



NAVA BHARAT VENTURES LIMITED

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

For immediate attention

Q2 Net Sales at Rs. 3,983.0 million, up 157%;

Q2 Power Sales at Rs. 1,382.2 million, higher by 114.6%

H1 Net Sales up 109.6% at Rs. 6,887.7 million; PAT up 122.9%

Hyderabad, October 30, 2008: Nava Bharat Ventures (Nava Bharat) today announced its results for the second quarter & half-year ended 30th September 2008.

Q2 FY2009 financial review:

Net Sales grew 157.0% from Rs. 1,549.6 million to Rs. 3,983.0 million –and was driven largely by the Ferro Alloys operation. The proportion of Revenues from Ferro Alloys stood at 65.6% -given improved realisation in the business. Revenues from Power were also good at Rs. 1,382.2 million as compared to Rs. 644.2 million. Operating Profits in Q2 FY2009 stood 145.6% higher at Rs. 1,645.7 million from Rs. 670.0 million –given substantially enhanced profitability in Ferro Alloys and a healthy contribution from the Power operation. Going forward Ferro Alloys are expected to see a tempering down in performance given the corresponding weak demand scenario in steel. Finance charges and Depreciation related costs together were at Rs. 156.4 million since Rs. 87.5 million in Q2 FY2008. Profit Before Tax was at Rs. 1,510.3 million up from Rs.599.9 million. Given a good operating performance Nava Bharat reported Net Profits of Rs.1,185.6 million (from Rs. 521.8 million last year). The corresponding Diluted EPS was at Rs. 14.25 and Rs. 7.03.

H1 FY2009 financial review:

H1 Net Sales were at Rs. 6,887.7 million from Rs. 3,286.2 million. This good performance included Rs. 4,916.5 million in Revenue contribution from the Company's Ferro Alloy business –which has shown very good growth given the higher realisations recorded during major part of the H1 period. In Power the

Revenues were up 58.0% since last year. Nava Bharat expects to make average 120 MW of merchant sales in FY2009. Operating Profits in the period were at Rs.3,398.1 million from Rs. 1,400.1 million given good performance across businesses in the first half. The share in profits of the Ferro Alloys operation stood at 62.0% in H1 FY2009 as compared to 31.0% previously. Finance charges related costs were at Rs. 128.1 million from Rs. 82.5 million given higher debt, the Company has taken for the expansions. Depreciation was at Rs. 152.3 million from Rs. 107.3 million. PBT in H1 was at Rs. 3,150.0 million from Rs. 1,225.0 million. The Corresponding PAT was at Rs. 2,454.8 million as compared to Rs. 1,101.3 million. The Diluted EPS in the period was at Rs. 29.64 from Rs. 15.48.

Commenting on Nava Bharat's first quarter results, Mr. D. Ashok, Chairman of Nava Bharat Ventures said: *"I am generally happy with the results in the second quarter. The contribution of the ferro alloys business has come in very strongly both at the turnover and the profitability level. Similarly the results in power also are good. We are starting to get the full benefits of the enhanced merchant power sales where we expect to sell over 120 MW in FY2009. Nava Bharat has the assurance of coal supplies through a mix of linkages, e-auctioning and washery reject coal to ensure adequate fuel supply for its existing power set-up.*

We are seeing definite slow down in the Steel market –and consequently realisations of Ferro Alloys have also started to correct though demand slow down was visible for Ferro Chrome in the first two quarters. Further we operate a modern and low-cost production facility in Ferro Alloys –where our focus remains on increasing productivity. In our Sugar business, where crushing for the new season will commence shortly, we are seeing a rebound in realisations though cane availability remains a concern. It would be reasonable to expect a positive contribution from this business for the full year. We would like to leverage upon merchant sale of power to counter the slow down in the ferro alloy business during the balance period of the year. In the given scenario Nava Bharat is poised to post healthy increment in overall earnings."

-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

Investor contacts

G.R.K. Prasad / M. Subrahmanyam

Nava Bharat Ventures Limited

Phone: 040 2340 2064

Fax: 040 2340 3013

Email: nbvl@sify.com

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.*

Details to the announcement

- Corporate developments
- Q2/H1 FY2009 segmental overview
- Q2/H1 FY2009 results table

Corporate developments

Brahmani Infratech

Mantri Developers Group, Bangalore, has undertaken the construction and marketing of IT/ITES SEZ without recourse to the sponsors including Nava Bharat or Brahmani Infratech. As such, no further investment is envisaged on this project.

1,050 MW, Orissa power project

The power project work has slowed down on account of delay in land acquisition. Consequently debt and equity financial closure are delayed.

Other Power Projects

Nava Bharat Group is presently finalising the coal sourcing agreements for these planned ventures. The land acquisition process is in advanced stage of completion though bulk of the land stands in the Group possession. Nava Bharat is envisaging a total generation capacity of 334 MW based on a combination of domestic and imported coal.

Hyderabad MRTS

Nava Bharat is to take up a minority stake in the Hyderabad MRTS Project. Details regarding the financial structure and operating structure of the project will be formalised in due course.

Mining

Nava Bharat has entered into Joint Venture Agreement and Memoranda of Understanding for Manganese Ore and Coal. The Company expects a period of up to a year before extraction can start from these ventures –given the scope of the developmental activity required to be undertaken.

Q2/H1 FY2009 segmental overview

Power

Rs. Million	Q2 FY2009	Q2 FY2008	Shift %	H1 FY2009	H1 FY2008	Shift %
Revenues	1,382.2	644.2	114.6	2,444.0	1,546.6	58.0
PBIT	616.2	394.5	56.2	1,226.6	949.4	29.2

Revenues

The Q2 Revenue performance was good at Rs. 1,382.2 million from Rs. 644.2 million. In H1 the Revenues in Power stood 29.2% higher at Rs. 1,226.6 million from Rs. 949.4 million given the increase in the number of units available for merchant sales. The Company has sold 370.8 million units in the period to power trading companies as opposed to 203.8 million units last year.

PBIT

Nava Bharat reported Rs. 616.2 million in PBIT in Q2 as opposed to Rs. 394.5 million –due to the combination of better realisations and higher number of units sold. Going forward the Company expects to increase the share of merchant power sales to over 100 MW –given the stabilisation of the new 64 MW facility at Orissa.. Profits in the H1 period were at Rs. 1,226.6 million as opposed to Rs. 949.4 million given better operating performance. The Company’s boilers are designed to work with varying blends of coal (including washery rejects) –thus helping it on the availability of fuel.

Ferro Alloys

Rs. Million	Q2 FY2009	Q2 FY2008	Shift %	H1 FY2009	H1 FY2008	Shift %
Revenues	2,859.1	1,056.8	170.6	4,916.6	1,921.7	155.9
PBIT	940.0	280.3	235.4	2,016.4	405.9	396.8

Revenues

Q2 Revenues in Ferro Alloys stood at Rs.2,859.1 million from Rs. 1,056.8 million. This included stable dispatches in Silico Manganese and Ferro Manganese –where the sales quantities stood at 27271 M.T. and 217 M.T. respectively. Ferro Chrome which is used in making stainless steel has seen a reduction in realisation. In H1 the Revenues in the Ferro Alloys unit were at Rs. 4,916.6 million since Rs. 1,921.7 million. This corresponded to 19% increase in volume sales.

PBIT

Segmental PBIT in Q2 was at Rs. 940.0 million as compared to Rs. 280.3 million given the extant demand conditions. The Company is trying to finalise associations for securing the supply of Manganese ores. In H1 the PBIT stood at Rs.2,016.4 million from Rs. 405.9 million. Given the climb down in steel demand from China and the subsequent reduction in steel prices –there is likelihood of a moderation in realisations of Ferro Alloys. The decline is marginally higher in Ferro Chrome. The prices of ores used in the manufacture are expected to correspondingly trade lower in the ensuing period –thus offsetting partially the impact of declining realisations.

Sugar

Rs. Million	Q2 FY2009	Q2 FY2008	Shift %	H1 FY2009	H1 FY2008	Shift %
Revenues	116.8	224.7	(48.0)	279.7	446.0	(37.3)
PBIT	13.2	(37.0)	-	12.1	(45.2)	-

Revenues

Nava Bharat reported Revenues of Rs. 116.8 million from Rs. 224.7million –on stocks sold. There has been a 33% increase in the realisation of sugar per kg. at Rs. 16.81. The Company has a 3,500 TCD facility in a very fertile cane growing area in Andhra Pradesh. The Company expects to undertake the crushing of cane within a few weeks time –and expects to benefit from stable cane cost. The average cost borne by Nava Bharat for cane has stood at Rs. 120/quintal in SS 2007-08. In H1 the Revenues from this segment were at Rs. 279.7 million as opposed to Rs. 446.0 million earlier.

PBIT

Profits in Sugar for Q2 were at Rs. 13.2 million since Rs. (37.0) million last year. Given the decrease in the quantum of cane crushed Sugar prices across India have begun appreciating, Nava Bharat's is a port-proximate facility –and supplies to the Eastern belt of India. In H1 the PBIT here stood at Rs. 12.1 as compared to Rs. (45.2) last year.

Q2/H1 FY2009 results table

Rs. Million	Q2	Q2	Shift %	H1	H1	Shift %
	FY2009	FY2008		FY2009	FY2008	
Total Income	3,992.7	1,552.7	157.2	6,911.3	3,300.2	109.4
EBIDTA	1645.7	670.0	145.6	3,398.1	1,400.1	142.7
Depreciation	83.9	49.0	71.3	152.3	107.3	41.9
Finance charges	72.5	38.5	88.2	128.1	85.2	50.3
PBT	1,510.3	600.0	151.7	3,150.0	1,225.0	157.1
Tax						
– Current	325.0	67.5	381.5	695.0	139.0	400.0
– Deferred	(4.3)	1.4	-	(4.7)	3.3	-
– MAT credit	-	8.7	-	-	(20.0)	-
– FBT	4.0	0.7	471.4	5.0	1.4	257.1
PAT	1,185.6	521.7	127.3	2,454.8	1,101.3	122.9
EPS (Diluted)	14.25	7.03	102.7	29.64	15.48	91.5
Equity Share Capital	155.8	145.3	7.3	155.8	145.3	7.3

For NAVA BHARAT VENTURES LIMITED



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