



NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

(Formerly NAVA BHARAT FERRO ALLOYS LIMITED)

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

July 27, 2007

PRESS RELEASE

Q1 Net Profit grows 70% to Rs. 580 million; EPS at Rs. 8.45

Q1 Net Revenue up 56% at Rs. 1,797 million

Power Revenues at Rs. 902 million contribute 44% to overall

Ferro Alloys Revenues at Rs. 912 million, higher by 92%

Nava Bharat Ventures (Nava Bharat) today announced its results for the first quarter ended 30th June, 2007.

Q1 FY2008 financial review

Q1 Net Sales climbed 56.2% to Rs 1,796.7 million from Rs. 1,150.4 million in the previous year driven by a continued good performance in Power and over 90% rise in Ferro Alloy revenues. The Operating Profit for Q1 FY2008 rose by 117% to Rs. 730.1 million compared to Rs. 336.5 million reflecting sustained profitability in Power business and improved results in Ferro Alloys. Interest costs were at Rs. 46.7 million, up 9.8% from Rs. 42.5 million while Depreciation increased to Rs. 58.3 million from Rs. 50.5 million last year. The Company's PBT was greater at Rs. 625.1 million –growing 74.1% from Rs. 359.0 million. Net Profits expanded 69.6% to Rs. 579.7 million from Rs. 341.8 million in Q1 FY2007. The first quarter EPS (Diluted) was thus at Rs. 8.45 as against Rs. 5.12 in Q1 FY2007.

Commenting on Nava Bharat's first quarter results, Mr. D. Ashok, Managing Director at Nava Bharat Ventures said: *"We have seen a strong performance in the first quarter, where power has once again been the key lever driving earnings and revenue growth and where ferro alloys too have displayed stellar improvement, both in volume and value terms. We continue to develop our model around power where even now the merchant sale of the business presents significant opportunities for players like us. we are keen to grow bigger in power and have initiated plans to setup a 1,000 MW plus facility in Orissa. With*

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Ferro Alloys we remain comfortable with the emergent scenario in realisations and expect stability in results going forward though input price increase would be felt with a lag which is typical to this sector. We see the softness in Sugar continuing through the current year and our objective here is to manage costs in line with the level of operation."

Capital expenditure updates

Nava Bharat's Rs. 3.6 billion capacity augmentation exercise remains on schedule for completion by FY2009. Aimed at creating a total generation capacity of 237 MW the expansions would give the Company better manoeuvrability in increasing the merchant sale of the Power business. Nava Bharat continues to dynamically allocate Power between production of Ferro Alloys and exports to the external grid.

The strategy at the same time would also serve to balance captive requirements (of power) at the existing Ferro Alloys operations. The stated plan envisages a capacity increase from 82 MW to 114 MW at the Paloncha facility and from 30 MW to 94 MW at the Kharagprasad facility. The plan also includes the expansion of the 9MW co-generation operation at Samalkot by another 20 MW. The Company is sourcing long-lead items, namely the boilers and turbines for this exercise, from leading international suppliers under firm commitment on quality and timelines. In the meantime, it is carrying out associated construction, engineering and other preparatory activities at the sites. Nava Bharat has in the past implemented power plants of this magnitude at one of the lowest per MW costs and remains confident of executing the expansions under attractive payback terms.

-ENDS-

Included: Details to the announcement

About Nava Bharat Ventures Limited (Nava Bharat)

Nava Bharat Ventures is a diversified business 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 121 MW which is being expanded to 237 MW. Nava Bharat is a leading producer/exporter of ferro alloys with 200,000 TPA in overall manufacturing capacity (ferro-manganese/silico-manganese: 1,25,000 tonnes p.a. at Paloncha in A.P. & ferro-chrome: 75,000 tonnes p.a. at Kharagprasad in Orissa). Nava Bharat also undertakes production of sugar and has a 3,500 TCD integrated sugar plant at Samalkot, A.P. Additional information on Nava Bharat Ventures Limited is available on the Company website www.nbv.in

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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 27, 2007

Details to the announcement

- Power business –key drivers
- Sugar business update
- Q1 FY2008 Segmental results overview
- Q1 FY2008 results table

Power business –key driversLow capex per MW

Nava Bharat's core idea in the power business is to develop facilities at a competitive capital cost per MW. For the 1,040 facility at Orissa which is being developed ,it expects to derive benefit from insights garnered while setting up the captive operations. The Company relies on careful selection of vendors (both equipment and EPC) with global reputation of quality and timeliness of deliveries to optimise payback periods and with a view to ensuring the successful, long-term operation of the ventures.

Merchant sales

Nava Bharat is utilising the open access mechanism to undertake merchant sale of power. In FY2007, the Company sold 350.1 million units and hopes to increase the volume by about 35 % in the current year with a higher margin. The Company uses the leading traders for effecting the merchant sale of power. Given the deficit scenario facing the power sector across the country, Nava Bharat holds a brighter outlook for this segment.

Sugar business update

Nava Bharat's 3,500 TCD integrated Sugar unit at Samalkot in AP had a total cane crush of 4.71 Lakh MT in 2006-07 as against 4.37 Lakh MT previously. The accent for the current year remains on limiting cost of production to below the realisation on sugar to the extent feasible and the Company hopes to remain at cash break-even in this business for the current year, going forward.

Q1 FY2008 Segmental results overview

Power

Rs. Million	Q1 FY2008	Q1 FY2007	Shift %
Revenues	902.4	641.0	40.8
PBIT	554.9	327.9	69.3

Revenues

First quarter Revenues stood at Rs. 902.4 million from Rs. 641.0 million backed by stronger realisations from merchant sale activity. Nava Bharat continues to allocate Power dynamically between production of Ferro Alloys and Merchant Sales and can be expected to progressively improve the revenue contribution from the Power business.

PBIT

Power segment PBIT grew 69.3% from Rs. 327.9 million to Rs. 554.9 million in Q1 FY2008. This follows incremental export of power to traders under short-term contracts. With quarter coinciding with the summer months -when the demand for electricity across the country usually peaks, there was a strong improvement in PBIT margins from 51.2% to 61.5%.

Ferro Alloys

Rs. Million	Q1 FY2008	Q1 FY2007	Shift %
Revenues	912.1	476.4	91.5
PBIT	125.6	10.1	1,145.8

Revenues

Revenues were at Rs. 912.1 million as against Rs. 476.4 million given the continued and favourable change in the prices of key ferro alloys which moved upward, in line with global trends. The Company leveraged better demand conditions to get higher realisation both in Indian and overseas markets. Overseas sales stood higher at Rs. 544.7 million from Rs. 196.3 million in Q1 FY2007.

PBIT

Nava Bharat's PBIT thus was at Rs. 125.6 million in the quarter compared to Rs. 10.1 million in the corresponding quarter of the previous year, given improved realisations and relative stability in prices of ores which have yet not started tracing the increase in ferro alloy realisations. With captive power consumption the Company has been able to control production costs making it one of the leading players in the segment.

Sugar

Rs. Million	Q1 FY2008	Q1 FY2007	Shift %
Revenues	234.2	274.0	(14.5)
PBIT	(8.2)	64.2	-

Revenues

Revenues from Sugar stood at Rs. 234.2 million as opposed to Rs. 274.0 million previously reflective of the industry trend with a surplus sugar inventory.

PBIT

Profit Before Interest and Taxes was at Rs. (8.2) million in Q1 FY2008 from Rs. 64.2 million earlier given the continuing softness in sugar realisations across country.

Q1 FY2008 results table

Rs. Million	Q1 FY2008	Q1 FY2007	Shift %
Net Revenues	1,796.7	1,150.4	56.2
Total Income	1,807.6	1,163.9	55.3
EBIDTA	730.1	336.5	117.0
Depreciation	58.3	50.5	15.4
Interest	46.7	42.5	9.8
PBT*	625.1	359.0	74.1
Tax			
– Current	71.5	40.5	76.5
– Deferred	1.9	(1.5)	-
– MAT credit	(28.7)	(22.5)	-
– FBT	0.7	0.7	-
PAT	579.7	341.8	69.6
EPS (Diluted)	8.45	5.12	65.0
Equity Share Capital	135.4	133.6	1.4

*Note: Post extra-ordinary items of Rs. 115.6 million in Q1 FY2007

for NAVA BHARAT VENTURES LIMITED



G.R.K.PRASAD
DIRECTOR

(FINANCE & CORPORATE AFFAIRS)

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UNAUDITED FINANCIAL RESULTS (PROVISIONAL)
FOR THE QUARTER ENDED 30TH JUNE, 2007

(Rs. in Lakhs)

PARTICULARS	QUARTER ENDED		YEAR ENDED
	30.06.2007 (Unaudited)	30.06.2006 (Unaudited)	31.03.2007 (Audited)
1. Sales(Including Inter/Intra Segment Sales)	20377.31	13777.85	71101.15
Less: Inter Segment sales	2410.72	2274.28	11959.83
Net Sales	17966.59	11503.57	59141.32
2. Other Income	109.74	135.69	1217.40
3. Total Income	18076.33	11639.26	60358.72
4. Expenditure			
(a) (Increase)/Decrease in Stock in trade	(309.01)	(96.84)	(384.61)
(b) Consumption of Raw Materials	5207.25	3462.74	20063.23
(c) Excise Duty	337.46	389.76	2860.33
(d) Power and Fuel	2345.48	2073.88	7625.38
(e) Staff Cost	886.22	577.35	2771.11
(f) Other Expenditure	2307.85	1867.91	10060.51
TOTAL	10775.25	8274.80	42995.95
5. Profit (before Finance Charges and Depreciation)	7301.08	3364.46	17362.77
6. Finance Charges	467.07	425.37	1519.86
7. Gross Profit(after Finance Charges but before Depreciation)	6834.01	2939.09	15842.91
8. Depreciation	583.12	505.30	2245.36
9. Profit before Tax and Extraordinary Items	6250.89	2433.79	13597.55
10. Extraordinary Items	---	1155.86	1016.61
11. Profit before Tax	6250.89	3589.65	14614.16
12. Provision for Taxation			
- Current Tax	715.00	405.00	1700.00
- Deferred Tax	19.30	(15.00)	(30.54)
- MAT Credit entitlement	(287.00)	(225.00)	(1130.00)
- Fringe Benefit Tax	7.00	7.00	29.00
13. Net Profit after Tax	5796.59	3417.65	14045.70
14. Paid-up Equity Share Capital (Rs.2/- per share)	1353.99	1335.75	1353.99
15. Reserves (excluding Revaluation Reserves)	---	---	40442.34
16. E.P.S.(Rs.) on shares of Rs.2/- each			
-Basic	8.56	5.12	21.04
-Diluted	8.45	5.12	20.96
17. Aggregate of Public Shareholding			
- Number of Shares	36064742	36132565	36064742
- Percentage of Shareholding	53.27	54.10	53.27


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MANAGING DIRECTOR

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**SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED
UNDER CLAUSE 41 OF THE LISTING AGREEMENT**

(Rupees in Lakhs)

PARTICULARS	QUARTER ENDED		YEAR ENDED
	30.06.2007 (Unaudited)	30.06.2006 (Unaudited)	31.03.2007 (Audited)
1. Segment Revenue (Net Sales/Income)			
a) Ferro Alloys	9121.42	4764.20	34736.15
b) Power	9023.84	6409.54	26457.69
c) Sugar	2341.79	2739.80	11124.20
d) Others	0.00	0.00	0.51
Sub-total	20487.05	13913.54	72318.55
Less: Inter segment revenue	2410.72	2274.28	11959.83
Net sales/income from operations	18076.33	11639.26	60358.72
2. Segment Results (Profit before Tax and Finance Charges)			
a) Ferro Alloys	1255.86	100.81	955.82
b) Power	5549.13	3278.72	13741.16
c) Sugar	(82.28)	641.83	1394.05
d) Others	(4.75)	(6.34)	42.99
Sub-total	6717.96	4015.02	16134.02
Less: Finance Charges	467.07	425.37	1519.86
Profit before Tax	6250.89	3589.65	14614.16
3. Capital Employed (Segment Assets minus Segment Liabilities)			
a) Ferro Alloys	23462.67	22927.00	18779.86
b) Power	40803.46	22181.07	31634.87
c) Sugar	8062.85	8174.91	6407.26
d) Others	(36.36)	(28.05)	(35.51)
e) Unallocated	1806.76	169.26	6218.21
Total Capital employed	74099.38	53424.19	63004.69

Notes:

- The expansion programmes viz., Power Plant in Orissa by 64MW and Power Plant in A.P. by 32MW will be completed as envisaged excepting the new sugar facility which might be commissioned in a phased manner
- (a) The Company raised FCCBs for JPY 6000 million equivalent to Rs.233.52 crores during the year 2006-07. The funds are being used for the stated objectives.
(b) The Company issued 32,00,000 Warrants convertible into Equity Shares of Rs. 2/- each at a rate of Rs.95/- per share, allotted on preferential basis to Persons Acting in Concert/Promoters. 9,12,000 warrants have since been converted into Equity Shares. The proceeds of the warrants/shares have been spent for the ongoing capital expenditure and long term working capital.
(c) The Company granted 6,00,000 stock options to the employees convertible into 6,00,000 equity shares of Rs.2/- each at a rate of Rs.90.52 per share.
- (a) Employees benefits for the quarter were provided on estimated basis as actuarial valuation is deferred to year end.
(b) Diminution in the value of investments, if any, will be considered at year end.
- The Company had no pending investor complaints as on 1st April, 2007. Investor Complaints received and disposed of during the Quarter ended 30th June, 2007 were 22. There were no complaints pending as on 30th June 2007.
- The figures for the previous year/period have been restated/regrouped wherever necessary to make them comparable.
- The above results are reviewed by the Audit Committee and approved by the Board at its meeting held on 27th July, 2007.
- The above results were subjected to Limited Review by the Auditors of the Company.

for NAVA BHARAT VENTURES LIMITED



**D. ASHOK
MANAGING DIRECTOR**

Place: Hyderabad
Date : 27.07.2007