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DEVELOPMENT AGREEMENT

This Development Agreement is executed at New Delhi on this 01st day of November, 2007 between Jaypee Ventures Private Ltd., a company incorporated under the Companies Act, 1956 and having its registered office at 1095, Sector-A, Pocket-A, Vasant Kunj, New Delhi – 110 070 acting through its Executive Chairman Shri Jaiprakash Gaur (hereinafter referred to as the “Sub-Lessee” which expression shall, unless excluded by or repugnant to the context or meaning thereof, be deemed to include their respective successors and permitted assigns) of the First Part

AND

Jaiprakash Associates Limited (JAL), a company incorporated under the Companies Act, 1956 and having its registered office at Sector 128, Noida, Uttar Pradesh and Head Office at 'JA House' 63, Basant Lok, Vasant Vihar, New Delhi – 110 057 acting through its Executive Chairman Shri Manoj Gaur (hereinafter referred to as the “Developer” which expression shall, unless excluded by or repugnant to the context or meaning thereof, be deemed to include their respective successors and permitted assigns) of the Second Part

WHEREAS

- A. Taj Expressway Development Authority (TEA), a statutory body constituted under U.P. Industrial Development Act, 1976 by the Government of Uttar Pradesh, executed a Concession Agreement with Jaiprakash Industries Ltd (JIL) as CONCESSIONAIRE for construction of a 160 km long Super Expressway and transfer of 25 million square meters of land for development for commercial,



amusement , industrial , institutional and residential development at five or more locations along the expressway. (hereinafter referred to as "Project".)

- B. By a Scheme of Amalgamation approved by the Hon'ble High Court at judicature at Allahabad by order dated March 10, 2004 passed under Section 394 of the Companies Act, 1956 in Company Petition No. 26 of 2003, Jaiprakash Industries Limited stands amalgamated and merged with Jaypee Cement Limited with effect from the Appointed Date i.e. April 1, 2002.
- C. Pursuant to Special Resolution passed by Jaypee Cement Limited on march 29, 2003 under section 21 of the Companies Act, 1956 and approval of the Central Government accorded by letter dated march 11, 2004, name of Jaypee Cement Ltd. was changed to Jaiprakash Associates Ltd. with effect from March 11, 2004, as evidenced by Fresh Certificate of Incorporation dated March 11, 2004 issued by the Registrar of Companies, Kanpur.
- D. That in terms of the concession agreement, TEA transferred land admeasuring 614.001 acres in sector 128, Noida, Uttar Pradesh to JAL..
- E. That as per directions given by TEA to JAL vide their letters dated 6th Nov., 2006 and 15th Feb., 2007 to execute the above mentioned Project through a Special Purpose Vehicle (SPV).
- F. That as per directions of TEA, JAL incorporated a SPV by the name Jaypee Infratech Limited (JIL) and has assigned and transferred the Project to JIL vide agreements dated 19th October 2007 and 22nd October 2007 respectively.
- G. That as a result of the said assignment and transfer , JIL has stepped into the shoes of JAL as a Concessionaire under the said Concession Agreement (The Concessionaire).
- H. The **Sub-Lessee**, the Party of the First Part, as mentioned hereinabove has represented that it holds lease hold rights in respect of a plot of land admeasuring around 180 acres situated in Sector 128, Noida, Uttar Pradesh to be acquired from Jaypee Infratech Limited under an Agreement to Sublease dated January 12, 2006 and Supplementary Agreement dated 10th March, 2007 and is entitled to construct/ develop the same, hereinafter referred to as the "SAID LAND".
- I. The **Developer** i.e. Jaiprakash Associates Limited, the Party of the Second Part, is a well known company engaged in the business of execution of large civil engineering contracts and also has expertise in the business of development of real estate, construction of residential and commercial complexes.
- J. The **Sub-Lessee** desires to develop, sell and market the SAID LAND and is looking to engage a reputed and experienced agency in this regard and has approached the **Developer** for this purpose.



- K. The **Developer** has expressed its willingness to take up the construction, development, selling and marketing of the SAID LAND on mutually agreed terms and conditions.
- L. The Parties hereto have mutually discussed and agreed on the terms and conditions for the construction, development, selling and marketing of the SAID LAND as recorded hereunder:

NOW THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER

Article – 1
Definitions

- 1.1 The following expressions shall unless repugnant to the context or subject, have the meanings hereunder respectively assigned to them.
- 1.2 **Architect** shall mean the architectural firm as may be appointed by the **Developer** for the development of the SAID LAND.
- 1.3 **Built up area** shall mean residential, commercial and other buildings and related structures and facilities proposed to be constructed on the SAID LAND by the **Developer**, subject to and on the terms and conditions contained hereinafter and having a maximum covered space as may be permissible under applicable laws and regulations and shall in addition thereto include parking and other space intended for enjoyment by the occupants of the buildings.
- 1.4 **Common Areas and Facilities** shall mean and include those areas and facilities as defined in Uttar Pradesh Apartment & Sub-Lesseeship Act, 1986.
- 1.5 **Covered Area** shall mean the entire constructed area comprised in the proposed buildings/ structures to be constructed on the entire 180 acres of land and shall include all such areas and spaces as are considered as covered under any law, rule, regulation and bye-law and/or certified as such by the Architect.
- 1.6 **Developer** shall mean the **Developer** as defined hereinabove and shall include any person authorized to act pursuant to this Agreement on behalf of the **Developer**.
- 1.7 **Developers Allocation** shall mean 70% (seventy percent) of the total Built-up Area/plots of land and a like percentage of the open spaces in the residential/ commercial/ other buildings.
- 1.8 **Force Majeure** → Force Majeure shall mean and include flood, earthquake, riot, war, storm, tempest, civil commotion, strike or other acts beyond the reasonable



control of any party and/or any Order, Rule, Act issued by an Authority which prevents any party to perform its obligations under this Agreement.

- 1.9 **Occupation/ Completion** in relation to the developed residential/commercial/ other buildings shall mean that the building would be complete in all respects, i.e., finished to the last detail and have all utilities and services in good functioning order together with the grant of occupancy/ completion certificate by the concerned authority alongwith the certificate of the Architect in this respect fulfilling above conditions and shall be accepted by the parties herein and an acknowledgement in writing by the **Sub-Lessee** that the buildings are completed to their satisfaction and services are functional and usable.
- 1.10 **SAID LAND** shall mean the entire plot of land admeasuring around 180 acres as per the Sub-lease Agreement.
- 1.11 **Sub-Lease Agreement** shall mean the Sub-Lease agreement dated 12th Jan., 2006 and Supplementary Agreement dated 10th March, 2007 entered into by and between the **Sub-Lessee** and the Concessionaire.
- 1.12 **Specifications** shall mean the Specifications as may be finalized by the **Developer/ Architect**.
- 1.13 **Sub-Lessee** shall mean Jaypee Ventures Private Limited.
- 1.14 **Sub-Lessee's Allocation** shall mean 30% (thirty percent) of the total Built-up Area/ plots of land and a like percentage of the open spaces in the residential/ commercial/other buildings.
- 1.15 **Transfer** shall mean and include the transfer by the **Sub-Lessee** and **Developer** of their respective rights in the Built-up Area/plots of land to the prospective buyers.

ARTICLE – 2

Rights & Obligations of the Parties

- 2.1 As a result of this Development Agreement as agreed herein, the **Developer** at his own cost and initiative in all respects, shall develop the SAID LAND and construct residential/commercial buildings thereupon after procuring requisite permissions, licences, approvals, sanctions, wherever required, cost and expenses of which shall be borne and paid by the **Developer** only.
- 2.2 The **Developer** shall submit directly or through **Sub-Lessee** or through **Concessionaire**, from time to time, the layout plans/master plans/ building plans to the appropriate authorities of the Central Govt./ State Govt. or any other person or authorities, statutory or otherwise, for sanction, permission, clearance or



approval as may be required. All costs, expenses, fees and charges in all respects in relation thereto shall be paid and borne by the **Developer**.

- 2.3 The **Sub-Lessee** shall co-operate and undertakes to sign all papers, applications, documents, petitions, indemnities, affidavits, plans as the **Developer** may require in its name or in the name of its nominee(s) to represent the **Sub-Lessee** before concerned statutory authorities and to enable the **Developer** to obtain necessary permissions and approvals in connection with the development of the SAID LAND including applications for obtaining water, electricity, sewerage connections etc. and for fully effectuating the terms and conditions of this Agreement.
- 2.4 It is understood and agreed that the concept planning of the total area to be developed, landscaping and the building plans shall be got prepared by mutual discussions between the **Developer**, **Sub-Lessee** and the **Architect**. Every effort will be made to construct the maximum FAR permissible on the minimum ground area.
- 2.5 It is agreed that the **Developer** shall act in consultation with the **Architect** and the **Sub-Lessee** in all matters pertaining to preparation or modification and submission of any plans, drawings or any deviation thereto.
- 2.6 The entire expenses pertaining to the preparation of plans, Architect's fees, statutory fees, guarantees, EDC as payable etc. shall be borne by the **Developer**.
- 2.7 The entire financing, construction cost and internal development cost for the development of the SAID LAND shall be borne by the **Developer**.
- 2.8 The proposed construction of the SAID LAND shall be of good quality. The **Sub-Lessee** shall have a right to appoint Engineers / Engineering firms to monitor the quality of construction and cause the **Developer** to ensure compliance with the approvals, layout plans, municipal laws and good business practices continuously during the development stage
- 2.9 The **Developer** shall take all necessary steps and necessary permissions/ sanctions of all concerned authorities to commence the development work within three months from the date of this Agreement and complete the entire development within 60 months (sixty months) from the date of this Agreement.
- 2.10 The **Developer** undertakes to develop the area within the time stipulated hereinabove. In the event of the failure/delay on the part of the **Developer** in completing the development work in all respects within the said period of 60 months (sixty months), the **Developer** shall be liable to pay to the **Sub-Lessee** liquidated damages @ Rs.1.80 crores for each month of delay. It is also agreed that in case the total delay exceeds 60 months (sixty months), then the **Sub-**



Lessee shall without prejudice to any other right under the Agreement, be entitled to terminate this Agreement,

- 2.11 The **Developer** shall act as an independent agency in constructing & developing the Built-Up Area on the SAID LAND and keep the **Sub-Lessee** indemnified from and against all third party claims and the claims of its workers and employees and actions arising out of any act or omission or otherwise on their part. The **Developer** will ensure that it will comply with all labour and applicable laws and rules and make proper and statutory payments to its workmen and employees with whom the **Sub-Lessee** shall have no privity and towards whom the **Sub-Lessee** shall have no obligation.
- 2.12 The **Developer** shall abide by all laws, bye-laws, rules and regulations governing the commencement, execution, carrying out and completion of the development under this Agreement and shall attend to and answer and be responsible for any deviations, violations and /or breaches of any of the said laws, rules, regulations and keep the **Sub-Lessee** harmless and indemnified in respect of the same.
- 2.13 Immediately on the occurrence of the **Force Majeure** conditions, the **Developer** shall notify the **Sub-Lessee** thereof. The period of completion referred to in clause no. 2.9 shall be extended suitably considering the period during which such **Force Majeure** conditions continue.
- 2.14 The **Developer** agrees and undertakes that it shall keep the **Sub-Lessee** informed of all steps taken and all the progress made thereon from time to time. The **Developer** shall also provide a schedule of construction to the **Sub-Lessee**.
- 2.15 The **Developer** shall be entitled to **Developers' Allocation** and the **Sub-Lessee** shall be entitled to **Sub-Lessee Allocation** in the **Built up areas**/plots of land, which will be duly marked on layout plan by mutual Agreement. If the developed area does not confirm exactly to the aforesaid layout plan, suitable adjustment shall be made by mutual consultation so as to maintain the agreed sharing ratio between the **Developer** and **Sub-Lessee**.
- 2.16 The saleable area comprising the **Sub-Lessee's Allocation** shall be handed over to the **Sub-Lessee** upon completion of the construction. The **Sub-Lessee** shall be exclusively entitled to **Transfer** or otherwise deal with the **Sub-Lessee's Allocation** in the developed area and the exclusive open area which will include right to book, allot and/or to sell the **Sub-Lessee's Allocation** or any part thereof.
- 2.17 **Developer** shall be exclusively entitled to **Developers Allocation** in the developed area but the **Developer's** right to sell or otherwise Transfer part or whole of the said **Developers' Allocation** shall be subject to the right of the **Sub-Lessee** to agree to such a sale or transfer as a confirming party, which right shall be exercised by the **Sub-Lessee** having regard to the following principles:



- (a) The **Developer** has complied with the quality standards;
- (b) The construction is completed in accordance with the approved plans from the statutory authorities;
- (c) The **Developer** does not adopt unfair trade practices in its dealings with the prospective buyers;
- (d) The prospective buyers are not proclaimed offenders of any law ;
- (e) The progress of development of the **Sub-Lessee's Allocation** is commensurate with the overall development work in progress.
- (f) 10% of **Developers' Allocation** shall not be sold or otherwise transferred to any party till the entire **Sub-Lessee's Allocation** is handed over to the **Sub-Lessee**.
- 2.18 All developed areas on the SAID LAND and all residential/commercial/ other building(s) proposed to be constructed on the SAID LAND and all vacant/ common areas and all facilities/ amenities therein shall be maintained by the **Developer** or any other maintenance company to be nominated by the **Developer** and the **Sub-Lessee** shall have no objection to the same. The **Developer/ maintenance company** shall charge maintenance charges from the users/ occupiers of various built/ un-built areas on the SAID LAND as deemed fit and appropriate by them.
- 2.19 Simultaneously, with the execution of this Agreement, the **Developer** shall keep in deposit with the **Sub-Lessee** a sum of Rs. Seven hundred fifty Crores carrying no interest as Security Deposit payable in the following manner:
- | | |
|---|---------------|
| Within one month of signing this Agreement: | Rs.100 Crores |
| Balance by 31 st March, 2008 : | Rs.650 Crores |
| Total (Rs. Seven hundred fifty crores only) | Rs.750 Crores |
- The above amount of security deposit shall be refunded by the **Sub-Lessee** to the **Developer** on **Developer's** handing over of the entire **Sub-Lessee's Allocation** to the **Sub-Lessee**.
- 2.20 The **Developer** shall be entitled to advertise the sale of residential/commercial/ other areas to be developed by distributing pamphlets, brochures, publishing advertisements in newspapers, magazines, through electronic media, by putting sign boards, neon signs on the SAID LAND or at other places or in any other manner as may be mutually agreed by the **Parties** hereto.



- 2.21 On the signing of this Agreement and on receipt of the necessary regulatory approvals, the **Developer** shall be entitled to enter upon the SAID LAND as a licensee for the purposes of carrying out the development work. The legal and physical possession of the land/constructed areas shall remain with the **Sub-Lessee** until the **Sub-Lessee's Allocation** is handed over to the **Sub-Lessee** complete in all respects.
- 2.22 Subject to the fulfillment of the conditions of this Agreement, the **Sub-Lessee** will either execute or cause the **Concessionaire** to execute requisite transfer deeds in respect of the **Developers Allocation** to the **Developer** or his nominees in respect of the buildings/areas/space and proportionate share in the common facilities and the proportionate interest in the land and in respect of plots of land as the case may be, within 30 days of receiving intimation from the **Developer** in respect thereof.

ARTICLE – 3 General

- 3.1 The Parties hereto understand that this Development Agreement shall not be deemed or construed as a partnership or joint venture between them.
- 3.2 The Development Agreement is a pure and simple agreement for development of the SAID LAND by the **Developer**.
- 3.3 The **Parties** hereto shall not assign, transfer, charge or encumber in any manner this Agreement or its/their rights and benefits under this Agreement to any person without the prior written consent of the other Party.
- 3.4 Subject to the provisions of this Agreement, it is agreed and understood that the possession of the SAID LAND shall be deemed to be that of the **Sub-Lessee** until the completion of the development of the total area and making over of the **Sub-Lessee's Allocation** to the **Sub-Lessee**.
- 3.5 This Agreement merges and supersedes all prior discussions and correspondence between the Parties and contains the entire agreement between them. No changes, modification or alteration to this Agreement shall be done without the written consent of the **Parties** hereto.
- 3.6 The **Parties** hereto have agreed and undertaken to perform their part of obligations under this Agreement with due diligence and mutual co-operation keeping in view the interest of each other and execute and to do all other acts, deeds, and things whatsoever as may be necessary for implementing or giving effect to the terms of this Agreement.



- 3.7 Neither Party shall be deemed to have waived any right under this Agreement, unless such Party shall have delivered to the other Party a written waiver signed by that Party. Delay or omission in exercise of any right or remedy shall not be construed to be waiver of any default or acquiescence therein or of the right thereafter to enforce such right or remedy.
- 3.8 This Agreement shall stand terminated on the occurrence of any of the following events:
- a) If the **Developer** defaults in making the payment as per the provisions of this Agreement.
 - b) If the **Developer** fails to hand over the **Sub-Lessee's Allocation** of 30% of the Built-Up Area/plots of land as per terms of this Agreement.
 - c) If the **Developer** commits material breach of terms and conditions of this Agreement.
 - d) Circumstances mentioned in Clause 2.10 hereinabove.
- 3.9 Upon termination of the Agreement, the **Developer** shall cease to have any licence to enter upon the SAID LAND and the **Sub-Lessee** shall be entitled to all rights, titles and interests in all the partly / fully constructed area/ plots of land on as is where is basis and the **Sub-Lessee** shall be entitled to forfeit the security deposit held by it under this Agreement. Further the **Developer** shall neither be entitled for any payment/ compensation from the **Sub-Lessee** on any account including for any development or other work it might have carried out in the SAID LAND nor shall have any right on it.
- 3.10 Any dispute or difference whatsoever arising between the Parties arising from or relating to this Agreement, it shall be referred to a sole arbitrator to be appointed by mutual consent of the **Parties** for arbitration in accordance with the Arbitration & Conciliation Act of 1996. The decision/award of the arbitrator shall be binding on both the **Parties**. The arbitration proceedings shall be conducted in English.
- 3.11 In this **Agreement**, unless the context otherwise requires:
- a) Headings and underlining are for convenience only and do not affect the interpretation of this **Agreement**.
 - b) Words importing the singular include the plural and vice versa.
 - c) An expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body and any governmental authority or agency.



- d) Terms defined in this **Agreement** by reference to any other agreement, document or instrument shall have the meanings respectively assigned to them in such agreement, document or instrument, whether or not such agreement document or instrument is then in effect.
- e) All legal rights and obligations hereunder shall be determined in accordance with the laws of India. Any reference to any statute or rule shall be deemed to be a reference to such statute or rule as may be amended or substituted from time to time.

3.12 The **Sub-Lessee** and the **Developer** hereby agree that all notices hereunder to any Party hereto shall be delivered personally or sent by registered mail with acknowledgement due or by facsimile to such Party at the address set forth below or such other address as may hereafter be designated in writing by such Party to the other Party. Notices delivered personally shall be deemed to have been received on the date of receipt; notices sent by registered mail shall be deemed to have been received on the fifth day following mailing; and notices sent by facsimile shall be deemed to have been received one business day after transmission provided an original copy is mailed promptly within five business days thereafter:

- (a) Notices to the **Sub-Lessee**, to:

Jaypee Ventures Private Limited
1095, Sector-A, Pocket-A, Vasant Kunj
New Delhi - 110 070.

Attention : **Shri Jaiprakash Gaur, Executive Chairman**

Fax No.: 91-011- 26125384
Tel. No.: 91-011- 26137537

- (b) Notices to the **Developer** to:

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

Attention: **Shri Manoj Gaur, Executive Chairman**

Fax No.: 91-011 - 26145389
Tel. No.: 91-011 - 26141540

3.13 The Courts in Delhi alone shall have the exclusive jurisdiction in respect of all matters or disputes or differences arising out of the Agreement.



IN WITNESS WHEREOF the parties hereto have set and subscribed their respective hand on this Collaboration Agreement on the day month and the year first hereinabove written in the presence of the following witnesses:

Signed by Jaypee Ventures Private Limited by its Executive Chairman, Mr. Jaiprakash Gaur		
Signed by Jaiprakash Associates Limited by its Executive Chairman, Mr. Manoj Gaur		
Signed by the Confirming Party, Jaypee Infratech Limited by its Director, Mr. Sameer Gaur		

Witness:

1. 
(SHAIENDRA GUPTA)
3039, SEC. 53, HUDA,
Gurgaon - 122017,
Haryana

2. 
(Rajesh Arora)
B-3A/20 Jandehra,
New Delhi - 110018