

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD
ORIGINAL JURISDICTION
IN THE MATTER OF COMPANIES ACT, 1956
AND IN THE MATTER OF :
COMPANY APPLICATION No. 23 of 2011
[Under Sections 391/394 of the Companies Act]

IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
JAIPRAKASH ASSOCIATES LIMITED
AND
JAYPEE CEMENT CORPORATION LIMITED
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. JAIPRAKASH ASSOCIATES LIMITED

..... Demerged/Transferor Company

2. JAYPEE CEMENT CORPORATION LIMITED

..... Resulting/Transferee Company

Both having their registered offices at Sector - 128, NOIDA- 201304,
District Gautam Buddha Nagar, (UP).

..... **APPLICANTS**

NOTICE CONVENING MEETING

To,

**EQUITY SHAREHOLDERS OF
JAIPRAKASH ASSOCIATES LIMITED**

Take notice that by an order made on 4th January, 2012, the Hon'ble Court has directed that a meeting of the **EQUITY SHAREHOLDERS** of **Jaiprakash Associates Ltd.** be held at Jaypee Institute of Information Technology University, A-10, Sector 62, NOIDA- 201307 (UP) on Saturday, the 25th day of February, 2012, at **10 A.M.** for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between the Applicant Companies as named above and their respective shareholders and the Creditors.

Take further notice that in pursuance of the said order, a meeting of the Equity Shareholders of the Company will be held at **Jaypee Institute of Information Technology University, A-10, Sector 62, NOIDA- 201307 (UP), on Saturday, the 25th day of February, 2012, at 10 A.M.**, when you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Company at Sector - 128, NOIDA- 201304, District Gautam Buddha Nagar, (UP), not later than 48 hours before the meeting.

This Court has appointed Shri Ajay Bhanot, Advocate, to be the Chairman and Shri Sudeep Harkauli, Advocate, to be the Alternative Chairman of the said meeting.

A copy each of the Scheme of Arrangement, the Statement under Section 393 and a form of proxy is enclosed.

Dated this 8th day of January, 2012.

[R.P.AGARWAL]
Advocate
Counsel for
Applicant Companies

[AJAY BHANOT]
Advocate
Chairman appointed for the Meeting

Note : All alterations made in the form of the proxy should be initialed.

SCHEME OF ARRANGEMENT

BETWEEN

JAIPRAKASH ASSOCIATES LIMITED

[DEMERGED/TRANSFEROR COMPANY]

AND

JAYPEE CEMENT CORPORATION LIMITED

[RESULTING/TRANSFEE COMPANY]

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART - I INTRODUCTION

- 1.01 Jaiprakash Associates Limited [Demerged / Transferor Company] was incorporated as public limited company under the Companies Act, 1956, on 15-11-1995 in the State of Uttar Pradesh under the name of 'Bela Cement Limited'. The Company received Certificate of Commencement of Business on 29-1-1996. Its name was changed to 'Jaypee Rewa Cement Limited' with effect from 30-8-2000. The name was again changed to 'Jaypee Cement Limited' with effect from 3-1-2002 and then to its present name 'Jaiprakash Associates Limited' with effect from 11-3-2004. The registered office of the company is presently situated at Sector 128, NOIDA-201 304, Uttar Pradesh.
- 1.02 Jaiprakash Associates Limited is a multi-activities company having diverse business interests. It is engaged in the business of Civil Engineering Construction, manufacture & marketing of Cement; Asbestos Sheets; manufacture, supply and repairing of various heavy equipments and structures in its Heavy Engineering Workshop; production of different kinds of Hi-tech Castings; Hospitality and Real Estate business, etc. One of its major businesses is manufacture of Cement. Besides expansion of capacity in North, East and Central India, it has established/establishing cement manufacturing facilities in Gujarat & Karnataka in Western and Southern parts of the country.
- 1.03 Jaypee Cement Corporation Limited [Resulting / Transferee Company] was incorporated as public limited company under the Companies Act, 1956 on 15th July, 1996 in the State of Maharashtra in the name of Zavar Cement Limited. The Company received Certificate of Commencement of Business on 31st July, 1996. The Company was converted into a private limited company and its name changed to Zavar Cement Private Limited w.e.f. 22nd August, 2003. Its name was changed to "Jaypee Cement Corporation Private Limited" w.e.f. 23rd December, 2010. The Company became a public company with effect from 18th January, 2011 and accordingly its name was changed to "Jaypee Cement Corporation Limited". The registered office of the company is presently situated at Sector -128, Noida – 201304, Uttar Pradesh. The Company is setting up 3 MTPA Cement Plant at Shahabad, Distt. Gulberga, Karnataka. The entire paid up share capital of the Company is held by Jaiprakash Associates Limited [Demerged / Transferor Company] and as such it is a wholly-owned subsidiary of the said Company.

- 1.04 To profitably channelize the vast opportunities for further growth in years to come, it is considered prudent and strategically advisable to demerge the existing cement business in Southern and Western parts of the country along with Asbestos Sheet business, Heavy Engineering business and Foundry business from Jaiprakash Associates Limited and place the same under its wholly-owned subsidiary namely Jaypee Cement Corporation Limited. The present Scheme of Arrangement is intended to give effect to this decision.
- 1.05 The proposed demerger is expected to benefit both the Transferor / Demerged Company and the Transferee/ Resulting Company and all the stakeholders as it would provide focused management orientation for the respective business operations of the two companies; create a structure geared to take advantage of growth opportunities and greater and deeper penetration of markets in Southern and Western parts of the country thereby resulting in improvement of market share and consequential improvement in operating results/ profitability under the focussed management of the transferee company; open up opportunities for strategic partnership for growth of the business under the transferee company; provide flexibility for fund raising capability for future growth and expansion; the demerger would result in unlocking and maximizing shareholders value.

PART - II DEFINITIONS

- 2.00 In this Scheme, unless repugnant to the meaning or context thereof, the under-mentioned expressions shall have the following meaning :
- 2.01 **"Act"** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.
- 2.02 **"Appointed Date"** means '1st day of April 2011'.
- 2.03 **"Board of Directors"** in relation to Demerged / Transferor Company and/or Resulting / Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of Directors or by such committee of directors in its behalf.
- 2.04 **"Court"** or the **"High Court"** means the Hon'ble High Court of Judicature at Allahabad and shall include the National Company Law Tribunal, if applicable.
- 2.05 **"Demerged Company"** means Jaiprakash Associates Limited having its registered office at Sector 128, NOIDA-201 304, Uttar Pradesh and includes its successors.
- 2.06 **"Demerged Undertakings"** - comprise of South Cement Undertaking, West Cement Undertaking, Asbestos Undertaking, Heavy Engineering Works Undertaking and Foundry Undertaking of the Demerged Company; **"South Cement Undertaking"** includes all the businesses, operations and activities pertaining to the business of manufacturing cement carried on by the Demerged Company in its plant in the State of Andhra Pradesh including projects under implementation ; **"West Cement Undertaking"** includes all the businesses, operations and activities pertaining to the business of manufacturing cement and Laminated PP

Woven Sacks bags in the State of Gujarat, including projects under implementation ;

“**Asbestos Undertaking**” includes all the businesses, operations and activities pertaining to the business of manufacturing asbestos sheets carried on by the Demerged Company in its plants at Sadva Khurd, Allahabad and at Chunar in the State of Uttar Pradesh;

“**Foundry Undertaking**” includes all the businesses, operations and activities pertaining to the business of manufacturing different types of castings required by the cement plants and thermal power plants, carried on by the Demerged Company in its plant at Rewa in the State of Madhya Pradesh ;

“**Heavy Engineering Works Undertaking**” includes all the businesses, operations and activities pertaining to the business of manufacturing and supply of various equipments and structures (including those for hydro-mechanical/cement plants equipments, thermal power stations, etc.) as also rendering repairs and refurbishing services of the old equipments forming part of the above projects/plants, carried on by the Demerged Company in its plant at Rewa in the State of Madhya Pradesh; and where the context so requires, shall refer to the above Undertakings either individually or collectively, as the case may be.

The span and extent of the assets, liabilities, etc. which form part of the Demerged Undertakings is more specifically described in Clause 4.01(ii) below and hence the ambit of the expression ‘Demerged Undertakings’ is to be read and understood as per description given in Clause 4.01(ii) of the Scheme.

The expressions the ‘**Undertakings**’ or the ‘**said Undertakings**’ or the ‘**above Undertakings**’, wherever used, shall be construed accordingly.

2.07 “**Effective Date**” or “**coming into effect of this Scheme**” or “**effectiveness of this Scheme**”, or “**Scheme becoming effective**” or the like expressions used in the Scheme mean the date on which the certified copy of the order of the Hon’ble High Court of Judicature at Allahabad sanctioning the Scheme is filed with the Registrar of Companies, U.P.

2.08 “**Residual business**” with respect to the Demerged/ Transferor Company means all the businesses and undertakings of Jaiprakash Associates Limited other than the Demerged Undertakings.

2.09 “**Resulting Company**” means Jaypee Cement Corporation Limited having its registered office at Sector -128, Noida – 201304, Uttar Pradesh and includes its successors.

2.10 “**Scheme**” means this Scheme in its present form as submitted to the Court or with such modification(s), if any, as may be made by the shareholders and the creditors of the Demerged / Transferor Company and the Resulting / Transferee Company in their meetings, if any, held as per the directions of the Court, or such modifications(s) as may be imposed by any competent authority and/or with such modifications as are directed to be made by the Court while sanctioning the Scheme, provided all such modifications are accepted by the respective Board of Directors of the Demerged / Transferor Company and the Resulting / Transferee Company.

2.11 “**Transferee Company**” or the “**Resulting Company**” are interchangeable expressions and mean Jaypee Cement Corporation Limited having its registered office at Sector -128, Noida – 201304 and includes its successors.

2.12 “**Transferor Company**” or the “**Demerged Company**” are interchangeable expressions and mean Jaiprakash Associates Limited having its registered office at Sector 128, NOIDA-201 304, Uttar Pradesh and includes its successors.

2.13 “**Transferred Liabilities**” means the liabilities pertaining to the Demerged Undertakings as more elaborately described in Clause 4.01.

PART - III CAPITAL STRUCTURE

3.01 The authorized, issued, subscribed and paid up share capital of the Demerged / Transferor Company as per its audited Balance Sheet as at 31st March, 2011 have been as under –

| Particulars | Amount Rs. |
|---|-----------------|
| Authorised : | |
| 12,34,40,00,000 Equity Shares of Rs. 2/- each | 24,68,80,00,000 |
| 31,20,000 Preference Shares of Rs. 100/- each | 31,20,00,000 |
| Total | 25,00,00,00,000 |
| Issued, Subscribed and paid-up: | |
| 2,12,64,33,182 Equity Shares of Rs. 2/- each | 4,25,28,66,364 |

There has been no change in the capital structure of the Demerged/ Transferor Company after 31st March, 2011.

3.02 The authorized, issued, subscribed and paid up share capital of the Resulting / Transferee Company as per its audited Balance Sheet as at 31st March, 2011 has been as under –

| Particulars | Amount Rs. |
|---|--------------|
| Authorised : | |
| 1,30,00,000 Equity Shares of Rs.10/- each | 13,00,00,000 |
| Issued, Subscribed and paid-up : | |
| 1,30,00,000 Equity Shares of Rs.10/- each fully paid – up | 13,00,00,000 |

After 31st March, 2011, the Authorised Share Capital has been increased to Rs. 1000 crore. Further, 4,75,00,000 Equity Shares of Rs.10 each have been issued and allotted at a premium of Rs.10 per share to Jaiprakash Associates Limited, the holding company.

Thus the present Issued, Subscribed and Paid up Capital of the Resulting/Transferee Company is Rs.60,50,00,000 divided into 6,05,00,000 Equity Shares of Rs.10 each.

3.03 The equity shares of the Demerged / Transferor Company are listed on National Stock Exchange and Bombay Stock Exchange.

- 3.04 The entire share capital of the Resulting / Transferee Company is held by the Demerged / Transferor Company. Its shares are not listed on any Stock Exchange.

**PART – IV
TRANSFER AND VESTING**

- 4.01 (i) Upon this Scheme coming into effect but with effect from the Appointed Date, all the Demerged Undertakings [as defined and described in sub-clause (ii) below] shall stand demerged from the Demerged / Transferor Company and such Demerged Undertakings, in their entirety, shall simultaneously stand transferred to and vested in the Resulting / Transferee Company, as going concerns, without any further act, instrument or deed and pursuant to the provisions of Section 394 of the Act, together with their respective businesses and operations, manufacturing/processing units, works and offices and all the properties, estate, assets, rights, title, interest, authorities and privileges and with all liabilities and obligations, which arise out of the activities and operations and pertain to or are part of the said Undertakings, so as to become, as and from the Appointed Date, the businesses and operations, plants and works and property, estate, assets, rights, title, interest, authorities and privileges and all liabilities and obligations etc. of the Transferee Company.

(ii) Without prejudice to the generality of the definition of expression the “**Demerged Undertakings**” given under the definition clause of the Scheme, the Demerged Undertakings shall mean and include -

- (a) all the manufacturing/processing units, works, offices and other establishments, including projects under implementation, and all businesses, operations and activities pertaining to the South Cement Undertaking, West Cement Undertaking, Asbestos Undertaking, Heavy Engineering Works Undertaking and Foundry Undertaking of the Demerged Company;
- (b) all the properties pertaining to the above Undertakings (whether movable or immovable, tangible or intangible, corporeal or incorporeal, freehold or leasehold, and wherever situated), including plant and machinery, buildings and structures, capital work in progress, furniture, fixtures, office equipments, appliances, accessories, power lines, stocks, investments of all kinds and in all forms, sundry debtors, loans and advances and other receivables including bills of exchange and promissory notes and other such instruments, security deposits and other deposits, cash and bank balances, contingent rights or benefits, financial assets, mining rights, leases, licences, and other leases and leasehold rights of all and every kind, hire purchase contracts and assets, right to use trade marks, designs, copy rights, benefits and rights under all contracts and agreements including loan agreements, storage and warehousing agreements, commission agreements, retailing agreements, franchisee agreements, security arrangements, tenancies, engagements, arrangements of all kind, benefits of assets or properties or other interest held in trust, reversions, allotments, approvals,

permissions, permits, quotas, rights, entitlements, credits, authorizations, licenses, registrations, exemptions, concessions, remissions, benefits, privileges and rights under various laws including Trade Tax/Commercial Tax/Sales Tax/ VAT, Entry Tax, Service Tax, Central Excise Act, Income Tax, Wealth Tax etc. and the rules and regulations framed and notifications or orders issued thereunder, deferred tax assets, carbon credits, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company in respect of the said Units/Works/Offices and/or pertaining to the business activities or operations of the same;

- (c) all loans, debts, advances, sundry creditors, liabilities and provisions, deferred tax liabilities, encumbrances and other obligations, including contingent liabilities, whether secured or unsecured, (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may become due at any time in future, whether provided for or not and whether known or unknown, pertaining to the Units/Works/Offices or arising out of and/or pertaining to the business activities or operations [hereinafter referred to as the “**Transferred Liabilities**”];

4.02 Without prejudice to the generality of Clause 4.01(i), upon the Scheme becoming effective but with effect from the Appointed Date:

- (i) All assets and properties of the Demerged Undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Demerged / Transferor Company, and shall, upon such transfer, become the assets and properties of the Resulting / Transferee Company and title to the property will be deemed to have been transferred accordingly without any further act, instrument or deed and pursuant to the provisions of section 394 of the Act;
- (ii) All movable properties of the Demerged Undertakings, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans and advances and receivables, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi Government, local and other authorities and bodies, customers and other persons, will become the properties of the Resulting / Transferee Company without any further act,

instrument or deed and pursuant to the provisions of section 394 of the Act. The Demerged / Transferor Company and the Resulting / Transferee Company shall accordingly, jointly or severally as may be decided by them, intimate the concerned parties that pursuant to the High Court having sanctioned this Scheme the said debts, loans, advances or deposits pertaining to the Demerged Undertakings stand transferred to the Resulting / Transferee Company and be paid and/or made good to or be held on account of the Resulting / Transferee Company as the person entitled thereto;

- (iii) All immovable properties (including land together with the buildings and structures standing thereon) of the Demerged Undertakings, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Resulting / Transferee Company, without any further act, instrument or deed and pursuant to the provisions of section 394 of the Act. The Resulting / Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties;
- (iv) All the Transferred Liabilities will become the liabilities and obligations of the Resulting / Transferee Company without any further act, instrument or deed and pursuant to the provisions of Section 394 of the Act, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause.

4.03 Upon the Scheme becoming effective -

- (i) All the assets and properties (whether movable or immovable, tangible or intangible, corporeal or incorporeal), acquired by the Demerged / Transferor Company after the Appointed Date and up to the Effective Date, in the normal course of conducting the business of the Demerged Undertakings, shall also stand transferred to and vested in the Resulting/Transferee Company as part of the Demerged Undertakings without any act, instrument or deed and pursuant to the provisions of Section 394 of the Act.
- (ii) All loans, debts, liabilities, duties and obligations incurred by the Demerged / Transferor Company in the normal course of conduct of the business of the Demerged Undertakings after the Appointed Date and up to the Effective Date, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting/Transferee Company and to the extent the same are outstanding on the Effective Date, shall also, without any further act, instrument or deed and pursuant to Section 394 of the Act, stand transferred to the Resulting / Transferee Company as part of the Demerged Undertakings and will become the loans, debts, liabilities, duties and obligations of the Resulting / Transferee Company which shall meet, discharge and satisfy the same. Such loans, debts, liabilities, duties and obligations shall also form part of the Transferred Liabilities as referred to in Clause 4.02 (iv) above.

- (iii) Where any of the loans, debts, liabilities, duties and obligations of the Demerged Undertakings as on the Appointed Date, which are deemed to have been transferred to the Resulting / Transferee Company, have been discharged by the Demerged / Transferor Company after the Appointed Date and up to the Effective Date, such discharge shall be deemed to have taken place for and on account of the Resulting / Transferee Company.

- 4.04 The existing security or charge in favour of the secured creditors shall remain unaffected and shall continue to remain valid and in full force even after the demerger of the Demerged Undertakings from the Demerged / Transferor Company and their transfer to and vesting in the Resulting / Transferee Company. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors becoming necessary after the Appointed Date or the Effective Date, as the case may be, shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of the Transferor and the Transferee Companies.

It is clarified that -

- (a) existing security, if any, in respect of Transferred Liabilities shall extend to and operate only over the assets comprised in the Demerged Undertakings which have been charged and secured in respect of such Transferred Liabilities. If any of the assets comprised in the Demerged Undertakings have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered.
- (b) if any existing security in respect of any part of the Transferred Liabilities extends wholly or partly over the assets of the residual business of the Demerged / Transferor Company, then the Resulting / Transferee Company shall create adequate security in respect of such part of the Transferred Liabilities over the assets of the Demerged Undertakings to the satisfaction of the respective lenders and upon creation of such security, the assets of the residual business of the Demerged / Transferor Company shall be released and discharged from such encumbrance.
- (c) if any security or charge exists on the assets comprising the Demerged Undertakings in respect of any loans or liabilities which have not been transferred to the Resulting / Transferee Company pursuant to this Scheme, the Demerged / Transferor Company shall create adequate security over the assets of its residual business to the satisfaction of the respective lenders and upon creation of such security, the assets of the Demerged Undertakings, as above, shall be released and discharged from such encumbrance.

- 4.05 Upon the Scheme becoming effective, the Transferee Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, and the Demerged / Transferor Company will not have any obligations in respect of the Transferred Liabilities. The Resulting / Transferee Company undertakes to indemnify the Demerged / Transferor Company, if it is made to discharge any such liability after the effective

date. It is, however, made clear that this undertaking on the part of the Resulting / Transferee Company is only towards the Demerged / Transferor Company and shall not affect the right of the Resulting / Transferee Company to question the existence, genuineness or the quantum of such liability or obligation to the claimant.

- 4.06 Upon the Scheme becoming effective -
- (i) All contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, agreements relating to mining and other leases and tenancies, leave and licence agreements and all other agreements of whatsoever nature, pertaining to the Demerged Undertakings and/or pertaining to business activities and operations of the Demerged Undertakings and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour of or against the Resulting / Transferee Company and may be enforced as fully and effectually as if, instead of the Demerged / Transferor Company, the Resulting / Transferee Company had been a party or beneficiary or obligee.
 - (ii) The transfer and vesting of the Demerged Undertakings in the Resulting / Transferee Company and the continuance of all contracts or proceedings by or against the Resulting / Transferee Company in terms of the Scheme shall not affect any contracts or proceedings relating thereto already concluded on or after the Appointed Date.
- 4.07 Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto [including those under the laws pertaining to Trade Tax/ Commercial Tax/ Sales Tax/ VAT, Entry Tax, Service Tax, Shops and Commercial Establishments, Central Excises, Income Tax, and other laws and rules and regulations framed and notifications and orders issued thereunder], pertaining to the Demerged Undertakings or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Resulting / Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Resulting / Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act and without any further act or deed by the Demerged / Transferor Company and/or the Resulting / Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Resulting / Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Resulting / Transferee Company to continue to carry on the operations of the Demerged Undertakings without any interruption, difficulty or disadvantage and in the same manner and with same privileges and benefits as was being carried on by the Demerged / Transferor Company before the Effective Date. However, if any such licenses etc. as

referred to above, are for the benefit of or applicable to or govern the operations of the Demerged Undertakings as well as the residual business of the Demerged / Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Demerged / Transferor Company or the Resulting / Transferee Company so as to appropriately apply to or govern the operations of the Demerged Undertakings and the residual business of the Demerged / Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions and to ensure the continuation of operations of the Demerged Undertakings as well as the residual business of the Demerged / Transferor Company without any interruption, difficulty or disadvantage. The Resulting / Transferee Company and/or the Demerged / Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

- 4.08 Upon the Scheme becoming effective, all taxes, duties, cess, etc payable by the Demerged / Transferor Company relating to the Demerged Undertakings and all or any refunds/credits/claims under various laws including laws pertaining to Trade Tax/ Commercial Tax/ Sales Tax/VAT, Entry Tax, Service Tax, Central Excises, Income Tax, Wealth Tax, etc., and the rules and regulations framed and notifications and orders passed thereunder, pertaining to the Demerged Undertakings shall be treated as the liability or refunds/ credits/ claims, as the case may be, of the Resulting / Transferee Company. The Demerged / Transferor Company and the Resulting / Transferee Company shall be entitled, wherever necessary, to revise their returns filed under various laws, as may be applicable, including returns filed under the Income Tax, Wealth Tax, Commercial Tax/ Trade Tax/ Sales Tax/ VAT, Entry Tax, Central Excise laws, and also, without limitation, the TDS/ TCS certificates. It is clarified that the taxes paid by the Demerged / Transferor Company relating to the period on or after the Appointed Date whether by way of deduction at source or advance tax, which pertain to the Demerged Undertakings, will be deemed to be the taxes paid by the Resulting / Transferee Company and the Resulting / Transferee Company shall be entitled to claim credit for such taxes deducted/paid against its tax liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes are in the name of the Demerged / Transferor Company.
- 4.09 Upon the Scheme becoming effective, all tax holiday benefits, exemptions, concessions, incentives and other benefits enjoyed by or available in respect of any of the manufacturing/processing units, works and business activities and operations of the Demerged Undertakings as on the Effective Date, under any law including Income Tax Act, Central Excise Act and Laws relating to Commercial Tax/ Trade Tax/ Sales Tax/VAT, Entry Tax, Service Tax etc. and rules and regulations framed and notifications and orders issued thereunder, shall continue to remain available to and enjoyed

by the Resulting / Transferee Company in respect of such manufacturing/processing units, works etc. of the Demerged Undertakings after the Effective Date in the same manner and to the same extent as were being availed and enjoyed by the Demerged / Transferor Company before the Effective Date. The right of the Resulting / Transferee Company to avail and enjoy such tax holiday benefits, exemptions, concessions, incentives and other benefits etc. under such laws shall not be prejudiced or otherwise adversely affected in any manner whatsoever, merely on the ground of transfer of the Demerged Undertakings from the Demerged/ Transferor Company to the Resulting / Transferee Company in terms of this Scheme. All such benefits shall relate back to the Appointed Date as if the Resulting / Transferee Company was originally entitled to all such benefits under the applicable laws. The Demerged / Transferor Company and/or the Resulting / Transferee Company may file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

4.10 If on the Effective Date, any suit, appeal or other proceedings pertaining to the Demerged Undertakings, of whatsoever nature, by or against the Demerged/ Transferor Company is pending, the same shall not abate, or discontinued or in anyway be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Resulting / Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged / Transferor Company, if this Scheme had not come into effect. The Resulting / Transferee Company shall get itself substituted in all such legal or other proceedings in place of the Demerged / Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Resulting / Transferee Company to the exclusion of the Demerged / Transferor Company. All subsequent legal and other proceedings pertaining to any matters concerning the Demerged Undertakings, after the Effective Date, shall be initiated by or against the Resulting / Transferee Company to the exclusion of the Demerged / Transferor Company. The Resulting/ Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Demerged / Transferor Company indemnified and harmless, if the Demerged / Transferor Company is made to bear any such costs, expenses and consequences.

4.11 Upon the Scheme becoming effective,

(i) All the employees engaged in or in relation to the business activities and operations of the Demerged Undertakings who are in service of the Demerged / Transferor Company on the Effective Date, shall become the employees of the Resulting / Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date. The Resulting / Transferee Company

shall also accept and abide by any change in terms and conditions that may be agreed / effected by the Demerged / Transferor Company with all or any of such employees between the Appointed Date and the Effective Date.

(ii) The Resulting / Transferee Company shall continue to abide by any agreements / settlements entered into by the Demerged / Transferor Company in respect of Demerged Undertakings with any Union/ representatives of the employees.

(iii) The existing provident fund, gratuity fund, ESI, pension/ superannuation fund/ scheme or any other special scheme, fund or trust created by the Demerged / Transferor Company or existing for the benefit of the employees of the Demerged Undertakings shall, at an appropriate stage, be transferred to the Resulting/ Transferee Company and till such time, shall be maintained separately.

4.12 All incomes, receipts and gains and all expenses, payments and losses of whatsoever nature, pertaining to the Demerged Undertakings and relating to any period upto the Effective Date, which due to inadvertence or any other reason, could not be accounted for or disclosed in the books of the Demerged / Transferor Company, shall be to the account of the Resulting / Transferee Company.

4.13 (i) With effect from the Appointed Date and up to the Effective Date, the Demerged / Transferor Company shall stand possessed of all the assets and properties of the Demerged Undertakings and shall carry on and be deemed to have carried on the business and activities in relation to the said Undertakings in trust for and for the benefit of the Resulting / Transferee Company. The Demerged/ Transferor Company shall carry on the business of the Demerged Undertakings with reasonable diligence and in the same manner as it had been doing hitherto and shall not, without the concurrence of the Resulting / Transferee Company, alienate, charge or encumber any of the properties of the Demerged Undertakings except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the Appointed Date. All profits/incomes earned or accruing, or losses arising or incurred by the Demerged / Transferor Company in relation to the Demerged Undertakings and all receipts, payments, costs, charges, expenses etc. in relation to the said Undertakings shall for all purposes be treated as the profits/incomes, losses, receipts, payments, costs, charges, expenses etc., as the case may be, of the Resulting / Transferee Company.

(ii) Upon the Scheme becoming effective, the possession and power of the Demerged / Transferor Company to carry on business of the Demerged Undertakings in trust for the Resulting / Transferee Company as provided in sub-clause (i) above, shall, without any further act or deed, come to an end and thereafter the Resulting / Transferee Company shall stand possessed of all the assets and properties of the Demerged Undertakings and shall carry on and be deemed to have carried on the business and activities in relation to the said Undertakings for its own benefit.

- 4.14 All the residual business of the Demerged / Transferor Company and all the assets and liabilities and obligations, etc. pertaining to such residual business, shall continue to belong to and vested in the Demerged / Transferor Company and will not be affected in any way by this Scheme. The Demerged / Transferor Company will carry on and shall be deemed to have been carrying on the residual business, for and on its own behalf and all profits and losses arising (including the effect of taxes, inclusive of advance tax paid if any) in respect of such business shall for all purposes be treated as the profits or losses, as the case may be, of the Demerged/ Transferor Company alone.
- 4.15 In case any proceedings are taken against the Resulting/ Transferee Company in respect of any matters pertaining to residual business of the Demerged/ Transferor Company, then the Resulting / Transferee Company shall defend the same at the cost, expense and risk of the Demerged / Transferor Company and the latter shall reimburse and indemnify the Resulting/ Transferee Company against all costs, expenses, liabilities and obligations incurred in respect thereof.
- 4.16 Since the transfer of the Demerged Undertakings will take effect in the State of U.P. pursuant to the order of the Court under section 394 of the Act, the Demerged/ Transferor Company and the Resulting / Transferee Company, [which is a wholly-owned subsidiary of the Demerged / Transferor Company as its entire issued share capital is beneficially held by the Demerged/ Transferor Company], the Demerged / Transferor Company and the Resulting / Transferee Company shall avail the stamp duty exemption/ remission under the Notification No. 599/X-501 dated 25-03-1942.
- 4.17 (i) If at any time after the Scheme becomes effective, any documents, instruments or deeds are required to be executed by the Demerged / Transferor Company to meet the requirement of any law or to give effect to any provisions of this Scheme or desired by the Resulting/ Transferee Company so as to perfect its title to any of the assets and properties transferred to and vested in it in terms of this Scheme, then the Demerged/ Transferor Company shall cooperate in the execution of the same.
- (ii) The Resulting / Transferee Company may, at any time after the Scheme coming into effect, if so required under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Demerged / Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Resulting / Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged / Transferor Company and to carry out or perform all such formalities or compliances as referred to above on part of the Demerged / Transferor Company to be carried out or performed.
- 4.18 Upon the Scheme becoming effective, the Resulting / Transferee Company and/or the Demerged / Transferor Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property or other properties of whatsoever nature, which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.
- 4.19 It is clarified that if for any reason whatsoever, any of the assets or rights of whatever nature, including contracts, deeds, bonds, agreements and other instruments, pertaining to the business activities and operations of the Demerged Undertakings, which are required to be transferred to and vested in the Resulting / Transferee Company in terms of this Scheme, can not be so transferred to and vested in the Resulting / Transferee Company as and when the Scheme becomes effective, then the Demerged / Transferor Company shall continue to hold such assets or rights in trust and for the benefit of the Resulting / Transferee Company, until the same are transferred to and vested in the Resulting / Transferee Company.
- 4.20 After the Effective Date and as soon as possible, the Demerged / Transferor Company shall handover to the Resulting / Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Demerged Undertakings which shall stand transferred to and vested in the Resulting / Transferee Company in terms of this Scheme.
- 4.21 The Scheme provides for the demerger of the Demerged Undertakings on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except expressly provided.

PART – V CONSIDERATION

- 5.01 For the transfer of the Demerged Undertakings and consequent vesting thereof into the Resulting Company, a net consideration of Rs.4,030.98 Crores (Rupees Four Thousand Thirty Crores & Ninety Eight lacs only) shall be payable by the Resulting Company to the Demerged Company.
- 5.02 Upon sanction of the Scheme by the Court, the Resulting / Transferee Company shall take necessary steps to make payment of the consideration as mentioned in Clause 5.01 within a period of six months from the Effective Date without any interest, or such other extended period (s) and in such manner as may be agreed by the Board of the Demerged /Transferor Company. Till such time, the amount shall be treated as Unsecured Loan in the books of the Resulting/ Transferee Company.
- 5.03 It is clarified that nothing contained in the Scheme shall be construed to imply that the demerger, transfer and vesting of demerged undertakings shall remain or deemed to have remained suspended or in abeyance till the process of payment of consideration amount in terms of Clause 5.01 is completed.
- 5.04 After the sanction of the Scheme by the Court, the

consideration specified in Clause 5.01 above will become final and conclusive and no party shall be entitled to demand any revision in the said consideration amount, whether upward or downward, on any ground whatsoever.

PART - VI ACCOUNTING TREATMENT

6.01 Accounting Treatment by the Resulting Company :

- (i) All the assets (tangible or intangible) and liabilities forming part of the Demerged Undertakings, which are transferred to and vested in the Resulting Company pursuant to this Scheme, shall be recorded in the books of the Resulting Company at their respective fair values, to ensure that such assets and liabilities reflect their correct value in terms of their future usage, obsolescence, revenue and cash generating capabilities and accounting principles of conservatism.
- (ii) The statutory reserves, if any, pertaining to the Demerged Undertakings shall be incorporated and accounted for by the Resulting Company at their book values and the identity of such reserves shall be preserved and they shall appear in the financial statements of the Resulting Company in the same form and manner in which they appeared in the financial statements of the Demerged Company, prior to this Scheme becoming effective.
- (iii) If the amount of consideration payable under Clause 5.01 exceeds the net fair value [fair value of assets less fair value of liabilities and value of statutory reserves] arrived at in terms of above sub-clauses, then such difference shall be accounted for as 'Goodwill'. If such net fair value exceeds the amount of consideration, then such difference shall be accounted for as 'Capital Reserve'.
- (iv) For the purpose of above valuation, the Resulting Company may engage one or more competent valuer(s) and the valuation reports submitted by them may be appropriately considered by the Resulting Company for determining the fair values of various items of assets and liabilities.

6.02 Accounting Treatment by the Demerged Company :

- (i) The values of the assets, liabilities and statutory reserves, if any, pertaining to Demerged Undertakings, forming part of the Demerged Undertakings, which are transferred to and vested in the Resulting Company pursuant to this Scheme, shall be reduced from the respective assets, liabilities, reserves etc. by the Demerged Company by transfer at their respective book values in a separate account named 'Demerger Adjustment Account'. The amount of consideration receivable from the Resulting Company in terms of Clause 5.01 shall be credited to the said Demerger Adjustment Account by appropriate debit to 'Demerger Consideration Receivable Account'.
- (ii) The credit balance left in the Demerger Adjustment Account, being a capital reserve, shall be credited to Demerger Reserve Account.

6.03 The Demerged Company and the Resulting Company shall abide by the applicable accounting standards, if any, and be guided by the generally accepted accounting

principles and practices and the advice of the statutory auditors, if necessary, for giving effect to the demerger, transfer and vesting of the Demerged Undertakings as contemplated in this Scheme.

6.04 The Demerged Company shall provide all information, records, documents, contracts, deeds etc. to the Resulting Company as may be required by it to properly incorporate, account for and take on record, the assets, liabilities, income, expenses, profits, losses, transactions etc. pertaining to the Demerged Undertakings and to take all consequential actions as may be required.

PART - VII GENERAL TERMS AND CONDITIONS

7.01 Until coming into effect of the Scheme :

- (i) The right of the Demerged / Transferor Company and the Resulting / Transferee Company to declare and pay dividends, whether interim or final, or to issue and allot bonus shares or further shares by way of rights or otherwise shall remain unaffected.
- (ii) The shareholders of the Demerged / Transferor Company and the Resulting / Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

7.02 The respective Board of Directors of the Demerged / Transferor Company and the Resulting / Transferee Company may assent to any alterations or modifications in the Scheme which the Court and/or any other competent authority may deem fit to approve or impose or which may otherwise become necessary. No further approval of the shareholders or the creditors shall be necessary for giving effect to the provisions contained in this clause.

7.03 The Board of Directors of the Demerged / Transferor Company as well as the Board of Directors of the Resulting / Transferee Company shall be at liberty to withdraw from the Scheme at any time before the Scheme is sanctioned by the Court. They shall also be entitled to withdraw from this Scheme in case any condition or alteration imposed by the Court or any other authority is not acceptable to either of them or any material change in the circumstances necessitates such withdrawal before the Scheme becomes effective. No further approval of the shareholders or the creditors shall be necessary for giving effect to the provisions contained in this clause.

7.04 The Board of Directors of the Resulting / Transferee Company in consultation with the Board of Directors of the Demerged / Transferor Company, may give such directions, as they may consider necessary, to settle any question or difficulty arising in regard to the implementation of the Scheme or in any matter connected therewith such that the same shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.

7.05 If at any time any doubt or dispute arises as to whether any particular asset/ liability/ employee or any other item or issue does or does not pertain to the Demerged Undertakings, then such doubt or dispute will be resolved with the mutual agreement of the Board of Directors of the Demerged / Transferor Company and of

the Resulting / Transferee Companies and if necessary, the opinion of the Statutory Auditors of the Demerged/ Transferor Company may be sought and accepted by the parties.

- 7.06 The respective Board of Directors of the Demerged / Transferor Company and the Resulting / Transferee Company may empower any committee of directors or officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.
- 7.07 The approval of the Scheme by the shareholders and the creditors of the Demerged / Transferor and the Resulting / Transferee Companies, whether at their respective meetings convened by the Court under section 391/394 of the Act or by their consent letters/ affidavits, shall be deemed to be their approval of the Scheme as a whole under all the applicable provisions of the Companies Act and under the respective Memorandum and Articles of Association of the Companies and under all other contracts, arrangements and understandings, as may be applicable, as well as under all other applicable laws, rules and regulations and it will not be necessary to specify or obtain separate or specific approval under each applicable provision.
- 7.08 If any part of this Scheme is found invalid, ruled illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Demerged / Transferor and the Resulting / Transferee Companies that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either Company, in which case the Board of Directors of the Demerged / Transferor and the Resulting / Transferee Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the two Companies, the benefits and obligations of this Scheme, including but not limited to such part. It is made clear that no further approval of the shareholders or the creditors shall be necessary for giving effect to the provisions contained in this clause.
- 7.09 In the event of the Scheme failing to take effect by 30th April, 2012 or by such later date as may be mutually agreed by the Board of Directors of the Demerged / Transferor and the Resulting / Transferee Companies, or if either of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs or as may be mutually agreed. No further approval of the shareholders or the creditors shall be necessary for giving effect to the provisions contained in this clause.
- 7.10 No party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Demerged / Transferor or the Resulting / Transferee Companies or any of their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified.
- 7.11 The Scheme shall become effective with effect from the date the certified copy of the order of the Court sanctioning the Scheme is filed with the Registrar of Companies, Uttar Pradesh.
- 7.12 The Demerged / Transferor Company and the Resulting / Transferee Company shall, with all reasonable dispatch, make all applications/petitions under Section 391 and 394 and other applicable provisions of the Act to the Court for directions to convene and/or dispense with all or any of the meetings and for the sanctioning of the Scheme and to other authorities and bodies for obtaining their approvals, no objections, consents etc., as may be required, under any law, agreement or otherwise.
- 7.13 All costs, charges and expenses up to the stage of sanction of the Scheme by the Court shall be borne by the Demerged / Transferor Company. All subsequent costs, charges and expenses incurred for giving effect to the sanctioned Scheme shall be shared by the Resulting / Transferee Company and the Demerged / Transferor Company, as may be mutually agreed.

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD
ORIGINAL JURISDICTION

EXPLANATORY STATEMENT

UNDER SECTION 393 OF THE COMPANIES ACT, 1956

ANNEXED TO THE NOTICES CONVENING THE
MEETINGS OF

EQUITY SHAREHOLDERS/CREDITORS

PURSUANT TO THE ORDER DATED 4th JANUARY, 2012
PASSED BY THE HON'BLE ALLAHABAD HIGH COURT

IN

COMPANY APPLICATION No. 23 OF 2011

[Under Sections 391/394 of the Companies Act]

IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN

JAIPRAKASH ASSOCIATES LIMITED

AND

JAYPEE CEMENT CORPORATION LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. JAIPRAKASH ASSOCIATES LIMITED

Having its registered office at
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP)

..... **Demerged/Transferor Company**

2. JAYPEE CEMENT CORPORATION LIMITED

Having its registered office at
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP)

..... **Resulting/Transferee Company**

..... **APPLICANTS**

- The above-named Companies have moved a Company Application, being Company Application No. 23 of 2011, in the Hon'ble Allahabad High Court seeking directions to convene meetings of the Equity Shareholders and the Creditors, for considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between the Applicant Companies and their respective shareholders and creditors and other directions incidental thereto. On the above Application, the Hon'ble Court has passed Order dated 4th January, 2012 convening the meeting of the Equity shareholders and Creditors of the Applicant Companies and has appointed Chairman and alternate Chairman for each meeting, fixed date and time of the meetings and quorum for the meetings and has given directions regarding despatch and publication of notices and other directions incidental thereto.
- That the above Scheme of Arrangement has been approved by the respective Board of Directors of the Applicant Companies at their meeting duly convened and held on 14th November, 2011.

3. Reg. DEMERGED/TRANSFEROR COMPANY :

[JAIPRAKASH ASSOCIATES LIMITED]

- That Jaiprakash Associates Limited was incorporated as a public limited company under the Companies Act, 1956, on 15-11-1995 in the State of Uttar Pradesh under the name of 'Bela Cement Limited'. Its name was changed from time to time and finally to its present name with effect from 11-3-2004. Copy of the Certificate of Incorporation issued by the Registrar of Companies at the time of initial incorporation as well as the copies of fresh Certificates of Incorporation issued upon change of name, form part of the Memorandum and Articles of Association of the Company.
- That the registered office of the Company is situated at Sector - 128, NOIDA - 201304, U.P.
- That the Authorized and Issued, Subscribed and Paid up Capital of the Company as on 31st March, 2011 has been as under –

AS ON 31ST MARCH, 2011

| Particulars | Amount Rs. |
|--|-----------------|
| Authorised : | |
| 12,34,40,00,000 Equity Shares of Rs. 2/- each | 24,68,80,00,000 |
| 31,20,000 Preference Shares of Rs. 100/- each | 31,20,00,000 |
| Total | 25,00,00,00,000 |
| Issued, Subscribed and paid-up: | |
| 2,12,64,33,182 Equity Shares of Rs. 2/- each fully paid up | 4,25,28,66,364 |

There has been no change in the capital structure of the Company after 31st March, 2011.

- That the objects of the Company are set out in the Objects Clause of the Memorandum of Association. Jaiprakash Associates Limited is a multi-activities company having diverse business interests. It is engaged in the business of Civil Engineering Construction, manufacture & marketing of Cement; Asbestos Sheets; manufacture, supply and repairing of various heavy equipments and structures in its Heavy Engineering Workshop; production of different kinds of Hi-tech Castings; Hospitality and Real Estate business, etc. One of its major business is manufacture of Cement. Besides expansion of capacity in North, East and Central India, it has established/establishing cement manufacturing facilities in Gujarat & Karnataka in Western and Southern parts of the country.
- That the Company received Certificate of Commencement of Business on 29-01-1996. It has been in business since then. A copy of the Certificate of Commencement of Business forms part of the Memorandum of Association.
- That the audited accounts of the Company have been presented to the shareholders up to the financial year ended on 31st March, 2011. These are the latest audited Accounts. The summarized financial position of the Company as per the latest

Audited Accounts is as under:

AS ON 31ST MARCH, 2011

| PARTICULARS | Amount Rs. in Lakhs |
|--|------------------------|
| ASSETS : | |
| Fixed Assets (WDV) | 1,830,956 |
| Investments | 648,375 |
| Deferred Tax Asset | 2,644 |
| Currents Assets, Loans & Advances | 1,315,233 |
| Less : Current Liabilities & Provisions | 564,665 |
| | 750,568 |
| Misc. Expenditure Not Written off | - |
| TOTAL | 3,232,543 |
| SOURCES OF FUNDS : | |
| Share Capital | 42,529 |
| Reserves and Surplus | 897,208 |
| Secured Loans | 1,492,962 |
| Unsecured Loans | 677,802 |
| Deferred Tax Liability | 122,042 |
| TOTAL | 3,232,543 |

For further details, Audited Accounts for the FY ended on 31st March, 2011 may be referred to.

There has been no material change in the financial position of the Company after 31st March, 2011 except in the normal course of business.

4. Reg. RESULTING/TRANSFEREE COMPANY :
[JAYPEE CEMENT CORPORATION LIMITED]

- (i) That Jaypee Cement Corporation Limited was incorporated as public limited company under the Companies Act, 1956 on 15th July, 1996 in the State of Maharashtra in the name of Zawar Cement Limited. The Company was converted into a private limited company and its name changed to Zawar Cement Private Limited w.e.f. 22nd August, 2003. Its name was changed to "Jaypee Cement Corporation Private Limited" w.e.f. 23rd December, 2010. The Company became a public company with effect from w.e.f. 18th January, 2011 and accordingly its name was changed to "Jaypee Cement Corporation Limited". Copy of the Certificate of Incorporation issued by the Registrar of Companies at the time of initial incorporation as well as the copies of fresh Certificates of Incorporation issued upon change of name, form part of the Memorandum and Articles of Association of the Company.
- (ii) That the registered office of the Company is situate at Sector -128, Noida – 201304, Uttar Pradesh.
- (iii) That the Authorized and Issued, Subscribed and Paid up Capital of the Company as on 31st March, 2011, has been as under –

AS ON 31ST MARCH, 2011

| Particulars | Amount Rs. |
|--|--------------|
| Authorised : | |
| 1,30,00,000 Equity Shares of Rs.10/- each | 13,00,00,000 |
| Issued, Subscribed and paid-up : | |
| 1,30,00,000 Equity Shares of Rs.10/- each fully paid up | 13,00,00,000 |

After 31st March, 2011, the Authorised Share Capital has been increased to Rs. 1000 Crore. Further, 4,75,00,000 Equity Shares of Rs.10 each have been issued and allotted at a premium of Rs.10 per share to Jaiprakash Associates Limited, the holding company.

Thus the present Issued, Subscribed & Paid up Capital of the Resulting/Transferee Company is Rs.60,50,00,000 divided into 6,05,00,000 Equity Shares of Rs.10 each.

- (iv) That the entire paid up share capital of the Company is beneficially held by the Jaiprakash Associates Limited, Demerged/Transferor Company, and as such it is a wholly-owned subsidiary of Jaiprakash Associates Limited.
- (v) That the objects of the Company are set out in the Objects Clause of the Memorandum of Association. It is setting up 3 MTPA Cement Plant at Shahabad, Distt. Gulberga, Karnataka.
- (vi) That the Company received Certificate of Commencement of business on 31st July, 1996. It has been in business since then. A copy of the above Certificate of Commencement of Business forms part of the Memorandum of Association.
- (vii) That the audited accounts of the Company have been presented to the shareholders up to the financial year ended on 31st March, 2011. These are the latest audited accounts. The summarized financial position of the company as per the latest Audited Accounts is as under :

AS ON 31ST MARCH, 2011

| PARTICULARS | Amount Rs. In Lakhs |
|--|------------------------|
| ASSETS : | |
| Fixed Assets (WDV) | 8,234.67 |
| Deferred Tax Asset | 50.48 |
| Current Assets, Loans & Advances | 5,377.46 |
| Less: Current Liabilities & Provisions | 1,313.67 |
| | 4,063.79 |
| Profit and Loss Account | 3,451.77 |
| Misc. Expenditure Not Written off | - |
| TOTAL | 15,800.71 |
| SOURCES OF FUNDS : | |
| Share Capital | 1,300.00 |
| Share Application Money pending allotment | 7,500.00 |
| Secured Loans | - |
| Unsecured Loans | 7,000.71 |
| Deferred Tax Liability | - |
| TOTAL | 15,800.71 |

For further details, Audited Accounts for the FY ended on 31st March, 2011 may be referred to.

After 31st March, 2011, the Authorised Capital stands increased to Rs. 1000 Crores ; Paid up share

capital stands increased to Rs. 60.50 Crores due to issuance of 4.75 Crore shares of Rs. 10 each at a premium of Rs. 10 each ; Share Premium Account is now Rs. 47.50 Crores ; and Share Application Money Account pending allotment now shows nil balance. Besides the aforesaid, there has been no other material change in the financial position of the Company after 31st March, 2011, except in the normal course of business.

5. That the salient features of the proposed Scheme of Arrangement, inter alia, are as under -

- (i) With effect from the appointed date i.e. 1st day of April, 2011, the 'Demerged Undertakings' shall stand demerged from Jaiprakash Associates Limited, Demerged/Transferor Company, and transferred to and vested in Jaypee Cement Corporation Limited, Resulting/Transferee Company, with all their properties and liabilities as elaborated in Part IV of the Scheme.
- (ii) As consideration for the above transfer and vesting, the Resulting Company shall pay to the Demerged Company lump sum net consideration of Rs.4,030.98 Crores [Rupees Four Thousand Thirty Crores & Ninety Eight lacs only) without interest within six months of the date on which the Scheme comes into effect or within such extended period (s) and in such manner as may be mutually agreed upon as provided in Part V of the Scheme. Till such time, the amount shall be treated as Unsecured Loan in the books of the Resulting/Transferee Company.
- (iii) The 'Demerged Undertakings' which are to be transferred under the Scheme comprise of -
 - “**South Cement Undertaking**” which includes all the businesses, operations and activities pertaining to the business of manufacturing cement carried on by the Demerged Company in its plant in the State of Andhra Pradesh including projects under implementation ;
 - “**West Cement Undertaking**” which includes all the businesses, operations and activities pertaining to the business of manufacturing cement and Laminated PP Woven Sacks bags in the State of Gujarat, including projects under implementation ;
 - “**Asbestos Undertaking**” which includes all the businesses, operations and activities pertaining to the business of manufacturing asbestos sheets carried on by the Demerged Company in its plants at Sadva Khurd, Allahabad and at Chunar in the State of Uttar Pradesh ;
 - “**Foundry Undertaking**” which includes all the businesses, operations and activities pertaining to the business of manufacturing different types of castings required by the cement plants and thermal power plants, carried on by the Demerged Company in its plant at Rewa in the State of Madhya Pradesh;
 - “**Heavy Engineering Works Undertaking**” which includes all the businesses, operations and activities pertaining to the business of manufacturing and supply of various equipments and structures (including those for hydro-mechanical/cement plants equipments, thermal power stations, etc.) as also rendering repairs and refurbishing services of the old equipments forming part of the above projects/

plants, carried on by the Demerged Company in its plant at Rewa in the State of Madhya Pradesh.

- (iv) The existing security or charge in favour of the secured creditors shall remain unaffected and shall continue to remain valid and in full force even after the demerger of the Demerged Undertakings from the Demerged / Transferor Company and their transfer to and vesting in the Resulting / Transferee Company. Provision to this effect has been made in Part IV of the Scheme. The Scheme does not affect the interests of secured and unsecured creditors including debenture/bond holders.
- (v) The Scheme also provides for transfer of services of employees of 'demerged undertakings' to the Resulting/Transferee Company on same terms and conditions without any break or interruption in service. Provision in this regard has been made in Part IV of the Scheme.
- (vi) The Scheme will become effective on the date on which the certified copy of the order of the Hon'ble High Court of Judicature at Allahabad sanctioning the Scheme is filed with the Registrar of Companies, U.P.& Uttrakhand However, transfer and vesting of the demerged undertakings shall take effect from the appointed date i.e. 1st April, 2011.

Some of the main terms of the proposed Scheme are reproduced below -

[Para numbers are as assigned in the Scheme]

- 4.01 (i) *Upon this Scheme coming into effect but with effect from the Appointed Date, all the Demerged Undertakings [as defined and described in sub-clause (ii) below] shall stand demerged from the Demerged / Transferor Company and such Demerged Undertakings, in their entirety, shall simultaneously stand transferred to and vested in the Resulting / Transferee Company, as going concerns, without any further act, instrument or deed and pursuant to the provisions of Section 394 of the Act, together with their respective businesses and operations, manufacturing/processing units, works and offices and all the properties, estate, assets, rights, title, interest, authorities and privileges and with all liabilities and obligations, which arise out of the activities and operations and pertain to or are part of the said Undertakings, so as to become, as and from the Appointed Date, the businesses and operations, plants and works and property, estate, assets, rights, title, interest, authorities and privileges and all liabilities and obligations etc. of the Transferee Company.*
- (ii) *Without prejudice to the generality of the definition of expression the “Demerged Undertakings” given under the definition clause of the Scheme, the Demerged Undertakings shall mean and include -*
- (a) *all the manufacturing/processing units, works, offices and other establishments, including projects under implementation, and all businesses, operations and activities pertaining to the South Cement Undertaking, West Cement Undertaking, Asbestos Undertaking, Heavy Engineering Works*

Undertaking and Foundry Undertaking of the Demerged Company;

- (b) *all the properties pertaining to the above Undertakings (whether movable or immovable, tangible or intangible, corporeal or incorporeal, freehold or leasehold, and wherever situated), including plant and machinery, buildings and structures, capital work in progress, furniture, fixtures, office equipments, appliances, accessories, power lines, stocks, investments of all kinds and in all forms, sundry debtors, loans and advances and other receivables including bills of exchange and promissory notes and other such instruments, security deposits and other deposits, cash and bank balances, contingent rights or benefits, financial assets, mining rights, leases, licences, and other leases and leasehold rights of all and every kind, hire purchase contracts and assets, right to use trade marks, designs, copy rights, benefits and rights under all contracts and agreements including loan agreements, storage and warehousing agreements, commission agreements, retailing agreements, franchisee agreements, security arrangements, tenancies, engagements, arrangements of all kind, benefits of assets or properties or other interest held in trust, reversions, allotments, approvals, permissions, permits, quotas, rights, entitlements, credits, authorizations, licenses, registrations, exemptions, concessions, remissions, benefits, privileges and rights under various laws including Trade Tax/Commercial Tax/Sales Tax/VAT, Entry Tax, Service Tax, Central Excise Act, Income Tax, Wealth Tax etc. and the rules and regulations framed and notifications or orders issued thereunder, deferred tax assets, carbon credits, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company in respect of the said Units/Works/ Offices and/or pertaining to the business activities or operations of the same;*
- (c) *all loans, debts, advances, sundry creditors, liabilities and provisions, deferred tax liabilities, encumbrances and other obligations, including contingent liabilities, whether secured or unsecured, (including any guarantees, letters of credit, letters of comfort*

*or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may become due at any time in future, whether provided for or not and whether known or unknown, pertaining to the Units/Works/ Offices or arising out of and/or pertaining to the business activities or operations [hereinafter referred to as the “**Transferred Liabilities**”];*

- 4.02 Without prejudice to the generality of Clause 4.01(i), upon the Scheme becoming effective but with effect from the Appointed Date:
- (i) *All assets and properties of the Demerged Undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement or acknowledgement of possession and/or delivery, the same may be so transferred by the Demerged / Transferor Company, and shall, upon such transfer, become the assets and properties of the Resulting / Transferee Company and title to the property will be deemed to have been transferred accordingly without any further act, instrument or deed and pursuant to the provisions of section 394 of the Act;*
- (ii) *All movable properties of the Demerged Undertakings, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans and advances and receivables, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi Government, local and other authorities and bodies, customers and other persons, will become the properties of the Resulting / Transferee Company without any further act, instrument or deed and pursuant to the provisions of section 394 of the Act. The Demerged/Transferor Company and the Resulting / Transferee Company shall accordingly, jointly or severally as may be decided by them, intimate the concerned parties that pursuant to the High Court having sanctioned this Scheme the said debts, loans, advances or deposits pertaining to the Demerged Undertakings stand transferred to the Resulting / Transferee Company and be paid and/or made good to or be held on account of the Resulting / Transferee Company as the person entitled thereto;*
- (iii) *All immovable properties (including land together with the buildings and structures standing thereon) of the Demerged Undertakings, whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Resulting / Transferee Company, without any further act, instrument or deed and pursuant to the provisions of section 394 of the Act. The Resulting / Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfill all obligations, in relation to or applicable to such immovable properties;*
- (iv) *All the Transferred Liabilities will become the*

liabilities and obligations of the Resulting / Transferee Company without any further act, instrument or deed and pursuant to the provisions of Section 394 of the Act, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this Clause.

4.03 Upon the Scheme becoming effective -

- (i) All the assets and properties (whether movable or immovable, tangible or intangible, corporeal or incorporeal), acquired by the Demerged / Transferor Company after the Appointed Date and up to the Effective Date, in the normal course of conducting the business of the Demerged Undertakings, shall also stand transferred to and vested in the Resulting/ Transferee Company as part of the Demerged Undertakings without any act, instrument or deed and pursuant to the provisions of Section 394 of the Act.
- (ii) All loans, debts, liabilities, duties and obligations incurred by the Demerged / Transferor Company in the normal course of conduct of the business of the Demerged Undertakings after the Appointed Date and up to the Effective Date, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting / Transferee Company and to the extent the same are outstanding on the Effective Date, shall also, without any further act, instrument or deed and pursuant to Section 394 of the Act, stand transferred to the Resulting / Transferee Company as part of the Demerged Undertakings and will become the loans, debts, liabilities, duties and obligations of the Resulting / Transferee Company which shall meet, discharge and satisfy the same. Such loans, debts, liabilities, duties and obligations shall also form part of the Transferred Liabilities as referred to in Clause 4.02 (iv) above.
- (iii) Where any of the loans, debts, liabilities, duties and obligations of the Demerged Undertakings as on the Appointed Date, which are deemed to have been transferred to the Resulting / Transferee Company, have been discharged by the Demerged / Transferor Company after the Appointed Date and up to the Effective Date, such discharge shall be deemed to have taken place for and on account of the Resulting / Transferee Company.

4.04 The existing security or charge in favour of the secured creditors shall remain unaffected and shall continue to remain valid and in full force even after the demerger of the Demerged Undertakings from the Demerged / Transferor Company and their transfer to and vesting in the Resulting / Transferee Company. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors becoming necessary after the Appointed Date or the Effective Date, as the case may be, shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of the Transferor and the Transferee Companies.

It is clarified that -

- (a) existing security, if any, in respect of Transferred Liabilities shall extend to and operate only over the assets comprised in the Demerged Undertakings which have been charged and secured in respect of such Transferred Liabilities. If any of the assets comprised in the Demerged Undertakings have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered.
- (b) if any existing security in respect of any part of the Transferred Liabilities extends wholly or partly over the assets of the residual business of the Demerged / Transferor Company, then the Resulting / Transferee Company shall create adequate security in respect of such part of the Transferred Liabilities over the assets of the Demerged Undertakings to the satisfaction of the respective lenders and upon creation of such security, the assets of the residual business of the Demerged/Transferor Company shall be released and discharged from such encumbrance.
- (c) if any security or charge exists on the assets comprising the Demerged Undertakings in respect of any loans or liabilities which have not been transferred to the Resulting / Transferee Company pursuant to this Scheme, the Demerged / Transferor Company shall create adequate security over the assets of its residual business to the satisfaction of the respective lenders and upon creation of such security, the assets of the Demerged Undertakings, as above, shall be released and discharged from such encumbrance.

4.05 Upon the Scheme becoming effective, the Transferee Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, and the Demerged / Transferor Company will not have any obligations in respect of the Transferred Liabilities. The Resulting / Transferee Company undertakes to indemnify the Demerged / Transferor Company, if it is made to discharge any such liability after the effective date. It is, however, made clear that this undertaking on the part of the Resulting / Transferee Company is only towards the Demerged / Transferor Company and shall not affect the right of the Resulting / Transferee Company to question the existence, genuineness or the quantum of such liability or obligation to the claimant.

4.06 Upon the Scheme becoming effective -

- (i) All contracts, deeds, bonds, agreements and other instruments including memoranda of understandings, arrangements, undertakings, schemes, agreements relating to mining and other leases and tenancies, leave and licence agreements and all other agreements of whatsoever nature, pertaining to the Demerged Undertakings and/or pertaining to business activities and operations of the Demerged Undertakings and to which the Transferor Company is a party, which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect, in favour

of or against the Resulting / Transferee Company and may be enforced as fully and effectually as if, instead of the Demerged / Transferor Company, the Resulting / Transferee Company had been a party or beneficiary or obligee.

- (ii) The transfer and vesting of the Demerged Undertakings in the Resulting / Transferee Company and the continuance of all contracts or proceedings by or against the Resulting / Transferee Company in terms of the Scheme shall not affect any contracts or proceedings relating thereto already concluded on or after the Appointed Date.

4.07 Upon the Scheme becoming effective, all licences, no-objection certificates, permissions, approvals, sanctions, consents, authorizations, registrations, quotas, rights, entitlements, including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto [including those under the laws pertaining to Trade Tax/ Commercial Tax/ Sales Tax/ VAT, Entry Tax, Service Tax, Shops and Commercial Establishments, Central Excises, Income Tax, and other laws and rules and regulations framed and notifications and orders issued thereunder], pertaining to the Demerged Undertakings or the business activities and operations thereof, which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Resulting / Transferee Company and shall be deemed to constitute separate licence etc. in the name and for the benefit of the Resulting / Transferee Company with effect from the Effective Date, pursuant to the provisions of section 394 of the Act and without any further act or deed by the Demerged / Transferor Company and/or the Resulting / Transferee Company and such licences etc. shall be appropriately mutated/ transferred/ changed/ modified/ endorsed/ split up by the competent authorities concerned in the name and for the benefit of the Resulting / Transferee Company as soon as the Scheme becomes effective without any hindrance so as to enable the Resulting / Transferee Company to continue to carry on the operations of the Demerged Undertakings without any interruption, difficulty or disadvantage and in the same manner and with same privileges and benefits as was being carried on by the Demerged / Transferor Company before the Effective Date. However, if any such licenses etc. as referred to above, are for the benefit of or applicable to or govern the operations of the Demerged Undertakings as well as the residual business of the Demerged / Transferor Company, then upon the Scheme coming into effect, the same shall be deemed to have been automatically split up without any further act, instrument or deed by the Demerged / Transferor Company or the Resulting / Transferee Company so as to appropriately apply to or govern the operations of the Demerged Undertakings and the residual business of the Demerged / Transferor Company, separately without putting either of them to any disadvantage of whatsoever nature. The competent authorities concerned shall take appropriate action to split up/ change/ modify/ endorse the said licenses etc. to give effect to these provisions

and to ensure the continuation of operations of the Demerged Undertakings as well as the residual business of the Demerged / Transferor Company without any interruption, difficulty or disadvantage. The Resulting / Transferee Company and/or the Demerged / Transferor Company shall file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.

4.08 Upon the Scheme becoming effective, all taxes, duties, cess, etc payable by the Demerged / Transferor Company relating to the Demerged Undertakings and all or any refunds/credits/claims under various laws including laws pertaining to Trade Tax/ Commercial Tax/ Sales Tax/VAT, Entry Tax, Service Tax, Central Excises, Income Tax, Wealth Tax, etc., and the rules and regulations framed and notifications and orders passed thereunder, pertaining to the Demerged Undertakings shall be treated as the liability or refunds/ credits/ claims, as the case may be, of the Resulting / Transferee Company. The Demerged / Transferor Company and the Resulting / Transferee Company shall be entitled, wherever necessary, to revise their returns filed under various laws, as may be applicable, including returns filed under the Income Tax, Wealth Tax, Commercial Tax/ Trade Tax/ Sales Tax/ VAT, Entry Tax, Central Excise laws, and also, without limitation, the TDS/TCS certificates. It is clarified that the taxes paid by the Demerged / Transferor Company relating to the period on or after the Appointed Date whether by way of deduction at source or advance tax, which pertain to the Demerged Undertakings, will be deemed to be the taxes paid by the Resulting / Transferee Company and the Resulting / Transferee Company shall be entitled to claim credit for such taxes deducted/paid against its tax liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes are in the name of the Demerged / Transferor Company.

4.09 Upon the Scheme becoming effective, all tax holiday benefits, exemptions, concessions, incentives and other benefits enjoyed by or available in respect of any of the manufacturing/processing units, works and business activities and operations of the Demerged Undertakings as on the Effective Date, under any law including Income Tax Act, Central Excise Act and Laws relating to Commercial Tax/ Trade Tax/ Sales Tax/VAT, Entry Tax, Service Tax etc. and rules and regulations framed and notifications and orders issued thereunder, shall continue to remain available to and enjoyed by the Resulting / Transferee Company in respect of such manufacturing/processing units, works etc. of the Demerged Undertakings after the Effective Date in the same manner and to the same extent as were being availed and enjoyed by the Demerged / Transferor Company before the Effective Date. The right of the Resulting / Transferee Company to avail and enjoy such tax holiday benefits, exemptions, concessions, incentives and other benefits etc. under such laws shall not be prejudiced or otherwise adversely affected in any manner whatsoever, merely on the ground of transfer of the Demerged Undertakings from

- the Demerged / Transferor Company to the Resulting / Transferee Company in terms of this Scheme. All such benefits shall relate back to the Appointed Date as if the Resulting / Transferee Company was originally entitled to all such benefits under the applicable laws. The Demerged / Transferor Company and/or the Resulting / Transferee Company may file appropriate intimations, where ever required, for the record of the competent authorities concerned who shall take the same on record and make the necessary changes and modifications in the relevant records pursuant to the sanction of the Scheme.
- 4.10 If on the Effective Date, any suit, appeal or other proceedings pertaining to the Demerged Undertakings, of whatsoever nature, by or against the Demerged / Transferor Company is pending, the same shall not abate, or discontinued or in anyway be prejudicially affected by reason of this Scheme coming into effect and all such proceedings may be continued, prosecuted and enforced, by or against the Resulting / Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged / Transferor Company, if this Scheme had not come into effect. The Resulting / Transferee Company shall get itself substituted in all such legal or other proceedings in place of the Demerged/Transferor Company and take all steps as may be necessary to have the proceedings continued, prosecuted and enforced by or against the Resulting /Transferee Company to the exclusion of the Demerged / Transferor Company. All subsequent legal and other proceedings pertaining to any matters concerning the Demerged Undertakings, after the Effective Date, shall be initiated by or against the Resulting/ Transferee Company to the exclusion of the Demerged /Transferor Company. The Resulting/ Transferee Company shall bear all costs, charges and consequences arising out of such legal and other proceedings and shall keep the Demerged / Transferor Company indemnified and harmless, if the Demerged/ Transferor Company is made to bear any such costs, expenses and consequences.
- 4.11 Upon the Scheme becoming effective,
- (i) All the employees engaged in or in relation to the business activities and operations of the Demerged Undertakings who are in service of the Demerged / Transferor Company on the Effective Date, shall become the employees of the Resulting / Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration and otherwise, not less favourable than those subsisting as on the Effective Date. The Resulting / Transferee Company shall also accept and abide by any change in terms and conditions that may be agreed / effected by the Demerged / Transferor Company with all or any of such employees between the Appointed Date and the Effective Date.
- (ii) The Resulting/Transferee Company shall continue to abide by any agreements / settlements entered into by the Demerged / Transferor Company in respect of Demerged Undertakings with any Union/ representatives of the employees.
- (iii) The existing provident fund, gratuity fund, ESI, pension/ superannuation fund/ scheme or any other special scheme, fund or trust created by the Demerged / Transferor Company or existing for the benefit of the employees of the Demerged Undertakings shall, at an appropriate stage, be transferred to the Resulting / Transferee Company and till such time, shall be maintained separately.
- 4.12 All incomes, receipts and gains and all expenses, payments and losses of whatsoever nature, pertaining to the Demerged Undertakings and relating to any period upto the Effective Date, which due to inadvertence or any other reason, could not be accounted for or disclosed in the books of the Demerged / Transferor Company, shall be to the account of the Resulting / Transferee Company.
- 4.13 (i) With effect from the Appointed Date and up to the Effective Date, the Demerged / Transferor Company shall stand possessed of all the assets and properties of the Demerged Undertakings and shall carry on and be deemed to have carried on the business and activities in relation to the said Undertakings in trust for and for the benefit of the Resulting / Transferee Company. The Demerged / Transferor Company shall carry on the business of the Demerged Undertakings with reasonable diligence and in the same manner as it had been doing hitherto and shall not, without the concurrence of the Resulting / Transferee Company, alienate, charge or encumber any of the properties of the Demerged Undertakings except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the Appointed Date. All profits/incomes earned or accruing, or losses arising or incurred by the Demerged / Transferor Company in relation to the Demerged Undertakings and all receipts, payments, costs, charges, expenses etc. in relation to the said Undertakings shall for all purposes be treated as the profits/incomes, losses, receipts, payments, costs, charges, expenses etc., as the case may be, of the Resulting / Transferee Company.
- (ii) Upon the Scheme becoming effective, the possession and power of the Demerged / Transferor Company to carry on business of the Demerged Undertakings in trust for the Resulting / Transferee Company as provided in sub-clause (i) above, shall, without any further act or deed, come to an end and thereafter the Resulting / Transferee Company shall stand possessed of all the assets and properties of the Demerged Undertakings and shall carry on and be deemed to have carried on the business and activities in relation to the said Undertakings for its own benefit.
- 4.14 All the residual business of the Demerged / Transferor Company and all the assets and liabilities and obligations, etc. pertaining to such residual business, shall continue to belong to and vested in the Demerged/ Transferor Company and will not be affected in any way by this Scheme. The Demerged / Transferor Company will carry on and shall be deemed to have

- been carrying on the residual business, for and on its own behalf and all profits and losses arising (including the effect of taxes, inclusive of advance tax paid if any) in respect of such business shall for all purposes be treated as the profits or losses, as the case may be, of the Demerged / Transferor Company alone.
- 4.15 In case any proceedings are taken against the Resulting/Transferee Company in respect of any matters pertaining to residual business of the Demerged / Transferor Company, then the Resulting/ Transferee Company shall defend the same at the cost, expense and risk of the Demerged / Transferor Company and the latter shall reimburse and indemnify the Resulting / Transferee Company against all costs, expenses, liabilities and obligations incurred in respect thereof.
- 4.16 Since the transfer of the Demerged Undertakings will take effect in the State of U.P. pursuant to the order of the Court under section 394 of the Act, the Demerged/ Transferor Company and the Resulting / Transferee Company, [which is a wholly-owned subsidiary of the Demerged / Transferor Company as its entire issued share capital is beneficially held by the Demerged / Transferor Company], the Demerged / Transferor Company and the Resulting / Transferee Company shall avail the stamp duty exemption/ remission under the Notification No. 599/X-501 dated 25-03-1942.
- 4.17 (i) If at any time after the Scheme becomes effective, any documents, instruments or deeds are required to be executed by the Demerged / Transferor Company to meet the requirement of any law or to give effect to any provisions of this Scheme or desired by the Resulting / Transferee Company so as to perfect its title to any of the assets and properties transferred to and vested in it in terms of this Scheme, then the Demerged / Transferor Company shall cooperate in the execution of the same.
- (ii) The Resulting / Transferee Company may, at any time after the Scheme coming into effect, if so required under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Demerged / Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Resulting / Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged / Transferor Company and to carry out or perform all such formalities or compliances as referred to above on part of the Demerged / Transferor Company to be carried out or performed.
- 4.18 Upon the Scheme becoming effective, the Resulting/ Transferee Company and/or the Demerged/ Transferor Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property or other properties of whatsoever nature, which shall stand transferred to and vested in the Transferee Company in terms of this Scheme.
- 4.19 It is clarified that if for any reason whatsoever, any of the assets or rights of whatever nature, including contracts, deeds, bonds, agreements and other instruments, pertaining to the business activities and operations of the Demerged Undertakings, which are required to be transferred to and vested in the Resulting / Transferee Company in terms of this Scheme, can not be so transferred to and vested in the Resulting / Transferee Company as and when the Scheme becomes effective, then the Demerged / Transferor Company shall continue to hold such assets or rights in trust and for the benefit of the Resulting / Transferee Company, until the same are transferred to and vested in the Resulting / Transferee Company.
- 4.20 After the Effective Date and as soon as possible, the Demerged / Transferor Company shall handover to the Resulting / Transferee Company all the relevant records, title deeds, contracts, agreements, licences, instruments, and all other documents and information pertaining to the assets, properties, rights, privileges, liabilities and obligations etc. of the Demerged Undertakings which shall stand transferred to and vested in the Resulting / Transferee Company in terms of this Scheme.
- 4.21 The Scheme provides for the demerger of the Demerged Undertakings on going concern basis with effect from the Appointed Date and nothing contained in any of the clauses of this Scheme shall be construed to imply transfer of individual assets and liabilities or any combination thereof or with effect from a date other than the Appointed Date, except expressly provided.
- 5.01 For the transfer of the Demerged Undertakings and consequent vesting thereof into the Resulting Company, a net consideration of Rs.4,030.98 Crores (Rupees Four Thousand Thirty Crores & Ninety Eight lacs only) shall be payable by the Resulting Company to the Demerged Company.
- 5.02 Upon sanction of the Scheme by the Court, the Resulting / Transferee Company shall take necessary steps to make payment of the consideration as mentioned in Clause 5.01 within a period of six months from the Effective Date without any interest, or such other extended period (s) and in such manner as may be agreed by the Board of the Demerged /Transferor Company. Till such time, the amount shall be treated as Unsecured Loan in the books of the Resulting/ Transferee Company.
- 5.03 It is clarified that nothing contained in the Scheme shall be construed to imply that the demerger, transfer and vesting of demerged undertakings shall remain or deemed to have remained suspended or in abeyance till the process of payment of consideration amount in terms of Clause 5.01 is completed.
- 5.04 After the sanction of the Scheme by the Court, the consideration specified in Clause 5.01 above will become final and conclusive and no party shall be entitled to demand any revision in the said consideration amount, whether upward or downward, on any ground whatsoever.

- 6.01 *Accounting Treatment by the Resulting Company :*
- (i) *All the assets (tangible or intangible) and liabilities forming part of the Demerged Undertakings, which are transferred to and vested in the Resulting Company pursuant to this Scheme, shall be recorded in the books of the Resulting Company at their respective fair values, to ensure that such assets and liabilities reflect their correct value in terms of their future usage, obsolescence, revenue and cash generating capabilities and accounting principles of conservatism.*
 - (ii) *The statutory reserves, if any, pertaining to the Demerged Undertakings shall be incorporated and accounted for by the Resulting Company at their book values and the identity of such reserves shall be preserved and they shall appear in the financial statements of the Resulting Company in the same form and manner in which they appeared in the financial statements of the Demerged Company, prior to this Scheme becoming effective.*
 - (iii) *If the amount of consideration payable under Clause 5.01 exceeds the net fair value [fair value of assets less fair value of liabilities and value of statutory reserves] arrived at in terms of above sub-clauses, then such difference shall be accounted for as 'Goodwill'. If such net fair value exceeds the amount of consideration, then such difference shall be accounted for as 'Capital Reserve'.*
 - (iv) *For the purpose of above valuation, the Resulting Company may engage one or more competent valuer(s) and the valuation reports submitted by them may be appropriately considered by the Resulting Company for determining the fair values of various items of assets and liabilities.*
- 6.02 *Accounting Treatment by the Demerged Company :*
- (i) *The values of the assets, liabilities and statutory reserves, if any, pertaining to Demerged Undertakings, forming part of the Demerged Undertakings, which are transferred to and vested in the Resulting Company pursuant to this Scheme, shall be reduced from the respective assets, liabilities, reserves etc. by the Demerged Company by transfer at their respective book values in a separate account named 'Demerger Adjustment Account'. The amount of consideration receivable from the Resulting Company in terms of Clause 5.01 shall be credited to the said Demerger Adjustment Account by appropriate debit to 'Demerger Consideration Receivable Account'.*
 - (ii) *The credit balance left in the Demerger Adjustment Account, being a capital reserve, shall be credited to Demerger Reserve Account.*
- 6.03 *The Demerged Company and the Resulting Company shall abide by the applicable accounting standards, if any, and be guided by the generally accepted accounting principles and practices and the advice of the statutory auditors, if necessary, for giving effect to the demerger, transfer and vesting of the Demerged Undertakings as contemplated in this Scheme.*
- 6.04 *The Demerged Company shall provide all information,*
- records, documents, contracts, deeds etc. to the Resulting Company as may be required by it to properly incorporate, account for and take on record, the assets, liabilities, income, expenses, profits, losses, transactions etc. pertaining to the Demerged Undertakings and to take all consequential actions as may be required.
- 7.01 *Until coming into effect of the Scheme :*
- (i) *The right of the Demerged / Transferor Company and the Resulting / Transferee Company to declare and pay dividends, whether interim or final, or to issue and allot bonus shares or further shares by way of rights or otherwise shall remain unaffected.*
 - (ii) *The shareholders of the Demerged / Transferor Company and the Resulting / Transferee Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.*
- 7.02 *The respective Board of Directors of the Demerged / Transferor Company and the Resulting / Transferee Company may assent to any alterations or modifications in the Scheme which the Court and/ or any other competent authority may deem fit to approve or impose or which may otherwise become necessary. No further approval of the shareholders or the creditors shall be necessary for giving effect to the provisions contained in this clause.*
- 7.03 *The Board of Directors of the Demerged / Transferor Company as well as the Board of Directors of the Resulting / Transferee Company shall be at liberty to withdraw from the Scheme at any time before the Scheme is sanctioned by the Court. They shall also be entitled to withdraw from this Scheme in case any condition or alteration imposed by the Court or any other authority is not acceptable to either of them or any material change in the circumstances necessitates such withdrawal before the Scheme becomes effective. No further approval of the shareholders or the creditors shall be necessary for giving effect to the provisions contained in this clause.*
- 7.04 *The Board of Directors of the Resulting / Transferee Company in consultation with the Board of Directors of the Demerged / Transferor Company, may give such directions, as they may consider necessary, to settle any question or difficulty arising in regard to the implementation of the Scheme or in any matter connected therewith such that the same shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.*
- 7.05 *If at any time any doubt or dispute arises as to whether any particular asset/ liability/ employee or any other item or issue does or does not pertain to the Demerged Undertakings, then such doubt or dispute will be resolved with the mutual agreement of the Board of Directors of the Demerged / Transferor Company and of the Resulting / Transferee Companies and if necessary, the opinion of the Statutory Auditors of the Demerged / Transferor Company may be sought and accepted by the parties.*
- 7.06 *The respective Board of Directors of the Demerged /*

Transferor Company and the Resulting / Transferee Company may empower any committee of directors or officer(s) to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under this Scheme and may empower such committee or officer(s) to sub-delegate the authority so delegated.

- 7.07 *The approval of the Scheme by the shareholders and the creditors of the Demerged / Transferor and the Resulting/ Transferee Companies, whether at their respective meetings convened by the Court under section 391/394 of the Act or by their consent letters/ affidavits, shall be deemed to be their approval of the Scheme as a whole under all the applicable provisions of the Companies Act and under the respective Memorandum and Articles of Association of the Companies and under all other contracts, arrangements and understandings, as may be applicable, as well as under all other applicable laws, rules and regulations and it will not be necessary to specify or obtain separate or specific approval under each applicable provision.*
- 7.08 *If any part of this Scheme is found invalid, ruled illegal by any court or authority of competent jurisdiction or found unenforceable under the present or future laws, then it is the intention of the Demerged / Transferor and the Resulting / Transferee Companies that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either Company, in which case the Board of Directors of the Demerged / Transferor and the Resulting / Transferee Companies shall attempt to bring about a modification in the Scheme, as will best preserve for the two Companies, the benefits and obligations of this Scheme, including but not limited to such part. It is made clear that no further approval of the shareholders or the creditors shall be necessary for giving effect to the provisions contained in this clause.*
- 7.09 *In the event of the Scheme failing to take effect by 30th April, 2012 or by such later date as may be mutually agreed by the Board of Directors of the Demerged / Transferor and the Resulting / Transferee Companies, or if either of them withdraw from the Scheme in accordance with the provisions made hereinabove, the Scheme shall become null and void and in that event, no rights and liabilities, whatsoever, shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs or as may be mutually agreed. No further approval of the shareholders or the creditors shall be necessary for giving effect to the provisions contained in this clause.*
- 7.10 *No party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Demerged/ Transferor or the Resulting / Transferee Companies or any of their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified.*
- 7.11 *The Scheme shall become effective with effect from*

the date the certified copy of the order of the Court sanctioning the Scheme is filed with the Registrar of Companies, Uttar Pradesh.

For complete terms of the proposed Arrangement, the Scheme of Arrangement may be referred to.

6. That the net consideration amount Rs.4,030.98 Crores [Rupees Four Thousand Thirty Crores & Ninety Eight lacs only] payable by the Resulting Company to the Demerged Company under Clause 5 of the Scheme for the transfer of the Demerged Undertakings and consequent vesting thereof into the Resulting Company has been approved and accepted by the respective Board of Directors of the Applicant Companies on the basis of Valuation Report dated 14-11-2011 submitted by M/s Bansi S. Mehta & Co., Chartered Accountants, Mumbai, upon which Sobhagya Capital Options Limited, a SEBI Registered Merchant Banking Company, have given 'Fairness Opinion' vide their letter dated 14-11-2011 certifying that the valuation done by M/s Bansi S. Mehta & Co., Valuer, for the transfer of the Demerged Undertakings and consequent vesting thereof into the Resulting Company, is fair and reasonable.

7. That the circumstances which have necessitated the proposed Scheme and the objects sought to be achieved are explained below –

Jaiprakash Associates Limited, Demerged/Transferor Company, is a multi-activities company having diverse business interests. It is engaged in the business of Civil Engineering Construction, manufacture & marketing of Cement; Asbestos Sheets; manufacture, supply and repairing of various heavy equipments and structures in its Heavy Engineering Workshop; production of different kinds of Hi-tech Castings; Hospitality and Real Estate business, etc. One of its major businesses is manufacture of Cement. Besides expansion of capacity in North, East and Central India, it has established/establishing cement manufacturing facilities in Gujarat & Karnataka in Western and Southern parts of the country.

Jaypee Cement Corporation Limited [Resulting / Transferee Company] which is a wholly-owned subsidiary of Jaiprakash Associates Limited, is also in Cement business and is setting up 3 MTPA Cement Plant at Shahabad, Distt. Gulberga, Karnataka.

To profitably channelize the vast opportunities for further growth in years to come, it is considered prudent and strategically advisable to demerge the existing cement business in Southern and Western parts of the country along with Asbestos Sheet business, Heavy Engineering business and Foundry business from Jaiprakash Associates Limited and place the same under its wholly-owned subsidiary namely Jaypee Cement Corporation Limited.

The proposed demerger is expected to benefit both the Transferor / Demerged Company and the Transferee/ Resulting Company and all the stakeholders as it would provide focused management orientation for the respective business operations of the two companies; create a structure geared to take advantage of growth opportunities and greater and deeper penetration of markets in Southern and Western parts of the country thereby resulting in improvement of market share and consequential improvement in operating results/ profitability under the focussed management of the transferee company; open up opportunities for strategic partnership for growth of the business under the transferee

company; provide flexibility for fund raising capability for future growth and expansion; the demerger would result in unlocking and maximizing shareholders value.

8. That the directors of the Applicant Companies have no material interest in the Scheme of Arrangement. The shareholdings of present directors of the Applicant Companies as on 9th December, 2011 have been as under –

A : SHAREHOLDINGS OF PRESENT DIRECTORS OF JAIPRAKASH ASSOCIATES LIMITED - DEMERGED/ TRANSFEROR COMPANY :

| Sl. No. | Names of Directors | No. of Equity shares held in JAL | No. of Equity shares held in JCCL |
|--------------|---|----------------------------------|-----------------------------------|
| 1 | Shri Manoj Gaur Executive Chairman | 175,900 | 1,000* |
| 2 | Shri Sunil Kumar Sharma Executive Vice Chairman | 1,501 | 1,000* |
| 3 | Shri Sarat Kumar Jain Vice Chairman | 5,448,016 | - |
| 4 | Shri A. K. Sahoo (LIC Nominee) | - | - |
| 5 | Shri Viney Kumar (IDBI Nominee) | - | - |
| 6 | Shri R N Bhardwaj | - | - |
| 7 | Shri S C Bhargava | 21,000 | - |
| 8 | Shri B. K. Goswami | - | - |
| 9 | Shri B K Taparia | 18,000 | - |
| 10 | Dr. B Samal | - | - |
| 11 | Shri V K Chopra | - | - |
| 12 | Shri S C Gupta | - | - |
| 13 | Dr. J N Gupta | - | - |
| 14 | Shri M.S.Srivastava | 103,540 | - |
| 15 | Shri Sunny Gaur Managing Director (Cement) | 238,045 | - |
| 16 | Shri Pankaj Gaur Joint Managing Director (Construction) | 156,750 | - |
| 17 | Shri Ranvijay Singh Whole-time Director | 3,026,015 | - |
| 18 | Shri R K Singh Whole-time Director | 258 | - |
| 19 | Shri Shyam Datt Nailwal Whole-time Director | 83,938 | - |
| 20 | Shri Rahul Kumar Whole-time Director & CFO | 150,750 | 1,000* |
| TOTAL | | 9,423,713 | 3,000* |

*Beneficial interest in these shares is held by Jaiprakash Associates Limited (Demerged/ Transferor Company)

B : SHAREHOLDINGS OF DIRECTORS OF JAYPEE CEMENT CORPORATION LIMITED - RESULTING/ TRANSFEREE COMPANY :

| Sl. No. | Names of Directors | No. of Equity shares held in JCCL | No. of Equity shares held in JAL |
|--------------|--|-----------------------------------|----------------------------------|
| 1 | Shri Manoj Gaur, Chairman | 1,000* | 175,900 |
| 2 | Shri Ramaraju Raghavachary Managing Director | - | - |
| 3 | Shri Pankaj Gaur | - | 156,750 |
| 4 | Shri Naveen Kumar Singh | - | 3,086,435 |
| 5 | Shri R.S.Kuchhal | - | 90,000 |
| TOTAL | | 1,000* | 3,509,085 |

* Beneficial interest in these shares is held by Jaiprakash Associates Limited (Demerged/ Transferor Company) 'JAL' denotes 'Jaiprakash Associates Limited' 'JCCL' denotes 'Jaypee Cement Corporation Limited'

9. There will be no change in the pre-demerger and post-demerger shareholding pattern of the Demerged/ Transferor Company since the Scheme does not contemplate any allotment of shares in consideration of transfer and vesting of demerged undertakings. The pre-demerger shareholding pattern as on 9th December, 2011 of the Demerged/ Transferor Company is given below:

| S. No. | Category of shareholder | PRE SCHEME | | |
|----------------------------|-------------------------------------|------------------------|------------------------|--------------------------------|
| | | Number of shareholders | Total number of shares | %age of total number of shares |
| (A) | Promoter and Promoter Group* | 116 | 995,782,953 | 46.83 |
| (B) | Public Shareholding | | | |
| (1) | Institutions | 5,273 | 809,330,949 | 38.06 |
| (2) | Non-institutions | 666,967 | 321,319,280 | 15.11 |
| | Sub-Total B (1)+(2) | 672,240 | 1,130,650,229 | 53.17 |
| GRAND TOTAL (A)+(B) | | 672,356 | 2,126,433,182 | 100.00 |

*including 8.90% shares held by Trusts for which Demerged/Transferor Company is the Sole Beneficiary.

10. That the Demerged/Transferor Company has issued debentures/ bonds and also accepted deposits from public. There are no defaults in repayment of principal or payment of interest on the Debentures/ Bonds/ Fixed Deposits. .
11. That the Resulting/Transferee Company has not issued any debentures.
12. That the proposed Scheme will not prejudicially affect the interest of any creditors [including secured debenture-

holders and other secured creditors and also unsecured debenture-holders and FCC Bond holders and other unsecured creditors]. The assets of both the Applicant Companies after implementation of the Scheme will be sufficient to meet their respective liabilities. The Scheme also provides that the security available to the secured creditors will remain unaffected.

13. That the shares of Demerged/Transferor Company are listed on National Stock Exchange and Bombay Stock Exchange. The Resulting/ Transferee Company is a wholly-owned subsidiary of the Demerged/Transferor Company. Its shares are not listed on any stock exchange.
14. That in terms of Clause 24 (f) of the Listing Agreements, the Demerged/Transferor Company, whose shares are listed on various stock exchanges as above, has served copies of the proposed Scheme of Arrangement on the respective Stock Exchanges before moving this Company Application. Both the Stock Exchanges have communicated their 'No Objection' vide their respective letters dated 13-12-2011.
15. That M/s M. P. Singh & Associates, Chartered Accountants, being the Statutory Auditors of the Demerged Company, have certified that the accounting treatment contained in the Scheme is in compliance with all the Accounting Standards specified by the Central Government in Section 211(3C) of the Companies Act, 1956 vide their Certificate dated 2-12-2011.
16. That no investigation proceedings under Sections 235 to 251 and the like are pending against any of the Applicant Companies.
17. The following documents will be available for inspection between 10 A.M. to 2.00 P.M at the Registered Offices of the respective Applicant Companies on all working days till the conclusion of the meetings –
 - (i) Copy of the Order dated 4th January, 2012 passed by the Hon'ble Allahabad High Court in Company Application No. 23 of 2011
 - (ii) Complete set of the Company Application No. 23 of 2011 filed by the Applicant Companies in the High Court
 - (iii) Supplementary Affidavit dated 3rd January, 2012 filed on 4th January, 2012
 - (iv) Scheme of Arrangement
 - (v) Copies of resolutions dated 14-11-2011 passed by the Board of Directors of the Applicant Companies approving the Scheme of Arrangement and other matters incidental thereto

- (vi) Copies of published Audited Accounts of the Applicant Companies for the financial year ended on 31st March, 2011
- (vii) Memorandum & Articles of Association of the Applicant Companies
- (viii) Valuation Report dated 14-11-2011 submitted by M/S Bansi S. Mehta & Co., Chartered Accountants, Mumbai
- (ix) Fairness Opinion dated 14-11-2011 of Sobhagya Capital Options Limited
- (x) No Objection letters both dated 13-12-2011 received from Stock Exchanges
- (xi) Auditors' Certificate dated 2-12-2011 about compliance with Accounting Standards
- (xii) Details of important pending legal cases by or against the Applicant Companies
- (xiii) Lists of shareholders of the Applicant Companies
- (xiv) Lists of Creditors of the Applicant Companies

The above records will also be available for inspection at the Venue of the meetings on the date fixed for the meetings from 10.00 A.M. upto the conclusion of the meetings.

In addition to above, all statutory records which are required to be kept open for inspection at the general meetings of shareholders under law, will be available for inspection on the date of the meetings.

| | |
|---|--|
| [AJAY BHANOT] Advocate Chairman appointed for the Meeting of Equity Shareholders OF JAIPRAKASH ASSOCIATES LIMITED | [S.K.KAKKAR] Advocate Chairman appointed for the Meeting of Creditors |
|---|--|

| | |
|--|---|
| [DIPTIMAN SINGH] Advocate Chairman appointed for the Meeting of Equity Shareholders OF JAYPEE CEMENT CORPORATION LIMITED | [VIPIN SINHA] Advocate Chairman appointed for the Meeting of Creditors |
|--|---|

[R.P.AGARWAL]
Counsel
for the Applicant Companies

Dated : 8th January, 2012

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD
ORIGINAL JURISDICTION
IN THE MATTER OF COMPANIES ACT, 1956
AND IN THE MATTER OF:
Company Application No. 23 of 2011
[Under Sections 391 /394 of the Companies Act]

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN
JAIPRAKASH ASSOCIATES LIMITED
AND
JAYPEE CEMENT CORPORATION LIMITED
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. JAIPRAKASH ASSOCIATES LIMITED

..... Demerged/Transferor Company

AND

2. JAYPEE CEMENT CORPORATION LIMITED

..... Resulting/Transferee Company

Both having their registered offices at Sector - 128, NOIDA- 201304,
District Gautam Buddha Nagar, (UP).

..... **APPLICANTS**

FORM OF PROXY

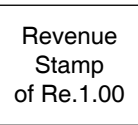
I/We _____, the undersigned, **Equity Shareholders of Jaiprakash Associates Limited**, the Applicant Company above named, hereby appoint Mr./Ms. _____ of _____ failing him/her, Mr./Ms. _____ of _____ as my/our proxy to act for me/us at the meeting of the Equity Shareholders of the said Applicant Company, to be held at Jaypee Institute of Information Technology University, A-10, Sector 62, Noida-201307 (UP) on Saturday, the 25th day of February, 2012 at **10 A.M.**, for the purpose of considering, and if thought fit, approving, with or without modification (s), the Scheme of Arrangement between the Applicant Companies as aforesaid and their respective shareholders and the creditors and at such meeting and any adjournment thereof, to vote for me/us and in my/our name/s _____ (here, if "for", insert "for" and if "against", insert "against") the said Scheme of Arrangement, either with or without modification (s), as my/our proxy may approve. (strike out what is not necessary).

Dated this _____ day of _____ 2012

Signature _____

Name & address _____

Folio No./Client ID No. _____



Note : The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 (Forty Eight) hours before the time fixed for holding of the meeting.

JAIPRAKASH ASSOCIATES LIMITED
Attendance Slip (Entrance Pass)

I hereby record my presence at the meeting of the Equity Shareholders of Jaiprakash Associates Limited held at Jaypee Institute of Information Technology University, A-10, Sector 62, Noida – 201307 (UP), on Saturday, the 25th day of February, 2012 at **10 A.M.**

Full Name _____ Signature _____

(Only Equity Shareholders or their Proxies are allowed to attend)

BOOK POST

If undelivered please return to:

JAIPRAKASH ASSOCIATES LIMITED

Sector 128, Noida-201304 (UP)