

JAIPRAKASH 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. APPOINTMENT AND REMUNERATION OF SHRI RAHUL KUMAR AS A WHOLETIME DIRECTOR OF THE COMPANY

"RESOLVED that pursuant to Sections 269, 198 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Shri Rahul Kumar, as Whole-time Director & C.F.O. of the Company for a period of Five years with effect from October 31, 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 said Explanatory Statement be paid as minimum remuneration to Shri Rahul Kumar 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."

"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."

2. CREATION OF MORTGAGE/CHARGE IN FAVOUR OF DEBENTURE HOLDERS / DEBENTURE TRUSTEES TO SECURE NCDs AGGREGATING RS.500 CRORE EACH, ISSUED TO LIFE INSURANCE CORPORATION OF INDIA AND AXIS 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 expression shall include any Committee of the Board duly constituted/ to be constituted) to mortgage and/or charge, in favour of the Debenture holders/Trustees, subject to the existing charges, the immovable property situated at Block No.179 of Mouje Dhanot of Kalol Taluke, Sub District Kalol and District Mehsana in the State of Gujarat and on all the fixed assets, both immovable & movable, (except fixed assets pertaining to Real Estate division, Wind Power division and

assets specifically charged to State Financial Institutions for availing incentives/ interest free loan etc.) of the Company, wheresoever situate, present and future, as **first pari passu charge**, in such manner as agreed/may be agreed between the Company and the Financial Institution/Debenture Trustee, to or in favour of **Axis Trustee Services Ltd.** acting as Trustee to secure :

- (i) 5000 - 10.50% Redeemable, Non Convertible Debentures (NCDs) of the Company of Rs.10 lacs each for cash at par, aggregating Rs.500 Crores privately placed with **Life Insurance Corporation of India (LIC)**; and
- (ii) 5000 - 11.50% Redeemable, Non Convertible Debentures (NCDs) of the Company of Rs.10 lacs each for cash at par, aggregating Rs.500 Crores, privately placed with **Axis Bank Limited**

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment, costs, charges, expenses, Trustees remuneration and other monies payable by the Company to LIC and Axis Bank Limited / Debenture Trustees and to the said Financial Institution/lender in respect of the aforesaid facilities under debenture subscription agreement entered/ to be entered into by the Company in respect of the aforesaid NCDs".

As Special Resolution :

3. INVESTMENT IN THE SHARES OF ZAWAR CEMENT PRIVATE LIMITED

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals of Financial Institutions and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to make investment upto Rs. 250 Crores (Rupees Two Hundred & Fifty Crores only), in one or more tranches, for acquiring the entire share capital of Zawar Cement Private Limited, 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 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 authorized 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
November 15, 2010

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 **Shri V. P. Kapoor, F.C.S., A.I.C.W.A., LL.B., Practising Company Secretary as Scrutinizer and Shri Shiv Kumar Gupta, M.Com., LL.B., 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 would appear in the Register of Members/ Record of Depositories **as on Friday, December 10, 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, 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 Company not later than the close of working hours on Wednesday, February 16, 2011.** If the ballots are received thereafter they shall be deemed to be not received.
5. The Company is pleased to announce that, **for the first time,** it is offering **e-voting facility** as an alternate, **for its Individual Members** (other than Corporates/ FIs/ FIs etc.) to enable them to cast their vote electronically instead of dispatching Postal Ballot. The procedure for the same is as under :

- i. Open your web browser and log on to the e-voting website **www.evotingindia.com.**
- ii. Click on the button "CLICK HERE TO PROCEED".
- iii. Now, select the "Electronic Voting Sequence Number (EVSN) alongwith JPASSOCIATES" from the drop down menu and click on SUBMIT.
- iv. Now fill up the following details in the appropriate boxes:

Enter	For Individual Members holding shares in Demat Form	For Individual Members holding shares in Physical Form
User-id	For NSDL - 8 character DP ID + 8 digit Client ID. For CDSL - 16 digit Beneficial Owner ID	Registered Folio Number with the Company
Password	Your unique Password has been printed on the Postal Ballot form.	Enter Password to be sent by Company. For seeking Password, Members are requested to send a signed request letter informing an e-mail id at which the "Password & Default Number" be sent by the Company. Such request be sent at the Regd. office of the Company.
PAN or Default Number	Enter your 10 digit alphanumeric Permanent Account Number issued by Income Tax Department.	Enter the Default Number sent to you by the Company (along with the Password) on your email id as provided by you.

- v. After logging in the details of "User id, Password, PAN or Default Number", the Individual Members holding shares in physical form will reach directly to the voting screen. However, Members holding shares in Demat Form will now be required to mandatorily change their password in the new password field and may enter their demographic details i.e. date of birth, mobile number and email id. Kindly remember the changed Password as this can be used for voting on future Postal Ballot resolution(s) for Jaiprakash Associates Limited or any other Company.
- vi. On the voting Page, you will now see Resolution Description and option for voting YES/ NO against each Resolution Description. The option YES implies that you assent to the Resolution and NO implies that you dissent to the Resolution.
- vii. Click on the **Resolution File Link** if you wish to view the complete Postal Ballot Notice.
- viii. Enter the number of shares (which represents no. of votes) under each of the headings of the resolution, if you want to vote YES/ NO, but not exceeding your total holding.
- ix. After selecting the list of the resolutions you have decided to vote on, click on SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on OK, else to change your vote, click on CANCEL and accordingly modify your vote.
- x. Once you have voted on a resolution, you will not be allowed to modify your vote.
- xi. You can log in any number of times till you have voted on all the resolutions or till the end of the voting period (i.e. till the last date of receipt of Postal Ballots), whichever is earlier.
- xii. **Kindly note that the members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.**
- xiii. If you wish to provide feedback on the e-voting system, click on Suggestions. In case you have any queries or issues regarding e-voting, please contact on helpdesk. evoting@cdslindia.com, or on jal.investor@jalindia.co.in.
6. 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 Saturday, February 19, 2011 at 2.00 pm** at the Registered Office of the Company at Sector 123, 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.**
7. 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.
8. 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 NOVEMBER 15, 2010 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956 :-

Item No. 1

Shri Rahul Kumar aged about 43 years, is a Fellow Member of the Institute of Chartered Accountants of India and has around 18 years' experience in the fields of accounting, marketing of cement, corporate planning and financing. He had been in charge of marketing of cement, cement sale accounting and also associated with corporate planning functions of the Company. He was designated as Chief Financial Officer of the Company w.e.f. April 1, 2010.

Shri Rahul Kumar was co-opted as Director on the Board of the Company w.e.f. October 31, 2010 in the casual vacancy caused due to the resignation of Shri Jaiprakash Gaur, Founder Chairman. Further, keeping in view his contribution in the growth of the Company and his leadership qualities supported by experience, Shri Rahul Kumar has been appointed as a Whole-time Director & CFO w.e.f. October 31, 2010.

He is also on the Boards of Bhilai Jaypee Cement Limited, Gujarat Jaypee Cement Infrastructure Limited, Bokaro Jaypee Cement Limited, Jaypee Fertilizers & Industries Limited, Jaypee Development Corporation Limited, Jaiprakash Agri Initiatives Company Limited, Rock Solid Cement Limited, RPJ Minerals Private Limited, Sarveshwari Stone Products Private Limited and Sonebhadra Minerals Private Limited.

The Remuneration Committee in its meeting held on October 31, 2010, approved the following remuneration for Shri Rahul Kumar, Whole-time Director & C.F.O., w.e.f. October 31, 2010:

Basic Salary : Rs. 3,00,000/- per month

Pay Scale : Rs. 2,00,000-20,000-3,00,000-30,000-4,50,000/-

Annual Increment due on October 1, every year (next increment due on 1st October, 2011).

Perquisites

Besides the above salary, Shri Rahul Kumar 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 appointee.

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, his appointment is in the best interest of the Company.

None of the Directors, except Shri Rahul Kumar himself, is deemed to be concerned or interested in the resolution.

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

Item No. 2

The Company has from time to time mobilised funds to meet its requirements for project based capital expenditure, normal capital expenditure, general corporate purposes and long term working capital etc., within the borrowing powers of the Board of Directors as delegated by the Shareholders i.e. Rs.25,000 Crores.

For the said purpose, the Company has issued 5000 – 10.50% Redeemable, Non Convertible Debentures (NCDs) of Rs.10 lac each for cash at par, aggregating Rs.500 Crores privately placed with Life Insurance Corporation of India (LIC) and 5000 – 11.50% Redeemable, Non Convertible Debentures (NCDs) of Rs.10 lac each for cash at par, aggregating Rs.500 Crores privately placed with Axis Bank Limited.

The Company is now required to create security for the said NCDs in favour of the respective Debentureholders/Trustees for the Non Convertible Debentures aggregating Rs.1,000 Crore, by way of creation of mortgage and/or charge on the assets of the Company, as stated in the resolution.

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 the company, 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 Debenture holders/Trustees may be regarded as disposal of the Company's properties/undertaking, it is necessary to obtain the approval of the members under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge. Hence the resolution.

None of the Directors of the Company except Shri A. K. Sahoo, Nominee of Life Insurance Corporation of India, is concerned or interested in the proposed resolution.

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

Item No. 3

Zawar Cement Private Limited (ZCPL), incorporated in the year 1996, has cement manufacturing facility with a capacity of 5.40 lac tons per annum besides the mining leases/rights & other infrastructure at Shahabad, Dt. Gulbarga, Karnataka.

The present capital of 1,30,00,000 equity shares of Rs.10 each of ZCPL is held by Jaypee Development Corporation Limited (JDCL), an Associate of your Company which had acquired the said shares & the management of ZCPL from the erstwhile promoters of ZCPL at an acquisition cost of approx. Rs.222.64 Crores and has made further investment of Rs.54 Crores upto October 31,2010.

The name of ZCPL is proposed to be changed to Jaypee Cement Corporation Pvt. Ltd. or such other name as might be allowed by the Registrar of Companies.

A new cement plant with 3.0 Million Tons per annum cement grinding capacity alongwith 26 MW captive power plant is being presently set up by ZCPL with an estimated cost of Rs.1390 Crores.

Keeping in view the expansion plans of your Company, it is proposed to acquire the said 1,30,00,000 Equity Shares of **Zawar Cement Private Limited** from JDCL at the acquisition price. Upon such acquisition, ZCPL shall become wholly-owned subsidiary of your Company. Further investment in the Project shall be funded as per normal funding norms.

In terms of the provisions of the Section 372A of the Companies Act, 1956, investment by way of subscription, purchase or otherwise, of the securities of any other body corporate requires prior approval of shareholders by way of Special Resolution.

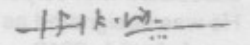
The Company will meet the proposed obligations through its own resources including internal accruals etc.

The resolution is placed for approval of the Members for making of investment in the shares of the above named Company.

None of the Directors of your Company, except S/Shri S C Gupta, B K Goswami, B K Tapparia, and Rahul Kumar, being common Directors, in your Company and JDCL, is deemed to be concerned or 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
November 15, 2010