

COMPANY UPDATE

March 24, 2008

To all our Stakeholders,

We are pleased to inform that as part of our continuing efforts to enhance stakeholder value, Jaypee Infratech Limited, has entered into a strategic investment agreement with ICICI Bank Limited under which ICICI Bank will be investing approximately Rs 11,500 Million (USD 287.5 Million) by way of subscription to 10 Million equity shares of Rs 10 each (representing 1% of the paid up share capital), for cash aggregating to Rs 2,500 million (USD 62.5 Million) and the balance Rs 9,000 million (USD 225 Million) as long term loan in Jaypee Infratech Limited. In addition to ICICI Bank's 1% shareholding, a Jaypee Group employee trust holds 1% in Jaypee Infratech. The parent company Jaiprakash Associates Limited will hold the remaining shareholding.

Jaypee Infratech Limited is a company promoted and incorporated by Jaiprakash Associates Limited to develop, construct and operate a 165 km six lane access controlled toll expressway (Taj Expressway) between NOIDA and AGRA in the state of Uttar Pradesh and for the development of the "land for development" as defined in the concession agreement along the Taj Expressway. "Land for development" comprises the rights of land development of 25 million sq. meters equivalent to 2500 hectares of land along the proposed Taj Expressway for commercial, amusement, industrial, institutional and residential development at five or more locations along the expressway.

This strategic investment represents a resounding affirmation of the tremendous growth potential of the organization and which shall help deliver long term growth for all stakeholders.

Jaiprakash Associates Limited's wholly owned subsidiary, Jaypee Ganga Infrastructure Corporation has signed the concession agreement with Uttar Pradesh Expressways Industrial Development Authority (UPEIDA) for the prestigious 1,047 km long six lane access controlled Ganga Expressway from Greater Noida to Ballia on 23 March 2008 and has also deposited a Bank Guarantee of Rs 1,491 Crs towards the same – a record amount for the first time in the country.

The proposed Ganga Expressway will protect approximately 3.40-lakh hectare land from flooding. At present, this 3.40-lakh hectare of land, yields only single crops due to flooding and it is expected that post completion of the expressway and

embankments it will be changed to multi-crop fertile land. Hence, thousands of farmers will be able to reap benefits of at least double crop.

The proposed 1,047-km, access-controlled, 6-lane expressway from Ballia to Greater Noida and passing through Varanasi, Mirzapur, Allahabad, Pratapgarh, Rae Bareli, Unnao, Hardoi, Farrukhabad, Shahjahanpur, Badaun, Bulandshahr, is to be 155 metre wide, including the width of the embankments and service roads. The expressway which is divided into four packages of approximately 250 km each, had attracted 19 bidders during the pre-qualification round including Reliance Energy, Unitech, Gammon etc. Jaiprakash Associates Limited was awarded the Ganga Expressway project as its combined bid for the four packages of the project was the lowest.

We take this opportunity to reiterate our commitment to maintaining our growth momentum, building on our core strengths while continuously evaluating opportunities for sustainable value creation.