

JAI PRAKASH 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 Ordinary Resolutions :

1. ISSUE & ALLOTMENT OF BONUS SHARES

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, Article 194 of the Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulations") and subject to such other necessary approvals, permissions and sanctions, as may be required and subject to such terms and conditions as may be specified while according such approvals, which terms and conditions may at the discretion of the Board be agreed to, the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by this resolution), be and is hereby authorized to capitalize a sum not exceeding Rs.141,45,60,634/- out of the Company's Capital Redemption Reserve Account / Securities Premium Account / General Reserve Account or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31, 2009 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of equity shares not exceeding 70,72,80,317 equity shares of Rs. 2 each as Bonus Shares credited as fully paid up, to the eligible members of the Company holding equity shares of Rs. 2 each whose names appear on the Company's Register of Member on such date ("Record Date") as the Board may determine, in the proportion of ONE new fully paid equity share of Rs.2 for every TWO equity shares of Rs.2 each held in the Company as on the Record Date and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the equity capital of the Company held by each such member and not as income."

"RESOLVED FURTHER THAT pursuant to the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, such number of bonus equity shares as in the same proportion (i.e., ONE new fully paid up Equity Share of Rs.2 for every TWO Equity Shares of Rs.2 each held in the Company as on Record Date) be reserved in favour of the holders of the outstanding Foreign Currency Convertible Bonds (FCCBs) issued by the Company, for issue and allotment at the time of conversion in respect of such of those FCCBs which may be lodged for conversion till the Record Date and the Board be and is hereby authorized to capitalize the required amount out of the Company's Capital Redemption Reserve Account/Securities Premium Account/General Reserve Account or such other accounts as are permissible to be utilized for the

purpose, as per the audited accounts of the Company for the financial year ended March 31, 2009 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of the said equity shares as Bonus Shares credited as fully paid up."

"RESOLVED FURTHER THAT in respect of the outstanding FCCBs lodged for conversion after the Record Date, the Board be and is hereby authorized to make appropriate adjustment in the conversion price of shares to be issued on conversion of such FCCBs in terms of the provisions of the concerned Offering Circular, so as to give the benefit of the Bonus Issue, as aforesaid, to the holders of such outstanding FCCBs as well."

"RESOLVED FURTHER THAT :

- (a) the new equity shares of Rs. 2 each to be issued and allotted as bonus shares shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid up equity shares in the Company.
- (b) the share certificates for bonus shares be delivered to the shareholders who hold the existing equity shares in physical form and the respective beneficiary accounts be credited with the bonus shares, for such shareholders who hold the existing equity shares or opt to receive the bonus shares, in dematerialized form, within the prescribed period.
- (c) any of such equity shares which on an exact distribution in the proportion aforesaid, would fall to be allotted in fraction, be grossed up and be allotted in the name of a Director of the Company upon trust to sell the same and distribute the sale proceeds after deducting the administrative and other expenses thereon amongst the shareholders entitled to such fractions prorata in accordance with their rights."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the bonus shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Regulations and other applicable laws."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the bonus shares without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution."

2. CREATION OF MORTGAGE/CHARGE IN FAVOUR OF DEBENTURE TRUSTEES FOR NCDs SUBSCRIBED BY LIC OF INDIA

"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**, subject to the existing charges, the properties of the Company, wheresoever situate, present or future, as first pari-passu charge alongwith other lenders, in such manner as may be decided by the Board of Directors in consultation with the LIC/ Debenture Trustee to or in favour of IDBI Trusteeship Services Limited (as Trustees for NCDs) to secure 4,000 -Redeemable Non – Convertible Debentures (NCDs) of the Company of Rs.10 lacs each, aggregating Rs. 400 Crores (Rupees Four Hundred Crores), privately placed with Life Insurance Corporation of India (LIC), together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premium on prepayment, costs, charges, expenses and other monies payable by the Company to the said lenders/Trustees under the Debenture Trust Deed/Agreement entered/to be entered into by the Company in respect of the aforesaid NCDs.”

3. CREATION OF MORTGAGE/CHARGE IN FAVOUR OF ICICI BANK LIMITED

“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**, subject to the existing charges, all the immovable and movable assets (including all revenues, receipts, receivables and intangible properties) of the Company’s Projects as per details set out in the Explanatory Statement annexed to this Notice seeking approval of the Members, wheresoever situate, present and future, in such manner as may be decided in consultation with the Lenders, to secure the Term loan of Rs. 1200 Crores (Rupees Twelve hundred crores) granted by ICICI Bank Limited, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premium on prepayment, costs, charges, expenses and other monies payable by the Company to the said Bank under the Loan Agreement entered/ to be entered into by the Company in respect of the aforesaid loan.”

4. CREATION OF MORTGAGE/CHARGE IN FAVOUR OF L&T FINANCE LIMITED

“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**, subject to the existing charges, all the immovable and movable assets of the Company’s Jaypee Himachal Cement Plant, wheresoever situate, present and future, in such manner as may be decided in consultation with the lender to secure the Rupee Term loan of Rs.100 Crores (Rupees One hundred crores) granted by L&T Finance Limited, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premium on prepayment, costs, charges, expenses and other monies payable by the Company to the said lender under the Loan Agreement entered/ to be entered into by the Company in respect of the aforesaid loan.”

5. RE-APPOINTMENT OF SHRI SUNNY GAUR AS MANAGING DIRECTOR (CEMENT)

“RESOLVED that pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the re-appointment of Shri Sunny Gaur as Managing Director (Cement) of the Company for a further period of five years with effect from December 31, 2009

on the remuneration and the 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 Sunny Gaur notwithstanding that in any financial year of the Company during his tenure as Managing Director (Cement), 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 respective provisions of the Companies Act, 1956.”

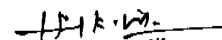
As Special Resolution :

6. INVESTMENT IN JPSK SPORTS PRIVATE LIMITED, A SUBSIDIARY OF THE COMPANY

“RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Financial Institutions and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to make an additional investment of upto Rs. 250 Crores (Rupees Two Hundred Fifty Crores), in one or more tranches, by way of acquiring the Equity Share Capital of /providing loans to / providing security or guarantees for the loans granted / to be granted by Financial Institutions and Banks to JPSK Sports Private Limited, a subsidiary of 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 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 authorised to do all such acts, deeds and things as may be expedient and necessary to give effect to this Resolution.”

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)

New Delhi
October 21, 2009

Sr. President (Corporate Affairs) &
Company Secretary

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 **Sh V P Kapoor, FCS, AICWA, LL.B., Practising Company Secretary as Scrutinizer and Shri M L Arora, MA (Eco.), FCS, LL.B., Practicing 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/ Record of Depositories **as on Friday, October 23, 2009.**
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 or deposited by 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 **Monday, December 7, 2009**.

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 Tuesday, December 8, 2009 at 3.00 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**.
6. 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.
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 OCTOBER 21, 2009 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956:-

Item No.1

As the Members are aware, the Company has shown impressive growth during the last decade. In keeping with the Company's tradition of sharing the prosperity with its shareholders, the Board of Directors of the Company at its meeting held on October 21, 2009 has recommended issue of bonus shares in the ratio of 1:2, i.e., ONE new fully paid up equity share of Rs.2 for every TWO fully paid up equity shares of Rs.2 each held in the Company, to the eligible members of the Company as on the Record Date to be fixed by the Board for this purpose.

The bonus shares shall be issued pursuant to the applicable provisions of the Companies Act, 1956, Article 194 of the Articles of Association of the Company, the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Offering Circulars for Foreign Currency Convertible Bonds issued by the Company from time to time and subject to such other approvals, if any required, after capitalizing the required sum from the Company's Capital Redemption Reserve Account / Securities Premium Account /General Reserve Account / or such other accounts as are permissible to be utilized for the purpose.

The amount to be capitalized as mentioned under this item includes the amount necessary for issue of bonus shares upon allotment of 1,25,00,000 Equity Shares to the employees of the Company and its subsidiaries under the "Jaypee Employee Stock Purchase Scheme, 2009", as approved by the shareholders at their Annual General Meeting held on September 29, 2009.

The bonus shares so allotted shall rank pari passu in all respects and carry the same rights as the existing fully paid up equity shares of the Company.

The holders of the outstanding Foreign Currency Convertible Bonds (FCCBs) issued by the Company from time to time who lodge such FCCBs for conversion till the Record Date to be fixed for the purpose of Bonus Issue, shall also be entitled to Bonus

Shares in the same proportion of 1:2, as aforesaid, at the time of such conversion in respect of those FCCBs. The holders of outstanding FCCBs who lodge the same for conversion after the Record Date shall be entitled to price adjustment in the conversion price of shares to be issued on conversion of such FCCBs in terms of the provisions of the concerned Offering Circular, so as to give the benefit of the Bonus Issue, as aforesaid, to the holders of such outstanding FCCBs as well.

The fractions arising out of such distribution of Bonus shares shall be grossed up and allotted in the name of a Director of the Company upon trust to sell the same and distribute the sale proceeds after deducting the administrative and other expenses thereon amongst the shareholders entitled to such fractions prorate in accordance with their rights.

The Directors of the Company may be deemed to be concerned or interested in the issue of the bonus shares to the extent of their respective shareholding in the Company.

The Board commends the resolution for your approval as an Ordinary Resolution.

Item No. 2, 3 & 4

With a view to meet its requirement of funds for normal capital expenditure, general corporate purposes and long term working capital, the Company has privately placed 11.75% Secured, Redeemable Non Convertible Debentures of Rs. 400 Crores with Life Insurance Corporation of India for which IDBI Trusteeship Services Limited are acting as Trustees. The Debentures are to be secured by creation of mortgage and/or charge in favour of the Lender/ Trustee on the properties of the Company, wheresoever situate, present and future, as a first charge ranking pari-passu with the charges already created in favour of other lenders, as may be decided in consultation with the LIC/ Debenture Trustee.

Besides the aforesaid, as you are aware, your Company is setting up two coal based thermal power projects of 240 MW (4 x 60 MW) along with coal washery with an installed capacity of 1.30 million tonnes per annum (mtpa) at Churk in Uttar Pradesh and 120 MW (2 x 60 MW) along with coal washery with an installed capacity of 1.30 mtpa at Sidhi in Madhya Pradesh at an estimated project cost of Rs.1,070 Crores and Rs.530 Crores respectively. The projects are scheduled to be commissioned within 24 months.

The estimated means of finance of these projects are as under:

(Rs. In Crores)

Particulars	240 MW Churk Project	120 MW Sidhi Project	Total
Internal Accruals	270.00	130.00	400.00
Debt	800.00	400.00	1,200.00
Total	1,070.00	530.00	1,600.00

To meet the debt requirement of the aforesaid thermal power projects, the Company has tied up Rupee Term Loan of Rs.1,200 Crores from ICICI Bank Ltd. The financial assistance, all commission, interest and other monies in respect of the Facility shall be secured by :

- (a) first mortgage/hypothecation and charge on all the Borrower's immovable and moveable assets pertaining to the Project (including all revenues, receipts, receivables and intangible properties of the Project), both present and future;
- (b) security interest on all the revenues / receivables accruing to the Borrower from the Project;
- (c) assignment of all rights, titles permits, approvals and interests of the Company in, to and in respect of all Projects assets, agreements (including but not limited to power purchase agreement, fuel supply agreement, if any), clearances, permits, approvals, consents including insurance contracts, in relation to the Project.

The aforesaid security shall rank pari passu with all security created/to be created in favour of the Project lenders/security trustee(for the benefit of the project lenders).

Further, with a view to meet its requirement of funds for the projects being implemented, your Company has raised a Rupee Term Loan of Rs. 100 Crores from L&T Finance Limited which is to be secured by way of subservient mortgage/ charge, on all the immovable and movable assets of the Company's Jaypee Himachal Cement Plant.

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 mortgaging and/or charging by the Company of its immovable and movable properties, as aforesaid, in favour of the aforesaid lenders/Trustees may be regarded as disposal of the Company's properties/undertaking, it is necessary to obtain the approval of the members for the resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge.

None of the Directors of the Company except Shri A.K. Sahoo, Nominee Director of LIC, is in any way concerned or interested in the resolution.

The Board commends the resolution for your approval as an Ordinary Resolution.

Item No. 5

Shri Sunny Gaur aged about 40 years, is Graduate and has 16 years of experience in various aspects of the cement business, including setting up of cement plants, operation and maintenance of cement plants, finance, accounts and general administration. He is Managing Director of Madhya Pradesh Jaypee Minerals Ltd. and is also a Director on the Boards of various companies including Bhilai Jaypee Cement Limited, Jaypee Ganga Infrastructure Corporation Ltd., Bokaro Jaypee Cement Ltd., Bina Power Supply Company Ltd., Prayagraj Power Generation Company Limited, MP Jaypee Coal Limited, Jaypee Ventures Private Limited, Sunvin Estates Pvt. Ltd., and Avni Infra Developers Pvt. Ltd.

Keeping in view his contribution in the growth of the Company and his leadership qualities supported by experience, the Board of Directors in their meeting held on 21st October 2009 had re-appointed Shri Sunny Gaur, Managing Director (Cement) with his present designation for a further period of five years from the date of expiry of his earlier term, i.e., w.e.f. 31st December, 2009 at the remuneration which was duly approved by the Remuneration Committee, as under :

Basic Salary : Rs. 4,12,500/- per month, in the Pay Scale of Rs.3,75,000-37,500-5,62,500-56,250-8,43,750 with annual increment on 1st October every year.

Perquisites

Besides the above salary, Shri Sunny Gaur shall be entitled to the 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.

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

The Executive Chairman of the Company shall have the authority to fix the inter-se ceilings / limits of various perquisites of the Mg. Director (Cement).

In the event of absence or inadequacy of profit in any year during the tenure of his appointment, the aforesaid remuneration will be paid as the minimum remuneration.

The Board considers that the reappointment of Shri Sunny Gaur, as aforesaid is in the best interest of the Company.

None of the Directors except S/Shri Jaiprakash Gaur, Manoj Gaur being relative of Shri Sunny Gaur and the appointee himself may be deemed to be concerned or interested in the resolution.

This explanatory statement together with the accompanying notice is, and may be treated as an abstract of terms of reappointment and memorandum of interest in respect of appointment of Shri Sunny Gaur under Section 302 of the Companies Act, 1956.

Your Directors commend the Resolution for your approval as Ordinary resolution.

Item No.6

The shareholders vide resolution passed through Postal Ballot sent under notice dated October 15, 2007 had authorized investment upto Rs.500 Crores in a joint venture promoted for developing a greenfield state-of-art Sports Complex including car race track suitable for Formula One race with related integrated support infrastructure including Township (s) and auxiliary facilities.

Accordingly, JPSK Sports Private Limited (JPSK), has been promoted to undertake the said business. An investment of Rs. 500 crore has been made in the equity capital of JPSK under the said authority.

JPSK has since been allocated Special Development Zone (SDZ) with an area of approx. 1000 Hectares in Gautam Budh Nagar (U.P.) along the Yamuna Expressway by Yamuna Expressway Industrial Development Authority (YEA) for the project including land for development. In order to fund the acquisition cost of land for development and also to provide security / guarantee as may be required by the lenders of JPSK/by YEA, it is proposed to enhance the investment limit of Rs. 500 crores to Rs. 750 crores to enable JPSK to fund the acquisition cost of land for development and go ahead with the Project. The required contribution of the Company by way of investment in equity capital/loans/guarantees etc., to the extent of additional Rs.250 Crores, in a phased manner, shall be funded from internal resources.

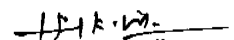
The proposed investment would attract provisions of Section 372A of the Companies Act, 1956, inter-alia, requiring approval of the shareholders by way of special resolution.

Accordingly, the proposal is being placed for your approval for the Company making additional investment in the equity shares of/ providing loans to/providing security or guarantee for the loans to JPSK, as aforesaid, notwithstanding the fact that such investment/ loan/security/guarantee may exceed the percentages prescribed under Section 372A of the Act.

Shri Manoj Gaur and Shri Sunil Kumar Sharma being common Directors of Jaiprakash Associates Limited & JPSK Sports Private Limited may be deemed to be interested in the proposed Resolution.

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

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)

Sr. President (Corporate Affairs) &
Company Secretary

New Delhi
October 21, 2009