

# 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. PROVIDE SECURITY / UNDERTAKING(S) TO IFCI LIMITED, A LENDER OF JAYPEE SPORTS INTERNATIONAL LIMITED (JPSI), A SUBSIDIARY 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 as may be necessary from the Financial Institutions/Banks, the Board of Directors of the Company be and is hereby authorized to create security by way of pledge of equity shares of **Jaypee Sports International Limited (JPSI)**, a subsidiary of the Company, held by the Company in favour of **IFCI Limited**, a lender of JPSI and to give undertaking to the said lender of JPSI for non disposal of equity shares of JPSI held by the Company and executing the Put Option and Call Option Agreements, 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."

#### 2. PROVIDING SECURITY / GAURANTEE/UNDERTAKINGS TO LENDERS OF JAIPRAKASH POWER VENTURES LIMITED (JPVL), A SUBSIDIARY 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/extend security and to provide guarantee/ undertakings to the **lenders** of Jaypee Karcham Wangtoo Hydro-electric Project, Jaypee Bina Thermal Power Project and Jaypee Nigrie Super Thermal Power Project, divisions of **Jaiprakash Power Ventures Limited (JPVL)**, a subsidiary 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/extension 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."

#### 3. PROVIDING SECURITY TO LENDER OF RPJ MINERALS PRIVATE LIMITED (RPJM), 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 of Jaypee Cement Corporation Limited, a wholly owned subsidiary of your Company, held by the Company, in favour of **Yes Bank Limited**, a lender of **RPJ Minerals Private Limited**, an associate of your 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."

#### 4. PROVIDING SECURITY/ GUARANTEE / UNDERTAKINGS TO THE LENDER OF MADHYA PRADESH JAYPEE MINERALS LTD. (MPJML), 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 of **Madhya Pradesh Jaypee Minerals Ltd. (MPJML)**, an associate of your Company, held by the Company, in favour of **ICICI Bank Limited**, a lender of MPJML and to give guarantee and undertakings to the lender 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."

#### 5. RAISING OF FUNDS THROUGH QUALIFIED INSTITUTIONS PLACEMENT (QIP)/ EXTERNAL COMMERCIAL BORROWINGS (ECBs) WITH RIGHTS OF CONVERSION INTO SHARES/ FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)/AMERICAN DEPOSITORY RECEIPTS (ADRs)/ GLOBAL DEPOSITORY RECEIPTS (GDRs)/ FOLLOW-ON PUBLIC OFFER (FPO)/ OPTIONALLY OR COMPULSORILY CONVERTIBLE REDEEMABLE PREFERENCE SHARES (OCPS/CCPS) ETC. PURSUANT TO SECTION 81 (1A) OF THE COMPANIES ACT, 1956.

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 and/or Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India), Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Deposit Receipt Mechanism) Scheme, 1993, as amended and the applicable Rules, Regulations, Notifications and Circulars, if any, issued by Securities and Exchange Board of India (SEBI) from time to time, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the ICDR Regulations), Reserve Bank of India (RBI), Government of India or any other competent Authority and clarifications, if any, issued thereon from time to time by appropriate authorities, the Equity Listing Agreements (the "Listing Agreement") entered into by the Company with the Stock Exchanges where the Company's Equity Shares of face value of Rs.2/-each (the "Equity Shares") are listed and other concerned and appropriate authorities, and other applicable laws, if any, and relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of the Government of India, RBI, SEBI and any other appropriate Authority(ies), Bank(s), Institution(s) or Body(ies), as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, as are accepted, the Board of Directors of the Company, (hereinafter referred to as the "Board", which term shall be deemed to include any duly constituted Committee thereof), be and is hereby authorized to create, offer, issue and allot Equity Shares/Securities in one or more tranches, in the course of domestic or international offerings, by way of Follow-on Public Offer (FPO) and/or by way of a Qualified Institutions Placement (QIP) in terms of the Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time and/or Equity Shares in the form of Global Depository Receipts (GDRs), and/or American Depository Receipts (ADRs), and/ or External Commercial Borrowings (ECBs) with rights of conversion into shares, and/ or Foreign Currency Convertible Bonds (FCCBs) and/ or Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPS/CCPS), convertible into Equity Shares of the Company with voting rights or with differential rights as to voting, dividend or otherwise in accordance with such rules and subject to such conditions as may be prescribed or any other instrument convertible into Equity Shares with voting rights or with differential voting rights as to voting, dividend or otherwise (hereinafter referred to as the "Securities"), to be subscribed to, by International and/or Indian Banks, Institutions, Institutional Investors, Mutual Funds, companies, other Corporate Bodies, Resident/Non-Resident Indians, Foreign Nationals and other eligible Investors, as may be decided by the Board, (hereinafter referred to as "Investors"), whether or not such Investors are members of the Company or not (including the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company, group/associate company(ies) as may be permitted by the ICDR Regulations from time to time), at such time or times, at such price or prices, at discount / premium to the market or prices in such manner and on such terms and conditions including security, rate of interest etc. including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors, as may be determined by the Board at the time of such issue and allotment, considering the then prevailing market conditions and other relevant factors wherever necessary, upto an aggregate of **USD 500 MILLION** (i.e. Rs. 2800 Crore approx.) in any foreign currency or in Rupees (inclusive of such premium as may be determined) and such issue and allotment be made at such time or times, in such tranche or tranches, in such currency or currencies, in such manner and on such terms and conditions (including, if necessary, in relation to security on convertible debt instruments) as may be decided and deemed appropriate by the Board in its sole discretion at the time of issue / allotment."

"RESOLVED FURTHER THAT in case of QIP, pursuant to Chapter VIII of the ICDR Regulations, 2009 the allotment of Equity Shares / Securities shall only be made to Qualified Institutional Buyers within the meaning of Chapter VIII of ICDR Regulations and such securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this Resolution."

"RESOLVED FURTHER THAT the Company and/or any agency or body authorized by the Company, may issue receipts/certificates representing the underlying securities and/or Equity Shares issued by the Company with such features and attributes as are prevalent in International Capital Markets for instruments of this nature and provide for the tradability or free transferability thereof as per the domestic/international practices, norms and regulations, and under the norms and practices prevalent in the International Markets."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot, from

time to time, such number of Equity Shares at such premium as may be decided by the Board in its absolute discretion, upon conversion of such Securities or as may be necessary in accordance with the terms of the offering, including additional Equity Shares, and all such shares shall rank pari-passu with the then existing Equity Shares of the Company in all respects including to dividend."

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue and/or allotment of Equity Shares in the Company or Securities or instruments or Securities representing or convertible into Equity Shares in the Company, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion, deem necessary, appropriate or desirable for such purpose, including, without limitation, determining the form and manner of the issue, the class of investors to whom the Equity Shares/Securities are to be issued and allotted, number of Equity Shares/Securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, to appoint Lead Managers, Merchant Bankers, Global Business Coordinators, Book Runners, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Registrars, Trustees, Bankers and all other agencies, to enter into or execute all such agreements/arrangements/MOUs/documents with any such agencies, as may be necessary; to list the Securities and the Equity Shares to be issued on conversion of the said Securities on any Indian and/or Foreign Stock Exchange(s), as it may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares or Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of the aforesaid Resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Whole-time Director(s) or any Director(s) or any other Officer(s) of the Company to implement the aforesaid Resolution."

#### As Ordinary Resolutions :

#### 6. CREATION OF RESTRUCTURED SECURITY IN FAVOUR OF A NEW SINGLE SECURITY TRUSTEE TO ACT FOR THE BENEFIT OF THE EXISTING SECURED CREDITORS, NEW SECURED CREDITORS AND AS A SECURITY AGENT ON BEHALF OF THE DEBENTURE TRUSTEES

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of **Section 293(1)(a)** and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (which expression shall include any Committee of the Board duly constituted/to be constituted) to **mortgage and/or charge** in favour of **Axis Trustee Services Limited** acting as the **New Single Security Trustee** for the benefit of the existing Secured Creditors, new Secured Creditors (for the fresh borrowing from time to time to be made by the Company from such new Secured Creditors) and as the Security Agent on behalf of the existing Debenture Trustees, all the fixed assets, both immovable & movable, (except fixed assets pertaining to Real Estate division, Wind Power division and assets specifically charged to State Financial Institutions for availing incentives/ interest free loan etc.) of the Company, wheresoever situate, present and future, on **first pari-passu basis**, in such manner as agreed/ may be agreed to between the Company and the New Security Trustee to secure existing and new financial facilities as per details set out in the Explanatory Statement annexed to the Notice seeking approval of the Members, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment, costs, charges, expenses and all other monies payable by the Company to the existing and new Secured Creditors in respect of the financial facilities."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with the Secured Creditors documents for creating aforesaid mortgage and/ or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

#### 7. CREATION OF MORTGAGE/CHARGE IN FAVOUR OF LENDERS/TRUSTEE(S)

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of **Section 293(1)(a)** and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (which expression shall include any Committee of the Board duly constituted/ to be constituted) to **mortgage and/or charge**, subject to the existing charges, immovable & movable properties of the Company, wheresoever situate, present or future, (except fixed assets pertaining to Real Estate division, Wind Power division and assets specifically charged to State Financial Institutions for availing incentives/ interest free loan etc.), as per details contained in the Explanatory Statement annexed to the Notice seeking approval of the Members, to or in favour of Term Lending Banks/ Institutions/ Trustee(s) etc. to secure the following financial facilities availed by the Company :

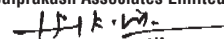
- Rupee Term Loan of Rs.1,200 Crores from ICICI Bank Ltd.;
- Rupee Term Loan of Rs.900 Crores from IDBI Bank Ltd.;
- Rupee Term Loan of Rs.800 Crores from IDBI Bank Ltd. in lieu of ECB of USD 160 Million (Term Loan) for redemption of Foreign Currency Convertible Bonds;
- Rupee Term Loan of Rs.300 Crores from Indian Overseas Bank;
- Rupee Term Loan of Rs.250 Crores from IFCI Ltd.;
- Corporate Loan of Rs.150 Crores from J & K Bank Ltd.;
- Corporate Loan of Rs.75 Crores from Karur Vysya Bank Ltd.;
- Rupee Term Loan of Rs.1,310 Crores from consortium member banks [Allahabad Bank (Rs.150 Crores), Axis Bank Ltd. (Rs.100 Crores), Corporation Bank (Rs.160 Crores), Dena Bank (Rs.100 Crores), Punjab National Bank (Rs.500 Crores), The South Indian Bank Ltd. (Rs.100 Crores), State Bank of Mysore (Rs.100 Crores), State Bank of Bikaner & Jaipur (Rs.100 Crores)]
- Rupee Term Loan of Rs.200 Crores from Canara Bank Ltd.;
- Rupee Term loan of Rs.100 Crores from Syndicate Bank;
- Rupee Term Loan of Rs.600 Crores from Axis Bank Ltd.;
- Additional Working Capital Loan of Rs.112 Crores from consortium member banks [Canara Bank, **Lead Bank**, (Rs.17.90 Crores), IDBI Bank Ltd.(Rs.5.47 Crores), State Bank of Mysore (Rs.4.55 Crores), State Bank of Bikaner & Jaipur (Rs.3.66 Crores), Oriental Bank of Commerce (Rs.6.22 Crores), Axis Bank Ltd. (Rs.10.00 Crores) and ICICI Bank Ltd.(Rs.64.20 Crores)]; and

and to create such other security as agreed/ may be agreed to in consultation with Term Lending Banks/ Institutions/ Trustee(s) etc. to secure the aforesaid respective loan/ financial assistance availed from the lenders,

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment, costs, charges, expenses, Trustees remuneration and other monies payable by the Company to the lenders/ Trustee(s) under

respective loan agreements entered/ to be entered into by the Company in respect of the aforesaid loans."

By Order of the Board  
For Jaiprakash Associates Limited



(HARISH K. VAID)

Sr. President (Corporate Affairs) &  
Company Secretary

NOIDA  
May 30, 2012

#### NOTES:

- 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.
- The Company has appointed Ms. Sunita Mathur, FCS, Practising Company Secretary as Scrutinizer and Ms. Deepti Srivastava, ACS, Practising Company Secretary as Alternate Scrutinizer for the purpose of Postal Ballot exercise.
- The Notice is being sent to all the Members whose names would appear in the Register of Members/ Record of Depositories **as on 1st day, June, 2012.**
- A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send the self addressed Business Reply Letter to the Scrutinizer. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the registered Member will also be accepted. The envelopes may also be deposited personally at the address given thereon. However the envelopes containing the **Postal Ballot should reach the Company not later than the close of working hours on 11th day, July, 2012.** If the ballots are received thereafter they shall be deemed to be not received.
- The Company is extending its offer of **e-voting facility** as an alternate, **for its Individual Members** (other than Corporates/ FIs/ FII etc.) to enable them to cast their vote electronically instead of dispatching Postal Ballot. The procedure for the same is as under:
  - Open your web browser and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Now click on **'Shareholders'**.
  - Now, select the **"Electronic Voting Sequence Number" (EVSN) alongwith "JPASSOCIATES"** from the drop down menu and click on **"SUBMIT"**.
  - Now fill up the following details in the appropriate boxes:

Enter	For Individual Members holding shares in Demat Form	For Individual 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
Password	Your unique Password has been printed on the Postal Ballot form/email forwarding the 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.

- After logging in the details of "User id, Password, PAN or Default Number", the Individual 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, 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.
  - 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.
  - Click on the **Resolution File Link** if you wish to view the complete Postal Ballot Notice.
  - 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.
  - 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.
  - Once you have voted on a resolution, you will not be allowed to modify your vote.
  - 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.
  - 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 treated as invalid.**
  - 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](mailto:helpdesk.evoting@cdslindia.com), or on [ja.postalballot@jalindia.co.in](mailto:ja.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 obtained from the Depositories/other sources to the Members. Such individual 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 individual 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 dispatch the same in physical form to enable the Members to send back the postal ballot by 11th July, 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, the 14th July, 2012 at 10.30 A.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](http://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 Postal Ballot Form before exercising their vote.

**EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS ACCOMPANYING THE NOTICE DATED MAY 30, 2012 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956 :-**

**Item 1**

**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 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). This area is inclusive of 100 Hectares of land to be used for Abadi Development. The core activities inter-alia include building 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 setting up a Cricket Stadium of international standard (for which action has already been initiated). The non-core activities planned are group housing, plots, multi storey flats, commercial area, institutional, roads, open space and other social activities.

JPSI has been sanctioned financial assistance of Rs.100 Crores in the form of Compulsorily Convertible Debentures (CCDs) to be subscribed by IFCI Limited for development of non-core activities vide letter no. HO/SAMG/2011-17796 dated 31.03.2011 as amended vide letter No. HO/SAMG/JPSI/2011-110504026 dated 4.05.2011 and letter no. HO/CAMIR/JPSI/2011/110811039 dated 11.08.2011.

The main terms and conditions of the said financial assistance include the following:

- (a) Pledge of 15.2 Crore equity shares of JPSI (i.e. 26.81% of the Paid up Capital of JPSI) held by JAL.
- (b) Non disposal Undertaking for 51% shareholding of JPSI held by JAL.
- (c) Executing 'Put Option and Call Option Agreements' as required by lender.

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 beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

In the circumstances, Members' approval is sought for providing security/undertaking(s) as detailed above in favour of IFCI Limited, a lender of JPSI.

None of the Directors except Shri Manoj Gaur, Shri Sunil Kumar Sharma, being common Directors of JAL & JPSI, Shri Sunny Gaur, Shri Pankaj Gaur, Shri B.K. Goswami and Shri S.K. Jain (Directors of JAL) being brother of Shri Sameer Gaur & Ms. Rekha Dixit, Shri Sachin Gaur, Shri A.K. Goswami and Shri P.K. Jain, respectively (Directors of 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 2**

**(i) Providing security to the lenders of 'Jaypee Karcham Wangtoo Hydro-Electric Plant' (JKWHEP), a division of JPVL**

The Members may recall that they had approved through Postal Ballot on July 19, 2011, inter-alia, the creation of pledge of such number of shares of **Jaiprakash Power Ventures Limited (JPVL)**, a subsidiary of your Company, held by the Company and execution of non disposal undertakings to the lenders of JPVL consequent to the sanction of the Scheme of Amalgamation of Jaypee Karcham Hydro Corporation Limited (JKHCL) and Bina Power Supply Company Limited (BPSCL) [Transferor Companies] [step down subsidiaries of JAL] with JPVL [Transferee Company] by the Hon'ble High Court of Himachal Pradesh at Shimla, as might be required by the respective lenders of JKHCL and BPSCL, which became the lenders of JPVL, consequent upon the said amalgamation of JKHCL and BPSCL with JPVL w.e.f. 26<sup>th</sup> July 2011.

Accordingly, **12.06 Crores equity shares** of JPVL held by your Company had been pledged in favour of lenders of Jaypee Karcham Wangtoo Hydro Electric Plant (JKWHEP), a division of erstwhile JKHCL, now a division of JPVL.

In order to meet the increased working capital requirements of JPVL, **IDBI Bank Limited** has recently sanctioned enhanced working capital limits of Rs.305 Crores (Fund based Rs.230 Crores and Non Fund based Rs.75 Crores) to JPVL for its JKWHEP, in Himachal Pradesh, which is to be secured by way of first charge ranking pari passu, on all existing securities of Rupee Term Lenders of JKWHEP, inter-alia, including the following:-

- (a) Pledge of 12.06 Crore equity shares of JPVL held by JAL
- (b) Providing Non-Disposal Undertaking to the effect that JAL's shareholding in JPVL would not decrease below 51%, without prior approval of Lenders.

**(ii) Providing security to the lenders of 'Jaypee Bina Thermal Power Plant' (JBTPP), a division of JPVL**

The Members may recall that they had accorded approval by way of Special Resolution under section 372A of the Companies Act, 1956 through Postal Ballot on 27<sup>th</sup> June, 2009 for providing guarantee/security upto Rs. 500 Crores by way of Sponsor Support to the lenders of erstwhile Bina Power Supply Company Limited (BPSCL), which was a subsidiary of Jaiprakash Power Ventures Limited (JPVL), which is a subsidiary of your Company, engaged in the setting up a coal based thermal power project at District Sagar, Madhya Pradesh.

BPSCL has been amalgamated with JPVL w.e.f. 26<sup>th</sup> July, 2011 vide order of Hon'ble High Court of Himachal Pradesh at Shimla and its said plant was renamed as Jaypee Bina Thermal Power Plant (JBTPP) – a Division of Jaiprakash Power Ventures Limited.

As per the terms of financing, JAL has to provide Shortfall Undertaking to meet cost overrun, if any, favouring the lenders of the said Power Plant.

The Project Cost of the said project has since been reassessed at Rs. 3,240 Crores (against earlier estimate of Rs. 2,754 Crores) and is proposed to be funded by Equity & Debt as under:-

**Project Cost Summary:** (Rs. in Crores)

Particulars	Earlier	Revised
Land	7	7
Civil Work	500	710
Plant & equipment	1706	1922
Sub-total works cost	2213	2639
Overhead construction cost including Training	138	138
Preliminary expenses	11	1
Contingency	52	37
Financing Charges	13	17
Interest During Construction	281	341
Margin Money on Working Capital	45	67
Total Project Cost	2754	3240

**Means of Financing :** (Rs. in Crores)

Particulars	Earlier	Revised
Debt	1928	2268
Equity	826	972
Total	2754	3240

Based on the earlier appraisal, equity of Rs. 826 Crore has been fully funded by JPVL from its own resources. Further additional requirement of equity amounting to Rs. 146 Crore is planned to be met by JPVL itself.

Term Loans of Rs. 1,928 Crores had been sanctioned by a consortium of Banks/Fls led by IDBI Bank Limited (Facility Agent). For the additional term loan of Rs. 340 Crores, appraisal by IDBI Bank Limited is in process and shall be syndicated by them apart from their own participation.

As part of the terms of sanction of **additional Term Loan**, the lenders require the following **sponsor support/undertakings** favouring its lenders be provided by JAL:

- Any cost overrun shall be met by JAL through additional Promoter's Contribution without recourse to project assets in a form and manner acceptable to IDBI Bank. However, in case there is a reduction, the loan amount would be reduced proportionately;
- JAL shall maintain a minimum of 51% equity in JPVL at all times during the currency of the Debt.
- JAL shall pledge 6.48 crore equity shares of JPVL held by it.
- JAL would assist and provide all help to JPVL in raising fresh funds for refinancing of the bullet repayment of 20% of the total term loan prior to its due date.
- JAL would meet any shortfall in funding for the Project, in a manner and form to the satisfaction of the Project Lenders. Further, in order to meet the **working capital requirement of JBTPP**, IDBI Bank Limited has recently appraised working capital limit requirements at Rs.317 Crore - fund based and Rs.120 Crore - Non-fund based. Accordingly, IDBI Bank has sanctioned working capital limits amounting to Rs.222 Crore (Fund based Rs.138 Crore and Non-fund Based Rs.84 Crore). Balance facility is being sourced from other banks. Total working capital facilities are to be secured by way of first charge ranking pari-passu on all the existing securities of existing and additional Term Lenders of JBTPP, inter-alia, including the pledge of 6.48 Crores equity shares of JPVL held by JAL.

**(iii) Providing security to the lenders of 'Jaypee Nigrie Super Thermal Power Project' (JNSTPP), a division of JPVL**

The Members may recall that they had approved, through Postal Ballot on August 31, 2010, inter-alia, the creation of pledge of **62.91 Crore equity shares** of JPVL to be shared on pari-passu basis between the lenders of Baspa II, Vishnuprayag and Nigrie project. IDBI Bank Limited has recently enhanced working capital limit (being bank guarantee limit) from Rs.100 Crore to Rs.150 Crore. The said facility is to be secured by way of first charge ranking pari-passu on all the existing securities of Term Lenders of JNSTPP, inter-alia, including the above-mentioned pledge of 62.91 Crore equity shares of JPVL held by JAL, to be shared on pari-passu basis between the lenders of Baspa II, Vishnuprayag and Nigrie project.

At present, your Company holds **178,30,00,600 equity shares** of Rs.10 each of JPVL, representing **67.93%** of the paid-up share capital of JPVL. Out of the Company's total holding in JPVL, 134,24,09,231 equity shares, representing 75.29% of shares held by your Company in JPVL, have already been pledged.

In terms of the provisions of the Section 372A of the Companies Act, 1956, providing of security/guarantee/undertakings by the Company for the financial assistance provided by the lenders to other bodies corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

In the circumstances, Members' approval is sought for providing the aforesaid requisite security/guarantee/undertaking(s) by JAL in favour of lenders of JPVL to meet their requirements.

S/Shri Manoj Gaur, Sunil Kumar Sharma, B. K. Taparia, R. N. Bhardwaj and S. C. Bhargava, being common Directors of JAL & JPVL; and Shri B.K. Goswami & Shri Ranvijay Singh (both Directors of JAL) being brother of Shri A.K. Goswami & Shri Praveen Kumar Singh, respectively (both Directors of JPVL), Shri Pankaj Gaur [Jt. Mg. Director (Construction) of JAL] being son of Shri G.P. Gaur (Director of JPVL) and Shri Viney Kumar being a nominee of IDBI, 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 3**

**RPJ Minerals Private Limited (RPJM)**, an Associate of your Company, having its Registered Office at Jaypee Sharda Bhawan, Aurkandi, Near Ma Sharda Temple, Maihar, Distt. Satna 485771, Madhya Pradesh, is presently engaged in the business of mining of minerals, primarily limestone.

RPJM has recently borrowed a Rupee Term Loan of Rs.450 Crores (Rupees Four Hundred & Fifty Crores only) from **Yes Bank Limited**, a Lender, to be utilized towards acquisition of Mine Development and Operations Rights (Security Deposit) and Mine Development Expenditure pertaining to limestone extraction operation in the limestone mines covering an approximate area of 1411.758 hectares situated at District Chittoargarh, Rajasthan.

One of the terms/conditions of the said financial assistance includes that the Company (JAL) should also pledge 30% of the shares held by JAL in Jaypee Cement Corporation Limited (JCCL), a 100% subsidiary of JAL, in favour of the Lender as a security for the said loan.

Your Company at present holds 736,620 equity shares of Rs.10/-each of RPJM representing

43.83% of the paid-up share capital of RPJM.

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 beyond prescribed limits requires prior approval of shareholders by way of a Special Resolution.

In the circumstances, Members approval is sought for providing the above mentioned security by way of pledge of shares of JCCL in favour of Yes Bank Limited, a lender of RPJM.

None of the Directors except Shri Rahul Kumar, Whole-time Director & CFO, being common Director of JAL and RPJM, 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

**Madhya Pradesh Jaypee Minerals Ltd. (MPJML)** is a joint venture company of Jaiprakash Associates Ltd. (JAL) and Madhya Pradesh State Mineral Corporation Ltd. (MPSMCL) for developing a Coal Block at Amelia (North) in Singrauli District in the State of Madhya Pradesh.

MPJML is treated as a Government Company within the meaning of Section 617 of the Companies Act, 1956, as MPSMCL holds 51% of the Equity of MPJML which has been allotted to it in consideration for the mining rights granted to the company, and balance 49% is held by your Company.

MPJML has recently approached **ICICI Bank Ltd.** for financing the development expenditure of the Amelia (North) Coal Block. ICICI Bank Ltd. has sanctioned vide its LOI No.12/PFGMUM/43016 dated March 23, 2012 a financial assistance of Rs. 150 Crores to MPJML and has proposed, inter-alia, the following security for the said financial assistance, to be provided by JAL :

1. Pledge of 30% of the Share Capital of MPJML held by JAL;
2. Non Disposal Undertaking (NDU) and Power of Attorney (POA) for 19% of the Share Capital of MPJML held by JAL;
3. Unconditional and Irrevocable Guarantee from JAL;
4. JAL is also required to furnish following undertaking(s):
  - i. to fund any shortfall in cash flows for the Project ("Shortfall Undertaking"). The Shortfall Undertaking shall be valid till one year after the COD.
  - ii. to maintain its current shareholding of 49% in the Borrower directly at all times during the tenure of the Facility.

Your Company at present holds 1,05,00,000 Equity Shares of Rs.10/-each of MPJML representing 49% of the Paid-up Share Capital of MPJML.

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 beyond prescribed limits requires prior approval of shareholders by way of a Special Resolution.

In the circumstances, Members approval is sought for providing the above mentioned security/ guarantee/ undertakings in favour of ICICI Bank Limited, a lender of MPJML.

None of the Directors except Shri Manoj Gaur, Executive Chairman and Shri Sunny Gaur, Managing Director (Cement), being common Directors of JAL and MPJML, 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 5

As the members are aware, the Company is to repay USD 354.475 millions outstanding amount of FCCBs along with premium thereon by September 12, 2012.

The Reserve Bank of India, vide Notification no. RBI/2011-12/520 A.P. (DIR Series) Circular no. 112 dated 20<sup>th</sup> April, 2012 has decided that the borrowers desirous of refinancing an existing ECB/FCCB can raise fresh ECB/FCCB at a higher all-in-cost/ reschedule an existing ECB/FCCB at a higher all-in-cost under the approval route.

It is, therefore, proposed to avail the relaxation provided by Reserve Bank of India to partly refinance FCCB-III outstanding amount of USD 354.475 million. Accordingly, the Company has approached RBI for issue of FCCBs to the extent of USD 250 million for refinancing FCCB-III under Approval Route and also ECB for USD 250 million for Capex.

With a view to meet the Company's requirement of funds for the said purpose, the Board of Directors have decided to raise funds/ resources in Indian Rupees or equivalent thereof in any Foreign Currency in one or more tranches to the maximum extent of USD 500 MILLION (i.e. Rs.2800 Crore approx.) through various Domestic/International options, including FCCBs/ECBs with conversion into shares / QIPs/ ADRs/ GDRs/ FPO/ OCPs/CCPS etc., pursuant to Section 81 of the Companies Act, 1956, for the Company's projects, and in terms of the ICDR Regulations as amended.

The said Resolution is also an enabling resolution conferring authority on the Board to do all acts and deeds, which may be required to issue/offer Securities of appropriate nature at appropriate time, including the size, structure, price and timing of the issue(s) /offer(s) at the appropriate time(s). The detailed terms and conditions for the domestic/international offering will be determined in consultation with the Lead Managers, Merchant Bankers, Global Business Coordinators, Book Runners, Guarantors, Consultants, Advisors, Underwriters and/or such other intermediaries as may be appointed for the issue/offer. Wherever necessary and applicable, the pricing of the issue/offer will be finalized in accordance with applicable guidelines in force.

Section 81 of the Companies Act, 1956, *inter-alia*, provides that whenever it is proposed to increase the subscribed capital of the Company by further issue/offer and allotment of shares, such shares shall be offered to the existing Shareholders of the Company in the manner laid down in Section 81 unless the shareholders decide otherwise by a Special Resolution.

Accordingly, the consent of the members is being sought, pursuant to the provisions of the Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges, authorizing the Board to issue Securities, as stated in the resolution, which may result in issuance of further Securities of the Company to persons other than the existing members of the Company in accordance with the terms and nature of the Securities.

None of the Directors of the Company may be deemed to be concerned or interested in the Resolution, except to the extent of their respective shareholdings in the Company, if any. The Board commends the resolution for your approval as a Special Resolution.

#### Item 6

The Company has from time to time mobilised funds to meet the requirements for project based capital expenditure, normal capital expenditure, refinancing of existing debts, general corporate purposes, long term working capital and further to meet funding requirements of the infrastructure projects being carried out by its subsidiaries by way of various financial facilities in the form of rupee term loans, corporate loans and external commercial borrowings from various Indian Financial Institutions and Banks and by issuance of non convertible debentures to various debenture holders, within the borrowing powers of the Board of Directors.

The aforesaid financial facilities of the respective Creditors, together with all interest, additional interest, liquidated damages, costs, charges, expenses, and all other monies payable by the Company to the Creditors have been secured *inter alia*, on first charge on *pari-passu* basis over the movable and immovable fixed assets of the respective Projects of Company in favour of particular Creditors or Security Trustees or Security Agents or Debenture Trustees, as the case may be vide various security documents on various dates in compliance of the terms & conditions and covenants contained in the respective loan agreements and the debenture trust deeds.

As the number of existing secured Creditors have increased manifold during the last few years, the Company is encountering difficulties in administration of security in orderly manner and in obtaining no objection certificates from the existing secured Creditors in favour of new lenders (including future borrowings to be availed by the Company from time to time) to secure their financial facilities by creation of charge, on *pari-passu* basis, on the properties already charged with the existing secured Creditors.

Thus the Company proposes to pool and consolidate the security interest by creating a first charge on *pari-passu* basis amongst the Existing Secured Creditors on the Secured Assets and creating such Security Interest in favour of a new single security trustee viz. **Axis Trustee Services Limited (ATSL), as the new Single Security Trustee**, for the benefit of the Existing Secured Lenders, New Secured Creditors and as a Security Agent of the Debenture Trustees, to hold such security Interest for and on behalf of all of them, for which all the existing secured Creditors having agreed, entered/would enter into a common understanding by executing a Master Security Trustee Agreement, the Security Agent Agreement, the deeds of hypothecation and such other incidental or related documents as acceptable to the Existing Secured Creditors and New Secured Creditors.

Section 293(1)(a) of the Companies Act, 1956, *inter-alia*, provides that the Board of Directors of a public company shall not, without the consent of the company, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertakings.

Since creating mortgage and/or charge by the Company on its immovable and movable properties and/or Pledge of its Shares, in favour of the Security Trustee may be regarded as disposal of the Company's properties/undertaking, it is necessary to obtain the approval of the members under Section 293(1)(a) of the Companies Act, 1956 before creation/modification of the existing mortgage(s)/charge(s) by way of pooling/ consolidating the securities in favour of a new single Security Trustee. Hence the resolution.

None of the Directors of the Company is concerned or interested in the proposed resolution. The Board commends the resolution for your approval as an Ordinary Resolution.

#### Item 7

To meet its requirement of funds for ongoing CAPEX programme of the Company for its expansion in Cement Division, normal capital expenditure, refinancing of existing debts, general corporate purposes, long term working capital and further to meet initial preliminary expenses related to various projects under implementation, funding requirements of the infrastructure projects being carried out by its subsidiaries as may be approved by the Lenders, within the borrowing powers of the Board of Directors, the Company has from time to time mobilised funds by availing Rupee Term/Working Capital Loans from ICICI Bank Ltd., IDBI Bank Ltd., Indian Overseas Bank, IFCI Ltd., J & K Bank Ltd, Karur Vysya Bank Ltd., Canara Bank Ltd., Syndicate Bank, Axis Bank Ltd., and consortium member banks as detailed in the Resolution.

The financial facilities availed by the Company are to be secured as under:

Facilities mentioned in the Resolution (at Sr. No.)	To be secured by way of	Properties on which charge is applicable
Sr. No. (a) to (h)	<b>First charge, ranking pari passu with the existing charge-holders</b>	on the immovable & movable properties of the Company, wheresoever situate, present or future, (except fixed assets pertaining to Real Estate division, Wind Power division and assets specifically charged to State Financial Institutions for availing incentives/ interest free loan etc.)
Sr. No. (i)	<b>R e s i d u a l charge</b>	--do--
Sr. No. (j)	<b>S u b s e r v i e n t charge</b>	--do--
Sr. No. (k)	<b>First charge by way of equitable mortgage</b>	only over 28 acres of Hotel and Commercial land in C 3- Zone, Sector - 129, NOIDA, U.P. (which belongs to the Company but is presently registered in the name of Jaypee Infratech Ltd., a subsidiary of your Company)
Sr. No. (l)	<b>First charge on current assets and Second Charge on the fixed assets</b>	<b>First charge</b> on all current assets and <b>Second Charge</b> on the fixed assets of the Company (except fixed assets pertaining to Real Estate division, Wind Power division and assets specifically charged to State Financial Institutions for availing incentives/ interest free loan etc.)

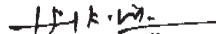
Section 293(1)(a) of the Companies Act, 1956, *inter-alia*, provides that the Board of Directors of a public company shall not, without the consent of the company, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertakings.

Since creating mortgage and/or charge by the Company on its immovable and movable properties, in favour of the aforesaid Term Lending Banks/ Institutions/Trustee(s) may be regarded as disposal of the Company's properties/undertaking, it is necessary to obtain the approval of the members under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge. Hence the resolution.

None of the Directors of the Company except Shri Viney Kumar, Nominee of IDBI Bank Ltd., is concerned or interested in the proposed resolution.

The Board commends the resolution for your approval as an Ordinary Resolution.

By Order of the Board  
For Jaiprakash Associates Limited

  
(HARISH K. VAID)

Sr. President (Corporate Affairs) &  
Company Secretary

NOIDA  
May 30, 2012