

JAIPRAKASH

HYDRO-POWER LIMITED



Regd. Office : C-16, Sector-1, SDA Housing Colony, New Shimla - 171 009 (H.P.)
Head Office : 'JA Annexe', 54, Basant Lok, Vasant Vihar, New Delhi - 110 057.

NOTICE

To
The Members,

Notice is hereby given that the following Resolutions are circulated herewith 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 Resolutions by Postal Ballot) Rules, 2001:

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

As Special Resolutions:

1. **Shifting of Registered Office of the Company within the State of Himachal Pradesh.**

"RESOLVED THAT pursuant to Section 146(2) of the Companies Act, 1956, the Registered Office of the Company be and is hereby shifted from New Shimla to JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat – 173 215, District Solan within the State of Himachal Pradesh."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and to settle all questions and difficulties that may arise for / in the implementation of the foregoing Resolution."

2. **Increase in remuneration of Shri J.N. Gaur, Whole-time Director & CEO**

"RESOLVED THAT in accordance with the provisions of Sections 198, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the remuneration of Shri J.N. Gaur, Whole-time Director & CEO of the Company be and is hereby revised w.e.f. 1st October, 2006 for the remaining period of his tenure i.e. upto 30th September, 2010, on the remuneration and terms & conditions mentioned in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed Explanatory Statement be paid as minimum

remuneration to Shri J.N. Gaur 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."

As Ordinary Resolutions:

3. **Increase in remuneration of Shri R.K. Narang, Whole-time Director & CFO**

"RESOLVED THAT in accordance with the provisions of Sections 198, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the remuneration of Shri R.K. Narang, Whole-time Director & CFO of the Company be and is hereby revised w.e.f. 1st October, 2006 for the remaining period of his tenure i.e. upto 27th June, 2009, on the remuneration and terms & conditions mentioned in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to Shri R.K. Narang 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."

4. **Mortgage and/or charge of moveable and immoveable properties of the Company in favour of Yes Bank Ltd. to secure Rupee Term Loan of Rs.75 crores granted by them**

"RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting held on the 30th August, 2006 and pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and provisions of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging immoveable and moveable properties of the Company as may be required by Yes Bank Ltd. on pari passu basis, to secure Rupee Term Loan of Rs.75 crores granted by Yes Bank Ltd. together with interest, compound interest, additional interest, liquidated damages, premia on pre-payments, costs, charges,

expenses and other moneys payable by the Company to Yes Bank Ltd. under the Loan Agreement entered into by the Company in respect of the aforesaid financial assistance”.

By Order of the Board
For Jaiprakash Hydro-Power Limited

Place : New Delhi (M.M. Sibbal)
Dated : 24th November, 2006 Company Secretary

NOTES:

1. Explanatory Statement and reasons for the above proposed business 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, FCS, AICWA, LL.B., Practising Company Secretary as Scrutinizer and Shri M.L. Arora, 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 would appear in the Register of Members as on Friday, the 24th November, 2006.
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 containing the Postal Ballot should reach the Company not later than the close of working hours on Saturday, the 27th January, 2007.
5. 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 Wednesday, the 31st January, 2007 at 2.00 P.M. at the Registered Office of the Company at C-16, Sector-1, SDA Housing Colony, New Shimla-171009 (H.P.) and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman or by a person authorized by the Chairman, if the result of the Postal Ballot 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 the Postal Ballot shall also be announced through a newspaper advertisement and also displayed at the website of the

Company, www.jhpl.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 holidays, between 11.00 A.M. and 1.00 P.M. up to 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 24TH NOVEMBER, 2006, PURSUANT TO SECTION 173(2) READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956:

Item 1

As the members are aware that the Registered Office of the Company is situated at C-16, Sector-1, SDA Housing Colony, New Shimla-171009. It is considered expedient, advantageous and economical to shift the Registered Office of the Company from Shimla, in view of non-availability of suitable Halls for holding General Body Meetings at that place, to JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat, Distt. Solan-173215 (H.P.), India, where better physical infrastructure facilities would be available to the Company to conduct General Body Meetings. Accordingly, it is proposed to shift the Registered Office of the Company from New Shimla to Wagnaghat, District Solan within the State of Himachal Pradesh falling within the Jurisdiction of Registrar of Companies, Jalandhar.

In terms of Section 146(2) of the Companies Act, 1956, Shifting of Registered Office outside the local limits of any city, town or village requires approval of the shareholders by way of a Special Resolution. Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 requires the resolution to be passed by way of Postal Ballot. Hence this resolution.

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

The Board of Directors commends the resolution for your approval.

Item 2 & 3

Shri J.N. Gaur

Shri J.N. Gaur was appointed as a director of the Company with effect from 10th March, 1995 and as a Whole-time Director on 1st October, 1995. He was re-appointed to the

said office with effect from 1st October, 2000 for a period of 5 years. He holds a B.E. (Electrical) degree from University of Roorkee (now Indian Institute of Technology, Roorkee). He has over 41 years' of experience in design, coordination, implementation and operation, and maintenance of Hydro-Electric Projects. He is Director-in-charge & CEO of the Company.

Shri J.N. Gaur had been re-appointed as Whole-time Director of the Company by the Board for a further period of five years w.e.f. 1st October, 2005 and his appointment was approved by the shareholders in the Annual General Meeting held on 30th August, 2006. The Board in their meeting held on 29th August, 2006 has revised his remuneration w.e.f. 1st October, 2006 for the remaining period of his tenure i.e. upto 30th September, 2010, to bring his remuneration in line with the overall salary structure at similar levels in the industry. The remuneration payable to Shri J.N. Gaur has been revised as under :-

Salary Per Month (Rs.) Upto 30th Sept., 2006	Pay Scale and Salary Per Month (Rs.) w.e.f. 1st October, 2006
	Rs. 1,00,000 -12,500-1,62,500-15,000 – 2,37,500
Salary Rs. 75,000 Per Month	Salary Rs. 1,00,000 Per Month

Perquisites:

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., shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule XIII of the Companies Act, 1956 as amended from time to time, whichever is less.

In the event of absence or inadequacy of profits, the aforesaid remuneration will be paid as the minimum remuneration.

The appointment of Shri J.N. Gaur, aged around 73 years, was approved by the shareholders by way of a Special Resolution and Shareholders' approval to the proposed increase in his remuneration is also sought through a Special Resolution.

Shri R.K. Narang

Shri R.K. Narang was appointed as Whole-time Director of the Company by the Board for a period of five years

w.e.f. from 28th June, 2004 and his appointment was approved by the shareholders in the Annual General Meeting held on 18th September, 2004. He holds a degree in Mechanical Engineering from Jiwaji University, Gwalior and holds Diploma in Management from YMCA, New Delhi. He has over 33 years of experience in finance and manufacturing sector including project financing at senior management levels.

The Board in their meeting held on 29th August, 2006 has revised his remuneration w.e.f. 1st October, 2006 for the remaining period of his tenure i.e. upto 27th June, 2009, to bring his remuneration in line with the overall salary structure at similar levels in the industry. The remuneration payable to Shri R.K. Narang has been revised as under :-

Pay Scale and Salary Per Month (Rs.) upto 30th September, 2006	Pay Scale and Salary Per Month (Rs.) w.e.f. 1st October, 2006
Rs.50,000-5,000-75,000	Rs. 1,00,000-12,500-1,62,500-15,000-2,37,500
Salary Rs.60,000 Per Month	Salary Rs. 1,00,000 Per Month

Perquisites:

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., shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule XIII of the Companies Act, 1956 as amended from time to time, whichever is less.

In the event of absence or inadequacy of profits, the aforesaid remuneration will be paid as the minimum remuneration.

The above remuneration payable to the Whole-time Directors of the Company has also been approved by the Remuneration Committee. Further, the Chairman has been authorized to fix the ceilings / limits of various individual perquisites payable to the appointees.

None of the Directors except the appointees themselves are interested or concerned in the respective resolutions.

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.

The Board of Directors commends the resolutions for your approval.

Item No. 4

Yes Bank Ltd. in terms of their letter No. YBL/DEL/FL/86/2006-07 dated 28th August, 2006 has agreed to extend Rupee Terms Loan of Rs.75 crores to the Company, on the terms and conditions mentioned in the letter.

The aforesaid financial assistance shall be secured on pari passu basis by mortgage/ charge on the moveable and immovable properties of the Company, ranking pari passu with other lenders as stipulated in the respective loan agreements/ trust deed and agreed to between the Company and the Lenders/ Trustees.

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 such public 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 the deed creating the mortgage and/or charge by the Company of its immovable and moveable properties, as mentioned in the resolution in favour of the Institutions/ Banks/Debenture holders/ Trustees provides for taking over the business of the Power Project of the Company in the event of default, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, for creation of the said mortgage/ charge.

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

The Board of Directors commends the resolution for your approval.

By Order of the Board
For Jaiprakash Hydro-Power Limited

Place : New Delhi
Dated : 24th November, 2006

(M.M. Sibbal)
Company Secretary