

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, 2001:

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

As Special Resolutions :

1. PROVIDING SECURITY / UNDERTAKINGS TO THE LENDERS OF JAYPEE KARCHAM HYDRO CORPORATION LIMITED (JKHCL)

"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 Karcham Hydro Corporation Limited (JKHCL)**, a subsidiary of the Company, held by the Company in favour of lenders of JKHCL and to give undertaking to lenders of JKHCL for non disposal of Equity Shares of JKHCL held by 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 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 in case of sanction of Scheme of Amalgamation of JKHCL and Bina Power Supply Company Limited (BPSCL) with Jaiprakash Power Ventures Limited (JPVL) which is pending before High Court of Himachal Pradesh at Shimla, the Company do pledge / give Non-Disposal Undertakings, in favour of the Lenders of JKHCL & BPSCL in respect of such number of shares of JPVL held by Company as might be mutually agreed with such Lenders."

"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, including offering the pledge of mutually agreed number of shares held by the Company in Jaiprakash Power Ventures Limited with whom JKHCL is proposed to be amalgamated."

2. PROVIDING SECURITY/UNDERTAKINGS TO THE LENDERS OF JAIPRAKASH POWER VENTURES LIMITED (JPVL)

"RESOLVED THAT in supersession of the earlier resolution passed by Shareholders and pursuant to **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 required, the Board of Directors of the Company be and is hereby authorized to execute and furnish the modified undertaking in favour of the Lenders or the Security Trustee of the Lenders of **Jaiprakash Power Ventures Limited (JPVL)**, a subsidiary of your Company, for the benefit of its Lenders

after incorporating change of Rupee facility of Rs. 849.10 Crores from ICICI Bank Ltd. to foreign currency loan (ECB) equivalent to JPY 15.30 billion from its Singapore Branch, and further to undertake to provide the Sponsor Support for Equity investment of upto Rs. 1800 crores (Rupees One thousand eight hundred crores) in JPVL and to provide Short Fall Undertaking to meet cost overrun if any, as per the Sponsor Support Agreement, in the event the JPVL is unable to make any of the Sponsor Support, as per details set out 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 modification 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. DIVERSIFICATION INTO AVIATION BUSINESS

"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 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 upto Rs.250 Crores** (Rupees Two Hundred & Fifty Crores) only in one or more tranches, in the Equity Share Capital of a Company proposed to be incorporated with the name '**Himalyaputra Aviation Limited**' or such other name as may be made available by the concerned Registrar of Companies, for the purpose of engaging in the business of aviation notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/guarantees so far given by the Company alongwith the proposed investment 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. APPOINTMENT OF SHRI B.K. JAIN, RELATIVE OF A DIRECTOR

"RESOLVED that pursuant to the provisions of **Section 314(1B)** of the Companies Act, 1956, the consent of the Company be and is hereby accorded to **Shri B K Jain, relative of a Director of the Company**, for holding office or place of profit under the Company at a monthly remuneration & perquisites as set out in the Explanatory Statement annexed to this Notice seeking approval of the Members with authority to the Executive Chairman to sanction at his discretion such increase in remuneration not exceeding 50% of the approved remuneration, in due course, as the Executive Chairman may deem fit and proper."

5. RE-APPOINTMENT OF SHRI MANOJ GAUR AS EXECUTIVE CHAIRMAN OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the re-appointment of Shri Manoj Gaur as Executive Chairman of the Company, with substantial powers of Management, for a period of five years w.e.f. April 1, 2011 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 Manoj Gaur notwithstanding that in any financial year of the Company during his tenure as Executive 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 provisions of the Companies Act, 1956.”

6. INCREASE IN REMUNERATION OF OTHER EXECUTIVE DIRECTORS

“RESOLVED that in terms of the authority accorded by the Shareholders for the appointment and remuneration of Whole-time Directors of the Company in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory amendment or re-enactment thereof, and subject to such other approvals, as may be necessary, the approval of the Company be and is hereby accorded to the modification in terms of remuneration paid or payable to the Whole-time Directors of the Company with effect from April 1, 2011 for the remaining period of their respective tenures with annual increment on April 1 every year starting from April 1, 2012, as set out in the Explanatory Statement annexed to the Notice.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointees including relating to remuneration, as it may, at its discretion, deem fit from time to time so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any statutory amendment or re-enactment thereof.”

“RESOLVED FURTHER that pursuant to all applicable provisions of the Companies Act, 1956, the revised remuneration, as set out in the Explanatory Statement annexed to the Notice, be paid as minimum remuneration to the respective Directors in the event of loss or inadequacy of profits in any financial year during the residual tenure of their respective appointments.”

As Ordinary Resolutions :

7. INCREASE IN BORROWING POWERS OF THE BOARD

“RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company through Postal Ballot on June 27, 2009 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.35,000 Crores** (Rupees Thirty 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.”

8. CREATION OF MORTGAGE/CHARGE IN FAVOUR OF LENDERS

“RESOLVED THAT the consent of the Company be and is hereby

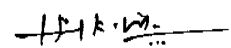
accorded in terms of **Section 293(1)(a)** and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (which expression shall include any Committee of the Board duly constituted/ to be constituted) to **mortgage and/or charge**, subject to the existing 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.), to or in favour of term lending Institution(s)/ Bank(s)/ Debenture Trustee etc. as :

i. **first charge on pari passu basis**, to secure the following facilities to the Company:

- a. 5000-10.75% Secured Redeemable Non-Convertible Debentures (NCDs) of the Company of Rs.10 lacs each for cash at par, aggregating Rs.500 Crores privately placed with Yes Bank Ltd., Axis Trustee Services Ltd. acting as Trustees for NCDs;
- b. 1000-5.60% Secured Redeemable Non-Convertible Debentures (NCDs) of the Company of Rs.10 lacs each for cash at par, aggregating Rs.1,000 Crores, privately placed with Axis Bank Ltd., Axis Trustee Services Ltd. acting as Trustees for NCDs;
- c. Rupee Term Loan of Rs.150 Crores from Karnataka Bank;
- d. Rupee Term Loan of Rs.1,500 Crores from IDBI Bank Ltd. & Other participating Banks / Institutions.
- e. Rupee Term Loan of Rs.1,000 Crores from IDBI Bank Ltd.;
- f. Rupee Term Loan of Rs.500 Crores from ICICI Bank Ltd.;
- g. Rupee Term Loan of Rs.300 Crores from State Bank of Hyderabad;
- h. Rupee Term Loan of Rs.100 Crores from State Bank of Bikaner & Jaipur;
- i. Rupee Term Loan of Rs.1,000 Crores from State Bank of India;
- j. Rupee Term Loan of Rs.300 Crores from State Bank of Patiala;
- k. Rupee Term Loan of Rs.450 Crores from Yes Bank Ltd. and to create such other security as agreed/ may be agreed to in consultation with term lending Institution(s)/Bank(s)/ Debenture Trustee(s) etc. to secure the respective loan/ financial assistance availed from the lender(s), 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/ 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 loans/ NCDs;

ii. **subservient security interest and further to create pledge** over maximum 189,316,882 Equity Shares of the Company held by the Trusts (in which beneficial interest is held by the Company) and such other security as agreed/ may be agreed between the Company and the Lender, to secure Term loan of Rs.1300 Crores granted by ICICI Bank Ltd; 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/ 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 loans/ NCDs”.

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)

Sr. President (Corporate Affairs) &
Company Secretary

Noida
May 14, 2011

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 Shri K. K. Malhotra, F.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 Friday, June 3, 2011.**
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 Saturday, July 16, 2011.** If the ballots are received thereafter they shall be deemed to be not received.
5. The Company is pleased to continue to offer **e-voting facility** as an alternate, **for its Individual Members** (other than Corporates/ FIs/ FII's etc.) to enable them to cast their vote electronically instead of dispatching Postal Ballot. The procedure for the same is as under:
 - i. Open your web browser and log on to the e-voting website **www.evotingindia.com.**
 - ii. Click on the button "CLICK HERE TO PROCEED".
 - iii. Now click on 'Shareholders Click here to cast your votes'.
 - iv. Now, select the "Electronic Voting Sequence Number (EVSN) alongwith JPASSOCIATES" from the drop down menu and click on SUBMIT.
 - v. 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.	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 Department.	Enter the Default Number sent to you by the Company (along with the Password) on your email id as provided by you.

- vi. 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.
- vii. 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.
- viii. Click on the **Resolution File Link** if you wish to view the Resolution.
- ix. 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.
- x. 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.
- xi. Once you have voted on a resolution, you will not be allowed to modify your vote.
- xii. 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.
- xiii. **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.**
- xiv. If you wish to provide feedback on the e-voting system, click on Suggestions. In case you have any queries or issues regarding e-voting, please contact on helpdesk.evoting@cdslindia.com, or on jal.investor@jalindia.co.in.

6. 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 Tuesday, July 19, 2011 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 indicates 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.**
7. 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.
8. 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 MAY 14, 2011 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956 :-

Item 1

Jaypee Karcham Hydro Corporation Limited (JKHCL), a step down subsidiary of your Company, had entered into a Common Loan Agreement dated October 6, 2006 and addendum thereafter with consortium of various Indian Financial Institutions and Banks led by ICICI Bank Limited for availing Rupee Term Loan(s) to the extent of Rs. 3,920 Crores for setting up a 1000 MW (4 x 250 mega watts) run of the river hydroelectric power plant in Kinnaur District of Himachal Pradesh. For availing the above loan by JKHCL, your Company entered into a

Share Retention and Financial Support Agreement dated October 4, 2006 and a Pledge Agreement dated December 27, 2006 with IDBI Trusteeship Services Limited (as Security Trustee) pursuant to which the Company pledged its shares of JKHCL to the extent of 30% of the issued and paid up equity share capital of JKHCL in favour of the Security Trustee, for securing the repayment of the existing loans of JKHCL. As JKHCL was a wholly owned subsidiary of the Company in 2006, shareholders approval under Section 372A of the Companies Act for pledge of shares of JKHCL held by the Company etc. was not taken as the same was exempt from the provisions of Section 372A of the Companies Act, 1956.

Now, in view of the increased project cost by approximately Rs.1,550 Crores (from Rs.5,600 Crores to Rs.7,150 Crores), JKHCL for part financing the increased cost of the Project has approached ICICI Bank Limited, Union Bank of India, Bank of India, IDBI Bank Limited, Punjab National Bank, Jammu & Kashmir Bank Ltd., Infrastructure Development Finance Company Limited to extend additional financial assistance in the form of Rupee Term loan of an aggregate principal amount of Rs.1,085 Crores.

The main terms and conditions as set out in their respective letters of sanction of additional term loan lenders of JKHCL include the following: -

- (a) Pledge of 30% of the issued, subscribed and paid up Equity Shares of JKHCL held by the Company until the final settlement date;
- (b) Your Company being one of the Sponsor of JKHCL is required to execute an Amended and Restated Non Disposal and Safety Net Arrangement together with Jaiprakash Power Ventures Limited (JPVL), also a subsidiary of your Company, for the purpose of retention of specified percentage in the shareholding of JKHCL and an Amended and Restated Share Retention and Financial Support Agreement together with JPVL for the purpose of committing to subscribe equity as required for the estimated project cost and for cost overrun equity.

The Company at present holds 92,50,00,000 equity shares of Rs.10 each of JKHCL representing 46.02% of Paid up Capital of JKHCL.

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 requires prior approval of shareholders by way of Special Resolution.

The Company is required to extend security by way of pledge of Equity Shares of JKHCL held by the Company and to give Non Disposal Undertaking of Equity Shares of JKHCL held by the Company in respect of additional Rupee Term Loan facilities granted to and availed by JKHCL from the Lenders.

Members may kindly approve providing of security by way of pledge of Equity Shares/ Non Disposal Undertaking of Equity Shares of JKHCL held by the Company in favour of lenders of JKHCL.

Further, as the members are aware, JKHCL is proposed to be amalgamated with Jaiprakash Power Ventures Limited (JPVL), another subsidiary of the Company and the Scheme of Amalgamation is pending for sanction before Hon'ble High Court of Himachal Pradesh at Shimla. Consequent upon the amalgamation of JKHCL with JPVL, the Company would be allotted shares by JPVL against the shares of JKHCL in the approved exchange ratio. In the circumstances, the Company might be required to offer for pledge of such number of equity shares of JPVL to the lenders, as might be mutually agreed upon.

Similarly, JPVL had pledged 32.55 crores shares held by it in JKHCL and 237320861 equity shares held by it in Bina Power Supply Company Limited (BPSCL) and also given Non-Disposal Undertaking in respect of the said shares in favour of the lenders of JKHCL and BPSCL, in the capacity of holding company of said JKHCL & BPSCL. Since on sanction of the proposed Scheme of Amalgamation of JKHCL and BPSCL, JPVL would not hold shares in the said companies, your Company, being the Promoter Company of JPVL might be required by the lenders to pledge/ give non disposal undertakings in respect of mutually agreed number of shares held by your Company in JPVL.

The approval of the shareholders is thus sought to meet such eventuality as well.

S/Shri Sunil Kumar Sharma and Dr. B Samal being common Directors of JAL & JKHCL; Shri Sunny Gaur being common Director of JAL &

BPSCL and S/Shri Manoj Gaur, Sunil Kumar Sharma, R N Bhardwaj, B K Taparia, S C Bhargava and S K Jain being common Directors of JAL & JPVL are deemed to be interested in the proposed Resolution.

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

Item 2

The members may recall that they had accorded approval through Postal Ballot on August 31, 2010 authorising the following undertakings in favour of lenders of Jaypee Nigrie Super Thermal Power Project (JNSTPP) a Unit of Jaiprakash Power Ventures Limited (JPVL), subsidiary of your Company:

- a. The Sponsor (JAL) undertaking that during the currency of the term debts of JPVL, it will not resort to any disinvestment that results in fall of the aggregate shareholding of the sponsor (JAL) in the Borrower company (JPVL) below 51%.
- b. Shortfall undertaking to meet cost overrun, if any, in favour of Lenders of JPVL.
- c. Sponsor Support Undertaking for equity investment of Rs. 1800 Crores in JPVL.

The Undertakings furnished as above were relating to Rupee Term Loan Facilities. However, ICICI Bank Ltd. has since converted part of its Rupee Loan Facility of Rs. 849.10 Crore to foreign currency loan (ECB) equivalent to JPY 15.30 billion from its Singapore Branch at all inclusive interest cost of 4.62% p.a. Hence necessary modification to the said Undertaking is required to include this foreign Currency facility (ECB).

Shortfall obligation of the Company, if any, would be met through its own resources including internal accruals and raising of further funds from the market.

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 requires prior approval of shareholders by way of Special Resolution in case the same exceeds the prescribed limits.

In the circumstances, Members' approval by way of Special Resolution is sought for providing of the requisite security by way of the aforesaid undertakings in favour of lenders of JPVL.

None of the Directors other than S/Shri Manoj Gaur, Sunil Kumar Sharma, SK Jain, RN Bhardwaj, BK Taparia, SC Bhargava, being common Directors of JAL & JPVL, may be deemed to be concerned or interested in the proposed Resolution.

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

Item 3

The Members may recall that they had accorded their approval on September 5, 2007, through the process of Postal Ballot, to commence the business relating to aviation as set out in clause nos. 43 to 46 of 'Other Objects' Clause of the Memorandum of Association of the Company.

Accordingly, it is now proposed to undertake the said business through a new company to be incorporated by the name of Himalyaputra Aviation Limited or such other name as may be made available by the concerned Registrar of Companies, which shall initially be a wholly owned subsidiary of your Company.

The Company proposes to invest an initial amount of **Rs.250 Crores** in the equity Share capital of the said Company in one or more tranches. The Company may finance the Equity contribution through its own resources viz. internal accruals / raisings through the market.

In terms of the provisions of the Section 372A of the Companies Act, 1956, investments by way of subscription, purchase or otherwise of the securities of any other body corporate or granting of loans, requires prior approval of shareholders by way of Special Resolution in case the same exceed the prescribed limits. Hence the proposal.

None of the Directors of the Company is deemed to be concerned or interested in the Resolution except the common Directors who might be appointed on the Board of the proposed Company.

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

Item 4

Shri B. K. Jain, 70, MIE (India), FIMarEST (London), Chartered Engineer, has been appointed to hold office of profit as Advisor in the Company w.e.f. April 1, 2011 on a monthly remuneration of Rs.93,750/- only. In addition to the said remuneration, he shall be entitled to the perquisites, including accommodation / HRA & other benefits, as applicable to other Advisors, the value whereof shall not exceed the monthly remuneration.

Shri B K Jain had served Shipping Corporation of India, a Government of India Undertaking from 1961 to 1980. From 1980 to March, 2011 he rendered consultancy/ advisory services to various companies.

The Board / Selection Committee feel that his appointment shall be beneficial to the Company.

Shri B K Jain is the brother of Shri S. K. Jain, Vice Chairman of the Company and his appointment at a monthly remuneration of more than Rs. 50,000, would require prior approval of Shareholders, in terms of Section 314(1B) of the Companies Act, 1956.

None of the Directors except Shri S.K. Jain, being brother of the incumbent, is deemed to be interested in the Resolution.

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

Item No. 5

Shri Manoj Gaur was appointed as Managing Director of Company for a period of five years w.e.f. April 1, 2006 by the Board in its meeting held on December 27, 2005. His appointment was approved by the Shareholders by passing a resolution through Postal Ballot, results whereof were declared on February 25, 2006. He was subsequently appointed as Executive Chairman of the Company with substantial powers of management at the Board meeting held on December 27, 2006.

The present remuneration of Shri Manoj Gaur, Executive Chairman, was duly approved by the Remuneration Committee of the Board of Directors in its meeting held on October 18, 2008 followed by the Board approval accorded on October 21, 2008.

In terms of provisions of Section 317(3) of the Companies Act, 1956, the Company could consider the reappointment of Shri Manoj Gaur upto two years before the date of the expiry of his existing term.

Keeping in view his outstanding contribution in the growth of the Company and his leadership qualities supported by his qualifications & experience vis-à-vis the size of the Company, the Board of Directors in its meeting held on January 28, 2011 decided to re-appoint Shri Manoj Gaur, Executive Chairman, with substantial powers of management, for a further period of five years w.e.f. April 1, 2011, subject to the approval of the Shareholders, at a remuneration to be approved by Remuneration Committee.

The Remuneration Committee in its meeting held on January 28, 2011 approved the revised remuneration of Shri Manoj Gaur, Executive Chairman w.e.f. April 1, 2011, as under :

Salary	Present remuneration	Proposed Revised remuneration
B a s i c Salary	Rs. 11,37,500	Rs. 25,00,000
Pay Scale	Rs. 8,75,000-87,500-13,12,500	Rs.15,00,000-2,50,000-27,50,000-2,75,000-41,25,000-4,12,500-61,87,500

Annual Increment due on April 1 every year starting from April 1, 2012

Besides the above salary, Shri Manoj Gaur, Executive Chairman shall be entitled to perquisites which may include accommodation/ HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, insurance premium, contribution to Provident Fund, superannuation fund or annuity fund, gratuity payable

at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure etc.

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

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

Shri Manoj Gaur, Executive Chairman shall also be entitled for car, telephone at residence and mobile phone for Company's business at Company's expense.

The above remuneration will be paid as minimum remuneration to Shri Manoj Gaur, Executive Chairman in the event of absence or inadequacy of profit in any year during his tenure.

Further, the Executive Vice Chairman of the Company has been authorized to fix the inter-se ceilings/limits of various perquisites of the appointee.

In terms of Article 173 of the Articles of Association of the Company, Shri Manoj Gaur shall not be liable to retire by rotation as Director, so long as he holds the office of Executive Chairman of the Company.

Shri Manoj Gaur, 47, is B.E. (Civil Hons.) from Birla Institute of Technology and Sciences, Pilani, having 26 years' experience in Cement Industry (right from concept to commissioning of the plants, Production & Marketing), Heavy Engineering Construction, Infrastructure Development and all facets of corporate and financial matters.

Besides being Executive Chairman of Jaiprakash Associates Ltd., Shri Manoj Gaur is Chairman of Jaiprakash Power Ventures Ltd., Jaypee Infratech Ltd.(Chairman-cum-Mg. Director), Gujarat Jaypee Cement and Infrastructure Ltd., Sangam Power Generation Company Ltd., Prayagraj Power Generation Company Ltd., Jaypee Ganga Infrastructure Corp. Ltd., Kanpur Fertilizers & Cement Ltd., Jaypee Cement Corporation Ltd. and Jaypee Sports International Ltd. Vice-Chairman of Madhya Pradesh Jaypee Minerals Ltd. and MP Jaypee Coal Ltd. and also a Director on the Boards of Jaypee Agri Initiatives Company Ltd., Jaypee Ventures Pvt. Ltd. and Jaypee Infra Ventures (A Private Company with Unlimited Liability).

None of the Directors of the Company except Shri Manoj Gaur himself and Shri Sunny Gaur, Managing Director (Cement) of the Company, being brother of the appointee, is deemed to be concerned or interested in the resolution.

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

The Explanatory Statement together with the accompanying Notice is and may be treated as an 'Abstract of the terms of appointment and memorandum of interest' under Section 302 of the Companies Act, 1956.

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

Item No. 6

The remuneration of Whole-time Directors of the Company was last revised in October 2008. Further Whole-time Directors were re-appointed from time to time with the approval of the Shareholders in the years 2007, 2008, 2009 and 2011.

During these years the Company has witnessed impressive growth. Accordingly, the remuneration at all levels except for Whole-time Directors was increased as a part of employees' care initiatives.

Keeping in view their contribution in the growth of the Company and their leadership qualities supported by their qualifications & experience vis-a-vis the size of the Company and the remuneration being offered in the industry, the Remuneration Committee in its meeting held on January 28, 2011 considered and approved revision in the remuneration of the Whole-time Directors of the Company, w.e.f. April

1, 2011 (with annual increment due on April 1 every year starting from April 1, 2012) as under :

Sl. No	Name	Tenure upto	Basic Salary & Pay Scale before Revision (Rs.)	Revised Basic Salary & Pay Scale (Rs.)
1	Shri Sunil Kumar Sharma Executive Vice Chairman	17.03.2014	Rs.10,40,000 Rs. 8,00,000-80,000-12,00,000	Rs.16,50,000 Rs.10,00,000-1,00,000-15,00,000-1,50,000-22,50,000-2,25,000-33,75,000
2	Shri Sunny Gaur Mg. Director (Cement)	30.12.2014	Rs.4,50,000 Rs. 3,75,000-37,500-5,62,500-56,250-8,43,750	Rs.9,00,000 4,00,000-40,000-6,00,000-60,000-9,00,000-90,000-13,50,000
3	Shri Pankaj Gaur Jt. Mg. Director (Constn.)	30.06.2014	Rs.3,85,000 Rs. 2,75,000-27,500-4,12,500-41,250-6,18,750	Rs.7,87,500 3,50,000-35,000-5,25,000-52,500-7,87,500-78,750-11,81,250
4	Shri Ranvijay Singh Whole-time Director	13.12.2012	Rs.2,80,000 Rs. 2,00,000-20,000-3,00,000-30,000-4,50,000	Rs.6,75,000 3,00,000-30,000-4,50,000-45,000-6,75,000-67,500-10,12,500
5	Shri Rahul Kumar Whole-time Director & CFO	30.10.2015	Rs.3,00,000 Rs. 2,00,000-20,000-3,00,000-30,000-4,50,000	Rs.6,30,000 3,00,000-30,000-4,50,000-45,000-6,75,000-67,500-10,12,500
6	Shri R.K. Singh Whole-time Director	14.10.2012	Rs.2,40,000 Rs. 2,00,000-20,000-3,00,000-30,000-4,50,000	Rs.4,95,000 3,00,000-30,000-4,50,000-45,000-6,75,000-67,500-10,12,500
7	Shri S. D. Nailwal Whole-time Director	30.06.2014	Rs.2,80,000 Rs. 2,00,000-20,000-3,00,000-30,000-4,50,000	Rs.4,95,000 3,00,000-30,000-4,50,000-45,000-6,75,000-67,500-10,12,500

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

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

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

The above Executive Directors shall also be entitled for car, telephone at residence and mobile phone for Company's business at Company's expense.

The above remuneration shall be paid as minimum remuneration to the respective Directors in the event of absence or inadequacy of profit in any year during their remaining tenure.

The Executive Chairman of the Company is authorised to fix the inter-se ceilings/limits of various perquisites of the whole-time Directors.

None of the Directors of the Company except the Whole-time Directors themselves and Shri Manoj Gaur, Executive Chairman, being brother of Shri Sunny Gaur, Managing Director (Cement) is deemed to be concerned or interested in the resolution.

The Explanatory Statement together with the accompanying Notice is and may be treated as an 'Abstract of the terms of appointment and memorandum of interest' under Section 302 of the Companies Act, 1956.

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

Item 7

As the Members are aware, the Company has undertaken major expansion of its Cement manufacturing capacities. The Engineering Construction business also has a large order book to execute/deliver. 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 & development of integrated townships etc.

The Members had accorded their approval through Postal Ballot on June 27, 2009 authorising the Board to borrow from time to time up to an amount not exceeding Rs.25,000 Crores. The Company's borrowings as on March 31, 2011 aggregates Rs.22,000 Crores (approx.).

Keeping in view the expected requirement of funds for the ongoing expansion of Cement manufacturing capacities, purchase of Plant and Machinery and equipment for execution of construction contracts of Real Estate Projects, Thermal Power Plants, Expressway Project

and also for meeting long term working capital and other corporate requirements of the Company, the approval of the shareholders is sought in terms of Section 293(1)(d) of the Companies Act, 1956 for increasing the borrowing powers of the Board of Directors of the Company to an aggregate of **Rs.35,000 Crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from the present limit of Rs.25,000 Crores.**

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 an Ordinary Resolution.

Item No. 8

The Company has from time to time mobilised funds to meet its 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 as may be approved by the Lenders, within the borrowing powers of the Board of Directors.

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

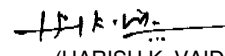
Section 293(1)(a) of the Companies Act, 1956, inter-alia, provides that the Board of Directors of a public company shall not, without the consent of the company, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more 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 aforesaid Debenture holders/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 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.

Your Directors commend 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 14, 2011