

JAIPRAKASH

POWER VENTURES LIMITED



Regd. Office: JUIT Complex, Waknaghat, 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, Distt. Gautam Budh Nagar (UP)

Website: www.jppowerventures.com

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, 2011:

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

AS SPECIAL RESOLUTION:

1. RAISING OF FUNDS THROUGH QUALIFIED INSTITUTIONS PLACEMENT (QIP)/INSTITUTIONAL PLACEMENT PROGRAMME (IPP)/ EXTERNAL COMMERCIAL BORROWINGS (ECB) WITH RIGHTS OF CONVERSION INTO SHARES/ FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)/AMERICAN DEPOSITORY RECEIPTS (ADRs)/GLOBAL DEPOSITORY RECEIPTS (GDRs)/ FOLLOW-ON PUBLIC OFFER (FPO)/OPTIONALLY OR COMPULSORILY CONVERTIBLE REDEEMABLE PREFERENCE SHARES (OCPS/CCPS) ETC. PURSUANT TO SECTION 81 OF THE COMPANIES ACT, 1956.

“**RESOLVED THAT** pursuant to the provisions of Section 81, and all other applicable provisions, if any, of the Companies Act, 1956 and/or Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India), Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Deposit Receipt Mechanism) Scheme, 1993, as amended and the applicable Rules, Regulations, Notifications and Circulars, if any, issued by Securities and Exchange Board of India (SEBI) from time to time, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the ICDR Regulations), Reserve Bank of India (RBI), Government of India or any other competent authority and clarifications, if any, issued thereon from time to time by appropriate authorities, the Equity Listing Agreements (the “Listing Agreement”) entered into by the Company with the Stock Exchanges where the Company’s equity shares of face value of Rs.10/-each (the “Equity Shares”) are listed and other concerned and appropriate authorities, and other applicable laws, if any, and relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of the Government of India, RBI, SEBI and any other appropriate authority(ies), Bank(s), Institution(s) or Body(ies), as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, as are accepted by the Board of Directors of the Company, (hereinafter referred to as the “Board”, which term shall be deemed to include any duly constituted Committee thereof), be and is hereby authorized to create, offer, issue and allot Equity Shares/Securities in one or more tranches, in the course of domestic or international offerings, by way of Follow-on Public Offer (FPO) and/or by

way of a Qualified Institutions Placement (QIP) in terms of the Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time and/or issuance of Equity Shares through an Institutional Placement Programme (IPP) under Chapter VIII-A of the ICDR Regulations, and/or Equity Shares in the form of Global Depository Receipts (GDRs), and/or American Depository Receipts (ADRs), and/ or External Commercial Borrowings (ECB) with rights of conversion into shares, and/ or Foreign Currency Convertible Bonds (FCCBs) and/or Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPS/CCPS), convertible into Equity Shares of the Company with voting rights or with differential rights as to voting, dividend or otherwise in accordance with such rules and subject to such conditions as may be prescribed or any other instrument convertible into Equity Shares with voting rights or with differential voting rights as to voting, dividend or otherwise (hereinafter referred to as the “Securities”), to be subscribed to, by International and/or Indian Banks, Institutions, Institutional Investors, Mutual Funds, companies, other Corporate Bodies, Resident/Non-Resident Indians, Foreign Nationals and other eligible Investors, as may be decided by the Board, (hereinafter referred to as the “Investors”), whether or not such Investors are members of the Company or not (including with the provisions for reservation on firm and/ or competitive basis, of such part of issue and for such categories of persons including employees of the Company group/associate company(ies) / holding company as may be permitted by the ICDR Regulations from time to time), at such time or times, at such price or prices, at such discount/premium to the market or prices in such manner and on such terms and conditions including security, rate of interest etc. including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors, as may be determined by the Board at the time of such issue and allotment, considering the prevalent market conditions and other relevant factors wherever necessary, **upto an aggregate of Rs. 3500 Crore (Rupees Three Thousand Five Hundred Crore only)** in Indian Rupees or equivalent in any foreign currency (inclusive of such premium as may be determined) and such issue and allotment be made at such time or times, in such tranche or tranches, in such currency or currencies, in such manner and on such terms and conditions (including, if necessary, in relation to security on convertible debt instruments) as may be decided and deemed appropriate by the Board in its sole discretion at the time of issue / allotment.”

“**RESOLVED FURTHER THAT** in case of QIP, pursuant to Chapter VIII of the ICDR Regulations, the allotment of Equity Shares/Securities shall only be made to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations and such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this Resolution.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, Chapter VIII-A of the ICDR

Regulations, FEMA and Rules made thereunder, consent, authority and approval of the members be and is hereby accorded to create, issue, offer and allot Equity Shares, such that the total number of Equity Shares issued shall not result in increase in public shareholding of the company by more than 10 per cent (on the date of issuance of such equity shares), or such lesser per cent as is required to reach minimum public shareholding, to Qualified Institutional Buyers, pursuant to an IPP in terms of Chapter VIII-A of the ICDR Regulations.”

“**RESOLVED FURTHER THAT** the Company and/or any agency or body authorized by the Company, may issue receipts/certificates representing the underlying Securities and/or Equity Shares issued by the Company with such features and attributes as are prevalent in International Capital Markets for instruments of this nature and provide for the tradability or free transferability thereof as per the domestic/international practices, norms and regulations, and under the norms and practices prevalent in the International Markets.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot, from time to time, such number of Equity Shares at such premium as may be decided by the Board in its absolute discretion as may be required to be issued and allotted upon conversion of such Securities as may be necessary in accordance with the terms of the offering, including additional Equity Shares, and all such shares shall rank pari-passu with the then existing Equity Shares in the Company in all respects including the dividend.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue and/or allotment of Equity Shares in the Company or Securities or instruments or Securities representing or convertible into Equity Shares in the Company, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion, deem necessary, appropriate or desirable for such purpose, including, without limitation, determining the form and manner of the issue, the class of investors to whom the Equity Shares/Securities are to be issued and allotted, number of Equity Shares/Securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, to appoint Lead Managers, Merchant Bankers, Global Business Coordinators, Book Runners, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Registrars, Trustees, Bankers and all other agencies, to enter into or execute all such agreements/ arrangements /MOUs/documents with any such agencies, as may be necessary; to list the Securities and the Equity Shares to be issued on conversion of the said Securities on any Indian and/or Foreign Stock Exchange(s), as it may in its absolute discretion deem fit.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares or Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of the aforesaid Resolution.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Whole-time Director(s) or any Director(s) or any other Officer(s) of the Company to implement the aforesaid Resolution.”

AS ORDINARY RESOLUTION:

2. CREATION OF SECURITY 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, on the immovable and movable properties of the Company, wheresoever situate, present or future, in such manner as may be decided in consultation with the Financial Institution(s)/Bank(s) in favour of Lender(s)/Security Trustee (s) to secure the financial assistance(s) extended to be extended i.e.

- I. by the Lenders of 1000 MW Jaypee Karcham Wangtoo Hydro-Electric Plant towards:
 - (a) Additional financial assistance aggregating Rs. 1085 crores lent / to be lent by ICICI Bank Ltd.(the lead), Union Bank of India, Bank of India, IDBI Bank Ltd., Punjab National Bank, Jammu & Kashmir Bank Ltd. and Infrastructure Development Finance Company Ltd.;
 - (b) Financial Assistance upto Rs. 650 crores lent/to be lent by Infrastructure Development Finance Company Ltd., for replacement of the financial assistance of REC Limited and
 - (c) Financial Assistance by way of Working Capital Facilities of Rs. 305 Crores advanced / to be advanced by IDBI Bank Ltd.
- II. by the existing and/or new Lenders of 500 MW (Phase-I) Jaypee Bina Thermal Power Plant for the further financial assistance aggregating Rs. 340 crores lent / to be lent by the Lenders with IDBI Bank Ltd. in the lead,

together with interest thereon at the rate(s), compound interest(s), additional interest(s), liquidated damage(s), premia on prepayment, cost(s), charge(s), expense(s), trustees' remuneration and other money(ies) payable by the Company to such Financial Institutions/ Banks under respective loan/facility agreements entered into with them by the Company in respect of the aforesaid financial assistance(s)”.
“**RESOLVED FURTHER THAT** the securities/mortgages to be created by the Company aforesaid shall be on pari-passu basis or otherwise with the mortgages and/or charges, already created or to be created, in future by the Company, as may be agreed to between the Company and the Lenders.”

By Order of the Board
For **JAIPRAKASH POWER VENTURES LIMITED**



(M.M. SIBBAL)

Sr. General Manager &
Company Secretary

Dated:14th March, 2012

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 and Rules made thereunder, 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 Vishal Lochan Aggarwal, M.Com., A.C.S., LL.B, Practising Company Secretary as Alternate Scrutinizer for the purpose of this Postal Ballot exercise.
3. The Notice is being sent to all the members whose names appear in the Register of Members/Beneficial Owner data as received from NSDL/CDSL as on **Friday, the 16th March, 2012.**

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 Inland letter. Postage will be borne and paid by the Company. However, Postal Ballots, if sent by courier or by Registered Post at the expense of the registered member will also be accepted. The Postal Ballots may also be deposited personally at the address given thereon. However, **the Postal Ballots should reach the Scrutinizer not later than the close of working hours on Wednesday, the 25th April, 2012.** If the ballots are received thereafter, they shall be deemed to be not received.
5. **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 **Friday, the 27th April, 2012** at the Registered Office of the Company at JUIT Complex, Waknaghat, P.O. Dumehar Bani, Kandaghat-173215, District Solan (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 venue at the time of declaration of the result, may do so. The result of the Postal Ballot shall also be announced through newspaper advertisement and also hosted on the website of the Company, www.jppowerventures.com.
6. A copy of each of the document 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 result of Postal Ballots.
7. Members are requested to carefully read the instructions printed beneath the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS ACCOMPANYING THE NOTICE DATED 14TH MARCH, 2012, PURSUANT TO SECTION 173(2) READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956 :

Item No. 1

As the members are aware, a Special Resolution was passed through Postal Ballot by the members on 16th April, 2011, in terms of the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, authorizing raising of funds in Indian Rupees or equivalent thereof in any Foreign Currency in one or more tranches to the tune of Rs. 3500 Crore (Rupees Three Thousand Five Hundred Crore only) through Qualified Institutions Placement (QIP)/ Foreign Currency Convertible Bonds (FCCBs) / Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPS/CCPS) /American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / Follow-on Public Offer (FPO) etc. for meeting the capital expenditure for the projects of the Company, its joint ventures and the projects being implemented through the Company's subsidiaries. The Company has not so far raised funds/ any resources in terms of the said authorization as the Capital Market was not conducive. In terms of the ICDR Regulations for Qualified Institutions Placement, the said Special Resolution passed by the members by way of Postal Ballot on 16th April, 2011 is valid for 12 months i.e. upto 15th April, 2012.

Keeping in view the requirement of funds for the Company's on-going projects and/or the projects of its joint ventures and the subsidiary companies, the Board in its meeting held on 14th March, 2012 decided to seek a fresh approval of the members by way of a Special Resolution through Postal Ballot in terms

of the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, for raising of funds / resources in Indian Rupees or equivalent thereof in any Foreign Currency in one or more tranches to the tune of Rs.3500 Crore (Rupees Three Thousand Five Hundred Crore only) through various Domestic/ International options, including QIP/ ECBS with conversion into shares / FCCBs/ ADRs/ GDRs/ FPO/ OCPS/CCPS etc., pursuant to Section 81 of the Companies Act, 1956, as also issuance of further Equity Shares under Institutional Placement Programme (IPP), in terms of the ICDR Regulations as amended, simultaneously meeting the requirement of minimum level of Public Shareholding, if any, as stipulated under Clause 40A of the Listing Agreement.

As the members are aware, Securities Contract (Regulation) Rules, 1957 and Clause 40A of the Equity Listing Agreement provide for mandatory public shareholding of atleast 25 per cent for all listed companies. Listed companies that have public shareholding of less than 25 per cent are required to increase their public shareholding to 25 per cent in the manner prescribed by the Securities and Exchange Board of India (SEBI).

SEBI has, pursuant to an amendment to the ICDR Regulations on 30th January, 2012, introduced an additional mode through which the companies which are currently not in compliance with the minimum level of Public Shareholding requirements may do so by issue of fresh Equity Shares to Qualified Institutional Buyers ("QIBs") which shall not result in increase in public shareholding by more than 10 per cent or such lesser per cent as is required to achieve the prescribed minimum Public Shareholding. Such an issue, known as Institutional Placement Programme ("IPP"), may be undertaken in one or more tranches in compliance with Chapter VIII-A of the ICDR Regulations.

The Board in its discretion may undertake an IPP, subject to receipt of requisite approvals and market conditions, in order to increase the Company's Public Shareholding through fresh issue of Equity Shares.

One of the conditions to make a fresh issue of Equity Shares under an IPP is that the members of the Company should have specifically approved an issuance of Equity Shares through the IPP route.

Accordingly, the Resolution at item No.1 seeks to empower the Board to issue Equity Shares /Securities through various domestic / International options including QIP/ ECB with rights of conversion into shares/FCCBs/ ADRs/ GDRs / FPO / Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPS/CCPS) etc., including an Institutional Placement Programme in terms of Chapter VIII-A of the Securities and Exchange Board of India (Issuance of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations"), in one or more offerings/tranches, such that the total number of Equity Shares issued pursuant to such offerings (including upon conversion of the convertible securities) does not result in an increase in Public Shareholding by more than 10 per cent (on the date of issuance of such securities) or such lesser percentage as is required to achieve minimum level of Public Shareholding.

The Board may in its discretion adopt any mechanism in order to facilitate and meet its objectives as stated in aforesaid paragraphs.

The said Resolution is an enabling Resolution conferring authority to the Board to do all acts and deeds, which may be required to issue/offer Equity Shares / Securities of appropriate nature at appropriate time, including the size, structure, price and timing of the issue(s) /offer(s) at the appropriate time(s). The detailed terms and conditions for the domestic/international offerings will be determined in consultation with the Lead Managers, Merchant Bankers, Global Business Coordinators, Book

Runners, Guarantors, Consultants, Advisors, Underwriters and/ or such other intermediaries such as Custodians, Depositories, Escrow Bankers, Lawyers, Registrars, Trustees, Professionals as may be appointed for the issue/offer. Wherever necessary and applicable, the pricing of the issue/offer will be finalized in accordance with applicable guidelines in force.

Section 81 of the Companies Act, 1956, *inter-alia*, provides that whenever it is proposed to increase the subscribed capital of the Company by further issue/offer and allotment of shares, such shares shall be offered to the existing Shareholders of the Company in the manner laid down in Section 81 unless the members decide otherwise by a Special Resolution.

Accordingly, the consent of the members is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges, authorizing the Board to issue Equity Shares / Securities, as stated in the Resolution, which may result in issuance of further Securities of the Company to persons other than the existing members of the Company in accordance with the terms and nature of the Equity Shares / Securities.

None of the Directors of the Company may be deemed to be concerned or interested in the Resolution, except to the extent of their respective shareholdings in the Company, if any.

The Board commends the Resolution for approval of the Members as a **Special Resolution**.

Item No.2

As the members are aware, erstwhile Jaypee Karcham Hydro Corporation Limited and Bina Power Supply Company Limited stand amalgamated with the Company in terms of Order dated 26th July, 2011 of Hon'ble High Court of Himachal Pradesh at Shimla. Accordingly, 1000 MW Jaypee Karcham Wangtoo Hydro-Electric Plant and 500 MW (Phase I) Jaypee Bina Thermal Power Plant are being operated / implemented by the Company.

While 1000 MW Jaypee Karcham Wangtoo Hydro-Electric Plant has since commenced its commercial operations and is generating power, 500 MW (Phase I) Jaypee Bina Thermal Power Plant would start generation during the first / second quarter of next financial year.

In order to secure the interest of various Lenders who have given financial assistance(s) for the Company's various projects, creation of charge / mortgages is required on moveable and/ or immoveable properties of the Company, wherever situated, present and future, on pari-passu basis or otherwise with the mortgages and/or charges already created or to be created, in future, by the Company, in line with the various Agreements executed or to be executed with the various lenders, Letters of Intents of Banks / Financial Institutions, Deed of Hypothecation etc. executed in favour of the lenders more specifically in favour of:

I. The Lenders of 1000 MW Jaypee Karcham Wangtoo Hydro-Electric Plant towards:

- a) Further financial assistance of Rs.1085 crores lent / to be lent by ICICI Bank Ltd.(the lead), Union Bank of India, Bank of India, IDBI Bank Ltd., Punjab National Bank, Jammu & Kashmir Bank Ltd. and Infrastructure Development Finance Company Limited, for the revised financial assistance aggregating Rs.5005 crores for the Karcham Plant as against the earlier aggregate financial assistance of Rs.3920 crores.
- b) Financial Assistance upto Rs.650 crores lent / to be lent by Infrastructure Development Finance Company Limited for replacement financial assistance of REC Limited.
- c) Financial Assistance by way of Working Capital Facilities of Rs.305 crores advanced / to be advanced by IDBI Bank Limited.

II. The existing Lenders and/or new Lenders of 500 MW (Phase I) Jaypee Bina Thermal Power Plant for financial assistance of Rs.340 crores lent / to be lent by them (with IDBI Bank Ltd. in the lead) for re-assessed and re-appraised financial assistance aggregating Rs.2268 crores as against the earlier aggregate financial assistance of Rs.1928 crores.

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, 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 undertaking.

Since the mortgaging and/or charging by the Company of its immovable and movable properties, as aforesaid, in favour of the aforesaid Financial Institutions/Banks/Trustees may be regarded as disposal of the Company's properties/ undertakings, 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 rank pari passu with or otherwise 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 Company and the concerned Lenders.

None of the Directors of the Company may be deemed to be concerned or interested in the Resolution, except to the extent of their respective shareholdings in the Company, if any.

The Board commends the Resolution for approval of the members as an **Ordinary Resolution**.

By Order of the Board
For **JAIPRAKASH POWER VENTURES LIMITED**



(M.M. SIBBAL)
Sr. General Manager &
Company Secretary

Dated:14th March, 2012