

JAIPRAKASH

POWER VENTURES LIMITED



Regd. Office: JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat-173215, District, Solan, H.P.
Head Office : 'JA Annexe', 54, Basant Lok, Vasant Vihar, New Delhi - 110 057
Corporate Office: Sector - 128, Noida - 201304 (UP)

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. ALTERATION OF 'OBJECTS CLAUSE' OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

"RESOLVED THAT in terms of the provisions of Section 17 and other applicable provisions of the Companies Act, 1956, the "Objects Clause" of Memorandum of Association of the Company be altered by adding a new sub-clause 73 immediately after the existing sub-clause 72 under "Other Objects" of the Memorandum of Association of the Company, as under:-

73. To carry on the business of exploration, development, mining, manufacturing and marketing and to purchase, sell, supply, trade (including export & import), transportation of all minerals including coal, coke, limestone, gypsum and other related incidental or by products thereof whether by itself or engaging a suitable Mine Development Operator or any other agency, including the acquisition and/ or management of mines either independently or for and on behalf of or under the direction of the Central Government or of any State Government, to take on lease or otherwise acquire, purchase, transfer, lease out or sell mines, mining rights, mining licenses, mining claims and lands or any interest therein and for this purpose to search for, select, inspect, prospect, examine, explore, mine, quarry anywhere in India or abroad, selecting suitable blocks / sub blocks of minerals including coal, coke, limestone, gypsum, for grant of prospective license and mining lease, development of blocks of such minerals including drilling, conducting feasibility studies and assessment of mine blocks, mining, survey and preparation of Mine plans, to raise, stock and dispatch such minerals, to mine either in open cast process or underground process and to implement, produce, handle including screening and sizing, installing, operating beneficiation plant(s) at suitable places, repairing, assembling, supervising, installing of or to otherwise deal in all type of mining machines, tools and implements, smelters, crushing machines, furnaces etc. and other machineries generally used in mining activities."

2. APPROVAL FOR COMMENCEMENT OF BUSINESS OR BUSINESSES SPECIFIED IN 'OTHER OBJECTS' CLAUSE OF MEMORANDUM OF ASSOCIATION, PURSUANT TO SECTION 149(2A)(b) OF THE COMPANIES ACT, 1956

"RESOLVED THAT pursuant to Section 149(2A)(b) of Companies Act, 1956, approval of the members be and is hereby accorded to the Board of Directors of the Company for commencement of business activities relating to:

(i) Mining of minerals, as mentioned in sub-clauses 37 and 73 of the 'Other Objects' clause of the Memorandum of Association of the Company; and

(ii) Manufacture of cement and cement related activities as mentioned in sub-clause 56 of the 'Other Objects' clause of Memorandum of Association."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to undertake all or any of the aforesaid business activities and to take all such actions as may be considered necessary for implementation of this Resolution."

AS ORDINARY RESOLUTION:

3. CREATION OF SECURITY IN RESPECT OF NON-CONVERTIBLE DEBENTURES

"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 term shall be deemed to include any Committee of the Board constituted/ to be constituted to exercise its powers) to mortgage and/or charge, which shall be the residual charge on the entire Fixed Assets of the Company, wheresoever situate, present and future, in such manner as may be mutually decided upon with the ICICI Bank Ltd./Debenture Trustees to or in favour of IDBI Trusteeship Services Ltd. (ITSL) (acting as the trustee for NCDs) to secure 1,59,500 Zero Coupon Secured Redeemable Non-Convertible Debentures (NCDs) of Rs.1,00,000/-each, privately placed with ICICI Bank Ltd., together with interest thereon at the rate(s), compound interest(s), additional interest(s), liquidated damage(s), premia, premia on prepayment, cost(s), charge(s), expense(s), trustees' remuneration and other monies, wherever required, payable by the Company to ICICI Bank Ltd. under the agreement entered into by the Company in respect of aforesaid NCDs."

On behalf of the Board
For JAIPRAKASH POWER VENTURES LIMITED

(M.M. Sibbal)

Sr. General Manager &
Company Secretary

Place : New Delhi
Date : 30th October, 2010

NOTES:

1. Explanatory Statement and reasons for the above 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 Shri V.P. Kapoor, F.C.S., A.I.C.W.A., LL.B., Practising Company Secretary as Scrutinizer and Shri M.L. Arora, M.A. (Eco.), LLB., F.C.S. Practising Company Secretary as Alternate Scrutinizer for the purpose of Postal Ballot exercise.
3. The notice is being sent under certificate of posting to all the members whose names appear in the Members Register / Records of Depositories as on 12th November, 2010.
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, the 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 scrutinizer not later than the close of working hours on 20th December, 2010. If the Ballots are received thereafter they shall be deemed to be not received.

5. **The result of Postal Ballot process shall be declared** by the Chairman, or in his absence by any other person, authorized by the Chairman on 21st December, 2010 at the Registered Office of the Company at Waknaghat, P.O Dumehar Bani, Kandaghat – 173215, Distt. Solan, H.P. and the resolutions will be taken as passed effectively on the date of such declaration of the result by the Chairman or by person authorized by the Chairman, if the result of Postal Ballot process indicates that the requisite majority of the members had assented to the Resolutions. Members who wish to be present at the time of declaration of the result may do so at the venue. The result of Postal Ballot shall also be announced through a newspaper advertisement and also posted on the website of the Company, www.jppowerventures.com.
6. All documents referred to in this notice and the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Sunday and other Holidays, between 11.00 A.M. and 1.00 P.M. upto the date of declaration of the results of Postal Ballot.
7. 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 30TH OCTOBER, 2010 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956

Item Nos. 1 & 2

As the members are aware, your Company has two operating Hydro Power Plants – 300 MW Baspa-II Hydro-electric Plant at District Kinnaur (H.P.) and 400 MW Vishnuprayag Hydro-electric Plant in District Chamoli (Uttarakhand) and is implementing 1320 MW Jaypee Nigrie Super Thermal Power Project in District Singrauli in Madhya Pradesh. Besides this, the Company is also implementing projects for generating electricity - 4920 MW in the Hydro Power sector and 6780 MW in Thermal Power sector through its associate/ subsidiary companies.

For operation of coal based Thermal Power projects, coal is an important raw material. The Company's Jaypee Nigrie Thermal Power project shall be utilizing coal from two captive coal blocks under the Company's fellow subsidiary company. The Company for its additional capacities and future expansion in Thermal Power projects and for utilization by its subsidiaries and allied companies, may procure additional coal for Thermal Power projects for which the Company may undertake mining of Coal.

It is proposed to add a new sub-clause 73 immediately after sub-clause 72 under the "Other Objects" of the Memorandum of Association, for carrying the business of exploration, development, mining, manufacturing and marketing and to purchase, sell, supply, trade, transportation of all minerals including coal, coke, lime stone, gypsum which could conveniently and advantageously be combined with the Company's business. As such, approval of the shareholders is being sought by way of a Special Resolution for alteration of "Other Objects" of "Objects Clause" of Memorandum of Association of the Company. 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 proposal shall be obtained by Postal Ballot process.

In terms of Section 149 (2A)(b) of the Companies Act, 1956, the commencement of businesses stipulated in the sub-clauses covered under the head 'Other Objects' require prior approval of

'Shareholders' by way of Special Resolution.

As such, the approval of Shareholders is being sought by way of a Special Resolution for commencement of business of mining of minerals including coal.

Further, Fly ash is a waste resulting from combustion of coal /coke during generation of Thermal Power. Removal of fly ash from the production site involves cost. It can, however, be profitably used for cement production. As such, the approval of Shareholders is sought by way of a Special Resolution for commencement of business of manufacture of Cement and Cement related activities.

It may be added that the proposed business activities are covered under sub-clauses 37, 73 and 56 of 'Other Objects' of the 'Object clause' of the Memorandum of Association of the Company. Hence, the Resolutions at item No.2 is proposed to be passed as a Special Resolution to undertake the said business activities.

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

The Directors commend the Resolutions under item Nos. 1 & 2 for your approval as Special Resolutions.

Item No. 3

To meet the requirement of funds of its ongoing projects and capital expenditure of its subsidiaries/associate companies, the Company had privately placed 1,59,500 Zero Coupon Secured Redeemable Non-Convertible Debentures (NCDs) of Rs. 1,00,000/- each against subscription amount of Rs. 982.587 crores with ICICI Bank Ltd. and the funds against the same had been duly received. IDBI Trusteeship Services Ltd. (ITSL) is acting as Debenture Trustee in respect of the aforesaid NCDs.

The said NCDs are to be secured by creation of mortgage and/or charge in favour of ITSL (Trustees)/ICICI Bank Ltd. (Lender) as Residual Charge over the entire Fixed Assets of the Company, present or future, wherever situated.

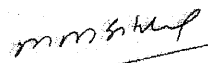
Section 293(1)(a) of the Companies Act, 1956, inter-alia, provides that the Board of Directors of a Public Company shall not, without the consent of members of such Public Company in general meeting, shall sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of 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 Financial Institutions/Bank/Trustee may be regarded as disposal of the Company's properties/undertaking, it is necessary to obtain the consent of Members by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge. The securities/ mortgages to be created by the Company aforesaid shall be by way of residual charge on the entire Fixed Assets of the Company.

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

The Directors commend the Resolution for your approval as an Ordinary Resolution.

On behalf of the Board
For JAIPRAKASH POWER VENTURES LIMITED



(M.M.Sibbal)

Sr. General Manager &
Company Secretary

Place : New Delhi
Date : 30th October, 2010