,404.8 million earlier- growth by 124%. The corresponding change in EPS was 97.7% at Rs. 41.44.

Commenting on Nava Bharat's fourth quarter/annual results, Mr. D. Ashok, Managing Director at Nava Bharat Ventures said: *"In line with our strategy for the Company, FY2008 has seen a good contribution from the power business. Merchant selling remains an attractive proposition given the deficit in power availability across the nation. We are firmly establishing Nava Bharat as a power-driven company and continue to look at new generation opportunities. Ferro Alloys had a spectacular year on the back of unprecedented demand from steel -the business has reported significant growth in value terms riding on strong realisations. We expect this buoyancy to sustain and are taking measures to really maximise the benefit from processing every tonne of ore. The Sugar operations performed to expectations given peculiar sector conditions -there are reports of the sector reviving and this should translate into a stable performance for us going forward."*

#### **Dividend announcement**

The Board of Directors have recommended a dividend of 300%, i.e. Rs. 6/share of face value Rs. 2 each. This would entail an outgo of Rs. 512 million including dividend distribution tax.

**-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 217 MW which is being expanded to 237 MW. Nava Bharat is a leading producer/exporter of ferro alloys with annual production of about 125,000 MT of Manganese and 75,000 MT of Chrome Alloys. 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](http://www.nbv.in)

### **Investor contacts**

**G.R.K. Prasad / M. Subrahmanyam**

Nava Bharat Ventures Limited

Phone: 040 2340 2064

Fax: 040 2340 3013

Email: [nbvl@sify.com](mailto:nbvl@sify.com)

**Siddharth Rangnekar**

Citigate Dewe Rogerson

Phone : 022 4007 5005

Fax: 022 2284 4561

Email: [siddharth@cdr-india.com](mailto: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, May 17, 2008

## Details to the announcement

- Power focus –achievements
- Ferro Alloys –a good year
- Q4/ FY2008 segmental overview
- Q4/ FY2008 results table

### Power focus -achievements

Nava Bharat is positioning itself as a power focused company. The Company continues to derive a good percentage of its profits from the power business. The strategy has been simple –to drive merchant sales of low-cost, coal-based power. Perennial shortages of power in the country have made it possible to sell surpluses from the Company's captive power plants to the market. The Company has 217 MW in generating assets as on date -. The total external sale of power has risen steadily on y-o-y basis. Long-term plans include a 1,050 MW coal-fired power station at Orissa being pursued by a SPV.

### Ferro Alloys –a good year

Nava Bharat has witnessed an excellent performance in Ferro Alloys –driven by strong demand for steel and steel products, growth in realisations and tempered increase in raw material cost. The Company operated its 200,000 TPA production capacity at an utilisation level of 67%. Manganese Alloy products account for 68% of the share of the Company's ferro alloy production and average realisation moved up by 89% to Rs 53,000 /MT. Chrome based products too demonstrated very good performance –average realisations over last year improved by 88% to Rs. 60,000/M.T. The strategy for sustaining the pace of business would entail gaining control of ores –the Company is actively pursuing options overseas to that end.

## Q4/FY2008 segmental overview

### Power

Rs. Million	Q4 FY2008	Q4 FY2007	Shift %	FY2008	FY2007	Shift %
Revenues	1,121.5	725.0	54.7	3,578.2	2,602.0	37.5
PBIT	643.6	384.6	67.3	2,112.5	1,374.1	53.7

#### Revenues

Quarterly Revenues in Power stood at Rs.1,121.5 million from Rs. 725.0 million in Q4 FY2007 –the proportion of merchant sales in the period was at 43% as compared to 45% last year. The 64 MW Kharagprasad unit will be operational during Q1, FY '09 –contribution from here will be apparent Q2 FY2009 onward. For the full-year period merchant sales of power were at 430 million units up from 350 million units last year–The annual revenues in the segment thus stood at Rs. 3,578.2 million –growing 37.5% from Rs. 2,602.0 million in FY2007.

#### PBIT

Segmental Profitability during the quarter remained excellent –it grew 67.3% to Rs. 643.6 million over Rs. 384.6 million last year. The Company focuses on optimising the power business through captive consumption if value addition is better or merchant sale where average realisation was Rs 4.30 per unit as opposed to internal sale realisation of Rs 2.75 per unit in FY2008. For the FY2008, Nava Bharat's power profits (PBIT) were at Rs. 2,112.5 million rising 53.7% from Rs. 1,374.1 million in FY2007.

### Ferro Alloys

Rs. Million	Q4 FY2008	Q4 FY2007	Shift %	FY2008	FY2007	Shift %
Revenues	2,760.2	1,152.6	139.5	6,514.0	3,268.3	99.3
PBIT	915.1	70.5	1,198.0	1,798.3	95.6	1,781.1

#### Revenues

Quarterly Revenues from Ferro Alloys stood 139.5% better at Rs. 2,760.2 million from Rs. 1,152.6 million. Production volumes in FY2008 increased by 30% to 1,35,600 MT from 1,04,200 MT. The Company produced Silico Manganese, Ferro Manganese and Ferro Chrome in the ratio of 59:9:32 in the period. Stronger demand for steel and steel products has continued to drive upward the need for ferro alloys. The Company which counts itself as one of the largest producers of ferro alloys in India –saw

99.3% increase in FY2008 Revenues from this segment at Rs. 6,514.0 million from Rs. 3,268.3 million. Production of Silico Manganese which is used in carbon steel rose from 77,500 MT to 91,900 MT while that of Ferro Chrome which is used in Stainless Steel rose from 23,600 MT to 43,700 MT. The Sales volume grew by about 14% to 1,14,000 MT, mainly on account of higher Ferro Chrome sales at 34,300 MT compared to 19,200 MT last year. Export sales grew in both volume and value at 86,600 MT (up by 32%) and Rs 4954.06 million (up by 152%).

#### *PBIT*

Segmental PBIT in Q4 rose from Rs. 70.5 million to Rs. 915.1 million this year. Nava Bharat continued to benefit from firm realisations in ferro alloys and sustained demand. In the year the Company witnessed rise in profitability to Rs. 1,798.3 million in FY2008 from Rs. 95.6 million in FY2007 given surging demand, excellent realisations growth notwithstanding the increase in input costs. PBIT Margins for the year stood at 27.6% in FY2008 as opposed to 2.9% in FY2007.

#### **Sugar**

Rs. Million	Q4 FY2008	Q4 FY2007	Shift %	FY2008	FY2007	Shift %
Revenues	185.3	360.1	(48.5)	803.9	1,026.8	(21.7)
PBIT	13.2	29.6	(55.4)	(41.6)	139.4	-

#### *Revenues*

Q4 Revenues from the Sugar business were at Rs. 185.3 million. The average realisation for the Company was about Rs. 13,000 /MT of sugar sold in FY2008 as opposed to Rs. 16,000 /MT in FY2007. Samalkot (where Nava Bharat's crushing operations are) benefits from a fertile cane growing area. Annual Revenues were at Rs. 803.9 million as opposed to Rs. 1,026.8 million. The company crushed 5,26,000 MT of sugar cane producing 53,200 MT of Sugar at an average recovery of 10.11% as against sale of 51,200 MT of sugar in FY2008. Given expectations of lower planting of cane there are industry expectations of reduced sugar production in FY2009 and the sugar realisations and outlook looks positive.

#### *PBIT*

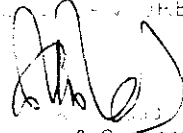
Fourth quarter PBIT was at Rs. 13.2 million from Rs. 29.6 million last year. On an annual basis the PBIT was at Rs. (41.6) million from Rs. 139.4 million in FY2007. The profitability of Sugar division is expected to improve as the Company commissions its expanded power plant. operations later in the year and given the expected stability in prices of sugar.

Q4/ FY2008 results table

Rs. Million	Q4 FY2008	Q4 FY2007	Shift %	FY2008	FY2007	Shift %
Total Income	3,480.0	1,907.0	82.5	9,375.4	5,822.8	61.0
EBIDTA	1,638.7	574.2	185.4	4,118.0	1,736.4	137.2
Depreciation	68.2	69.1	(1.3)	251.4	224.5	12.0
Interest	34.0	25.9	31.3	164.7	152.0	8.4
PBT	1,536.5	479.2	220.7	3,701.9	1,359.9	172.2
- Current Tax	283.0	59.1	378.8	585.0	158.5	269.1
- Deferred Tax	(51.8)	(20.6)	-	(45.5)	(3.1)	-
- MAT credit	-	(14.2)	-	-	(89.5)	-
- FBT	11.2	0.8	-	14.0	2.9	382.8
PAT*	1,294.3	437.1	196.1	3,148.4	1,404.8	124.1
EPS (Diluted)	16.09	6.53	146.4	41.44	20.96	97.7
Equity Share Capital	155.7	135.4	15.0	155.7	135.4	15.0

(\*Note: Post extra-ordinary items?)

For NAVA BHARAT VENTURES LIMITED

  
Director (Finance & Corporate Affairs)