

JAI PRAKASH ASSOCIATES LIMITED

Registered Office : Sector 128, Noida – 201 304, U.P. (India)
Head 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, 2001:

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

As Special Resolutions :

1. INVESTMENT IN THE SHARES OF SUBSIDIARIES/PROPOSED SUBSIDIARIES AND PROVIDING CORPORATE GUARANTEES

"RESOLVED THAT pursuant to **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals of Financial Institutions/Banks and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to make investment of/ make loan to/provide guarantee/ security of :

- upto Rs. 500 Crores (Rupees Five Hundred Crores only), in one or more tranches, in the Equity Shares of **Jaypee Infratech Limited (JIL)**, a subsidiary of the Company and guarantee upto Rs.500 Crores in favour of the lender(s) of JIL for the financial assistance availed/to be availed by JIL,
- upto Rs. 200 Crores (Rupees Two Hundred Crores only), in one or more tranches, in the Equity Shares of **Sangam Power Generation Company Limited,**
- upto Rs. 200 Crores (Rupees Two Hundred Crores only), in one or more tranches, in the Equity Shares of **Prayagraj Power Generation Company Limited,**
- additional Rs. 4,500 Crores (Rupees Four Thousand Five Hundred Crores only), in one or more tranches, by way of investment in the Equity Shares of / making loans to / providing Security or Guarantee(s) for the loans etc. granted to **Jaypee Ganga Infrastructure Corporation Limited (JGICL)**, a wholly owned subsidiary of the Company,
- upto Rs. 500 Crores (Rupees Five Hundred Crores only), in one or more tranches, by way of Sponsor Support for Equity Investment in **Bina Power Supply Company Limited (BPSC)**, a subsidiary of Jaiprakash Power Ventures Limited which is a subsidiary of the Company, and provide Shortfall Undertaking to meet cost over run, if any, favouring the Lenders of BPSC,
- upto Rs.1,800 Crores by way of Sponsor Support for Equity Investment in **Jaiprakash Power Ventures Limited (JPVL)** in respect of 2 X 500 MW 'Jaypee Nigrie Super Thermal Power Project' being set up by JPVL, and provide Shortfall Undertaking to meet cost over run, if any, favouring the Lenders of JPVL,

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 alongwith the proposed investments/Sponsor Support/Shortfall Undertakings shall 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 and things as may be expedient and necessary to give effect to this Resolution."

2. INCREASE IN REMUNERATION OF RELATIVES OF DIRECTORS

"RESOLVED THAT pursuant to the provisions of **Section 314 (1B)** of the Companies Act, 1956, the Company hereby accords its consent, subject to the approval of the Central Government, to **Shri G. P. Gaur and Mrs. Rekha Dixit**, relatives of the Directors of the Company, for holding/continuing to hold office or place of profit under the Company at a monthly remuneration effective from the respective dates as set out in the Explanatory Statement annexed to this Notice seeking approval of the Members together with the usual allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel assistance, personal accident insurance, superannuation fund, retiring gratuity and provident fund benefits applicable to other employees occupying similar post(s) within the same salary scale or grade, with authority severally to the Board of Directors or any of its Committees or the Executive Chairman & CEO to sanction at its discretion increment within the grade as the Board may deem fit and proper and to sanction, at its discretion and in due course, promotion to the next higher grade or grades together with the usual allowances and benefits as applicable to such higher grade or grades and to give increments within that grade or grades as the Board/Committee/ Executive Chairman & CEO may deem fit and proper."

"RESOLVED FURTHER that the remuneration payable to the incumbents as aforesaid will be subject to such modification(s) as the Central Government may suggest or require which the Executive Chairman & CEO be and is hereby authorized to accept on behalf of the Company and which may be acceptable to the incumbents."

3. APPROVAL FOR COMMENCEMENT OF BUSINESSES DETAILED IN 'OTHER OBJECTS' CLAUSE OF MEMORANDUM OF ASSOCIATION

"RESOLVED THAT pursuant to **Section 149(2A)** and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors for commencing all or any of the business set out in **Clauses nos. 3, 7 and 14** of the 'Other Objects' clause of the Memorandum of Association of the Company."

As Ordinary Resolutions :

4. INCREASE IN BORROWING POWERS OF THE BOARD

"RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company in their meeting held on August 30, 2007 and pursuant to **Section 293(1)(d)** and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to **borrow** from time to time any sum or sums of money, excluding interest accrued thereon, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed, in the aggregate, at any one time, **Rs. 25,000 Crores** (Rupees Twenty Five Thousand Crores only), excluding interest on the borrowings made by the Company, irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

5. RE-APPOINTMENT OF SHRI SUNIL KUMAR SHARMA AS EXECUTIVE VICE CHAIRMAN

"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 consent of the Company be and is hereby accorded to the re-appointment of **Shri Sunil Kumar Sharma**, as Executive Vice Chairman of the Company for a further period of five years with effect from March 18, 2009 on the remuneration and 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 Sunil Kumar Sharma** notwithstanding that in any financial year of the Company during his tenure as Executive Vice Chairman, 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 respective provisions of the Companies Act, 1956."

6. RE-APPOINTMENT OF SHRI PANKAJ GAUR AS JOINT MANAGING DIRECTOR (CONSTRUCTION)

"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 consent of the Company be and is hereby accorded to the re-appointment of **Shri Pankaj Gaur** as **Jt. Managing Director (Construction)** of the Company for a further period of five years with effect from July 1, 2009 on the remuneration and 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 Pankaj Gaur** notwithstanding that in any financial year of the Company during his tenure as **Jt. Managing Director (Construction)**, 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 respective provisions of the Companies Act, 1956."

7. RE-APPOINTMENT OF SHRI S.D. NAILWAL 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 consent of the Company be and is hereby accorded to the re-appointment of **Shri S. D. Nailwal** as **Whole-time Director** of the Company for a further period of five years with effect from July 1, 2009 on the remuneration and 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 S. D. Nailwal** notwithstanding that in any financial year of the Company during his tenure 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 respective provisions of the Companies Act, 1956."

8. SPECIFIC AUTHORITY FOR CREATION OF MORTGAGE/CHARGE IN FAVOUR OF LENDERS :

"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 the respective lenders/ Trustees, subject to the existing charges :

- (i) immovable and movable properties of the Company, wheresoever situate, present and future, in such manner as may be decided in consultation with the Financial Institution / Debenture Trustee to or in favour of **IDBI Trusteeship Services Ltd.** acting as Trustee to secure
- 3000 - 11.80% Redeemable, Non Convertible Debentures (NCDs) of the Company of Rs.10 lacs each for cash at par, aggregating Rs.300 Crores and
 - 1500 – 12.40% Redeemable, Non Convertible Debentures (NCDs) of the Company of Rs.10 lacs each for cash at par, aggregating Rs. 150 Crores

both privately placed with Life Insurance Corporation of India (LIC),

- (ii) entire immovable & movable fixed assets of the Company, wheresoever situate, present and future [except where exclusive charge has been created in favour of lenders] as first pari passu charge, in such manner as agreed/may be agreed between the Company and the respective Lenders/ Trustees, to secure the loans/debentures/financial assistance of:

- Rs. 100 Crores granted by State Bank of Hyderabad,
- Rs. 200 Crores granted by Allahabad Bank,
- Rs.50 Crores granted by The Karur Vysya Bank Ltd. (to be secured by way of pari-passu charge on fixed assets of Sidhi Cement Plant with the existing lenders of the Sidhi Cement Plant),
- Rs.50 Crores granted by Yes Bank Ltd.(to be secured by way of pari-passu charge on fixed assets of Sidhi Cement Plant with the existing lenders of the Sidhi Cement Plant),
- Rs.160 Crores granted by UCO Bank (to be secured by way of exclusive charge on the fixed assets of Cement Grinding Unit at Roorkee),
- Rs.80 Crores granted by ING Vysya Bank Ltd.(to be secured by way of pari-passu charge on the fixed assets of Jaypee Himachal Cement Project with the existing lenders of Jaypee Himachal Cement Project),
- Rs.400 Crores through secured Non-convertible Debentures subscribed by Axis Bank Ltd., in favour of Axis Trustee Services Ltd.,
- Rs.60 Crores towards additional Working Capital by way of Second Charge on fixed assets of the Company,

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 LIC/ Debenture Trustees and to the said lenders in respect of the aforesaid facilities under debenture subscription / loan agreement entered/ to be entered into by the Company in respect of the aforesaid NCDs/ loans."

9. CREATION OF SECURITY FOR THE PROPOSED ISSUE OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

"RESOLVED THAT 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, (including any amendment thereto or re-enactment thereof) (hereinafter referred to as the "Act"), the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the provisions of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations thereunder, to the Board of Directors of the Company (which expression shall include any Committee thereof, duly constituted or to be constituted) to create a further mortgage and/or charge, on such terms and conditions and at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit, on the whole or substantially the whole of the Company's, any one or more of the undertakings or all of the undertakings, including present or future properties, whether immovable or movable, comprised in any undertaking of the Company, as may be agreed to in favour of the bank or banks, Financial Institutions, person(s), hereinafter referred to as the lenders, and/or trustees to secure borrowings upto an aggregate amount not exceeding Rs. 4000,00,00,000 (Rupees Four Thousand Crores only) as approved at the meeting of the Board of Directors held on April 27, 2009, together with interest at the respective agreed rates by issue of the secured and/or unsecured and/or partly secured Non Convertible Debentures to be issued in one or more tranches, from one or more lenders/investors, inside or outside India, by way of public offer or private placement, whether listed on an Indian or overseas stock exchange (whether on issue or subsequent to issue), in US Dollars or in Indian rupees or partly in Indian rupees and partly in US Dollars, or in any other currency or currencies (including raising different tranches in different currencies or denominating the principal amount payable in one currency and interest in another) as may be determined by the Board in the best interests of the Company subject to the aforesaid cap of Rs. 4000,00,00,000 (Rupees Four Thousand Crores only), in one or more tranches and at one or more occasions at the sole discretion of the Board, at such commercial terms and conditions as to interest rate, and other terms and conditions (for each tranche/occasion) as may be determined by the Board at its sole discretion together with interest, at the respective agreed rates, compound interest, additional interest, commitment charges, costs, charges, expenses and other monies covered by the aforesaid financial assistance under the respective documents, entered into by the Company in respect of the said debentures/bonds /other instrument(s) in terms of their issue;

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari passu/second ranking charge on the present and future assets of the Company, prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created in future by the Company and as may be agreed to between the concerned parties;

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any one or more Directors of the Company, with the power

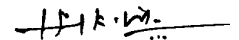
to further delegate any such powers as they may deem fit, to finalize, settle and execute such documents / deeds / writings / agreements, as may be required, and to all such acts, matters and things as it may at its absolute discretion deem proper, fit and expedient and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/charge as aforesaid or other wise considered to be in the best interests of the Company."

10. AUTHORITY TO CREATE MORTGAGE/CHARGE IN FAVOUR OF LENDER(S)

"RESOLVED THAT the consent of the Members of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to create mortgage and/or charge, on such terms and conditions and at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion may deem fit, on the whole or substantially the whole of the Company's anyone or more of the undertakings or all of the undertakings, including present or future properties, whether immovable or movable, comprised in any undertaking of the Company, as may be agreed to in favour of the Bank(s), Financial Institution(s) or other person(s), hereinafter referred to as the lenders, and/or trustees to secure the borrowings up to an aggregate amount not exceeding Rs.25,000 Crores (Rupees Twenty Five Thousand Crores only), together with interest at the respective agreed rates by way of loans or by issue of non-convertible debentures, bonds, term loans, and/or other instruments including foreign currency borrowings, as the Board may in its absolute discretion deem fit, to be issued in one or more tranches, to Indian/ foreign banks, institutions, investors, mutual funds, companies, other corporate bodies, resident/non-resident Indians, foreign nationals, and other eligible investors, and upon such terms and conditions, as may be decided by the Board, including any increase as a result of devaluation/ revaluation or fluctuation in the rates of exchange, together with interest, at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies covered by the aforesaid financial assistance under the respective documents, entered into by the Company in respect of the said debentures/bonds/ term loans/other instrument(s) in terms of their issue."

"RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created in future by the Company and as may be agreed to between Company and the lenders."

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)
Sr. President (Corporate Affairs) &
Company Secretary

New Delhi
April 27, 2009

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 Shri V.P. Kapoor, F.C.S., A.I.C.W.A., LL.B., Practising Company Secretary as Scrutinizer and Shri Ashok Tyagi, F.C.S., Practising Company Secretary as Alternate Scrutinizer for the purpose of Postal Ballot exercise.
- The Notice is being sent under certificate of posting to all the Members whose names would appear in the Register of Members/ Record of Depositories as on **Friday, 15th May, 2009**.
- 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 or deposited by the registered member will also be accepted. The envelopes containing the Postal Ballot should reach the Scrutiniser not later than the close of working hours on **Friday, the 26th June, 2009**.
- The result of the Postal Ballot shall be announced by the Chairman, or in his absence by any other person, so authorized by the Chairman on **Saturday, 27th June, 2009 at 4.00 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.
- 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.
- 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 27th APRIL, 2009 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956 :-

Resolution No. 1

As the members are aware, the Company has set up/is setting up various Projects through its subsidiaries in terms of the approvals of the shareholders obtained from time to time. The Company has since been declared successful bidder for two more Power Projects in Uttar Pradesh to be implemented through the Special

Purpose Vehicles already in existence.

During the course of implementation of various Projects, as aforesaid, the Company is required to make investment by way of Equity Capital in/loans to, provide security/guarantee/ undertakings in respect of such subsidiary companies. The details of such subsidiaries and the proposals as contained in Resolution No.1 are as under :

(i) Jaypee Infratech Limited (JIL)

Your Company has already invested Rs.955 Crores, constituting 98.86% in the equity capital of its subsidiary, namely, Jaypee Infratech Ltd., which is implementing Yamuna Expressway Project comprising 160 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 which also entitles the Concessionaire to develop 25 Million Square Meters of land along the Expressway. The work on the entire length of the Expressway as well as the development activities on the first parcel of land at Noida is progressing satisfactorily.

Keeping in view the present requirement of funds for the said Project, it is proposed to invest, in one or more tranches, further amount of upto Rs.500 Crores in the Equity Shares of JIL and also to provide Corporate Guarantee of the Company for the Bridge Loan of upto Rs.500 Crores agreed to be provided to JIL by Axis Bank Ltd. pending syndication of balance debt of Rs.3,000 Crores out of total debt of Rs.6,000 Crores.

None of the Directors other than S/Shri Jaiprakash Gaur, Manoj Gaur and Sunil Kumar Sharma being common Directors of JAL & JIL, may be deemed to be concerned or interested in the proposed Resolution.

(ii) Sangam Power Generation Company Limited (SPGCL) &

(iii) Prayagraj Power Generation Company Limited (PPGCL)

Your Company has been declared successful bidder for acquisition of Sangam Power Generation Company Limited and Prayagraj Power Generation Company Limited which are setting up Thermal Power Stations of 1320 MW (2 X 660 MW) at Karchana (UP) and 1980 MW (3 X 660 MW) at Bara (UP) respectively and, accordingly, LOIs have been issued in terms whereof your Company has already furnished Performance Guarantees of Rs.99 Crores and Rs.150 Crores in favour of various Procurers.

In terms of the Share Purchase Agreement proposed to be entered into with UP Power Corporation Limited, the present equity holder, for the acquisition of 100% equity shareholding in Sangam Power Generation Company Limited and Prayagraj Power Generation Company Limited, the estimated acquisition price for the existing share capital of these companies is as under :

Sangam Power Generation Company Limited : Rs. 155 Crores
Prayagraj Power Generation Company Limited : Rs. 145 Crores

Keeping in view the aforesaid acquisition price and the immediate expenditure required to be incurred, the approval of the shareholders is sought for the initial investment of Rs. 200 Crores each for the said Companies. On proposed acquisition of the entire capital, the said companies will become wholly-owned subsidiaries of your Company.

None of the Directors of your Company is deemed to be concerned or interested in the proposed Resolution.

(iv) Jaypee Ganga Infrastructure Corporation Limited (JGICL)

As the members are aware, the Company is implementing Ganga Expressway Project comprising 1047 Kms long 8-lane access controlled Expressway along the left bank of river Ganga, from Greater Noida to Balia, on Design, Build, Finance and Operate basis, through its Special Purpose Vehicle (SPV), namely Jaypee Ganga Infrastructure Corporation Limited. The Project also includes development of Land Parcels adjacent to Expressway.

The shareholders have, vide resolution passed on 3rd March, 2008 already approved an investment of upto Rs.3,000 Crores in the share capital of JGICL. However, Uttar Pradesh Expressway Industrial Development Authority (UPEIDA) has desired your Company to furnish the enhanced commitment for equity investment of upto Rs.6,000 Crores. This commitment is besides the existing Corporate Guarantee of Rs.1,500 Crores.

JGICL is presently the wholly-owned subsidiary of your Company and as such the approval of shareholders for the said investment/guarantees is not required. However, to meet the requirement of UPEIDA, the proposal for additional investment/guarantees to the tune of Rs.4,500 Crores is placed for your approval.

None of the Directors other than S/Shri Jaiprakash Gaur, Manoj Gaur, Sunil Kumar Sharma, S K Jain & Sunny Gaur being common Directors of JAL & JGICL, may be deemed to be concerned or interested in the proposed Resolution.

(v) Bina Power Supply Company Limited (BPSCCL)

Bina Power Supply Co Ltd. (BPSCCL), a subsidiary of Jaiprakash Power Ventures Limited (JPVL) which is a subsidiary of your Company, is setting up a 2x250 MW Coal Based Power Project at Bina, Madhya Pradesh, at a Project Cost of Rs. 2,754 Crores. Debt syndication for the said Project is being done by IDBI Bank Limited who has sanctioned a Rupee Term Loan of Rs. 450 Crores to BPSCCL.

JPVL has its own plans to arrange for the requisite equity contribution for the Project, inter-alia, by way of private placements to Institutional Investors/Equity Funds followed by an IPO. However, in the meantime, to give additional comfort to lenders, it is desired that your Company should give Sponsor Support undertaking to the extent of Rs. 500 Crores and also give a shortfall undertaking to meet cost over-run, if any, favouring its Lenders.

None of the Directors other than Shri Sunny Gaur being common Director of JAL & BPSCCL, may be deemed to be concerned or interested in the proposed Resolution.

(vi) Jaiprakash Power Ventures Limited

Your Company through its subsidiary, Jaiprakash Power Ventures Limited (JPVL) is setting up a 2x660 Coal Based 'Jaypee Nigrie Super Thermal Power Project' at Nigrie, Sidhi, Madhya Pradesh, at a Project Cost of Rs.6,000 Crores. Complete debt for the same has been tied-up.

JPVL has its own plans to arrange for the requisite equity contribution for the Project, inter-alia, by way of private placements to Institutional Investors/Equity Funds followed by an IPO. However, in the meantime, to give additional comfort

to lenders, it is desired that your Company should give Sponsor Support undertaking to the extent of Rs. 1,800 Crores and also give a shortfall undertaking to meet cost over-run, if any, favouring its Lenders.

None of the Directors other than S/Shri Manoj Gaur, Sunil Kumar Sharma, Gopi K Arora, R.N. Bhardwaj, S.C. Bhargava, B.K.Goswami and B.K. Taparia being common Director of JAL & JPVL, may be deemed to be concerned or interested in the proposed Resolution.

The Company will meet the proposed obligations through its own resources including its internal accruals, raising of further funds from the capital market/private placements etc.

In terms of the provisions of the Section 372A of the Companies Act, 1956, making of loan to any other body corporate, giving any guarantee or providing security in connection with a loan made by any other person to, or to any other person by, any body corporate and acquiring by way of subscription, purchase or otherwise the securities of any other body corporate, requires prior approval of shareholders by way of Special Resolution, in case the such loan, guarantee, security or investment exceeds 60% of its paid up share capital and free reserves or 100% of its free reserves, whichever is more.

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

Resolution No. 2

Keeping in view the overall salary structure in the Industry, the pay scales at various levels in the Company have been revised w.e.f. April 1, 2008. Some of these revised Pay Scales are as under:

Executive/Executive Manager	Rs. 25,000-2,500-37,500-3,000-52,500
Executive General Manager	Rs. 60,000-7,500-97,500-10,000-1,47,500
Executive Vice President	Rs. 75,000-10,000-1,25,000-12,500-1,87,500
Executive Joint President	Rs.1,00,000-12,500-1,62,500-15,000-2,37,500
Executive President	Rs. 1,50,000-15,000-2,25,000-20,000-3,25,000
Executive Director/Advisor	Rs. 2,00,000-20,000-3,00,000-30,000- 4,50,000

Some of the relatives of certain Directors of the Company have been working with similar designations in the Company. Accordingly, the following salaries were recommended for the relatives of Directors working in the Company at various levels in the aforesaid pay scales w.e.f. April 1, 2009:

Name & Designation	Present Pay Scale and Basic Salary p.m. (Rs.)	Revised Pay Scale and Basic Salary p.m. (Rs.)	Names of interested Directors
Shri G. P. Gaur Executive Director	1,50,000-15,000-2,25,000-20,000-3,25,000 Basic 1,50,000	2,00,000-20,000-3,00,000-30,000-4,50,000 Basic 2,40,000	S/Shri Jaiprakash Gaur & Pankaj Gaur
Mrs. Rekha Dixit Executive General Manager	60,000-7,500-97,500-10,000-1,47,500 Basic 75,000	60,000-7,500-97,500-10,000-1,47,500 Basic 97,500	S/Shri Jaiprakash Gaur, Manoj Gaur & Sunny Gaur

Keeping in view the fact that Shri G. P. Gaur & Mrs. Rekha Dixit have been working in the Company for long and have significantly contributed to the growth of the Company, the Board, in its meeting held on April 27, 2009 approved the revised remuneration of the above named relatives w.e.f. April 1, 2009, as recommended by the Remuneration Committee, subject to approval of the shareholders and the Central Government.

In addition to the salary, the above two incumbents will be entitled to the allowances, perquisites and benefits, which include HRA/accommodation, medical reimbursement, LTC, personal accident insurance, use of car and telephone, contribution to Provident Fund, gratuity etc., as per rules of the Company in vogue, the aggregate value whereof shall not exceed the annual salary.

Since the above named relatives of the Directors of the Company hold/propose to hold the office or place of profit carrying a total monthly remuneration in excess of Rs. 50,000, prior consent of the members by a Special Resolution and approval of the Central Government is required in terms of Section 314 (1B) of the Companies Act, 1956. After the consent of the members is so obtained, an application will be made to the Central Government for its approval.

S/Shri Jaiprakash Gaur, Manoj Gaur, Pankaj Gaur and Sunny Gaur being relatives of the above named employees/incumbents are deemed to be interested in the Resolution.

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

Resolution No.3

Keeping in view the in-house demand for Hi-tech castings & grinding media, to cater the needs, inter-alia, of the Company's Cement Plants etc., it is considered expedient to set up a Foundry Shop (Hi-Tech Casting Centre) at Jaypee Nagar, Rewa where sufficient land is already available with the Company. The proposed facility which is planned to commence production by October, 2010, will have the initial capacity of producing castings and grinding media of 18,000 tonnes per annum. 33% of this capacity would get consumed within the group itself. The proposal will involve an investment of approximately Rs. 75 Crores which will be funded through debt and internal accruals.

As the Members are aware, Madhya Pradesh accounts for 52% of Soya bean production of the country. Jaypee Group has undertaken many corporate social initiatives at Rewa (MP) where its Cement Plants are located. It is proposed to set up a state of the art Soya processing plant, about 5 km from Company's Jaypee Nagar Cement Complex at Rewa, with an initial soya crushing capacity of 80,000 tonnes per annum and soya oil refining capacity of 60 tonnes per day. The plant is expected to come into production by June 2010. This facility would provide greater opportunity for local farmers to get their farm output sold in fair and reasonable manner. This venture would mean greater income to the farm owners of at least 80,000 hectares and shall provide right

impetus to their increased prosperity, besides generating reasonable returns on investment as the end product has export potential. The proposal will involve an investment of approximately Rs. 25 Crores which will be funded through debt and internal accruals.

The proposed business activities are covered under Clause No. 3, 7, & 14 of 'Other Objects' of the Objects Clause of the Memorandum of Association of the Company. It is proposed to seek approval of shareholders to undertake the said business activities.

In terms of Section 149 (2A) of the Companies Act, 1956, the commencement of the businesses stipulated in clauses covered under the head 'Other Objects' requires shareholders' approval by way of Special Resolution. Section 192A of the Act read with Companies (Passing of the resolution by Postal Ballot) Rules, 2001 stipulates that the consent of the members of the Company for this purpose shall be obtained by the Postal Ballot.

None of the Directors of the Company is deemed to be concerned or interested in the Resolution.

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

Resolution No. 4

The Company has undertaken major expansion of its Cement Business. It is also planning for a larger stride in its Engineering Construction Business. In addition, the Company by itself/ through its subsidiaries, is also diversifying and expanding its businesses of power generation and other infrastructure projects including Expressways & Housing etc.

Further, as per the Scheme of Amalgamation already approved by the shareholders & creditors of the Company, M/s Jaypee Hotels Ltd., Jaypee Cement Ltd., Jaiprakash Enterprises Ltd and Gujarat Anjan Cement Ltd. shall amalgamate with your Company. In terms of the said Scheme, the borrowing powers of the Board of the Transferor companies shall stand clubbed with the borrowing powers of the Board of Directors of your Company. As per the present status, such delegated powers aggregate to Rs.18,750 Crores (Rs.15,000 Crores for JAL, Rs.500 Crores for JHL, Rs.50 Crores for JEL, Rs.1,200 Crores for JCL and Rs.2,000 Crores for GACL).

Keeping in view the expected requirement of funds for the expanding business of your Company, the approval of the shareholders is sought in terms of Section 293 (1) (d) of the Companies Act for increasing the borrowing powers of the Board of Directors of the Company to an aggregate of Rs.25,000 Crores (apart from temporary loans obtained from the Company's bankers in the ordinary course of business).

None of the Directors of the Company is deemed to be concerned or interested in the resolution.

Your Directors commend the resolutions for your approval as an Ordinary Resolution.

Resolution No. 5, 6 & 7

Shri Sunil Kumar Sharma aged about 49 years, is B.Sc. and has 29 years' experience in the engineering and construction industry. He was appointed as Managing Director of the Company for a period of 5 years w.e.f. 18th March, 2004 and was designated as Executive Vice Chairman w.e.f. 27th December, 2006, responsible for engineering construction contracts of the Company. He is also a Chairman of Jaypee Hotels Limited, Jaypee Karcham Hydro Corporation Ltd., Vice Chairman of Jaiprakash Hydro-Power Limited, Jaypee Cement Limited and Jaypee Infratech Ltd. Besides these, he is also a Director of Jaypee Ganga Infrastructure Corporation Ltd., Jaypee Arunachal Power Limited, Jaypee Spa Infocom Limited, Jaiprakash Power Ventures Ltd., Jaypee Hotels & Resorts Ltd, Madhya Pradesh Jaypee Minerals Ltd., Jaypee Powergrid Ltd., Himalyan Expressway Ltd. JPSK Sports Private Ltd, Jaypee Petroleum Private Limited, Jaypee Hydro-Carbons Private Limited, Jaypee Ventures Pvt. Ltd., Suneha Estates Pvt. Ltd., and Indesign Enterprises Pvt. Ltd.

Shri Pankaj Gaur aged about 38 years, is B.E (Instrumentation) and has 15 years of experience. He worked with Jaypee Rewa and Jaypee Bela Cement Plants from 1993 to 1998. Between 1999 to 2004, he looked after the Tala Hydroelectric Project executed by the Company in Bhutan. He was appointed as Whole-time Director of the Company w.e.f. 1st July, 2004 and designated as Jt. Managing Director (Construction) w.e.f. 14th December, 2007. Since 2005, he has been leading the team for the development of the Srisalem Project in Andhra Pradesh. He is also a Director on the Boards of Jaypee Arunachal Power Limited, Jaypee Cement Ltd, Jaypee Ventures Pvt. Ltd. and Pee Gee Estates Pvt. Ltd.

Shri Shyam Datt Nailwal aged about 61 years, is a Fellow member of the Institute of Company Secretaries of India with 41 years of experience in the fields of project financing, corporate planning and secretarial to his credit. He was appointed as Whole-time Director of the Company w.e.f. 1st July, 2004. He is also a Director of Jaiprakash Hydro-Power Limited.

Keeping in view their contribution in the growth of the Company and their leadership qualities supported by qualifications and experience, the Board of Directors in their meeting held on 17th January 2009 had re-appointed Shri Sunil Kumar Sharma, Executive Vice Chairman, Shri Pankaj Gaur, Jt. Managing Director (Construction) and Shri S. D. Nailwal, Whole-time Director with their present designations for a further period of five years from the date of expiry of their earlier term, i.e., w.e.f. 18th March, 2009, 1st July, 2009 and 1st July, 2009 respectively at the remuneration which was duly approved by the Remuneration Committee, as under :

Shri Sunil Kumar Sharma

Basic Salary : Rs. 8,80,000/- per month
in the Pay Scale of Rs.8,00,000-80,000-12,00,000 with annual increment on 1st October every year

Shri Pankaj Gaur

Basic Salary : Rs. 3,30,000/- per month
in the Pay Scale of Rs.2,75,000-27,500-4,12,500-41,250-6,18,750 with annual increment on 1st October every year

Shri S.D. Nailwal

Basic Salary : Rs. 2,40,000/- per month
in the Pay Scale of Rs.2,00,000-20,000-3,00,000-30,000-4,50,000 with annual increment on 1st October every year.

Perquisites

Besides the above salary, Shri Sunil Kumar Sharma, Shri Pankaj Gaur and Shri S.D. Nailwal shall be entitled to the perquisites which may include accommodation/ HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, personal accident insurance, use of car and telephone, 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 would be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule XIII to the Companies Act, 1956 as amended from time to time, whichever is less.

The Executive Chairman of the Company shall have the authority to fix the inter-se ceilings / limits of various perquisites of the Executive Directors.

In the event of absence or inadequacy of profit in any year during the tenure of their appointment, the aforesaid remuneration will be paid as the minimum remuneration.

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

None of the Directors except the appointees themselves may be deemed to be concerned or interested in the Resolutions.

This explanatory statement together with the accompanying notice is, and may be treated as an abstract of terms of reappointment and memorandum of interest in respect of re-appointment of Shri Sunil Kumar Sharma, Shri Pankaj Gaur and Shri S.D. Nailwal under Section 302 of the Companies Act, 1956.

Your Directors commend the Resolutions for your approval as Ordinary resolutions.

Resolution No. 8, 9 & 10

The Company has from time to time mobilised funds to meet its requirements for project based capital expenditure, normal capital expenditure, general corporate purposes and working capital etc., within the borrowing powers of the Board of Directors as delegated by the Shareholders, as per details mentioned in the Resolution No.8.

The Company is now required to create security for the said facilities in favour of the respective Lenders/Trustees for the Non Convertible Debentures, by way of creation of mortgage and/or charge on the assets of the Company, as stated in the said resolution.

Similarly, the Board of Directors have since decided to raise further funds to the tune of Rs.4000 Crores, inter-alia, to fund the expansion plans of the Company besides the requirement of funds for the purposes stated hereinabove, which might be done by issue of the secured and / or unsecured and/or partly secured Non-convertible Debentures to be issued in one or more tranches from one or more lenders/ investors, inside or outside India, by way of public offer or private placement, as elaborately mentioned in the Resolution No.9. For this purpose as well, the Company will be required to create security by way of mortgage and / or charge on the assets of the Company.

Further, keeping in view the requirement of funds for the growing business of the Company, the approval of the shareholders has been sought, vide Resolution No.4 herein, for enhancing the borrowing powers of the Board of Directors to the extent of Rs.25,000 Crores. The Company would be required to create security in favour of the Lenders for such borrowings from time to time for which requisite approval has been sought vide Resolution No.10.

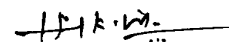
Section 293(1)(a) of the Companies Act, 1956, inter-alia, provides that the Board of Directors of a public company shall not, without the consent of the company in general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the 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, as aforesaid, in favour of the aforesaid Lenders/Institutions/ Trustees may be regarded as disposal of the Company's properties/undertaking, it is necessary to obtain the approval of the members for the resolutions under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/ charge. Hence the proposals.

None of the Directors of the Company except the Nominees of the concerned lending institutions, present or as may be appointed at relevant times, is concerned or interested in the resolutions.

Your Directors commend the resolutions for your approval as Ordinary Resolutions.

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)

Sr. President (Corporate Affairs) &
Company Secretary

New Delhi
April 27, 2009