



**JAI PRAKASH ASSOCIATES LIMITED  
(Formerly Jaypee Cement Limited)**

**Corporate & Registered Office:** Sector 128, Noida - 201304, U. P. (India)  
**Head Office:** JA House, 63, Basant Lok, Vasant Vihar, New Delhi 110057 (India)  
Tel No.011-26141540/26147411, Fax No. 011-26145389/26143591 website:

[www.jalindia.com](http://www.jalindia.com)

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**PRIVATE PLACEMENT OF 5000 SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES  
OF RS.10,00,000/- EACH FOR CASH AT PAR AGGREGATING RS.500 CRORES**

**GENERAL RISKS**

For taking an investment decision, investors must rely on their own examination of the Issue and the Information Memorandum including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum.

**CREDIT RATING**

“CARE A+” (pronounced CARE single A Plus) by CARE Limited for Rs.500 crores long term secured NCDs indicating “adequate safety for timely servicing of debt obligations. Such instruments carry low credit risk”.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

**LISTING**

The Debentures are proposed to be listed on the Bombay Stock Exchange Limited (“BSE” or the “Stock Exchange”).

**REGISTRAR TO THE ISSUE**



ALANKIT ASSIGNMENT LIMITED  
2 E/8 First Floor,  
Jhandewala Extension, New Delhi 110055  
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This schedule under SEBI guidelines dated June 6, 2008 for private placement is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by the Issuer.

<b>Table of Contents as per Schedule I to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008</b>		
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	Information as per Schedule I to the Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008	
(i)	Name and address of the registered office of the Issuer.	
(ii)	Name address and other details of the directors on board as on June 30,2009	
(iii)	Summary of the business / activities	
(iv)	Brief history of the Issuer Company since incorporation and changes in capital structure	
(v)	Securities to be issued and listed under current documents	
(vi)	Details of the Issue size	
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(viii)	Material contracts involving financial obligation	
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(xiii)	Undertaking to use a common form of transfer	
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**Definition/Abbreviations/Terms Used**

Articles of Association/Articles	Articles of Association of Jaiprakash Associates Limited (JAL)
Board of Directors	Board of Directors of JAL
BOO	Build on Operate
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CARE Limited	Credit Analysis & Research Limited
CMA	Cement Manufacturers Association
Company/Issuer/Issuer Company	Jaiprakash Associates Limited (JAL)
Debentures/NCD	Secured, redeemable Non- convertible debentures issued / proposed to be issued pursuant to this information memorandum
Debenture Trustee/Trustees	IDBI Trusteeship Services Limited
Deemed Date of Allotment	July 15, 2009
Depositories	NSDL and/or CSDL
DP	Depository Participant
EPC	Engineering Procurement and Construction
EBITDA	Earning Before Interest, Depreciation & Tax
FCCBs	Foreign Currency Convertible Bonds
FY	Financial Year
INR/Rs./Rupees	Currency of Republic of India
Investor	Those persons who fall under the category of eligibility to whom this information memorandum along with pricing supplement may be sent with a view to offering the debentures for sale on private placement basis through this information memorandum
Issue	5000 secured redeemable non-convertible debentures of Rs.10,00,000/- each for cash at par aggregating Rs.500 crore in one or more tranches
JIL	Jaypee Infratech Limited
Memorandum of Association/Memorandum	Memorandum of Association of JAL
MTPA	Million Tonnes Per Annum
NSDL	National Securities Depository Limited
Promoters Group	Mr Jaiprakash Gaur and his associates
RBI	Reserve Bank of India
RTGS System	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
TDS	Tax deducted at source
UP	State of Uttar Pradesh
WDM Segment	Wholesale Debt Market Segment

**I. NAME, ADDRESS & REGISTERED OFFICE OF THE COMPANY****SUMMARY INFORMATION OF OUR COMPANY****Name:** Jaiprakash Associates Limited**Corporate & Registered Office:** Sector 128, Noida - 201304, U. P. (India)**Head Office** : JA House, 63, Basant Lok, Vasant Vihar, New Delhi 110057 (India)**II. NAME ADDRESS AND OTHER DETAILS OF DIRECTORS ON BOARD AS ON JUNE 30, 2009**

<b>Board of Directors</b>	<b>Designation</b>	<b>Address</b>	<b>Date of Appointment</b>
Jaiprakash Gaur	Founder Chairman	A-9/27, Vasant Vihar, New Delhi – 110057	14.12.2007
Manoj Gaur	Executive Chairman & CEO	A-9/27, Vasant Vihar, New Delhi – 110057	31.03.1997
Sunil Kumar Sharma	Executive Vice Chairman	E-9/14, Vasant Vihar, New Delhi –110057	18.03.2004
Sarat Kumar Jain	Vice Chairman	B-1/12, Vasant Vihar, New Delhi – 110057	01.03.2007
A.K. Sahoo	LIC Nominee	B-1, Jeevan Jyot, Setalwad Lane, Napean Sea Road, Mumbai	01.03.2007
Sh. K.P.Rau	IDBI Nominee	E-2, BSNL Staff Quarters, W.M.S Compound, 47th Cross, 9th Main, Jayanagar 5th Block, Bangalore-Karnatak560041	27.08.2008
Gopi K. Arora		181, Sector 15-A Noida 201301 (U.P.)	18.03.2004
R.N. Bhardwaj		402,Moksh Apartments, Uper Govind Nagar, Malad East, Mumbai Maharashtra-400097	14.07.2007
S.C. Bhargava		1305, B Wing, 13 <sup>th</sup> Floor, Dosti Acres, Upper Link Road, Off. SM Road, Antop Hill, Wadala East, Mumbai – 400 037	27.12.2005
B.K. Goswami		F-4, Kailash Colony, New Delhi 110048	01.03.2007
B.K. Taparia		75, Nagina Bagh, Ajmer, Rajasthan – 305001	27.12.2005
S.C. Gupta		B-186, Sector-44 Noida-201303-UP	20.12.2008
M.S. Srivastava		16, Amaltash Kunj, DLF Phase-I, Near DLF Tower, Gurgaon (Haryana)	30.06.2004
Sunny Gaur	Managing Director(Cement)	A-9/27, Vasant Vihar, New Delhi- 110057	16.01.1998
Pankaj Gaur	Jt. Managing Director (Construction)	A-1/7, Vasant Vihar New Delhi 110 057	30.06.2004
R.K. Singh	Whole-time Director	C28 A, Sector-26 Noida-201301	15.10.2007
Ranvijay Singh	Whole-time Director	E-2/11, Vasant Vihar, New Delhi – 110057	14.12.2007

S.D. Nailwal	Whole-time Director	75, Shrestha Vihar, Delhi – 110092	30.06.2004
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### **III. SUMMARY OF BUSINESS/ ACTIVITIES**

#### **Overview**

- The Company, or **JAL**, is the flagship company of the Jaypee Group. The Jaypee Group is a diversified infrastructural industrial group based in India with significant interests in the areas of civil engineering and construction, cement manufacturing, power, real estate and expressways, hospitality, golf courses, mining and education on a not-for-profit-basis. The Company and its subsidiaries and affiliate companies constitute the “Group”.
- For the year ended 31 March 2009, the Company generated an income of Rs.6,152.29 crores (31st March 2008: Rs.4,273.64 crores) and net profits after tax of Rs.897.01 crores (31st March 2008: Rs.609.67 crores).
- The Shares are listed on the NSE and the BSE with effect from 14 June 2004 and subsequently on the stock exchanges at Ahmedabad, Delhi, Kanpur and Calcutta. The Shares have been delisted from the stock exchanges at Ahmedabad (with effect from 31 March 2006), Kanpur (with effect from 28 July 2006) and Delhi (with effect from 14 August 2006). The Company is still awaiting formal approval for the delisting of its Shares from the Calcutta Stock Exchange.
- The promoters of JAL are Mr Jaiprakash Gaur and his associates, who together with their associated interests, comprise the “Promoters Group”. As at 31st March 2009 the Promoters Group held approximately 45.24 per cent of the issued Shares. Pursuant to the scheme of amalgamation, the shareholding of Promoter Group is 38.20% (approximately) and 20,12,11,255 number of equity shares allotted on 14<sup>th</sup> June, 2009 are held in trust, the beneficiary of which is JAL.
- The Company is engaged primarily in the business of:
  1. Engineering and construction;
  2. Manufacture and marketing of cement;
  3. Real estate development; and
  4. Hospitality and Golf Course.
- The Group’s areas of activities are categorised into the following:
  1. Engineering and construction;
  2. Cement production;
  3. Power generation (including Thermal, Wind and Hydro-power);
  4. Real estate;
  5. Roads and Expressways;
  6. Oil and gas exploration;
  7. Mining; and
  8. Hotels and Golf Course.

#### **Key Strengths**

The Company is the flagship company of the Jaypee Group, which is a diversified infrastructure industrial group based in India with significant interests in the areas of cement manufacturing, civil engineering and construction, power generation, hospitality, real estate, project consultancy and education on a not-for-profit basis. Company has been a continuously profit-making and growing organisation with Revenue CAGR for FY'06-FY09 at 23 per cent and EBITDA CAGR for FY06-FY09 at 37 per cent (excluding profit from sale of shares of Jaiprakash Hydro-Power Limited). The strong financial performance has been achieved through continuous sales growth, higher productivity, and tight cost control.

#### **Cement**

- Leading cement manufacturer in India with 14.70 MTPA cement capacity and over 25 years of experience. The Jaypee Group is among the largest cement producing groups in India and is in the forefront of the fast growing central and northern cement markets in

India, which accounts for some 33 per cent of India's population. The Group is currently implementing capacity expansion plans to benefit from market opportunities in the cement industry and to consolidate its market share. The Group currently is in the process of expanding its cement production capacity to 33.5 MTPA by FY'12.

- Prominent market share in Uttar Pradesh, Madhya Pradesh and Bihar in India and in Nepal.
- Accounts for a significant portion of the installed production capacity in Central India's Satna cluster, in Siddie and in Uttar Pradesh near areas which JAL considers to be its "Natural Marketing Zone", including parts of Uttar Pradesh, Madhya Pradesh and Bihar.

## **E&C**

- Leading E&C company in India with over 41 years of experience, specialising in complex hydro-power and river valley projects.
- Awarded an ICRA rating of CR1 indicating strong contract execution capacity with respect to hydropower (EPC) projects with contract values up to RS. 2500 crores (USD 500 million).
- Present in 54.3 per cent of hydro-power projects developed in the 10th Five Year Plan (2002-2007) of the Government of India .
- Early mover in the BOO private hydro-power sector in India, with the Group now being one of the largest private sector hydro-power participants in India.
- In-house specialization in project design with detailed engineering capabilities ranging from the concept stage, to the manufacture of specialized components and to the commissioning, operation and maintenance of projects.

## **Real Estate & Hospitality**

Company is developing real estate at two locations:

- Noida: Spread over an area of 258 acres of land (78 acres of owned land). Company has till 31st May, 2009 sold area of 5.2 million sq ft and the balance will be developed and sold over in the future.
- Greater Noida: 18 hole "Greg Norman Signature Championship" golf course at Greater Noida (part of the National Capital Region of Delhi) with rights to develop 8 million square feet of adjacent real estate. Spread over an area of 452.26 acres company has till date sold total area of 2.9 million sq ft.

## **Hospitality**

- Company presently owns and manages three 5 star deluxe hotels in northern India, namely Jaypee Siddharth Hotel with 98 rooms located at Rajendra place in New Delhi, Jaypee Vasant Continental with 119 rooms located at Vasant Vihar, New Delhi and Jaypee Palace Hotel with 344 rooms and a convention centre with a capacity of 1,200 persons in a complex of about 25 acres at Agra in Uttar Pradesh. Company also owns Hotel Jaypee Residency Manor with 90 rooms located at Mussoorie and Jaypee Greens Resort at Greater Noida.

## **Experienced management**

- The core executive management team has formulated and implemented a strategy to deliver consistent growth in revenues, EBITDA and profitability over several years. The management team has over 42 years of combined experience in the E&C business and over 25 years of combined experience in the cement business. The management team is well placed to continue to execute a growth strategy to effectively expand the Company's business in the next few years.

## **Business Strategy**

- In order to take advantage of the opportunities arising in the infrastructure and power sectors in India, the Group has embarked upon a growth strategy, which includes, *inter alia*, expanding its engineering and construction business, as well as increasing its cement production capacity. In relation to its engineering and construction business, the Group's strategy is to place particular focus on hydro-power projects (both as a construction company and as an IPP), whilst also looking to capitalise on opportunities

in emerging infrastructure development projects, including projects being undertaken on BOO basis, and to seek opportunities in relation to highways and expressway projects, and real estate development. The Company has diversified into the fast growing real estate sector and is presently developing golf centric real estate at two locations at Noida and at Greater Noida under the brand name - Jaypee Greens, and will be developing a total of 78 million sq. ft of adjacent real estate. The Company has been awarded the contract for the Yamuna Expressway Project, involving construction of a 160km six lane access controlled expressway linking Agra to Noida. The Company has also been awarded a contract for construction of a 1,047 km expressway in Uttar Pradesh linking Greater Noida to Ballia. This would also involve development of 30,000 acres of land along the expressway both for real estate and commercial development at various locations.

- With a reasonably strong presence in the development of hydro-power projects as an EPC contractor and on BOO basis, the Group is now entering into other areas related to the energy sector including, amongst others, the development of thermal power projects, oil & gas exploration, coal mining and reconnaissance surveys with a focus on becoming an integrated power player.

### **Engineering and Construction**

The Company's principal strategy is to focus on undertaking medium to large river valley/hydro-power projects on an engineering procurement construction contract basis ("EPC"), whereby the Company takes the responsibility not only for the design, construction, testing and commissioning of civil and hydro-mechanical works, for which the Company possesses the capacity, expertise and experience, but also for the design, construction, testing and commissioning of electro-mechanical works through joint venture partners. In addition, the Company also intends to leverage on its strength in engineering and construction through its subsidiaries in relation to hydro-power projects to continue to look at opportunities to undertake hydro-power projects on BOO basis. In view of the Government's encouragement of hydro-power projects to meet the current energy supply-demand imbalance and to meet projected increases in power demands and to rebalance the thermal power/hydro-power mix, the Company expects that there will be increased business opportunities in the hydro-power sector, both on EPC contract basis and on BOO basis through its subsidiaries. The Company believes its success in the hydro-power sector in integrating its strengths in engineering, technology, project management and construction expertise together with its large well-trained workforce and its specialised machinery, plant and equipment provide it with a significant competitive advantage.

### **Cement**

- India is the second largest producer of cement in the world after China. However, per capita consumption of cement is only 131kg per annum (*Source: CMA*), which is significantly below the average level of consumption even for developing countries. Cement consumption in India has witnessed a compound annual growth rate of 8 per cent over the last five years, with current year growth of 8.13 per cent(*Source: CMA*). The Company believes that there will continue to be significant growth in consumption. The cement market in India is highly fragmented and regionalised, as a result of the high cost of transport of cement compared to its value. This has led to regional variation in the supply-demand balance. The Company's cement production facilities are located in Central India, with more than 90 per cent of its cement production being sold to customers within Uttar Pradesh, Bihar and Madhya Pradesh within a 600 kilometre radius of its production facilities. The states of Uttar Pradesh, Bihar and Madhya Pradesh account for approximately 33 per cent of the population of India. In order to take advantage of the anticipated increase in demand for cement in its markets, the Company has recently completed the expansion of its production capacity from 7.0 million MTPA to 14.70 MTPA by setting up a 3.0 million MTPA plant at in Uttar Pradesh, 2.0 MTPA plant at Sidhi, 1.5 MTPA grinding unit at Panipat in Haryana and 1.2 MTPA cement capacity in Gujarat.
- Major capacity expansion is currently underway through greenfield additions, acquisitions, subsidiaries and joint ventures with new cement plants coming up in the Northern, Central, Western and Eastern regions of the country. The Company believes that these developments will make the Group the third largest cement producing group in India, with 33.5 million MTPA of installed capacity by FY12.

- With the recent completion of the expansion and modernisation programme, the Company's cement business has also addressed the issue of the cost and reliability of power. The cost of power accounts for approximately 31 per cent of the total cost of cement production. The operating cement business at Rewa, Siddhie and UP has installed coal based thermal power plants with 188 MW capacity as on 31<sup>st</sup> May, 2009, making it self sufficient in power and allowing it to benefit from significant production synergies. The Company believes that the cost savings made as a result of its power plant construction will enhance its competitive position.

### **Real Estate**

- The real estate sector in India is growing, fuelled in part by rising GDP, an increase in disposable income and robust foreign direct investment flows. Rapid population growth, favourable demographics, decreasing household sizes and a housing shortage of over 22 million units (Source: 10th Government Five Year Plan (2002-2007)) will require extensive investment for residential construction. Easier availability of loans, tax advantages, growing population, urbanisation and the lower average age of property ownership are other factors contributing to the demand for quality real estate.
- In the residential sector alone, the investment estimated to cover housing shortfall is USD 37.5 billion on housing and USD 62.5 billion on related infrastructure. Besides this, the Information Technology /Information Technology Enabled Services growth is fuelling huge real estate requirements – some 20 million sq ft of high quality IT/ITES space would be required this year and looks set to be the level of demand in the next few years. Organized retail, currently at USD 3.2 billion, is poised for strong growth in India because of its demographics which will further fuel the demand for additional real estate. (Source: National Real Estate Development Council)
- The Company is positioning itself to benefit from this growth, and has entered the real estate sector through a merger with Jaypee Greens Limited. The Company has diversified into the fast growing real estate sector and is presently developing a golf centric real estate development through Jaypee Greens, and will be developing a mix of residential, commercial, industrial, institutional and amusement parks in Noida, Greater Noida and at 5 locations along the Yamuna Expressway.

### **Expressways**

1. Yamuna Expressway - The Company has been awarded the contract by Jaypee Infratech Limited for the Yamuna Expressway Project, involving conception of a 160 km six lane access controlled expressway linking Agra to Noida.
2. Himalayan Expressway – Company has been awarded the construction of Zirakpur-Parwanoo expressway from KM39.86 to KM 67.00 of NH-22 on BOT basis in the state of Punjab, Haryana and Himachal Pradesh.
3. Ganga Expressway – Company has recently been awarded the construction of 8 lane 1,047 km long Ganga Expressway project connecting Greater Noida and Balia in Western UP.

### **Industry Brief**

#### **Engineering and Construction Industry in India**

- The growth of the Indian economy over recent years and the Government's efforts to support projects that improve basic infrastructure and reduce impediments to growth have combined to create increased demand for engineering and construction services in India. Financial and institutional limitations on the Government's ability to carry out industrial projects and projects designed to improve basic infrastructure have necessitated increased private sector involvement to achieve the objectives of the Government.
- The Company specialises in the execution of EPC contracts of river valley/hydro-power projects and believes that this sector is likely to continue to see significant growth, with the Government laying particular emphasis on using increases in hydro-power capacity to reduce the existing power deficits in the country and to try to meet projected increasing power demands, whilst at the same time attempting to rebalance the existing hydro:thermal power mix ratio from 26:74 to 40:60 (Source: Website of the Ministry of Power, Government of India), reversing the decline from the 1970s.



- The total energy requirement in India for the period 2007 to 2008 was 737,052 MU of which only 664,660 MU was available, leaving a shortfall of 9.8 per cent for energy requirement. Against the peaking requirement of 108,886 MW over 2007 to 2008, the peak demand met was at 90,793 MW, resulting in a shortfall of 16.6 per cent
- According to the 17th Electric Power Survey (“EPS”) published in March 2007, electricity supply needs are expected to grow on an average by 8.15 per cent per annum over financial years 2006 to 2012, a rate much higher than the 5.8 per cent witnessed over the last decade. The Ministry of Power’s current five-year plan (2007 to 2012) aims to add approximately 78,577 MW capacity including thermal (58,644 MW), hydro (16,553 MW) and others (3,380 MW). The addition of the 16,553 MW hydro-power capacity represents more than the aggregate additional hydro-power generating capacity during the last 15 years. The five-year plan for the period 2012 to 2017 aims to increase hydro-power capacity by a further 50,000 MW. The Government has provided a number of incentives to private companies to attract involvement in projects in the power sector, including exemption from income tax for certain periods and exemptions from certain duties and levies where the development is in an area classified as “backward” or under-developed, and assured minimum return on equity capital employed (“ROE”) and guaranteed offtake arrangements through power purchase agreements with relevant state electricity authorities.
- The installed generating capacity of electric power generating stations in India was 143,311 MW as at 30 April 2008 consisting of 35,909 MW hydro based, 92,157 MW thermal based, 4,120 MW nuclear and 11,125 MW from renewable energy sources. (Source: Ministry of Power)
- The 17th EPS carried out by the Central Electricity Authority has projected a peak demand of 121,891 MW and an energy requirement of 794,561 MU for the period 2008 - 2009, while the requirement for 2011 - 2012 has been projected as 152,746 MW and 968,659 MU respectively. Even with the planned incremental capacity additions it is likely that the power deficit will continue in the Northern Region of India over the next five years and that the deficit will be accentuated in the event of delays in the commissioning of capacity under construction or under planning.
- The Company believes that as a result of the foregoing factors there is considerable scope for a significant increase in the engineering and construction of hydro-power plants in Northern India, and with its proven track record in engineering and construction of such projects and its focus on BOO activities, it is well placed to take advantage of this situation.

## Overview

- The Company has been involved in the construction of major engineering projects in India for over 30 years, specialising in complex hydro-power and river valley projects. In the year ended 31 March 2009 the consolidated total income of the Group contributed by the engineering and construction business amounted to Rs.2,909.4 crores, compared with RS. 1,772.2 crores in the year ended 31 March 2008.
- The growth in the engineering and construction segment revenue was mainly on account of company undertaking in-house projects for completion of 160 km Yamuna Expressway and 1,000 MW Karcham Hydel Project. On the external project front work is going on full steam at the Srisaillam Project. The Company is not bidding aggressively for third party projects because of the increase in the in-house activities/works as under:
  - Real Estate works on Yamuna Expressway and Ganga Expressway;
  - The hydropower projects with an aggregate capacity of 2,700 MW in Arunachal Pradesh;
  - The hydropower projects with an aggregate capacity of 720 MW in Meghalaya;
  - Construction of Ganga Expressway of 1,047 km and Yamuna Expressway Project of 160 km; and
  - Two thermal power projects comprising of Nigrie (1,320 MW) and Bina Power (1,250 MW).
- As outlined in the following table, the Company has completed a number of projects in India and abroad.

## Major works completed by Engineering and Construction Division

<b>Year</b>	<b>Project</b>	<b>Major Works Completed</b>
1974	Ukai Dam Project	Main canal; cross drainage works; tail race channel
1977	Salal hydro-electric project	Excavation of Power House; cut-off wall
1979	Garwhal-Rishikesh chilla hydel project- Veerbhadra Barrage	Channel works and barrage works
1981	Kudremukh Iron Ore Project	Earth dam; mine road; hole dam
1985	Brahmaputra Road Bridge	Approach bank and guide bind
1986	Sardar Sarovar package works	Excavation of Sardar Sarovar Dam foundation (1981) Fault Zone treatment (1984) Construction of blocks 1 to 20 of Sardar Sarovar Dam (1986) Two diversion tunnels; river bed excavation; upstream coffer dam excavation and fill placement excavation of chute spillway
1986	Tehri hydro-electric project	Concrete gravity dam
1987	Karjan reservoir project	Two Adit tunnels and Power House pit
1987	Indira Sarovar hydro-electric project	Merchant and wire rod rolling mill; raw material handling station; peripheral boundary wall
1989	Vishakapatnam steel plant	Concrete gravity dam
1993	Chamera concrete gravity dam	Raising height of Lakya Earth Dam and construction of tunnel spillway
1994	Kudremukh iron ore project	Canal head Power House
1998	Vadagam saddle dam	Construction of Power House
2002	Nathpa Jhakri hydro-electric project	Hydro-electric Build-Own-Operate plant
2003	Baspa hydro-electric project	EPC Contract for Dam and Power House
2004	Chamera II hydro-electric project	Construction of Power House and Dam
2005	Indira Sagar hydro-electric project	Saddle Dam Complete
2005	Sardar Sarovar (Vadgal Saddle Dam)	Construction of Head Race Tunnel
2005	Tala Hydroelectric Project	Hydro-electric Build-Own-Operate plant
2006	Vishnuprayag hydroelectric project	Dam, Power House & HRT
2007	Dul-Hasti hydro-electric project	Rock-fill Dam
2007	Tehri hydro-electric project	Power House
2007	Sardar Sarovar (Narmada) project	Power House
2007	Tala hydro-electric project (Bhutan)	EPC Contract for Dam and Power House
2007	Omkarshwar Project	
2008	Teesta- V Hydro-electric-Project (510 MW)	Dam and Power House

- The Company currently has projects with a total original contract value of RS. 45,046 crores as at 31<sup>st</sup> March 2009.
- An increasingly important part of the business of the engineering and construction segment is being carried out on an EPC basis, for which the Company provides EPC and project management services. The Company believes that demand for turnkey construction services will increase in India as developers seek to streamline development and construction processes by dealing with a single entity. Turnkey projects normally require the construction company to design, engineer and construct and commission the project based on parameters, requirements and technical specifications established by the developer of the project. The Company in such projects acts as a general contractor assuming full responsibility for overall project management and supervision or providing and operating various special purpose machinery and equipment and procuring basic construction materials.

#### **Contract Values Pending Execution**

- The table below sets forth information with regard to the contract value pending completion of the Company's projects during the three years ended 31 March 2009. Each contract may be amended during the course of its execution. Accordingly, the information in the tables in this section may be subject to change as work on the projects progresses.

**Contract Value  
pending Execution\***  
(RS. Crores)

**As at 31 March**

	<b>Contract Value pending Execution*</b> (RS. Crores)
2006 .....	7,749.2
2007 .....	6,745.8
2008 .....	42,285.3
2009 .....	45,046.8

\* Note: Based on the original contract value of the order, excludes items such as escalation and additional works.

### Engineering and Construction Projects in Progress

The following table sets out the engineering and construction projects currently under execution by the Company (including projects being undertaken on a BOO basis by subsidiaries of the Company where the Company is the EPC contractor for these projects, some of which are described under “- Power Segment” below).

Project	Client	State/ Country	Dams	Power- houses	Capacity	Contract Value (RS. Crores)
			No	No	MW	
Baglihar (Stage-I & II) <sup>(1)</sup>	J & K State Power Development Corporation	Jammu & Kashmir, India	1	2	900	<b>2,200.39</b>
Sardar Sarovar (Narmada)	Sardar Sarovar Narmada Nigam Ltd.	Gujarat, India	1		1,200	<b>538.00</b>
Karcham Wangtoo <sup>(2)</sup>	Jaypee Karcham Hydro Corp. Ltd.	Himachal Pradesh, India	1	1	1,000	<b>4,144.38</b>
Sri Sailam (AMRP) Project, Andhra Pradesh Yamuna	Irrigation and Command Area Development (ICAD) AP Govt. Jaypee Infratech Ltd	Andhra Pradesh, India	-	-	-	<b>1,925.00</b>
Expressway Project, Uttar Pradesh <sup>(2)(3)</sup>		Uttar Pradesh, India	-	-	-	6,000.00
Zirakpur-Parwanoo Highway from Km 39.860 to 67.000 of NH-22 <sup>(2)</sup>	Himalyan Expressway Ltd.	Punjab, Haryana and Himachal Pradesh				414.00
Construction of Ganga Expressway <sup>(2)(3)</sup>						29,825.00
<b>Total</b>			<b>3</b>	<b>3</b>	<b>3,100</b>	<b>45,046.77</b>

Notes:

1. EPC contracts.
2. Projects being undertaken by the relevant subsidiary on a BOO basis, where the Company is EPC contractor.
3. Cost-plus basis contract – Contract Value is estimated as per present scope of work.

### Other Projects

**1,320 MW Nigrie Thermal Power Project** – Group is currently in the process of setting up a 1.320 MW thermal power project at Nigrie, Madhya Pradesh on BOO basis at a total cost of RS. 6,000 crores. The project is being developed by the power subsidiary – Jaiprakash Power Ventures Ltd.

**1,250 MW thermal Power plant at Bina** – Group is also in the process of developing thermal power plant at Bina. The project will be developed in two phases (Phase I – 500 MW & Phase II – 750 MW) The total cost of phase I is estimated to Rs. 2754 cr. The project is being developed by the power subsidiary – Jaiprakash Power Ventures Ltd.

## Raw Materials and Equipment

- The Company sources its requirements of raw materials (ready-mixed concrete, cement, steel bars and shaped steel), building products, equipment and components in relation to its engineering and construction activities from a wide group of suppliers in the open market. Cement is sourced internally from the Company's own cement units or from the open market if the distance of the project from the cement unit makes the cost of supply from the Company's units uneconomical. Certain project owners may themselves sometimes purchase and supply the Company with materials such as cement and steel. In addition, customers may indicate their preferred vendors for purchase of certain equipment, components and materials.
- If a project contract calls for raw materials or building products to be purchased from abroad, such as steel, fibre for shotcrete, drilling accessories, high tensile rock bolts, the Company generally will enter into a contract for the supply of such materials or products at the start of the project to protect against supply shortages and shipment delays. For raw materials or building products sourced in India, the Company makes its purchases during the term of the contract as required. The Company recognises the importance of international procurement and sourcing capabilities and has been developing its capabilities in the sourcing of specialised raw materials, components and consumables from a variety of international suppliers. The Company has a representative office in London responsible for procurement. In addition, the Company's procurement engineers are periodically stationed overseas to evaluate, source and inspect materials.
- Equipment for a project, including earthmoving and other special purpose machinery, transportation vehicles and tools, is supplied from the Company's own inventory or from established third party suppliers. When the Company needs to obtain specialised equipment for a specified project or replace equipment in its inventory, the Company uses several suppliers in India and overseas.

## Competition

- The Group is one of the few Indian groups with the requisite experience and capabilities to compete for large value and complex hydro-power and river valley projects. Generally, the size, scheduling and complexity of large scale projects precludes the participation by smaller and less sophisticated engineering and construction companies, and whilst there are many qualified competitors, there are only a few Indian engineering and construction companies with the requisite capacity and experience to complete large industrial or infrastructure works on demanding schedules. Among those companies which are able to execute such major projects, competition is largely based on the proven ability to complete work on time, as well as price. The Company believes that its experience and proven track record, its reputation for timely completion of large projects in India spanning over 30 years, together with its in-house design and engineering expertise and its capacity for in-house fabrication of large scale hydro-mechanical equipment, place it in a strong competitive position.
- The Group's competitors in the specialist hydro-power and river valley power sector of the Indian engineering and construction market include Hindustan Construction Company Ltd., Continental Construction Ltd., L&T Ltd., Gammon India Ltd. and Patel Engineering Construction Company Ltd. The Company has been awarded CR1, the highest contractor grading awarded, by ICRA Ltd., a rating agency in India, recognising its contractual execution capacity for hydro-power EPC contract values up to RS. 2,500 crores. The Company is the only engineering company in India to be assigned a CR1 rating for this value. The Company has also been certified under ISO 9001-2000 for securing contracts for hydro electric and infrastructure projects, rendering support and facilities to execute such projects and design and engineering for hydro electric project.
- Generally, the civil works, electro-mechanical works and specialised works of construction projects are awarded in separate packages. However, in order to minimise delays arising from the interaction between different participants, contracts are increasingly being awarded under a single consolidated EPC contract. This trend has coincided with international companies attempting to enter the Indian market. During the past few years, the Company, in order to meet the specific requirements of various tenders, has entered into various consortia with major international companies such as SNC/Acres Inc., SNC Lavalin/Acres Transnational, GE Canada and Voith Siemens Hydro Kraftwerkstechnik GmbH & Co. KG in respect of two hydro electric projects put to tender by owners on an EPC contract basis in India.

- While non-Indian engineering and construction firms have not been significant competitors of the Company in the past, such firms are increasing their activities in India. The Company expects increased competition in India from foreign engineering and construction companies in collaboration with Indian construction companies. It is anticipated that foreign competitors will step up their entry into the Indian market in partnership with Indian construction companies.
- Given the Government's emphasis on hydro-power development projects for improving the hydro and thermal power mix and the increased opportunities this will bring in the sector, the Company expects competition in this sector to increase further.

## **Cement Segment**

### **The Cement Industry in India**

- India is the second largest producer of cement in the world after China, producing 168.31 million MT in the year ended 31 March 2008 (*Source: CMA*). Cement production commenced in India in 1914 and has increased significantly since 1980. During the period from 1989 to 1990, to the period 2007 to 2008, installed capacity (excluding the estimated capacity of mini cement plants) increased from approximately 55.87 million MTPA to approximately 175.65 million MTPA.
- The cement industry in India is fragmented and consists of large manufacturing plants and mini cement plants. Mini cement plants are those with capacities of up to 300,000 MTPA. There are approximately 134 large plants with a combined installed capacity of 175.65 million MTPA which are operated by some 44 cement producers. The total capacity of mini cement plants is estimated at approximately 11.10 million MTPA. For the year ended March 2009, cement production amounted to approximately 168.31 million MT. (*Source: CMA*).
- Cement prices and margins vary across regions, due to the variation in demand-supply balance, level of concentration and demand growth. Over the last five years, prices in the North have remained lower than the rest of the country because of the highly fragmented nature of the market.
- While regions of Southern and Western India have a cement surplus, regions in Eastern and Northern India have a deficit of cement. This is due to the concentration of limestone reserves in Andhra Pradesh, Karnataka, Gujarat, Rajasthan, Madhya Pradesh and Maharashtra, with cement plants being located in clusters near limestone mines.
- The Company's production facilities are located in the Satna cluster. Company has recently installed additional capacities at Siddhi in Madhya Pradesh and at Uttar Pradesh and Himachal Pradesh.

### **Overview**

- The Company is one of India's leading cement manufacturers and according to statistics published by the Cement Manufacturers Association ("CMA") in March 2009 the Company is the eighth largest producer of cement in India. Its cement division has three modern, computerised process control cement plants with an aggregate installed capacity of 5.4 million MTPA located at Rewa in Madhya Pradesh, the largest single cement complex in India. In addition, the Company has a blending unit with a capacity of 0.6 million MTPA at Sadva Khurd in Allahabad District and a grinding unit with a capacity of 1.0 million MTPA at Tanda in Uttar Pradesh. The Company in Feb/March 2008 has commissioned 1.0 million MTPA at Chunar and Dalla (Phase I) in Uttar Pradesh and 1.5 million MTPA at Panipat in Haryana. Company also added 2.0 MTPA integrated capacity plant at Sidhi in Madhya Pradesh, 1.20 MTPA capacity plant in Gujarat and another 2.0 MTPA capacity integrated plant in UP taking the aggregate capacity to 14.70 million MTPA in March 2009.
- Consolidated total income of the Group contributed by the cement business amounted to Rs. 2,439 crores in the year ended 31 March 2009, compared with Rs. 2,069 crores in the year ended 31 March 2008 (in each case net of excise duties including inter segment revenue).

### **Manufacturing Facilities**

- References in this document to plant or production capacity are to rated (or installed) production capacity; that is, the production capacity the relevant plant was designed to

achieve based on specified operating parameters, relating, *inter alia*, to quality of coal and limestone. Accordingly it is possible in certain circumstances to achieve actual production in excess of rated (or installed) capacity.

#### **Jaypee Rewa Plant**

- Jaypee Rewa Plant has two units with an aggregate capacity of 3.0 million MTPA. Unit-I has a capacity of 1.5 million MTPA and was commissioned in 1986 and Unit-II, which was commissioned in 1991, has a capacity of 1.5 million MTPA.

#### **Jaypee Bela Plant**

- Jaypee Bela Plant has a capacity of 2.40 million MTPA and was commissioned in 1996. A grinding unit with a capacity of 1.0 million MTPA was set up at Tanda, Uttar Pradesh in October 2004.

#### **Jaypee Cement Blending Unit, Sadva Khurd, Allahabad Uttar Pradesh**

- This is a blending unit of 0.6 million MT capacity, the first of its kind in India. Ordinary Portland cement manufactured at Jaypee Rewa Plant is transported by tankers to this unit where fly ash procured from National Thermal Power Corporation Limited (“NTPC”), Unchahar is blended with the Ordinary Portland Cement to manufacture Pozolona Portland Cement.

#### **Jaypee Ayodhya Grinding Operations, Tanda, Uttar Pradesh**

- This fly ash pit head based grinding unit has the capacity to produce 1.0 million MT of cement per annum for which clinker is transported by rail/road from Jaypee Rewa Plant while the fly ash is sourced from NTPC’s thermal plant located at Tanda itself. This unit, which is located in the Natural Marketing Zone (“NMZ”) of the cement division of the Company, is in a position to take advantage of the logistic benefit of its proximity to the market and source of supply of fly ash resulting in savings in the overall transportation cost of cement and fly ash. Further, the cement grinding mill at this unit, which is a vertical roller mill, consumes substantially less power (28 Kwh) than ball mills (38 Kwh).

#### **Jaypee Sidhi Cement plant in the State of Madhya Pradesh**

- In Central India, the Company has set up Jaypee Sidhi Cement plant in the State of Madhya Pradesh with installed capacity of 2 million MT along with a 35 MW captive power plant.

#### **Jaypee UP Cement Plant**

- In addition to the above, the Company has taken over the assets of UP Cement Corporation Ltd. and has upgraded and modernised the acquired plant to a 3.0 million MT capacity along with captive thermal power plants as set out below:

<b>UP Cement Project</b>	<b>Capacity</b> <i>(million MTPA)</i>	<b>Thermal Power</b> <i>(MW)</i>
Dalla Cement Factory	0.50	27
Chunar Cement Factory	2.50	38
<b>Total.....</b>	<b>3.00</b>	<b>65</b>

- The UP Cement project is the only integrated cement plant in the heavily populated state of Uttar Pradesh based on the only available limestone reserves in the State. This project is entitled to the following incentives:  
sales tax exemption for 10 years;  
10-year exemption from payment of royalty; and  
10-year exemption from electricity duty on power generated from captive power plants.

#### **Jaypee Gujarat Cement plant**

- The Company has set up 1.20 MTPA cement plant and is currently in the process of setting up new cement capacities amounting to 3.60 million MTPA in Western India

(Gujarat) taking the installed capacity of the Company in the Western Region by 2010 to approximately 4.80 MTPA. While the Company will be setting up 90 MW of captive power plants for its cement operations in Western India, it will also be benefited through the availability of lignite (fuel for captive power plants and kilns) in the vicinity and creation of a captive jetty which will help it to tap the cement export market.

### **Capacity Addition**

- The Company is also expanding its cement manufacturing capacity on a large scale in Central, Northern and Western India through greenfield additions, acquisitions and its subsidiaries and joint ventures.
- As part of its strategy to have a pan-Indian presence in the cement market, the Company is setting up a 5 million MTPA cement capacity at Baga in District Solan of Himachal Pradesh with split location grinding units at Bagheri and Panipat. This plant will also have a captive power plant with a 30 MW capacity which will use municipal solid waste as an alternative fuel for the first time in the country. The Company also plans to set up additional capacity of 2.2 million MT in the northern zone in Himachal Pradesh with a split location grinding unit at Roorkee & Sikandarabad. As part of the Government of India's policy to promote industrialisation in the state of Himachal Pradesh, the Company will have an excise duty exemption for 10 years for its production units in Himachal Pradesh. This will put the Company in a competitive position vis-à-vis its competitors in the zone. With this, the Company will have total installed capacity of 7.7 million MTPA in the northern zone which will give it an approximate market share of 13 per cent in northern India by 2010.
- The Company is also setting up a 3.5 million MTPA cement capacity at Balaji in Andhra Pradesh. The cement plant is expected to be commissioned in FY'12.

### **Joint Ventures in Cement Manufacturing**

- Further, the Company has entered into two joint ventures with Steel Authority of India Ltd to set up slag-based split location cement manufacturing units in the country. Under the first joint venture, split location cement manufacturing units are to be set up at Satna in Madhya Pradesh and Bhilai in the State of Chattisgarh with installed capacity of 2.2 million MTPA and under the second joint venture the manufacturing unit is to be set up at Bokaro in Jharkhand with an installed capacity of 2.1 MTPA.
- With the above capacity addition, the Group expects to have a total capacity of 33.50 million MTPA in India with 388 MW of captive power and approximately 12 per cent of the market share by FY'12.

### **Products**

- The Company produces Ordinary Portland Cement (43 Grade) and Pozzolana Portland Cement (43 Grade Buniyad and 53 Grade Buland).

### **Production Process**

- The Company uses the dry process technology, which consumes less power and water than the wet process technology.
- In dry process production, limestone is crushed to a uniform and usable size, blended with certain additives (such as iron ore and bauxite) and discharged onto a vertical roller mill where the raw meal is ground to fine powder. An electrostatic precipitator dedusts the raw mill gases and collects the raw meal for a series of further stages of blending. The homogenised raw meal thus extracted is pumped to the top of a preheater by air lift pumps. In the preheaters the material is heated to 750°C. Subsequently, in the precalcinator the raw meal undergoes a process of calcination (in which the carbonates present are reduced to oxides) and is then fed to the kiln. The remaining calcination and clinkerisation reactions are completed in the kiln where the temperature is raised to 1,450-1,500 degrees Celsius. The clinker formed is cooled and conveyed to the clinker silo from where it is extracted and transported to the cement mills for producing cement. For producing Ordinary Portland Cement, clinker and gypsum are used and for producing Pozzolana Portland Cement clinker, gypsum and fly ash are interground.

### **Competition**

- The cement industry in India is highly fragmented, with more than 50 industry participants. The industry is also highly regionalised. Since transport costs are high in

relation to the price of cement, production plants are mostly located near sources of raw materials, particularly limestone deposits, and target markets. The Group's cement production facilities are located in the Satna cluster in Central India which covers approximately a 600 km radius and comprises the states of Madhya Pradesh, Uttar Pradesh and Bihar (representing 33 per cent of the population of India). The Group's production facilities represent more than 30 per cent of the installed production capacity in the Satna cluster. The Company's competitors in the Satna cluster include Satna Cement, Maihar Cement, Prism Cement, ACC and Diamond Cement.

- Measures taken by the Company to improve its efficiency and therefore its competitive position include the establishment of three thermal power plants, which have rendered the Company's cement plants self-sufficient with respect to its energy requirements, as well as reducing its overall energy costs. Going forward, the Company plans to ensure that all its new cement plants have captive power sources, allowing the Company to control the cost of power, which accounts for almost 30 per cent of the cost of production of cement.
- In addition, the Company's Uttar Pradesh plant is entitled to exemption from sales tax, royalty payments on limestone mining and payment of electricity duty for its captive power generation, for 10 years. The new cement plant being established in Himachal Pradesh, uniquely amongst cement plants in Himachal Pradesh, will enjoy exemption from excise duties for 10 years. The Company believes that these advantages will further enhance its competitive position.
- New entrants to the Indian cement market face significant barriers by reason of the time and capital expense involved in constructing plants and establishing a distribution network and brand image. Competition between regional producers is also limited by high transportation costs in relation to the value of the cement carried and the limited number of suitable limestone deposits. Accordingly, the Company believes that its principal competitors will continue to be those producing in the same regions as the Company.
- Cement imports in the country has been allowed at zero import duty. However the cost of the cement produced by Indian companies, even at the prevailing tax regime on Indian cement (which is still amongst the highest, totalling 30 per cent of the delivered cost) is still competitive compared to the cost of the cement imported on the prevailing zero import duty.
- The Company believes that with the continuous impetus available to the economy, cement is likely to see a stable growth in consumption as well as a satisfactory price regime.

#### Power Segment

- The Group has diversified into power generation by entering into hydro-power projects in the private sector on a BOO basis. The Indian Ministry of Power announced in the 1990s that it would allow private sector participation in power generation in order to reduce the gap between generation of and demand for electricity. The Group was among the first private sector entrants to the sector, leveraging for its own projects its existing experience in constructing dams and power houses as an engineering and construction company. For the year ended 31 March 2009, the consolidated total income of the Group contributed by the hydro-power segment amounted to Rs. 744.82 crores.

#### Projects

The table below sets out details of the Group's own power projects:

Project	Capacity	Location	Subsidiary	Commencement of Commercial Generation
Hydro Projects .....				
Baspa Stage II .....	300 MW	Distt. Kinnaur, Himachal Pradesh	Jaiprakash Hydro- Power Limited	June 2003
Vishnuprayag .....	400 MW	Distt. Chamoli, Uttarakhand	JPVL Jaypee Karcham Hydro Corporation	October 2006
Karcham Wangtoo .....	1,000 MW	Distt. Kinnaur, Himachal Pradesh	Ltd	Estimated 2011
Lower Siang .....	2,700 MW	Arunachal Pradesh	SPV of JPVL	Estimated 2014
Hirong .....	500 MW	Arunachal Pradesh	SPV of JPVL	Estimated 2015



<b>Project</b>	<b>Capacity</b>	<b>Location</b>	<b>Subsidiary</b>	<b>Commencement of Commercial Generation</b>
Kynshi – Stage II.....	450 MW	Meghalaya	SPV of JPVL	Estimated 2016
Umngot – Stage I.....	270 MW	Meghalaya	SPV of JPVL	Estimated 2016
Thermal Projects.....				
Jaypee Nigrie		District Sidhi,		
Thermal.....	1,320 MW	Madhya Pradesh	JPVL	Estimated 2012
Bina Power .....	1,250 MW	Madhya Pradesh	SPV of JPVL	Estimated 2012

#### **Jaiprakash Hydro-Power Limited**

- The Company's subsidiary, Jaiprakash Hydro-Power Limited ("JHPL") has developed the 300 MW Baspa Stage II Hydro-electric Project on a BOO basis which commenced commercial generation of power in June 2003. The Baspa Stage II Hydro-electric Project has been awarded the "National Award for Meritorious Performance of the Year 2004-05", in recognition of its outstanding performance. The award was presented to JHPL by the Prime Minister of India on 21 March 2007.
- The project is a run-of-the river power plant located on the river Baspa, a tributary of the river Satluj in Kinnaur district in Himachal Pradesh, about 210 km from Shimla. The Company acted as an EPC contractor for execution of civil works for the project. The barrage of the Baspa II project is located at 2,520.5 metres above sea level, the highest altitude for a comparable structure in India.
- A power purchase agreement in respect of the energy generated by the Baspa II project was executed between JHPL and the Himachal Pradesh State Electricity Board ("HPSEB") in June 1997. HPSEB has contracted to purchase the entire energy generation of the unit for a period of 40 years (extendable for a further 20 years at the discretion of the Government of Himachal Pradesh ("GOHP")). Pursuant to such agreement, 12 per cent of the energy generated by the project will be provided by JHPL to GOHP free of charge in lieu of water charges, with the balance of 88 per cent of the energy generated being sold to HPSEB at a tariff based on a pass through mechanism computed on the basis of interest charges, depreciation, return on equity and certain other criteria.
- Jaypee Ventures Private Limited, an affiliate of the Company, was responsible for consultancy and design services.
- The total cost of the Baspa Stage II project was Rs.1667.3 crores, which was financed by an equity contribution of Rs.491.0 crores, external loans of Rs.1088.8 crores and internally generated funds of Rs.87.5 crores.
- The project is designed to generate 1,213.18 MU in a 90 per cent dependable year and 1,392.22 MU in a 50 per cent dependable year. In fiscal 2009, the project generated 1,131.46 MU of saleable energy with plant availability of 99.65 per cent
- Pursuant to the power purchase agreement executed with HPSEB for the sale of power for the years ended 31 March 2006, 31 March 2007, 31 March 2008 and 31 March 2009, the net sales amounted to Rs.271.82 crores, Rs.329.08 crores, Rs.300.82 crores and Rs. 288.88 crores respectively.
- The following table sets out summary financial data relating to the operating activities of JHPL.

(Rs. in crores)

	Year ended 31 March,			
<b>Year ended 31 March</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Income from operations	271.82	329.08	300.82	288.88
Other income	2.41	27.44	41.68	21.24
Sale of Verified Emission Reductions (VERs)				7.79
Total income	274.23	356.52	342.5	317.91
Administrative expenses & salaries	12.87	16.97	17.73	15.00
Operation & maintenance expenses	7.11	8.19	7.39	8.43
Interest & financial charges	101.44	110.11	99.29	81.94
Depreciation & misc. exp. Written off	66.34	45.62	45.88	46.97
Profit before tax and extra ordinary items	86.47	175.63	172.21	165.57
Extra ordinary items				
Add : Reversal of depreciation of earlier years	73.35	-	-	-
Add : Prior period adjustments	-	49.21	0	-
Add : Insurance Claims relating to earlier years	-	-	68.4	-
Add : Others Extra ordinary items				-4.38
Provision for tax	14.14	25.30	27.21	18.33
Profit after tax	145.68	199.54	213.40	142.86
Cash accruals	138.67	245.16	259.28	189.83

#### **Jaypee Powergrid Limited (a subsidiary of JHPL)**

- JHPL has entered into a joint venture with PowerGrid Corporation of India Limited ("PGCIL") to set up a transmission system for the evacuation of power to be generated by the 1,000 MW Karcham Wangtoo Hydroelectric Project in the state of Himachal Pradesh to the interconnection point at Abdullapur, Haryana. The joint venture company is in the name of Jaypee Powergrid Limited with equity participation currently of 51 per cent by JHPL, 26 per cent by PGCIL and 23 per cent held by JVPL. The total estimated project cost is Rs.1000 crores. The detailed project report has been prepared. The detailed survey work has been awarded to PGCIL and route alignment has already been completed for 230 km transmission line stretching from Abdullapur to Karcham Wangtoo. The engineering consultancy for complete design, drawing, engineering (including post-award) and bidding documents for transmission lines have also been awarded to PGCIL. Open access permission has been granted by the Central Transmission Utility for transmission of power to beneficiary states of the Northern Region from Abdullapur onwards. The Central Electricity Regulatory Commission has granted the Transmission License to Jaypee Powergrid Limited. Work for the transmission towers been awarded and has since commenced. Contracts for the construction and installation of the transmission towers have been awarded and construction has since commenced.

#### **Jaiprakash Power Ventures Limited**

- The Company's subsidiary, Jaiprakash Power Ventures Limited ("JPVL") has developed the 400 MW Vishnuprayag hydro-electric project (the "Project") in Uttarakhand on a BOO basis. The various units of the Project were successfully commissioned between June and October 2006. The total capitalized cost of the Vishnuprayag plant as of its commissioning in October 2006 was Rs.1665.50 crores. We have committed to incur further capital expenditures of approximately Rs.28.50 crores in connection with pending contracts, such that the total completion cost of the Vishnuprayag plant is expected to be approximately Rs.1694 crores. This amount has been financed with an equity contribution of Rs.509 crores, a Rupee term loan of Rs.1050.90 crores and foreign currency loans of USD30.82 million. The original estimated cost of the Project was Rs.1881.50 crores (excluding margin money for working capital).
- The Project is a run-of-the river power plant on river Alaknanda in Chamoli district in the state of Uttarakhand. The project did not involve any submergence or rehabilitation and is therefore environmentally friendly. It is designed to generate 1,774 MU in a 90 per cent dependable year and 1,947 MU in a 50 per cent dependable year. For the year ended 31 March 2009, the project generated 2,008.26 MU with plant availability of 98.63 per cent
- Pursuant to a power purchase agreement, entered into between JPVL and Uttar Pradesh Power Corporation Ltd. ("UPPCL"), UPPCL will purchase the entire energy generation of the Project for a period of 30 years (extendable by mutual agreement for a further 20 years). 12 per cent of the energy generated by the Project will be provided by JPVL to the government of Uttarakhand free of charge in lieu of water charges, with the balance of 88 per cent of the energy generated being sold to UPPCL at a tariff based on a pass through mechanism computed on the basis of interest charges, depreciation, return on equity and certain other criteria. Pursuant to such agreement, for the year ended 31 March 2009, 241 MU of the energy generated by the project was provided to the government of Uttarakhand free of charge.
- The Company developed the project on an EPC basis, with Jaypee Ventures Private Limited, an affiliate of the Company, being responsible for consultancy and design services.
- Pursuant to the power purchase agreement executed with UPPCL, for the sale of power during the year ended 31 March 2007, 31 March 2008 and year ended 31 March 2009, the net sale amounted to Rs.214.16 crores, Rs.365.57 crores and Rs.373.25 crores respectively.
- The financial data relating to the operating activity of JPVL is set out as follows:

(Rs.in Crores)

	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009
Income from operations	214.16	365.57	373.25
Sale of VERs	0	13.98	56.69
Other Income	2.43	14.46	17.60
Foreign Currency Exchange Rate difference Gain/(Loss)		10.53	-28.81
Total Income	216.59	404.54	418.73
Administrative Expenses & Salaries	7.44	19.55	23.33
Operation & Maintenance Expenses	1.34	7.02	16.44
Interest & Financial Charges	90.53	117.51	122.65
Depreciation & Miscellaneous Expenses written off	36.41	45.37	45.87
Profit before Tax	80.87	215.09	210.44
Provision for Tax	9.09	24.54	23.97
Profit after Tax	71.78	190.55	186.47
Cash Accruals	108.19	235.92	232.34

JPVL is currently implementing the following projects:

### **1,320 MW Thermal Power Plant at Sidhi in Madhya Pradesh**

- Pursuant to a joint venture agreement between the Company and the Government of Madhya Pradesh to set up a coal mining joint venture under the name of Madhya Pradesh Jaypee Minerals Limited (“MPJML”), the Company or its affiliates were required to set up a 1,000 MW thermal power plant (in two phases of 500 MW each) in Madhya Pradesh from the coal to be provided by the joint venture company from its mines. JPVL has at 12 December 2007 entered into an implementation agreement with the State of Madhya Pradesh in relation to the project. Subsequent to a detailed survey of the available coal reserves, the capacity of the plant has been enhanced to 1,320 MW and a revised Implementation Agreement dated 27 March 2008 for 1,320 MW has been entered into with the State of Madhya Pradesh. For the first phase of 660 MW, the coal will be sourced from the Amelia North coal mines belonging to MPJML and additional mines have been allotted to the Company for the second phase of 660 MW for which a separate joint venture is being formed.

### **1,250 MW Thermal Power Plant at Bina in Madhya Pradesh**

- JPVL has recently acquired an unlisted Public Limited Company, namely, Bina Power Supply Company Limited (“BPSCCL”) from the Aditya Birla Group as a wholly owned subsidiary company. BPSCCL plans to develop on a build-own-and-operate basis a 1,250 MW (Phase 1 – 500 MW and Phase II – 750 MW) coal-fired Thermal Power Plant at Bina in the State of Madhya Pradesh. JPVL has since initiated various steps for implementation of the project including obtaining of/renewal of the various approvals required. The first phase is estimated to be put into operation within 48 months of receipt of all approvals.

### **2,700 MW Lower Siang Hydroelectric Project and 500 MW Hirong Hydroelectric Project in Arunachal Pradesh**

- The Company had signed two memoranda of agreement with the Government of Arunachal Pradesh for setting up two BOOT hydroelectric projects with an aggregate capacity of 3,200 MW through an SPV. Pursuant to the Company’s request, the Government of Arunachal Pradesh has consented for implementation of the said projects through an SPV to be set up by JPVL. A Tri-partite Agreement dated 13 December 2007 has been entered into between Government of Arunachal Pradesh, the Company and JPVL to give effect to the same. JPVL transferred the implementation of Lower Siang H.E.Project (2,700 MW) and Hirong H.E.Project (500 MW) in the Districts of East Siang and East and West Siang respectively in Arunachal Pradesh to Jaypee Arunachal Power Limited (JAPL), subsidiary company in terms of Agreement dated 01.10.2008. The expenditure of Rs.114.13 crores incurred by the Company in connection with the said projects has been reimbursed by JAPL.
- The expected shareholding of JPVL in the above two projects is 89 per cent

### **Other Projects**

- JPVL has also signed two memoranda of agreement with the Government of Meghalaya for setting up of two BOOT hydroelectric power projects with an aggregate capacity of 720 MW. The expected shareholding of JPVL in the above two projects is 74 per cent
- JPVL has since subscribed to 23 per cent of the presently paid up equity capital of Jaypee Powergrid Limited and will continue to hold 23 per cent of the capital of Jaypee Powergrid Limited for which requisite permissions from Powergrid Corporation of India Limited have been received.

### **Jaypee Karcham Hydro Corporation Limited**

- The 1,000 MW Karcham Wangtoo hydro-electric project in Himachal Pradesh is currently being developed by Jaypee Karcham Hydro Corporation Limited, which is currently a wholly owned subsidiary of the Company, on a BOO basis. The total project cost is estimated at approximately Rs.5600 crores, which is to be financed based on a debt:equity ratio of 70:30. ICICI Bank Limited is the facility agent for the debt syndication funding the project and various other banks and financial institutions have

agreed to provide financial assistance aggregating Rs.3920 crores. The implementation of the project has commenced and the project is scheduled to be completed in 2011.

- It is a run-of-the river power plant which is designed to generate 4,464 MU in a 90 per cent dependable year and 4,811 MU in a 50 per cent dependable year. The project will be developed by the Company on an EPC basis, with Jaypee Ventures Private Limited being responsible for consultancy and design services.
- A power purchase agreement with PTC India Limited was entered into on 21 March 2006. Pursuant to such agreement, PTC India Limited will purchase 704 MW of power for a term of 35 years at a tariff based on the completion cost, as approved by the Central Electricity Authority and the Central Electricity Regulatory Commission (the "CERC"), and as regulated by the CERC Regulations dated 24 March 2004. For the first 12 years, 12 per cent of the power will be supplied free of cost to the state of Himachal Pradesh and 18 per cent of the power will be supplied free of cost from the 13th year onwards. The balance power of 176 MW for the first 12 years and 116 MW from the 13th year onwards representing 20 per cent of the saleable power has been retained by JKHCL for merchant sale.
- The Company currently holds 100 per cent of the equity share capital in JKHCL. JPVL, a subsidiary of the Company, has filed a draft "red herring" prospectus with the Securities and Exchange Board of India in January 2008 in relation to a possible public issue of shares. Upon completion of the public offering, JPVL proposes to subscribe for equity shares of JKHCL using a portion of the proceeds of the public issue, following which it will hold 55.36 per cent of the equity capital of JKHCL. In the event that the public offer is not completed in the near term, JPVL nevertheless plans to complete this subscription for shares in JKHCL. JKHCL will use the proceeds of any such subscription to continue to develop its business.

## **Hospitality and Real Estate**

### **Hospitality**

Company presently owns and manages three 5 star deluxe hotels in northern India, namely Jaypee Siddharth Hotel with 98 rooms located at Rajendra place in New Delhi, Jaypee Vasant Continental with 119 rooms located at Vasant Vihar, New Delhi and Jaypee Palace Hotel with 344 rooms and a convention centre with a capacity of 1,200 persons in a complex of about 25 acres at Agra in Uttar Pradesh. Company also owns Hotel Jaypee Residency Manor with 90 rooms located at Mussoorie and Jaypee Greens Resort at Greater Noida.

### **Competition**

In the deluxe category in Delhi, there are currently approximately 7,000 rooms, including JHL's capacity. Other major operators in Delhi include Asian Hotels, Indian Hotels, East India Hotels, Le-Meridian, Hyatt, ITDC and Marriot. In Agra, in terms of current room capacity, Jaypee Palace Hotel is the market leader with approximately 24 per cent of total room capacity in the deluxe category. Other operators in Agra include ITC Hotels, the Oberoi Group and the Yamuna Group. In Mussoorie, the Jaypee Residency Manor is the only 5 star deluxe hotel, and has a current occupancy rate of around 65 per cent

### **Real Estate**

The Company is developing premium golf centric complex of about 8 million sq ft. at Jaypee Greens in Greater Noida, primarily consisting of high-end residential development for high net-worth individuals and corporates. Jaypee Greens is located at the heart of Greater Noida, one of the fastest growing townships in the National Capital Region of Delhi with world class infrastructure. A six-lane expressway connects Greater Noida to Delhi with a travel time of about 35 minutes. An 18-hole Greg Norman signature international championship course with a practice range of about 194 acres of land including a club house, golf academy, health club, swimming pools and restaurants and bars are already in operation. The golf course is the longest in India and the third largest in Asia while the practice range is the largest in India. Jaypee Greens believes that its concept of "golf-centric real estate" is unique in India and that it has created a niche segment in the golf-related real estate market, with no property in the near vicinity falling under direct competition. It is envisioned as a development of international standard and excellence with tie-ups with the best designers, planners and international consultants for each area of the project.

## **Jaypee Infratech Limited**

### **Access Controlled Yamuna Expressway Project**

Jaypee Infratech Limited (JIL), a subsidiary of the Company is implementing the Yamuna Expressway Project consisting of a six lane, 160 km long expressway connecting Noida with Agra. A development of 6,250 acres (25 million square metres) of land along the expressway of five, or more, different locations for commercial, amusement, industrial, institutional and residential purposes will be an integral part of the project. The Company will be entitled to operate, maintain and collect toll payments from users of the expressway during the concession period of 36 years. JIL has awarded a contract for construction of the expressway to the Company.

### **JPSK Sports Private Limited**

The Company is developing through JPSK Sports Private Limited, a joint venture SPV incorporated on 20 October 2007 for the purposes of developing a greenfield state-of-the-art sports complex in Greater Noida including car race track suitable for Formula One racing with related integrated support infrastructure. In November 2007 an agreement was signed with Formula One Management to stage India's first Formula One race at the venue. The Company directly and through its affiliates will hold up to 74 per cent equity in JPSK Sports Private Limited, with the balance being held by other partners.

## **IV. BRIEF HISTORY OF ISSUER COMPANY SINCE INCORPORATION AND CHANGES IN CAPITAL STRCUTURE**

### **History**

- The Company was formed by the amalgamation of Jaiprakash Industries Limited into its then subsidiary Jaypee Cement Limited ("**JCL**"). The amalgamation was effective from 1 April 2002. JCL was renamed "Jaiprakash Associates Limited" with effect from 11 March 2004.
- Jaiprakash Industries Limited was formed in 1986 following the amalgamation of Jaiprakash Associates Private Limited and Jaypee Rewa Cement Limited ("**JRCL**"). JRCL had been incorporated in 1983 to own and operate a 1 million ton cement plant in Madhya Pradesh. JRCL was promoted by Jaiprakash Associates Private Limited, a well established civil engineering and construction company, which merged into JRCL in 1986. The merged entity was then renamed "Jaiprakash Industries Limited".
- In 1995, JCL was incorporated under the name of "Bela Cement Limited" and a 1.7 million ton cement plant then operated by Jaiprakash Industries Limited was hived off into this company. In April 2001, the remaining 2.5 million ton cement plant operated by Jaiprakash Industries Limited was also hived off to JCL which prior to the amalgamation carried on all of the Group's cement manufacturing business as a result. The purpose of the amalgamation of Jaiprakash Industries Limited and JCL was to consolidate the existing construction and cement manufacturing and marketing businesses of the Group.
- Pursuant to the terms of the scheme of amalgamation approved by the shareholders and creditors of the Company and as sanctioned by the High Court of Judicature at Allahabad, on 8 August 2006, Jaypee Greens Limited, a company engaged in operating an international standard golf course and development of real estate, was merged with JAL with effect from 1 April 2005. Jaypee Greens has since become a division of JAL.
- Pursuant to the Scheme of Amalgamation U/s 391/394 of the Companies Act, 1956, (i) Jaypee Hotels Limited {Transferor Company} engaged in business of Hospitality, Real Estate Development and Civil Engineering; (ii) Jaypee Cement Limited {Transferor Company} engaged in the business of the setting up of Cement Plant; (iii) Jaiprakash Enterprises Limited {Transferor Company} engaged in business of Civil Engineering Construction, Limestone Mines and Real Estate and (iv) Gujrat Anjan Cement Limited {Transferor Company} engaged in the business of the setting up of Cement Plant stand merged with Jaiprakash Associates Limited {Transferee Company} w.e.f. April 01,2008 (Appointed Date). The Scheme of Amalgamation has been approved by the Hon'ble High Court of Judicature at Allahabad on May 15, 2009. In terms of the Order of Hon'ble High Court of Judicature at Allahabad, Sanctioning the Scheme and is effective

from May 27, 2009. All the business undertakings, assets, liabilities, rights and obligations of the Transferor Companies stood transferred to and vested in the Transferee Company with effect from 1st April, 2008.

### Capital Structure of the Company

Share Capital as at 31<sup>st</sup> March 2009 is set forth below:

(Rs. In crores)	
As on 31 <sup>st</sup> March, 2009	Amount
<b>1. SHARE CAPITAL</b>	
<b>A. Authorised Share Capital</b>	
12,34,40,00,000 Equity Shares of Rs.2/- each (PY 5,15,00,00,000)	2468.80
31,20,000 Preference Shares of Rs.100/- each	31.20
<b>B. Issued, Subscribed and Paid up</b>	
118,38,00,579 Equity Shares of Rs. 2/- each fully paid up	236.76
[86,08,65,055 Equity Shares [Previous Year 86,08,65,055] allotted as fully paid-up in terms of the Scheme of Amalgamation effective from 11.03.2004. 2,02,19,850 of Rs.2/- each fully paid up Equity Shares [Previous Year 2,02,19,850] allotted for cash under "JaypeeEmployees Stock Purchase Scheme 2002". 16,83,36,849 Equity Shares [Previous Year 16,60,58,687] allotted for cash on conversion of Foreign Currency Convertible Bonds. 12,43,78,825* Equity Shares [Previous Year 12,43,78,825] allotted as fully paid in terms of Scheme of Amalgamation effective from 22.08.2006. 1,00,00,000 Equity Shares [Previous year – NIL] allotted for cash to Promoters on Preferncial Basis.	
Shares Capital Suspense	
21,80,10,985 Equity Shares of Rs. 2/- each fully paid up to be allotted pursuant to Scheme of Amalgamation, for consideration other than cash, effective from 27.05.2009	43.60

Total Borrowings as on 31<sup>st</sup> March 2009

(Rs. In crores)	
As on 31 <sup>st</sup> March, 2009	Amount
<b>LOAN FUND</b>	
<b>a. Secured Loan</b>	7338.28
<b>b. Unsecured Loan</b>	5767.89

### Shareholding Pattern

Statement showing Shareholding Pattern as on June 30, 2009

Sr. No.	Type of Shareholders	Number of Shares held	Percentage of total Shares outstanding
1	Promoters Group and persons acting in concert with the Promoters Group	702,192,375	50.09
2	Indian Financial Institutions, Insurance Companies and Banks	51,050,075	3.64
3	Other Indian Companies and undertakings	66,269,154	4.73
4	Resident Indians	139,767,719	9.97
5	Non-resident Indians ( NRI)	7,155,026	0.51
6	Non-resident Companies	5,624,860	0.40
7	Foreign institutional investors/FII	330,100,335	23.55
8	Mutual Funds	94,693,808	6.76

9	Others: Trusts, Clearing members & in transit	4,958,212	0.35
	<b>Total</b>	<b>1,401,811,564</b>	<b>100</b>

### **Changes in Capital Structure**

The table below sets forth changes in the issued share capital of the Company

Particulars	Date of Issue	No. of Shares	Face Value (in Rs.)	Cumulative Capital (Rs. in Lacs)
<b>JAYPEE CEMENT LIMITED</b>				
Subscribers to MOA & AOA(In Consideration of Cash)	27.11.95	700	10	0.07
Issue of Shares for consideration other than cash	27.02.97	29,167	10	2.99
Issue of Shares for consideration other than cash	31.03.97	40,470,133	10	4,050.00
Issue of Shares for consideration other than cash	25.04.98	94,500,000	10	13,500.00
Issue of Shares against conversion of loan into equity	28.09.2000	265,000,000	10	40,000.00
Issued in the scheme of Arrangement for hiving off cement plant of 2.5 MTPA at Rewa by Holding Company Jaiprakash Industries Limited to Jaypee Cement Limited	31.03.01	18,000,000	10	41,800.00
<b>Total</b>		<b>418,000,000</b>		
<b>Note: The Jaiprakash Industries Limited was merged into Jaypee Cement Ltd. w.e.f. April 1st, 2002 and subsequent to the merger the name of Jaiprakash Industries Ltd. was changed to Jaiprakash Associated Ltd. The post merger of Jaiprakash Industries Ltd. into Jaypee Cement Ltd.</b>				
Share Capital of Jaiprakash Industries Ltd (Name of the Jaiprakash Industries Limited changed to JAL) w.e.f. 11/03/2004		176,216,981	10	17,621.70
<b>Issue of shares against conversion of a tranche of FCCB-I</b>	17.08.05	92,643	10	17,630.96
Issue of shares against Conversion of a tranche of FCCB-I	03.09.05	926,431	10	17,723.61
Issue of shares against Conversion of a tranche of FCCB-I	06.09.05	185,286	10	17,742.13
Issue of shares against Conversion of a tranche of FCCB-I	06.09.05	833,788	10	17,825.51
Issue of shares against Conversion of a tranche of FCCB-I	06.09.05	55,585	10	17,831.07
Issue of shares against Conversion of a tranche of FCCB-I	06.09.05	92,643	10	17,840.34
Issue of shares against Conversion of a tranche of FCCB-I	06.09.05	185,286	10	17,858.86
Issue of shares against Conversion of a tranche of FCCB-I	04.10.05	185,286	10	17,877.39
Issue of shares against Conversion of a tranche of FCCB-I	04.10.05	185,286	10	17,895.92
Issue of shares against Conversion of a tranche of FCCB-I	04.10.05	555,858	10	17,951.51



<b>Particulars</b>	<b>Date of Issue</b>	<b>No. of Shares</b>	<b>Face Value (in Rs.)</b>	<b>Cumulative Capital (Rs. in Lacs)</b>
Issue of shares against Conversion of a tranche of FCCB-I	04.10.05	92,643	10	17,960.77
Issue of shares against Conversion of a tranche of FCCB-I	10.10.05	185,286	10	17,979.30
Issue of shares against Conversion of a tranche of FCCB-I	10.10.05	46,321	10	17,983.93
Issue of shares against Conversion of a tranche of FCCB-I	10.10.05	92,643	10	17,993.20
Issue of shares against Conversion of a tranche of FCCB-I	15.10.05	92,643	10	18,002.46
Issue of shares against Conversion of a tranche of FCCB-I	01.12.05	111,171	10	18,013.58
Issue of shares against Conversion of a tranche of FCCB-I	01.12.05	185,286	10	18,032.11
Issue of shares against Conversion of a tranche of FCCB-I	01.12.05	555,858	10	18,087.69
Issue of shares against Conversion of a tranche of FCCB-I	10.12.05	531,771	10	18,140.87
Issue of shares against Conversion of a tranche of FCCB-I	16.12.05	124,141	10	18,153.28
Issue of shares against Conversion of a tranche of FCCB-I	16.12.05	46,321	10	18,157.92
Issue of shares against Conversion of a tranche of FCCB-I	23.12.05	185,286	10	18,176.44
Issue of shares against Conversion of a tranche of FCCB-I	23.12.05	324,250	10	18,208.87
Issue of shares against Conversion of a tranche of FCCB-I	31.12.05	185,286	10	18,227.40
Issue of shares against Conversion of a tranche of FCCB-I	31.12.05	370,572	10	18,264.46
Issue of shares against Conversion of a tranche of FCCB-I	20.01.06	555,858	10	18,320.04
Issue of shares against Conversion of a tranche of FCCB-I	20.01.06	76,893	10	18,327.73
Issue of shares against Conversion of a tranche of FCCB-I	28.01.06	92,643	10	18,336.99
Issue of shares against Conversion of a tranche of FCCB-I	28.01.06	185,286	10	18,355.52
Issue of shares against Conversion of a tranche of FCCB-I	28.01.06	92,643	10	18,364.79
Issue of shares against Conversion of a tranche of FCCB-I	03.02.06	314,986	10	18,396.29
Issue of shares against Conversion of a tranche of FCCB-I	03.02.06	926,431	10	18,488.93
Issue of shares against Conversion of a tranche of FCCB-I	03.02.06	185,286	10	18,507.46
Issue of shares against Conversion of a tranche of FCCB-I	03.02.06	522,507	10	18,559.71
Issue of shares against Conversion of a tranche of FCCB-I	11.02.06	290,899	10	18,588.80
Issue of shares against Conversion of a tranche of FCCB-I	11.02.06	184,359	10	18,607.23
Issue of shares against Conversion of a tranche of FCCB-I	18.02.06	215,858	10	18,628.82
Issue of shares against Conversion of a tranche of FCCB-I	18.02.06	111,171	10	18,639.94
Issue of shares against Conversion of a tranche of FCCB-I	27.02.06	185,286	10	18,658.47

Particulars	Date of Issue	No. of Shares	Face Value (in Rs.)	Cumulative Capital (Rs. in Lacs)
Issue of shares against Conversion of a tranche of FCCB-I	27.02.06	185,286	10	18,676.99
Issue of shares against Conversion of a tranche of FCCB-I	27.02.06	370,572	10	18,714.05
Issue of shares against Conversion of a tranche of FCCB-I	03.03.06	528,065	10	18,766.86
Issue of shares against Conversion of a tranche of FCCB-I	03.03.06	277,929	10	18,794.65
Issue of shares against Conversion of a tranche of FCCB-I	03.03.06	389,101	10	18,833.56
Issue of shares against Conversion of a tranche of FCCB-I	03.03.06	250,136	10	18,858.57
Issue of shares against Conversion of a tranche of FCCB-I	03.03.06	664,251	10	18,925.00
Issue of shares against Conversion of a tranche of FCCB-I	31.03.06	267,738	10	18,951.77
Issue of shares against Conversion of a tranche of FCCB-I	31.03.06	265,885	10	18,978.36
Issue of shares against Conversion of a tranche of FCCB-I	31.03.06	129,700	10	18,991.33
Issue of shares against Conversion of a tranche of FCCB-I	31.03.06	92,643	10	19,000.60
Issue of shares against Conversion of a tranche of FCCB-I	31.03.06	83,378	10	19,008.93
Issue of shares against Conversion of a tranche of FCCB-I	31.03.06	92,643	10	19,018.20
Issue of shares against Conversion of a tranche of FCCB-I	21.04.06	46,321	10	19,022.83
Issue of shares against Conversion of a tranche of FCCB-I	21.04.06	159,346	10	19,038.77
Issue of shares against Conversion of a tranche of FCCB-I	21.04.06	370,572	10	19,075.82
Issue of shares against Conversion of a tranche of FCCB-I	15.05.06	194,550	10	19,095.28
Issue of shares against Conversion of a tranche of FCCB-I	15.05.06	416,894	10	19,136.97
Issue of shares against Conversion of a tranche of FCCB-I	15.05.06	92,643	10	19,146.23
Issue of shares against Conversion of a tranche of FCCB-I	15.05.06	51,880	10	19,151.42
Issue of shares against Conversion of a tranche of FCCB-I	27.05.06	185,286	10	19,169.95
Issue of shares against Conversion of a tranche of FCCB-I	22.08.06	74,114	10	19,177.36
<b>Alloted as fully paid for other than cash in terms of Scheme of Amalgamation of Jaypee Greens Ltd. with the Company effective From 22.08.06</b>	25.08.06	24,875,765	10	21,664.94
Issue of shares against Conversion of a tranche of FCCB-I	19.09.06	18,528	10	21,666.79
Issue of shares against Conversion of a tranche of FCCB-I	02.11.06	741,145	10	21,740.90
Issue of shares against Conversion of a tranche of FCCB-I	01.12.06	37,057	10	21,744.61
Issue of shares against Conversion of a tranche of FCCB-I	01.12.06	463,215	10	21,790.93
Issue of shares against Conversion of a tranche of FCCB-I	04.01.07	681,853	10	21,859.12

Particulars	Date of Issue	No. of Shares	Face Value (in Rs.)	Cumulative Capital (Rs. in Lacs)
Issue of shares against Conversion of a tranche of FCCB-I	11.01.07	92,643	10	21,868.38
Issue of shares against Conversion of a tranche of FCCB-I	05.02.07	555,858	10	21,923.97
Issue of shares against Conversion of a tranche of FCCB-I	27.07.07	335,729	10	21,957.54
Issue of shares against Conversion of a tranche of FCCB-I	14.09.07	9,592	10	21,958.50
Issue of shares against Conversion of a tranche of FCCB-I	01.10.07	146,569	10	21,973.15
Issue of shares against Conversion of a tranche of FCCB-I	01.10.07	143,884	10	21,987.54
Issue of shares against Conversion of a tranche of FCCB-I	05.10.07	311,748	10	22,018.72
Issue of shares against Conversion of a tranche of FCCB-I	05.10.07	95,922	10	22,028.31
Issue of shares against Conversion of a tranche of FCCB-I	05.10.07	215,826	10	22,049.89
Issue of shares against Conversion of a tranche of FCCB-I	05.10.07	150,118	10	22,064.90
Issue of shares against Conversion of a tranche of FCCB-I	09.10.07	191,845	10	22,084.09
Issue of shares against Conversion of a tranche of FCCB-I	16.10.07	143,884	10	22,098.48
Issue of shares against Conversion of a tranche of FCCB-I	16.10.07	311,748	10	22,129.65
Issue of shares against Conversion of a tranche of FCCB-I	16.10.07	335,729	10	22,163.22
Issue of shares against Conversion of a tranche of FCCB-I	16.10.07	59,088	10	22,169.13
Issue of shares against Conversion of a tranche of FCCB-I	19.10.07	239,806	10	22,193.11
Issue of shares against Conversion of a tranche of FCCB-I	19.10.07	156,353	10	22,208.75
Issue of shares against Conversion of a tranche of FCCB-I	19.10.07	140,622	10	22,222.81
Issue of shares against Conversion of a tranche of FCCB-I	19.10.07	27,721	10	22,225.58
Issue of shares against Conversion of a tranche of FCCB-I	19.10.07	179,375	10	22,243.52
Issue of shares against Conversion of a tranche of FCCB-I	19.10.07	125,562	10	22,256.08
Issue of shares against Conversion of a tranche of FCCB-I	19.10.07	55,155	10	22,261.59
Issue of shares against Conversion of a tranche of FCCB-I	26.10.07	2,646,506	10	22,526.24
Issue of shares against Conversion of a tranche of FCCB-I	26.10.07	191,845	10	22,545.43
Issue of shares against Conversion of a tranche of FCCB-I	26.10.07	76,738	10	22,553.10
Issue of shares against Conversion of a tranche of FCCB-I	30.10.07	100,526	10	22,563.15
Issue of shares against Conversion of a tranche of FCCB-I	30.10.07	287,768	10	22,591.93
Issue of shares against Conversion of a tranche of FCCB-I	30.10.07	623,305	10	22,654.26
Issue of shares against Conversion of a tranche of FCCB-I	30.10.07	1,627,328	10	22,816.99
Issue of shares against Conversion of	30.10.07			

Particulars	Date of Issue	No. of Shares	Face Value (in Rs.)	Cumulative Capital (Rs. in Lacs)
a tranche of FCCB-I		4,796	10	22,817.47
Issue of shares against Conversion of a tranche of FCCB-I	30.10.07	287,768	10	22,846.25
Issue of shares against Conversion of a tranche of FCCB-I	02.11.07	459,757	10	22,892.23
Issue of shares against Conversion of a tranche of FCCB-I	22.11.07	143,884	10	22,906.62
Issue of shares against Conversion of a tranche of FCCB-I	22.11.07	26,858	10	22,909.30
Issue of shares against Conversion of a tranche of FCCB-I	22.11.07	28,776	10	22,912.18
Issue of shares against Conversion of a tranche of FCCB-I	22.11.07	59,280	10	22,918.11
Issue of shares against Conversion of a tranche of FCCB-I	22.11.07	70,503	10	22,925.16
Conversion of a tranche against conversion of FCCB-II	27.11.07	95,922	10	22,934.75
Issue of shares against Conversion of a tranche of FCCB-II	27.11.07	134,291	10	22,948.18
Issue of shares against Conversion of a tranche of FCCB-II	27.11.07	890,642	10	23,037.24
Issue of shares against Conversion of a tranche of FCCB-II	27.11.07	71,942	10	23,044.44
Issue of shares against Conversion of a tranche of FCCB-II	01.12.07	134,291	10	23,057.87
Issue of shares against Conversion of a tranche of FCCB-II	01.12.07	43,644	10	23,062.23
Issue of shares against Conversion of a tranche of FCCB-II	01.12.07	239,806	10	23,086.21
Issue of shares against Conversion of a tranche of FCCB-II	01.12.07	143,884	10	23,100.60
Issue of shares against Conversion of a tranche of FCCB-II	01.12.07	36,642	10	23,104.26
Issue of shares against Conversion of a tranche of FCCB-II	07.12.07	95,922	10	23,113.86
Issue of shares against Conversion of a tranche of FCCB-II	07.12.07	23,980	10	23,116.25
Issue of shares against Conversion of a tranche of FCCB-II	07.12.07	332,180	10	23,149.47
Issue of shares against Conversion of a tranche of FCCB-II	15.12.07	76,738	10	23,157.15
Issue of shares against Conversion of a tranche of FCCB-II	15.12.07	95,922	10	23,166.74
Issue of shares against Conversion of a tranche of FCCB-II	15.12.07	119,903	10	23,178.73
Issue of shares against Conversion of a tranche of FCCB-II	15.12.07	95,922	10	23,188.32
Issue of shares against Conversion of a tranche of FCCB-II	27.12.07	719,420	2	23,202.71
Issue of shares against Conversion of a tranche of FCCB-II	27.12.07	95,922	2	23,204.63
Issue of shares against Conversion of a tranche of FCCB-II	07.01.08	863,304	2	23,221.89
Issue of shares against Conversion of a tranche of FCCB-III	12.01.08	162,861	2	23,225.15
Issue of shares against Conversion of a tranche of FCCB-III	12.01.08	488,585	2	23,234.92
Issue of shares against Conversion of a tranche of FCCB-III	12.01.08	81,430	2	23,236.55

Particulars	Date of Issue	No. of Shares	Face Value (in Rs.)	Cumulative Capital (Rs. in Lacs)
Issue of shares against Conversion of a tranche of FCCB-II	12.01.08	119,903	2	23,238.95
Issue of shares against Conversion of a tranche of FCCB-II	02.02.08	839,323	2	23,255.73
Issue of shares against Conversion of a tranche of FCCB-II	02.02.08	239,806	2	23,260.53
Issue of shares against Conversion of a tranche of FCCB-II	02.02.08	479,133	2	23,270.11
Issue of shares against Conversion of a tranche of FCCB-II	02.02.08	959,226	2	23,289.30
Issue of shares against Conversion of a tranche of FCCB-II	09.02.08	479,613	2	23,298.89
Issue of shares against Conversion of a tranche of FCCB-II	09.02.08	2,117,493	2	23,341.24
Issue of shares against Conversion of a tranche of FCCB-II	16.02.08	2,877,680	2	23,398.79
Issue of shares against Conversion of a tranche of FCCB-II	16.02.08	623,497	2	23,411.26
Issue of shares against Conversion of a tranche of FCCB-II	17.03.08	959,226	2	23,430.45
Issue of shares against Conversion of a tranche of FCCB-II	16.04.08	983,207	2	23,450.11
Issue of shares against Conversion of a tranche of FCCB-II	22.05.08	1,199,033	2	23,474.09
Issue of shares against Conversion of a tranche of FCCB-II	23.06.08	47,961	2	23,475.05
Issue of shares against Conversion of a tranche of FCCB-II	10.10.2008	10,000,000	2	23,675.05
Issue of shares against Conversion of a tranche of FCCB-II	23.12.08	47,961	2	23,676.01
Fully paid up shares allotted pursuant to Scheme of Amalgamation of JHL,JEL,JCL & GACL for consideration other than cash	14.06.2009	218,010,985	2	28,036.23
<b>Total</b>		<b>140,18,11,564</b>		
Equity Shares of Rs.10/- each has been sub-divided into Rs.2/- per share w.e.f. 26.12.2007				
* FCCB-I - Foreign Currency Convertible Bond (in USD)				
* FCCB-II - Foreign Currency Convertible Bond (in EURO)				
* FCCB-III - Foreign Currency Convertible Bond (in USD)				

**Note:** Pursuant to the Scheme of Amalgamation U/s 391/394 of the Companies Act, 1956 Jaypee Greens Limited {Transferor Company} engaged in business of Hospitality and Real Estate Development stands merged with Jaiprakash Associates Limited {Transferee Company} w.e.f. 1st April, 2005 in terms of the Order of Hon'ble High Court of Judicature at Allahabad dated 8th August 2006 sanctioning the Scheme. All the business undertakings, assets, liabilities, rights and obligations of the Transferor Company stood transferred to and vested in the Transferee Company with effect from 1st April, 2005 in consideration of issue of one equity shares of Rs. 10/- each in the Transferee Company for every two equity shares of Rs. 10/- each held in the Transferor Company. JAL has issued 2,48,75,765 equity shares to shareholders of Jaypee Green Ltd. The Assets and Liabilities of the Transferor Company stand vested in the Transferee Company w.e.f. 1st April, 2005.

Pursuant to the Scheme of Amalgamation U/s 391/394 of the Companies Act, 1956, (i) Jaypee Hotels Limited {Transferor Company} engaged in business of Hospitality, Real Estate Development and Civil Engineering; (ii) Jaypee Cement Limited {Transferor Company} engaged in the business of the setting up of Cement Plant; (iii) Jaiprakash Enterprises Limited {Transferor Company} engaged in business of Civil Engineering Construction, Limestone Mines and Real Estate and (iv) Gujrat Anjan Cement Limited {Transferor Company} engaged in the business of the setting up of Cement Plant stand merged with Jaiprakash Associates Limited {Transferee Company} w.e.f. April 01,2008 (Appointed Date). The Scheme of Amalgamation has been approved by the Hon'ble High Court of Judicature at Allahabad on May 15, 2009. In terms of the Order of Hon'ble High Court of Judicature at Allahabad, Sanctioning the Scheme and is effective from May 27, 2009. All the business undertakings, assets, liabilities, rights and obligations of the Transferor Companies stood transferred to and vested in the Transferee Company with effect from 1<sup>st</sup> April, 2008.

Total Borrowings as on 31<sup>st</sup> March 2009

		(Rs. In crores)
As on 31 <sup>st</sup> March, 2009		Amount
LOAN FUND		
a.	Secured Loan	7338.28
b.	Unsecured Loan	5767.89

#### Issue of Convertible Bonds

- A.** The Company had issued 1,00,000 Nos 0.50% Foreign Currency Convertible Bonds [FCCB - I] of USD 1,000 each aggregating to USD 100 Million, at par, on 16<sup>th</sup> February 2005. These Bonds are convertible at the option of bond-holders into equity shares of Rs.10/- each fully paid, at the conversion price of Rs.236.31 per share, subject to the terms of issue, with a fixed rate of exchange of Rs.43.785 equal to USD 1.00 at any time on or after 29<sup>th</sup> March 2005 and prior to the close of business on 10<sup>th</sup> February 2010. No conversion has taken place during the year [Previous Year -NIL]. Post split of the Equity Shares of Rs 10/- each into 5 Equity Shares of Rs 2/- each on 26<sup>th</sup> December 2007, the Bonds will be converted into Equity shares of Rs 2/- each at the conversion price of Rs 47.262 per share. 2,060 FCCB's of USD 1,000 each [Previous Year 2,060] were outstanding as on 31<sup>st</sup> March 2009. Upon conversion of the outstanding Bonds into Equity Shares, the Share Capital of the Company will increase by 19,08,450 Equity Shares of Rs.2/- each. Unless previously converted, the bonds are redeemable at maturity on 17<sup>th</sup> February 2010 at a premium of 31.959% ; representing a YTM of 6.15% p.a. [value as on 31.03.2009 is USD 1,256.41 (Previous Year USD 1,188.49) per Bond].
- B.** The Company has issued 1,65,000 Nos 0.50% Foreign Currency Convertible Bonds [FCCB-II] of Euro 1000, each aggregating to Euro 165 Million at par on 09<sup>th</sup> March 2006. These Bonds are convertible at the option of bond-holders into equity shares of Rs.10/- each fully paid at the conversion price of Rs. 558.773 per share, subject to the terms of issue, with a fixed rate of exchange of Rs. 53.599 equal to Euro 1.00 at any time on or after 19<sup>th</sup> April 2006 and prior to the close of business on 02<sup>nd</sup> March 2013. Post split of the Equity Shares of Rs 10/- each into 5 Equity Shares of Rs 2/- each on 26<sup>th</sup> December 2007, the Bonds will be converted into Equity shares of Rs 2/- each at the conversion price of Rs 111.7546 per share. 4,750 FCCB's of Euro 1,000 each were converted into 22,78,162 Equity shares of Rs 2/- each during 2008-09 (Previous year 1,31,810 FCCBs of Euro 1,000 each were converted into 1,26,43,545 Equity Shares of Rs.10/- each and 23,714 FCCB's of Euro 1,000 each were converted into 1,13,73,546 Equity Shares of Rs.2/- each) . 4,726 FCCB's of Euro 1,000 each (Previous year 9,476) were outstanding as on 31<sup>st</sup> March 2009. Upon conversion of the outstanding Bonds into Equity Shares, the share Capital of the Company will increase by 22,66,653 Equity Shares of Rs.2/- each. Unless previously converted, the bonds are redeemable at maturity on 09<sup>th</sup> March 2013 at a premium of 32.071% ; representing a YTM of 4.50% p.a. [value as on 31<sup>st</sup> March 2009 is Euro 1,128.406 (Previous Year Euro 1,084.67) per Bond].
- C.** The Company has issued 4,00,000 Nos Zero Coupon Foreign Currency Convertible Bonds [FCCB-III] of USD 1,000, each aggregating to USD 400 Million at par on 11<sup>th</sup> September 2007. These Bonds are convertible at the option of bond-holders into equity shares of Rs 10/- fully paid at the conversion price of Rs. 1,238.78 per share, subject to the terms of issue, with a fixed rate of exchange of Rs. 40.35 equal to USD 1.00 at any

time on or after 22<sup>nd</sup> October 2007 and prior to the close of business on 05<sup>th</sup> September 2012. Post split of the Equity Shares of Rs 10/- each into 5 Equity Shares of Rs 2/- each on 26<sup>th</sup> December 2007, the Bonds will be converted into Equity shares of Rs 2/- each at the conversion price of Rs 247.756 per share. No Conversion has taken place during F.Y.2008-09 (Previous year 4,500 FCCB's of USD 1,000 each were converted into 7,32,876 Equity Shares of Rs.2/- each). During the year the Company has bought back FCCB's aggregating USD 40.025 Million at an average discount of 47% and the gain amounting to Rs. 86,64,19,134 has been credited to Capital Reserve. FCCBs for USD 355.475 (Previous year USD 395.50 Million) Million were outstanding as on 31<sup>st</sup> March 2009. Upon conversion of the Bonds into Equity Shares, the Share capital of the Company will increase by 5,78,93,315 Equity shares of Rs. 2/- each (Previous year 6,44,11,860). Unless previously converted, the bonds are redeemable at maturity on 12<sup>th</sup> September 2012 at a premium of 47.701%; representing a YTM of 7.95% p.a. [value as on 31<sup>st</sup> March 2009 is USD 1,12,926.204 (Previous year 1,04,456.842) for principal amount of USD 1,00,000].

#### **V. SECURITIES TO BE ISSUED AND LISTED UNDER CURRENT DOCUMENT**

Under the purview of current document, the Company intends to raise an amount of Rs.500 crores of Secured Redeemable Non Convertible Debentures.

The Company has a valid rating of CARE A+ (pronounced CARE single A Plus) as per the details given below and the rating letter dated July 6, 2009 from the rating agency is enclosed at the end of this document.

The detail terms sheet of the proposed Issue is given in section XXIII of this document.

#### **VI. CREDIT RATING:**

For Secured Redeemable Non Convertible Debentures

"CARE A+" (pronounced CARE single A Plus) by CARE Limited for Rs.500 crores long term NCDs indicating "adequate safety for timely servicing of debt obligations. Such instruments carry low credit risk".

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

#### **VII. DETAILS OF THE ISSUE SIZE**

The Company proposes to mobilise through private placement of Secured Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs.10,00,000/- each at par aggregating Rs.500 crores.

#### **VIII. DETAIL OF UTILISATION OF PROCEEDS OBJECTS OF THE ISSUE**

The Present Issue of Debenture is being made for following purposes:

- Capital expenditure being undertaken by the Issuer.
- Normal capital expenditure, long term working capital.

The Main Object Clause of the Memorandum of association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities which the Company has been carrying on till date. The proceeds of this Issue after meeting all expenses of the Issue will be used by the Company for meeting issue objects.

#### **IX. MATERIAL CONTRACTS INVOLVING FINANCIAL OBLIGATION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this document) which are or may be deemed material have been entered or to be entered into by the Company.

These material contracts, and material documents referred to hereunder, may be inspected at the Registered Office of our Company between 10.00 am to 4.00 pm on working days.

### **Material Contracts**

Copy of letter from the Company dated July 8, 2009 offering IDBI Trusteeship Services Limited as Trustee to the Issue

### **Material Documents**

- 1) Certified true copies of the Memorandum and Articles of Association of the Company, as amended from time to time.
- 2) Copy of the Certificate of Incorporation of the Company dated November 15, 1995.
- 3) Copy of Certificate of Commencement of Business.
- 4) Certified true copy of the Resolution(s) of the Company passed by the Shareholders of the Company through Postal Ballot on 27<sup>th</sup> June 2009 for increase in borrowing limits to Rs.25,000 Crores.
- 5) Certified true copy of the Resolution of the Board of Directors dated April 27, 2009 for issuance of Debentures and empowering for other related matters.
- 6) Copies of Annual Reports of our Company for the last five financial years.
- 7) Certified true copy of the Resolution of the Members of the Company passed at the Annual General Meeting appointing M/s M P Singh as statutory auditors of the Company.
- 8) Certified true copy of the Resolution of the Members of the Company passed under Section 293 (1) (d) at the Annual General Meeting of the Company.
- 9) Consent letter No.1822/ITSL/OPR/CL-09-10 –DEB – 114 dated July 8, 2009 of IDBI Trusteeship Services Limited in respect of appointment as Debenture Trustee.
- 10) Credit rating letter dated July 6, 2009 stating rating of the Issue and rationale of rating issued by CARE Limited.
- 11) Consent letter of registrar and transfer agent
- 12) Agreement with NSDL .

## **X. DETAILS OF PAST BORROWINGS**

The table below sets forth outstanding borrowing of the Company as on 31<sup>st</sup> March 2009:

<b>Secured</b>				
<b>Debentures</b>		Rs. Crores		
(i)	1,800 7.5% non-convertible secured debentures of Rs.10,00,000/- each fully paid-up in cash on private placement basis [Rs. 83,333/- per Debenture Redeemed]		165.00	
(ii)	1,500 9.5% non-convertible secured debentures of Rs.10,00,000/- each fully paid-up in cash on private placement basis		150.00	
(iii)	5,000 9 % non-convertible secured debentures of Rs.1,00,000/- each fully paid-up in cash on private placement basis [Rs. 25000/- per Debenture		37.50	



	Redeemed]			
(iv)	3,000 11.8% non-convertible secured debentures of Rs. 10,00,000/- each fully paid in cash on private placement basis		300.00	
(v)	1,500 12.4% non-convertible secured debentures of Rs. 10,00,000/- each fully paid up in cash on private placement basis		150.00	<b>802.50</b>
<b>Term Loans</b>				
(i)	From Financial Institutions		379.71	
(ii)	From Banks			
	(a) In Rupees	5473.11		
	(b) In Foreign Currency	358.16	5831.27	
(iii)	From Others		80.00	<b>6290.98</b>
<b>Working Capital Loans</b>				
From Banks:				
(i)	For Working Capital			
	In Rupees		151.50	
(ii)	For Overseas Works		7.80	<b>159.30</b>
Loan from State Government (Interest Free)				
				<b>79.44</b>
<b>Advances from Clients:</b>				
From Government Departments, Public Sector Undertakings & Others - Secured against hypothecation of Construction Material and Plant & Machinery				
(i)	Interest Bearing		6.06	
(ii)	Non Interest Bearing		0.00	<b>6.06</b>
<b>Unsecured</b>				
Foreign Currency Convertible Bonds				
	FCCB-I [USD]		10.60	
	FCCB-II [EURO]		32.34	
	FCCB-III [USD]		1828.92	<b>1871.86</b>
Foreign Currency Loans from Banks [ECB]				
				<b>1922.36</b>
Debentures:				
[i]	8,63,083 8% non-convertible unsecured debentures of Rs.100/- each fully paid-up in cash on private placement basis [Rs.50/- per Debenture Redeemed]		4.32	
[ii]	20,000 10.10% non-convertible unsecured debentures of Rs. 1,00,000/- each fully paid up in cash on private placement basis		80.00	
[iii]	20,000 10.20% non-convertible unsecured debentures of Rs. 1,00,000/- each fully paid up in cash on private placement basis		200.00	<b>284.32</b>
	[Repayable within one year Rs.282.16/- Crores ]			
Short Term Loans from Banks				
				<b>1258.34</b>
	[Repayable within one year - Rs.658.34 Crores]			

Sales Tax Deferment Loan				<b>6.00</b>
	[Repayable within one year - Rs.6.00 Crores]			
Bills Discounting				<b>92.61</b>
	[Repayable within one year - Rs.92.61 Cores]			
Fixed Deposit Scheme				<b>240.04</b>
	[Repayable within one year - Rs.110.72 Crores]			
Deposits [from Stockists & Sales Promoters]				<b>92.36</b>
	TOTAL			<b>13106.17</b>

#### Details of Security for Secured Indebtedness

Non-Convertible Debentures [NCDs], mentioned here-under, together with interest, liquidated damages, remuneration payable to Trustees, and other monies due in respect thereof are secured as under :

NCDs at Sl. No.	Nature of Mortgage	Properties at	Trustee	Security Charge
[i]	Legal Mortgage in English form	Mouje Budasan, Taluka Kadi, Dist. – Mehsana, Gujrat	Axis Bank Limited	First Mortgage
[ii] & [iii]	Legal Mortgage in English form	Mouje Dhanot, Taluka Kalol, Dist. Mehsana, Gujarat	Axis Bank Limited	First Mortgage
[iv] & [v]	Legal Mortgage in English form	Mouje Dhanot, Taluka Kalol, Dist. Mehsana, Gujarat	IDBI Trusteeship Services Limited	First Mortgage

and equitable mortgage of Immovable Properties and Hypothecation of Movable [present and future], ranking pari passu, save and except book debts and exclusive charge on assets including under Hire Purchase, subject to prior charge on specified movables created in favour of the Company's Bankers for working capital facilities in respect of NCDs at Sl.No.[ii], [iii], [iv] & [v] and to the extent of 40% in respect of NCDs aggregating to Rs.165 crores at Sl.No.[i] ; the balance 60% being secured by way of Bank Guarantee of Rs.103.125 crores included under [b] below and NCDs at Sl no (iii) is secured by pari passu charge on the assets of Himachal Cement Plant.

Term Loans including External Commercial Borrowings from Financial Institutions,

- [i] 1,800 7.5% NCDs of Rs.10,00,000/- each redeemable in 12 equal quarterly installments from 15.01.2009 to 15.10.2011 [Rs. 83,333.33 per Debenture Redeemed];
- [ii] 1,500 9.5% NCDs of Rs.10,00,000/- each redeemable in 12 equal quarterly installments from 01.04.2010 to 01.01.2013;
- [iii] 5,000 9% NCDs of Rs.1,00,000/- each redeemable in 20 equal quarterly installments from 01.04.2008 to 01.01.2013 [Rs. 25000/- per Debenture Redeemed];
- [iv] 3,000 11.8% NCDs of Rs.10,00,000/- each redeemable in 5 equal annual installments from 11.08.2012 to 11.08.2016;
- [v] 1,500 12.4% NCDs of Rs.10,00,000/- each redeemable in 5 equal annual installments from 04.11.2012 to 04.11.2016;

Banks and Bank Guarantees to the extent of Rs.103.125 Crores [for partially securing Non Convertible Debentures] together with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies, stipulated in the Loan Agreements are secured by equitable mortgage of Immovable Properties and Hypothecation of movables [present and future], save and except book debts and exclusive charge on assets including under Hire Purchase, ranking pari passu, subject to prior charge on specified movables created/to be created in favour of the Company's Bankers for working capital facilities.

Term Loans obtained from Banks for setting up of 6.2 Million TPA Cement Plant in H.P. at Baga & Bagheri and Grinding Unit in Haryana at Panipat and in Uttarakhand at Roorkee, 3.0 Million TPA Cement Plant in U.P. at Dalla, Churk and Chunar and 2.0 Million TPA Cement Plant in M.P. at Sidhi together with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies, stipulated in the Loan Agreements, are secured/to be secured by equitable mortgage of immovable properties and Hypothecation of movables of respective Cement Plants [present and future], save and except book debts, ranking pari passu, subject to prior charge on specified movables created/to be created in favour of the Company's Bankers.

Term Loan including External Commercial Borrowings amounting to Rs. 10,45,26,60,529 (Previous Year Rs. 3,95,05,15,735) obtained from Banks and Others for setting up 2.4 Million TPA Cement Plant at Bhuj with Grinding Unit at Wanakbori in Gujrat together with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies, stipulated in the Loan Agreements are secured/ to be secured by equitable mortgage of Immovable Properties and Hypothecation of movables of the Plant, save and except book debts, ranking pari passu, subject to prior charge on specified movables created/to be created in favour of the Company's Bankers for working capital facilities. The Secured Liability of Rs. 4.44 Crores from Gujrat Industrial Investment Corporation Ltd. Is secured by collateral security belonging to M/s. Shikhar Enterprises – Prop. Anjan H. Raja and the office premises (Book value of Rs. 57,32,834 and WDV Rs. 53,59,054). This liability is under settlement with Gujrat Industrial Investment Corporation Ltd.

Term Loans amounting to Rs. 50,00,00,000/- (Previous Year Rs. NIL) obtained from Banks for setting up of 3.5 Million TPA Cement Plant at Jegayapet, Distt. Krishna, Andhra Pradesh together with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies, stipulated in the Loan Agreements, are secured/to be secured by equitable mortgage of immovable properties and Hypothecation of movables of respective Cement Plants, save and except book debts, ranking pari passu, subject to prior charge on specified movables created/to be created in favour of the Company's Bankers. For Working Capital facilities.

Term Loan from Oriental Bank of Commerce [OBC] and disbursements of Rs. 50 Crores each from IFCI Limited and OBC against respective sanction of Rs. 100 Crores each for setting up of the Resorts Cum SPA at Greater Noida in Uttar Pradesh and Rs. 20 Crores sanctioned by OBC for construction of additional rooms in Hotel Jaypee Siddharth, Rajendra Place, New Delhi, together with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies, stipulated in the Loan Agreements, are secured by way of First Charge ranking pari passu on the Fixed Assets of the Resort Cum Spa and collateral security of existing immovable properties, ranking pari passu, subject to prior charge on specified assets created/to be created in favour of the Company's Bankers and to the extent charged by way of Primary security against cash credit facility from Indian Overseas Bank

against first charge over the Inventories and Book Debts.

Term Loan of Rs 200 crores sanctioned by Punjab National Bank for Yamuna Expressway Project outstanding Rs.192,54,15,777/- as on 31.03.2009 [Previous Year Rs 199,99,33,998/-] is secured by way of 1st charge on 370.49 acres of Lease Hold Land and other Assets at Jaypee Greens, Greater Noida. The said loan has been transferred to Jaypee Infratech Limited, a Subsidiary of Jaiprakash Associates Limited. The charge is yet to be vacated.

The Working Capital facilities availed from the Consortium member Banks with Canara Bank, as lead, are secured by way of first charge on Current Assets i.e. Hypothecation of Stocks of Raw Materials, Work-in-Progress, Stock-in-Process, Finished Goods, Stores & Spares and Book Debts [except pertaining to Overseas Works and Projects under development] ranking pari-passu and 2nd charge on the Fixed Assets of the Company, both present and future except assets exclusively charged.

Interest Free Loan granted by U.P. Financial Corporation (UPFC) under Audyogik Nivesh Protshahan Yojna Scheme is secured by way of First Charge on the Fixed Assets of the respective Units of the Company.

#### **XI. MATERIAL DEVELOPMENT**

There are no material event/development or change at the time of issuance of this document which may affect the Issue or the investor's decision to invest/ continue to invest in the debt securities.

#### **XII. DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, AT PREMIUM OR AT DISCOUNT, IN PURSUANCE OF AN OPTION.**

The Issuer company has not issued any debt securities for consideration other than cash, at premium, or at discount. The details of the FCCB's issued are provided in the section IV titled Brief History of Issuer Company since incorporation and changes in Capital Structure.

#### **XIII. DETAILS OF HIGHEST TEN HOLDERS OF EACH KIND OF SECURITIES**

##### **Top Ten Largest Shareholders of the Company as on June 30, 2009**

<b>Sr. No.</b>	<b>Name of shareholder</b>	<b>Address</b>	<b>Number of Equity Shares allotted (face value of Rs. 2 each)</b>	<b>% Shareholding</b>
1.	Jaypee Ventures Pvt. Ltd.	1095, Sector-A Pocket-A Vasant Kunj, New Delhi 110 070	406,856,621	29.02
2.	Sameer Gaur	JEL Trust, Sector -128, F Block, Noida -201 304, Uttar Pradesh	65,232,418	4.65
3.	T Rowe Price International INC A/c	HSBC Securities Services, 2 <sup>nd</sup> Floor "SHIV" Plot No.139-140 B, Western Exp Highway, Sahar Rd. Junc Vile Parle-E, Mumbai - 400 057	50,299,283	3.59
4.	LIC of India Money Plus	Investment Department, 6 <sup>th</sup> Floor, West Wing, Central Office, Yogakshema, Jeevan Bima Marg, Mumbai - 400 021	45,463,218	3.24
5.	Copthall Mauritius Investment Limited	J.P. Morgan Chase Bank N.A. India Sub Custody, 6 <sup>th</sup> Floor, Paradigm B Minidspace, Malad W.Mumbai - 400 064	44,494,799	3.17

6.	Rekha Dixit	JCL Trust Sector – 128, F Block, Noida – 201 304, Uttar Pradesh	43,105,070	3.07
7.	Sunil Kumar Sharma	JHL Trust Sector – 128, F Block, Noida – 201 304, Uttar Pradesh	40,049,943	2.86
8.	Reliance Capital Trustee Co. Ltd.	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Next to Sterling Theatre, Fort P.O.Box No. 1142, Mumbai – 400 001	29,364,952	2.09
9.	Ironwill Holdings Pvt. Ltd.	F-3/8 First Floor, Vasant Kunj, New Delhi – 110 070	28,079,700	2.00
10.	Ironwill Investments Pvt. Ltd.	5, Park Road, Hazratganj, Lucknow – 226 001.	28,063,200	2.00

**Note:** As on 30<sup>th</sup> June, 2009, the top ten shareholders do not hold any debt securities except debt securities hold by Life Insurance Corporation of India, the details of which are mentioned hereunder.

Holding of 9.5% NCDs aggregating Rs. 150 crores (o/s Rs. 150 crores) as on 30<sup>th</sup> June 2009:

Sr. No.	Name of holder	Address	Number of NCDs Held	% Holding
1	Life Insurance Corporation of India	Investment Department, 6 <sup>th</sup> Floor, West Wing, Central Office, Yogakshema, Jeevan Bima, Mumbai 400 021	1500	100%

Holding of 12.5% NCDs aggregating Rs. 50 crores (o/s Rs. 35.00 crores) as on 30<sup>th</sup> June 2009:

Sr. No.	Name of holder	Address	Number of NCDs Held	% Holding
1	Axis Bank Limited	11 <sup>th</sup> Floor, Maker Tower F, Cuffe Parade, Colaba, Mumbai 400 005	5000	100%

Holding of 7.5% NCDs aggregating Rs. 180 crores (o/s Rs. 150 crores) as on 30<sup>th</sup> June 2009:

Sr. No.	Name of holder	Address	Number of NCDs Held	% Holding
1	Canara Bank	Maker Chambers III, Nariman Point, Mumbai 400 021	500	28%
2	Central Bank of India	Central Bank Building, M G Road, Fort, Mumbai 400 001.	100	6%
3	Indian Overseas Bank	Central Office, 763 Anna Salai, Chennai - 600 002.	200	11%
4	State Bank of	1204, Ashok Mahal, 1st	50	3%

	Hyderabad	floor, Tulloch road, Behind regal theatre, Colaba, Mumbai-400039		
5	Syndicate Bank	2nd Floor, Maker tower E Wing, Cuffe Parade, Colaba, Mumbai- 400 005	200	11%
6	The Jammu & Kashmir Bank Ltd.	5th Floor Merchant Chambers, 41 New Marine Lines, Mumbai	200	11%
7	Union Bank of India	Union Bank Building, Nariman Point, Mumbai 400 021	250	14%
8	Bank of Rajasthan	18/20 Cawasji Patel Street, Jeevan Jyoti Bldg., Fort, Mumbai - 400 023	200	11%
9	IDBI Bank Ltd.	IDBI Tower, 17 <sup>th</sup> Floor, World Trade Centre Complex, Cuffe Parade, Mumbai – 400 005	100	6%
	<b>Total</b>		<b>1800</b>	<b>100%</b>

Holding of 11.8% NCDs aggregating Rs. 300 crores (o/s Rs. 300 crores) as on 30<sup>th</sup> June 2009:

Sr. No.	Name of holder	Address	Number of NCDs Held	% Holding
1	Life Insurance Corporation of India	Investment Department, 6 <sup>th</sup> Floor, West Wing, Central Office, Yogakshema, Jeevan Bima, Mumbai 400 021	3000	100%

Holding of 12.4% NCDs aggregating Rs. 150 crores (o/s Rs. 150 crores) as on 30<sup>th</sup> June 2009:

Sr. No.	Name of holder	Address	Number of NCDs Held	% Holding
1	Life Insurance Corporation of India	Investment Department, 6 <sup>th</sup> Floor, West Wing, Central Office, Yogakshema, Jeevan Bima, Mumbai 400 021	1500	100%

Holding of 12.5% NCDs aggregating Rs. 400 crores (o/s Rs. 400.00 crores) as on 30<sup>th</sup> June 2009:

Sr. No.	Name of holder	Address	Number of NCDs Held	% Holding
1	Axis Bank Limited	Maker Tower F, Cuffe Parade, Mumbai 400 005	4000	100%

Holding of 11.75% NCDs aggregating Rs. 900 crores (o/s Rs. 900.00 crores) as on 30<sup>th</sup> June 2009:

Sr. No.	Name of holder	Address	Number of NCDs Held	% Holding
1	Standard Chartered Bank	Standard Chartered Bank c/o Global Market Operations, 1 <sup>st</sup> Floor 90, M.G.Road, Fort, Mumbai – 400 001	2000	22%
2	RHC Holding Private Limited	55, Hanuman Road, Connaught Place, New Delhi - 110 001	2000	22%

3	Fortis Mutual Fund A/c Fortis Equity Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Fort, P.O.Box No. 1142, Mumbai – 400 001	105	1%
4	Fortis Mutual Fund A/c Fortis Tax Advnatage Plan	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Fort, P.O.Box No. 1142, Mumbai – 400 001	2145	24%
5	Syndicate Bank	FIM Department, Maker Towers, E-II Floor, Cuffee Parade, Colaba, Mumbai – 400 005	250	3%
6	Axis Bank Limited	11 <sup>th</sup> Floor, Maker Tower F, Cuffe Parade, Colaba, Mumbai – 400 005	2500	28%
	<b>Total</b>		<b>9000</b>	<b>100%</b>

Holding of 8% Unsecured NCDs aggregating Rs. 8.63 crores (o/s Rs. 2.16 crores) as on 30<sup>th</sup> June 2009:

Sr. No.	Name of holder	Address	Number of NCDs Held	% Holding
1	Greater Noida Industrial Development Authority	169, Chitvan Estate, Sector Gamma, Greater Noida, Greater Noida City, Uttar Pradesh,	863083	100%

Holding of 10.20% & 8.20% NCDs aggregating Rs. 400.00 crores (o/s Rs. 400.00 crores) as on 30<sup>th</sup> June 2009:

Sr. No.	Name of holder	Address	Number of NCDs Held	% Holding
1	LIC Mutual Fund	LIC Mutual Fund, Industrial Assurance Building, 4 <sup>th</sup> Floor, Opp. Churchagate Station, Mumbai 400 020	2000	100%
2	LIC Mutual Fund	LIC Mutual Fund, Industrial Assurance Building, 4 <sup>th</sup> Floor, Opp. Churchagate Station, Mumbai 400 020	20000	100%

#### **XIV. UNDERTAKING TO USE A COMMON FORM OF TRANSFER**

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of Debentures.

#### **XV. REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION**

Redemption Amount	Rs.500 Crores (Rupees Five Hundred Crores only) comprising of Series A to Series E of Rs.100 crores each.
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Maturity & Redemption	The NCDs are redeemable at par in 5 tranches with separate ISIN's as under:		
	<b>Series</b>	<b>From Date of allotment</b>	<b>Rs. crores</b>
	A	End of 36 <sup>th</sup> month	100.00
	B	End of 42 <sup>nd</sup> month	100.00
	C	End of 48 <sup>th</sup> month	100.00
	D	End of 54 <sup>th</sup> month	100.00
E	End of 60 <sup>th</sup> month	100.00	
Coupon Rate	*11.75% p.a. payable Quarterly		
*Subject to TDS at applicable rate.			

#### **XVI. TERMS OF OFFER**

Issuer	Jaiprakash Associates Limited																		
Purpose	Capital expenditure being undertaken by the Issuer; normal capital expenditure and long term working capital.																		
Issue Size	Rs.500 Crores (Rupees Five Hundred Crores only) comprising of Series A to Series E of Rs.100 crores each.																		
No. of Debentures	5000																		
Face Value	Rs.10,00,000 each																		
Minimum Subscription	1 debentures of Rs.10,00,000 each and in multiple of 1 thereafter.																		
Coupon Rate	*11.75% p.a. payable Quarterly																		
Tenor	5 years from date of allotment.																		
Maturity & Redemption	The NCDs are redeemable at par in 5 tranches with separate ISIN's as under : <table border="1" data-bbox="568 1032 1158 1256"> <thead> <tr> <th>Series</th> <th>From Date of allotment</th> <th>Rs. crores</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>End of 36<sup>th</sup> month</td> <td>100.00</td> </tr> <tr> <td>B</td> <td>End of 42<sup>nd</sup> month</td> <td>100.00</td> </tr> <tr> <td>C</td> <td>End of 48<sup>th</sup> month</td> <td>100.00</td> </tr> <tr> <td>D</td> <td>End of 54<sup>th</sup> month</td> <td>100.00</td> </tr> <tr> <td>E</td> <td>End of 60<sup>th</sup> month</td> <td>100.00</td> </tr> </tbody> </table>	Series	From Date of allotment	Rs. crores	A	End of 36 <sup>th</sup> month	100.00	B	End of 42 <sup>nd</sup> month	100.00	C	End of 48 <sup>th</sup> month	100.00	D	End of 54 <sup>th</sup> month	100.00	E	End of 60 <sup>th</sup> month	100.00
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C	End of 48 <sup>th</sup> month	100.00																	
D	End of 54 <sup>th</sup> month	100.00																	
E	End of 60 <sup>th</sup> month	100.00																	
Put/Call Option	None																		
Listing	The debentures are proposed to be listed on the WDM segment of the Bombay Stock Exchange Limited (BSE)																		
Issuance	The Debentures are proposed to be issued in Dematerialised form																		
Trading	The Debentures will be traded in Dematerialised form only																		
Depository	NSDL/CDSL																		
Security	The NCD's shall be secured by way of <ul style="list-style-type: none"> <li>o 1<sup>st</sup> pari passu charge on fixed assets of the company excluding assets charged on exclusive basis,</li> <li>o 1<sup>st</sup> Pari passu charge on the specific immovable property of the company situated at Block No. 179 of the Mouje Dhanot in state of Gujarat</li> </ul> <p>with minimum asset cover of 1.25 times on the outstanding debentures</p>																		
Security Creation	The security shall be created within 6 months from the Date of Disbursement failing which an additional interest @ 1% p.a. on the outstanding amount of debentures shall be payable from the date of disbursement till such creation of security to the satisfaction of the Debentureholder. <p>In case security is not created within 6 months as mentioned the Debentureholder shall reserve the right to recall the outstanding principle amount on the aforesaid Debentures along with all other monies/ accrued interest due in respect thereof</p>																		



Default Interest	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the documented rate will be payable by the company.
Rating	CARE A+ (pronounced CARE single A Plus)
Settlement	Payment of interest will be made by way of cheque(s)/ interest warrant(s)/ demand draft(s)/credit through RTGS system
Issue Open Date	July 15, 2009
Issue Closing Date	July 15, 2009
Pay In Date	July 15, 2009
Deemed Date of Allotment	July 15, 2009

*\*subject to TDS*

The aforesaid dates could be changed and then shall be such dates as may be communicated by Company to the Debenture Trustee.

The Company reserves the right to change the issue programme and also accept or reject any application in part or in full without assigning any reason.

Other Offer details:

#### **Market Lot**

The market lot will be one Debenture ("Market Lot"). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Debentures.

#### **Letter(s) of Allotment/ Debenture Certificate(s)/ Refund Order(s)**

Issue of Letter(s) of Allotment

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 2 days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debenture Certificate.

#### **Issue of Debenture Certificate(s)**

Subject to the completion of all legal formalities within 3 months from the Deemed Date of Allotment, or such extended period as may be approved by the Appropriate Authorities, the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Debentures allotted.

The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

#### **Dispatch of Refund Orders**

The Company shall ensure dispatch of Refund Order(s) of value upto Rs. 1,500/- under certificate of posting and Refund Order(s) of value of over Rs. 1,500/- by Registered Post only and adequate funds for the purpose shall be made available to the Registrar to the Issue by the Issuer Company.

#### **Terms of Payment**

The full face value of the Debentures applied for is to be paid alongwith the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s) for the full face value of the Debentures applied for.

Face Value Per	Minimum Application for	Amount Payable on
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<b>Debenture</b>		<b>Application per Debenture</b>
Rs. 10,00,000/-	1 Debentures & in multiples of 1 Debenture thereafter	Rs. 10,00,000/-

### **Payment of Interest**

The interest will be payable to the Bondholder(s) whose names appear in the List of beneficial owners given by the Depository to the Bank on the Record Date/ Book Closure Date. Payment of interest will be made by way of credit through RTGS system, ECS (Electronic Clearing Service), Direct Credit or NEFT (National Electronic Funds Transfer).

### **Tax Deduction at Source (TDS)**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/ lower rate of TDS, relevant certificate(s)/ document(s) must be lodged at least 15 days before the payment of interest becoming due with the Company Secretary Jaiprakash Associates Ltd., Registered Office, 128- Noida, Uttar Pradesh (India), or to such other person(s) at such other address(es) as the Company may specify from time to time through suitable communication.

Tax exemption certificate/ declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form. Where any deduction of Income Tax is made at source, the Company shall send to the Debentureholder(s) a Certificate of Tax Deduction at Source.

### **Tax Benefits**

Under the existing provisions of the Income Tax Act, 1961 for the time being in force, the following tax benefits and deductions will be available to the Debentureholder(s) of the Company subject to the fulfillment of the requirements of the relevant provisions. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with the amendments or enactment thereto. As alternate views are also possible, the Debentureholder(s) are advised to consult their own tax advisers on the tax implications of the acquisition, ownership and sale of Debentures, and income arising thereon

#### **I. To Resident Debentureholders**

No Income Tax will be deducted at source from interest payable on Debentures in the following cases:

- a) In case of payment of interest to a Debentureholder, who is an individual and resident in India, where the interest payment in the aggregate during the financial year does not exceeds Rs. 5,000/-;
- b) Tax will be deducted at a lower rate where the Assessing Officer, on an application of any Debentureholder, issues a certificate for deduction of tax at such lower rate as per provisions of the Section 197(1) of the Income Tax Act.

In all other situations, tax would be deducted at source on each payment as per prevailing provisions of the Income Tax Act. Details on deduction of tax at source are given under para 'Tax Deduction at Source (TDS)' mentioned elsewhere in this Information Memorandum. No Wealth Tax is payable in respect of investments in Debentures of the Company.

#### **II. To other Eligible Institutions**

- a) Mutual Funds registered under the SEBI Act or regulations made thereunder or such other mutual fund sets up by public sector bank or public financial institution or authorised by Reserve Bank of India and notified by the Central Government will, subject to the provisions of Chapter XII-E, be exempted from income tax on all their income, including from investment in Bonds/ Debentures under the provisions of Section 10(23D) of Income Tax Act.
- b) No Wealth Tax is payable in respect of investments in Debentures of the Company.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2008
2. The stated benefits will be available only to the sole/ first named holder in case the Debentures are held by joint holders.

### **Redemption**

The face value of the Debentures will be redeemed at par. In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of Mumbai), then the payment due shall be made on the next Business Day.

### **Payment on Redemption**

In terms of the Debt Listing Agreement, the Company shall ensure that services of ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) are used for payment of all outstanding amounts on the Debentures, including the principal and interest accrued thereon, as per the applicable norms of the RBI.

The Debentures shall be taken as discharged on payment of the redemption amount by the Company on maturity to the list of beneficial owners as provided by NSDL/ CDSL/ Depository Participant. Such payment will be a legal discharge of the liability of the Company towards the Debentureholders. On such payment being made, the Company will inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Debentureholders with NSDL/ CDSL/ Depository Participant will be adjusted.

The Company's liability to the Debentureholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the date of redemption. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

### **Effect of Holidays**

Should any of dates defined above or elsewhere in the Information Memorandum, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday or a Public Holiday, the next working day shall be considered as the effective date(s).

### **List of Beneficial Owners**

The Company shall request the Depository to provide a list of beneficial owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

### **Debenture Redemption Reserve (DRR)**

As per extant circular no. 6/3/2001-CL.V dated 18.04.2002 issued by the Government of India with respect to creation of Debenture Redemption Reserve, for manufacturing and infrastructure companies, the adequacy of DRR is defined at 25% of the value of Debentures issued through private placement route. In terms of extant provisions of Companies Act, 1956, the Company is required to create Debenture Redemption Reserve out of profits, if any, earned by the Company. The Company shall create a Debenture Redemption Reserve ('DRR') and credit to the DRR such amounts as applicable under provisions of Section 117C of the Companies Act 1956 (as amended from time to time) or any other relevant statute(s), as applicable.

### **Notices**

All notices to the Debentureholder(s) required to be given by the Company or the Trustees shall be published in one English and one regional language daily newspaper in Mumbai, New Delhi, Kolkata and Chennai and/ or, will be sent by post/ courier to the sole/ first allottee or sole/ first beneficial owner of the Debentures, as the case may be from time to time.

All notice(s) to be given by the Debentureholder(s) shall be sent by registered post or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time through suitable communication.

### **Joint-Holders**

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

### **Sharing of Information**

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debentureholders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

### **Undertaking by the Issuer**

The Issuer Company undertakes that:

- a) the complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;
- b) it shall take all steps for completion of formalities for listing and commencement of trading at all the concerned stock exchange(s) where securities are to be listed and taken within 3 working days from the date of closure of issue.
- c) the funds required for dispatch of refund orders by registered post shall be made available to the Registrar to the Issue by the Issuer Company;
- d) no further issue of securities shall be made till the securities offered through this Information Memorandum are listed or till the application moneys are refunded on account of non-listing, under-subscription, etc;
- e) necessary co-operation to the credit rating agency shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.

### **Depository Arrangements**

The Company has appointed Alankit Assignments Limited as Registrars & Transfer Agent for the present Debenture issue. The Company has made necessary depository arrangements with National Securities Depository Limited (NSDL) for issue and holding of Debentures in dematerialised form. In this context the Company is in the process of signing tripartite agreement as under:

- 1) Tripartite Agreement between Jaiprakash Associates Limited, Alankit Assignments Limited and National Securities Depository Limited (NSDL) for offering depository option to the investors.

Investors can hold the debentures only in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

### **Procedure for applying for Demat Facility**

1. The applicant must have beneficiary account with the Depository Participants (DPs) of NSDL prior to making the application.
2. The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application Form under the heading 'Details for Issue of Debentures in Electronic/ Dematerialised Form'.
3. Debentures allotted to an applicant will be credited directly to the applicant's respective Beneficiary Account(s) with the DP.
4. For subscribing the debentures, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the

- depository.
5. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrars to the Issue.
  6. If incomplete/incorrect details are given under the heading 'Details for Issue of Debentures in Electronic/ Dematerialised Form' in the application form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Company.
  7. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.
  8. It may be noted that Debentures being issued in electronic form, the same can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchange, Mumbai where the Debentures of the Company are proposed to be listed has connectivity with NSDL and CDSL.
  9. Interest or other benefits would be paid to those Debentureholders whose names appear on the list of beneficial owners given by the Depositories to the Company as on Record Date/ Book Closure Date. In case of those Debentures for which the beneficial owner is not identified by the Depository as on the Record Date/ Book Closure Date, the Company would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the Company, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

#### **Trustees for the Debentureholders**

The Company has appointed IDBI Trusteeship Services Ltd. to act as Trustees for the Debentureholders (hereinafter referred to as "Trustees"). A copy of letter No.1822/ITSL/OPR/CL-09-10-DEB-114 dated July 8, 2009 from IDBI Trusteeship Services Ltd conveying their consent to act as Trustees for the Debentureholders is enclosed elsewhere in this Information Memorandum.

1. The Company and the Trustees will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.
2. The Debentureholder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures being offered in terms of this Information Memorandum.
3. All the rights and remedies of the Debentureholder(s) shall vest in and shall be exercised by the said Trustees without having it referred to the Debentureholder(s).
4. No Debentureholder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.
5. Any payment made by the Company to the Trustees on behalf of the Debentureholders shall discharge the Company pro tanto to the Debentureholder(s).
6. The Trustees will protect the interest of the Debentureholder(s) in the event of 'Default' by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.

#### **Right to Accept or Reject Applications**

The Board of Directors/ Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realisation of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a) Number of debentures applied for is less than the minimum application size;
- b) Applications exceeding the issue size;

- c) Bank account details not given;
- d) Details for issue of debentures in electronic/ dematerialised form not given;
- e) PAN/GIR and IT Circle/Ward/District not given;
- f) In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;
- g) In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

### **How to Apply**

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures issued by the Company. The document is for the exclusive use of the Institution(s) to whom it is delivered and it should not be circulated or distributed to third parties. The document would be sent specifically addressed to the institution(s) by the Issuer Company.

Only eligible investors as given hereunder may apply for debentures by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. Applications should be for a minimum of 1 Debentures and in multiples of 1 Debenture thereafter. Applications not completed in the said manner are liable to be rejected. Application Form duly completed in all respects must be submitted with any of the designated branches of the Bankers to the Issue. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/redemption warrants.

The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A(5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. if the investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "Applied for" and in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating reasons for non applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form at the address mentioned therein.

Unless the Issuer Company specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

Application Form must be accompanied by either demand draft(s) or cheque(s) drawn or made payable in favour of 'Jaiprakash Associates Limited' and crossed 'Account Payee Only' unless the subscription amount is being paid to the Company through RTGS (Real Time Gross Settlement) in accordance with the applicable norms of the RBI. Cash, outstation cheques, money orders, postal orders and stockinvest shall not be accepted. The Company assumes no responsibility for any applications/ cheques/ demand drafts lost in mail. Detailed instructions for filling up the application form and list of collection centers are provided elsewhere in this Information Memorandum.

No separate receipts shall be issued for the application money. However, Bankers to the Issue at their Designated Branch(es) receiving the duly completed Application Forms will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the applicant. Applications shall be deemed to have been received by the Issuer Company only when submitted to Bankers to the Issue at their designated branches or on

receipt by the Registrar as detailed above and not otherwise. For further instructions, please read Application Form carefully.

### **Who Can Apply**

The following categories of investors may apply for the debentures, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents alongwith the application form.

1. Scheduled Commercial Banks;
2. Regional Rural Banks;
3. Financial Institutions;
4. Insurance Companies;
5. Mutual Funds;
6. Companies, Bodies Corporate authorised to invest in debentures.
7. Foreign Institutional Investors (FIIs)

The investor should not be in the caution list/ negative list of investors, as released by Securities and Exchange Board of India (“**SEBI**”) from time to time.

### **Applications under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be alongwith the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged alongwith the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Company or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Company from time to time through a suitable communication.

### **Application by Mutual Funds**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

### **Future Borrowings**

Subject to Financial Covenants (as mentioned below), the Company shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Debentures/ Debentures/ Notes/ other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debentureholder(s) in this connection.

### **Purchase/ Sale Of Debentures**

The Company will have the power exercisable at its absolute discretion from time to time to purchase some or all the Debentures at any time prior to the specified date(s) of redemption, at discount, at par or at premium from the open market in accordance with the applicable laws. Such Debentures, at the option of the Company, may be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by law.

### **Right to Re-Issue**

In the event of the Debentures being so purchased and/ or redeemed before maturity in any circumstances whatsoever, the Company shall have the right to re-issue the Debentures under section 121 of the Companies Act, 1956 or any other relevant statute(s), as applicable.

### **Debentureholder not a Shareholder**

The Debentureholders will not be entitled to any of the rights and privileges available to the Shareholders.

### **Rights of Debentureholders**

- ◆ The Debentures shall not, except as provided in the Companies Act, 1956 confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debentureholders for their consideration. In terms of Section 219(2) of the Act, holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.
- ◆ The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least two-thirds of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debentureholders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company.
- ◆ The registered Debentureholder or in case of joint-holders, the one whose name stands first in the Register of Debentureholders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debentureholders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debentureholders.
- ◆ The Debentures are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles, the terms of this prospectus and Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Debenture Trust Deed to be executed / Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.
- ◆ Save as otherwise provided in this Information Memorandum, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debentureholders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.
- ◆ A register of Debentureholders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debentureholders. The Debentureholders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

### **RTGS Details**

In case the payment is being made through RTGS, the details of RTGS are as under:

Beneficiary	Jaiprakash Associates Limited
Account Number	007010200015242
IFSC Code	UTIB0000007
Bank Name & Branch	Axis Bank Limited, Statesman House, Barakhamba Road, New Delhi – 110 001

### **XVII. DISCOUNT ON THE OFFER PRICE**

The debentures are being issued at the face value and not at discount to offer price.



### **XVIII. DEBT EQUITY RATIO**

The debt equity ratio of the Company as on 31<sup>st</sup> March 2009 is 2.06 times and subsequent to the issue to these debentures will be 2.14 times. Debt includes secured and unsecured debt.

### **XIX. SERVICING BEHAVIOUR OF THE EXISTING DEBTS**

The company is discharging all its liabilities towards lenders in time and would continue doing so in future as well.

### **XX. NAME OF DEBENTURE TRUSTEE**

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor, 17, R.Kamani Marg,  
Ballard Estate, Mumbai - 400 001  
Website: [www.idbitrustee.co.in](http://www.idbitrustee.co.in)

The Company has appointed IDBI Trusteeship Services Ltd. to act as Trustees for the Debenture holders. A copy of letter from IDBI Trusteeship Services Ltd conveying their consent to act as Trustees for the Debenture holders is enclosed.

### **XXI. RATING RATIONALE ADOPTED BY RATING AGENCIES.**

“CARE A+” (pronounced CARE single A Plus) by CARE Limited for Rs. 500 crores long term NCDs indicating “adequate safety for timely servicing of debt obligations. Such instruments carry low credit risk”.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

### **XXII. LISTING OF DEBENTURES**

The Company shall get the debentures listed on the WDM segment of the Bombay Stock Exchange. The company has applied for in-principle approval from BSE for listing of securities.

### **XXIII. TERM SHEET**

Terms of Issue of Debentures

<b>Issuer</b>	Jaiprakash Associates Limited
<b>Instrument</b>	Secured Redeemable Non Convertible Debentures
<b>Issue Size</b>	Rs.500 Crores (Rs. Five Hundred Crores only)
<b>Purpose</b>	Capital expenditure being undertaken by the Issuer; normal capital expenditure and long term working capital.
<b>Number of Debentures</b>	5000
<b>Rating</b>	“CARE A+” by CARE
<b>Face Value per Debenture</b>	Rs.10,00,000 each (Rupees Ten Lac Only)
<b>Issue Price</b>	Rs.10,00,000 each (Rupees Ten Lac Only)
<b>Interest on Application Money</b>	Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the application money for the Bonds. Such interest shall be paid from the date of realisation of cheque(s)/ demand draft(s)

	upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual/ 365 day basis. Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid alongwith the Refund Orders. Where an applicant is allotted lesser number of bonds than applied for, the excess amount paid on application will be refunded to the applicant alongwith the interest on application money.																		
<b>Minimum Application Size</b>	1 Debenture (or in multiples thereof)																		
<b>Issue Price</b>	Rs.10,00,000.00 (Rupees Ten Lac Only) each.																		
<b>Coupon Rate *</b>	11.75% p.a. payable Quarterly																		
<b>Interest Calculation</b>	Interest for each of the interest periods shall be calculated, on 'actual/ 365 (366 in case of a leap year) days' basis, on the face value of principal outstanding on the Bonds at the coupon rate rounded off to the nearest Rupee.																		
<b>Maturity &amp; Redemption</b>	The NCDs are redeemable at par in 5 tranches with separate ISIN's as under : <table border="1" data-bbox="507 752 1098 976"> <thead> <tr> <th>Series</th> <th>From Date of allotment</th> <th>Rs. crores</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>End of 36<sup>th</sup> month</td> <td>100.00</td> </tr> <tr> <td>B</td> <td>End of 42<sup>nd</sup> month</td> <td>100.00</td> </tr> <tr> <td>C</td> <td>End of 48<sup>th</sup> month</td> <td>100.00</td> </tr> <tr> <td>D</td> <td>End of 54<sup>th</sup> month</td> <td>100.00</td> </tr> <tr> <td>E</td> <td>End of 60<sup>th</sup> month</td> <td>100.00</td> </tr> </tbody> </table>	Series	From Date of allotment	Rs. crores	A	End of 36 <sup>th</sup> month	100.00	B	End of 42 <sup>nd</sup> month	100.00	C	End of 48 <sup>th</sup> month	100.00	D	End of 54 <sup>th</sup> month	100.00	E	End of 60 <sup>th</sup> month	100.00
Series	From Date of allotment	Rs. crores																	
A	End of 36 <sup>th</sup> month	100.00																	
B	End of 42 <sup>nd</sup> month	100.00																	
C	End of 48 <sup>th</sup> month	100.00																	
D	End of 54 <sup>th</sup> month	100.00																	
E	End of 60 <sup>th</sup> month	100.00																	
<b>Security</b>	The NCD's shall be secured by way of <ul style="list-style-type: none"> <li>• 1st pari passu charge on fixed assets of the company excluding assets charged on exclusive basis,</li> <li>• First Pari passu charge on the specific immovable property of the company situated at Block No. 179 of the Mouje Dhanot in state of Gujarat</li> </ul> with minimum asset cover of 1.25 times on the outstanding debentures																		
<b>Security Creation</b>	The security shall be created within 6 months from the Date of Allotment failing which an additional interest @ 1% p.a. on the outstanding amount of debentures shall be payable from the date of disbursement till such creation of security to the satisfaction of the Debentureholder.  In case security is not created within 6 months as mentioned the Debentureholder shall reserve the right to recall the outstanding principle amount on the aforesaid Debentures along with all other monies/ accrued interest due in respect thereof																		
<b>Default Interest</b>	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the documented rate will be payable by the company.																		
<b>Record Date</b>	The Record date for the debentures shall be 2 days prior to each interest payment and/or principal repayment date.																		
<b>Listing</b>	The Debentures will be listed on Bombay Stock Exchange Limited (BSE)																		
<b>Trading</b>	The Debentures will be traded in Dematerialized Form only.																		
<b>Depository</b>	NSDL /CDSL																		
<b>Settlement</b>	Payment of interest and Principal will be made by the way of cheque(s)/ Interest warrant(s)/demand draft (s) / credit through RTGS system.																		

<b>Trustee</b>	IDBI Trusteeship Services Limited.
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**Issue Programme**


Issue Open Date	July 15, 2009
Issue Closing Date	July 15, 2009
Pay In Date	July 15, 2009
Deemed Date of Allotment	July 15, 2009

The Company reserves the right to change the Issue programme and also accept or reject any application in part or in full without assigning any reason.

**Trustee for the Issue**

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R.Kamani Marg,  
Ballard Estate, Mumbai 400 001  
Website: [www.idbitrustee.co.in](http://www.idbitrustee.co.in)

For Jaiprakash Associates Limited

  
(S.D.NAILWAL)  
Director  
Date: July 10, 2009





**CREDIT ANALYSIS &  
RESEARCH LTD.**

710, Surya Kiran,  
19, Kasturba Gandhi Marg,  
New Delhi-110001  
Ph. : 23716199, 23318701  
Fax : +91-11-23318701  
Website : www.careratings.com

July 06, 2009

**Shri S.D. Nailwal**  
Director  
**Jaiprakash Associates Ltd.**  
Sector-128, Noida-201304  
Uttar Pradesh

**Confidential**

Dear Sir,

**Credit rating of proposed Long-term Non Convertible Debenture (NCD) issue of Rs.500cr**

This has reference to credit rating of the proposed long term NCDs of your company for an amount of Rs.500cr.

2. Our Rating Committee has assigned a 'CARE A+' [CARE Single A (Plus)] rating to the proposed secured long term NCDs of Rs.500cr of Jaiprakash Associates Ltd. (JAL). Instruments with this rating are considered to offer adequate safety for timely servicing of debt obligations. Such instruments carry low credit risk.
3. Our rating symbols for various long/Medium term instruments and explanatory notes thereon are given as Annexure. The rationale for the rating would be communicated to you separately.
4. In order to enable you to use the rating, please send us your acceptance in writing within two weeks from the date of this letter. **Please note that, unless accepted, the above rating should not be used for any purpose.**
5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
6. Please inform us the details of issue [date/s of issue, name of investor/s (not in public issue), amount/s issued, interest-rate/s, date/s of payment of interest, date/s and amount/s of repayment/s, etc.] as soon as it has been placed.
7. Please arrange to get the rating revalidated, in case the proposed NCD is not made within a period of six months from the date of this letter.

8. A formal surveillance/review of rating is normally done on the expiry of one year from the date of initial rating / last review of the rating. However, CARE reserves the right to undertake a surveillance / review of the rating more than once a year (including any time before the expiry of one year from the date of initial rating) if in opinion of CARE, circumstances warrant such a surveillance/ review.
9. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicise/disseminate such suspension/withdrawal/revision in the assigned ratings in any manner considered appropriate by it, without reference to you.
10. CARE ratings are not recommendations to buy, sell or hold any security.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

A handwritten signature in black ink, appearing to read "Swati Agrawal".

(Swati Agrawal)  
Regional Head

A handwritten signature in black ink, appearing to read "Kapil Sachdeva".

(Kapil Sachdeva)  
Manager

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most issuers of securities rated by CARE have paid a credit rating fee, based on the amount and type of securities issued.

**Annexure 2**  
Consent Letter from the Trustee

**IDBI Trusteeship Services Ltd.**

**AN ISO 9001 : 2000 COMPANY**

No. 1822/ITSL/OPR/CL - 09-10 - DEB - 114

July 8, 2009

Mr. S. D. Naiwal  
Jaypee Associates Ltd.  
Sector - 128, NOIDA,  
Distt. Gautam Budh Nagar - 201304



Regd. Office :  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai - 400 001.

Dear Sir,

**Consent to act as Debenture Trustees for NCD'S aggregating Rs. 500 crores**

This is with reference to the discussion we had regarding the appointment of IDBI Trusteeship Services Ltd. as Debenture Trustee for debentures aggregating to Rs. 500 crores. In this connection, we confirm our acceptance of the assignment.

The Company shall enter into relevant documents for the said NCD issue.

We are agreeable for inclusion of our name as trustees in the Disclosure document/listing application/any other document to be filed with the Stock Exchange(s).

Looking forward to a long and fruitful association with your esteemed organization and assuring you of our services at all times.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Brindha V', written over a horizontal line.

**Brindha V**  
Vice President