

Dated 11 September 2007

**JAIPRAKASH ASSOCIATES LIMITED**

and

**THE BANK OF NEW YORK**

**TRUST DEED**

constituting

**U.S.\$400,000,000 Zero Coupon Convertible Bonds due 2012**  
**convertible into ordinary shares of Jaiprakash Associates Limited**

**Linklaters**

Ref: APR  
Linklaters LLP

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**THIS TRUST DEED** is made on 11 September 2007 **between:**

- (1) **JAIPRAKASH ASSOCIATES LIMITED**, whose registered office is at Sector 128, Noida, Uttar Pradesh - 201 304, India (the "**Company**"); and
- (2) **THE BANK OF NEW YORK**, whose principal office is situated at One Canada Square, London E14 5AL, England (the "**Trustee**", which expression, where the context so admits, includes all persons for the time being the trustee or trustees of this Trust Deed).

**WHEREAS:**

- (A) The Company, incorporated in India, has, pursuant to a resolution by its board of directors dated 14 July 2007 and a resolution of its shareholders passed on 30 August 2007, authorised the issue of U.S.\$400,000,000 Zero Coupon Convertible Bonds due 2012, convertible into ordinary shares of the Company with par value of Rs.10 each to be constituted by this Trust Deed.
- (B) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

**THIS DEED WITNESSES AND IT IS DECLARED** as follows:

**1 Interpretation**

- 1.1 Definitions:** Unless otherwise defined herein, terms defined in the Conditions shall have the same meanings herein. In addition, the following expressions have the following meanings:

**"Agency Agreement"** means the Paying, Conversion and Transfer Agency Agreement dated 11 September 2007, as amended from time to time, between the Company, the Trustee and the Agents, whereby the Agents are appointed and includes any other agreements related to it, as amended from time to time, approved in writing by the Trustee appointing Successor Agents;

**"Agents"** means the Principal Agent, the Registrar, and the other paying, conversion and transfer agents appointed under the Agency Agreement, at their specified offices, and their Successors;

**"Auditors"** means the auditors for the time being of the Company or, if they are unable or unwilling to carry out any action requested of them under this Trust Deed, such other firm of chartered accountants as may be selected by the Company and approved in writing by the Trustee or (failing such appointment by the Company) as selected by the Trustee for the purpose and, in either case, whose fees will be borne by the Company;

**"Authorised Officer"** means any Director or any other senior officer of the Company (as notified to the Trustee in writing) who has been authorised by the Company to sign the certificates required under the Trust Deed on behalf of, and so as to bind, the Company;

**"Board of Directors"** means the board of directors of the Company;

**"Bondholder"** or, in respect of a Bond, **"holder"** means a person in whose name a Bond is registered in the register of Bondholders save that, for the purposes of enforcement of the provisions of this Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which the Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in this Trust Deed to the extent of the principal amount of the interest in the Bonds set out in the certificate of the holder as if they are themselves the holders of Bonds in such principal amounts (and the holder of the Bonds in

respect of which the Global Certificate is issued shall not be so recognised to the same extent);

**"Bonds"** means bonds, in the denomination of U.S.\$100,000 each and integral multiples of U.S.\$1,000 in excess thereof, in registered form comprising the U.S.\$400,000,000 Zero Coupon Convertible Bonds due 2012, constituted by this Trust Deed and for the time being outstanding or, as the context may require, a specific number or principal amount of them and includes any replacement Certificates issued pursuant to the Conditions and (except for the purposes of Clause 3.1) the Global Certificate;

**"BSE"** means the Bombay Stock Exchange Limited;

**"Capital Distribution"** has the meaning set out in Condition 6.3.4;

**"Certificate"** means a certificate, in or substantially in the form set out in Schedule 1, issued in the name of the holder of one or more Bonds and includes any replacement Certificates issued pursuant to the Conditions; and, except in Clause 3, includes the Global Certificate in or substantially in the form set out in Schedule 2;

**"Clearstream, Luxembourg"** means Clearstream Banking, société anonyme, incorporated under the laws of the Grand Duchy of Luxembourg or any successor securities clearing agency;

**"Conditions"** means the terms and conditions set out in Schedule 1 as from time to time modified in accordance with this Trust Deed, and as modified, in their application to the Bonds in respect of which the Global Certificate is issued, by the provisions of the Global Certificate, and any reference to a particularly numbered Condition shall be construed accordingly;

**"Conversion Date"** has the meaning set out in Condition 6.2.1(ii);

**"Conversion Notice"** means the written notice from time to time in a form approved by the Trustee required to accompany Certificates deposited for the purposes of conversion of Bonds, the initial form of which is set out in Exhibit A to the Agency Agreement;

**"Conversion Period"** has the meaning set out in Condition 6.1.1;

**"Conversion Price"** has the meaning set out in Condition 6.1.3;

**"Conversion Right"** has the meaning set out in Condition 6.1.1;

**"Current Market Price"** has the meaning set out in Condition 6.3.15;

**"Directors"** means the directors of the Company;

**"Euroclear"** means Euroclear Bank S.A./N.V., or any successor securities clearing agency;

**"Event of Default"** means an event described in Condition 10;

**"Extraordinary Resolution"** has the meaning set out in Schedule 3;

**"Fair Market Value"** has the meaning set out in Condition 6.3.4(ii);

**"Fiscal Period"** means a period (a) commencing on 1 April and ending on the succeeding 31 March (**"annual Fiscal Period"**) or (b) commencing on 1 April and ending on the succeeding 30 September (**"semi-annual Fiscal Period"**), provided that if the Company shall change its financial year so as to end on a date other than 31 March, the foregoing shall be amended as necessary;

**"Global Certificate"** means the global certificate which will represent the Bonds, substantially in the form set out in Schedule 2;

**"Indian GAAP"** means generally accepted accounting principles in India;

**"Indian person"** means:

- (a) a person residing in India for more than 182 days during the course of the previous financial year but does not include:
  - (i) a person who has left India or who stays outside India, in either case for the purpose of taking up employment outside India or carrying on a business outside India or a vocation outside India, or for any other purpose, in such circumstances as would indicate an intention to stay outside India for an uncertain period; or
  - (ii) a person who arrives or stays in India, in either case, otherwise than for employment in India, or carrying on a business or a vocation in India, or for any other purpose, in such circumstances as would indicate an intention to stay outside India for an uncertain period;
- (b) any person or body corporate registered or incorporated in India;
- (c) an office, branch or agency in India owned or controlled by a non-Indian person;  
or
- (d) an office, branch or agency outside India owned or controlled by an Indian person.

**"Manager"** means Barclays Bank plc;

**"Material Subsidiary"** has the meaning set out in Condition 10.1(a);

**"NSE"** means the National Stock Exchange of India Limited;

**"outstanding"** means, in relation to the Bonds, all the Bonds issued except (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys and all accrued interest (if any) have been duly paid to or to the order of the Trustee as provided in Clause 2 or have been duly paid to the Principal Agent and remain available for payment following surrender of Certificates in respect of Bonds, (c) those in respect of which claims have become prescribed under Condition 12, (d) those which have been purchased and cancelled as provided in the Conditions, (e) those in respect of which the Conversion Right has been duly exercised and discharged (and, for the avoidance of doubt, a Bond in respect of which a Conversion Date has occurred shall be deemed to remain outstanding for the purposes of Conditions 10, 13 and 14 and Schedule 3 until the Conversion Right has been satisfied and discharged even if the name of the holder is removed from the register of Bondholders during the conversion process), and (f) the Global Certificate to the extent that it shall have been exchanged for definitive Certificates pursuant to its provisions; provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Bondholders, (2) determining how many Bonds are outstanding for the purposes of Conditions 10, 13 and 14 and Schedule 3, and (3) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders, those Bonds which are beneficially held by or on behalf of the Company or any of its Subsidiaries and not yet cancelled shall be deemed not to remain outstanding;

**"Potential Event of Default"** means an event or circumstance which could with the giving of notice and/or the lapse of time and/or the issuing of a certificate become an Event of Default;

**"Principal Agent"** means The Bank of New York at its specified office at One Canada Square, London E14 5AL, England or any Successor Principal Agent appointed under the Agency Agreement at its specified office;

**"RBI"** means the Reserve Bank of India;

**"record date"** means a date fixed by the Company or otherwise specified for the purpose of determining entitlements to dividends or other distributions to, or rights of, holders of Shares;

**"Registrar"** means The Bank of New York at its specified office at 101 Barclay Street, 21st Floor West, New York, NY 10286, United States or any Successor Registrar appointed under the Agency Agreement at its specified office;

**"SGX-ST"** means the Singapore Exchange Securities Trading Limited;

**"Shares"** means (a) shares of the class of share capital of the Company which, at the date of this Trust Deed, is designated as equity shares with full voting rights of Rs.10 each in the capital of the Company, together with shares of any class or classes resulting from any division, consolidation or re-classification thereof, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or winding-up of the Company, and (b) fully-paid shares of any class or classes of the share capital of the Company authorised after the date of this Trust Deed which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or winding-up of the Company; provided that subject to the provisions of Condition 6.2, shares to be issued on a conversion of Bonds and the expression **"Shares"** when used in Clauses 5.1, 5.2 and 5.3 shall mean only **"Shares"** as defined in paragraph (a) above;

**"Shareholder"** means the person in whose name a Share is registered;

**"specified office"** means, in relation to an Agent the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to the Bondholders by or on behalf of the Company pursuant to Clause 9.8;

**"Subsidiary"** has the meaning set out in Condition 10;

**"Successor"** means, in relation to the Agents, such other or further person as may from time to time be appointed by the Company as an Agent with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Bondholders by or on behalf of the Company pursuant to Clause 9.8 and Condition 17;

**"this Trust Deed"** means this Trust Deed (as from time to time altered in accordance with this Trust Deed) and any other document executed in accordance with this Trust Deed (as from time to time so altered) and expressed to be supplemental to this Trust Deed;

**"Trading Day"** has the meaning given to it in Condition 6.3.15; and

**"trust corporation"** means a corporation entitled by rules made under the Public Trustee Act 1906 (or any successor statute or re-enactment thereof) or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England to carry out the functions of a custodian trustee.

**1.2 Construction of Certain References:** References to:

- 1.2.1 costs, charges, liabilities, remuneration or expenses include any withholding, value added, turnover or similar tax charged in respect thereof;
  - 1.2.2 "U.S. dollars", "dollar" and "U.S.\$" are to the lawful currency for the time being of the United States of America;
  - 1.2.3 "Rupees", "Re.", "Rs." and "paisa" are to the lawful currency for the time being of India;
  - 1.2.4 "business day" are to a day (other than a Saturday or Sunday) on which banks are open for general business in London, Singapore and Mumbai, and in relation to any date for payment or purchase of U.S. dollars, New York City; and
  - 1.2.5 an action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto.
- 1.3 **Headings:** Headings shall be ignored in construing this Trust Deed.
- 1.4 **Schedules:** The Schedules are part of this Trust Deed and have effect accordingly.
- 1.5 **Contracts (Rights of Third Parties) Act 1999:** A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms.

**2 Amount of the Bonds and Covenant to Pay**

- 2.1 **Amount of the Bonds:** The aggregate principal amount of the Bonds is limited to U.S.\$400,000,000.
- 2.2 **Covenant to pay:** The Company will on any date when the Bonds or any of them become due to be redeemed in accordance with the Conditions unconditionally pay or procure to be paid to or to the order of the Trustee in U.S. dollars in immediately available funds the principal amount of the Bonds becoming due for redemption or repayment on that date together with any applicable premium and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally so pay to or to the order of the Trustee interest in U.S. dollars on the principal amount of the Bonds outstanding as set out in the Conditions provided that (a) every payment of any sum due in respect of the Bonds made to or to the order of the Principal Agent as provided in the Agency Agreement shall, to that extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions and (b) a payment made after the due date or pursuant to Condition 10 will be deemed to have been made when the full amount due (including interest accrued) has been received by the Principal Agent or the Trustee and notice to that effect has been given to the Bondholders (if required under Clause 9.10) except (if payment is made to the Principal Agent) to the extent that there is failure in the subsequent payment to the relevant Bondholders under the Conditions. The Trustee will hold the benefit of the covenants in this Clause 2.2 on trust for the Bondholders.
- 2.3 **Discharge:** Subject to Clause 2.4, any payment to be made in respect of the Bonds by the Company or the Trustee may be made as provided in the Conditions and any payment so



made will to such extent be a good discharge to the Company or the Trustee, as the case may be.

**2.4 Payment after a Default:** At any time after an Event of Default or a Potential Event of Default has occurred the Trustee may:

**2.4.1** by notice in writing to the Company and the Agents, require the Agents, until notified by the Trustee to the contrary, so far as permitted by applicable law:

(a) to act as agents of the Trustee under this Trust Deed and the Bonds on the terms of the Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and all other expenses of the Agents will be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the terms of this Trust Deed and available for that purpose after application in accordance with Clause 8 below) and thereafter to hold all Certificates and all moneys, documents and records held by them in respect of Bonds to the order of the Trustee; and/or

(b) to deliver all Certificates and all moneys, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee directs in such notice, provided that this Clause 2.4.1(b) shall not apply to any documents or records which the relevant Agent is obliged not to release by any laws to which it is subject; and

**2.4.2** by notice in writing to the Company require it to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Principal Agent.

**3 Form of the Bonds and Certificates; Issue of the Bonds**

**3.1 The Global Certificate:** The Bonds will be represented by the Global Certificate in the aggregate principal amount of the Bonds. The Global Certificate will be issued in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. The Global Certificate need not be security printed. The Bonds evidenced by the Global Certificate shall subject to their terms in all respects be entitled to the same benefits under this Trust Deed as individual Bonds.

**3.2 The Definitive Certificates:** The definitive Certificates, if issued, will be printed in accordance with the requirements of the stock exchange where the Bonds are listed and will be substantially in the form set out in Schedule 1 and endorsed with the Conditions.

**3.3 Signature:** The Global Certificate (and the definitive Certificates, if issued) shall be signed manually or in facsimile by one or more Authorised Officers of the Company duly authorised for the purpose or manually or in facsimile by any duly authorised attorney of the Company and authenticated manually by or on behalf of the Registrar. Bonds represented by Certificates (including the Global Certificate) so executed and authenticated will be binding and valid obligations of the Company.

**3.4 Redemption:** Upon full or partial redemption of any of the Bonds for any reason, a notation will be made by the Registrar in the register of Bondholders reflecting such event (or, in the case of any definitive Certificates that are outstanding, such Certificates shall be surrendered to the Registrar and in the case of partial redemption, new definitive Certificates shall thereupon be issued in appropriate amounts).

**3.5 Issue:** Issue and delivery of the Bonds shall be complete on the issue and delivery of the Global Certificate to a depositary common to Euroclear and Clearstream, Luxembourg, by or at the order of, the Company and completion of the register of Bondholders by or on behalf of the Registrar.

**3.6 Entitlement to treat holder as owner:** A Bondholder will (save as otherwise required by law) be treated as the absolute owner of a Bond registered in its name for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on or the theft or loss of the Certificate issued in respect of it) and no person will be liable for so treating the holder.

#### **4 Stamp Duties and Taxes**

**4.1 Stamp Duties:** The Company will pay any stamp, issue, registration, documentary, transfer or other taxes and duties, including interest and penalties, payable in India, Belgium, Luxembourg or Singapore in respect of the creation, issue and offering of the Bonds, the execution or delivery of this Trust Deed and the deposit of Certificates and Conversion Notices for the conversion of Bonds and the issue and delivery of Shares following such deposit, except for the taxes and duties required to be paid by Bondholders under Condition 6.2.1(i). The Company will also indemnify the Trustee and the Bondholders from and against all stamp, issue, registration, documentary, transfer or other taxes and duties paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or, as the case may be, (where entitled under Condition 13 to do so) the Bondholders to enforce the obligations of the Company under this Trust Deed or the Bonds.

**4.2 Change of Taxing Jurisdiction:** If the Company becomes subject generally to the taxing jurisdiction of any territory or any authority of or in that territory having power to tax other than or in addition to India or any such authority of or in such territory which imposes taxes, duties, assessments or governmental charges of whatever nature with respect to this Trust Deed or the Bonds then (i) the Company will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms and manner corresponding to the terms of Condition 9, and (ii) Condition 8.3 shall be deemed amended (without any further action being taken), in each case with the substitution for, or (as the case may require) the addition to, the references in that Condition to India of references to that other or additional territory or authority to whose taxing jurisdiction the Company has become so subject and which has imposed such taxes, duties, assessments or governmental charges. In such event this Trust Deed and the Bonds will be read accordingly.

#### **5 Covenants relating to the Conversion Rights**

The Company hereby undertakes to and covenants with the Trustee that so long as any Conversion Right is, or is capable of being or becoming, exercisable, the Company will, unless otherwise required by applicable laws and regulations:

**5.1 Availability of Shares:** keep available, free from pre-emptive or other similar rights, out of its authorised but unissued share capital such number of Shares as would be required to be issued on conversion of all the Bonds from time to time remaining outstanding and to satisfy in full all other rights of conversion into or exchange or subscription for Shares and shall ensure that (i) the Company will register the relevant Bondholder as the holder of only that number of Shares issuable upon conversion and that will not result in entitlement to fractional Shares and (ii) all Shares delivered to the relevant Bondholder upon conversion

of Bonds will be duly and validly issued as fully-paid and shall, as soon as practicable, but no later than 30 days after each Conversion Date, rank *pari passu* with and will be fully fungible with the Shares then outstanding;

- 5.2 Expenses:** pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds other than as may be expressed to be payable by a Bondholder pursuant to Condition 6.2.2;
- 5.3 Limited Issues of Shares:** subject to the Conditions, not issue or pay up any securities by way of capitalisation of profits or reserves unless, in any such case, it gives rise (except where such an adjustment is exempted under this Trust Deed) to an adjustment of the Conversion Price, other than (i) by the issue of fully-paid Shares to the Shareholders and other persons entitled to them, or (ii) by the issue of Shares paid up in full out of profits or reserves in accordance with applicable law and issued wholly, ignoring fractional entitlements, including Shares issued as a regular periodic stock dividend or in lieu of a cash dividend, or (iii) by the issue of fully-paid equity share capital (other than Shares) to the holders of equity share capital of the same class and other persons entitled thereto, subject in each case to the provisions of Condition 6.3;
- 5.4 Limited Modification of Rights:** not modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to Shares except for (a) preferred stock (being stock which carries no right to participate beyond a specified amount in the distribution) or (b) non-voting equity shares with preferential dividend rights, issued and to be issued by the Company from time to time but so that nothing in this Clause 5.4 shall prevent (i) a consolidation or subdivision of the Shares or the conversion of any Shares into stock or vice versa, or (ii) a modification to the rights attaching to the Shares which is not, in the opinion of an Independent Financial Appraiser reasonably selected by the Company, approved in writing by the Trustee and acting as an expert, materially prejudicial to the interests of the Bondholders;
- 5.5 Limited Grant of Rights:** procure that no securities (whether issued by the Company or otherwise procured by the Company to be issued) issued without rights to convert into or exchange or subscribe for Shares shall subsequently be granted such rights at a consideration per Share which is less than the Current Market Price per Share at close of business on the Trading Day last preceding the date of the announcement of the proposed inclusion of such rights unless the same gives rise (except where such an adjustment is exempted under this Deed) to an adjustment of the Conversion Price and that at no time shall there be in issue Shares of differing nominal values;
- 5.6 Restricted Action:** not make any issue, grant or distribution or take any other action if the effect thereof would be that, on the conversion of Bonds, the Conversion Price would (but for the provisions of Condition 6.3 and Condition 6.3.18) be decreased to such an extent that the Shares to be issued on conversion of any Bond could not, under any applicable law then in effect, be legally issued as fully-paid at such reduced Conversion Price;
- 5.7 Notice:** simultaneously with the announcement of the terms of any issue falling within Condition 6.3.9 or 6.3.10 and the announcement of any proposed adjustment pursuant to Conditions 6.3.12 and 6.3.13 give notice to the Bondholders and the Trustee in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form, advising them of the date on which the relevant adjustment of the

Conversion Price is likely to become effective and of the effect of exercising their rights of conversion before then;

- 5.8 Directors' or Authorised Officers' Certificate:** if an event happens as a result of which the Conversion Price may be adjusted pursuant to this Trust Deed, subject to Condition 6.3, as soon as practicable send the Trustee a certificate signed by one Director and one other Authorised Officer of the Company on behalf of the Company setting out particulars of the event, whether an adjustment to the Conversion Price falls to be made and, if so, the adjusted Conversion Price and the date on which such adjustment takes effect, whether an amount falls to be carried forward pursuant to Condition 6.3.17 and if so the amount to be carried forward and in any case setting out such other information as the Trustee may reasonably require and the Company shall also cause a notice containing the same information to be sent to the Bondholders in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form;
- 5.9 Extend Offer:** if an offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associate or associates of the offeror) to acquire all or a portion of the Shares and if such offer comes to the knowledge of the Company, give notice in writing of such offer or scheme to the Trustee and to the Bondholders as soon as practicable stating that details concerning such offer or scheme may be obtained from the specified offices of the Agents and, where such an offer or scheme has been recommended by the Board of Directors of the Company or where such an offer has become or been declared unconditional in all respects, use its reasonable endeavours to procure that a like offer or scheme is extended to the Bondholders and the holders of any Shares issued during the period of the offer or scheme arising out of Conversion Rights;
- 5.10 Consents:** if it is a party to any transaction referred to in Condition 11 in which the Company is not the continuing corporation, use its best endeavours to obtain all consents which may be necessary or appropriate under the laws of India to enable the continuing corporation to give effect to the Conversion Right;
- 5.11 Closing of Register:** unless so required by the Conditions and/or any applicable law of India, not close its register of shareholders or take any other action which prevents the transfer of its Shares generally (unless, under the law of India as then in effect, the Bonds may be converted legally and the Shares issued on conversion may (subject to the Conditions and/or any limitation imposed by law) be transferred (as between transferor and transferee although not as against the Company) at all times while the register is closed or such other action is effective); nor take any action which prevents the conversion of the Bonds or the issue of Shares in respect of them;
- 5.12 Compliance with Conditions:** comply with the Conditions;
- 5.13 Notice of Change in Laws of India:** promptly (and in any event within 30 days) upon becoming aware of any changes in the laws or regulations of India affecting the conversion of the Bonds give notice to the Bondholders (in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form) and the Trustee of such changes. The Trustee shall have no duty to monitor changes in the law or regulations of India, shall not be liable to any person for any failure to do so and shall be entitled to conclusively rely upon certificates of the Company;
- 5.14 Other Securities:** procure that no securities of the Company (other than the Bonds) are converted into or exchanged by or on behalf of the Company for Shares and that no rights

or warrants to subscribe for or purchase Shares are permitted by or on behalf of the Company to be exercised, otherwise in each case than in accordance with their terms of issue (except to the extent that any modification of the terms of issue is either taken into account by an adjustment to the Conversion Price of the Bonds or is such that it does not require to be taken into account by an adjustment to the Conversion Price of the Bonds or such terms are mandatorily amended by any change in the law or regulations of India);

- 5.15 RBI Permission:** as soon as practicable after conversion of the Bonds, apply or procure that an application is made to the RBI on behalf of a non-Indian person holding Shares issued on conversion for permission under Section 6(3)(b) of the Foreign Exchange Management Act 1999 and the Foreign Exchange Management Regulations (Transfer or Issue of a Security by a Person Resident Outside India) Regulations 2000 for the transfer or sale of such Shares in favour of Indian persons through an Indian stock exchange;
- 5.16 Conversion of Bonds:** use its best endeavours to ensure that for so long as any Bond is outstanding and save as required by any mandatory provisions of Indian law or regulations, all Shares issuable on conversion of Bonds will be registrable in the name of a non-Indian person;
- 5.17 No Reduction of Issued Share Capital:** not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund (except, in each case, as permitted by law); and
- 5.18 Listing of Shares:** use its best endeavours (a) to maintain a listing for all the issued Shares on the NSE and the BSE, (b) to obtain and maintain a listing for all the Shares issued on the exercise of Conversion Rights on the NSE and the BSE and (c) if it is unable to obtain or maintain such listing, to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights on such stock exchanges, then on such other Alternative Stock Exchange (as defined in Condition 6.4.1) as it may from time to time (with the prior written consent of the Trustee) determine and will forthwith give notice to the Bondholders in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form, of the listing or delisting of the Shares (as a class) by any of such stock exchanges.

## **6 Notices relating to the Conversion Right**

### **6.1 Requirement to give notice: If:**

- 6.1.1** the Company authorises the grant, issue or offer to the holders of Shares or options, rights or warrants to subscribe for or purchase either any Shares or any securities convertible into, or exchangeable for or which confer rights to purchase, Shares; or
- 6.1.2** the Company declares a dividend in or makes any other distribution on, or pays or makes any cash or other distribution in respect of, Shares, other than regular periodic dividends in cash out of the Company's distributable earnings and profits, or authorises the grant, issue or offer to the holders of Shares of rights or warrants to subscribe for or purchase any shares or securities other than Shares or any securities convertible into or exchangeable for or which confer rights to purchase Shares; or
- 6.1.3** there is a re-classification of the Shares (including a division or consolidation of the Company's outstanding Shares) or a consolidation, merger or amalgamation

to which the Company is a party (whether or not the Company will be a continuing corporation) or any sale or transfer of all or substantially all of the assets or business of the Company; or

6.1.4 the Company authorises the issue of any securities convertible into or exchangeable for Shares or rights or warrants to subscribe for or purchase Shares or securities (other than those referred to in Clause 6.1.1 or 6.1.2 above) which will, or authorises the issue of any Shares which will, (or, if in any such case a relevant consideration or offering price fixed by the Directors of the Company to be recommended at a relevant general meeting of shareholders is adopted, will) upon issue give rise to an adjustment to the Conversion Price pursuant to Condition 6.3; or

6.1.5 there is a voluntary or involuntary dissolution, liquidation or winding-up of the Company,

the Company shall forthwith give 14 days written notice thereof to the Trustee and the Principal Agent and, in addition, it will at least 5 days before the applicable record date (provided however that if there is no applicable record date, the date by which the Company shall give such written notice shall be the earlier of the effective date or the date of submission) give notice to the Bondholders (in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form) stating, as the case may require:

- (a) the record date in India for such grant, issue or offer of options, rights or warrants, dividend, distribution or payment or such re-classification (and, in the case of the grant, issue or offer of options, rights or warrants, the period during which such options, rights or warrants may be exercised); or
- (b) the date in India (i) on which such re-classification, consolidation, merger, amalgamation, sale, transfer, dissolution, liquidation or winding-up is to be submitted to a general meeting of shareholders of the Company for approval, and (ii) which is the record date for the same (if applicable), and (iii) on which such re-classification, consolidation, merger, amalgamation, sale, transfer, dissolution, liquidation or winding-up is expected to become effective, and (iv) as of which it is expected that holders of Shares will be entitled, if at all, to exchange their Shares for securities or other property deliverable upon such re-classification, consolidation, merger, amalgamation, sale, transfer, dissolution, liquidation or winding-up; or
- (c) (in the event of the declaration of a dividend or other distribution referred to in Clause 6.1.2 above, the payment of which must, under mandatory provisions of the laws of India, be submitted for approval to a general meeting of shareholders or to a meeting of the Directors of the Company before such dividend or other distribution may be paid or made) the date of such submission; or
- (d) (in the event of an issue referred to in Clause 6.1.4 above) the date of such issue; or
- (e) (in the event of such re-classification, consolidation, merger, amalgamation, sale, transfer, dissolution, liquidation or winding-up not being submitted to a general meeting of shareholders of the Company for approval) (i) the record date for the same (if applicable), and (ii) the date when the same becomes effective,

provided that:

- (aa) if the exact date of any such submission referred to in paragraph (b) or (c) above is not known at the time of such notice in writing to the Trustee and the Principal Agent, such notice shall indicate the approximate date thereof and the Company shall give a second notice in writing to the Trustee and the Principal Agent as soon as practicable, specifying the exact date of submission;
- (bb) if the period referred to in paragraph (a) above or the effective date or exchange date referred to in paragraph (b) above or the date of issue or effective date referred to in paragraph (d) or (e) above is not known at the time of such first notice to the Trustee and the Principal Agent, the Company shall give a second notice in writing to the Trustee and the Principal Agent, at least 10 days before the commencement of such period or (as the case may be) before such date specifying such period (and the date of its commencement), effective date, exchange date or date of issue specifying such period and the date of commencement thereof and/or such effective date and/or such exchange date and/or such date of issue and shall also (in a case within paragraph (a), (b) or (e) above) cause such second written notice to be given to Bondholders (in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form) at least 10 days before the commencement of the applicable period or (as the case may be) before the effective date or exchange date except where such period or date has already been specified in the first notice to the Trustee and the Bondholders; and
- (cc) in the case of any issue referred to in Clause 6.1.4 above, the Company need not give any notice mentioned above before the date on which the relevant consideration per Share for such issue is fixed by the Company but in any such case the Company shall promptly upon the fixing of such consideration give notice in accordance with this Clause.

**6.2 Where Adjustment to Conversion Price Required:** If the event referred to in a notice required pursuant to Clause 6.1 would result in an adjustment to the Conversion Price, such notice shall also state the Conversion Price in effect at the time such notice is required to be given and the Conversion Price which will result after giving effect to such event or, if such adjusted Conversion Price is not then determinable, the fact that an adjustment in the Conversion Price may result. Without prejudice to Clause 6.3, if, after giving effect to the event covered by any such notice and to any adjustment in the Conversion Price, the Shares could not or might not (but for Condition 6.3.18), under applicable law then in effect, be legally issued upon conversion of Bonds as fully-paid, any such notice shall also state such fact and the extent to which, by reason of such provisions, effect will not be given to such adjustment.

**6.3 Notice of Adjustment:** If the Conversion Price is to be adjusted, the Company shall (a) as soon as practicable notify the Trustee and each of the Agents of particulars of the event giving rise to the adjustment, the Conversion Price after the adjustment, the date on which the adjustment takes effect and such other information as the Trustee may require (including confirmation of the Closing Price (as defined in Condition 6.3.15) data on which the calculation is based and a summary of the calculation), and (b) promptly after the adjustment takes effect, give notice to the Trustee and the Bondholders (in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form) stating that the Conversion Price has been adjusted and setting

out the Conversion Price in effect before the adjustment, the adjusted Conversion Price and the effective date of the adjustment. However, a notice pursuant to Clause 6.1 correctly stating any information required to be given pursuant to this Clause shall, as to such information, satisfy the requirements of this Clause save to the extent that further or different information should be notified.

**6.4 Notification of Closed Periods:** The Company shall give not less than 7 days' notice to the Trustee, the Bondholders (in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form) and each of the Agents of (a) any days during the Conversion Period on which the Company's register of shareholders is to be closed by reason of Indian law or regulation or the Articles of Association of the Company or for the purpose of establishing any dividend or other rights attaching to the Shares, and (b) any other day during the Conversion Period on which it is aware that its register of shareholders is to be closed. The notice shall state the reason for such closure. Notwithstanding the foregoing, for each Closed Period, the Company will give notice to the Trustee, the Bondholders (in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form) and each of the Agents at the beginning of such period. For the avoidance of doubt, Closed Periods in relation to Conversion Rights will be limited to such periods specified in Condition 6.1.1 of the Bonds.

**6.5 Notice of the end of the Conversion Period:** Bondholders and the Trustee must be given not less than 28 days nor more than 42 days notice in writing by the Company reminding them of the Conversion Right, the Conversion Price and of the end of the Conversion Period.

## **7 Adjustments to the Conversion Price**

The Conversion Price shall be subject to adjustment in certain events as set out in Condition 6.3.

## **8 Application of Moneys received by the Trustee**

**8.1 Declaration of Trust:** All moneys received by the Trustee in respect of the Bonds or amounts payable under this Trust Deed will, despite any appropriation of all or part of them by the Company, be held by the Trustee upon trust to apply them (subject to Clause 8.2):

**8.1.1** first, in payment or satisfaction of all costs, charges, expenses and liabilities incurred by the Trustee (including remuneration payable to the Trustee) in carrying out its functions under this Trust Deed;

**8.1.2** secondly, in payment of any amounts (including principal, interest and premium) owing in respect of the Bonds *pari passu* and rateably; and

**8.1.3** thirdly, in payment of any balance (if any) to the Company for itself.

If the Trustee holds any moneys in respect of Bonds in respect of which claims have become prescribed under Condition 12, the Trustee will hold them on these trusts.

**8.2 Accumulation:** If the amount of the moneys at any time available for payment in respect of the Bonds under Clause 8.1 is less than 10 per cent. of the principal amount of the Bonds then outstanding, the Trustee may, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent. of the principal amount of the



Bonds then outstanding as the case may be and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) will be applied as specified in Clause 8.1.

- 8.3 Investment:** Moneys held by the Trustee may, in the Trustee's absolute discretion, be invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest calculated by reference to the standard rate of interest which at the relevant time would be payable by it on such a deposit to an independent customer. The Trustee may at any time vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and the Trustee will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise.

## 9 General Covenants

So long as any Bond is outstanding, the Company will:

- 9.1 General Compliance:** comply with, perform and observe the provisions of this Trust Deed and the Conditions;
- 9.2 Books of Account:** keep, and procure that each of its Material Subsidiaries keeps, proper books of account and, so far as permitted by applicable law, allow, and procure that each of its Material Subsidiaries will allow, the Trustee and anyone appointed by it to whom the Company has no reasonable objection, access to the books of account of the Company and each of its Material Subsidiaries at all reasonable times during normal business hours;
- 9.3 Notice of Events of Default:** notify the Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default;
- 9.4 Information:** so far as permitted by applicable law, give the Trustee such information as it reasonably requires to perform its functions;
- 9.5 Financial Statements, etc.:** send to the Trustee, as promptly as practicable after the close of each Fiscal Period (in the case of each annual Fiscal Period, at the time of their issue and in any event within six months of the end of such annual Fiscal Period; and in the case of each semi-annual Fiscal Period, at the time of their issue and in any event within three months of the end of such semi-annual Fiscal Period), two copies in the English language of the following:
- 9.5.1** in the case of each semi-annual Fiscal Period falling within each of the annual Fiscal Periods, the semi-annual financial statements in respect of such Fiscal Period in the form required by the Companies Act, 1956 of India and by the BSE; and
- 9.5.2** in the case of each annual Fiscal Period, the annual report containing audited financial statements of the Company as at the end of, and for, such Fiscal Period, reported on by the Auditors and prepared in accordance with Indian GAAP;

provided that if and to the extent that the financial statements are not prepared or adjusted on a basis consistent with that used for the preceding corresponding Fiscal Period, that fact shall be stated;

- 9.6 Information Material to Bondholders:** send to the Trustee in (or translated English language a summary of or a copy of all notices, statements and documents are issued (or which under any legal or contractual obligation should be issued) to the holders of its Shares or its creditors generally as soon as practicable (but not later than 30 days) after their date of issue;
- 9.7 Certificate of Directors or Authorised Officers:** send to the Trustee, within 14 days of its annual audited financial statements being made available to its shareholders and also within 14 days after any written request by the Trustee, a certificate of the Company in the English language and signed by one Director and one Authorised Officer on behalf of the Company to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Company as at a date (the "**Certification Date**") being not more than five days before the date of the certificate:
- 9.7.1** no Event of Default or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of this Trust Deed or, if such an event had occurred, giving details of it;
  - 9.7.2** the Company has complied with all its obligations under this Trust Deed; and
  - 9.7.3** there has been no change in the laws or regulations of India affecting the conversion of the Bonds (or the Conversion Right being exercisable).
- Such certificates shall be accompanied in each case by an up-to-date list of the Directors and Authorised Officers of the Company and each of their specimen signatures. The Trustee shall be entitled to conclusively rely upon certificates of the Company and shall not be liable to any person for relying upon such certificates.
- 9.8 Notices to Bondholders:** send to the Trustee, at least 10 days before the date of publication, a copy of the form of each notice in the English language to be given to Bondholders and once given, two copies of each such notice, such notice to be in a form approved by the Trustee (such approval, unless so expressed, not to constitute approval for the purpose of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") of any notice which is a communication within the meaning of Section 21 of FSMA) and (if appropriate) complying with the requirements of the SGX-ST. All notices shall be at the Company's expense. The Trustee shall have no obligation to monitor compliance with such requirements and it shall be the sole responsibility of the Company to ensure such compliance;
- 9.9 Further Acts:** so far as permitted by applicable law, execute all such further documents and do such further things as may be necessary in the opinion of the Trustee to give effect to this Trust Deed;
- 9.10 Notice of late payment:** forthwith upon request by the Trustee give notice to the Bondholders (in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form) of any unconditional payment to the Principal Agent or the Trustee of any sum due in respect of the Bonds that by the time of such notice, has not been made or was made after the due date for such payment;
- 9.11 Listing:** use all its best endeavours to obtain and maintain a listing for (i) the Bonds on the SGX-ST and (ii) all the Shares in issue and to be issued upon conversion of the Bonds on the BSE and the NSE. If, however, it is unable to do so, having used such endeavours or if the maintenance of such listings is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the Bondholders would not be thereby materially

prejudiced, instead use its best endeavours to obtain and maintain a listing of the Bonds and/or the Shares on another stock exchange approved in writing by the Trustee and it shall procure that notice is given forthwith of the same to the Bondholders in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form;

- 9.12 Change in Agents:** give at least 14 days' prior notice to the Trustee and the Bondholders in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form, of any future appointment, resignation or removal of any Agent or of any change by any Agent of its specified office and not make any such appointment or removal without the Trustee's written approval;
- 9.13 Trust Deed:** comply with and perform and observe all the provisions of this Trust Deed which are expressed to be binding on it. The Conditions shall be binding on the Company and the Bondholders. The Trustee shall be entitled to enforce the obligations of the Company under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds. The provisions contained in Schedule 3 shall have effect in the same manner as if herein set forth;
- 9.14 Filing, Registration and Reporting:** duly and punctually comply with or procure that there is complied with all filing, registration, reporting and similar requirements required in accordance with applicable Indian law and regulations from time to time relating in any manner whatsoever to this Trust Deed and the Bonds;
- 9.15 Consents, Approvals and Authorisations:** obtain, comply with and do all that is necessary to maintain in full force and effect any governmental or regulatory consents, approval, authorisation, resolution, license or exemption required by the Company relating in any manner whatsoever to this Trust Deed and the Bonds;
- 9.16 Early Redemption:** give prompt notice to the Trustee of any proposed early redemption pursuant to Condition 8;
- 9.17 Notification of Satisfaction of Conversion Rights:** notify the Trustee promptly when any Conversion Right has been duly exercised and discharged of that fact and of the identifying numbers of the Bonds in respect of which such Conversion Right has been duly exercised and discharged;
- 9.18 Other Information:** send to the Trustee together with the annual report referred to in Clause 9.5 a list in the English language of all documents issued during or in respect of the relevant annual Fiscal Period by the Company to its shareholders, which list shall indicate the principal subject of each such document and (if the Trustee so requires at any time) provide a certified copy or summary, in each case in the English language, of any document described in such list within 30 days after being requested to do so;
- 9.19 Repurchase Option upon Delisting or Change of Control:** promptly upon the occurrence of a Delisting or Change of Control give notice thereof to the Trustee and the Bondholders and otherwise comply with Conditions 8.4 and 8.5;
- 9.20 Bonds held by Company etc.:** send to the Trustee as soon as practicable after being so requested by the Trustee, solely for the purpose of performing its obligations under this Trust Deed, a certificate of the Company signed by one Director and one Authorised Officer of the Company stating the number of Bonds held at the date of such certificate by or on behalf of the Company or any of its Subsidiaries;

- 9.21 **Material Subsidiaries:** give to the Trustee at the same time as sending the certificate referred to in Clause 9.7 or within 14 days of a request by the Trustee, a certificate by the Auditors listing those Subsidiaries of the Company which as at the date of such certificate or as at the date specified in such request were Material Subsidiaries; and
- 9.22 **Independent Financial Appraiser:** bear all costs, charges, liabilities and expenses incurred in connection with the appointment, retention, consultation and remuneration of any Independent Financial Appraiser.

## 10 Remuneration and Indemnification of the Trustee

- 10.1 **Normal Remuneration:** So long as any Bond is outstanding the Company will pay the Trustee as remuneration for its services as Trustee such sum on such dates in each case as they may from time to time agree in writing, which sums, for the avoidance of doubt, shall be paid to the Trustee for its own account free and clear of deduction set off, counterclaim and withholding on account of any taxation. Such remuneration will accrue from day to day from the date of this Trust Deed and shall be payable in priority to payments to the Bondholders. However, if any payment to a Bondholder of moneys due in respect of any Bond or delivery of Shares on conversion of a Bond is improperly withheld or refused, such remuneration will again accrue as from the date of such withholding or refusal until payment or delivery to such Bondholder is duly made.
- 10.2 **Extra Remuneration:** If an Event of Default or a Potential Event of Default shall have occurred or if the Trustee finds it expedient or necessary or is requested by the Company to undertake duties which they both agree to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Trust Deed, the Company will pay such additional remuneration as they may agree or, failing agreement as to any of the matters in this Clause (or as to such sums referred to in Clause 10.1), as determined by an Independent Financial Appraiser (acting as an expert) selected by the Company and approved by the Trustee or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and, as provided in Clause 9.22, such Independent Financial Appraiser's fee will be paid by the Company, which sums, for the avoidance of doubt, shall be paid free and clear of deduction and withholding on account of taxation. The determination of such Independent Financial Appraiser will be conclusive and binding on the Company, the Trustee and the Bondholders.
- 10.3 **Expenses:** The Company will on demand by the Trustee pay or discharge all costs, charges, liabilities and expenses incurred by the Trustee in the preparation and execution of this Trust Deed and the performance of its functions under, and in any other manner in relation to, this Trust Deed and the Conditions including, but not limited to, expenses incurred seeking appropriate legal or financial advice to discharge its duties in accordance with the Conditions, legal and travelling expenses and any stamp, documentary or other taxes or duties paid or payable by the Trustee in connection with any action or legal proceedings brought or contemplated by the Trustee against the Company to enforce any provision of this Trust Deed, the Conditions or the Bonds. Such costs, charges, liabilities and expenses will:
- 10.3.1 in the case of payments made by the Trustee before such demand carry interest from the date of the demand at the rate of two per cent. per annum over the base rate of The Bank of New York on the date on which the Trustee made such payments; and

10.3.2 in other cases carry interest at such rate from 15 days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.

**10.4 Indemnity:** The Company will, as soon as practicable following demand, indemnify the Trustee in respect of all liabilities and expenses incurred by it or by anyone appointed by it or to whom any of its functions may be delegated by it in the carrying out of its functions and against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) which any of them may incur or which may be made against any of them arising out of or in relation to or in connection with, its appointment or the exercise of its functions. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 10.4.

**10.5 Continuing Effect:** Clauses 10.3 and 10.4 will continue in full force and effect as regards the Trustee even if it no longer is Trustee or the Bonds are no longer outstanding or this Trust Deed has been discharged.

## **11 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000**

By way of supplement to the Trustee Act 1925 and the Trustee Act 2000 it is expressly declared as follows:

**11.1 Advice:** The Trustee may conclusively rely and shall not be liable for acting or refraining from acting upon the direction, opinion or advice of, or information obtained whether by it, the Company or any Agent or any other person from, any lawyer, bank, valuer or any other expert and will not be responsible to anyone for any loss occasioned by so acting or refraining from acting. Any such direction, opinion, advice or information may be sent or obtained by letter, telex, electronic mail or fax and the Trustee will not be liable to anyone for acting or refraining from acting in good faith on any direction, opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic, whether or not addressed to the Trustee and notwithstanding any limitation of liability, monetary cap or otherwise contained therein.

**11.2 Trustee to Assume Due Performance:** The Trustee need not notify anyone of the execution of this Trust Deed or do anything to find out if an Event of Default or Potential Event of Default has occurred. Until it has express notice in writing from the Company to the contrary, the Trustee may assume that no such event has occurred and that the Company is performing all its obligations under this Trust Deed and the Bonds and no event has happened as a consequence of which any of the Bonds may become repayable.

**11.3 Resolutions of Bondholders:** The Trustee will not be responsible for having acted in good faith upon a resolution in writing purporting to have been signed by the requisite Bondholders or upon a resolution purporting to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Bondholders.

**11.4 Certificate signed by Directors or Authorised Officers:** If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act including but without limitation to any changes in the laws or regulations of India as specified in Clause 5.13, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by one Director and one Authorised Officer of the Company as to that fact or to the effect that, in their opinion, that act is expedient and

the Trustee need not call for further evidence and will not be responsible for any loss occasioned by acting on such a certificate.

- 11.5 Deposit of Documents:** The Trustee may deposit this Trust Deed and any other documents on any terms in any part of the world with any custodian, bank or entity whose business includes the safe custody of documents or with any lawyer or firm of lawyers believed by it to be of good repute and may pay all sums due in respect thereof and the Trustee shall neither be responsible for nor required to insure against any loss incurred in connection with such deposit. The Trustee is not obliged to appoint a custodian of securities payable to bearer.
- 11.6 Discretion:** Save as expressly provided in this Trust Deed, the Trustee will have absolute and uncontrolled discretion as to the exercise or non-exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise. Whenever in this Trust Deed, the Agency Agreement or by law, the Trustee shall have discretion or permissive power it may decline to exercise the same in the absence of approval by the Bondholders and need not exercise the same unless it has been indemnified and/or provided with security to its satisfaction.
- 11.7 Agents:** Whenever it considers it expedient in the interests of the Bondholders, the Trustee may, in performing its duties, functions and obligations under this Trust Deed, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money).
- 11.8 Delegation:** Whenever it considers it expedient in the interests of the Bondholders, the Trustee may in the performance of its duties, functions and obligations under this Trust Deed delegate to any person on any terms (including power to delegate) all or any of its functions.
- 11.9 Nominees:** In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its nominee on any terms.
- 11.10 Appointments:** If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this clause (an "Appointee") in the performance of the Trustee's duties, functions and obligations under this Trust Deed, the Trustee will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee.
- 11.11 Confidentiality:** Unless ordered to do so by a court of competent jurisdiction the Trustee shall not be required to disclose to any Bondholder any confidential financial or other information made available to the Trustee by the Company and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.
- 11.12 Determinations Conclusive:** As between itself and the Bondholders the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind the Trustee and the Bondholders.

- 11.13 Currency Conversion:** Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may be specified by the Trustee in its absolute discretion but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Company and the Bondholders.
- 11.14 Events of Default:** The Trustee may determine whether or not an Event of Default or Potential Event of Default is in its opinion capable of remedy and/or materially prejudicial to the interests of the Bondholders. Any such determination will be conclusive and binding on the Company and the Bondholders.
- 11.15 Payment for Bonds:** The Trustee will not be responsible for the receipt or application by the Company of the proceeds of the issue of the Bonds, any conversion or exchange of Bonds or the delivery of Certificates to the persons entitled to them.
- 11.16 Bonds held by the Company etc.:** In the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry that no Bonds are for the time being held beneficially by or on behalf of the Company or its Subsidiaries.
- 11.17 Conversion Price:** The Trustee shall have no duty or responsibility to determine whether facts exist which may require an adjustment of the Conversion Price or to determine the nature or extent of any such adjustment when made or the method used or to be used in making it and shall incur no liability for any failure to do so.
- 11.18 The Shares:** The Trustee shall have no duty or responsibility at any time in respect of the validity or value (or the kind or amount) of the Shares or any other property which may at any time be issued or delivered on the conversion of any Bond or the sale or other disposal of any Shares. The Trustee shall not be responsible to anyone for any failure of the Company to make available or deliver any Shares, share certificates or any other securities or property or make any payment on the exercise of any Conversion Right.
- 11.19 Responsibility:** The Trustee assumes no responsibility for the correctness of Recital (A) or any representation or warranty given by any person in this Trust Deed, nor shall the Trustee by the execution of this Trust Deed be deemed to make any representation as to the validity, sufficiency or enforceability of this Trust Deed or any part thereof.
- 11.20 Action by the Trustee:** Notwithstanding anything else contained in this Trust Deed the Trustee shall not be required to take any action prior to making any declaration under Condition 10 that the Bonds are immediately due and payable if such action would require the Trustee to incur any expenditure or other financial liability or risk its own funds (including obtaining any advice which it might otherwise have thought appropriate to obtain). The Trustee shall not be under any obligation to take any action against the Company unless it shall have been indemnified and/or secured to its satisfaction.
- 11.21 Satisfaction of Trustee in Condition 8.3:** For the purposes of Condition 8.3 the Trustee shall be satisfied by the Company that the Company will be obliged to pay additional amounts as provided in that Condition by the delivery to it of an opinion by an independent, legal or tax adviser of recognised international standing stating that such change or amendment has occurred and that additional amounts are payable by the Company in accordance with that Condition.
- 11.22 Consolidation, amalgamation etc.:** The Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Company or any

sale or transfer of all or substantially all of the assets of the Company or the form or substance of any plan relating thereto or the consequences thereof to any Bondholder.

- 11.23 Bonds and documents:** The Trustee shall not be liable to the Company or any Bondholder if without wilful default on its part it has accepted as valid or has not rejected any Certificate purporting to be such and subsequently found to be forged or not authentic nor shall it be liable for any action taken or omitted to be taken in reliance on any document, certificate or communication believed by it to be genuine and to have been presented or signed by the proper parties, including, for the avoidance of doubt, the Registrar.
- 11.24 Consent:** Any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in the Trust Deed may be given retrospectively.
- 11.25 Trustee's Funds:** Nothing herein shall be construed to require the Trustee to expend or risk its own funds in the discharge of its duties and responsibilities hereunder, or otherwise incur any financial liability in the performance of its duties or the exercise of any rights, powers or authorities hereunder if it determines in its sole discretion that repayment of such funds or adequate liability against, or security for, such expenditure, risk or liability is not assured to it.
- 11.26 Transactions with Company:** Nothing herein shall prevent the Trustee from entering into financial, or business transactions with the Company or any of its Subsidiaries, or any related entity.
- 11.27 Interests of Bondholders:** In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any proposed modifications, waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of this Trust Deed), the Trustee shall have regard to the general interests of the Bondholders as a class and shall not have regard to any interest arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require from the Company, nor shall any Bondholder be entitled to claim from the Company or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders except to the extent provided for in Condition 9 and/or in any undertakings given in addition thereto or in substitution therefor pursuant to this Trust Deed.
- 11.28 Action Contrary to Law etc.:** The Trustee may refrain from doing anything in any jurisdiction if doing the relevant thing in that jurisdiction would, in its opinion based upon legal advice, be contrary to any law of that jurisdiction or, to the extent applicable, of England, or would otherwise render it liable to any person in that jurisdiction or England or if, in its opinion based upon such legal advice, it would not have power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or in England or if it is determined by any court or other competent authority in that jurisdiction or in England that it does not have such power.
- 11.29 Reliance on Information:** The Trustee may conclusively rely, as to the truth of the statements, the accuracy of any mathematical calculations and the correctness of the



opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee.

**11.30 Not responsible for error of judgment:** Subject to Clause 12 below, the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or responsible officers of the Trustee.

**11.31 Not responsible for documents:** Subject to Clause 12 below, the Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to the Bonds, or translations of documents, circulars, notices and statements provided by the Company pursuant to these presents, or for checking or commenting upon the content of any such legal opinion or document, circular, notice or statement and shall not be responsible for any liability incurred thereby. Any aforesaid documents, circulars, notices, statements or opinions received by the Trustee pursuant to these presents shall be made available for inspection by Bondholders during normal business hours at the specified office of the Trustee.

**11.32** The Trustee shall not be bound to take any action in connection with this Trust Deed or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not reasonably satisfied that the Company will be able to indemnify and/or secure it against all liabilities which may be incurred in connection with such action and may demand prior to taking any such action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify and/or secure it and on such demand being made, the Company shall be obliged to make payment of all such sums in full.

**11.33 Professional Charges:** Any Trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.

**11.34 Clearing System Certificates:** The Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the principal amount of Bonds represented by the Global Certificate standing to the account of any person and will be entitled to rely thereon. Any such certificate or other document shall be conclusive and binding for all purposes. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

## **12 Trustee Liable for Negligence**

Section 1 of the Trustee Act 2000 shall not apply to the Trustee provided that, if the Trustee fails to show the degree of care and diligence required of it as trustee having regard to the provisions hereof, nothing in this Trust Deed shall relieve or indemnify it from or against any liability which by any rule of law would otherwise attach to it in respect of any negligence, wilful default, wilful breach of duty or breach of trust of which it may be guilty in relation to its duties under this Deed.

### 13 Waiver and Proof of Default

**13.1 Waiver:** The Trustee may, without the consent of the Bondholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Bondholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Company of the provisions of this Trust Deed or the Conditions or determine that an Event of Default or Potential Event of Default will not be treated as such provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 10. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination will be binding on the Bondholders and, if the Trustee so requires, will be notified to the Bondholders as soon as is practicable by the Company.

**13.2 Proof of Default:** Proof that the Company has failed to pay a sum due to the holder of any one Bond will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Bonds which are then payable.

### 14 Trustee not Precluded from Entering into Contracts

The Trustee and any other person, whether or not acting for itself, may acquire, hold or dispose of any Bond or other security (or any interest therein) of the Company or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary or agent for, any committee or body of holders of any securities of any such person in each case with the same rights as it would have had if the Trustee were not acting as Trustee and need not account for any profit.

### 15 Modification and Substitution

**15.1 Modification:** The Trustee may agree without the consent of the Bondholders to any modification to this Trust Deed which is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law. The Trustee may also so agree to any modification to this Trust Deed or to any modification of Bondholders' conversion rights in respect of the Bonds which is in its opinion not materially prejudicial to the interests of the Bondholders, but such power does not extend to any such modification as is mentioned in the proviso to paragraph 16 of Schedule 3. Any such modification will be binding on the Bondholders and, if the Trustee so requires, will be notified to the Bondholders as soon as practicable by the Company.

#### 15.2 Substitution:

**15.2.1** The Trustee may, without the consent of the Bondholders, agree to the substitution of any other company (the "**Substituted Obligor**") in place of the Company (or of any previous substitute under this sub-Clause) as the principal debtor under this Trust Deed and the Bonds, in each case provided that:

- (i) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by this Trust Deed and the Bonds (with consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in this Trust Deed and the Bonds as the principal debtor in place of the Company

- (ii) if the Substituted Obligor is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "**Substituted Territory**") other than the territory to the taxing jurisdiction of which (or to any such authority of or in which) the Company is subject generally (the "**Company's Territory**"), the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 9 with the substitution for the references in that Condition to the Company's Territory of references to the Substituted Territory whereupon the Trust Deed and the Bonds will be read accordingly
- (iii) if any two Directors of the Substituted Obligor certify that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Company or any other person and
- (iv) the Company and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Bondholders.

**15.2.2 Release of Substituted Company:** An agreement by the Trustee pursuant to Clause 15.2 will, if so expressed, release the Company (or a previous substitute) from any or all of its obligations under this Trust Deed and the Bonds. Notice of the substitution will be given to the Bondholders within 14 days of the execution of such documents and compliance with such requirements.

**15.2.3 Completion of Substitution:** On completion of the formalities set out in Clause 15.2, the Substituted Obligor will be deemed to be named in this Trust Deed and the Bonds as the principal debtor in place of the Company (or of any previous substitute) and this Trust Deed and the Bonds will be deemed to be amended as necessary to give effect to the substitution.

## **16 Appointment, Retirement and Removal of the Trustee**

- 16.1 Appointment:** The Company has the power of appointing new trustees but no one may be so appointed unless previously approved by an Extraordinary Resolution passed at a meeting of Bondholders. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Company to the Bondholders in accordance with Condition 17, or in accordance with the provisions of the Global Certificate while the Bonds are in global form, as soon as practicable.
- 16.2 Retirement and Removal:** Any Trustee may retire at any time on giving at least 60 days advance written notice to the Company without giving any reason and without being responsible for any costs occasioned by such retirement or, the appointment of a new trustee which shall be borne by the Company. The Bondholders may by Extraordinary Resolution remove any Trustee provided that the retirement or removal of a sole trust corporation will not become effective until a trust corporation is appointed as successor Trustee. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal, the Company will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee and if, after 60 days of such notice having been given the Company has failed to do so, the Trustee shall be entitled but not obliged to appoint another trust corporation selected by the Trustee as its successor.

**16.3 Co-Trustees:** The Trustee may, despite Clause 16.1, by advance written notice to the Company appoint anyone to act as an additional Trustee jointly with the Trustee:

**16.3.1** if the Trustee considers such appointment to be in the interests of the Bondholders;

**16.3.2** to conform with any legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or

**16.3.3** to obtain a judgment or to enforce a judgment or any provision of this Trust Deed in any jurisdiction.

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by written notice to the Company and that person remove that person. At the Trustee's request, the Company will forthwith do all things as may be required to perfect such appointment or removal and it irrevocably appoints the Trustee to be its attorney in its name and on its behalf to do so. The Trustee shall not be responsible for supervising any such additional trustee.

**16.4 Competence of a Majority of Trustees:** If there are more than two Trustees the majority of them will be competent to perform the Trustee's functions provided the majority includes a trust corporation.

**16.5 Successor:** Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor the Trustee hereunder (provided it is a trust corporation) without the execution or filing of any papers or any further act on the part of any of the parties hereto.

## **17 Currency Indemnity**

**17.1 Currency of Account and Payment:** U.S dollars (the "**Contractual Currency**") is the sole currency of account and payment for all sums payable by the Company under or in connection with this Trust Deed and the Bonds, including damages.

**17.2 Extent of discharge:** Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Company or otherwise), by the Trustee or any Bondholder in respect of any sum expressed to be due to it from the Company will only discharge the Company to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

**17.3 Indemnity:** If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Bonds, the Company will indemnify it against any loss sustained by it as a result. In any event, the Company will indemnify the recipient against the cost of making any such purchase.

**17.4 Indemnities separate:** This indemnity and the indemnity in Clause 10.4 constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to a separate and independent cause of action, will apply irrespective of any

indulgence granted by the Trustee and/or any Bondholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed and/or the Bonds or any judgment or order.

## **18 Communications**

Any communication shall be by letter sent by registered post or courier or by fax:

in the case of the Company, to it at:

Jaiprakash Associates Limited  
JA House  
63 Basant Lok  
Vasant Vihar  
New Delhi 110 057

Fax no.: + 91 (011) 2614 5389

Attention: Mr Manoj Gaur

and in the case of the Trustee, to it at:

The Bank of New York, London Branch  
One Canada Square  
London E14 5AL  
United Kingdom

Fax no.: (44) 20 7964 6399

Attention: Global Trust Services

With a copy to:

The Bank of New York  
One Temasek Avenue  
#02-01 Millenia Tower  
Singapore 039192

Fax no.: 65 6883 0338

Attention: Global Trust Services

Communications will take effect, in the case of a letter sent by registered post, on the seventh business day in London and New Delhi after posting; in the case of a letter sent by courier, at the time of delivery; in the case of fax, at the time of despatch if the correct error-free transmission report is received; provided that if such communication would take effect outside business hours in the place of receipt then it shall be deemed to be received on the next business day in the place of receipt. Any communication not by letter shall be confirmed by letter but failure to send or receive the letter of confirmation shall not invalidate the original communication.

## 19 Further Issues

- 19.1 Supplemental Trust Deed:** If the Company issues further securities as provided in Condition 16, it shall, before their issue, execute and deliver to the Trustee a deed supplemental to this Trust Deed containing such provisions (corresponding to any of the provisions of this Trust Deed) as the Trustee may require.
- 19.2 Meetings of Bondholders:** If the Trustee so directs, Schedule 3 shall apply equally to Bondholders and to holders of any securities issued pursuant to the Conditions as if references in it to "Bonds" and "Bondholders" were also to such securities and their holders respectively.

## 20 Governing Law and Jurisdiction

- 20.1 Governing Law:** This Trust Deed shall be governed by and construed in accordance with English law.
- 20.2 Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Trust Deed or the Bonds and accordingly any legal action or proceedings arising out of or in connection with this Trust Deed or the Bonds ("**Proceedings**") may be brought in such courts. The Company irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- 20.3 Service of Process:** The Company irrevocably appoints Hackwood Securities Limited currently at One Silk Street, London EC2Y 5HQ as its authorised agent to receive for it and on its behalf service of process in any Proceedings in England. Such service shall be deemed to be completed on delivery to such process agent (whether or not it is forwarded to and received by the Company). The Company will procure that, so long as any of the Bonds is outstanding, there shall be in force an appointment of such a person with an office in England with authority to accept service as aforesaid on behalf of the Company and, failing appointment of a process agent acceptable to the Trustee, within 15 days after demand by or on behalf of the Trustee, the Trustee shall be entitled by notice to the Company to appoint such person. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## 21 Counterparts

This Trust Deed may be executed in counterparts which when taken together shall constitute one and the same document.

**Schedule 1**  
**Form of Certificate for Definitive Bonds**

**Identifying Number**

**JAIPRAKASH ASSOCIATES LIMITED**

(incorporated in the Republic of India with limited liability under the Indian Companies Act, 1956  
with Registration No. 20-19017)

**U.S.\$400,000,000**

**Zero Coupon Convertible Bonds due 2012 convertible  
into ordinary Shares of Jaiprakash Associates Limited**

The Bond or Bonds in respect of which this Certificate is issued, the identifying numbers of which are noted below, are in registered form and form part of a series designated as specified in the title (the "Bonds") of Jaiprakash Associates Limited (the "Company") and constituted by the Trust Deed referred to on the reverse hereof. The Bonds are subject to, and have the benefit of, that Trust Deed and the terms and conditions (the "Conditions") set out on the reverse hereof.

The Company hereby certifies that [ ] of [ ] is, at the date hereof, entered in the register of Bondholders as the holder of Bonds in the principal amount of U.S.\$[•] ([ ] U.S. dollars). For value received, the Company promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions.

The Bonds in respect of which this Certificate is issued are convertible into fully paid equity shares of the Company with full voting rights and with a par value of Rs.10 each ("Shares") of the Company, at the option of the Bondholder, subject to and in accordance with the Conditions and the Trust Deed.

This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration on the register of Bondholders and only the duly registered holder is entitled to payments on Bonds in respect of which this Certificate is issued.

This Certificate shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

The Certificate is governed by, and shall be construed in accordance with, English law.

**IN WITNESS** whereof the Company has caused this Certificate to be signed on its behalf.

Dated [•]

**JAIPRAKASH ASSOCIATES LIMITED**

By:

Director

**Certificate of Authentication**

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of Bonds with identifying numbers:

.....  
.....  
.....  
.....

**THE BANK OF NEW YORK**

as Registrar

By:

Authorised Signatory

Dated:



## TERMS AND CONDITIONS OF THE BONDS

*The following other than the words in italics is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:*

The issue of U.S.\$300,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds Due 2012 (the "Bonds", which term shall, unless otherwise indicated, include any further Bonds issued pursuant to Condition 16 and consolidated and forming a single series therewith) of Jaiprakash Associates Limited (the "Issuer"), was authorised by a resolution of the Board of Directors of the Issuer passed on 14 July 2007 and by a resolution of shareholders of 30 August 2007 pursuant to which shareholders of the Issuer approved the issue of Bonds in a principal amount of up to U.S.\$300,000,000, with an option for over-subscription of up to U.S.\$100,000,000, with the aggregate principal amount of Bonds not to exceed U.S.\$400,000,000. The Bonds are constituted by a trust deed (as amended or supplemented from time to time) (the "Trust Deed") dated 11 September 2007 and made between the Issuer and The Bank of New York as trustee for the holders of the Bonds (the "Trustee", which term shall, where the context so permits, include all other persons for the time being acting as trustee or trustees under the Trust Deed). The Issuer has entered into a paying, conversion and transfer agency agreement (as amended or supplemented from time to time, the "Agency Agreement") dated 11 September 2007 with the Trustee, The Bank of New York, as principal paying, conversion and transfer agent (the "Principal Agent"), The Bank of New York as registrar (the "Registrar") and the other paying, conversion and transfer agents appointed under it (each a "Paying Agent", "Conversion Agent", "Transfer Agent" (references to which shall include the Registrar) and together with the Registrar and the Principal Agent, the "Agents") relating to the Bonds. References to the "Principal Agent", "Registrar" and "Agents" below are references to the principal agent, registrar and agents for the time being for the Bonds. The statements in these terms and conditions (these "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed. Copies of the Trust Deed and of the Agency Agreement are available for inspection at the office of the Trustee at One Canada Square, Canary Wharf, London E14 5AL and at the specified offices of each of the Agents. The Bondholders are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

### 1 Status

The Bonds constitute direct, unsubordinated, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.

### 2 Form, Denomination and Title

#### 2.1 Form and Denomination

The Bonds are issued in registered form in the denomination of U.S.\$100,000 each and integral multiples of U.S.\$1,000 in excess thereof. A bond certificate (each a "Certificate") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by a Global Certificate deposited with a common depository for, and representing Bonds registered in the name of a nominee of the common depository, the Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme. The Conditions are modified by certain provisions contained in the Global Certificate. Except in the limited circumstances described herein (see "The Global Certificate"), owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.*

## **2.2 Title**

Title to the Bonds passes only by transfer and registration in the register of Bondholders as described in Condition 3. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions "Bondholder" and (in relation to a Bond) "holder" means the person in whose name a Bond is registered.

## **3 Transfers of Bonds; Issue of Certificates**

### **3.1 Register**

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement a register on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds (the "Register"). Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding.

### **3.2 Transfers**

Subject to Conditions 3.5 and 3.6 and the terms of the Agency Agreement, a Bond may be transferred or exchanged by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Transfer Agents. No transfer of title to a Bond will be valid unless and until entered on the Register.

*Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.*

### **3.3 Delivery of New Certificates**

3.3.1 Each new Certificate to be issued upon a transfer of Bonds will, within seven business days (at the place of the relevant specified office) of receipt by the Registrar or, as the case may be, any other relevant Transfer Agent of the original Certificate and form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder) to the address specified in the form of transfer at the Issuer's expense. The form of transfer is available at the specified office of the Principal Agent.

*Except in the limited circumstances described herein (see "The Global Certificate"), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.*

3.3.2 Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, redeemed or converted, a new Certificate in respect of the Bonds not so transferred, redeemed or converted will, within seven

business days (at the place of the relevant specified office) of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, redeemed or converted (but free of charge to the holder) to the address of such holder appearing on the Register.

- 3.3.3 For the purposes of these Conditions (except for Condition 7, Condition 8.4 and Condition 8.5), "business day" shall mean a day other than a Saturday or Sunday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

### **3.4 Formalities Free of Charge**

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any of the Agents, but upon (i) payment (or the giving of such indemnity as the Issuer or any of the Agents may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; and (ii) the Issuer or the relevant Transfer Agent being satisfied that the regulations concerning transfer of Bonds have been complied with.

### **3.5 Closed Periods**

No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the dates for redemption pursuant to Condition 8.2 or 8.3; (ii) after a Conversion Notice (as defined in Condition 6.2) has been delivered with respect to such Bond; (iii) after a Change of Control Put Exercise Notice (as defined in Condition 8.4) has been deposited in respect of such Bond or (iv) after a Delisting Put Notice (as defined in Condition 8.5) has been deposited in respect of such Bond.

### **3.6 Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge to the holder at the Issuer's expense) by the Registrar to any Bondholder upon request.

## **4 Negative Pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed):

- 4.1 the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any International Securities (as defined below) or to secure any guarantee or indemnity in respect of any International Securities;
- 4.2 the Issuer will procure that no other person creates or permits to subsist any Security upon the whole or any part of the undertaking, assets or revenues present or future of that other person to secure any of the Issuer's International Securities, or any guarantee of or indemnity in respect of any of the Issuer's International Securities; and
- 4.3 the Issuer will procure that no other person gives any guarantee of, or indemnity in respect of, any of the Issuer's International Securities,

unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (a) are secured equally and rateably therewith to the satisfaction of the Trustee, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

For the purposes of these Conditions, "International Securities" means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other investment securities which are for the time being, or are intended to be or capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or other securities market which is denominated in or which is or may (at the option of any party) be payable in or by reference to any currency other than the lawful currency (INR) for the time being of India.

## **5 Interest**

The Bonds do not bear any interest, provided that if the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the principal amount at the rate of 7.95 per cent. per annum from the due date. Such default interest shall accrue on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

## **6 Conversion**

### **6.1 Conversion Right**

#### **6.1.1 Conversion Period**

Subject as hereinafter provided, Bondholders have the right to convert their Bonds into Shares at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Shares is called the "Conversion Right". Subject to and upon compliance with the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time (subject to the next paragraph) on or after 22 October 2007 and up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on 5 September 2012 (but, except as provided in Condition 6.1.4 and Condition 10, in no event thereafter) or if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on the seventh day (at the place aforesaid) prior to the date fixed for redemption thereof; provided that, in each case, if the final such date for the exercise of Conversion Rights is not a business day at the place aforesaid, then the period for exercise of the Conversion Right by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Conversion Rights may not be exercised in relation to any Bond during the period (a "Closed Period") commencing on: (i) the date falling 20 days prior to the date of the Issuer's annual general Shareholders' meeting and ending on the date of that meeting, (ii) the date falling 30 days prior to an extraordinary Shareholders' meeting and ending on the date of that meeting, (iii) the date that the Issuer notifies The National Stock Exchange of India Limited (the "NSE") and the Bombay Stock Exchange Limited (the "BSE") or any Alternative Stock Exchange (as defined in Condition 6.4.1) of the record date for determination of the Shareholders entitled to receipt of dividends, subscription of shares due to capital increase or other benefits, and ending on the record date for the distribution or allocation of the relevant dividends, rights and benefits or (iv) on such date and for such period as determined by Indian law applicable from time to

time that the Issuer is required to close its share transfer books. The Issuer will give notice of such Closed Period to the Bondholders and the Conversion Agent at the beginning of each period.

Conversion Rights may not be exercised (i) in respect of a Bond where the Bondholder shall have exercised its right to require the Issuer to redeem such Bond pursuant to Condition 8.4 or 8.5 or (ii) except as provided in Condition 6.1.4, following the giving of notice by the Trustee pursuant to Condition 10.

The period during which Conversion Rights may be exercised by a Bondholder is referred to as the "Conversion Period".

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted (translated into Rupees at the fixed rate of Rs.40.35 = U.S.\$1.00) by the Conversion Price in effect at the Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

Upon exercise of Conversion Rights in relation to any Bond and the fulfilment by the Issuer of all its obligations in respect thereof, the relevant Bondholder shall have no further rights in respect of such Bond and the obligations of the Issuer in respect thereof shall be extinguished.

#### **6.1.2 Fractions of Shares**

Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or reclassification of Shares by operation of law or otherwise occurring after 11 September 2007 (the "Closing Date") which reduces the number of Shares outstanding, the Issuer will upon conversion of the Bonds pay in cash in U.S. dollars a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided above, as corresponds to any fraction of a Share not issued if such sum exceeds U.S.\$10.00. Any such sum shall be paid not later than 14 Mumbai business days after the relevant Conversion Date by transfer to a U.S. dollar account with a bank in New York City specified in the relevant Conversion Notice.

#### **6.1.3 Conversion Price**

The price at which Shares will be issued upon conversion (the "Conversion Price") will initially be Rs.1,238.78 per Share, but will be subject to adjustment in the manner provided in Condition 6.3.

#### **6.1.4 Revival and/or survival after Default**

Notwithstanding the provisions of Condition 6.1.1, if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called for redemption pursuant to Condition 8.3 or which is to be redeemed pursuant to Condition 8.4 or Condition 8.5 on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date (as defined in Condition 8.1) by reason of the occurrence of any of the events referred to

in Condition 10 or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8.1, the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and, notwithstanding the provisions of Condition 6.1.1, any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined in Condition 6.2.1(ii)) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

#### **6.1.5 Meaning of "Shares"**

As used in these Conditions, the expression "Shares" means (1) shares of the class of share capital of the Issuer which, at the date of the Trust Deed, are designated as equity shares of the Issuer with full voting rights, together with shares of any class or classes resulting from any subdivision, consolidation or reclassification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer; and (2) fully-paid shares of any class or classes of the share capital of the Issuer authorised after the date of the Trust Deed which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or winding-up of the Issuer; provided that, subject to the provisions of Condition 11, shares to be issued on conversion of the Bonds means only "Shares" as defined in sub-clause (1) above and the expression "Shareholder" means any holder of any Shares as defined in this Condition 6.1.5.

### **6.2 Conversion Procedure**

#### **6.2.1 Conversion Notice**

- (i) To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during normal business hours at the specified office of any Conversion Agent a notice of conversion (a "Conversion Notice") in duplicate in the form (for the time being current) obtainable from the specified office of each Agent, together with (a) the relevant Certificate; (b) certification by the Bondholder, in the form obtainable from any Conversion Agent, as may be required under the laws of the Republic of India or the jurisdiction in which the specified office of such Conversion Agent shall be located; and (c) any amounts required to be paid by the Bondholder under Condition 6.2.2. A Conversion Notice deposited outside the normal business hours or on a day which is not a business day at the place of the specified office of the relevant Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent during the normal business hours on the next business day at such place. A Bondholder exercising its Conversion Right will be required to open a depository account with a depository participant under the Depositories Act, 1996 (Act 22 of 1996 of India), for the purposes of receiving the Shares.
- (ii) The conversion date in respect of a Bond (the "Conversion Date") must (subject to the provisions of Condition 6.1.4 and as provided below) fall within the Conversion Period and will be deemed to be the date of the surrender of the Certificate in respect of such

Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right, save that if a Bondholder deposits a Conversion Notice during a Closed Period the Conversion Date in respect of the relevant Bond shall be the next business day at the place of the specified office of the relevant Conversion Agent after the end of that Closed Period, notwithstanding that such date may fall outside of the Conversion Period. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents to such withdrawal. Conversion Rights may only be exercised in respect of the whole of the principal amount of a Bond.

#### **6.2.2 Stamp Duty etc.**

A Bondholder delivering a Certificate in respect of a Bond for conversion must pay to the relevant tax authorities any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp duties payable in India and, if relevant, in the place of any Alternative Stock Exchange (as defined in Condition 6.4.1), in respect of the allotment and issue of Shares and listing of the Shares on the NSE and the BSE on conversion, which shall be payable by the Issuer) (the "Taxes") and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. The Issuer will pay all other expenses arising on the issue of Shares on conversion of the Bonds and all charges of the Agents and the share transfer agent for the Shares ("Share Transfer Agent") in connection with conversion. The Trustee shall not be responsible for determining whether any such expenses, taxes or duties are payable or the amount of such expenses, taxes or duties and it shall not be responsible or liable for any failure by the Issuer to pay such expenses, taxes or duties.

#### **6.2.3 Delivery of Shares**

- (i) Upon exercise by a Bondholder of its Conversion Right, the Issuer will, on or with effect from the relevant Conversion Date, enter the relevant Bondholder or his/their nominee in the register of members of the Issuer in respect of such number of Shares to be issued upon conversion (notwithstanding any retroactive adjustment of the Conversion Price referred to below prior to the time it takes effect) and will, as soon as practicable, and in any event not later than 45 days after the relevant Conversion Date cause the relevant securities account of the Bondholder exercising his Conversion Right or of his/their nominee, to be credited with such number of Shares and shall further cause the name of the relevant Bondholder or its nominee to be registered accordingly, in the record of the depositors, maintained by the depository registered under the Depositories Act, 1996 (Act 22 of 1996 of India) with whom the Issuer has entered into a depository agreement.

The Issuer will within 14 Mumbai business days after the relevant Conversion Date transfer to a U.S. dollar account maintained with a bank in New York City as specified in the relevant Conversion Notice an amount in U.S. dollars in respect of any sum payable pursuant to Condition 6.1.2 required to be delivered on conversion.

The crediting of the Shares to the relevant securities account of the converting Bondholder will be deemed to satisfy the Issuer's obligation to pay the principal and premium on the Bonds.

The Issuer will also within 10 Mumbai business days of the relevant Conversion Date apply for the listing of the Shares issued on exercise of the relevant Conversion Rights on the BSE and the NSE. The Issuer will supply all such documents and information and

shall take all such steps including the payment of any listing or other fees and expenses or other amounts and shall give all such undertakings, declarations or confirmations as may be required in accordance with the listing rules of such stock exchanges and any other applicable rule or regulation in connection with such application and the commencement of trading of such Shares on the BSE and the NSE.

- (ii) If the Conversion Date in relation to any Bond shall be after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Conversion Price pursuant to Condition 6.3, but before the relevant adjustment becomes effective under the relevant Condition (a "Retroactive Adjustment"), upon the relevant adjustment becoming effective the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice), such additional number of Shares ("Additional Shares") as, together with the Shares issued or to be issued on conversion of the relevant Bond, is equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective as at such Conversion Date immediately after the relevant record date and in such event and in respect of such Additional Shares references in Conditions 6.2.3(i) and (iii) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).
- (iii) The Shares issued upon conversion of the Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Conversion Date (except for any right excluded by mandatory provisions of applicable law) and such Shares shall be entitled to all rights the record date or other due date for the establishment of entitlement for which falls on or after such Conversion Date to the same extent as all other fully-paid Shares of the Issuer in issue as if such Shares had been in issue throughout the period to which such rights relate. A holder of Shares issued on conversion of Bonds shall not be entitled to any rights the record date for which precedes the relevant Conversion Date.

### 6.3 Adjustments to Conversion Price

The Conversion Price will be subject to adjustment in the following events:

#### 6.3.1 Capitalisation issue, division, consolidation and reclassification of Shares

*Adjustment:* If the Issuer shall (a) make an issue of Shares by way of capitalisation of profits or reserves (other than by way of a dividend in Shares), (b) divide its outstanding Shares, (c) consolidate its outstanding Shares into a smaller number of Shares, or (d) reclassify any of its Shares into other securities of the Issuer, then the Conversion Price shall be appropriately adjusted so that the holder of any Bond, the Conversion Date in respect of which occurs after the coming into effect of the adjustment described in this Condition 6.3.1, shall be entitled to receive the number of Shares and/or other securities of the Issuer which such holder would have held or have been entitled to receive after the happening of any of the events described above had such Bond been converted immediately prior to the happening of such event (or, if the Issuer has fixed a prior record date for the determination of Shareholders entitled to receive any such free distribution or bonus issue of Shares or other securities issued upon any such division, consolidation or reclassification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Conversion Price made with effect from the date of the happening of such event (or such record date) or any time thereafter.



*Effective date of adjustment:* An adjustment made pursuant to this Condition 6.3.1 shall become effective immediately on the relevant event referred to above becoming effective or, if a record date is fixed therefor, immediately after such record date; provided that in the case of a free distribution or bonus issue of Shares which must, under applicable laws of India, be submitted for approval to a general meeting of Shareholders or be approved by a meeting of the Board of Directors of the Issuer before being legally paid or made, and which is so approved after the record date fixed for the determination of Shareholders entitled to receive such distribution or issue, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date.

### 6.3.2 Dividend in Shares

If the Issuer shall issue Shares as a dividend in Shares (other than in any such case in circumstances where the Shareholders have an election to receive Shares or cash), then the Conversion Price in effect when such dividend is declared (or, if the Issuer has fixed a prior record date for the determination of Shareholders entitled to receive such dividend, on such record date) shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \left[ \frac{N}{N + n} \right]$$

where:

- NCP = the Conversion Price after such adjustment.
- OCP = the Conversion Price before such adjustment.
- N = the number of Shares outstanding, at the time of issuance of such dividend (or at the close of business in Mumbai on such record date as the case may be).
- n = the number of Shares to be distributed to the Shareholders as a dividend.

#### *Effective date of adjustment*

An adjustment made pursuant to this Condition 6.3.2 shall become effective immediately on the relevant event referred to in this Condition 6.3.2 becoming effective or, if a record date is fixed therefor, immediately after such record date; provided that in the case of a dividend in Shares which must, under applicable laws of India, be submitted for approval to a general meeting of Shareholders of the Issuer or be approved at a meeting of the Board of Directors of the Issuer before being legally paid or made, and which is so approved after the record date fixed for the determination of Shareholders entitled to receive such dividend, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date.

### 6.3.3 Concurrent adjustment events

If the Issuer shall declare a dividend in, or make a free distribution or bonus issue of, Shares which dividend, issue or distribution is to be paid or made to Shareholders as of a record date which is also:

- (a) the record date for the issue of any rights or warrants which requires an adjustment of the Conversion Price pursuant to Conditions 6.3.5, 6.3.6 or 6.3.7;

- (b) the day immediately before the date of issue of any securities convertible into or exchangeable for Shares which requires an adjustment of the Conversion Price pursuant to Condition 6.3.9;
- (c) the day immediately before the date of issue of any Shares which requires an adjustment of the Conversion Price pursuant to Condition 6.3.10 or, if applicable, the record date for determination of stock dividend entitlement as referred to in Condition 6.3.10;
- (d) the day immediately before the date of issue or grant of offer of any rights, options or warrants which requires an adjustment of the Conversion Price pursuant to Condition 6.3.11; or
- (e) determined by the Issuer and notified by the Issuer to the Trustee in writing to be the relevant date for an event or circumstance which requires an adjustment to the Conversion Price pursuant to Condition 6.3.13;

then (except where such dividend, bonus issue or free distribution gives rise to a retroactive adjustment of the Conversion Price under Conditions 6.3.1 and 6.3.2) no adjustment of the Conversion Price in respect of such dividend, bonus issue or free distribution shall be made under this Condition 6.3.3, but in lieu thereof an adjustment shall be made under Conditions 6.3.5, 6.3.6, 6.3.7, 6.3.9, 6.3.10 or 6.3.11 or 6.3.13 (as the case may require) by including in the denominator of the fraction described therein the aggregate number of Shares to be issued pursuant to such dividend, bonus issue or free distribution.

#### 6.3.4 Capital Distribution and Extraordinary Dividends

- (i) If the Issuer shall pay or make to its Shareholders any Capital Distribution (as defined below), then the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(CMP - fmv) / CMP]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

CMP = the Current Market Price (as defined in Condition 6.3.15 below) per Share on the last Trading Day preceding the date on which the relevant Dividend is first publicly announced.

fmv = the portion of the Fair Market Value (as defined below), with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Shares entitled to receive the relevant Dividend (or, in the case of a purchase of Shares or any receipts or certificates representing shares by or on behalf of the Issuer, by the number of Shares in issue immediately prior to such purchase), of the Capital Distribution attributable to one Share.

- (ii) If the Issuer shall pay or make to its Shareholders any Extraordinary Dividend then, in such case, the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(CMP - C) / CMP]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.2.

CMP = the Current Market Price per Share on the last Trading Day preceding the date on which the relevant Dividend is first publicly announced.

C = the portion of the Extraordinary Dividend attributable to one Share.

For the purposes of this Clause, an Extraordinary Dividend shall be that part of any cash Dividend where the total amount of:

- (a) such Dividend, prior to the deduction of any withholding tax plus any corporate tax attributable to that Dividend (the "Relevant Dividend"); and
- (b) all other cash Dividends paid or made on the Shares in the 365 consecutive day period prior to the date the Relevant Dividend is first publicly announced (other than any cash Dividend or portion thereof previously deemed to be an Extraordinary Dividend) (the "previous dividends"), except that where the first date of public announcement for Dividends for two different annual Fiscal Periods (as defined in the Trust Deed) has occurred in such 365 day period, such Dividends relating to the earlier Fiscal Period will be disregarded for the purpose of determining the previous dividends ((a) and (b) together being the "total current dividend")

exceeds on a per Share basis whichever is the greater of (1) 1.00 per cent. of the Average Closing Price of the Shares during the Relevant Period (as defined below) and (2) 125 per cent. of the aggregate of all cash Dividends (other than any cash Dividend or portion thereof previously determined to be an Extraordinary Dividend) paid or made on the Shares in respect of the fiscal year immediately preceding the fiscal year in respect of which the Relevant Dividend is paid or made. For the avoidance of doubt, the Extraordinary Dividend shall be the amount, on a per Share basis, of the excess of the total current dividend over whichever is the greater of (1) and (2) above (but shall not exceed the amount of the Relevant Dividend), and all amounts referred to in this Condition are on a per Share basis.

The "Average Closing Price" is the arithmetic average of the Closing Price per Share for each Trading Day during the Relevant Period.

The "Relevant Period" means the period beginning on the first Trading Day after the record date for the first cash Dividend aggregated in the total current dividend, and ending on the Trading Day immediately preceding the record date for the Relevant Dividend. However, if there were no cash Dividends publicly announced during the 365 consecutive day period prior to the record date for the Relevant Dividend or if there is no other Dividend aggregated in the total current dividend, the Relevant Period will be the entire such period of 365 consecutive days.

*Effective date of adjustment*

Any adjustment pursuant to this Condition 6.3.4 shall become effective immediately after the record date for the determination of Shareholders entitled to receive the relevant Dividend; provided that (a) in the case of such a Dividend which must, under applicable law of India, be submitted for approval to a general meeting of Shareholders or be approved by a meeting of the Board of Directors of the Issuer before such Dividend may legally be made and is so approved after the record date fixed for the determination of Shareholders entitled to receive such

Dividend, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date and (b) in the event of Condition 6.3.4(i), if the Fair Market Value of the relevant Capital Distribution cannot be determined until the record date fixed for the determination of Shareholders entitled to receive the relevant Dividend, such adjustment shall, immediately upon such Fair Market Value being determined, become effective retroactively to immediately after such record date.

For the purposes of this Condition:

“Capital Distribution” means any Dividend other than a cash Dividend.

In making any calculation for the purposes of this Condition 6.3.4, such adjustments (if any) shall be made as (i) an independent investment or commercial bank or accounting firm of international repute selected by the Issuer or (ii) an independent Indian accounting firm with experience in making such calculations selected by the Issuer, and, in each case, approved by the Trustee (an “Independent Financial Appraiser”) considers appropriate to reflect any consolidation or subdivision of any Share or the issue of Shares by way of capitalisation of profits or reserves, or any like or similar event or any adjustment to the Conversion Price.

“Dividend” means any dividend or distribution, whether of cash, assets or other property or evidences of the Issuer’s indebtedness, whenever paid or made and however described provided that:

- (a) where a cash Dividend is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of a cash Dividend, then the Dividend in question shall be treated as a cash Dividend of (i) such cash Dividend or (ii) the Fair Market Value (on the first date of public announcement of such Dividend or date of capitalisation (as the case may be) or, if later, the date on which the number of Shares (or amount of property or assets, as the case may be) which may be issued or delivered is determined) of such Shares or other property or assets if such Fair Market Value is greater than the Fair Market Value of such cash Dividend;
- (b) any tender or exchange offer falling within Condition 6.3.12 and any issue or distribution of Shares falling within Condition 6.3.2. shall be disregarded;
- (c) a purchase or redemption of share capital by or on behalf of the Issuer shall not constitute a Dividend unless, in the case of purchases of Shares by or on behalf of the Issuer, the volume weighted average price per Share (before expenses) on any one day in respect of such purchases exceeds the Current Market Price per Share either (1) on that day (or if such day is not a Trading Day, the immediately preceding Trading Day), or (2) where an announcement (excluding for the avoidance of doubt for these purposes, any general authority for such purchases or redemptions approved by a general meeting of Shareholders of the Issuer or any notice convening such a meeting of Shareholders) has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement, in which case such purchase shall be deemed to constitute a Dividend (but not a cash Dividend) to the extent that the aggregate price paid (before expenses) in respect of such Shares purchased by or on behalf of the Issuer exceeds such Current Market Price per Share (if any receipts or certificates representing Shares shall be purchased by or on behalf of the

Issuer, the provisions of this paragraph (c) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Appraiser);

“Fair Market Value” means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Financial Appraiser provided, that (i) the Fair Market Value of a cash Dividend paid or to be paid shall be the amount of such cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; and (iii) in the case of (i) translated into Rupees (if declared or paid in a currency other than Rupees) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the cash Dividend in Rupees; and in any other case, converted into Rupees (if expressed in a currency other than Rupees) at such rate of exchange as may be determined in good faith by an Independent Financial Appraiser to be the spot rate ruling at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

“cash Dividend” means (i) any Dividend which is to be paid in cash and (ii) any Dividend determined to be a cash Dividend pursuant to paragraph (a) of the definition “Dividend”, and for the avoidance of doubt, a Dividend falling within paragraph (c) of the definition “Dividend” shall be treated as not being a cash Dividend.

#### 6.3.5 Rights Issues to Shareholders

*Adjustment:* If the Issuer shall grant, issue or offer to the holders of Shares rights entitling them to subscribe for or purchase Shares, which expression shall include those Shares that are required to be offered to employees and persons other than Shareholders in connection with such grant, issue or offer:

- (a) at a consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) which is fixed on or prior to the record date mentioned below and is less than the Current Market Price per Share at such record date; or
- (b) at a consideration per Share receivable by the Issuer which is fixed after the record date mentioned below and is less than the Current Market Price per Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in a case within (a) above) on the record date for the determination of Shareholders entitled to receive such rights or (in a case within (b) above) on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding (having regard to Condition 6.3.16) at the close of business in India (in a case within (a) above) on such record date or (in a case within (b) above) on the date the Issuer fixes the said consideration.

- n = the number of Shares initially to be issued upon exercise of such rights at the said consideration being (aa) the number of Shares which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of Shares for which applications are received from Shareholders as referred to below save to the extent already adjusted for under (aa).
- v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current Market Price per Share specified in (a) or, as the case may be, (b) above.

*Effective date of adjustment*

Subject as provided below, such adjustment shall become effective immediately after the latest date for the submission of applications for such Shares by Shareholders entitled to the same pursuant to such rights or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

*Rights not taken up by Shareholders*

If, in connection with a grant, issue or offer to the holders of Shares of rights entitling them to subscribe for or purchase Shares, any Shares which are not subscribed for or purchased by the persons entitled thereto are underwritten by other persons prior to the latest date for the submission of applications for such Shares, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of rights entitling them to subscribe for or purchase Shares, any such Shares which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the Shareholders entitled thereto (or persons to whom Shareholders have transferred such rights) who have submitted applications for such Shares as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

**6.3.6 Warrants issued to Shareholders**

*Adjustment*

If the Issuer shall grant, issue or offer to the holders of Shares warrants entitling them to subscribe for or purchase Shares:

- (a) at a consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) which is fixed on or prior to the record date for the determination of Shareholders entitled to receive such warrants and is less than the Current Market Price per Share at such record date; or
- (b) at a consideration per Share receivable by the Issuer which is fixed after the record date mentioned above and is less than the Current Market Price per Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in a case within (a) above) on the record date for the determination of Shareholders entitled to receive such warrants or (in a case within (b) above)

on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N+v}{N+n}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.5.

- N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India (in a case within (a) above) on such record date or (in a case within (b) above) on the date the Issuer fixes the said consideration.
- n = the number of Shares to be issued upon exercise of such warrants at the said consideration which, where no applications by Shareholders entitled to such warrants are required, shall be based on the number of warrants issued. Where applications by Shareholders entitled to such warrants are required, the number of such Shares shall be calculated based upon (aa) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of warrants for which applications are received from Shareholders as referred to below save to the extent already adjusted for under (aa).
- v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current Market Price per Share specified in (a) or, as the case may be, (b) above.

*Effective date of adjustment*

Subject as provided below, such adjustment shall become effective (i) where no applications for such warrants are required from Shareholders entitled to the same, upon their issue and (ii) where applications by Shareholders entitled to the same are required as aforesaid, immediately after the latest date for the submission of such applications or (if later) immediately after the Issuer fixes the said consideration but in all cases retroactively to immediately after the record date mentioned above.

*Warrants not subscribed for by Shareholders*

If, in connection with a grant, issue or offer to the holders of Shares of warrants entitling them to subscribe for or purchase Shares in the circumstances described in (a) and (b) of this Condition 6.3.6, any warrants which are not subscribed for or purchased by the Shareholders entitled thereto are underwritten by others prior to the latest date for the submission of applications for such warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of warrants entitling them to subscribe for or purchase Shares, any warrants which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the Shareholders entitled thereto (or persons to whom Shareholders have transferred the right to purchase such warrants) who have submitted applications for such warrants as referred to above are offered to

and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

### 6.3.7 Issues of rights or warrants for equity-related securities to Shareholders

#### *Adjustment*

If the Issuer shall grant, issue or offer to the holders of Shares rights or warrants entitling them to subscribe for or purchase any securities convertible into or exchangeable for Shares:

- (a) at a consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) which is fixed on or prior to the record date mentioned below and is less than the Current Market Price per Share at such record date; or
- (b) at a consideration per Share receivable by the Issuer (determined as aforesaid) which is fixed after the record date mentioned below and is less than the Current Market Price per Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in a case within (a) above) on the record date for the determination of Shareholders entitled to receive such rights or warrants or (in a case within (b) above) on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.5.

N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India (in a case within (a) above) on such record date or (in a case within (b) above) on the date the Issuer fixes the said consideration.

n = the number of Shares initially to be issued upon exercise of such rights or warrants and conversion or exchange of such convertible or exchangeable securities at the said consideration being, in the case of rights, (aa) the number of Shares initially to be issued upon conversion or exchange of the number of such convertible or exchangeable securities which the underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of Shares initially to be issued upon conversion or exchange of the number of such convertible or exchangeable securities for which applications are received from Shareholders as referred to below save to the extent already adjusted for under (aa) and which, in the case of warrants, where no applications by Shareholders entitled to such warrants are required, shall be based on the number of warrants issued. Where applications by Shareholders entitled to such warrants are required, the number of such Shares shall be calculated based upon (x) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, (y) the number of warrants for which applications are received from Shareholders as referred to below save to the extent already adjusted for under (x).

v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current



Market Price per Share specified in (a) or, as the case may be, (b) above.

*Effective date of adjustment*

Subject as provided below, such adjustment shall become effective (a) where no applications for such warrants are required from Shareholders entitled to the same, upon their issue and (b) where applications by Shareholders entitled to the warrants are required as aforesaid and in the case of convertible or exchangeable securities by Shareholders entitled to the same pursuant to such rights, immediately after the latest date for the submission of such applications or (if later) immediately after the Issuer fixes the said consideration; but in all cases retroactively to immediately after the record date mentioned above.

*Rights or warrants not taken up by Shareholders*

If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase securities convertible into or exchangeable for Shares in the circumstances described in this Condition 6.3.7, any convertible or exchangeable securities or warrants which are not subscribed for or purchased by the Shareholders entitled thereto are underwritten by others prior to the latest date for the submission of applications for such convertible or exchangeable securities or warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares or rights or warrants entitling them to subscribe for or purchase securities convertible into or exchangeable for Shares, any convertible or exchangeable securities or warrants which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the Shareholders entitled thereto (or persons to whom Shareholders have transferred such rights or the right to purchase such warrants) who have submitted applications for such convertible or exchangeable securities or warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

**6.3.8 Other distributions to Shareholders**

*Adjustment*

If capital stock of the Issuer (other than Shares), assets (excluding any Dividends) or rights or warrants to subscribe for or purchase Shares or securities (excluding those rights and warrants referred to in Conditions 6.3.5, 6.3.6 and 6.3.7 above) shall be distributed to Shareholders by the Issuer, then the Conversion Price in effect on the record date for the determination of Shareholders entitled to receive such distribution shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{CMP - fmV}{CMP}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.5.

CMP = the Current Market Price per Share on the record date for the determination of

Shareholders entitled to receive such distribution.

fmv = the Fair Market Value of the distribution applicable to one Share (which shall take into account any consideration payable for the same by the relevant Shareholder).

*Effective date of adjustment*

Such adjustment shall become effective immediately after the record date for the determination of Shareholders entitled to receive such distribution. Provided that (a) in the case of such a distribution which must, under applicable law of India, be submitted for approval to a general meeting of Shareholders or be approved by a meeting of the Board of Directors of the Issuer before such distribution may legally be made and is so approved after the record date fixed for the determination of Shareholders entitled to receive such distribution, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date and (b) if the Fair Market Value of the relevant distribution cannot be determined until after the record date fixed for the determination of Shareholders entitled to receive such distribution, such adjustment shall, immediately upon such Fair Market Value being determined, become effective retroactively to immediately after such record date.

**6.3.9 Issue of convertible or exchangeable securities other than to Shareholders or on exercise of warrants**

*Adjustment*

If the Issuer shall issue any securities convertible into or exchangeable for Shares (other than the Bonds, which term shall for this purpose exclude any further Bonds issued pursuant to Condition 16, or in any of the circumstances described in Condition 6.3.7 and Condition 6.3.11) or grant such rights in respect of any existing securities and the consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) shall be less than the Current Market Price per Share on the date in India on which the Issuer fixes the said consideration (or, if the issue of such securities is subject to approval by a general meeting of Shareholders, on the date on which the Board of Directors of the Issuer fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the date of issue of such convertible or exchangeable securities shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.5.

- N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India on the day immediately prior to the date of such issue.
- n = the number of Shares to be issued upon conversion or exchange of such convertible or exchangeable securities at the initial conversion or exchange price or rate.
- v = the number of Shares which the aggregate consideration receivable by the Issuer would purchase at such Current Market Price per Share.

*Effective date of adjustment*

Such adjustment shall become effective as of the calendar day in India corresponding to the calendar day at the place of issue on which such convertible or exchangeable securities are issued.

**6.3.10 Other issues of Shares**

*Adjustment*

If the Issuer shall issue any Shares (other than Shares issued upon conversion or exchange of any convertible or exchangeable securities (including the Bonds) issued by the Issuer or upon exercise of any rights or warrants granted, offered or issued by the Issuer or in any of the circumstances described in any preceding provision of this Condition 6.3) for a consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) less than the Current Market Price per Share on the date in India on which the Issuer fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of Shareholders, on the date on which the Board of Directors of the Issuer fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the issue of such additional Shares shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.5.

- N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India on the day immediately prior to the date of issue of such additional Shares.
- n = the number of additional Shares issued as aforesaid.
- v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current Market Price per Share.

*Effective Date of Adjustment*

Such adjustment shall become effective as of the calendar day in India of the issue of such additional Shares.

**6.3.11 Issue of equity-related securities**

*Adjustment*

If the Issuer shall grant, issue or offer options, warrants or rights (excluding those rights and warrants referred to in Conditions 6.3.5, 6.3.6, 6.3.7 and 6.3.8) to subscribe for or purchase Shares or securities convertible into or exchangeable for Shares (other than the Bonds, which term shall for this purpose exclude any further Bonds issued pursuant to Condition 16) and the consideration per Share receivable by the Issuer (determined as provided in Condition 6.3.16) shall be less than the Current Market Price per Share on the date in India on which the Issuer fixes the said consideration (or, if the offer, grant or issue of such rights, options or warrants is subject to approval by a general meeting of Shareholders, on the date on which the Board of Directors of the Issuer fixes the consideration to be recommended at such meeting), then the

Conversion Price in effect immediately prior to the date of the offer, grant or issue of such rights, options or warrants shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.5.

- N = the number of Shares outstanding (having regard to Condition 6.3.17) at the close of business in India on the day immediately prior to the date of such issue.
- n = the number of Shares to be issued on exercise of such rights or warrants and (if applicable) conversion or exchange of such convertible or exchangeable securities at the said consideration.
- v = the number of Shares which the aggregate consideration receivable by the Issuer (determined as provided in Condition 6.3.16) would purchase at such Current Market Price per Share.

*Effective Date of Adjustment*

Such adjustment shall become effective as of the calendar day in India corresponding to the calendar day at the place of issue on which such rights or warrants are issued.

**6.3.12 Tender or Exchange Offer**

*Adjustment*

In case a tender or exchange offer made by or on behalf of the Issuer or any Subsidiary (as defined below) for all or any portion of the Shares shall expire and such tender or exchange offer shall involve the payment by or on behalf of the Issuer or such Subsidiary of consideration per Share having a Fair Market Value at the last time (the "Expiration Date") tenders or exchanges could have been made pursuant to such tender or exchange offer (as it shall have been amended) that exceeds the Current Market Price per Share, as of the Expiration Date, the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N \times CMP) / [fmv + (N - n) \times CMP]]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 6.3.5 above.

- N = the number of Shares outstanding (including any tendered or exchanged Shares) on the Expiration Date.
- CMP = Current Market Price per Share as of the Expiration Date.
- fmv = the Fair Market Value at the Expiration Time of the aggregate consideration payable to the holders of Shares based on the acceptance (up to a maximum specified in the terms of the tender or exchange offer) of all Shares validly tendered or exchanged and not withdrawn as of the Expiration Date (the Shares deemed so accepted up to any such maximum, being referred to as the "Purchased Shares").
- n = the number of Purchased Shares.

#### *Effective Date of Adjustment*

Such adjustment shall become retroactively effective immediately prior to the opening of business on the day following the Expiration Date.

#### *Tender or Exchange Offer Not Completed*

If the Issuer is obligated to purchase Shares pursuant to any such tender or exchange offer, but the Issuer is permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender or exchange offer had not been made.

#### **6.3.13 Analogous events and modifications**

If (a) the rights of conversion or exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase Shares are modified (other than pursuant to and as provided in the terms and conditions of such options, rights, warrants or securities as originally issued) or (b) the Issuer determines that any other event or circumstance has occurred which has or would have an effect on the position of the Bondholders as a class compared with the position of the holders of all the securities (and options and rights relating thereto) of the Issuer, taken as a class which is analogous to any of the events referred to in Conditions 6.3.1 to 6.3.12, then, in any such case, the Issuer shall promptly notify the Trustee thereof and the Issuer shall consult with an Independent Financial Appraiser as to what adjustment, if any, should be made to the Conversion Price to preserve the value of the Conversion Right of Bondholders and will make any such adjustment. All costs, charges, liabilities and expenses incurred in connection with the appointment, retention, consultation and remuneration of any Independent Financial Appraiser appointed under the Conditions shall be borne by the Issuer.

#### **6.3.14 Simultaneous issues of different classes of Shares**

In the event of simultaneous issues of two or more classes of share capital comprising Shares or rights or warrants in respect of, or securities convertible into or exchangeable for, two or more classes of share capital comprising Shares, then, for the purposes of this Condition, the formula

$$NCP = OCP \times \frac{N + v}{N + n}$$

shall be restated as

$$NCP = OCP \times \frac{N + v1 + v2 + v3}{N + n1 + n2 + n3}$$

where v1 and n1 shall have the same meanings as "v" and "n" but by reference to one class of Shares, v2 and n2 shall have the same meanings as "v" and "n" but by reference to a second class of Shares, v3 and n3 shall have the same meanings as "v" and "n" but by reference to a third class of Shares and so on.

#### **6.3.15 Certain Definitions**

For the purposes of these Conditions,

the "Current Market Price" per Share on any date means the average of the daily Closing Prices (as defined below) of the Shares for the five consecutive Trading Days (as defined below)

ending on and including the Trading Day immediately preceding such date. If the Issuer has more than one class of share capital comprising Shares, then the relevant Current Market Price for Shares shall be the price for that class of Shares the issue of which (or of rights or warrants in respect of, or securities convertible into or exchangeable for, that class of Shares) gives rise to the adjustment in question.

If during the said five Trading Days or any period thereafter up to but excluding the date as of which the adjustment of the Conversion Price in question shall be effected, any event (other than the event which requires the adjustment in question) shall occur which gives rise to a separate adjustment to the Conversion Price under the provisions of these Conditions, then the Current Market Price as determined above shall be adjusted in such manner and to such extent as an Independent Financial Appraiser shall in its absolute discretion deem appropriate and fair to compensate for the effect thereof.

the "Closing Price" of the Shares for a Trading Day shall be the last reported transaction price of the Shares on the NSE for such Trading Day or, if no transaction takes place on such Trading Day, the average of the closing bid and offered prices of Shares for such Trading Day as furnished by a leading independent securities firm licensed to trade on the NSE selected from time to time by the Issuer and approved by the Trustee for the purpose; and

"Trading Day" means a day when the NSE is open for business, but does not include a day when (a) no such last transaction price or closing bid and offered prices is/are reported and (b) (if the Shares are not listed or admitted to trading on such exchange) no such closing bid and offered prices are furnished as aforesaid.

If the Shares are no longer listed on the NSE but are listed on the BSE, references in the above definitions to the NSE will be taken as references to the BSE and if the Shares are no longer listed on either the NSE or the BSE but have been listed on an Alternative Stock Exchange as required by Condition 6.4.1, references in the above definitions to the NSE will be taken as references to that Alternative Stock Exchange.

#### **6.3.16 Consideration receivable by the Issuer**

For the purposes of any calculation of the consideration receivable by the Issuer pursuant to Conditions 6.3.5, 6.3.6, 6.3.7, 6.3.9, 6.3.10 and 6.3.11 above, the following provisions shall be applicable:

- (a) in the case of the issue of Shares for cash, the consideration shall be the amount of such cash;
- (b) in the case of the issue of Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by an Independent Financial Appraiser or, if pursuant to applicable law of India such determination is to be made by application to a court of competent jurisdiction, as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof;
- (c) in the case of the issue (whether initially or upon the exercise of rights or warrants) of securities convertible into or exchangeable for Shares, the aggregate consideration receivable by the Issuer shall be deemed to be the consideration received by the Issuer for such securities and (if applicable) rights or warrants plus the additional consideration (if any) to be received by the Issuer upon (and assuming) the conversion or exchange of such securities at the initial conversion or exchange price or rate and (if applicable) the

exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in this Condition 6.3.16) and the consideration per Share receivable by the Issuer shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange price or rate and (if applicable) the exercise of such rights or warrants at the initial subscription or purchase price;

- (d) in the case of the issue of rights or warrants to subscribe for or purchase Shares, the aggregate consideration receivable by the Issuer shall be deemed to be the consideration received by the Issuer for any such rights or warrants plus the additional consideration to be received by the Issuer upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in this Condition 6.3.16) and the consideration per Share receivable by the Issuer shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price;
- (e) if any of the consideration referred to in any of the preceding paragraphs of this Condition 6.3.16 is receivable in a currency other than Rupees, such consideration shall (in any case where there is a fixed rate of exchange between the Rupees and the relevant currency for the purposes of the issue of the Shares, the conversion or exchange of such securities or the exercise of such rights or warrants) be translated into Rupees for the purposes of this Condition 6.3.16 at such fixed rate of exchange and shall (in all other cases) be translated into Rupees at such rate of exchange as may be determined in good faith by an Independent Financial Appraiser to be the spot rate ruling at the close of business on the date as of which the said consideration is required to be calculated as aforesaid;
- (f) in the case of the issue of Shares (including, without limitation, to employees under any employee bonus or profit sharing arrangements) credited as fully paid out of retained earnings or capitalisation of reserves at their par value, the aggregate consideration receivable by the Issuer shall be deemed to be zero (and accordingly the number of Shares which such aggregate consideration receivable by the Issuer could purchase at the relevant Current Market Price per Share shall also be deemed to be zero); and
- (g) in making any such determination, no deduction shall be made for any commissions or any expenses paid or incurred by the Issuer.

#### **6.3.17 Cumulative adjustments**

If, at the time of computing an adjustment (the "later adjustment") of the Conversion Price pursuant to any of Conditions 6.3.2, 6.3.5, 6.3.6, 6.3.9, 6.3.10 and 6.3.11 above, the Conversion Price already incorporates an adjustment made (or taken or to be taken into account pursuant to the proviso to Condition 6.3.18) to reflect an issue of Shares or of securities convertible into or exchangeable for Shares or of rights or warrants to subscribe for or purchase Shares or securities, to the extent that the number of such Shares or securities taken into account for the purposes of calculating such adjustment exceeds the number of such Shares in issue at the time relevant for ascertaining the number of outstanding Shares for the purposes of computing the later adjustment, such excess Shares shall be deemed to be outstanding for the purposes of making such computation.

#### **6.3.18 Minor adjustments**

No adjustment of the Conversion Price shall be required if the adjustment would be less than Rs.1.0; provided that any adjustment which by reason of this Condition 6.3.18 is not required to be made shall be carried forward and taken into account (as if such adjustment had been made at the time when it would have been made but for the provisions of this Condition 6.3.18) in any subsequent adjustment. All calculations under this Condition 6.3 shall be made to the nearest Rs.1.0 with Rs.0.5 being rounded up to the next Rs.1.0. Except as otherwise set out in Condition 6.3.19 below, the Conversion Price may be reduced at any time by the Issuer.

#### **6.3.19 Minimum Conversion Price**

Notwithstanding the provisions of this Condition, the Issuer covenants that Conversion Price shall not be reduced below the par value of the Shares (Rs.10 at the date hereof) as a result of any adjustment made hereunder unless under applicable law then in effect Bonds may be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Shares.

#### **6.3.20 Reference to "fixed"**

Any references herein to the date on which a consideration is "fixed" shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.

#### **6.3.21 Downward adjustment**

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares, as referred to in Condition 6.3.1.

The Issuer undertakes that it will not take any action which would result in the Conversion Price being reduced pursuant to Condition 6.3.1 to 6.3.14 below the level permitted by applicable Indian laws and regulations from time to time (if any) including (but not limited to) any regulation prescribed by the Ministry of Finance, Government of India and/or the Reserve Bank of India.

#### **6.3.22 Employee Share or Stock Option Scheme**

No adjustment shall be required to the Conversion Price where Shares or other securities or options, rights or warrants for Shares or other securities are issued, offered, allotted, appropriated, modified or granted to employees (including directors) or former employees of the Issuer or persons related to such employees (including directors) or former employees, directly or indirectly, pursuant to an employee share or stock option scheme generally duly existing now or in the future or as required by law; provided that such Shares or other securities or options, rights or warrants for Shares or other securities do not involve or relate to the issuance, offer, allotment, appropriation, modification or granting of Shares in excess of 3 per cent. of the issued and outstanding Shares of the Issuer as of the Closing Date, during the tenure of any such employee share or stock option scheme.

#### **6.3.23 Trustee not obliged to monitor**

The Trustee shall not be under any duty to monitor whether any event or circumstances has happened or exists within this Condition 6.3 and will not be liable or responsible to Bondholders for any loss arising from any failure by it to do so.



#### **6.3.24 Approval of Trustee**

The Issuer shall send the Trustee a certificate setting out particulars relating to each adjustment of the Conversion Price. The Issuer shall also cause a notice containing the same information to be given to Bondholders, such notice to be approved by the Trustee before it is given to Bondholders.

#### **6.3.25 Purchase of Shares**

The Issuer may purchase its Shares to the extent permitted by law.

#### **6.3.26 Independent Financial Appraiser**

If the Issuer fails to select an Independent Financial Appraiser when required in this Condition 6.3, the Trustee may (at its absolute discretion) select such an Independent Financial Appraiser.

#### **6.3.27 Depositary Receipts**

If the Issuer shall have established a depositary receipt facility programme or facility in respect of its Shares (a "DR Facility"), then, subject to the terms and conditions of the relevant facility or programme and to applicable laws and regulations and to such amendments to these Conditions as the Issuer and the Trustee shall consider to be appropriate, each Bondholder will have the right in respect of the exercise of Conversion Rights to elect (a "DR Election") that the Shares to be issued on conversion be represented by depositary receipts ("DRs") and to receive DRs instead of such Shares. A DR Election shall be made in the relevant Conversion Notice in such form as the Issuer may require. The number of DRs to be issued on exercise of Conversion Rights in respect of which the relevant Bondholder shall have duly made a DR Election shall be determined by dividing the principal amount of the relevant Bond to be converted by the Conversion Price in effect on the relevant Conversion Date and dividing the resulting number by the number of Ordinary Shares represented by each DR on such Conversion Date.

Fractions of a DR will not be issued and neither will a Share (where at the relevant time a DR represents more than one Share) or any fraction of a Share be issued and no cash payment or adjustment will be made in respect thereof (other than in the circumstances provided for in Condition 6.1.2). However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that DRs are to be issued to the same person, the number of such DRs to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of DRs.

Where DRs are to be issued, the Issuer will, as soon as practicable, and in any event not later than 30 days after the relevant Conversion Date (i) cause the name of the depositary in respect of the relevant DR Facility (the "DR Depositary"), or its custodian, to be registered in the record of the depositors maintained by the depositary registered under the Depositories Act, 1996 (Act 22 of 1996 of India) with whom the Issuer has entered into a depositary agreement and (ii) cause the relevant number of DRs to be issued by the DR Depositary pursuant to the relevant DR Facility to the relevant Bondholder or his/their nominee.

DRs will be issued in book-entry form or in certificated form as provided in the relevant DR Facility, and may bear such legends and be subject to such restrictions on transfer as the Issuer shall determine to be necessary to comply with applicable laws and regulations.

A Bondholder exercising Conversion Rights and making a DR Election must deliver at its expense to the specified office of any Conversion Agent all and any certificates and other

documents as may be required pursuant to the relevant DR Facility in respect of the deposit of the relevant Shares pursuant to such DR Facility.

The Issuer will pay all expenses, charges and fees of the custodian for the DR Depositary and of the DR Depositary in connection with the deposit of the relevant Shares and issue of the DRs on conversion.

If a Retroactive Adjustment shall occur in relation to the exercise of Conversion Rights in relation to any Bond in respect of which a DR Election shall have been duly made, the Issuer shall, conditional upon the relevant adjustment becoming effective procure that there shall be issued to the relevant Bondholder (or in accordance with instructions contained in the Conversion Notice) such additional number of DRs (if any) (the "Additional DRs") as, together with the DRs issued or to be issued on conversion of the relevant Bond is equal to the number of DRs which would have been required to be issued on conversion of such Bond (together with any fraction of a DR not so issued) if the relevant adjustment to the Conversion Price had been made and become effective on and as of the relevant Conversion Date.

DRs issued upon conversion of the Bonds will in all respects rank *pari passu* with all other DRs under the relevant DR Facility then in issue on the relevant Conversion Date, except that the DRs or, as the case may be, the Additional DRs so issued will not rank for any right where the record date or other due date for the establishment of entitlement in respect of the Shares represented by such DRs or, as the case may be, Additional DRs falls prior to the relevant Conversion Date.

If the Issuer determines that it would be contrary to applicable laws or regulations or would be contrary to the terms of the relevant DR Facility (including any provisions thereof relating to the deposit of Shares) to issue Shares to be represented by DRs upon conversion of Bonds in respect of which a DR Election shall have been made, such DR Election shall be ineffective and there shall be issued to such Bondholder (or as specified in the relevant Conversion Notice) Shares as if such DR Election had not been made.

The Issuer is under no obligation to establish and/or maintain any depositary facility or programme in respect of the Shares or, if it does, to enable the Shares to be eligible for deposit pursuant thereto. The Issuer shall be entitled to impose such conditions and restrictions on the deposit of Shares pursuant to any such facility or programme as it may determine, and may agree with the Trustee such changes to these Conditions as may be appropriate in respect of or relating to the deposit of Shares pursuant to any such facility or programme.

#### **6.4 Undertakings**

6.4.1 The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders or with the approval of the Trustee where, in the opinion of the Trustee, it is not materially prejudicial to the interests of Bondholders to give such approval:

- (i) it will use its best endeavours (a) to maintain a listing for all the issued Shares on the NSE and the BSE, (b) to obtain and maintain a listing for all the Shares issued on the exercise of Conversion Rights on the NSE and the BSE and (c) if the Issuer is unable to obtain or maintain such listing, to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights on such stock exchanges, then on such other stock exchange (the "Alternative Stock Exchange") as the Issuer may from time to time (with the prior written consent of the Trustee) determine and will forthwith give notice to

the Bondholders in accordance with Condition 17 below of the listing or delisting of the Shares (as a class) by any of such stock exchanges;

- (ii) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds;
- (iii) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund (except, in each case, as permitted by law); and
- (iv) it will use best endeavours to maintain the listing of the Bonds on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

6.4.2 In the Trust Deed, the Issuer has undertaken with the Trustee that so long as any Bonds remains outstanding:

- (i) it will reserve, free from any other pre-emptive or other similar rights, out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds without breaching any foreign ownership restrictions in India applicable to the Shares and will ensure that all Shares will be duly and validly issued as fully-paid; and
- (ii) it will not make any offer, issue or distribute or take any action the effect of which would be to reduce the Conversion Price below the par value of the Shares of the Issuer.

6.4.3 The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

*The Shares issued upon conversion of the Bonds are expected to be listed on the NSE and the BSE and will be tradable on such stock exchange once listed thereon, which is expected to occur within 45 days after the relevant Conversion Date. The Issuer will make due application in respect of such listing within 10 days following the relevant Conversion Date.*

## **6.5 Notice of Change in Conversion Price**

The Issuer shall give notice to the SGX-ST (so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require) and the Bondholders in accordance with Condition 17 of any change in the Conversion Price as soon as may be practicable. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

## **7 Payments**

### **7.1 Principal and Premium**

Payment of principal and premium payable on a redemption of the Bonds will be made by transfer to the registered account of the Bondholder or by U.S. dollar cheque drawn on a bank in New York City mailed to the registered address of the Bondholder if it does not have a registered account. Such payment will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

### **7.2 Registered Accounts**

For the purposes of this Condition, a Bondholder's registered account means the U.S. dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register

at the close of business on the second business day before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

### **7.3 Fiscal Laws**

All payments to be made to Bondholders by or on behalf of the Issuer shall be made in all cases subject to any applicable laws and regulations in New York City and, where appropriate, the place of the specified office of the Agent to whom the relevant Certificate is surrendered, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged by the Issuer or any Agent to the Bondholders in respect of such payments.

### **7.4 Payment Initiation**

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day, for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

### **7.5 Delay in Payment**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

### **7.6 Business Day**

In this Condition 7, "business day" means a day other than a Saturday or Sunday on which commercial banks are open for business in (i) New York City, London and Mumbai and, (ii) in the case of the surrender of a Certificate, in the place where the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

## **8 Redemption, Purchase and Cancellation**

### **8.1 Maturity**

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 147.701 per cent. of its principal amount on 12 September 2012 (the "Maturity Date"). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8.2 and Condition 8.3 (but without prejudice to Condition 10).

### **8.2 Redemption at the Option of the Issuer**

8.2.1 On or at any time after 12 September 2009 and on or prior to 5 September 2012, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem the Bonds in whole and not in part, provided that no such redemption may be made unless the Aggregate Value on each Trading Day during a period of not less than 15 consecutive Trading Days was at least 125 per cent. of the Accreted Principal Amount in respect of each U.S.\$1,000 on such Trading Day. Such notice may not be given more than 14 days after the end of such period of 15 consecutive Trading Days. If there shall occur an event giving rise to a change in the Conversion Price during any such 15 consecutive Trading Day period, appropriate adjustments as may be

approved by an investment bank (acting as an expert) selected by the Issuer and approved in writing by the Trustee shall be made for the purpose of calculating the closing price for such days.

8.2.2 Upon the expiry of any such notice, the Issuer will be bound to redeem the Bonds at their Accreted Principal Amount at the date fixed for such redemption.

8.2.3 If at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued, the Issuer shall have the option to redeem such outstanding Bonds in whole but not in part at their Accreted Principal Amount at the date fixed for such redemption. The Issuer will give at least 30 days' but not more than 60 days' prior notice to the Bondholders and the Trustee of such redemption.

8.2.4 For the purposes of this Condition 8.2:

"Aggregate Value" means, in respect of any Trading Day, the U.S. dollar amount calculated in accordance with the following formula:

$$A = N \times MP$$

where:

A = Aggregate Value.

MP = the Closing Price for the Shares on such Trading Day, (provided that if on such Trading Day the Closing Price is quoted cum-Dividend, then for the purposes of this definition "MP" the Closing Price for such Trading Day shall be deemed to be the amount thereof reduced by the Fair Market Value (on the date of first public announcement of such Dividend) of such Dividend per Share), translated into U.S. dollars at the Prevailing Rate on such Trading Day.

N = the number of Shares which would fall to be issued on conversion of U.S.\$1,000 principal amount of Bonds assuming the Conversion Date in respect thereof to be such Trading Day.

"Prevailing Rate" means, in respect of any Trading Day, the noon buying rate in New York City for cable transfers in Rupees, as reported by the Federal Reserve Bank of New York on such Trading Day or, if on such Trading Day, such rate is not available, such rate prevailing on the immediately preceding day on which such rate is so available.

### 8.3 Redemption for Taxation Reasons

8.3.1 At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only subject to Clause 8.3.3, of the Bonds at their Accreted Principal Amount on the date fixed for redemption ("Tax Redemption Date") if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay additional amounts pursuant to Condition 9.3 as a result of any change in, or amendment to, the laws or regulations of India or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer

would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer (taking reasonable measures available to it) and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Trustee shall accept such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders.

8.3.2 Upon the expiry of any such notice, the Issuer will be bound to redeem the Bonds at their Accreted Principal Amount on the Tax Redemption Date.

8.3.3 If the Issuer gives a notice of redemption pursuant to this Condition 8.3, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of principal or premium to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the government of India or any authority thereof or therein having power to tax. For the avoidance of doubt, any additional amounts which had been payable in respect of the Bonds as a result of the laws or regulations of the government of India or any authority thereof or therein having power to tax prior to the Closing Date, will continue to be payable to such Bondholders. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent together with the Certificate evidencing the Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

#### **8.4 Redemption for Change of Control**

8.4.1 Upon the occurrence of a Change of Control (as defined below) and to the extent permitted by applicable law, the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem in whole but not in part such holder's Bonds on the Change of Control Put Date at their Accreted Principal Amount as at the Change of Control Put Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent ("Change of Control Put Exercise Notice") together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 17. The "Change of Control Put Date" shall be the fourteenth business day after the expiry of such period of 30 days as referred to above.

8.4.2 A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which form the subject of the Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

8.4.3 The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred and will not be responsible to Bondholders for any loss arising from any failure by it to do so.

8.4.4 Not later than seven days after becoming aware of a Change of Control, the Issuer shall procure that notice regarding the Change of Control shall be delivered to the Trustee and the Bondholders (in accordance with Condition 17) stating:

- (i) the Change of Control Put Date;
- (ii) the date of such Change of Control and, briefly, the events causing such Change of Control;
- (iii) the date by which the Change of Control Put Exercise Notice (as defined above) must be given;
- (iv) the Accreted Principal Amount and the method by which such amount will be paid;
- (v) the names and specified offices of all Paying Agents;
- (vi) the Conversion Right and the then current Conversion Price;
- (vii) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Change of Control Put Right or Conversion Right; and
- (viii) that a Change of Control Put Exercise Notice, once validly given, may not be withdrawn.

8.4.5 For the purposes of this Condition 8.4:

“business day” shall mean a day on which commercial banks are open for business in New York City, London and Mumbai;

“control” means (a) the acquisition or control of more than 50 per cent. of the Voting Rights of the issued share capital of the Issuer or (b) the right to appoint and/or remove all or the majority of the members of the Issuer’s Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise and “controlled” shall be construed accordingly;

a “Change of Control” occurs when:

- (A) any person or persons, acting together, acquires control of the Issuer; or
- (B) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other person or persons, acting together;

a “person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s Board of Directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect subsidiaries; and

“Voting Rights” means the right generally to vote at a general meeting of Shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

## 8.5 Delisting Put Right

8.5.1 In the event the Shares cease to be listed or admitted to trading on either the BSE or the NSE (a “Delisting”), each Bondholder shall have the right (the “Delisting Put Right”), at such Bondholder’s option, to require the Issuer to redeem all (but not less than all) of such

Bondholder's Bonds on the twentieth business day after notice has been given to Bondholders regarding the Delisting referred to under Condition 8.5.2 below or, if such notice is not given, the twentieth business day after the Delisting (the "Delisting Put Date") at their Accreted Principal Amount as at the Delisting Put Date.

8.5.2 Promptly after becoming aware of a Delisting, the Issuer shall procure that notice regarding the Delisting Put Right shall be given to the Trustee and the Bondholders (in accordance with Condition 17) stating:

- (i) the Delisting Put Date;
- (ii) the date of such Delisting and, briefly, the events causing such Delisting;
- (iii) the date by which the Delisting Put Notice (as defined below) must be given;
- (iv) the Accreted Principal Amount and the method by which such amount will be paid;
- (v) the names and addresses of all Paying Agents;
- (vi) briefly, the Conversion Right and the then current Conversion Price;
- (vii) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Delisting Put Right or Conversion Right; and
- (viii) that a Delisting Put Notice, once validly given, may not be withdrawn.

8.5.3 To exercise its rights to require the Issuer to redeem its Bonds, the Bondholder must deliver a written irrevocable notice of the exercise of such right (a "Delisting Put Notice"), in the then current form obtainable from the specified office of any Agent, to any Paying Agent together with the Certificate evidencing the Bonds to be redeemed by not later than 10 days prior to the Delisting Put Date.

8.5.4 A Delisting Put Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which form the subject of the Delisting Put Notices delivered as aforesaid on the Delisting Put Date.

8.5.5 The Trustee shall not be required to take any steps to ascertain whether a Delisting or any event which could lead to the occurrence of a Delisting has occurred and will not be responsible to Bondholders for any loss arising from any failure by it to do so.

8.5.6 For the purposes of this Condition 8.5, "business day" shall mean a day on which commercial banks are open for business in New York City, London and Mumbai.

## 8.6 Accreted Principal Amount

"Accreted Principal Amount" in respect of each U.S.\$100,000 principal amount of Bonds, is determined so that it represents for the holder a gross yield to maturity identical to that applicable in the case of redemption on the maturity date, being 7.95 per cent. per annum (calculated on a semi annual basis) and shall be calculated in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is the Semi-annual Date (as set out below), the Accreted Principal Amount shall be as set out in the table below in respect of such Semi-annual Date):

Accreted Principal Amount = Previous Accreted Principal Amount  $\times (1 + r/2)^{d/p}$

Previous Accreted Principal Amount = the Accreted Principal Amount for each U.S.\$100,000 principal amount on the Semi-annual Date immediately



preceding the date fixed for redemption as set out below  
(or, if the Bonds are to be redeemed prior to 12 March  
2008, U.S.\$100,000):

<b>Semi-annual Date</b>	<b>Accreted Principal Amount (U.S.\$)</b>
12 March 2008 .....	103,997.52
12 September 2008.....	108,131.42
12 March 2009 .....	112,429.64
12 September 2009.....	116,898.72
12 March 2010 .....	121,545.45
12 September 2010.....	126,376.88
12 March 2011 .....	131,400.36
12 September 2011.....	136,623.52
12 March 2012 .....	142,054.31
12 September 2012.....	147,700.97

r = 7.95 per cent. expressed as a fraction.

d = number of days from and including the immediately preceding Semi-annual Date (or, if the Bonds are to be redeemed on or before 12 March 2008, from and including the Closing Date) to but excluding the date fixed for redemption, calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

p = 180

If the Accreted Principal Amount payable in respect of any Bond upon its redemption pursuant to Condition 8.2, 8.3, 8.4 or 8.5 or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Accreted Principal Amount due and payable in respect of such Bond shall be the Accreted Principal Amount of such Bond as described above, except that such Conditions shall have effect as though the reference therein to the date fixed for redemption, the Tax Redemption Date, the Change of Control Put Date, the Delisting Put Date, or, as the case may be, the date on which the Bond becomes due and payable, had been replaced by a reference to the Relevant Date (as defined in Condition 9.4 below). The calculation of the Accreted Principal Amount in accordance with this Condition 8.7 will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be 147.701 per cent. of the principal amount of the Bonds together with interest thereon at the rate of 7.95 per cent. per annum from and including the Maturity Date to but excluding the Relevant Date, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

## **8.7 Purchases**

The Issuer or any of its Subsidiaries may, if permitted under the laws of India, at any time and from time to time purchase Bonds at any price in the open market or otherwise. Any Bonds purchased by the Issuer shall be submitted to the Registrar for cancellation. If purchases are made by way of tender to Bondholders, the tender must be available to all Bondholders alike. Any Bonds purchased by a Subsidiary of the Issuer may be reissued, resold or cancelled at the option of the relevant Subsidiary.

## **8.8 Cancellation**

All Bonds which are redeemed or converted will forthwith be cancelled and may not be reissued or resold. Any Bonds purchased by the Issuer shall be cancelled and any Bonds purchased by a Subsidiary of the Issuer may, at the option of such Subsidiary, be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

## **8.9 Redemption Notices**

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will be given in accordance with Condition 17, and specify the Conversion Price as at the date of the relevant notice, the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

No notice of redemption given under Condition 8.2 or Condition 8.3 shall be effective if it specifies a date for redemption which falls during a Closed Period or within 15 days following the last day of a Closed Period.

## **8.10 Multiple Notices**

If more than one notice of redemption (which shall include any notice given by the Issuer pursuant to Condition 8.2, Condition 8.3 and any Change of Control Put Exercise Notice or Delisting Put Notice given by a Bondholder pursuant to Condition 8.4 or 8.5) is given pursuant to this Condition 8, the first of such notices to be given shall prevail.

# **9 Taxation**

- 9.1 All payments in respect of the Bonds made by the Issuer will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of India or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law.
- 9.2 Where such withholding or deduction is in respect of Indian withholding tax on premium payments at the rate of up to 10.0 per cent. (plus applicable surcharge on such tax payable and education cess and secondary and higher education cess as applicable on such tax) the Issuer will increase the amount of premium paid by it to the extent required so that the amount of premium received by Bondholders amounts to the relevant amount of the premium which otherwise would have been receivable had no such withholding or deduction been required.
- 9.3 In the event that any such withholding or deduction in respect of principal or any such additional withholding or deduction in excess of 10.0 per cent. (plus applicable surcharge on such tax payable and education cess (including secondary and higher education cess) as applicable on such tax) in respect of premium is required to be made, the Issuer will pay such additional amounts by way of principal or premium as will result in the receipt by the Bondholders of the amounts which would

otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Bond:

- 9.3.1 to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with India otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
  - 9.3.2 (in the case of a payment of principal and premium) if the Certificate in respect of such Bond is surrendered more than 30 days after the Relevant Date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days; or
  - 9.3.3 where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - 9.3.4 presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond to another Payment Agent or Conversion Agent in a Member State of the European Union.
- 9.4 References in these Conditions to principal and premium shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed. "Relevant Date" means, in respect of any Bond, whichever is the later of (i) the date for redemption of such Bond and (ii) if the full amount payable has not been received by the Principal Agent or the Trustee on or prior to such due date, the date on which the full amount having been so received, notice to that effect shall have been given to the Bondholders in accordance with Condition 17.

## 10 Events of Default

- 10.1 The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their Accreted Principal Amount (subject as provided below) if any of the following events (each an "Event of Default") has occurred (provided that in the case of Condition 10.1.4 the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of Bondholders):
- 10.1.1 a default is made in the payment of any sum due in respect of the Bonds;
  - 10.1.2 failure by the Issuer to deliver the Shares as and when such Shares are required to be delivered following conversion of a Bond;
  - 10.1.3 the Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 15 days after written notice of such default shall have been given to the Issuer by the Trustee;

- 10.1.4 the Issuer or any Material Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or substantially all of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or substantially all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries, except for the purpose of and followed by a Merger (as defined in Condition 11) (i) in accordance with, and complying with the provisions of, Condition 11 or (ii) on terms approved by an Extraordinary Resolution of the Bondholders;
- 10.1.5 (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any default or event of default, or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, unless in any such case the relevant default or failure shall have been cured or waived and provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10.1.5 have occurred equals or exceeds U.S.\$25 million or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank selected by the Trustee on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity);
- 10.1.6 a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries, which is material to the Issuer and its Material Subsidiaries as a whole, and is not discharged or stayed within 45 days;
- 10.1.7 an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or any of its Material Subsidiaries, or the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a Merger (i) in accordance with, and complying with the provisions of, Condition 11 or (ii) on terms approved by an Extraordinary Resolution of the Bondholders;
- 10.1.8 an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed in respect of the whole or any substantial part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries (as the case may be) and is not discharged within 45 days;
- 10.1.9 it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed;
- 10.1.10 any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Material Subsidiaries, which is material to the Issuer and its Material Subsidiaries as a whole;

10.1.11 any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

"Subsidiary" or "subsidiary" means any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under Indian law, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of that person.

"Material Subsidiary" means at any time a Subsidiary of the Issuer:

- (a) whose gross revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent 15 per cent. or more of the consolidated gross revenues of the Issuer all as calculated by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest consolidated audited accounts of the Issuer, provided that (i) in the case of a Subsidiary acquired or an entity which becomes a Subsidiary after the end of the financial period to which the then latest audited consolidated accounts of the Issuer relate, the reference to the then latest audited consolidated accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a Subsidiary, be deemed to be a reference to the then latest consolidated accounts of the Issuer adjusted in such manner as may be appropriate to consolidate the latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary in such accounts; (ii) if, in the case of any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated revenues shall be determined on the basis of pro forma consolidated accounts of the relevant Subsidiary; (iii) if the accounts of any Subsidiary (not being a Subsidiary referred to in (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts of the Issuer; and (iv) if the latest accounts of any Subsidiary of the Issuer are not prepared on the basis of the same accounting principles, policies and practices of the latest consolidated audited accounts of the Issuer, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on pro forma accounts or, as the case may be, consolidated accounts of such Subsidiary prepared on the same accounting principles, policies and practices as adopted in the latest consolidated audited accounts of the Issuer, or an appropriate restatement or adjustment to the relevant accounts of such Subsidiary; or
- (b) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer was a Material Subsidiary, provided that the Subsidiary which so transfers its assets and undertakings shall forthwith upon such transfer cease to be a Material Subsidiary and the Subsidiary to which the assets and undertaking are so transferred shall cease to be a Material Subsidiary at the date on which the first published audited consolidated accounts of the Issuer prepared as of a date later than such transfer are issued, unless such Subsidiary would continue to be a Material Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (a) above.

A certificate from the Auditors (as defined in the Trust Deed) of the Issuer that, in their opinion, a Subsidiary of the Issuer is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Bondholders.

The Issuer has covenanted with the Trustee in the Trust Deed to certify from time to time as to which Subsidiaries are Material Subsidiaries.

*As at the date of this document, the Issuer does not have any subsidiaries that would qualify as "Material Subsidiaries" under the above definition.*

## **11 Consolidation, Amalgamation or Merger**

The Issuer may consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), provided that:

- (i) the Issuer shall be solvent immediately prior thereto;
- (ii) prior thereto the Issuer shall have notified the Trustee and the Bondholders of such event in accordance with Condition 17;
- (iii) the corporation formed by such Merger or the person that acquired such properties and assets shall, upon consummation of the Merger, be solvent and shall expressly assume, by a supplemental trust deed, all obligations of the Issuer under the Trust Deed, the Agency Agreement and the Bonds and the performance of every covenant and agreement applicable to it contained therein and to ensure that the holder of each Bond then outstanding will have the right (during the period when such Bond shall be convertible) to convert such Bond into the class and amount of shares, cash and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of such Bond immediately prior to such consolidation, amalgamation, merger, sale or transfer;
- (iv) immediately after giving effect to any such Merger, no Event of Default shall have occurred or be continuing or would result there from; and
- (v) the corporation formed by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal and premium on the Bonds.

Such supplemental trust deed shall provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in the foregoing provisions of Condition 6. The Trustee shall be entitled to require from the Issuer such opinions, consents, documents and other matters at the expense of the Issuer in connection with the foregoing as it may consider appropriate and may rely on such opinions, consents and documents without liability to any person. The above provisions of this Condition 11 will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales or transfers.

## **12 Prescription**

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years from the Relevant Date in respect thereof.

## **13 Enforcement**

At any time after the Bonds have become due and repayable, the Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds

and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (ii) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

## **14 Meetings of Bondholders, Modification, Waiver and Substitution**

### **14.1 Meetings**

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Bonds or (ii) to reduce or cancel the amount of principal or premium or default interest payable in respect of the Bonds or to change the method of calculation thereof or (iii) to change the currency of payment of the Bonds or (iv) to modify or cancel the Conversion Rights or the provisions of Condition 8 or (v) to increase the Conversion Price (other than pursuant to Condition 6.3.1) or to shorten the Conversion Period or (vi) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

### **14.2 Modification and Waiver**

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Condition 14.1 above) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

### **14.3 Substitution**

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Bonds. In such event, the Issuer shall give notice to Bondholders in accordance with Condition 17.

#### **14.4 Interests of Bondholders**

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

#### **14.5 Certificates/Reports**

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

#### **15 Replacement of Certificates**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

#### **16 Further Issues**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds shall be constituted by a deed supplemental to the Trust Deed.

#### **17 Notices**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the register of Bondholders maintained by the Registrar and published in a leading newspaper having general circulation in (i) Asia (which is expected to be the *Asian Wall Street Journal*) and (ii) Europe (which is expected to be the *Financial Times*). Any such notice shall be deemed to have been given on the later of the date of the last such publication and the seventh day after being so mailed.

#### **18 Agents**

The names of the initial Agents and the Registrar and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar and to appoint additional or other Agents or a replacement Registrar. The Issuer will at all times maintain (i) a Principal Agent, (ii) a Registrar, (iii) a Paying Agent and a Conversion Agent having a specified office in a major financial centre in Europe, (iv) a Paying Agent and Conversion Agent and Transfer Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or comprising with, or introduced in order to conform to, such Directive and (v) so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, a Paying Agent and a Conversion Agent having a specified office in Singapore. Notice of any such termination



or appointment, of any changes in the specified offices of any Agent or the Registrar and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Bondholders in accordance with Condition 17 and in any event not less than 45 days' notice will be given.

## **19 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer without accounting for any profit.

The Trust Deed contains provisions pursuant to which the Trustee is entitled to enter into business transactions with the Issuer and any of its subsidiaries or affiliates and to retain and not be liable to account for any profit made or any other benefit or amount received thereby or in connection therewith.

## **20 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Bond under the Contracts (Rights of Third Parties) Act 1999.

## **21 Governing Law**

The Bonds, the Trust Deed and the Agency Agreement are governed by, and shall be construed in accordance with, the laws of England. In relation to any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds the Issuer has in the Trust Deed irrevocably submitted to the courts of England and in relation thereto has appointed Hackwood Securities Limited currently at One Silks Street, London EC2Y 5HQ, as its agent for service of process in England. Nothing shall affect the right to serve process in any other manner permitted by law.

*Under current regulations of the RBI applicable to convertible bonds, the Issuer would require the prior approval of the RBI before repaying the Bonds prior to 12 September 2012, including redemption pursuant to Condition 8.2, 8.3, 8.4 or 8.5 or following acceleration on an Event of Default prior to 12 September 2012, and such approval may or may not be forthcoming.*

**PRINCIPAL PAYING AGENT**  
**CONVERSION, TRANSFER AND PAYING AGENT**

**The Bank of New York, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR**

**The Bank of New York**  
101 Barclay Street  
21st Floor West  
New York, NY 10286  
United States

## FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby transfers to

.....  
.....

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

U.S.\$ ..... principal amount of the Bonds (having identifying numbers ...) in respect of which this Certificate is issued, and all rights in respect thereof.

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the transferee) to the following account:

Name of bank:

U.S. dollar account number:

For the account of:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Certifying Signature

Name: \_\_\_\_\_  
\_\_\_\_\_

### Notes:

- (a) A representative of the Bondholder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the transferor shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Agent or the Registrar may require.

**Schedule 2**  
**Form of Global Certificate**

**JAIPRAKASH ASSOCIATES LIMITED**  
**(incorporated in the Republic of India with limited liability under the Indian Companies Act, 1956**  
**with Registration No. 20-19017)**  
**US\$400,000,000**  
**Zero Coupon Convertible Bonds due 2012 convertible**  
**into ordinary Shares of Jaiprakash Associates Limited**

**GLOBAL CERTIFICATE**

ISIN NO: XS0312165599  
Common Code: 031216559

The Bonds in respect of which this Global Certificate is issued are in registered form and form the series designated as specified in the title (the "**Bonds**") of Jaiprakash Associates Limited (the "**Company**").

The Company hereby certifies that The Bank of New York Depository (Nominees) Limited is, at the date hereof, entered in the register of Bondholders as the holder of Bonds in the principal amount of U.S.\$400,000,000 (four hundred million U.S. dollars) or such lesser amount as is shown on the register of Bondholders as being represented by this Global Certificate and is duly endorsed (for information purposes only) in the third column of Schedule A to this Global Certificate. For value received, the Company promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Global Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions referred to below.

The Bonds are constituted by a Trust Deed dated 11 September 2007 between the Company and The Bank of New York as trustee (the "**Trustee**") and are subject to the Trust Deed and the terms and conditions (the "**Conditions**") set out in Schedule 1 to the Trust Deed and herein, as modified by the provisions of this Global Certificate. Terms defined in the Trust Deed have the same meaning when used herein.

The Bonds in respect of which this Global Certificate is issued are convertible into equity shares of the Company subject to and in accordance with the Conditions and the Trust Deed.

Owners of interests in the Bonds in respect of which this Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream Luxembourg (or any other clearing system (an "**alternative clearing system**") as shall have been designated by the Company and approved by the Trustee on behalf of which the Bonds evidenced by this Global Certificate may be held) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In such circumstances, the Company will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Bondholders. A person with an interest in the Bonds in respect of which this Global Certificate is issued must provide the

Registrar with a written order containing instructions and such other information as the Company and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

This Global Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration in the register of Bondholders and only the duly registered holder is entitled to payments on Bonds in respect of which this Global Certificate is issued.

The Conditions are modified as follows in so far as they apply to the Bonds in respect of which this Global Certificate is issued.

### **Meetings**

The registered holder hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each U.S.\$100,000 in principal amount of Bonds in respect of which this Global Certificate is issued. The Trustee may allow to attend and speak (but not to vote) at any meeting of Bondholders any accountholder (or the representative of any such person) of a clearing system entitled to Bonds in respect of which this Global Certificate is issued on confirmation of entitlement and proof of his identity.

### **Conversion**

Subject to the requirements of Euroclear and Clearstream, Luxembourg (or any alternative clearing system), the Conversion Right attaching to Bonds in respect of which this Global Certificate is issued may be exercised by the presentation to the Conversion Agent of one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of this Global Certificate with the Conversion Agent together with the relevant Conversion Notice shall not be required. The provisions of Condition 6 of the Bonds will otherwise apply. The exercise of the Conversion Right shall be notified by the Conversion Agent to the Registrar and the holder of this Global Certificate.

### **Trustee's Powers**

In considering the interests of Bondholders while this Global Certificate is registered in the name of a nominee for a clearing system the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which this Global Certificate is issued.

### **Enforcement**

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which this Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder as if they were themselves the holders of Bonds in such principal amounts.

For all purposes, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as a holder of a particular principal amount of Bonds in respect of which this Global Certificate is issued, (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of Bonds represented by a Global Certificate standing to the account of any person shall be conclusive and binding for all purposes) shall be recognised as the holder of such principal amount of Bonds.

### **Cancellation**

Cancellation of any Bond required by the Conditions to be cancelled following its redemption, conversion or purchase by the Company will be effected by reduction in the principal amount of the Bonds in the Register.

### **Repurchase at Option of the Bondholders**

The Bondholders' put options in Condition 8.4 and 8.5 may be exercised by the holder of this Global Certificate giving notice to the Principal Agent of the principal amount of Bonds in respect of which the option is exercised and presenting this Global Certificate for endorsement or exercise within the time limits specified in such Conditions.

### **Payments**

Payments in respect of the Bonds represented by this Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the Bonds, surrender of this Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose.

### **Transfers**

Transfers of interests in the Bonds with respect to which this Global Certificate is issued shall be made in accordance with the Agency Agreement.

Transfers of interests in the Bonds with respect to which this Global Certificate is issued shall be effected through the records of Euroclear and Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants.

### **Notices**

So long as the Bonds are represented by this Global Certificate and this Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or an alternative Clearing System, notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Conditions.

This Certificate is governed by, and shall be construed in accordance with, English law.

**IN WITNESS** whereof the Company has caused this Certificate to be signed on its behalf.

Dated 11 September 2007

**JAIPRAKASH ASSOCIATES LIMITED**

By:

**Certificate of Authentication**

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of Bonds.

**THE BANK OF NEW YORK**

as Registrar

By:

Authorised Signatory

Dated:

## Schedule A

### SCHEDULE OF REDUCTIONS IN PRINCIPAL AMOUNT OF THE BONDS IN RESPECT OF WHICH THIS GLOBAL CERTIFICATE IS ISSUED

The following reductions in the principal amount of the Bonds in respect of which this Global Certificate is issued have been made as a result of (i) exercise of the Conversion Right attaching to Bonds or (ii) redemption of Bonds or (iii) issue of definitive Certificates in respect of the Bonds or (v) purchase and cancellation of Bonds:

Date of Conversion/ Redemption/ Purchase and cancellation/issue of definitive Certificates (stating which)	Amount of increase/decrease in principal amount of Bonds	Principal amount of Bonds following such increase/decrease	Notation made by or on behalf of the Registrar
11 September 2007		U.S.\$400,000,000	



## FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of Bonds in respect of which the Certificate is issued, and all rights in respect thereof, to the transferee(s) listed below:

**Principal Amount transferred**

**Name, address and account for  
payments of transferee**

Dated: \_\_\_\_\_

Certifying Signature: \_\_\_\_\_

Name: \_\_\_\_\_

**Notes:**

- (a) A representative of the Bondholder should state the capacity in which he signs e.g. executor.
- (b) The signature of the transferee shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Principal Agent or the Registrar may require.

**PRINCIPAL PAYING AGENT**  
**CONVERSION, TRANSFER AND PAYING AGENT**

**The Bank of New York, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR**

**The Bank of New York**  
101 Barclay Street  
21st Floor West  
New York, NY 10286  
United States

8000  
ENCL 13/10/09

### Schedule 3

#### Provisions for Meetings of Bondholders

- 1 (a)(i) A holder of a Bond may by an instrument in writing (a "**form of proxy**") in the form available from the specified office of any Agent in English signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Agent not later than 24 hours before the time fixed for any meeting, appoint any person (a "**proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of Bondholders.
- (ii) A holder of a Bond which is a corporation may by delivering to any Agent not later than 24 hours before the time fixed for any meeting a resolution of its Directors or other governing body in English authorise any person to act as its representative (a "**representative**") in connection with any meeting or proposed meeting of Bondholders.
- (iii) Any proxy appointed pursuant to sub-paragraph 1(a)(i) above or representative appointed pursuant to sub-paragraph (a)(ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with any meeting or proposed meeting of Bondholders specified in such appointment, to be the holder of the Bonds to which such appointment relates and the holder of the Bond shall be deemed for such purposes not to be the holder.
- (b) "**block voting instruction**" shall mean a document in the English language issued by the Principal Agent and dated, in which:
- (i) it is certified that Bonds are registered in the books and records maintained by the Registrar in the names of specified registered holders;
- (ii) it is certified that each holder of such Bonds or a duly authorised agent on his or its behalf has instructed the Principal Agent that the vote(s) attributable to his or its Bonds so deposited or registered should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjournment thereof and that all such instructions are, during the period of 48 hours prior to the time for which such meeting or adjourned meeting is convened, neither revocable nor subject to amendment but without prejudice to the provisions of paragraph (b) above;
- (iii) the total number and the identifying numbers of the Bonds so registered are listed, distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (iv) any person named in such document (hereinafter called a "**proxy**") is authorised and instructed by the Principal Agent to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in (ii) and (iii) above as set out in such document.
- (c) Block voting instructions and forms of proxy shall be valid for so long as the relevant Bonds shall be duly registered in the name(s) of the registered holder(s) certified in the block voting instruction or, in the case of a form of proxy, in the name of the appointor but not otherwise and notwithstanding any other provision of this Schedule and during the validity thereof the proxy shall, for all purposes in connection with any meeting of holders of Bonds, be deemed to be the holder of the Bonds of the relevant Series to which such block voting instructions or form of proxy relates.
- 2 The Company or the Trustee may at any time convene a meeting of Bondholders. If it receives a written request by Bondholders holding at least 10 per cent. in principal amount of the Bonds for

the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of Bondholders. Every meeting shall be held at a time and place approved by the Trustee.

- 3 At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Bondholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting, be given in the manner provided in the Conditions and shall specify, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall include a statement to the effect that the holders of Bonds may appoint proxies by executing and delivering a form of proxy in English to the specified office of an Agent not later than 24 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution in English of their Directors or other governing body and by delivering an executed copy of such resolution to the Agent not later than 24 hours before the time fixed for the meeting.
- 4 A person (who may, but need not, be a Bondholder) nominated in writing by the Trustee may act as chairman of a meeting but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Bondholders present shall choose one of their number to be chairman, failing which the Company may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.
- 5 At a meeting two or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 10 per cent. in principal amount of the Bonds for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted unless the requisite quorum be present at the commencement of business. The quorum at a meeting for passing an Extraordinary Resolution shall (subject as provided below) be two or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate over 50 per cent. in principal amount of the Bonds for the time being outstanding provided that the quorum at any meeting the business of which includes any of the matters specified in the proviso to paragraph 16 shall be two or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 75 per cent. in principal amount of the Bonds for the time being outstanding.
- 6 If within 15 minutes from the time fixed for a meeting a quorum is not present the meeting shall, if convened upon the requisition of Bondholders or if the Company and the Trustee agree, be dissolved. In any other case it shall stand adjourned to such date, not less than 14 nor more than 42 days later, and to such place as the chairman may decide. At such adjourned meeting two or more persons present in person holding Bonds or being proxies or representatives (whatever the principal amount of the Bonds so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting provided that at any adjourned meeting at which is to be proposed an Extraordinary Resolution for the purpose of effecting any of the modifications specified in the proviso to paragraph 16 the quorum shall be two or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 25 per cent. in principal amount of the Bonds for the time being outstanding. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

- 7 The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting which might not lawfully have been transacted at the meeting from which the adjournment took place.
- 8 At least 10 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.
- 9 Each question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a holder of a voting certificate or as a proxy or representative.
- 10 Unless a poll is (before or on the declaration of the result of the show of hands) demanded at a meeting by the chairman, the Company, the Trustee or by one or more persons holding one or more Bonds or being proxies or representatives and holding or representing in the aggregate not less than 2 per cent. in principal amount of the Bonds for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 11 If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.
- 12 A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
- 13 The Company and the Trustee (through their respective representatives) and their respective financial and legal advisers may attend and speak at any meeting of Bondholders. No one else may attend or speak at a meeting of Bondholders unless he is the holder of a Bond or is a proxy or a representative.
- 14 On a show of hands every holder who is present in person or any person who is present and is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each U.S.\$1,000 principal amount of Bonds held or in respect of which he is a proxy or a representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
- 15 A proxy need not be a Bondholder.
- 16 A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Trust Deed, have power exercisable by Extraordinary Resolution:
  - (i) to sanction any proposal by the Company for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Company whether or not such rights arise under this Trust Deed;
  - (ii) to sanction the exchange or substitution for the Bonds of, or the conversion of the Bonds into, shares, bonds, or other obligations or securities of the Company or any other entity;

- (iii) to assent to any modification of this Trust Deed or the Bonds which shall be proposed by the Company or the Trustee;
- (iv) to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- (v) to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- (vi) to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer on them any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution;
- (vii) to approve the substitution of any entity for the Company (or any previous substitute) as principal debtor under this Trust Deed;
- (viii) to approve a proposed new Trustee and to remove a Trustee; and
- (ix) to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Bonds,

provided that the special quorum provisions contained in the proviso to paragraph 5 and, in the case of an adjourned meeting, in the proviso to paragraph 6 shall apply in relation to any Extraordinary Resolution for the purpose of paragraph 16(ii) or (vii) or the purpose of making any modification to the provisions contained in this Trust Deed or the Bonds which would have the effect of:

- (i) modifying the due date for any payment in respect of the Bonds; or
- (ii) reducing or cancelling the amount of principal or premium or default interest payable in respect of the Bonds or changing the method of calculation thereof; or
- (iii) changing the currency of any payment in respect of the Bonds; or
- (iv) cancelling or modifying the Conversion Rights or the provisions of Condition 8; or
- (v) increasing the Conversion Price (other than pursuant to Condition 6.3.1) or shortening the Conversion Period; or
- (vi) modifying the provisions contained in this Schedule concerning the quorum required at a meeting of Bondholders or the majority required to pass an Extraordinary Resolution or sign a resolution in writing; or
- (vii) amending this proviso.

- 17 An Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with this Trust Deed shall be binding on all the Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.
- 18 The expression "**Extraordinary Resolution**" means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than three-quarters of the votes cast.
- 19 A resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Bonds who for the time being are entitled to receive notice of a meeting in accordance with these provisions shall for all purposes be as valid as an Extraordinary Resolution


passed at a meeting of Bondholders convened and held in accordance with these provisions. Such resolution in writing may be in one document or several documents in like form each signed by or on behalf of one or more of the Bondholders.

- 20** Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting of Bondholders, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
- 21** Subject to all other provisions contained in this Trust Deed the Trustee may without the consent of the Bondholders prescribe such further regulations regarding the holding of meetings and attendance and voting at them or regarding the making of resolutions in writing as the Trustee may in its sole discretion determine including (without limitation) such regulations and requirements as the Trustee thinks reasonable to satisfy itself that persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and that those who purport to attend or vote at a meeting or to sign a written resolution are entitled to do so.

IN WITNESS whereof this Trust Deed has been executed as a deed on the date stated at the beginning.

JAIPRAKASH ASSOCIATES LIMITED

By:

  
11/9/02

THE BANK OF NEW YORK

By:



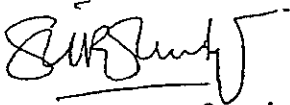
IN WITNESS whereof this Trust Deed has been executed as a deed on the date stated at the beginning.

JAIPRAKASH ASSOCIATES LIMITED

By:

THE BANK OF NEW YORK

By:



Fernando Hutapea  
Assistant Treasurer

**R.P. AGARWAL**

ADVOCATE, HIGH COURT

1-A- AUCKLAND ROAD.

ALLAHABAD- 211001

PHONES : (0532) 2423673/2422682

E-MAIL : rpagr@sancharnet.in

MOBILE - 9415217208

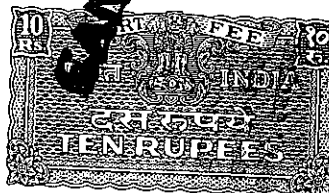
*Company Applications - 3/2009  
District - Gautam Buddha Nagar  
In the Matter of  
Amalgamation of companies  
Jaiprakash Associated Ltd and others.*

0309  
S. Agr  
2-3-09

2-3-09  
Section Officer  
High Court  
Allahabad

4519  
2/3/09

Date of Application... 2/3/09  
Date of receipt... 2/3/09  
Date of delivery... 2/3/09  
Passing Agent... *[Signature]*





IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD  
ORIGINAL COMPANY JURISDICTION

COMPANY APPLICATION No. 3 OF 2009  
[Under Sections 391/394 of the Companies Act, 1956]

DISTT. : GAUTAM BUDDHA NAGAR

IN THE MATTER OF :

COMPANIES ACT, 1956

AND

IN THE MATTER OF AMALGAMATION

OF

JAYPEE HOTELS LIMITED  
JAYPEE CEMENT LIMITED  
JAIPRAKASH ENTERPRISES LIMITED  
GUJARAT ANJAN CEMENT LIMITED

WITH

JAIPRAKASH ASSOCIATES LIMITED

DIRECTIONS TO CONVENE MEETINGS UNDER SECTION 391

1. JAIPRAKASH ASSOCIATES LIMITED

having its registered office at

Sector - 128, NOIDA- 201304

District Gautam Buddha Nagar, (UP).

[Also referred to hereinafter as "JAL"] ..... Transferee Company.

2. JAYPEE HOTELS LIMITED

having its registered office at

Hotel Jaypee Palace, Fatehabad Road,

Agra, U.P.

[Also referred to hereinafter as "JHL"]

.....Transferor Company No. 1

3. JAYPEE CEMENT LIMITED

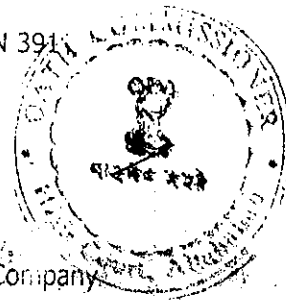
having its registered office at

5 Park Road, Hazratganj,

Lucknow - 226 001

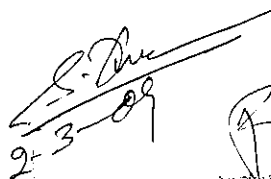
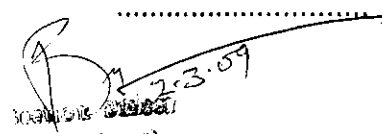
[Also referred to hereinafter as "JCL"]

.....Transferor Company No. 2



4. JAIPRAKASH ENTERPRISES LIMITED  
 having its registered office at  
 Sector - 128, NOIDA- 201304  
 District Gautam Buddha Nagar, (UP).  
 [Also referred to hereinafter as "JEL"]  
 .....Transferor Company No. 3

5. GUJARAT ANJAN CEMENT LIMITED  
 having its registered office at  
 Sector - 128, NOIDA- 201304  
 District Gautam Buddha Nagar, (UP)  
 [Also referred to hereinafter as "GACL"]  
 .....Transferor Company No. 4

 2-3-09  
 2-3-09  
 ..... APPLICANTS  
 To,

HON'BLE THE CHIEF JUSTICE AND HIS COMPANION JUDGES OF THE  
 AFORESAID COURT ;

The Applicants above named, MOST RESPECTFULLY, beg to submit as  
 follows -

That the Applicants are moving this Application seeking directions of this  
 Hon'ble Court to convene meetings of the Equity Shareholders of the Applicant  
 Companies [excluding the shareholders of Transferor Company No. 2 i.e. Jaypee  
 Cement Limited] and the Creditors of all the Applicant Companies, under Sections  
 391 and 396 of the Companies Act, 1956, for considering and approving, with or without  
 modification, the proposed Scheme of Amalgamation between the Applicant  
 Companies and other directions incidental thereto. The meeting of the Equity  
 Shareholders of the Transferor Company No. 2 [Jaypee Cement Limited] is sought  
 to be dispensed with as the said Company is a wholly owned subsidiary of  
 Jaiprakash Associates Limited [Transferee Company], which itself is one of the  
 Applicant Companies and the Board of Directors of the said Company has already  
 approved the proposed Scheme of Amalgamation.

*Modification SPD - 58407-09*  
Hon. Sunil Ambwani, J.

This application was taken up on an urgent motion made by Shri R.P. Agrawal, for clarification/ modification of the order dated 09.2.2009, calling for meetings of shareholders/ creditors with necessary directions. The applicants have prayed for issuing following clarifications:-

(a) that only the Notice meant for Creditors of the Transferee Company is required to be published in the two foreign newspapers, namely Asian Wall Street Journal and Financial Times, and not other notices;

(b) that the Certificate of the P&T registered Mailing Agency and the Postal Docket issued by the Post Office will be acceptable to the Chairmen concerned for the purposes of filing the Affidavit of Service under Rule 76 of the Companies (Court) Rules;

(ii) to dispense with the requirement of publication of notice in two foreign newspapers namely Asian Wall Street Journal and Financial Times;

In case, the publication in above two newspapers is not dispensed with, then the Transferee Company may be allowed to publish the notice as per text given in Annexure A 2.

(iii) to rectify the name of the newspapers 'Daily News Activists' as 'DLA'."

Shri R.P. Agrawal states that Asian Wall Street Journal is published from Hong Kong; Singapore; Japan; Thailand; Indonesia; Korea; Philippines and Malaysia; and the Financial Times (English Daily) Europe is published from London; Leeds; Dublin; Frankfurt; Brussels; Madrid and Milano. These two newspapers have quoted exorbitant rates for publishing the notices convening the meetings of shareholders and creditors. He has prayed for exemption from publishing the notices in these two newspapers. In the alternative he has prayed that the applicant may be permitted to publish the notices in these two newspapers only for creditors. Shri Agrawal submits that the object of publishing notices outside India in Asian Wall Street Journal and Financial Times Europe is to inform the FCCB holders. The prayer (a) is consequently modified to the extent that two foreign newspapers will carry the publication of notices only for creditors of the transferee company.

The prayer (b) (i) for accepting the certificate of the P&T-registered Mailing Agency and the Postal Docket issued by the Post Office is rejected. The Court must have the records of service of notice on each shareholders and creditors.

The request of Shri R.P. Agrawal for reducing the period of notice in two foreign newspapers by one week is also rejected. There is sufficient time to publish the notices with clear 21 days before the meetings.

The last prayer to rectify the name of the newspaper 'Daily News Activists' as 'DLA' is allowed.

The application is disposed of with these directions.

Let a copy of this order be given to the counsel for the applicant today on payment of usual charges.

Dt. 02.03.2009

SP/Apl.58407/09

in C.A.3/09

*sd- Sunil Ambwani - J*

TRUE COPY

*2-3-09*  
2009/03/02  
High Court, Allahabad