NAVA BHARAT VENTURES LIMITED

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

NAVA BHARAT

NBV/SECTL/406/2011-12
May 28, 2011

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (E)
MUMBAI – 400 051.

Dear Sirs,

We enclose herewith a Press Release on the Audited Financial Results for the year ended 31st March, 2011 *under the caption:*

"FY 2011 Profit after Tax at Rs.306 crore";

"Board recommends dividend of 300% i.e. ₹ 6/- per share"

This is for your kind information and records, please.

Thanking you,

Yours faithfully,
for NAVA BHARAT VENTURES LTD

M. Subrahmanyam
Company Secretary
& Vice President

Encl : as above.

Telephone : (040) 23402064, 23403501, 23403540 Fax : (040) 23403013
E-mail : nbvl@nbv.in nbvl@sify.com Website : www.nbventures.com

ISO 9001 ISO 14001

PRESS RELEASE

FY2011 Profit after Tax at Rs. 306 crore

Board recommends

Dividend of 300%, i.e. Rs 6 per Share

Hyderabad, May 28, 2011:

Nava Bharat Ventures (Nava Bharat) declared a dividend of 300% i.e Rs 6 per equity share on the fully diluted equity share capital while announcing the results for the quarter and year ended 31st March 2011. The dividend provision translates to about 20% of pay out from the Profit after tax of Rs 306 crores on a stand alone basis. The Company's financials continue to be dictated by fallen merchant power realisations while the ferro alloy and sugar operations followed a flat trajectory.

Q4 FY2011 financial review:

Total Income stood at Rs. 268.1 crore. Sales from Power business lead the income at Rs. 163.2 crore followed by Ferro Alloys sales at Rs. 110.3 crore and sales in Sugar business at Rs. 18.8 crore. Interest expenditure was lower at Rs. 4.5 crore while Depreciation stood at Rs. 14.2. The Company made Net Profit of Rs. 66.1 crore for the quarter with the diluted EPS stood at Rs. 7.84 per share.

FY 2011 financial review:

Power continued to drive the performance in FY2011. Total Income in the year stood at Rs. 1,092.5 crore. Sales in Power were at Rs. 655.7 crore in the light of stable volumes and muted realisations on the merchant side. Sales in Ferro Alloys were at Rs. 438.5 crore and in Sugar were at Rs. 86.2 crore. Interest expenditure was at Rs. 21.8 crore while Depreciation charged was at Rs. 45.8 crore. Net Profit after tax for the year was at Rs. 305.7 crore reflecting a fully diluted EPS at Rs. 36.69.

The Company has reported consolidated financials of immediate and step down subsidiaries which took into account the part realisation of the sale of shares of Navabharat Power Private Limited to Essar Power Limited, pre-commencement expenditure incurred on various projects and proportionate operational loss in Maamba Collieries Limited (MCL), the Zambian coal mine which is on a revival plan.

Commenting on Nava Bharat's fourth quarter and yearly results, Mr. D. Ashok, Chairman said: *"In the last one year the Power segment has faced challenging times and your Company was no exception. We were witness to an uncharacteristic operating environment with a moderation in merchant realisations on one hand and rising input costs on the other. To mitigate the risk of an uncertain domestic policy environment and lack of domestic coal availability we have made strategic investments overseas. We are happy to share the updates on our Zambian venture which will begin to show traction in the coming year. We have already begun the groundwork for a 300MW plant and the PPA and financial closure will be signed shortly. We will also initiate the sale of low grade coal in the next few quarters.*

Even though we see short term headwinds in this segment, we are buoyant about the long term benefits that the power sector has to offer. Our 64MW project at Kharagprasad is complete and we are awaiting environmental clearances to operationalize the same. Work on our 150MW plant at Paloncha is proceeding as per schedule. A robust economy fueling high consumption and a demand supply mismatch convinces us of robust domestic demand and stable merchant rates in the long term.

We continue to monitor key developments in the Ferro Alloys segment and will modify our production when we sense an opportunity in the domestic segment. The Company is looking to achieve superior operating and financial performance at a domestic level and is looking to grow its global businesses."

Mr P. Trivikrama Prasad, Managing Director added: *"Nava Bharat has delivered stable set of results for the quarter mainly on account of improved volumes and realisations. Domestic power and coal cost and its availability is likely to be a concern, but is not going to be a major impediment for the Company due to its boilers being modified to use low grade washery rejects thus reducing our input costs.*

The performance from the Ferro Alloys segment remains moderate. Manganese Alloys continue to deliver better returns on the back of improved demand. Keeping in mind the domestic environment the Company will prudently adjust its option of using power for production of Ferro Alloys or selling it as merchant power.

We have witnessed a gradual uptick in realisations mirroring the domestic demand supply scenario and rising input costs. The 64MW plant will be functional soon and will contribute to future profitability. Therefore steady merchant power rates and increased production capacity should give the company good growth in profitability. Going ahead, the Company's performance will get a major thrust from increased traction from international businesses which will further augment its performance."

Corporate developments:

Board recommends dividend:

The Board of Directors recommended dividend of 300% on fully paid up equity shares of Rs. 2 each, for the year ended 31 March 2011. This would result in a dividend pay out of Rs 59.6 crore (including dividend tax) on equity shares including the shares that are to be issued following mandatory conversion of FCCBs for which the Company has exercised Issuer's Conversion Right.

Transfer of balance holding in M/s. Navabharat Power Private Limited to M/s. Essar Power Limited:

M/s. Nava Bharat Projects Limited, the subsidiary of Nava Bharat Ventures Limited, transferred the balance shareholding in M/s. Navabharat Power Private Limited to M/s. Essar Power Limited during Q1 of FY 2011-12 and received Rs. 85 crore pursuant to the earlier agreement. This completes the sale transaction.

-ENDS-

Q4 & FY2011 quantitative data table

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

	Q4 FY2011	Q4 FY2010	FY2011	FY2010
A. Production / Generation				
Silico Manganese (MT)	15,703	12,185	56,585	27,665
Ferro Manganese (MT)	0	5	5,645	207
Ferro Chrome (MT)	58	5,709	8,063	14,555
Power (MU) (Net)	419.5	402.1	1,644.0	1,563.3
Sugar (MT)	31,199	21,817	37,103	28,729
Molasses (MT)	14,199	9,734	16,854	13,413
Spirit (b.Litres)	75,300	733,300	167,600	733,300
B. Sales				
Silico Manganese (MT)	19,195	13,655	56,838	37,088
Ferro Manganese (MT)	117	72	5,113	1,967
Ferro Chrome (MT)	79	8,572	11,628	25,528
Power (MU)				
-Captive Consumption (MU)	69.1	74.1	298.5	178.5
-Merchant Sale (MU)	350.5	328.1	1,347.0	1384.8
Sugar (MT)	5,515	4,556	28,661	27,660
Molasses (MT)	3,351	2,357	10,988	5,476
Spirit (B. Litres)	152,142	54,709	832,258	871,034
Co-gen Power (KWH)	7,472,410	8,621,274	10,183,970	12,449,000
C. Closing Stock				
Silico Manganese (MT)	3,385	3,638		
Ferro Manganese (MT)	282	-		
Ferro Chrome (MT)	1	3,564		
Sugar (MT)	30,544	22,102		
Spirit (B. Litres)	15,616	680,274		

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

M Subrahmanyam / P. J.V Sarma
Nava Bharat Ventures Limited
Phone:+91 40 2340 2064 / +91 40 6728 3333
Fax: +91040 2340 3013
Email: nbvl@nbv.in

Siddharth Rangnekar / Karl Kolah
Citigate Dewe Rogerson
Phone : 022 6645 1209 / 1221
Fax: 022 6645 1213
Email: siddharth@cdr-india.com / karl@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.

For Nava Bharat Ventures Limited

G.R.K. Prasad
Executive Director