

JAI PRAKASH ASSOCIATES LIMITED

Registered Office : Sector 128, Noida – 201 304, U.P. (India)
Head Office : 'JA House', 63, Basant Lok, Vasant Vihar, New Delhi - 110 057
visit us at www.jalindia.com



NOTICE

To
The Members,

Notice is hereby given that the following Resolution is 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 Resolution:

As Special Resolution:

Making investment in the shares of Jaypee Infratech 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 / Banks 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 upto Rs.440 Crores (Rupees Four Hundred & Forty Crores) only to acquire upto 44,00,00,000 Equity Shares of Rs. 10 each at par, in one or more tranches, in the Equity Share Capital of **Jaypee Infratech 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 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, 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 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)

New Delhi
February 21, 2008

Sr. President (Corporate Affairs) &
Company Secretary

NOTES:

1. Explanatory Statement and reasons for the proposed special business stated hereinabove, pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 are given hereunder.
2. The Company has appointed Shri T.V. Narayanaswamy, FCS, Practising Company Secretary as Scrutinizer and Shri Samir Biswas, FCA, ACS, AICWA, Corporate Advisor, 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, February 15, 2008**.
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 **Thursday, March 27, 2008**.
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 Friday, March 28, 2008 at 11.30 AM** 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 result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the Resolutions. Members who wish to be present at the time of declaration of the result may do so at the venue. The result of the Postal Ballot shall also be announced through a newspaper advertisement and the website of the Company **www.jalindia.com**.
6. Copies of all the documents referred to in the accompanying Explanatory Statement are 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 RESOLUTION ACCOMPANYING THE NOTICE DATED FEBRUARY 21, 2008 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956:

As the members are aware, Taj Expressway Project comprising 160 Kms. long six lane access controlled Expressway with provision for expansion to eight lanes in future, with service roads and associated structures, as awarded by Taj Expressway Industrial Development Authority (TEA) on Build, Own, Operate and Transfer basis, is being implemented through the subsidiary of your Company, namely, Jaypee Infratech Limited (JIL), in terms of the Concession Agreement dated February 7, 2003, which also entitles the Concessionaire to develop 25 million sq. meters of land to be made available by TEA at acquisition cost at five or more locations along the Expressway.

As per its present requirement of funds, JIL proposes to increase its paid up capital to Rs.1000 Crores. The entire present equity capital of JIL is held by your Company and its associates. Besides the present investment of Rs.550.05 Crores by your Company, Jaiprakash Associates Ltd.(JAL) proposes to make further investment, not exceeding Rs.440 Crores, by acquiring /

subscribing upto 44 Crore Equity Shares of Rs.10 each of JIL, in one or more tranches, which shall be made from internal resources of the Company.

With the aforesaid additional investment, the entire proposed paid up capital of JIL would be held by your Company except for One Crore Equity Shares of Rs.10 each of JIL held by Jaypee Group Employees Welfare Trust holding the said shares for the benefit of the Employees of Jaypee Group.

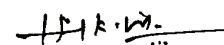
The proposed investment of upto Rs.440 Crores in the Equity Share Capital of JIL would attract the provisions of Section 372A of the Companies Act, 1956 requiring your approval by way of Special Resolution.

Accordingly, the proposal is being placed before you for your approval for the Company acquiring shares of / making investment in the equity share capital of JIL, as aforesaid, notwithstanding the fact that such investment will exceed the percentages prescribed under Section 372A of the Act.

None of the Directors except S/Shri Jaiprakash Gaur, Manoj Gaur, Sunil Kumar Sharma, S.K.Jain, Sunny Gaur and Pankaj Gaur, being Directors of associate / JIL, is 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)

New Delhi
February 21, 2008

Sr. President (Corporate Affairs) &
Company Secretary