

JSW ENERGY LIMITED

Registered Office: Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai – 400 026

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To,
The members of
JSW Energy Limited

ABSTRACT AND MEMORANDUM OF INTEREST UNDER SECTION 302 OF THE COMPANIES ACT, 1956

The Board of Directors of the Company at their meeting held on July 20, 2012 had interalia approved the appointment of Mr. Sanjay Sagar as Whole-time Director designated as “Joint Managing Director and Chief Executive Officer” of the Company for a period of five years with effect from July 21, 2012 and payment of remuneration to him based on the recommendation of the Remuneration Committee, subject to approval of Shareholders of the Company.

Mr. Sanjay Sagar, aged 55 years, Indian National, is an alumnus of Modern School & Sri Ram College of Commerce, Delhi and holds a Management Degree from the University of Delhi with over 30 years of experience including 15 years in the Energy Sector.

Until his elevation as a Whole-time Director w.e.f. July 21, 2012, Mr. Sagar was employed with the Company as ‘President – Project Development’ and had been entrusted with the responsibilities of coordinating with Government and statutory authorities for issues related to the projects under development, projects under execution and future projects of the Company. He is the Vice Chairman of Raj WestPower Limited (RWPL), a wholly owned subsidiary of the Company and was the Managing Director of Barmer Lignite Mining Company Limited (BLMCL), the Joint Venture of RWPL with Rajasthan State Mines and Minerals Limited (RSMML) from March 29, 2011 until July 18, 2012, where he continues to be the Director. Mr. Sagar has earlier headed the Corporate Affairs function of the JSW group from March 2002 to June 2006 before re-joining the group in January 2009.

Mr. Sagar has a keen acumen for Business Development with a pronounced skill for resolving issues related to Government Policy and procedure, of which he has a deep understanding. Mr. Sagar has provided effective leadership in bringing the RWPL project firmly back on the road to completion. Mr. Sagar is also credited with operationalizing the Kapurdi Lignite mine as a source of fuel for the Barmer Project in record time.

As required under Section 302 of the Companies Act, 1956, an abstract of the terms of appointment of Mr. Sanjay Sagar as Whole-time Director and payment of remuneration to him and memorandum of concern or interest of the Directors in such appointment is set out herein below:

APPOINTMENT OF MR. SANJAY SAGAR AS WHOLE-TIME DIRECTOR DESIGNATED AS “JOINT MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER”

Mr. Sanjay Sagar is appointed as Whole-time Director for a period of five years commencing from July 21, 2012, subject to approval of Shareholders of the Company.

Mr. Sanjay Sagar shall be paid remuneration as may be fixed by the Board of Directors from time to time based on recommendation of Remuneration Committee, such that the salary and the aggregate value of all perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; Bonus; Performance incentive; ESOPs; medical reimbursement; club fees and leave travel concession for himself and his family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Sanjay Sagar shall not exceed the overall ceiling on remuneration approved by the members in General Meeting. Your Directors have recommended a ceiling on remuneration of Rs. 40,00,000 (Rupees Forty Lakhs) per month.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

1. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
2. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax, 1961;
3. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and
4. Earned leave with full pay or encashment as per rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

In the event of loss or inadequacy of profits in any financial year, Mr. Sagar shall be paid remuneration by way of salary, allowances and perquisites as specified above, subject to the approval of the Central Government, if required.

Mr. Sagar shall be governed by such of the existing service rules of the Company as may be in force from time to time. Mr. Sagar shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, in its discretion pay to Mr. Sagar lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by the resolution.

The proposed remuneration is within the limits prescribed under Part II Section I of Schedule XIII of the Companies Act, 1956.

Memorandum of concern or interest

Except Mr. Sanjay Sagar, Whole-time Director of the Company who is concerned / interested in the appointment and the remuneration payable, none of the other Directors of the Company are, in any way, concerned or interested in the appointment and the remuneration payable.

Copy of the resolutions passed by the Board of Directors on July 20, 2012 with regard to Mr. Sagar's appointment is available for inspection at the Company's Registered Office as also at the Corporate Office at The Enclave, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025 on all working days of the Company between 11.00 a.m. and 1.00 p.m.

**By Order of the Board of Directors
For JSW Energy Limited**

**S. Madhavan
Company Secretary**

Date: July 23, 2012
Place: Mumbai