

JAIPRAKASH ASSOCIATES LIMITED

Registered Office : Sector 128, Noida – 201 304, U.P. (India)
Delhi Office : 'JA House', 63, Basant Lok, Vasant Vihar, New Delhi - 110 057
Website : www.jalindia.com ; E-mail : jal.investor@jalindia.co.in



NOTICE

To
The Members,

Notice is hereby given that the following Resolutions are circulated for approval of the Members of the Company to be accorded by **Postal Ballot** in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 :

To consider and, if thought fit, to give assent/ dissent to the following Resolutions :

As Special Resolutions :

1. PROVIDING SECURITY/ GUARANTEE/ UNDERTAKINGS TO LENDERS OF KANPUR FERTILIZERS & CEMENT LIMITED (KFCL), AN ASSOCIATE OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals from the Financial Institutions/ Banks and such other approvals as may be necessary, the Board of Directors of the Company be and is hereby authorized to create security, provide guarantee and further to give undertakings in favour of lenders of **Kanpur Fertilizers & Cement Limited**, an associate of the Company, as per details contained in the Explanatory Statement annexed to this Notice seeking approval of the Members, notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/ guarantees so far given by the Company along with the proposed creation of security may exceed 60% of the Paid-up Capital and free reserves of the Company or 100% of its free reserves, whichever is more."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or Whole-time Director or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution."

2. ADDITIONAL INVESTMENT THROUGH EQUITY/DEBT/PROVIDING SECURITY/GUARANTEE IN BHILAI JAYPEE CEMENT LIMITED & BOKARO JAYPEE CEMENT LIMITED, SUBSIDIARIES OF THE COMPANY

"RESOLVED THAT pursuant to **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of financial institutions and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorised to make additional investment of upto Rs. 100 Crores (Rupees One Hundred Crores only) in the aggregate in two subsidiaries of the Company namely **Bhilai Jaypee Cement Limited & Bokaro Jaypee Cement Limited** by way of acquiring securities of the said subsidiaries and/or giving loans/financial assistance or giving guarantees or providing security, including giving Sponsor Support/Shortfall Undertakings in connection with a loan or other financial facility given by any other person to the said subsidiaries, notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/guarantees so far given by the Company alongwith the proposed investment(s), may exceed 60% of the paid-up capital and free reserves of the Company or 100% of its free reserves, whichever is more."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or Whole-time Director or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution."

3. PROVIDING UNDERTAKING/ GUARANTEE TO LENDER OF JAYPEE SPORTS INTERNATIONAL LIMITED (JPSI), A SUBSIDIARY OF THE COMPANY, AND SUBSCRIBE TO ITS NON CUMULATIVE REDEEMABLE PREFERENCE SHARES

"RESOLVED THAT pursuant to the provisions of **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals as may be necessary from the Financial Institutions/Banks, the Board of Directors of the Company be and is hereby authorized to (i) provide undertaking and guarantee to ICICI Bank Ltd.(ICICI), a lender of **Jaypee Sports International Limited (JPSI)**, a subsidiary of the Company, for the Term Loan of Rs.150 Crores provided by ICICI to JPSI, and (ii) subscribe to 12% Non Cumulative Redeemable Preference Shares of JPSI, upto an amount of Rs.125 Crores, as detailed in the Explanatory Statement annexed to the Notice seeking approval of the Members, notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/guarantees so far given by the Company along with the proposed creation of security may exceed 60% of the Paid-up Capital and free reserves of the Company or 100% of its free reserves, whichever is more."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or Whole-time Director or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution."

4. PROVIDING SECURITY/ GUARANTEE/ UNDERTAKINGS TO LENDER OF MP JAYPEE COAL LIMITED (MPJCL), AN ASSOCIATE OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals from the Financial Institutions/ Banks and such other approvals as may be necessary, the Board of Directors of the Company be and is hereby authorized to create security by way of pledge of equity shares held by the Company in **MP Jaypee Coal Limited**, an associate of the Company, in favour of ICICI Bank Limited, a lender of MPJCL and to provide guarantee and undertakings to the said lender of MPJCL, as per details contained in the Explanatory Statement annexed to this Notice seeking approval of the Members, notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/ guarantees so far given by the Company along with the proposed creation of security may exceed 60% of the Paid-up Capital and free reserves of the Company or 100% of its free reserves, whichever is more."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or Whole-time Director(s) or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution."

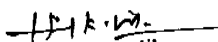
5. RE-APPOINTMENT OF SHRI RANVIJAY SINGH AS WHOLE-TIME DIRECTOR

"RESOLVED that pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the re-appointment of **Shri Ranvijay Singh** as Whole-time Director of the Company for a further period of five years with effect from December 14, 2012 on the remuneration and the terms & conditions mentioned in the Explanatory Statement annexed to this Notice."

"RESOLVED FURTHER that pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the said Explanatory Statement be paid as minimum

remuneration to Shri Ranvijay Singh notwithstanding that in any financial year of the Company during his tenure of appointment as Whole-time Director, the Company has made no profits or profits are inadequate.”
“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee including relating to remuneration, as it may at its discretion, deem fit, from time to time provided that the remuneration is within the limit laid down in the then subsisting provisions of the Companies Act, 1956.”

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)

Sr. President (Corporate Affairs) &
 Company Secretary

NOIDA
 September 27, 2012

NOTES:

1. Explanatory Statement and reasons for the proposed special businesses pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 are given hereunder.
2. The Company has appointed Shri Ashok Tyagi, F.C.S., Practising Company Secretary as Scrutinizer and Shri Shiv Kumar Gupta, F.C.S., M.Com., LL.B. Practising Company Secretary as Alternate Scrutinizer for the purpose of Postal Ballot exercise.
3. The Notice is being sent to all the Members whose names would appear in the Register of Members/ Record of Depositories **as on October 26, 2012.**
4. A Member desiring to exercise vote by physical ballot may complete this Postal Ballot Form and send it to the Scrutinizer by posting this business reply Inland letter. Postage will be borne and paid by the Company. However, postal ballots, if sent by Courier or by Registered Post at the expenses of the registered shareholder will also be accepted. The same may also be deposited at the address mentioned thereon. However the envelopes containing **the Postal Ballot should reach the Company not later than the close of working hours on Wednesday, December 5, 2012.** If the ballots are received thereafter they shall be deemed to be not received.
5. The Company is extending its offer of **e-voting facility** as an alternate, **for its Members** to enable them to cast their vote electronically instead of dispatching Postal Ballot. The procedure for the same is as under :
 - i. Open your web browser and log on to the e-voting website **www.evotingindia.com**.
 - ii. Now click on ‘Shareholders’.
 - iii. Now, select the **“Electronic Voting Sequence Number” (EVSN) alongwith “JPASSOCIATES”** from the drop down menu and click on **“SUBMIT”**.
 - iv. Now fill up the following details in the appropriate boxes:

Enter	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User-id	For NSDL - 8 character DP ID + 8 digit Client ID. For CDSL - 16 digit Beneficial Owner ID	Registered Folio Number with the Company
Pass-word	Your unique Password has been printed on the Postal Ballot form/e.mail forwarding electronic notice.	Enter the Password to be sent by the Company. For seeking the Password, the Members are requested to send a signed request letter informing an e-mail id at which the “Password & Default Number” be sent by the Company. Such request be sent at the Registered Office of the Company
PAN or Default Number	Enter you 10 digit alphanumeric Permanent Account Number issued by Income Tax Deptt.	Enter the Default Number sent to you by the Company (along with the Password) on your email id as provided by you.

- v. After logging in the details of “User id, Password, PAN or Default

Number”, the Members holding shares in physical form will reach directly to the voting screen. However, Members holding shares in Demat Form will now be required to mandatorily change their password in the new password field and may enter their demographic details i.e. date of birth/date of incorporation, mobile number and email id. Kindly remember the changed Password as this can be used for voting on future Postal Ballot resolution(s) for Jaiprakash Associates Limited or any other Company.

- vi. On the voting Page, you will now see Resolution Description and option for voting YES/ NO against each Resolution Description. The option YES implies that you assent to the Resolution and NO implies that you dissent to the Resolution.
 - vii. Click on the **Resolution File Link** if you wish to view the complete Postal Ballot Notice.
 - viii. Enter the number of shares (which represents no. of votes) under each of the headings of the resolution, if you want to vote YES/ NO, but not exceeding your total holding.
 - ix. After selecting the list of the resolutions you have decided to vote on, click on SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on OK, else to change your vote, click on CANCEL and accordingly modify your vote.
 - x. Once you have voted on a resolution, you will not be allowed to modify your vote.
 - xi. You can log in any number of times till you have voted on all the resolutions or till the end of the voting period (i.e. till the last date of receipt of Postal Ballots), whichever is earlier.
 - xii. **Kindly note that the members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be ignored.**
 - xiii. **In addition to the above, the non-individual members**, like Corporates, FIs, Mutual Funds, Banks, Trusts etc., who opt for e voting, are also required to submit Board Resolution/Power of Attorney authorising any person to exercise the Voting Power on their behalf. Scanned copies of such documents are required to be sent to CDSL through e mail at **helpdesk.evoting@cdslindia.com**. The file containing the said documents should be named as **“Member’s name_121031001”**, e.g., in case of shareholder company XYZ Ltd., the file containing the authorisation documents should be named as **“XYZ Ltd_121031001”**. The documents can be sent before/immediately after casting the vote. However, in case the same do not reach CDSL before closure of voting, the vote so exercised will be rejected in the system.
 - xiv. If you wish to provide feedback on the e-voting system, click on Suggestions. In case you have any queries or issues regarding e-voting, please contact on helpdesk.evoting@cdslindia.com, or on jal.postalballot@jalindia.co.in.
6. **In line with the “Green initiative in the Corporate Governance” launched by the Ministry of Corporate Affairs allowing paperless compliances by recognising emails as one of the modes of service of notice/documents on the shareholders, the Company is sending this Notice electronically on the e.mail addresses as provided by the members/ as obtained from the Depositories/other sources to the Members. Such Members may exercise their voting electronically as per the procedure given above.**
The Members who have already been allotted their Password by CDSL, may use the same. In case they do not remember such Password, they may go to the option “Forget Password” and proceed.
In respect of new Members, their Password will be mentioned in the e.mail forwarding the notice electronically.
In case, however, the Members do not want to avail the e-voting facility organised through CDSL, such members may send a request to the Company on jal.postalballot@jalindia.co.in for obtaining the Notice and Postal Ballot in physical form. On receipt of such requests, the Company will despatch the same in physical form to enable the Members to send back the postal ballot by December 5, 2012.
 7. The result of the Postal Ballot shall be declared by the Chairman, or in his absence by any other person, so authorized by the Chairman **on Saturday, December 8, 2012 at 3 P.M.** at the Registered Office of the Company at **Sector 128, Noida – 201304, U.P. (India)** and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the results of the Postal Ballots indicate that the requisite majority of the Shareholders had assented to the Resolutions. Members who wish to be present at

the venue at the time of declaration of the result are welcome to do so. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company www.jalindia.com.

8. A copy each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. and 1.00 P.M. up to the date of declaration of the results of Postal Ballots.
9. Members are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS ACCOMPANYING THE NOTICE DATED SEPTEMBER 27, 2012 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956 :-

Item 1

In terms of shareholders' approvals accorded on 12th March, 2010 & 31st August, 2010, your Company (JAL) ventured into Fertilizer business by acquiring the Kanpur based Fertilizer Undertaking of Duncans Industries Ltd. (DIL) through **Kanpur Fertilizers and Cement Limited (KFCL)**, an Associate of your Company, which is a subsidiary of Jaypee Uttar Bharat Vikas Private Limited (JUBVPL). The said acquisition was through a Scheme of Rehabilitation duly approved on 16th January, 2012, by the Board of Industrial & Financial Reconstruction (BIFR) in which the wholly owned subsidiary of your Company, namely Jaypee Fertilizers & Industries Ltd. (JFIL) participated as a strategic investor and made necessary investment through JUBVPL. The shareholders had, on 31st August, 2010, authorised investment of upto Rs.2500 Crores in the said business.

Your Company is making investments in KFCL through JUBVPL, a joint venture company (with equal equity participation) of JFIL and ISG Traders Ltd., an investment arm of DIL.

KFCL has been sanctioned financial assistance, both Fund based & Non fund based, aggregating Rs.750 Crores by four lenders forming a consortium, headed by State Bank of India, as detailed below, to restart the fertilizer plant acquired from DIL and for meeting its capex/working capital requirements :

(Rs. in crores)

S. No.	Bank	Sanction Letter	Total Limit	Fund Based	Non Funds Based	Remarks
1.	State Bank of India	CAG/AMT 3/2012-13/110 dated July 9, 2012	300	200	100	Working Capital
			100	-	100	Capex LC
2.	State Bank of Hydera- bad	F/Adv/KFCL/ 1049 dated August 24, 2012	150	100	50	Working Capital
3.	State Bank of Patiala	August 30, 2012	100	75	25	Working Capital
4.	ICICI Bank Limited	23/ PFGMUM/48091 dated September 7, 2012	100	100	-	Working Capital *
		TOTAL	750	475	275	

(* with 100 % interchangeability between non-fund and fund based)

One of the conditions of the sanction of the aforesaid financial assistance is that the facilities shall, besides creation of security on the assets of KFCL, be secured by the following :

- (i) Irrevocable and Unconditional undertaking from JAL, as Sponsor, that in case of non-payment of dues by KFCL, it would arrange funds for repayment of the proposed facilities due and payable to the Lenders, within such time as may be permitted by the Lenders.
- (ii) Irrevocable and Unconditional undertaking from JAL that in the event it fails to fulfill obligations listed in (i) above, in the manner and time stipulated therein, subject to the provisions of the Financing Documents, the Lenders will have recourse against KFCL and / or JAL.
- (iii) Undertaking from JAL that in the event of devolvement of Capex LC, payment would be made by it from its own resources or funds arranged from other sources.

In terms of the provisions of the Section 372A of the Companies Act, 1956, provision of security/guarantee by the Company for the assistance provided by the Lenders to other bodies corporate and acquisition by way of subscription, purchase or otherwise of the securities of any other body corporate beyond the prescribed limits requires prior approval of shareholders by way of Special Resolution.

None of the Directors except S/Shri Manoj Gaur, Executive Chairman and S.D. Nailwal, Whole-time Director, being common Directors of JAL & KFCL, may be deemed to be concerned or interested in the proposed Resolution.

Your Directors commend the resolution for your approval as a Special Resolution.

Item 2

Members may recall that they had accorded their approval through Postal Ballot on February 25, 2006 to make an aggregate investment of upto Rs. 200 crores in the companies to be incorporated as Joint Venture Companies with Steel Authority of India Limited (SAIL), as Special Purpose Vehicle, for setting up slag based Cement Plants.

In terms of the said approval, your Company (Jaiprakash Associates Limited)(JAL) incorporated two companies namely **Bhilai Jaypee Cement Limited (BJCL)** and **Bokaro Jaypee Cement Limited (BoJCL)** in Joint Venture with SAIL, with equity participation from JAL and SAIL in the ratio of 74:26 , as under:

- (i) 2.2 MTPA Plant, split-located at Bhilai in the State of Chattisgarh and Babupur, Satna in the State of Madhya Pradesh, implemented through Bhilai Jaypee Cement Limited (BJCL), a Joint Venture Subsidiary.
- (ii) 2.1 MTPA Grinding Plant at Bokaro Steel City, implemented through Bokaro Jaypee Cement Limited (BoJCL), another Joint Venture Subsidiary.

Further, members may also recall that they had accorded their approval in the Annual General Meeting held on September 29, 2009 for an additional investment of Rs. 200 crore in the aggregate in the said joint venture subsidiaries. Thus, the total limit approved by the Board and the Shareholders for investment in the joint venture with SAIL now stands at Rs.400 Crores.

Main project activities of both BJCL and BoJCL were completed within schedule. Some ancillary activities on railway siding work for BJCL and BoJCL are in progress and expected to be completed soon.

In terms of the JV Agreement, the Company is required to provide additional funds to the tune of upto Rs.100 Crores in the aggregate to these joint venture subsidiaries, for which approval of the shareholders is sought. The Company will meet the proposed obligations through its own resources.

In terms of the provisions of the Section 372A of the Companies Act, 1956, making of investment by way of purchase or otherwise in the securities of any other body corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

None of the Directors is in any way concerned or interested in the proposed Resolution except (i) Shri Sunny Gaur, Managing Director (Cement) and Shri Rahul Kumar, being the common Directors of JAL & BJCL and (ii) Shri Sunny Gaur, Shri Rahul Kumar and Shri R. K. Singh, being the common Directors of JAL & BoJCL.

Your Directors commend the resolution for your approval as a Special Resolution.

Item 3

As the Members are aware, **Jaypee Sports International Limited (JPSI)**, a subsidiary of your Company, is developing a green field state-of-the-art sports complex and other related integrated support infrastructure including township(s) for which the company has been allotted around 1100 Hectares of land for development of Special Development Zone (SDZ) with sports as core activity by Yamuna Expressway Industrial Development Authority (YEA). As part of its said activities, JPSI has already developed a Motor Race Track suitable for holding Formula One race, which has already been commissioned and the first F1 race was successfully hosted in October, 2011 and the second F1 race is scheduled to be held in October, 2012. Action has also been initiated for setting up a Cricket Stadium of international standard. Besides this, JPSI is also developing real estate as part of the project.

JPSI has been sanctioned financial assistance of Rs.150 Crores by ICICI Bank Ltd. vide its letter No. 23/ PFGMUM/46152 dated June 29, 2012 for development of sports infrastructure inter-alia, motor race circuit, cricket stadium and other allied infrastructure.

The above said financial assistance shall be secured by the assets of JPSI and also by the following :

- (a) Shortfall undertaking by Jaiprakash Associates Limited (JAL).
- (b) JAL shall provide unconditional and irrevocable guarantee. (The above mentioned Shortfall undertaking shall be replaced by this guarantee.)
- (c) JAL shall maintain control or ownership of atleast 51% of the shares of JPSI, throughout the tenor of the facility

Further, the Board of Directors of the Company in their meeting held on July 31, 2012 had, subject to the approval of the shareholders, approved the proposal of JPSI to subscribe to their 12% Non Cumulative Redeemable

Preference Shares at par, having a tenure of 10 years from the date of issue, upto an amount of Rs.125 Crores.

Your Company at present holds 51,48,77,000 equity shares of Rs.10/- each of JPSI representing 90.81% of Paid up Capital of JPSI.

In terms of the provisions of the Section 372A of the Companies Act, 1956, provision of security/guarantee by the Company for the assistance provided by the Lenders to other bodies corporate and acquisition by way of subscription, purchase or otherwise the securities of any other body corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

In the circumstances, Members' approval is sought for providing undertaking(s) as detailed above in favour of ICICI Bank Limited, a lender of JPSI and for making investment in the Preference Shares of JPSI. The Company will meet the proposed obligation of making investment from its own resources.

None of the Directors except S/Shri Manoj Gaur, Executive Chairman, Sunil Kumar Sharma, Executive Vice Chairman, being common Directors of JAL & JPSI, may be deemed to be concerned or interested in the proposed Resolution.

The Board commends the resolution for your approval as a Special Resolution.

Item 4

MP Jaypee Coal Limited (MPJCL), an Associate of your Company, having its Registered Office at Jaypee Nagar, District Rewa, Madhya Pradesh, was incorporated on May 14, 2009, as a joint venture between your Company and Madhya Pradesh State Mining Corporation Ltd. (MPSMCL) for mining and sale of Coal from Dongri Tal-II Coal Block located in District Singrauli, Madhya Pradesh for use in 2 x 660 MW super critical thermal power plant at Nigrie, Madhya Pradesh, being set up by Jaiprakash Power Ventures Ltd., a subsidiary of your Company. The rated capacity of the mine is 2.9 million tonnes of coal per annum. The total Project Cost has been estimated at Rs.335 Crores.

MPSMCL holds 51% of issued equity shares of MPJCL in consideration for the mining rights granted to the JV Company and your Company holds 49% equity in the JV Company.

MP Jaypee Coal Limited has been sanctioned a Project loan of Rs.225 Crores (Rupees Two Hundred Twenty Five Crores only) by ICICI Bank Limited, a Lender, vide its LOI no. 23/ PFGMUM/46008 dated June 28, 2012, to be utilized, inter-alia, to acquire land, meet the cost of development and operation of Dongri Tal-II Coal Block, construction of buildings, 13.5 km. long railway sidings, water supply and effluent treatment and other activities including reimbursement of pre operative expenses incurred on the Project.

As per the terms and conditions of the said financial assistance, apart from the charge on MPJCL assets, the financial assistance together with interest thereon at the stipulated rates, additional interest, default interest, premium on repayment, costs, charges, expenses and other monies payable, is required to be secured, *inter-alia* by:

- a) Pledge of shares representing 30% of the Share Capital of MPJCL currently held by the Company (Jaiprakash Associates Limited) (JAL) (and further, at all times, upon acquiring additional shares in MPJCL, such additional number of shares as are required to be pledged in terms of the Pledge Agreement) as a first ranking Pledge;
- b) Unconditional and irrevocable Guarantee from JAL;
- c) Executing a Non Disposal and Safety Net Agreement in respect of 19% of the Share Capital of MPJCL held by JAL (and at all times, upon acquiring additional shares in MPJCL provide undertaking, such additional number of shares in terms of the Non Disposal and Safety Net Agreement);
- d) Sponsor Undertaking from JAL for inter-alia :
 - (i) to fund shortfall in the means of financing and in the Debt Service obligation till the date of furnishing the corporate guarantee,
 - (ii) to retain its shareholding of 49% in the Share Capital of MPJCL directly at all time during the currency of the Rupee Loan facilities.

As mentioned above, your Company at present holds 49,00,000 equity shares of Rs.10/-each of MPJCL representing 49% of the paid-up share capital of MPJCL.

In terms of the provisions of the Section 372A of the Companies Act, 1956, provision of security/guarantee by the Company for the assistance provided by the Lenders to other bodies corporate and acquisition by way of subscription, purchase or otherwise the securities of any other body corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

In the circumstances, Members approval is sought for providing the above mentioned security by way of pledge of equity shares of MPJCL/ guarantee/

undertakings to secure the financial assistance provided by ICICI Bank Ltd., a lender of MPJCL.

None of the Directors except Shri Manoj Gaur, Executive Chairman and Shri Sunny Gaur, Managing Director (Cement), being common Directors of JAL and MPJCL, may be deemed to be concerned or interested in the proposed Resolution.

The Board commends the resolution for your approval as a Special Resolution.

Item No. 5

Shri Ranvijay Singh aged about 46 years, is B.E. (Civil) by qualification and has acquired rich experience of 24 years in the fields of civil engineering and management of construction projects. He was appointed as Whole-time Director of the Company, for a period of five years w.e.f. December 14, 2007, by the Board of Directors in their meeting held on December 14, 2007. His appointment was approved by the Shareholders, by passing a resolution through Postal Ballot, on January 18, 2008.

Presently, he is also a Director on the Boards of Gujarat Jaypee Cement & Infrastructure Ltd. and MP Jaypee Coal Fields Ltd. He is neither a Chairman nor a member of any of the Committees of the Board of Directors of the companies of which he is a Director.

Keeping in view his contribution in the growth of the Company and his leadership qualities supported by experience, the Board of Directors in their meeting held on September 27, 2012 had reappointed Shri Ranvijay Singh, Whole-time Director with his present designation for a further period of five years from the date of expiry of his earlier term, i.e., w.e.f. December 14, 2012, on the remuneration already approved by the Shareholders. The Remuneration Committee of the Board of Directors in its Meeting held on September 27, 2012, has approved the remuneration of Shri Ranvijay Singh as under :

Basic Salary : Rs. 6,75,000/- per month, in the Pay Scale of Rs.3,00,000-30,000-4,50,000-45,000-6,75,000-67,500-10,12,500/- with annual increment on April 1 every year starting from 1.4.2013.

Perquisites

Besides the above Basic Salary, Shri Ranvijay Singh is entitled to the perquisites which may include accommodation/HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, insurance premium, contribution to Provident Fund, superannuation fund or annuity fund, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure, etc.

Perquisites, save and except the following, would be restricted to an amount equal to the annual salary:

- (i) Contribution to provided fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (ii) Gratuity payable at the end of the tenure at a rate not exceeding half a month's salary for each completed year of service;
- (iii) Encashment of leave at the end of the tenure as per rules/policy of the Company.

The above remuneration will be paid as minimum remuneration to Shri Ranvijay Singh, Whole-time Director in the event of absence or inadequacy of profit in any year during his tenure.

Further, the Executive Chairman of the Company shall have the authority to fix the inter-se ceilings/limits of various perquisites of the appointee.

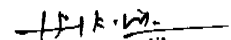
Shri Singh holds 30,31,015 equity shares in the Company in his own name and no share in the Company is held by him for any other person on a beneficial basis.

None of the Directors of the Company except Shri Ranvijay Singh himself is deemed to be concerned or interested in the resolution.

The Board considers that his appointment is in the best interest of the Company.

The Explanatory Statement together with the accompanying Notice is and may be treated as an 'Abstract of the terms of appointment and memorandum of interest' under Section 302 of the Companies Act, 1956. The Board commends the resolution for your approval as a Special Resolution.

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)

Sr. President (Corporate Affairs) &
Company Secretary

NOIDA
September 27, 2012