



# NAVA BHARAT VENTURES LIMITED

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*For immediate attention*

**Q1 Net Sales grow 67.3% to Rs. 2,904.8 million**  
**Nava Bharat benefits from Ferro Alloys & Power; Q1**  
**Ferro Alloy Sales up 137.3% at Rs.2,045.5 million**  
**Q1 PAT higher by 118.9% to Rs. 1,269.1 million**

**Hyderabad, July 25, 2008:** Nava Bharat Ventures (Nava Bharat) today announced its results for the first quarter ended 30<sup>th</sup> June 2008.

**Q1 FY2009 financial review:**

First quarter Net Sales stood 67.3% higher at Rs. 2,904.8 million from Rs. 1,736.6 million given a robust performance from Ferro Alloys. In the Ferro Alloys business, Nava Bharat witnessed higher turnover riding on favourable market dynamics – the revenues in Q1 FY2009 stood at Rs. 2,045.5 million, higher by 137.3% over Rs.861.8 million last year. Power segment Revenues grew 17.8% from Rs.901.1 million to Rs.1,061.8 million given the effect of additional capacities under merchant sales. Operating Profits in the period were higher at Rs. 1,763.6 million from Rs. 730.1 million in Q1 FY2008 –given significant performance improvement in Ferro Alloys. The PBT in the period grew from Rs. 625.1 million to Rs. 1,639.7million. Net Profits in Q1 FY2009 were at Rs. 1,269.1 million from Rs. 579.7 million. The resultant Diluted EPS was at Rs. 15.39 in Q1 FY2009 and Rs. 8.45 for Q1 FY2008.

**Commenting on Nava Bharat's first quarter results, Mr. D. Ashok, Managing Director at Nava Bharat Ventures said:** *"I am extremely pleased with the performance reported by the Company in the quarter, especially the Ferro Alloy business – where we already have a substantial presence and which has delivered better than our expectations. We are taking measures to ensure sustainability of results from this business –and are endeavouring to obtain ore mining resources to support our operations. Power where acute shortage is perceived, continues to be the focus area of our company. In Sugar –where we have integrated operations, our focus remains on maintaining healthy cash flows."*

### **Bagasse project registered for CDM**

Nava Bharat's bagasse project has been registered under the CDM mechanism at the UNFCC recently. The project will thus remain eligible for CERs (Certified Emission Reduction) based on the electricity it is able to produce and export to the state grid. The Company envisages to earn about 10000 CERS in Financial Year 2009.

**-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 production capacity 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**

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***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, July 25, 2008

## Details to the announcement

- **New investment initiatives**
- **Q1 FY2009 segmental overview**
- **Q1 FY2009 results table**

### **New investment initiatives**

Nava Bharat is a Company focussed on Power –and is pursuing the merchant route to develop its operations in the business. It presently targets the sale of over 100 MW to power utilities across the country through the mechanism of short-term open access. The Company derives a substantial portion of its earnings from this business -over the next few years it is planning to build additional capacities that would further allow it to enhance its operating profile as follows:

#### **3X350 MW, coal based plant at Oriss currently 50% held by Nava Bharat**

Land acquisition process for this facility is underway. The project has already secured the requisite MoEF approval. The Company has in place a dedicated arrangement for coal. This is in the form of a combination of captive coal mining and coal linkages.

#### **1X135 MW, (imported) coal based power facility in Andhra Pradesh**

This project is being conceived and developed as part of the interim growth plans of the Company in Power. The facility would be located at closer to the port to facilitate usage of imported coal. The Company is planning further to obtain strategic association with/control over a coal mine overseas – which could be used for this power venture.

#### **1X135 MW domestic coal based power facility in Andhra Pradesh**

#### **1X64 MW domestic coal/washery rejects based power facility in Orissa**

These projects are being envisaged to create additional incremental generation as part of Nava Bharat's strategy to grow the power business.

Apart from Power Nava Bharat is planning to gain some control over a Manganese ore operation internationally –and is evaluating certain options. This mining asset –under strategic association/outright acquisition –would provide some comfort in terms of raw material security to the Company.

## Q1 FY2009 segmental overview

### Power

Rs. Million	Q1 FY2009	Q1 FY2008	Shift %
Revenues	1,061.8	901.1	17.8
PBIT	613.1	554.9	10.5

#### Revenues

Power Revenues rose 17.8% from Rs. 901.1 million to Rs. 1,061.8 million in Q1 FY2009. The Company continued to benefit from higher demand for electricity during the peak summer season –the number of units sold increased from 139.88 M.U. to 142.52 M.U. while those of captive consumption increases from 92.69 M.U. to 126.98 M.U. Nava Bharat's captive and expanded facilities recorded a high PLF of 95% on average. Nava Bharat dynamically allocates power between merchant sales and production of ferro alloys –a system that helps it maximise the contribution from every unit of power generated.

#### PBIT

Power PBIT was at Rs. 613.1 million in the period as opposed to Rs. 554.9 million. Nava Bharat benefited both from volume and value growth in the business.

The 20 MW mixed fuel based power facility in Andhra Pradesh is under implementation.

### Ferro Alloys

Rs. Million	Q1 FY2009	Q1 FY2008	Shift %
Revenues	2,045.5	861.8	137.3
PBIT	1,073.7	125.6	755.0

#### Revenues

Ferro Alloys Revenues were at Rs. 2,045.5 million from Rs. 861.8 million –given strong demand for Silico Manganese continuing.

The company produced 22,600 MT of Silico Manganese and 6,700 MT of Ferro Chrome during the quarter. Sales volume, however, was at 13,600 MT for Silico Manganese, 500 MT Ferro Manganese and 7,600 MT for Ferro Chrome.

### **PBIT**

Ferro Alloys PBIT grew 755% to Rs. 1,073.7 million from Rs. 125.6 million –given the continued good realisation. PBIT Margins in the period were up robustly from 14.6% to 52.5%.

### **Sugar**

<b>Rs. Million</b>	<b>Q1 FY2009</b>	<b>Q1 FY2008</b>	<b>Shift %</b>
<b>Revenues</b>	<b>161.1</b>	<b>214.7</b>	<b>25.0</b>
<b>PBIT</b>	<b>(1.1)</b>	<b>(8.2)</b>	<b>-</b>

### **Revenues**

Revenues in Sugar stood at Rs. 161.1 million from Rs. 214.7 million. The contribution to the total turnover of the Company was nearly 4.9%. Sales volume of sugar was 8,200 MT compared to 11,800 MT Nava Bharat's sugar operations and integrated – and thus are supported by additional revenue streams in the form of co-generation and alcohol sales.

### **PBIT**

Nava Bharat's Q1 PBIT in Sugar stood at Rs. (1.1) million since Rs. (8.2) million earlier –thus representing lowering in the losses. The Company's 9 MW co-generation unit has been approved for CDM at the UNFCC –thus rendering it eligible to realise gains from the trading of CERs.

### **Q1 FY2009 results table**

<b>Rs. Million</b>	<b>Q1 FY2009</b>	<b>Q1 FY2008</b>	<b>Shift %</b>
<b>Total Income</b>	<b>2,929.7</b>	<b>1,747.5</b>	<b>67.7</b>
<b>EBIDTA</b>	<b>1,763.6</b>	<b>730.1</b>	<b>141.6</b>
Depreciation	68.3	58.3	17.2
Interest	55.7	46.7	19.3
<b>PBT</b>	<b>1,639.7</b>	<b>625.1</b>	<b>162.3</b>
– Current Tax	370.0	71.5	417.5
– Deferred Tax	(0.4)	1.9	-
– MAT credit	0.0	(28.7)	-
– FBT	1.0	0.7	42.9
<b>PAT</b>	<b>1,269.1</b>	<b>579.7</b>	<b>18.9</b>
EPS (Diluted)	15.39	8.45	82.1
Equity Share Capital	155.8	135.4	15.0