



NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

NAVA BHARAT CHAMBERS, RAJ BHAVAN ROAD, HYDERABAD-500 082, A.P., INDIA

PRESS RELEASE

Power shows continued profitability in Q3 FY2010 Q3 FY2010 Profit after Tax at Rs. 132 crore 9M FY2010 Profit after Tax at Rs. 389 crore

Hyderabad, January 30, 2010:

Nava Bharat Ventures (Nava Bharat) today announced its results for the quarter ended 31st December 2009.

Q3 FY2010 financial review:

The Net Profit stood at Rs.132.23 crores (Rs.101.09 crores for the corresponding previous period) registering a growth of 30.8%. The Profit before Tax stood at Rs.137.54 crores as compared to Rs.80.6 crores in the previous period. The diluted EPS stood at Rs.15.57 in Q3 as compared to Rs.12.42 in the corresponding previous period.

9M FY2010 financial review:

The 9M FY2010 revenues grew strongly given very good performance in Power. Revenues in Power increased 34.5% to Rs. 635.5 crore in 9M FY2010 from Rs. 472.4 crore last year. The Net Profits were at Rs. 388.6 crore given the good results in Power and Sugar, as compared to Rs. 346.6 crore in the previous year. The Diluted EPS was at Rs. 46.77 from Rs. 42.06 in the previous year.

The segment results in Ferro Alloys and Sugar also improved in Q3 aside the Power segment.

Commenting on Nava Bharat's third quarter results, Mr. D. Ashok, Chairman said:

"Power has helped us deliver a consistent performance once again this quarter. It continues to be the largest component of our revenues and earnings. We are convinced of the opportunity in power and in merchant sales. Our focus will be on developing projects that can benefit from the buoyancy in merchant power while also benefiting from assured coal-supplies."

Although the apparent demand for merchant sales is healthy we foresee a moderation in realisations going forward. Our model in power is designed to operate optimally even in such conditions so that the sustainability of earnings momentum remains unaffected. To that end we are focused on de-risking the coal logistics on one hand and diversifying our merchant customer base on the other. The Company has already made forays into the international power business through the integrated coal & power projects in Zambia and we are serious now about developing this project."

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Mr P. Trivikrama Prasad, Managing Director added:

“Along with the international projects we are pursuing options to increase our domestic presence in power. The Company has already committed to a 364 MW capex over the next few years and work on the first 64MW project has already commenced. We continue to see performance visibility from merchant sales and expect to benefit from the progressive increase in demand and realisations of power.

Compared to last year we are seeing some healthy performance return to Ferro Alloys given the good demand for steel and steel products. We expect this momentum to further build-up in the coming months and to translate into a good performance for us.

The Company's Sugar business is also faring well. Given the constrained supply scenario of sugar globally we are hopeful of a sustained contribution from Sugar.”

Corporate developments:Zambia integrated coal and power project

Nava Bharat (Singapore) Pte Limited has signed a Share Sale and Purchase Agreement (SPA) for acquiring 65% equity stake in Maamba Collieries Limited (MCL) with The Government of the Republic of Zambia holding the Golden Share, acting through the Minister of Finance and ZCCM-IH (ZCCM), holding 100% of the paid up equity capital of MCL. Nava Bharat (Singapore) Pte Limited (NBS) is a subsidiary of Nava Bharat Ventures Limited (NBVL), a power centric diversified entity. A group of individuals (Zambian Consortium) joined NBS to form Nava Bharat Consortium (Nava Bharat). The acquisition was made pursuant to the selection of Nava Bharat against a global tender issued by ZCCM in late 2008 for inducting a private majority partner.

The SPA sets out certain Conditions Precedent (CPs) for completion of the transaction, envisaged by February 2010. A Bankable Power Purchase Agreement and an Investment Promotion and Protection Agreement which are critical to the proposed investment, form part of the CPs for the transaction. The acquisition entails in the initial cost of acquisition of about US \$ 26 million by Nava Bharat, to be paid upon completion. Both the parties agreed on having a Completion Audit whereby the final purchase consideration by netting the liabilities of MCL and tax assets, would be ascertained.

Nava Bharat and ZCCM are committed to optimize the mine operations to obtain positive cash flows soon and to establish a 2 x 150 MW power plant by utilizing low grade coal from the coal mine which has mineable reserves of about 65 Million MTs of washed high grade coal and an equivalent quantum of low grade coal for use as the feed stock for the proposed 300 MW power plant. The overall integrated project entails capital outlay of about US \$ 550 Million to be funded by non-recourse project debt and equity. Nava Bharat's share of equity for this integrated project is about US \$ 108 Million and that of ZCCM is about US \$ 57 Million. Actual commitment will vary upon finalization of the project cost and financing structure.

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Awards and Achievements

- Nava Bharat won the **Best Value Creator Award** in the Small Cap category (Market capitalisation – upto Rs. 2500 crore) for 2009, from Outlook Money NDTV Profit.
- Nava Bharat was ranked **6th among the top 500 manufacturing companies in India** by Industry-2.0 Magazine. The ranking was based on innovative thinking, cost optimization strategies, intelligent marketing and quality products and services.
- The Sugar Unit at Samalkot bagged “National Award for Excellence in Energy Management 2009” from Confederation of Indian Industry (CII) as “Excellent Energy Efficiency Unit”. The above award was conferred on the Sugar Division at the National Competition for Excellence in Energy Management held in Chennai.
- The Ferro Alloy plant division at Paloncha was conferred “State Energy Conservation Award” for the year 2008-09 from Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd., under Iron & Steel Category.

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Q3 & 9M FY2010 quantitative data table

Table on Production/Generation and Sales Volumes for quarter-ended period with comparative numbers:

	Q3 FY2010	Q3 FY2009	9M FY2010	9M FY2009
A. Production / Generation				
Silico Manganese (MT)	10,917	11,980	15,480	51,181
Ferro Manganese (MT)	100	313	202	2,161
Ferro Chrome (MT)	6,177	1,071	8,846	18,889
Power (MU) (Net)	409.9	361.96	1,161.2	980.9
Sugar (MT)	6,912	7,064	6,912	14,351
Molasses (MT)	3,679	3,035	3,679	6,716
Spirit (b.Litres)	-	440,000	-	1,048,900
B. Sales				
Silico Manganese (MT)	6,344	5,845	23,433	46,730
Ferro Manganese (MT)	95	220	1,895	977
Ferro Chrome (MT)	3,721	-	16,956	14,377
Power (MU)				
-Captive Consumption (MU)	70.8	57.3	104.5	305.4
-Merchant Sale (MU)	339.12	304.7	1,056.8	675.53
Sugar (MT)	5,661	7,678	23,104	21,330
Molasses (MT)	-	1,672	3,119	7,634
Spirit (B. Litres)	20,281	852	816,325	1,134,396
Co-gen Power (KWH)	3,827,726	3,389,000	3,827,726	7,197,700

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About Nava Bharat Ventures Limited (Nava Bharat)

Nava Bharat Ventures is a power focused company with interests in ferro alloys and sugar. The Company has total installed power generation capacity of 237 MW in AP and Orissa. Nava Bharat is one of the leading ferro alloy producers in India with about 125,000 MT of Manganese and about 75,000 MT of Chrome Alloy capacities. Nava Bharat also undertakes production of sugar and allied products in its 3,500 TCD integrated plant. The Power business has been fuelling the Company's growth and sustained profitability. Additional information on Nava Bharat Ventures Limited is available on the Company website www.nbventures.com

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.

For NAVA BHARAT VENTURES LIMITED



G.R.K. Prasad

Director (Finance & Corporate Affairs)