

JAIPRAKASH ASSOCIATES LIMITED

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



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 Special Resolution:

1. Acquisition of Equity Shares of Prize Petroleum Company Limited from ICICI Bank Limited and ICICI Venture Funds Management Company 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 / 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.75 Crores** (Rupees Seventy Five Crores) in the Equity Shares of M/s Prize Petroleum Company Limited at the best available price, 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, 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.”

As Ordinary Resolution:

2. Creation of Security in favour of Banks

“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 to mortgage and/or charge, subject to the existing charges, immovable and movable properties of the Company, wheresoever situate, present and future, in such manner as may be decided in consultation with the Term Lending Banks, to or in favour of State Bank of India, The Bank of Rajasthan, State Bank of Hyderabad, Punjab National Bank and Oriental Bank of Commerce to secure

- (1) Corporate Loan from State Bank of India of Rs. 200 Crores,
- (2) Corporate Loan from The Bank of Rajasthan of Rs. 75 Crores,

- (3) Corporate Loan from State Bank of Hyderabad of Rs. 200 Crores,
- (4) Term Loan from Punjab National Bank of Rs. 50 Crores and
- (5) Term Loan from Oriental Bank of Commerce of Rs. 100 Crores

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 the said Banks under respective Loan Agreements entered/ to be entered into by the Company in respect of the aforesaid loans.”

By Order of the Board
For Jaiprakash Associates Limited

(HARISH K. VAID)

New Delhi
March 28, 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 V.P. Kapoor, FCS, AICWA, LL.B., Practising Company Secretary as Scrutinizer and Shri Shiv Kumar Gupta, M.Com., LL.B., FCS, 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, 4th April 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 **Saturday, 24th May 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 Monday, 26th May 2008 at 4.00 PM** 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. A copy 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 RESOLUTIONS ACCOMPANYING THE NOTICE DATED 28TH MARCH 2008 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956:

Item No. 1

The shareholders had, on 30th December 2006, authorized the Company to take up various new businesses, inter-alia, including the business relating to Oil Exploration and Production ("E & P"). Accordingly, the Company had participated in the bidding for award of oil - gas exploration blocks offered under the Government's 'New Exploration & Licensing Policy Round VI (NELP-VI)', in consortium with M/s Prize Petroleum Company Limited (PPCL), having the requisite Licence as 'Operator'. Keeping in view the vast experience of PPCL in the field of oil & gas exploration, PPCL were taken as 'Operator' for the block with 10% interest and the balance 90% interest in the Consortium was retained by your Company (JAL). The consortium was successful in winning the largest onshore oil-gas block for exploration in 'South Rewa Basin' in Madhya Pradesh with an approx. area of 13000 sq. km. The JAL-PPCL consortium is progressing well with the exploration activities on this block.

The present issued share capital of PPCL is Rs.20 Crore divided into 2 Crore Equity Shares of the face value of Rs.10 each which held as under:

S.No.	Name of Shareholders	No. of Shares	Holding
1	Hindustan Petroleum Corporation Limited (HPCL)	1,00,00,000	50%
2	(i) ICICI Bank Ltd. (25%) & (ii) ICICI Venture Funds Management Company Ltd. (20%)	90,00,000	45%
3	HDFC Limited	10,00,000	5%
	TOTAL	2,00,00,000	100%

ICICI Bank Ltd. and ICICI Venture Funds Management Company Ltd. have proposed to sell their shareholding in PPCL.

Keeping in view the inherent advantages to have substantial stake in the capital of PPCL, including the 'Operator' status of PPCL, upsides of already producing fields/ developing fields and significant presence in the business of "E & P", your Company has decided to acquire the equity shares of PPCL from ICICI Bank / others, as are/might be available, at the best available price, with an investment aggregating upto Rs.75

Crores, in one or more tranches. The proposed investment would be made out of Company's own resources.

Your Company's bid for the present shareholding of ICICI Bank Ltd. and ICICI Venture Funds Management Company Ltd. aggregating Rs.48.60 Crores has been declared as the successful bid.

The proposed investment of upto Rs.75 Crores in the equity capital of PPCL 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, notwithstanding the fact that such investment will exceed the percentages prescribed under Section 372A of the Act.

None of the Directors except Shri M J Subbaiah, who is the nominee of ICICI Bank Ltd. on the Board of your Company, is interested in the resolution.

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

Item No. 2

To meet its requirement of funds/financial restructuring, the Company has raised the following loans:

- (1) Corporate Loan from State Bank of India of Rs. 200 Crores,
- (2) Corporate Loan from The Bank of Rajasthan of Rs. 75 Crores,
- (3) Corporate Loan from State Bank of Hyderabad of Rs. 200 Crores,
- (4) Term Loan from Punjab National Bank of Rs. 50 Crores and
- (5) Term Loan from Oriental Bank of Commerce of Rs. 100 Crores

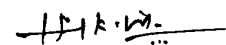
The aforesaid Loans are to be secured by way of first charge, ranking *pari passu* with the existing charge holders, on such immovable and movable properties of the Company, present & future, as may be decided in consultation with the Lending Banks.

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 Banks 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 is in any way concerned or interested in the resolution.

Your Directors commend the resolution for your approval.

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)

Sr. President (Corporate Affairs) &
Company Secretary

New Delhi
March 28, 2008