

6. In line with the "Green initiative in the Corporate Governance" launched by the Ministry of Corporate Affairs allowing paperless compliances by recognising emails as one of the modes of service of notice/ documents on the shareholders, the Company is sending this Notice electronically on the e-mail addresses as provided by the members/as obtained from the Depositories/other sources to the Members. Such individual Members may exercise their voting electronically as per the procedure given above.
7. In case, the Members who have been sent this Notice electronically and who do not want to avail the e-voting facility organised through CDSL, such members may send a request to the Company on jal.postalballot@jalindia.co.in for obtaining the Notice and Postal Ballot in physical form. On receipt of such requests, the Company will despatch the same in physical form to enable the Members to send back the Postal Ballot by July 3, 2013.
8. 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, July 5, 2013 at 12.30 P.M. at the Registered Office of the Company at Sector 128, Noida – 201304, U.P. (India) and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the results of the Postal Ballots indicate that the requisite majority of the Shareholders had assented to the Resolutions. Members who wish to be present at the venue at the time of declaration of the result are welcome to do so. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company www.jalindia.com.
9. 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.
10. Members voting through Postal Ballot 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 4, 2013 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956 :-

Item 1

1000 MW Jaypee Karcham Wangtoo Hydro Electric Project (KWHEP) of Jaiprakash Power Ventures Limited (JPVL), a subsidiary of the Company, commissioned its first unit on 26.05.2011, second unit on 23.06.2011, third unit on 08.09.2011 and fourth unit on 13.09.2011. Since commissioning, the project has been operating satisfactorily. Keeping in view the almost mitigated risk profile of KWHEP and to leverage steady stream of future cash flow, JPVL had approached IDFC Ltd. for the financial assistance for refinancing the existing loans; prepayment of Corporate Loans/NCDs and also Investment in its Subsidiaries for project under implementation by the Company.

IDFC Ltd. vide its Letter of Intent dated 18.01.2013 has agreed to syndicate aggregate debt of Rs. 5850 Crores. IDFC vide its letter dated 18.01.2013 has also sanctioned its share of assistance to the extent of Rs. 2500 Crores. IDFC would be syndicating the balance debt of Rs.3350 Crores from various Banks/Financial Institutions.

The main terms & conditions of the proposed loans aggregating to Rs.5850 Crores (including IDFC share of Rs.2500 Crores) inter-alia include providing of security (on pari passu basis with Working Capital Lenders) as a first mortgage/ charge on the immovable/ movable properties, cash flows, Trust and Retention Account of KWHEP.

The proposed loans shall further be secured by way of pledge of 30 Crore shares of JPVL held by JAL in dematerialized form. Pledge of the 30 Crore shares will be reduced to 20 Crore shares on obtaining permission from the Government of Himachal Pradesh for creating mortgage over the project land in favour of new lenders and perfection of security interest of KWHEP.

JAL holds 178,30,00,600 Equity shares of Rs.10 each aggregating to Rs.1783,00,06,000 representing 60.69% of the Paid up Capital of JPVL.

In terms of the provisions of the Section 372A of the Companies Act, 1956, providing of security/guarantee/undertakings by the Company for the financial assistance provided by the Lenders to other bodies corporate beyond prescribed limits requires prior approval of shareholders by way of Special Resolution.

In the circumstances, Members' approval is sought for providing of the aforesaid requisite security by JAL in favour of lenders of JPVL to meet their requirements.

None of the Directors except S/Shri Manoj Gaur, Sunil Kumar Sharma, B. K. Taparia, R. N. Bhardwaj and S. C. Bhargava, being common Directors of JAL & JPVL; Shri Sunny Gaur being brother of Shri Manoj Gaur; and Shri B.K. Goswami & Shri Ranvijay Singh (both Directors of JAL) being brother of Shri A.K. Goswami & Shri Praveen Kumar Singh, respectively (both Directors of JPVL), may be deemed to be concerned or interested in the proposed Resolution.

The Board commends the resolution for your approval as a Special Resolution.

Item 2

Jaypee Infratech Limited (JIL), a subsidiary of Jaiprakash Associates Limited (JAL), which has constructed Yamuna Expressway comprising 165 kms. long six -lane access controlled Expressway from Noida to Agra, with service roads and associated structures, on Build, Own, Operate and Transfer basis in terms of the Concession Agreement dated February 7, 2003, achieved COD on August 7, 2012. The Expressway was opened for public on August 9, 2012 and the toll collection commenced from August 16, 2012. JIL also has been provided the right to develop 5 land parcels of approx. 1250 acres each for commercial, amusement, industrial, institutional & residential purposes etc. in five different locations along the Expressway. The development activities on the selected land parcels are progressing satisfactorily.

JIL has received financial assistance aggregating Rs.6,600 Crores from consortium of Banks/ Financial Institutions. To rationalize the interest cost, JIL had approached IDBI Bank Ltd. (IDBI) for refinancing the existing term loan facilities. IDBI