NAVA BHARAT VENTURES LIMITED

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

NAVA BHARAT

NBV/SECTL/2251/2010-11
January 17, 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.

Kind attn : Sri K.Hari, Vice President

Dear Sirs,

Sub : Press Release under the caption "Nava Bharat Ventures exercises conversion option on the FCCBs".

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We enclose herewith a Press Release on the under the caption "Nava Bharat Ventures exercises conversion option on the FCCBs", 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.

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ISO 9001 ISO 14001

Nava Bharat Ventures' exercises conversion option on the FCCBs

Hyderabad, January 17, 2011: Nava Bharat Ventures Limited has exercised the "Issuer's Conversion Option" to mandate the conversion of outstanding FCCBs into equity shares of the Company.

The Company has outstanding FCCBs to the tune of JPY 3.52 Billion (presently equivalent to US $ 42.44 Million and Rupee equivalent of ₹ 1925.09 Millions) which would be converted in to 14083520 equity shares (approx.) of the Company at the prevailing conversion price of ₹ 121.82 per share on the effective date being 28th February 2011.

The Company had issued the FCCBs in October 2006 to the tune of JPY 6 Billion out of which FCCBs worth JPY 2.48 Billion were already converted in tranches earlier.

The FCCBs had zero coupon and carried a fixed YTM of 4.67% per annum, payable on redemption/conversion. Further the Company had a fixed exchange rate of JPY 0.3976 per Rupee for this conversion irrespective of the current exchange parity.

The Company has exercised the Issuer's Conversion Option for the entire outstanding FCCBs, based on the trailing market price of the Company's share over the last one month as stipulated in the Offering Circular.

Post this Conversion, the equity capital of the Company is set to go up to 90448188 equity shares of ₹ 2/- each aggregating to ₹ 180.90 Million while the Share Premium will register an increase of ₹ 1687.49 Million and the current debt of ₹ 1399.55 Million relating to FCCBs stands extinguished.

Commenting on the development, Mr D Ashok, Chairman stated *"Due to this conversion all the FCCBs designated as debt will get extinguished. The Company will concentrate on the corporate growth opportunities in India and abroad that the Company is pursuing".* ***Mr Trivikrama Prasad P, Managing Director, commenting on the Conversion stated,*** *"The conversion of FCCBs in to equity shares will lend strength to our balance sheet. We continue to generate strong cash flows from operations. I am especially pleased that with no FCCBs we shall see a significant spurt in the financial position of the Company."*

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NAVA BHARAT VENTURES LIMITED HYDERABAD

For NAVA BHARAT VENTURES LIMITED

Managing Director

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.

NAVA BHARAT VENTURES LIMITED HYDERABAD

For NAVA BHARAT VENTURES LIMITED

Managing Director