

**JAIPRAKASH**  
**ASSOCIATES LIMITED**

Regd. Office: Sector 128, Noida-201 304, U.P. (India)  
Head Office : 'JA House', 63, Basant Lok, Vasant Vihar, New Delhi - 110 057



**NOTICE**

To  
**The Members,**

Notice is hereby given that the following Resolution is 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 Resolution by Postal Ballot) Rules, 2001:

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

**As Special Resolution:**

**Buy Back of Eight Crores Equity Shares of Jaiprakash Power Ventures Limited by the Company from ICICI Bank Ltd.**

"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 an investment of up to **Rs. 92 Crores** (Rupees Ninety Two Crores only) to buy back up to 8,00,00,000 fully paid Equity Shares of Rs.10/- each of Jaiprakash Power Ventures Limited at a price as may be determined in terms of the Shareholders' and Buy Back Agreement dated 23<sup>rd</sup> July, 2005 read with its addendum dated 27<sup>th</sup> March, 2006, between the Company and ICICI Bank Ltd., notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/guarantees so far given by the Company along with 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 authorized to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or any Whole-time Director or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution."

By Order of the Board  
For Jaiprakash Associates Limited

(HARISH K. VAID)  
President (Corporate) &  
Company Secretary

Place : New Delhi  
Dated : 30<sup>th</sup> August, 2007

**NOTES:**

1. Explanatory Statement and reasons for the above proposed special 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. Mahani, B.Com.(Hons), LL.B., FCS, Advocate 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, August 31, 2007**.
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 **Friday, October 12, 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 **Monday, October 15, 2007 at 4.00 P.M.** at the Registered Office of the Company **at Sector 128, Noida – 201304, U.P. (India)** and the resolution will be taken as passed effectively on the date of announcement of the result by the Chairman, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the Resolution. 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 a newspaper advertisement and the website of the Company **www.jalindia.com**.
7. A copy each of all 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 RESOLUTION ACCOMPANYING THE NOTICE DATED AUGUST 30, 2007 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956:**

Jaiprakash Associates Limited (JAL) is presently holding 42,90,00,000 Equity Shares of Rs. 10/- each of Jaiprakash Power Ventures Limited (JPVL), a subsidiary of JAL (i.e. 84.28%) out of its total equity share capital of 50,90,00,000 Equity Shares of Rs. 10/- each. Balance 8,00,00,000 Equity Shares of Rs. 10/- each of the JPVL are held by ICICI Bank Limited (ICICI) which were issued in accordance with the Subscription Agreement dated 12<sup>th</sup> July, 2005 executed between JPVL and ICICI Bank, to part finance 400 MW Hydro-electric Project of JPVL at Vishnuprayag, in the State of Uttarakhand, which has already been commissioned.

In terms of the Shareholders' and Buy Back Agreement dated 23<sup>rd</sup> July, 2005 read with its Addendum dated 27<sup>th</sup> March, 2006, between JAL and ICICI Bank Ltd., JAL has right to buy back the said 8 crores Equity Shares of JPVL from ICICI Bank during the Buy Back Period.

Further, in terms of the said Shareholders' and Buy Back Agreement, JAL can buy back the shares at the Buy Back Price as defined in the said Agreement within the agreed period. The Buy Back Price assures a minimum return of 16% p.a. on the total amount subscribed by ICICI Bank, i.e. Rs. 80 crores, during the period commencing from the date of the first subscription by ICICI Bank and ending on the settlement date, after taking into account the agreed adjustments including dividends received by ICICI Bank from JPVL. Since the exact amount to be paid shall depend upon the settlement date, an approval is sought to invest an amount not exceeding Rs. 92 crores for purchase of the said 8 crores shares.

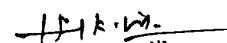
The Board of Directors of the Company have decided to Buy Back the said shares from ICICI Bank, subject to your approval, out of the Company's own resources/accruals.

Since investment in the said Equity Shares would attract provisions of Section 372A of the Companies Act, 1956 (Act), the proposal is being placed before you for your approval for the Company making the proposed investment/ acquiring shares of JPVL, as aforesaid, notwithstanding the fact that such investment will exceed the percentages prescribed under Section 372A of the Act.

None of the Directors of the Company, except Shri M.J. Subbaiah (Nominee Director of ICICI Bank), is in any way concerned or interested in the 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)  
President (Corporate) &  
Company Secretary

Place : New Delhi  
Dated : 30<sup>th</sup> August, 2007