

# 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 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 of 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 provide security to the lenders of Jaypee Karcham Wangtoo Hydro-electric Project, a division 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.”

#### 2. PROVIDING SECURITY/ GUARANTEE TO LENDERS OF JAYPEE INFRATECH LIMITED (JIL), 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 approval of 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 Infratech Limited (JIL)**, a subsidiary

of the Company, held by the Company and also to provide undertakings and guarantee to the lenders of JIL, 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.”

By Order of the Board  
For **Jaiprakash Associates Limited**

(**HARISH K. VAID**)

Sr. President (Corporate Affairs) &  
Company Secretary

NOIDA  
May 4, 2013

### 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 Ms. Sunita Mathur, F.C.S., Practising Company Secretary as Scrutinizer and Ms. Deepti Srivastava, A.C.S., 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 May 17, 2013**.
4. A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed Business Reply Envelope. 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 Wednesday, July 3, 2013. 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](http://www.evotingindia.com).
- ii. Now click on 'Shareholders'.
- iii. Now, select the "**Electronic Voting Sequence Number**" (EVSN) alongwith "**Jaiprakash Associates Limited**" 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
Password	Your unique Password has been printed on the Postal Ballot form/e-mail forwarding electronic notice. However, the Members who have been allotted their Password earlier by CDSL, may use the same. In case they do not remember such Password, they may go to the option "Forget Password" and proceed.	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 & Members holding shares in demat form (who had changed their password in the past) will reach directly to the voting screen. However, Members holding shares in demat form, who had not changed their password earlier 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.
- 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 alongwith their attested specimen signatures. Scanned copies of such documents are required to be sent to the Scrutinizer through e-mail at [scrutinizer.pb@jalindia.co.in](mailto:scrutinizer.pb@jalindia.co.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The file containing the said documents should be named as "**Member's name\_130527001**", e.g., in case of shareholder company XYZ Ltd., the file containing the authorisation documents should be named as "**XYZ Ltd\_130527001**". The documents can be sent before/immediately after casting the vote. However, in case the same do not reach Scrutinizer/ 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](mailto:helpdesk.evoting@cdslindia.com), or on [jal.postalballot@jalindia.co.in](mailto: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 individual Members may exercise their voting electronically as per the procedure given above.
7. In case, the Members who have been sent this Notice electronically and who 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](mailto: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 July 3, 2013.
8. 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 Friday, July 5, 2013 at 12.30 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](http://www.jalindia.com).
9. 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.
10. Members voting through Postal Ballot 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 MAY 4, 2013 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956 :-**

**Item 1**

1000 MW Jaypee Karcham Wangtoo Hydro Electric Project (KWHEP) of Jaiprakash Power Ventures Limited (JPVL), a subsidiary of the Company, commissioned its first unit on 26.05.2011, second unit on 23.06.2011, third unit on 08.09.2011 and fourth unit on 13.09.2011. Since commissioning, the project has been operating satisfactorily. Keeping in view the almost mitigated risk profile of KWHEP and to leverage steady stream of future cash flow, JPVL had approached IDFC Ltd. for the financial assistance for refinancing the existing loans; prepayment of Corporate Loans/NCDs and also Investment in its Subsidiaries for project under implementation by the Company.

IDFC Ltd. vide its Letter of Intent dated 18.01.2013 has agreed to syndicate aggregate debt of Rs. 5850 Crores. IDFC vide its letter dated 18.01.2013 has also sanctioned its share of assistance to the extent of Rs. 2500 Crores. IDFC would be syndicating the balance debt of Rs.3350 Crores from various Banks/Financial Institutions.

The main terms & conditions of the proposed loans aggregating to Rs.5850 Crores (including IDFC share of Rs.2500 Crores) inter-alia include providing of security (on pari passu basis with Working Capital Lenders) as a first mortgage/ charge on the immovable/ movable properties, cash flows, Trust and Retention Account of KWHEP.

The proposed loans shall further be secured by way of pledge of 30 Crore shares of JPVL held by JAL in dematerialized form. Pledge of the 30 Crore shares will be reduced to 20 Crore shares on obtaining permission from the Government of Himachal Pradesh for creating mortgage over the project land in favour of new lenders and perfection of security interest of KWHEP.

JAL holds 178,30,00,600 Equity shares of Rs.10 each aggregating to Rs.1783,00,06,000 representing 60.69% of the Paid up Capital of JPVL.

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 of the aforesaid requisite security by JAL in favour of lenders of JPVL to meet their requirements.

None of the Directors except S/Shri Manoj Gaur, Sunil Kumar Sharma, B. K. Taparia, R. N. Bhardwaj and S. C. Bhargava, being common Directors of JAL & JPVL; Shri Sunny Gaur being brother of Shri Manoj Gaur; 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), 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**

Jaypee Infratech Limited (JIL), a subsidiary of Jaiprakash Associates Limited (JAL), which has constructed Yamuna Expressway comprising 165 kms. long six –lane access controlled Expressway from Noida to Agra, with service roads and associated structures, on Build, Own, Operate and Transfer basis in terms of the Concession Agreement dated February 7, 2003, achieved COD on August 7, 2012. The Expressway was opened for public on August 9, 2012 and the toll collection commenced from August 16, 2012. JIL also has been provided the right to develop 5 land parcels of approx. 1250 acres each for commercial, amusement, industrial, institutional & residential purposes etc. in five different locations along the Expressway. The development activities on the selected land parcels are progressing satisfactorily.

JIL has received financial assistance aggregating Rs.6,600 Crores from consortium of Banks/ Financial Institutions. To rationalize the interest cost, JIL had approached IDBI Bank Ltd. (IDBI) for refinancing the existing term loan facilities. IDBI

had sanctioned the refinance assistance aggregating to Rs. 6,600 Crores (Rs. 4800 Crores sanctioned/ underwritten by IDBI and Rs.1,800 Crores to be syndicated by IDBI ) on terms & conditions as contained in their letter of sanction No. HO. PAD/JIL/563 dated 21.12.2012.

As per the terms and conditions contained in the sanction letter of aforesaid lender of JIL, JAL is required to provide, in favour of the lenders, undertakings and pledge equity shares of JIL held by it, as detailed below :

1. An undertaking to meet any shortfall in the resources of the Company for completing the Expressway Project due to any circumstances, in such forms and such terms acceptable to Lenders and without recourse to Project Lenders.
2. An undertaking to maintain, during the currency of Rupee Term Loan (RTL), management control over the Borrower (JIL), including the ability to appoint majority of the Directors on its Board and to direct the management/policy decisions.
3. An undertaking not to reduce its equity stake in JIL below 51% during the tenure of the Facility without prior written approval of Lenders.
4. An undertaking to ensure that the Borrower (JIL) does not enter into any contract, agreement, commitment or arrangement with an Affiliate, which is not on an "arm's length" basis.
5. An undertaking to bring in additional funds in a form & manner satisfactory to Lenders, for cases of any further cost overrun and /or gap in means of financing of the Expressway Project, if any.
6. An undertaking to cover the shortfall in the repayment of Facility in the event of termination of the Concession Agreement or occurrence of any Force Majeure Event during the concession period.
7. An undertaking for the timely servicing of the Facility in the event of any shortfall during the currency of the Facility; arrange for additional equity / interest free sub-ordinated debt into the company (JIL) to make good the shortfall in operational cash flow to meet the debt service obligation.
8. An undertaking to ensure infusion of fund in TRA in a form & manner acceptable to Lenders at the end of each financial year if the DSCR for the facility for the preceding 12 month period is less than 1.20 to restore it to 1.20.
9. An undertaking to ensure infusion of fund in a form & manner acceptable to Lenders in case of shortfall in the cash flows required to be routed by the Borrower (JIL) through TRA, equivalent to minimum of 1.5 times of the debt servicing obligations of the next three months, plus the cash flow required for the operations, maintenance,

tax and statutory pay outs and other expenditure, if any in the normal course of business, during the currency of the Facility in operation period.

10. Pledge of 51% shares of the total issued share capital of the Jaypee Infratech Limited (in compliance with Section 19(2) of the Banking Regulation Act).

Further, JIL had also approached Axis Bank Limited for financial assistance by way of subscription to its Secured Redeemable Non-Convertible Debentures amounting to Rs.400 Crores to meet its normal capex and/ or long term working capital requirements. The Bank had agreed to subscribe to the debentures vide its sanction letter no. AXIB/DCM & ET/023/2013-14 dated 15.04.2013, subject to JIL securing the same inter-alia by way of exclusive charge by mortgage of its land near Tappal, District Aligarh, U.P. and second pari-passu charge by mortgage of land and building of its Corporate office at Noida and further by providing Letter of Comfort from JAL, to be subsequently replaced with Corporate Guarantee of JAL.

JAL holds 115,50,00,000 Equity shares of Rs.10 each aggregating to Rs.1,155 Crores representing 83.16% of the Paid up Capital of JIL.

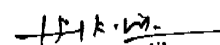
In terms of the provisions of the Section 372A of the Companies Act, 1956, provision of security/guarantee by the Company for the financial assistance provided by the Lenders to other bodies corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

In the circumstances, Members' approval is sought for providing of the security by way of pledge of equity shares of JIL held by the Company in JIL / Undertakings/Guarantee in favour of Lenders of JIL as described above.

None of the Directors except S/Shri Manoj Gaur, Sunil Kumar Sharma, B. K. Goswami, Dr. B. Samal, R. N. Bhardwaj and S.C. Gupta being common Directors of JAL & JIL; Shri Sunny Gaur (Director of JAL) being brother of Shri Sameer Gaur & Smt. Rekha Dixit (both Directors of JIL); Shri Pankaj Gaur (Director of JAL) being the brother of Shri Sachin Gaur (Director of JIL) and Shri Viney Kumar (Nominee of IDBI on the Board of JAL) may be deemed to be concerned or interested in the proposed Resolution.

Your Directors commend 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  
May 4, 2013