

## **Excerpts of the interview of Sh Manoj Gaur, Executive Chairman Jaypee Group, given to ET Now & CNBC TV Channels on 24<sup>th</sup> July 2014**

We in JAYPEE Group, are conscious of the support being provided by the investor community, including Retail Investors. We have been working on a well deliberated plan of debt reduction across all sectors of the Group's businesses viz. Cement, Power, considered necessary due to last 3 years of slump in economy, which rocked almost all companies but worst hit have been infra companies.

### **1) Starting Sept-2013, when Gujarat Cement transaction was signed with Aditya Birla Group, we have been taking steps to reduce debt and updating investor community almost every 3<sup>rd</sup> month.**

- On 1<sup>st</sup> March this year, Jaiprakash Power had signed an agreement with TAQA – Abu Dhabi National Energy Company, supported by Govt. of Abu Dhabi.
- During March, 2014, divestment of Bokaro was inked with Dalmia Group
- On 12/6, Gujarat Cement transaction was consummated in favour of UltraTech Cement.
- Post signing of agreement with TAQA, a cross border transaction which was also one of the landmark achievements announced in Mumbai on sidelines of India – UAE High Level Joint TASK FORCE on INVESTMENT in presence of the then Commerce & Industry Minister Shri Anand Sharma and Sheikh Hamid bin- Zayed, MD, ADIA.

### **2) Subsequently, JPVL moved to get CCI clearance and obtained SEBI consent for the same.**

- In a sudden and unexpected development, we have been informed by Mr Frank Perez, Senior Executive Officer of TAQA that TAQA has some compelling reasons forcing them to review their investment strategy and they are opting out of the transaction.
- We are conscious that this unilateral decision of theirs, shall surprise all, as it has been to us, yet prerogative of buyer has been exercised by them, though they (TAQA) would be obliged to pay Break Away Fee as part of agreement, to JPVL.
- TAQA, as we all know has been present in India for couple of years with one thermal power plant operating in South India and they are about to commission a Hydro Power Project in Sorang in HP. Agreement in March was signed after detailed due diligence by them and experience of working in India is already available with them, therefore, it would be prudent to accept that new investment in global economy for reasons known to TAQA Hqrs, they have put this on hold.

- Our well wishers and esteemed analysts know for sure that all hydro projects owned by the Group are one of the best operating and profit making plants of the Group.
- We had taken divestment of these as part of our objectives to reduce debt and our focus and resolve to work towards the goal remains as steadfast as ever.
- Friends will recollect that right from the time we started our Debt Reduction Programme, these assets have been under evaluation of many Indian/Multinational companies for over 12 months.
- I must share that while JVPL, in right earnest, was progressing to complete the transaction with TAQA, changed sentiments of last 8 weeks, have re-energized many corporates, who approached us for possible cooperation for these and other power assets. Though we had no intention to change, the contour of **Plan-B** have begun to take shape now.

**3) We shall elaborate the same in due course.**

- JAL has also concluded discussions regarding divestment of one clinker grinding unit, details of the same shall become public over the next 7 to 10 days.
- As representative of Jaypee Group, I would like to reiterate that our focus remains strong to improve operational efficiency, to enlarge our order book in Engineering & Construction, by taking 3<sup>rd</sup> party contracts and to keep taking measures to bring Group debt to a level of 45,000 cr. by March, 2015 from 66,000 cr. level as of 30.6.2014.

We are conscious that all our investors are aware that while all 3 listed companies of Group grew, completed all projects they undertook, but in this process piled up debt to 65,000 cr. but today assets even at fair value, with potential of real estate together are in excess of 1 lakh crore, yet overhang of debt has not allowed the share price of the companies to reach **its deserving level**. That is what we need to correct, and we shall do so.

One can't expect a reputed international entity like TAQA backed up by Govt. of Abu Dhabi to go back on a transaction but we have to respect their prerogative. We remain focused despite such instance, to accomplish our goals. I would request you to maintain your trust.

**Head, Corporate Communication**  
**Jaypee Group**