

Ref: JAL:SEC:2016

28th February, 2016

The Manager
Listing Department
National Stock Exchange of India Ltd
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BSE Limited
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2039/2041

Sub : Disclosure under Regulation 30 of Listing Regulations

Dear Sirs,

We wish to inform you that we have today signed a binding Memorandum of Understanding with UltraTech Cement Limited for divestment of part of the Company's cement business as per the details given in the enclosed Press Release issued by the Company.

This is for your information and record.

Thanking you,

Yours faithfully
for JAIPRAKASH ASSOCIATES LIMITED


(MOHINDER PAUL KHARBANDA)
Sr. General Manager (Sectl.) &
Company Secretary

Encl : As above

New Delhi, February 28, 2016

PRESS RELEASE

Jaypee Group has been at the forefront in building some of the most iconic projects of the country. Known for its expertise in development of hydropower projects, it has successfully demonstrated the potential of hydropower in private sector. Jaypee Group is also India's **3rd largest cement producer** with an operating capacity in **excess of 28 MnTPA**.

Headwinds of the economy has impacted all groups/companies which had borrowed to invest in the Brick & Mortar segment which is currently reeling under severe pressure and the Power sector which is witnessing never seen before challenges, with capacity utilization & power tariffs at all time lows.

Jaypee Group has demonstrated its serious intent to de-leverage its balance sheet through:

1. Sale of its two prized hydropower projects in HP,
2. Sale of Cement assets in Gujarat, Jharkhand & Haryana
3. Sale of Wind Power Assets in Gujarat & Maharashtra.

In January 2015, Jaiprakash Associates Ltd. (JAL) had signed an agreement with Ultratech Cement Ltd. to sell two of its MP based cement plants. However, pending amendment in MMDR Act, the proposed transaction ran into rough weather.

The Group, in pursuit of its objective of reducing debt which is fully backed by adequate & high quality assets, has now signed a binding MOU with "Ultratech Cement Limited" for part of its cement business comprising identified operating cement plants spread over the states of Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, Uttarakhand, Andhra Pradesh and Karnataka, besides a grinding unit which is currently under implementation in Uttar Pradesh. The Enterprise Value, for the operating capacity of 18.40 MTPA has been agreed at Rs.16,500 Crores. An additional amount of Rs. 470 Crores shall be paid by the Purchaser for completion of the Grinding Unit under implementation. The transaction shall however be subject to execution of definitive agreements, receipt of all statutory approvals and necessary compliances.



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The Group has taken these steps to effectively address the subject of debt reduction but notwithstanding Govt. of India's focus on ease of doing business, JAL would be dependent upon the regulatory framework, including the proposed amendments in the MMDRA, for the different options available to it for consummating the proposed transaction expeditiously.

Commenting on this development, Sh Manoj Gaur, Executive Chairman Jaiprakash Associates Limited, observed -

“On a proactive basis, we had taken concrete steps to divest two cement plants in MP in January 2015 but for reasons not attributable to the Company, this divestment could not take place which is a matter of great concern, as this affects even Groups like us which are proactively pursuing the process of de-leveraging through disinvestment. In the given situation, it has now been considered appropriate to divest a significant portion of the total cement capacity in favour of a Company which is not only India's largest cement player but would also be the first cement company in India to achieve the coveted 100 Million tonne mark in the cement segment.”

Sh Manoj Gaur added that, "Jaypee Group is determined to leverage its expertise in the fields of Engineering & Construction, Real Estate and Project Execution, in a committed manner and such steps would further 'cement' its credentials of being a trust worthy organization in the long run”.

Ms. Madhu Pillai

General Manager (Corporate Communication), Jaypee Group

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