

**PRESS RELEASE****Q3 FY2011 Profit after Tax at ₹ 49.3 crore**
9M FY2011 Profit after Tax at ₹ 239.6 crore**Hyderabad, January 29, 2011:**Nava Bharat Ventures (Nava Bharat) today announced its results for the quarter ended 31st December 2010.**Q3 FY2011 financial review:**

In Q3 the Total Income stood at ₹ 246.6 crore constituted by ₹ 127.2 crore from Power, ₹ 120.89 cr Ferro Alloys and ₹ 16.53 crore from Sugar. The income from Power declined from ₹ 207.05 crore in the corresponding period on account of significant decline in realisations from ₹ 4.99 a unit to ₹ 3.24 a unit albeit with marginally lower volume due to unscheduled outage for a part of generation. Principal reasons for this decline could be attributed to the cascading effect of prolonged monsoon and active demand management of the State utilities. The increase in cost of coal through e-auctions also affected the margins in power business. While the Manganese Alloy segment of Ferro Alloy business performed better, the Chrome Alloy business suffered on account of fixed cost incidence in the backdrop of complete stoppage of operations in the Orissa unit affecting the division performance. Owing to unseasonal rains and consequent delay in commencement of crushing, the Sugar division operations were impacted with lower volume and lower recovery relatively to the corresponding period. Interest cost declined to ₹ 3.8 crore from ₹ 7.0 crore, post the repayment of a part of debt and reduction in cash rebate as a function of lower power realisations. The Depreciation charge was stable at ₹ 11.1 crore from ₹ 11.5 crore last year. The Company posted Net Profit of ₹ 49.3 crore which in the given business environment is considered reasonable. The Diluted EPS in Q3 FY2011 was at ₹ 5.94 per share

9M FY2011 financial review:

The performance of the Company for the nine months ended December 2010 is characterized by higher income from Ferro Alloy business, especially the manganese alloys while the income from Power business declined on account of lower average realisation of ₹ 5.41 a unit to ₹ 4.00 a unit notwithstanding the increase in volumes for the nine month period. The Sugar business is seasonal and is reflective of lower than anticipated recovery and volumes for the period. The inventory of finished goods attained normalcy at the end of the period with decent order booking. The Company posted net profit of ₹ 239.58 crore for the period compared to ₹ 388.65 crore in the previous period.

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

"Power has seen moderation on account of a peculiar operating environment. There is a moderation of merchant realisations due to unstable financials of distribution utilities. This combined with the subdued off take for power due to the winter season has led to underperformance of the sector overall.



We however remain confident of the power business model on account of our versatility and adoptability to a wide variety of coals including washery rejects. A rapidly growing economy like ours requires high investment in this segment. Adding to that a growing demand supply mismatch with untapped latent demand further convinces us of sustained demand and stable merchant rates in the long term even after considering the incremental capacity additions.

Our Ferro Alloys segment is showing a gradual revival on account of improved economic scenario in India and China. Going ahead, this segment is likely to give us enhanced performance on the back of a continued recovery in demand for steel and steel products. Therefore we at Nava Bharat are looking to achieve a sustainable, comprehensive and steady growth in performance for the Company."

Mr P. Trivikrama Prasad, Managing Director added:

"We expect the higher cost dynamics being a key factor in sustaining reasonable merchant realisations going forward. The capacity additions in our Orissa and AP works should enable the Company to benefit from higher volumes which should balance the correction in power realisations to some extent.

We look forward to achieving significant mile stones in our Zambian coal mine and power project soon whereby integration benefits should percolate to the Group."

Corporate developments

Awards and Achievements

During the quarter, the Works at Paloncha has been accorded National Award for Excellence in Water Management, 2010 as "Water Efficient Unit" by the Confederation of Indian Industry.

The Company has been awarded on 22.12.2010 Silver Shield for Star Performer as Large Enterprise in the product group of Ferro Alloys in recognition of its outstanding contribution to Engineering Exports during the year 2008-09.

Nava Bharat Ventures exercises conversion option on the FCCBs

Nava Bharat Ventures Limited has recently exercised the "Issuer's Conversion Option" to mandate the conversion of outstanding FCCBs into equity shares of the Company, at the prevailing conversion price of ₹ 121.82/share, on the effective date being 28th February, 2011.

Post this Conversion, the equity capital of the Company is set to go upto 90,448,018 equity shares of ₹ 2 each aggregating to ₹ 18.09 cr while the Share Premium will register an increase of ₹ 168.75 Cr and the current debt of ₹ 139.96 Cr relating to FCCBs stands extinguished.

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Q3 & 9M FY2011 quantitative data table

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

	Q3 FY2011	Q3 FY2010	9M FY2011	9M FY2010
A. Production / Generation				
Silico Manganese (MT)	14,554	10,917	40,882	15,480
Ferro Manganese (MT)	-	100	5645	202
Ferro Chrome (MT)	112	6,177	8005	8,846
Power (MU) (Net)	390.4	409.9	1224.5	1,161.2
Sugar (MT)	5,904	6,912	5,904	6,912
Molasses (MT)	2,655	3,679	2,655	3,679
Spirit (b.Litres)	92,300	-	92,300	-
B. Sales				
Silico Manganese (MT)	13,735	6,344	37,643	23,433
Ferro Manganese (MT)	3,085	95	4,996	1,895
Ferro Chrome (MT)	3,110	3,721	11,549	16,956
Power (MU)				
-Captive Consumption (MU)	65.4	70.8	229.4	104.5
-Merchant Sale (MU)	325.0	339.1	996.5	1,056.8
Sugar (MT)	5,212	5,661	23146	23,104
Molasses (MT)	3,369	-	7,637	3,119
Spirit (B. Litres)	1,239	20,281	680,116	816,325
Co-gen Power (KWH)	2,711,560	3,827,726	2,711,560	3,827,726
C. Stock Variation				
	Opening		Closing	
	Q3 FY2011	Q3 FY2010	Q3 FY2011	Q3 FY2010
	01.10.2010	01.10.2009	31.12.2010	31.12.2009
Silico Manganese (MT)	6,058	539	6,877	5,112
Ferro Manganese (MT)	3,734	62	649	67
Ferro Chrome (MT)	3,020	3,973	22	6,429
Sugar (MT)	4,168	3,589	4,860	4,840
Molasses (MT)	4,910	909	4,196	4,588
Spirit (B. Litres)	1,397	21,965	92,458	1,684



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

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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 LTD.


**Company Secretary
& Vice President**