

JAIPRAKASH
ASSOCIATES LIMITED

ANNUAL REPORT 2007-08



2.5 MTPA, Chunar Cement Plant, U.P.



Construction
Power
Cement
Hospitality
Real Estate

— NO DREAM TOO BIG —

ACCOMPLISHMENTS



Hon'ble Shri Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India
on the occasion of presentation of the PHDCCI Good Corporate Citizen Award 2007 to
Shri Harish K. Vaid, Sr. President (Corporate Affairs) & Company Secretary of the Company.

- **PHD Chamber Good Corporate Citizen Award 2007** presented to JAL for its model role as a good corporate citizen.
- **Dulhasti HEP (390 MW)** in J&K – dedicated to the nation.
- **Omkarshwar HEP (520 MW)** in M.P. – EPC Contract completed 3 months ahead of schedule.
- **FLS (F.L. Smidth) Energy Award 2007** for Maximum percentage reduction in Thermal Energy (Kcal.) consumption per kg of Clinker production over year 2005-06 (Jaypee Rewa Plant) & Minimum percentage of Auxiliary power consumption with respect to Thermal Power Generation (Jaypee Bela Unit, Captive Power Plant, 2005-06).



3 MTPA Jaypee Rewa Cement Plant, Rewa, M.P.



2.4 MTPA Jaypee Bela Cement Plant, Bela, M.P.



Captive Power Plant, Rewa, M.P.



0.5 MTPA Dalla Cement Plant, U.P., Phase I Commissioned - March'08 and 1.5 MPTA Phase II Commissioning - Oct'08



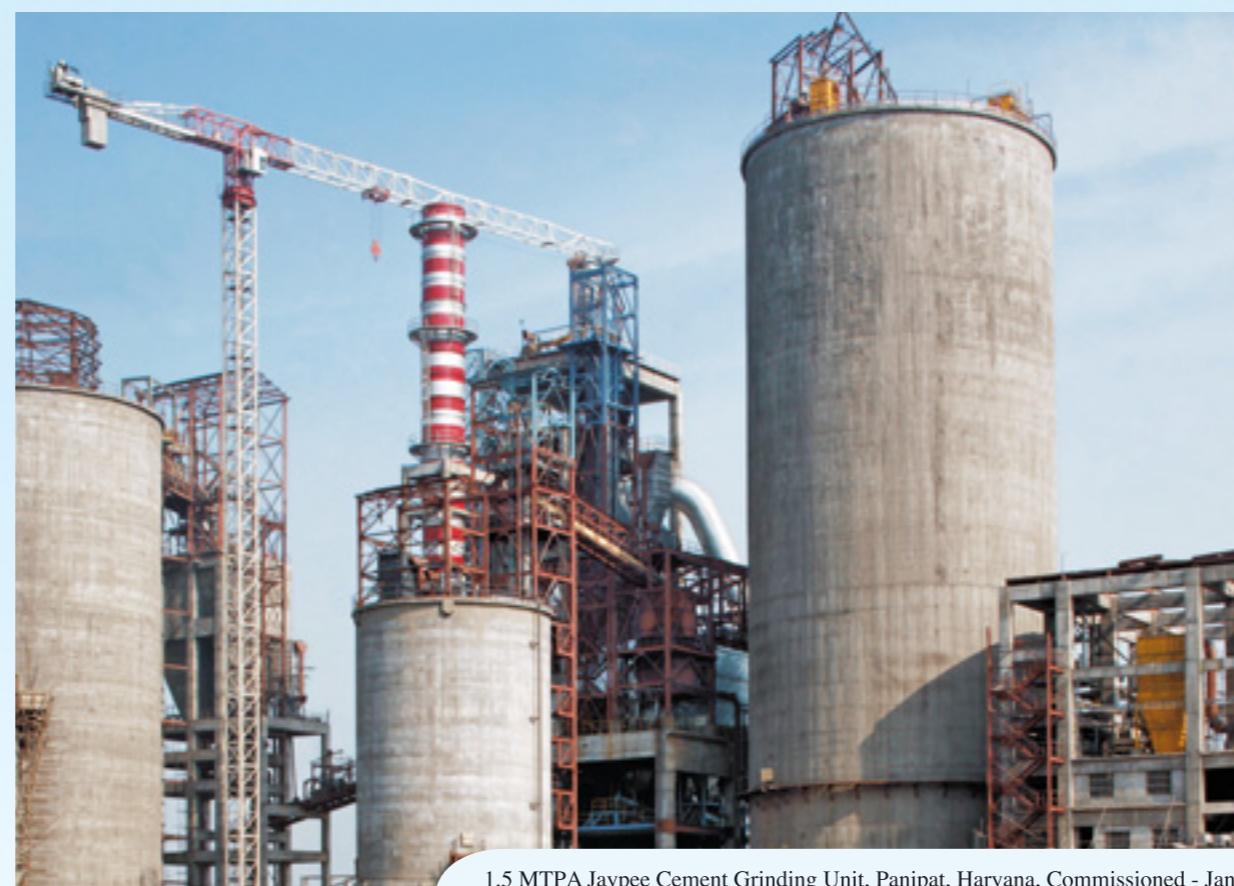
2.4 MTPA Jaypee Himachal Cement Plant, Baga, H.P., Commissioning - March'09



2 MTPA Jaypee Sidhi Cement Plant, Sidhi, M.P., Commissioning - Sept'08



1.2 MTPA Gujarat Anjan Cement Plant, Gujarat, Commissioning - Nov'08



1.5 MTPA Jaypee Cement Grinding Unit, Panipat, Haryana, Commissioned - Jan'08



2 MTPA Jaypee Cement Blending Unit, Bagheri, H.P, Commissioning - Dec'08

Achievements During The Year

	2006-07 (Rs. Crore)	2007-08 (Rs. Crore)	% Change
Gross Revenue	3575	4274	19.5
Profit Before Tax	620	843	36.0
Net Profit	415	610	46.9
Total Assets	11196	17130	53.0
Dividend	36%	50%	38.9

1. Company has signed an agreement with Gujarat Mineral Development Corp. Ltd. for setting up a 2.4 MTPA cement plant in Dist. Bhuj, Gujarat.
2. JAL successfully raised USD 250 million equivalent unsecured external commercial borrowing with participation from domestic and international institutions/Banks.
3. Mandla (North) Coal Block in Dist. Chhindwara, MP allotted to the company for captive requirement of cement business.
4. The Company has been awarded the following contracts, which are being implemented through SPVs:
 - a) Jaypee Ganga Infrastructure Corporation Ltd. incorporated for implementation of 1047 km long 8 lane Access Controlled Expressway between Greater Noida and Balia in UP on the left Bank of Holy River Ganga by UPEIDA.
 - b) Himalayan Expressway Ltd. incorporated for implementation of 27.14 km Zirakpur - Parwanoo Expressway awarded by NHAI .
5. Phase - I of Chunar and Dalla Cement Plants in UP and Grinding Unit at Panipat in Haryana have been successfully commissioned in February/March 2008.
6. Bokaro Jaypee Cement Ltd. incorporated for implementation of 2.1 MTPA slag based cement plant at Bokaro, Jharkhand pursuant to the joint venture agreement with Steel Authority of India Ltd.
7. Naubasta Limestone Mine of the Company has received Narmada Award for all over performance, Sonebhadra Award for Community Development & an award for Waste Dump Management, Quality Dump Management, Publicity & Propaganda during the Mines Environment & Mineral Conservation Week.
8. Jaypee Limestone Mine of the Company has received award for Management of Sub-Grade Mineral during the Mines Environment & Mineral Conservation Week.

Company Secretary

Harish K. Vaid
Sr. President (Corporate Affairs) &
Company Secretary

Auditors

M/s. M.P. Singh & Associates
New Delhi-110057

Bankers

Allahabad Bank
Andhra Bank
AKA Export Finance Bank
Axis Bank Limited
Bank of Baroda
Bank of Bhutan
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Citi Bank N.A.
Corporation Bank
Export Import Bank of India
HDFC Bank Limited
HSBC Limited
ICICI Bank Limited
Indian Bank
Indian Overseas Bank
Industrial Bank Limited
Karur Vysya Bank
Karnataka Bank
Kotak Manindra Bank
Oriental Bank of Commerce
Punjab National Bank
Punjab & Sind Bank
Refidian Bank, Iraq
Royal Bank of Scotland
Standard Chartered Bank
State Bank of India
State Bank of Hyderabad
State Bank of Indore
State Bank of Mysore
State Bank of Patiala
State Bank of Sikkim
State Bank of Travancore
State Bank of Bikaner & Jaipur
Syndicate Bank
The Jammu & Kashmir Bank Limited
UCO Bank
Union Bank of India
United Bank of India
Yes Bank Limited

Board of Directors

Jaiprakash Gaur, Founder Chairman
Manoj Gaur, Executive Chairman & CEO
Sunil Kumar Sharma, Executive Vice Chairman
Sarat Kumar Jain, Vice Chairman
A.K. Sahoo, (LIC Nominee)
Dr. B. Samal (IDBI Nominee)
M.J. Subbaiah (ICICI Bank Nominee)
Gopi K. Arora
R.N. Bhardwaj
S.C. Bhargava
B.K. Goswami
Dr. E.R.C. Shekar
B.K. Taparia
S.C. Gupta
M.S. Srivastava
Sunny Gaur, Managing Director (Cement)
Pankaj Gaur, Joint Managing Director (Construction)
R.K. Singh, Whole-time Director
Ranvijay Singh, Whole-time Director
S.D. Nailwal, Whole-time Director & CFO

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Registered & Corporate Office

Sector-128, NOIDA-201 304
Uttar Pradesh

Delhi Office

'JA House', 63, Basant Lok,
Vasant Vihar, New Delhi – 110 057

Website

www.jalindia.com

E-mail ID for Investors

jal.investor@jalindia.co.in

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Members of **Jaiprakash Associates Limited** will be held on **Wednesday, August 27, 2008** at 11.30 A.M. at the Registered Office of the Company at Sector 128, Noida- 201304, (U.P.) to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited **Balance Sheet** as at **March 31, 2008**, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To confirm two interim dividends and declare final **dividend** for the financial year 2007-08.
3. To appoint a Director in place of **Shri B. K. Taparia** who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri S. C. Bhargava** who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Shri Pankaj Gaur** who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of **Shri B. K. Goswami** who retires by rotation and, being eligible, offers himself for re-appointment.
7. To appoint a Director in place of **Shri S. D. Nailwal** who retires by rotation and, being eligible, offers himself for re-appointment.
8. To appoint **M/s M.P. Singh & Associates**, Chartered Accountants, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions:

As Ordinary Resolutions:

9. "RESOLVED that **Shri Jaiprakash Gaur** be and is hereby appointed a Director of the Company, liable to retire by rotation."
10. "RESOLVED that **Shri R. K. Singh** be and is hereby appointed a Director of the Company, liable to retire by rotation."
11. "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 Institutions/Banks/Debenture Trustees to or in favour of Axis Bank Ltd. (as Lender for Rupee Term Loan and as Trustees for NCDs) to secure:-
- a) Rupee Term Loan of Rs. 440 crores from Axis Bank Ltd.

- b) 1500 – 9.50% Non Convertible Debentures (NCDs) of the Company of Rs. 10 lacs each, aggregating Rs. 150 crores, privately placed with Life Insurance Corporation of India (LIC), Axis Bank Ltd. acting as Trustees for NCDs.

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 Axis Bank Ltd. and LIC under respective loan agreements/debenture subscription agreement entered into by the Company in respect of the aforesaid Loan/NCDs."

12. "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 as Second Charge ranking subservient to the charges/securities created/to be created in favour of first charge holders, in such manner as may be decided **to secure additional Working Capital facilities** aggregating Rs. 32152 lacs (Fund Based Rs. 2500 lacs and Non Fund Based Rs. 29652 lacs) granted by consortium of banks with Canara Bank as a leader of consortium together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment, costs, charges, expenses and other monies payable by the Company to the said lenders under respective agreements entered/ to be entered into by the Company in respect of the aforesaid facilities."

By Order of the Board
For **JAIPRAKASH ASSOCIATES LIMITED**

Harish K. Vaid

**Sr. President (Corporate Affairs) &
Company Secretary**

Noida

May 3, 2008

NOTES

- (i) Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out under **item Nos. 9 to 12** is annexed hereto.
- (ii) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
- (iii) Corporate Members intending to send their respective authorized representatives are requested to send a duly certified copy of the Board/Governing Body resolution authorizing such representatives to attend and vote at the Annual General Meeting.

- (iv) All documents referred to in the Notice and accompanying Explanatory Statement, as well as the Annual Report and Annual Accounts of the subsidiary companies whose Annual Accounts have been consolidated with that of the Company, are open for inspection at the Registered Office of the Company on all working days, except Sunday and other holidays, between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
- (v) The Register of Members and Share Transfer Books will remain closed from **August 21, 2008 to August 27, 2008** (both days inclusive) for payment of final dividend. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid **on or after September 8, 2008** to the Members, or their mandatee, subject to the provisions of Section 206A of the Companies Act, 1956, whose names appear on the Company's Register of Members as at the close of business hours on **August 20, 2008**. In respect of dematerialized shares, the dividend will be payable to the "Beneficial Owners" of the shares, whose names appear in the Statement of Beneficial Ownership, as at the close of business hours on **August 20, 2008**, furnished by the National Securities Depository Limited and Central Depository Services (India) Limited.
- (vi) Members holding shares in electronic form may please note that: (a) the dividend, when declared, will be credited to their respective Bank Accounts as furnished to the respective Depository Participants, through Electronic Clearing Service (ECS), where this facility is available; (b) in other cases, Bank details as furnished to the respective Depository Participants will be printed on the Dividend Warrants as per the applicable regulations. The Company shall not entertain any direct request from such Members for deletion of / change of such Bank details. Further, it may be noted that instructions, if any, already given by the Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on their holdings in electronic form.
- (vii) Members who are holding shares in physical form are requested to notify the change in their respective addresses or Bank details to the Company and always quote their Folio Numbers in all correspondence with the Company. In respect of holding in electronic form, Members are requested to notify any change in addresses or Bank details to their respective Depository Participants.
- (viii) Members can avail of the nomination facility in terms of Section 109A of the Companies Act, 1956 by nominating in Form 2B, as prescribed under Companies (Central Government's) General Rules and Forms, 1956, any person to whom their shares shall vest on occurrence of events stated in the said Form. Blank Forms can be supplied on request. The same can also be downloaded from the Company's website www.jalindia.com. Form 2B is to be submitted in duplicate: (a) in case of shares held in physical form, to the Company and (b) in case of shares held in dematerialized form, to the respective Depository Participants.
- (ix) Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.
- (x) Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. After such transfer no claim of the members whatsoever shall subsist on the said amount. Therefore, members are requested to encash their dividend warrants on priority within the validity period.

The Board of Directors in its meetings held on **July 14, 2007** and **January 12, 2008** respectively declared two **interim dividends @ 15% each** on the paid-up equity share capital of the Company. Members who have not yet encashed the Dividend Warrants may please write to the Company, for revalidating the Warrants.

- (xi) The Members may please note that the Ordinary and Special Resolutions sent through notice dated 14.07.2007, 30.08.2007, 15.10.2007, 14.12.2007, 18.01.2008 and 21.02.2008 to all Members for voting through Postal Ballot have been passed on 05.09.2007, 15.10.2007, 24.11.2007, 18.01.2008, 03.03.2008 and 28.03.2008 respectively by requisite majority. Relevant details in this regard are covered in the Corporate Governance Report annexed to the Report of the Board of Directors.
- (xii) **Members or their respective proxies are requested to:**
 - (a) **bring copies of Annual Report sent to the Members as copies of Annual Report shall not be distributed at the Annual General Meeting;**
 - (b) **note that no gifts/coupons shall be distributed at the Annual General Meeting; and**
 - (c) **quote their Folio/Client ID & DP ID No. in all correspondence.**
- (xiii) Any query relating to Accounts or any other items of business set out in the Agenda of the Meeting must be sent to the Company's Registered Office at Sector 128, Noida – 201 304 **atleast seven days before the date of the Meeting**. The envelope may please be superscribed "**Attention: Shri Harish K. Vaid, Sr. President (Corporate Affairs) & Company Secretary**".
- (xiv) Relevant details, in terms of Clause 49 of the Listing Agreement, in respect of the **Directors proposed to be appointed by Resolution nos. 9 & 10 are** provided in the Explanatory Statement attached to the Notice and those of the **Directors retiring by rotation and proposed to be reappointed** are as under:

Shri B. K. Taparia

Shri B. K. Taparia, 68, holds degree in M.Com. and is a Certified Associate of Indian Institute of Bankers.

Shri Taparia has been a Banker and Ex-Chairman & Managing Director of Industrial Reconstruction Bank of India (presently known as Industrial Investment Bank of India Ltd.). He is Director on the Boards of Jaypee Hotels Ltd., Jaiprakash Hydro-Power Ltd., Jaiprakash Power Ventures Ltd. and Jaiprakash Enterprises Ltd. He is also a member of Audit Committee and Remuneration Committee of the Company.

Shri B.K. Taparia does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

Shri S.C. Bhargava

Shri S.C. Bhargava, 63, is a Chartered Accountant by profession. He had a successful career with LIC of India.

Shri Bhargava is Non-Executive Chairman of IL & FS Academy for Insurance & Finance Ltd., IL & FS Insurance & Risk Management Services Ltd., OTC Exchange of India and OTC Securities Ltd. He is Director on the Boards of Aditya Birla Nuvo Ltd., Escorts Ltd., Jaiprakash Enterprises Ltd., Jaiprakash Power Ventures Ltd., Jaypee Cement Ltd., DCM Shriram Consolidated Ltd., Srei Ventures Capital Ltd., Swaraj Engine Ltd., UTI AMC Pvt. Ltd., Mudra Lifestyles Ltd. and ALL Bank Finance Ltd.

Shri S.C. Bhargava is holding 2,000 Equity Shares in the Company.

Shri Pankaj Gaur

Shri Pankaj Gaur, 37, B.E (Instrumentation), has 15 years of experience. He worked at Jaypee Rewa and Jaypee Bela Cement Plants from 1993 to 1998. From 1999 to 2004, he had been looking after the Tala Hydro-electric Project executed by the Company in Bhutan. Since 2005, he is leading the team for development of Srisailam Project in Andhra Pradesh. He was a Whole-time Director on the Board of erstwhile Jaiprakash Industries Ltd. He is also a Director on the Boards of Jaypee Arunachal Power Ltd., Jaypee Ventures Pvt. Ltd. and Pee Gee Estates Pvt. Ltd.

Shri Pankaj Gaur is holding 100,000 Equity Shares in the Company.

Shri B. K. Goswami

Shri B. K. Goswami, 72, did his Masters in English in 1956 and joined Indian Administrative Service in 1960.

He has held prestigious positions in various Government Departments including Chairman, Tea Board of India, Chief Secretary, Government of Jammu & Kashmir, Secretary Department of Civil Supplies, Secretary Tourism, Govt. of India, Advisor to Governors of UP and Jammu & Kashmir.

Besides the above, he was Chairman of J & K Tourism Development Corporation, Board of Governors of Institute of Hotel Management & Catering Technology, Bombay and New Delhi and the Task Force on Tourism constituted by Govt. of Kerala. He also served as Director on the Boards of Indian Tourism Development Corporation, Indian Airlines, Air India, Rajasthan Tourism Development Corporation, erstwhile Jaiprakash Industries Limited, and erstwhile Jaypee Greens Limited. He was also Trustee of Consumer Education and Research Centre, Ahmedabad, Mata Vaishno Devi Shrine Board and Jim Corbett Foundation. Presently he is on the Boards of Taj Kerala Hotels & Resorts Limited, Guest Venture Co-ordinators (P) Ltd., Global Trust Capital Finance Ltd., Mata Securities (P) Ltd., The Great India Aviation Securities Pvt. Ltd., American Hotels & Restaurants Pvt. Limited, L H Sugar Factories Limited, Blue Coast Hotels & Resorts Ltd. and Heritage North East Pvt. Ltd.

Shri B.K. Goswami does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

Shri S.D. Nailwal

Shri S.D. Nailwal aged about 60 years is a fellow member of the Institute of Company Secretaries of India with 39 years of experience in the fields of Secretarial, Project Financing, Corporate Planning and Finance & Accounts to his credit. He is a Whole-time Director on the Board of the Company since July 1, 2004. He is also a Director on the Board of Jaiprakash Hydro-Power Ltd. He is also a member of Finance Committee and Shareholders'/Investors' Grievance & Share Transfer Committee of the Board of Directors of the Company.

Shri S.D. Nailwal is holding 11,460 Equity Shares in the Company.

EXPLANATORY STATEMENT

Following Explanatory Statement, pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 sets out the material facts relating to the Special Business mentioned in the accompanying Notice dated May 3, 2008:

Item No. 9

Shri Jaiprakash Gaur was appointed as Director w.e.f. December 14, 2007 in the casual vacancy caused due to resignation of Shri Suren Jain.

By virtue of Section 262 of the Companies Act, 1956 read with Article 132 of the Articles of Association of the Company, Shri Jaiprakash Gaur holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received notice in writing along with a deposit of Rs. 500 from a member of the Company, in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri Jaiprakash Gaur for the office of Director at the ensuing Annual General Meeting.

Shri Jaiprakash Gaur, 77, holds a Diploma in Civil Engineering from University of Roorkee (now Indian Institute of Technology, Roorkee). He has been associated with the construction industry for over 54 years. He is the main architect for the growth of Jaypee Group of Companies which had an aggregate turnover of approximately Rs. 5000 Crores in the Financial Year 2007-08. Shri Jaiprakash Gaur is the Executive Chairman of Jaypee Ventures Private Ltd. He is also Director on the Boards of Jaypee Hotels Ltd., Jaiprakash Hydro-Power Ltd., Jaiprakash Power Ventures Ltd., Jaypee Infratech Ltd., Manumanik Estates Pvt. Ltd., Sunvin Estates Pvt. Ltd., Dhara Infra Developers Private Ltd. and Ceeckay Estates Pvt. Ltd. Shri Jaiprakash Gaur has also been nominated as Chairman, Board of Governors of IIT Roorkee for two terms of 3 years each.

Shri Jaiprakash Gaur is holding 250 Equity Shares in the Company.

Besides Shri Jaiprakash Gaur, being the appointee, S/Shri Manoj Gaur, Executive Chairman and Sunny Gaur, Managing Director (Cement) being relatives of Shri Jaiprakash Gaur, may be deemed to be interested/concerned in the Resolution.

Your Directors commend the resolution for your approval.

Item No. 10

Shri R. K. Singh was appointed as Director w.e.f. October 15, 2007 in the casual vacancy caused due to resignation of Shri Sameer Gaur. He was also appointed as Whole-time Director w.e.f. October 15, 2007 and his remuneration was approved by the shareholders of the Company through Postal Ballot on November 24, 2007.

By virtue of Section 262 of the Companies Act, 1956 read with Article 132 of the Articles of Association of the Company, Shri R. K. Singh holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received notice in writing along with a deposit of Rs. 500 from a member of the Company, in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri R.K. Singh for the office of Director at the ensuing Annual General Meeting.

Shri R. K. Singh, aged 62 years, is a Science Graduate from Agra University and Bachelor of Engineering (Hons.) in Civil Engineering from University of Roorkee securing top position. Shri Singh has rich and varied experience of over 38 years to his credit. He had held various key positions including Member, Public Enterprises Selection Board, Chairman, Railway Board (Ex-Officio Principal Secretary to Government of India), Chairman, RITES Ltd., IRCON International Ltd. and RAIL Vikas Nigam Ltd.

Shri R. K. Singh does not hold any share (either in his name or in the name of any other person on a beneficial basis) in the Company.

None of the Directors of the Company, except Shri R.K. Singh himself, is concerned or interested in the Resolution.

Your Directors commend the resolution for your approval.

Item No. 11

To meet its requirement of funds, the Company had raised Rupee Term Loan of Rs. 440 Crores from Axis Bank Ltd. and privately placed 9.50% NCDs of Rs. 150 Crores from LIC with Axis Bank acting as Trustee.

The said facilities are to be secured by creation of mortgage and/or charge in favour of the lenders on such immovable and movable properties of the Company, present & future, as may be decided in consultation with the term lending Institutions/Banks/Debenture Trustees.

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 the mortgaging and/or charging by the Company of its immovable and movable properties, as aforesaid, in favour of the aforesaid Institution/Bank may be regarded as disposal of the Company's properties/undertaking, it is necessary for the members to pass a 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.

Item No. 12

To meet its requirement of working capital (including by way of non-fund based limits, such as limits for letter of credit and limits for

bank guarantees), the Company had raised/obtained sanctions for fund based and non-fund based limits aggregating Rs. 233500 lacs (Rs. 16,000 lacs fund based & Rs. 217500 lacs non-fund based). Keeping in view the increased requirements of working capital funds, the Company has obtained further sanctions aggregating Rs. 32152 lacs as per details given below:-

Rs. in lacs

SI No.	Name of the Bank	Working Capital Facilities		Total
		Fund Based	Non Fund Based	
1.	Canara Bank (Lead Bank)	325	1025	1350
2.	State Bank of Hyderabad	150	-	150
3.	State Bank of India	335	-	335
4.	Oriental Bank of Commerce	280	600	880
5.	Union Bank of India	120	-	120
6.	Bank of Baroda	225	-	225
7.	State Bank of Mysore	125	-	125
8.	State Bank of Bikaner & Jaipur	107	-	107
9.	State Bank of Indore	125	-	125
10.	IDBI Bank Ltd.	708	28027	28735
Total		2500	29652	32152

Aforesaid further facilities are also to be secured by way of second charge, ranking pari passu with the existing second charge holders, on all immovable and movable properties of the Company, wheresoever situate, present and future.

Such charge created/ to be created shall, however, rank subsequent and subservient to the mortgages/ charges created/ to be created in favour of Banks/ Financial Institutions, etc. for various Term Loans, etc. given by them or Debentures allotted to them.

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/Institutions 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 charge.

None of the Directors of the Company, except Dr. B. Samal, Nominee Director of IDBI Bank Limited, is in any way concerned or interested in the resolution.

The Board commends the resolution for your approval.

DIRECTORS' REPORT

To

The Members,

The Directors of your Company are pleased to present the 11th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2008.

WORKING RESULTS

The working results of the Company for the year under report are as under:

			(Rs. in Crores)	
Financial year ended	31.03.2008	31.03.2007		
Gross Revenue	4273.89	3575.45		
Profit before Depreciation & Tax	1046.65	782.96		
Less : Depreciation	203.30	163.05		
Profit before Tax	843.35	619.91		
Less : Provision for Tax				
• Current Tax	157.76	195.09		
• Deferred Tax	69.55	6.90		
• Fringe Benefit Tax	6.37	3.02		
Profit after Tax	609.67	414.90		
Add :				
• Profit brought forward	1110.06	900.38		
• DRR no longer required	60.00	32.00		
Profit available for appropriation	1779.73	1347.28		
Less : Transferred to :				
• Provision for Dividend Pertaining to Previous Year (including Dividend Tax)	0.06	-		
• Reserve for Premium on FCCB	36.82	31.98		
• Debenture Redemption Reserve	34.85	71.33		
• General Reserve	61.00	43.00		
• Interim Dividend	67.74	43.74		
• Proposed Final Dividend	46.86	35.08		
• Tax on Dividends	19.47	12.09		
Balance carried to Balance Sheet	1512.93	1110.06		
Basic Earnings Per Share [Face value Rs. 2 per share]	5.42	3.82		
Diluted Earnings Per Share [Face value Rs. 2 per share]	5.32	3.55		

The results of the current year reflect an encouraging growth over that of previous year as under:-

Sl. No.	Results	Unit	Year	Year	Increase
			ended 31.03.2008	ended 31.03.2007	
1.	Profit before tax	Rs. Crore	843.35	619.91	36.0%
2.	Profit after tax	Rs. Crore	609.67	414.90	46.9%
3.	Earnings per share (Face Value Rs.2)	Rs.	5.42	3.82	41.8%

DIVIDEND

Your Directors had declared two interim Dividends of 15% each on July 14, 2007 and January 12, 2008 for the financial year ended March 31, 2008. The Board has recommended a final dividend (proposed) of 20% which will be paid after your approval at the ensuing Annual General Meeting. The final dividend will absorb an amount of Rs. 46.86 Crores (excluding dividend tax of Rs. 7.96 Crores). Thus the

total dividend for the year would aggregate to 50% leading to pay out of Rs. 114.60 Crores (excluding tax on dividend of Rs. 19.47 Crores).

SUB-DIVISION OF THE FACE VALUE OF EQUITY SHARES OF THE COMPANY

Pursuant to the approval of the shareholders accorded on November 24, 2007 through Postal Ballot, each equity share of the face value of Rs. 10 was sub-divided into five equity shares of the face value of Rs. 2 each, effective December 26, 2007. Consequently, the sub-divided equity shares of the face value of Rs. 2 each have been issued to such shareholders who held the equity shares of Rs. 10 each of the Company, on December 26, 2007, being the Record Date.

SHARE WARRANTS ISSUED ON PREFERENTIAL BASIS TO PROMOTER GROUP COMPANY

Considering the growth opportunities in different fields of business interest of the Company and with a view to augmenting the long term resources for growth & diversification plans and for general corporate purposes, in accordance with the approval of shareholders received through postal ballot on January 18, 2008, the Company had, during the year, issued 5,00,00,000 (five crore) Warrants on preferential basis to Jaypee Ventures Private Limited (a Promoter Group Company), entitling the holder to apply for allotment of one Equity Share of Rs.2 at a premium of Rs.395 on full payment, per Warrant, in one or more tranches.

After receipt of in-principle approvals for listing of the shares underlying the said Warrants from BSE on January 21, 2008 and from NSE on January 22, 2008 and on receipt of 10% up-front payment from Jaypee Ventures Private Limited, the Warrants were allotted on January 22, 2008.

FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

To meet requirement of funds for its on-going and growing business, your Company had, during the year under report, issued Foreign Currency Convertible Bonds (FCCBs) for USD 400 Million. The particulars about conversion, outstanding amount, coupon, etc. in respect of FCCB Issues made by the Company are detailed at para 26 of the Corporate Governance Report forming part of this Report.

CHANGES IN SHARE CAPITAL

The paid-up capital of the Company on March 31, 2007 stood at Rs. 219,23,96,540. During the year ended March 31, 2008, 1,60,024 FCCBs have been converted into 7,53,24,147 Equity Shares of Rs. 2 each thereby raising the share capital by Rs. 15,06,48,294. Thus, the paid-up capital of the Company as at March 31, 2008 stood at Rs. 2,34,30,44,834.

OPERATIONS

1.0 ENGINEERING DIVISION

1.1 New Contracts

1.1.1 During the year under report, your Company was awarded contracts for the following works:-

- (i) Development of the prestigious Access-Controlled 8-Lane Expressway, about 1,047 Kms long, from Greater Noida to Ballia in the State of Uttar Pradesh along the left bank of river Ganga on Design, Engineering, Finance, Construction, Operation, and Maintenance (DBFO) basis for a concession period of 35 years. The Project, valued at an estimated sum of Rs. 29,825 Crores, includes 12,281 hectares of land at eight locations to be given to the developer for development on ninety years lease. Jaypee Ganga Infrastructure Corporation Ltd., a 100% subsidiary of your Company – which has already signed the Concession Agreement, will implement the Project.
- (ii) Construction of Civil & Structural and Mechanical & Electrical Fabrication & Works of Clinkerisation Unit at Satna and

Grinding Unit at Bhilai of Bhilai Jaypee Cement Limited in the States of Madhya Pradesh and Chhattisgarh respectively at a Project value of Rs. 128 crore excluding cost of steel and cement.

1.1.2 Your Company, on its own, has been pre-qualified to participate in the tender, invited on turnkey basis, for the following projects:

- (i) 1,500 MW Tipaimukh Hydro-electric Project in Manipur State; and
- (ii) 1,000 MW Pakal Dul Hydro-electric Project in J & K State.

1.1.3 Your company has also submitted Application for Pre-qualification for Civil & Hydro-mechanical works including Penstock liners of Vishnugad Pipalkoti Hydro Electric Project (4 x 111 MW) in the State of Uttarakhand on EPC contract basis and is expected to be qualified soon.

1.2 Works in Progress

Presently the Company is executing works of the following major projects:

Sl. No.	Name of the Project under Execution	Location of the Project	Contract Price (Base Value) (Rs. in crore)	Nature of Project
Works pertaining to:				
1.	Baglihar –I & II, HEP	Jammu & Kashmir	2,152	Power Generation (900 MW)
2.	Karcham Wangtoo HEP	Himachal Pradesh	4,150	Power Generation (1000 MW)
3.	Turnkey construction of Srisailam Left Bank Canal Tunnel Scheme including Head Regulator etc. of Alimineti Madhava Reddy Project	Andhra Pradesh	1,925	Irrigation Tunnels
4.	Taj Expressway (six –lane 165 km) connecting Noida and Agra and related activities	Uttar Pradesh (NCR)	6,000	Expressway and Real Estate Project
5.	Zirakpur-Panwanoo Highway From Km 39.860 to Km 67.000 of NH – 22 on BOT basis	Punjab, Haryana & Himachal Pradesh	414	Highway Project
6.	Ganga Expressway (Eight-lane 1047 km long) connecting Greater Noida and Ballia and related activities	Uttar Pradesh	29,825	Expressway and Real Estate Project
7.	Civil & Structural and Mechanical & Electrical Fabrication & Erection works of Clinkerisation Unit at Satna and Grinding Unit at Bhilai of Bhilai Jaypee Cement Limited.	Madhya Pradesh and Chattisgarh	128(Excluding cost of steel & cement)	Cement Project

Projects being Executed in Joint Venture, with the Company as the Leader

8.	Sri Rama Sagar Project Flood Flow Canal Package – 2	Andhra Pradesh	187	Irrigation Canal
9.	Polavaram Project Right Main Canal Package – 4	Andhra Pradesh	301	Irrigation Canal
10.	Veligonda Feeder and Teegaleru Canal Project-2	Andhra Pradesh	347 (Revised)	Irrigation Canal
11.	Rajiv Sagar Lift Irrigation Project (Dummugudem)	Andhra Pradesh	282	Lift Irrigation Project
12.	GNSS Main Canal from km 119.000 to km 141.350 including construction of CM & CD works	Andhra Pradesh	112	Irrigation Canal

The progress of work on all the projects is generally satisfactory.

1.3 Works Completed

During the year, your Company has completed the works on the following Projects:

- (i) Teesta- V Hydro-electric Project (510 MW) in Sikkim.
- (ii) Omkareshwar Hydro-electric Project (520 MW) in Madhya Pradesh.
- (iii) Contract for construction of civil works of Zone-III Laole-Quazigund Section of Katra-Baramullah Railway Line in J&K State was foreclosed by mutual consent without any liability on either side.

Thus during the year reported, your Company completed Projects with power generation capacity of 1,030 MW.

Besides, 390 MW Dulhasti Hydro Electric Project in the State of Jammu & Kashmir was handed over to NHPC during the year, after completion of all works.

2.0 CEMENT DIVISION

2.1 Operations

The production and sale of Cement and Clinker during the year, as compared to the previous year, are as under:-

	2007-08	2006-07
Cement Production (MT)	67,76,663	66,80,910
Clinker Production (MT)	51,35,109	51,02,939
Cement Sale (MT) (including Self-Consumption)	67,63,237	66,38,409
Clinker Sale (MT)	-	1,00,095

The cement and clinker production for the year under report registered a growth over the previous year.

The combined increased capacity of Jaypee Rewa Plant, Jaypee Bela Plant, Jaypee Cement Blending Unit and Jaypee Ayodhya Grinding Operation (JAAGO) as on March 31, 2008 was 7 million tonnes per annum. The Directors are pleased to report that Phase-I of Chunar and Dalla Cement Plants in Uttar Pradesh and Grinding Unit in Haryana have been successfully commissioned during the months of February and March 2008.

Implementation of the on-going Projects of the Company in Himachal Pradesh and Madhya Pradesh is progressing satisfactorily.

During the financial year 2007-08, Productivity Indices of the operating units were as under:

S. No.	Indices	Unit	Jaypee Rewa Plant	Jaypee Bela Plant	Jaypee Ayodhya Grinding Operations	Jaypee Cement Blending Unit	Panipat Grinding Unit	Chunar Grinding Unit
1	Limestone Crushing	MT	45,24,954	29,56,064	-	-	-	-
2	Raw Meal Grinding	MT	47,00,772	30,12,788	-	-	-	-
3	Clinker Production	MT	31,31,131	20,03,978	-	-	-	-
4	Cement Grinding	MT	30,50,605	21,25,754	9,08,348	6,05,600	47,290	39,066
5	Cement Despatch	MT	30,50,555	21,32,910	9,07,755	6,05,712	39,782	35,216

During the year under review, 93% of the power requirements of the cement plants at Rewa and Bela were met from captive power plants entailing substantial saving in cost of production.

2.2 Expansion Plans

The Company has undertaken creation of new/enhancement of existing capacities of cement/cement products, directly or through Joint Venture and Special Purpose Vehicles over a period of next four years within an approximate capital outlay of over Rs. 3,000 Crores.

3.0 HOTEL & REAL ESTATE DIVISION

Your Company is developing a premium Golf-centric complex of about 8 million Sq. ft. at Jaypee Greens, Greater Noida, primarily consisting of high end residential development, besides a 220 rooms boutique Spa Resort under construction which is likely to

be operational by end 2009. The Golf course, the largest in India and the third largest in Asia, has created a unique niche for itself among connoisseurs.

The Jaypee Greens Golf Resort, categorised as a Five Star Deluxe Hotel as well as the Holiday Resort – the Jaypee Residency Manor at Mussoorie, owned by the Company, are being managed by Jaypee Hotels Limited, a subsidiary of your Company and are operating satisfactorily.

DIVERSIFICATION

A. WIND POWER PLANT

The Company has fully commissioned its Wind Turbine Generators with an aggregate capacity of 49 MW (40.25 MW in Maharashtra and 8.75 MW in Gujarat) as on March 31, 2008. Out of the total installed capacity of 49 MW, 16.25 MW (13 Generators, each with a capacity of 1.25 MW) was commissioned at Dhule, Maharashtra during December 2006 to March 2007. The remaining 32.75 MW was commissioned at Sangli, Maharashtra (24 MW - 16 Generators, each with a capacity of 1.5 MW) during September 2007 to March 2008 and at Kutchh, Gujarat (8.75 MW - 7 Generators, each with a capacity of 1.25 MW) in March 2008.

The electricity generated is being sold to Maharashtra State Electricity Distribution Company Ltd. in Maharashtra and Gujarat Urja Vikas Nigam Limited in Gujarat.

B. DEVELOPMENT OF DONGRI TAL II COAL BLOCKS IN MADHYA PRADESH

The Company has received a Letter of Intent (LOI) from Madhya Pradesh State Mining Corporation Limited (MPSMCL) for formation of another Joint Venture Company (JVC) for mining of Coal in Dongri Tal II Coal Block in District Sidhi in M.P. In terms of the LOI, MPSMCL would be allotted 51% of issued equity shares in the JVC in consideration of conferring mining rights on the JVC and your Company would be required to hold 49% equity in the JVC. The new JVC shall be floated in due course.

C. ENERGY FROM MUNICIPAL SOLID WASTE AT CHANDIGARH

The Plant at Chandigarh for producing alternate source of energy from Municipal Solid Waste is almost ready for commissioning within a month.

D. EXPLORATION AND DEVELOPMENT OF OIL AND NATURAL GAS

The Government of India has awarded the South Rewa Basin in Madhya Pradesh with an approximate area of 13,000 sq. km. for exploration and development of the largest on-shore Oil-Gas Block to the Consortium of the Company and Prize Petroleum Corporation Limited, a Company with vast experience in the field of Oil and Gas exploration. The Company's stake in the Consortium is 90% and balance 10% is of Prize Petroleum Corporation Limited (PPCL) which will act as the Operator. A Production Sharing Contract has been executed between the President of India and the Consortium.

Keeping in view the advantages to have substantial stake in the capital of PPCL, the Company has taken necessary steps for acquisition of present shareholding of 45% of PPCL held by ICICI Bank Limited and ICICI Venture Funds Management Company Limited.

The Company shall also participate in the bidding for exploration of Oil and Natural Gas under New Exploration Licensing Policy – Seventh Round for which the Government of India has invited bids.

E. MANUFACTURE OF IRON AND STEEL

During the year, the Company has purchased and taken possession of the assets of Malvika Steels Limited at Jagdishpur in Uttar Pradesh that were put up for sale through an open auction by the Debt Recovery Tribunal (DRT). This acquisition and revival of the Steel Plant would be a step in the direction of backward integration.

Steel Authority of India Limited, the only other Bidder in the auction has appealed before the Presiding Officer, DRT who has ordered to maintain status quo on deposit of an amount equal to the sale value of assets. The Company has preferred an appeal before Debt Recovery Appellate Tribunal against the Order of Presiding Officer, DRT, which is pending.

F. OTHER DIVERSIFICATION INITIATIVES

Company's other diversification initiatives include development and mining of Coal, setting-up of pit-head based Thermal Power Station, construction of Expressways and development of Sports Complex. These are being implemented through different subsidiaries of the Company. Details of these initiatives are furnished under the heading Subsidiaries.

SUBSIDIARIES

As on March 31, 2008, the Company had following fifteen subsidiaries engaged in different business activities:

1. Jaypee Hotels Limited (72.18%)
2. Jaiprakash Hydro-Power Limited (63.34%)
3. Jaiprakash Power Ventures Limited (80.56%)
4. Jaypee Karcham Hydro Corporation Limited (100%)
5. Jaypee Powergrid Limited (74%)
6. Jaypee Cement Limited (100%)
7. Gujarat Anjan Cement Limited (99.88%)
8. Madhya Pradesh Jaypee Minerals Limited (70%)
9. Jaypee Infratech Limited (98.96%) w.e.f. 05.04.2007
10. Bhilai Jaypee Cement Limited (74%) w.e.f. 11.04.2007
11. Himalyan Expressway Limited (100%) w.e.f. 25.05.2007
12. Gujarat Jaypee Cement & Infrastructure Limited (100%) w.e.f. 26.12.07
13. JPSK Sports Private Limited (61.70%) w.e.f. 07.03.2008
14. Bokaro Jaypee Cement Limited (74%) w.e.f. 13.03.2008
15. Jaypee Ganga Infrastructure Corporation Limited (100%) w.e.f. 18.03.2008

Since the first financial years of Companies at serial no. 13 to 15 will close on March 31, 2009 the consolidated Balance Sheet reflects the consolidated accounts of the other 12 subsidiaries.

After March 31, 2008 one more subsidiary namely Jaypee Arunachal Power Limited has been incorporated on April 23, 2008 to put up a Power Project in Joint Venture with Government of Arunachal Pradesh.

The status of the aforesaid subsidiaries is as under:

HOTEL AND RELATED BUSINESS

1. Jaypee Hotels Limited (JHL)

Jaypee Hotels Limited (JHL), a 72.18% subsidiary of your Company, has shown improvement in all performance parameters compared to previous year. While gross revenue and gross profit registered a growth of over 32% and 25% respectively, profit before and after tax

witnessed an upswing of over 30% and 28% respectively.

The Board of Directors of JHL has declared a dividend of 18% for the year ended March 31, 2008.

The future for the Hotel Industry in India holds high promise and with the forthcoming Commonwealth Games being hosted by India, at New Delhi, JHL is expected to perform better in the coming years.

POWER AND RELATED BUSINESS

2. Jaiprakash Hydro-Power Limited (JHPL)

300 MW Baspa-II Power Station

During the year under report, the power station with an availability of 99.91%, has generated 1274.16 million units of electricity including 12% free power to Himachal Pradesh State Electricity Board/Government of Himachal Pradesh. The net saleable energy for the year was 1121.26 million units, out of which 1050.06 million units was primary energy and the balance 71.20 million units was secondary energy. The Plant is expected to generate at full design energy during the current year. Profit after tax during the reporting period was Rs. 213.39 Crores as against Rs. 199.54 Crores during the previous period. The Board of JHPL had paid an interim dividend of 7.5% in September 2007 and has recommended a final dividend of 7.5% for the year ended March 31, 2008.

3. Jaiprakash Power Ventures Limited (JPVL)

400 MW Vishnuprayag Power Station

The Vishnuprayag Power Station of this subsidiary has been operating satisfactorily with generation and plant availability exceeding the normative availability and design energy. The Plant availability and Energy generated during the year under report were as under:-

Plant Availability

Plant Availability	Generation (million units)		
	Actual Energy delivered	12% Free Energy to Government of Uttarakhand	Saleable Energy to U.P. Power Corporation Ltd.
99.14% (Against normative availability of 90%)	1846.89	221.63	1625.26 (Against design saleable energy of 1545.88)

JPVL had declared and paid in October 2007, an interim dividend of 12% for the Financial Year ended on March 31, 2008. In view of the satisfactory working results, the Board of JPVL has decided to recommend to the Members a Final Dividend of 8% for the Financial Year ended March 31, 2008. Thus the total dividend for the year 2007-08 aggregates to 20% of the Company's Paid-up Share Capital leading to an aggregate pay out of Rs.121.30 Crores (including Dividend Distribution Tax of Rs.17.62 Crores) for the year.

JPVL has taken major initiatives to further pursue the power business in a big way either directly or by participating/investing in other companies and/or forming Joint Venture companies, as under:

(i) Hydropower Projects in Arunachal Pradesh

Lower Siang Project (2000 MW) and the Hirong Project (500 MW) in Joint Venture with the Government of Arunachal Pradesh.

(ii) Hydropower Projects in Meghalaya

450 MW Kynshi-II project and the 270 MW Umngot hydro-electric project in Joint Venture with Government of Meghalaya.

(iii) Thermal Power Project in Madhya Pradesh

A pit-head based 1320 MW Thermal Power Plant, using super-critical technology, at Nigrie, M.P.

4. Jaypee Karcham Hydro Corporation Limited (JKHCL)

Jaypee Karcham Hydro Corporation Limited (JKHCL), a wholly owned subsidiary of your Company, is setting-up the Karcham Wangtoo Hydro-electric Project (1000 MW) in Kinnaur District of Himachal Pradesh on Build, Own and Operate basis.

The project is scheduled to be commissioned by November 2011. JKHCL has obtained all statutory approvals required for setting up of the Project. The Project is progressing satisfactorily.

5. Jaypee Powergrid Limited (JPL)

This company, a Joint Venture of Jaiprakash Hydro-Power Ltd. and Powergrid Corporation of India Limited is setting up the Transmission Line for evacuation of Power from the Karcham Wangtoo Project of the Jaypee Group. Central Electricity Regulatory Commission has granted Transmission License to this subsidiary.

Feasibility report of the Project & Detailed survey of route alignment for the transmission line in the 230 km. stretch from Karcham Wangtoo to Abdullapur sub-station of PGCIL and "loop-in-loop-out" with Baspa-Jhakri line has been completed during the year.

The Project is scheduled to be completed in June, 2010.

CEMENT BUSINESS

6. Jaypee Cement Limited (JCL)

As on March 31, 2008, JCL holds 99.88% equity shares of Gujarat Anjan Cement Limited. The Company is exploring opportunities of setting up/acquiring new/existing cement plants in India. JCL is also in the process of acquiring mines in Andhra Pradesh for its proposed Cement Project.

7. Gujarat Anjan Cement Limited (GACL)

This Company, a subsidiary of Jaypee Cement Limited, is setting up a cement plant of 4.00 mtpa capacity at village Vayor, Taluka Abdasa in Distt. Bhuj (Phase I of 1.20 mtpa & Phase II of 2.80 mtpa) and grinding unit of 2.40 mtpa (Phase I & Phase II of 1.20 mtpa each) at Wanakbori in Distt. Kheda in Gujarat. Phase I of the Project is expected to be completed by November 2008 followed by Phase II in March 2010.

8. Bhilai Jaypee Cement Limited (BJCL)

BJCL, incorporated on April 11, 2007, as a Joint Venture between the Company and Steel Authority of India Ltd. (SAIL) with management control vested in your Company, is setting-up a 2.2 million tonne per annum capacity split-located Cement Plant at Bhilai in Chhattisgarh and at Babupur, Satna in Madhya Pradesh. The Project is due to be commissioned by April 2010.

Required land for the Grinding Unit at Bhilai has been acquired on long-term lease basis from SAIL. Land for setting up the Clinkerization Unit at Babupur, Satna has also been purchased.

The Company has entered into a long-term Agreement with SAIL for operating its Limestone Mines on "right to use basis" as well as for supply of Slag for manufacture of Cement.

9. Bokaro Jaypee Cement Limited (BOJCL)

BOJCL, the second joint venture between the Company and

SAIL with management control vested in the Company, was incorporated on March 13, 2008 to set up a 2.1 million tonne per annum capacity Cement Plant at Bokaro in Jharkhand. This Project is expected to be commissioned in 2010.

BOJCL shall source slag from SAIL and clinker from your Company for production of cement.

10. Gujarat Jaypee Cement & Infrastructure Limited (GJCIL)

The Company has signed an Agreement with Gujarat Mineral Development Corporation Limited (GMDCL) on January 8, 2007 for setting up of a 2.4 million tonnes per annum capacity Cement manufacturing plant with captive power station and captive Jetty in Kutch Distt. of Gujarat, through a Special Purpose Vehicle (SPV) viz. Gujarat Jaypee Cement & Infrastructure Limited. This SPV, which was incorporated on June 20, 2007 shall have equity contribution of 74% from the Company and 26% from GMDCL. Preparatory work for implementation of this Project has started.

COAL MINING

11. Madhya Pradesh Jaypee Minerals Limited (MPJML)

MPJML, a joint venture with Madhya Pradesh State Mining Corporation Limited (MPSMCL), shall develop and mine coal from the Coal Block at Amelia (North) in M.P. This company shall feed coal to the pit-head based 1320 MW Thermal Power Plant being set up by JPVL at Nigrie, M.P.

Detailed Project Report and Composite Geological Report for the Project has been received in June 2007 and August 2007 respectively. Mining lease for the Project is expected to be executed shortly. Approval for construction of private assisted Railway siding for the Project has also been received from Railways. Necessary tie-up for supply of power for the Project has also been made.

EXPRESSWAYS AND RELATED BUSINESS

12. Jaypee Infratech Limited (JIL)

JIL was incorporated on April 5, 2007 as a wholly owned subsidiary for implementation of 160 km long 6-lane Access-Controlled Taj Expressway Project which was awarded to your Company by Taj Expressway Industrial Development Authority (TEA) on Build, Own, Operate and Transfer basis. After obtaining necessary approval, implementation of the Project has been assigned to JIL. JIL shall also develop Real Estate in five different locations along the Expressway. The Company has invested Rs.955 Crores in the equity capital of JIL out of the total Equity Share Capital of Rs. 965 Crores. Jaypee Group Employees Welfare Trust holds balance Equity Share Capital of Rs. 10 Crores. Construction work for the Expressway is in full swing and is progressing satisfactorily.

13. Jaypee Ganga Infrastructure Corporation Limited (JGICL)

JGICL was incorporated in March 18, 2008 as a wholly owned subsidiary of the Company for implementation of the prestigious 1047 km. long 8-lane Access-Controlled Expressway connecting Greater Noida with Ghazipur- Ballia, namely Ganga Expressway Project. The Project includes development of land parcels, adjacent to the Expressway, in eight different locations. The Ganga Expressway Project was awarded by Uttar Pradesh Expressway Industrial Development Authority (UPEIDA) on Design, Build, Finance and Operate basis. After obtaining necessary approvals, the Concession Agreement was executed between Uttar Pradesh Expressway Industrial Development Authority (UPEIDA) and JGICL. Preparatory work for the Project has started.

14. Himalyan Expressway Limited (HEL)

HEL was incorporated on May 25, 2007 as a wholly owned subsidiary for implementation of 27.14 km long Zirakpur- Parwanoo Road Project in the States of Punjab, Haryana and Himachal Pradesh on BOT basis under NHDP Phase-IIIA, as awarded by the National Highways Authority of India (NHAI). The work on the Project is progressing satisfactorily.

SPORTS AND RELATED BUSINESS

15. JPSK Sports Private Limited (JPSKSPL)

JPSK Sports Private Limited was incorporated on October 20, 2007 for developing a Greenfield state-of-the-art Sports Complex including Car Race track suitable for Formula One race with related integrated support infrastructure including Township(s) and auxiliary facilities.

Your Company alongwith its affiliates has acquired 74% equity shares in JPSKSPL. The remaining 26% Equity Capital is held by two Strategic Partners and their affiliates.

JPSKSPL has successfully concluded Race Promotion Contract (F1 Contract) with reputed parties based in UK and Ireland for conducting the Grand Prix of India to be a round of the FIA Formula One World Championship.

Preliminary activities in developing the Project have already commenced.

CONSOLIDATED FINANCIAL STATEMENTS

The statement as required under Section 212 of the Companies Act, 1956, in respect of the subsidiaries of the Company is annexed and forms an integral part of this Report. The consolidated financial statements of the Company and its subsidiary companies, prepared in accordance with Accounting Standard (AS)-21 "Consolidated Financial Statements" prescribed by the Institute of Chartered Accountants of India, form part of the Annual Report and Accounts.

Since the first financial year of three subsidiaries viz. Bokaro Jaypee Cement Limited, Jaypee Ganga Infrastructure Corporation Limited and JPSK Sports Private Limited would end on March 31, 2009, Balance Sheets of these subsidiaries have not been prepared and hence have not been included in the consolidated financial statements as at March 31, 2008.

In terms of the approval of the Central Government accorded under Section 212 (8) of the Companies Act, 1956 the Audited Balance Sheets as at March 31, 2008 in respect of the subsidiaries of the Company have not been attached to the Balance Sheet of the Company. However, the requisite information for each subsidiary has been disclosed. The annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the Company/subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be kept for inspection by any investor in its Head Office and that of subsidiary company concerned.

The Directors are of the opinion that the subsidiaries of your Company have bright future.

OUTLOOK

Keeping in view the performance and future prospects of the Company's business, the expansions and diversifications being undertaken and the business of its subsidiaries, your Company is poised for sustained growth and the outlook is bright.

DIRECTORATE

During the year under report, the following Directors resigned from the Directorship of the Company:

Shri Gunjit Singh w.e.f. July 9, 2007, Shri Sameer Gaur w.e.f. September 9, 2007, Shri Suren Jain w.e.f. December 10, 2007, Shri A.K. Jain w.e.f. December 11, 2007 and Shri D.N. Davar w.e.f. January 25, 2008.

The Board places on record its appreciation for the valuable contributions of the above Directors during their respective tenure on the Board.

Shri Jaiprakash Gaur, the visionary Founder Chairman of the Group submitted his resignation as Chairman of the Company and his resignation was reluctantly accepted by the Board almost a year back. The spirit of entrepreneurship and the unique value system introduced by Shri Jaiprakash Gaur in managing the affairs of the Company, however, continued to be the guiding force in placing the Company on a robust and rapid growth path.

The Board unanimously decided that it would be an honour for the Company to have Shri Jaiprakash Gaur back on the Board as its most coveted member so that the unique and unmatched contributions of Shri Jaiprakash Gaur could help the Board in strategic policy formulation and monitor its implementation with added zeal and confidence for a rapidly growing Company like this, with interest in diverse fields.

The Board accordingly proffered Shri Jaiprakash Gaur to join the Board. In deference to the persistent requests from all the members of the Board, Shri Jaiprakash Gaur agreed to join the Board to contribute in actualizing the goals set by the Company including enhancing stakeholders value.

Accordingly, Shri Jaiprakash Gaur was appointed as Director w.e.f. December 14, 2007 in the causal vacancy caused due to resignation of Shri Suren Jain.

Further, Shri R.K. Singh was appointed w.e.f. October 15, 2007 in casual vacancy of Shri Sameer Gaur, Shri Ranvijay Singh was appointed w.e.f. December 14, 2007 in casual vacancy of Shri A.K. Jain and Shri S.C. Gupta was appointed w.e.f. February 21, 2008 in casual vacancy of Shri D.N. Davar.

Shri R. K. Singh was appointed as Whole-time Director with effect from October 15, 2007. His appointment and remuneration was approved by shareholders on November 24, 2007. Similarly, Shri Ranvijay Singh was appointed as Whole-time Director with effect from December 14, 2007. His appointment and remuneration was approved by shareholders on January 18, 2008.

The newly appointed Directors have brought with them rich wealth of varied experience which, pooled with the existing expertise of your Board, would go a long way in charting the course of the Company.

Shri Sunny Gaur was re-designated by Board on December 14, 2007 as Managing Director (Cement). Similarly, Shri Pankaj Gaur was re-designated by Board on December 14, 2007 as Joint Managing Director (Construction).

S/Shri B. K. Taparia, S.C. Bhargava, Pankaj Gaur, B. K. Goswami and S. D. Nailwal, Directors would retire by rotation at the forthcoming Annual General Meeting of the Company. Proposals for their re-appointment have been included in the Notice of the Annual General Meeting for your approval.

DEPOSITS

Fixed deposits received from the shareholders and the public as on March 31, 2008 stood at Rs.190,09,05,000. Deposits of Rs.1,58,11,000 due for repayment on maturity remained unclaimed by the depositors as on March 31, 2008.

PARTICULARS OF EMPLOYEES

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is annexed and forms an integral part of this Report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings & outgo, pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 for the year ended March 31, 2008 are annexed and form an integral part of this Report.

NOTES ON ACCOUNTS

The observations of Auditors and Notes on Accounts are self-explanatory.

AUDITORS

M/s. M. P. Singh & Associates, Chartered Accountants, Auditors of the Company shall retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE

Report on Corporate Governance and Management Discussion & Analysis Report, in terms of Clause 49 of the Listing Agreement are annexed and form part of this Annual Report. A certificate from the Auditors confirming compliance with the conditions of Corporate Governance is also annexed.

EMPLOYEE RELATIONS

Employee relations continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the Company worked at all sites and other offices and achieved commendable progress.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management, certification by the CEO and CFO to the Board of Directors and after due enquiry, confirm in respect of the audited annual accounts for the year ended March 31, 2008:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- ii) that the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March 31, 2008 and the profit of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with

the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for and gratitude to various departments and undertakings of the Central and State Governments, IDBI Bank Ltd., The Life Insurance Corporation of India, General Insurance Corporation of India and its Subsidiaries, IFCI Limited, ICICI Bank Ltd., AXIS Bank Limited, Export-Import Bank of India and Consortium of Banks led by Canara Bank and valued customers, for their valuable support and co-operation.

Your Directors also wish to place on record their appreciation of the wholehearted and continued support extended by the Shareholders and Investors, which had always been a source of strength for the Company.

On behalf of the Board

MANOJ GAUR

Executive Chairman

May 3, 2008

ANNEXURE TO THE DIRECTORS' REPORT

Information in pursuance to Sub-section 2A of Section 217 of the Companies Act, 1956 is given below:

Name of Employees, Designation/Nature of Duties, Gross Remuneration (Rs.), Qualification, Age (in years), Total Experience (in years), Date of commencement of Employment, Previous Employment:

A. Employed throughout the year and in receipt of remuneration aggregating Rs.24,00,000/- or more per annum

1. Shri Manoj Gaur, Executive Chairman, 15,970,222, B.E.(Civil Hons.), 44, 23, November 1,1985, Jaiprakash Industries Limited.
2. Shri Sunil Kumar Sharma, Executive Vice-Chairman,15,279,329, B.Sc., 48, 30, January 1,1986, Jaiprakash Industries Limited.
3. Shri Sunny Gaur, Managing Director (Cement), 4,885,035, Graduate, 39,15, February 1, 1992, Jaiprakash Industries Limited.
4. Shri Pankaj Gaur, Joint Managing Director (Construction), 4,362,863, B.E (Instrumentation), 37, 15, March 12, 2004, Jaiprakash Industries Limited.
5. Shri S. D. Nailwal, Whole-time Director, 3,499,016, B.A.(Com.), F.C.S., 60, 42, July 1, 1986, Jaypee Hotels Limited.
6. Shri G. P. Gaur, Executive Director, 3,556,415, Intermediate, 60, 40, January 1, 1986, Jaiprakash Industries Limited
7. Shri Rahul Kumar, Chief Operating Officer (Cement), 4,132,096, F.C.A., 40, 15, November 1, 2006, Jaiprakash Enterprises Limited.
8. Shri Navin Kumar Singh, Executive General Manager, 3,246,891, B.Com, 33, 10, September 1, 1997, First Employment.
9. Dr. D. G. Kadkade, Chief Advisor (Engineering Services), 2,558,704, B.E (Civil), FIE(I), Ph.D.(Philosophy), 77, 54, September 1, 2007, Jaypee Ventures Private Limited.
10. Dr. Yajulu Medury, Sr. President (HR & Education), 2,448,314, Ph.D (Engineering Mechanics), 50, 23, December 15, 2001, Educational Consultants India Limited.
11. Shri Vijai Kumar Jain, Sr. President (Cement), 2,568,410, Engineer, 57, 37, June 2, 1999, Prism Cement Limited.

- B. Employed for part of the year and in receipt of remuneration aggregating Rs.2,00,000/- or more per month
1. Mrs. Rita Dixit, Executive President, 1,590,000, B.A (Hons.)(Eco.), F.C.A., 41, 17, April 1, 2002, Jaypee Greens Limited.
2. Shri Sameer Gaur, Whole-time Director, 1,425,291, B.Com. (Hons.), M.B.A, 37, 14, January 18, 1994, Jaiprakash Industries Limited.
3. Shri Sachin Gaur, Executive Vice-President, 3,339,768, B.E, Diploma in Business Management, 34, 11, February 1, 1997, First Employment.
4. Shri A. K. Jain, Joint Managing Director, 3,760,200, B.Tech (Hons.), 60, 39, March 1, 2007, ACC Limited.
5. Shri R. K. Singh, Whole-time Director, 958,666, B.Sc, B.E (Hons.)(Civil Engineering), 63, 40, September 1, 2007, Railway Board, Indian Railways.
6. Shri Ranvijay Singh, Whole-time Director, 1,215,646, B.E(Civil), 42, 20, December 14, 2007, Gujarat Anjan Cement Limited.
7. Shri Pravin Kumar Singh, Executive Vice President, 2,350,381, B.E(Civil), 35, 11, October 1, 1996, First Employment.
8. Shri Har Prasad, Advisor, 1,590,000, B.Tech.(Hons.) Civil Engineering, 72, 47, March 29, 2004, Jaypee Greens Limited.

Notes:

1. Gross remuneration includes Salary, House Rent and other perks like Medical Reimbursement, Leave Travel Assistance, Furnishing Allowance, Company's contribution towards Provident Fund etc. but excludes provision for Gratuity & Leave Encashment.
2. Salary paid to Shri Sameer Gaur includes Rs.8,72,596/- paid as Gratuity & Rs.5,01,875/- paid as Leave Encashment by the Company for earlier tenure.
3. Salary paid to Shri Praveen Kumar Singh includes Rs.3,50,000/- paid as Gratuity & Rs.3,15,000/- paid as Leave Encashment by Jaiprakash Associates Limited for earlier tenure.
4. Shri Manoj Gaur, Executive Chairman, is son of Shri Jaiprakash Gaur, Founder Chairman and brother of Shri Sunny Gaur, Managing Director (Cement), Shri Sameer Gaur, Whole-time Director (till 9.9.2007) and Mrs. Rita Dixit, Executive President.
5. Shri G. P. Gaur, Executive Director, is brother of Shri Jaiprakash Gaur, Founder Chairman and father of Shri Pankaj Gaur, Joint Managing Director (Construction).
6. Shri Navin Kumar Singh, Executive General Manager and Shri Pravin Kumar Singh, Executive Vice President are brothers of Shri Ranvijay Singh, Whole-time Director.
7. Shri Sachin Gaur, Executive Vice-President, is brother of Shri Pankaj Gaur, Joint Managing Director (Construction).
8. The Executive Chairman, Executive Vice-Chairman and Whole-time Directors hold their respective offices for a period of five years from the date of their appointment/re-appointment.

Information pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Report of the Directors for the year ended March 31, 2008

A. Conservation of Energy

The Company is engaged in the business of Integrated Engineering Construction and operates at the locations of its clients and uses electric energy for implementation of various projects undertaken by it. Besides, the Company is also engaged in the business of manufacture and marketing of Cement and owns a five star hotel at Mussoorie and a Golf Course with associated recreational and residential facilities at Greater Noida as part of its Real Estate Business.

The Company ensures that all possible measures are taken to conserve energy including identification of potential areas of saving energy, installation of energy efficient equipment such as capacitor control panels to improve power factor and use of energy efficient lamps and compact fluorescent lamps, wherever possible.

The energy conservation measures undertaken by the Company ensure savings in energy costs and thereby improving operational efficiency. In particular, the Company has taken following measures for conservation of energy:

At Jaypee Rewa Plant

Cement Mill # 2 ESP converted to Bag House and ESP Fan replaced with new high efficiency Bag House Fan along with V/F. A saving of 5.0 KW per hour achieved in Fan with V/F.

Cement silo aeration blower (No. # 592 BL2) replaced with lower capacity blower (as suggested by CII, Medium term Encon proposal no. # 15). A saving of 11.0 KW per hour achieved.

New water spray system of M/s Spraying Systems (I) Pvt. Ltd. with V/F installed in cement mill - 4 for controlling mill outlet temperature. A saving of 3.0 KW per hour achieved in Fan with V/F.

Clinker yard tunnel Pan conveyor dedusting BF Fan (511 FN2) pulley replaced to reduce BF fan speed, to avoid damper losses. A saving of 8.6 KW per hour achieved.

Demand side controller installed for CPT-old compressor for cement mills. A saving of 8.0 KW per hour achieved.

CM-4 hopper top BF Fan (511 FN8) pulley replaced to reduce BF fan speed, to avoid damper losses. A saving of 6.1 KW per hour achieved.

Flyash dryer ESP modified to Precip-Filter i.e. ESP + Bag Filter by M/s Baltec (ESP last field i.e. 3rd field converted to Bag Filter).

Following Fans pulley replaced to reduce BF fan speed, to avoid damper losses in the cement mill & packing plant area :

CM-3 Reject BE BF Fan (553 FN7). A saving of 10.0 KW per hour achieved.

CM-4 Sepol BF Fan (554FN6). A saving of 8.0 KW per hour achieved.

Cement Silo-1 top BF (591BF-1) Fan. A saving of 7.1 KW per hour achieved.

Cement Silo-2 top BF (592BF-1) Fan stopped, as ventilation of silo was now made with only one BF (592BF-1). A saving of 26.0 KW per hour achieved by stopping of BF Fan.

CM-4 WF BF (534BF1) Fan. A saving of 15.0 KW per hour achieved.

At Jaypee Bela Plant

Installed correct size pump for filler feed pump.

Reduced impeller size for overhead water tank.

Reduced Impeller size for plant cooling water pump.

Reduced capacity of Kiln bin aeration blower by speed reduction.

Avoided damper losses in identified bag filter fans.

Installed demand side controller for compressed air system.

Form A prescribed under the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of Cement Business is appended.

B. Research and Development

Research & Development work in respect of new engineering techniques for achieving higher efficiencies is a continuous process in the Company.

C. Technology absorption, adaptation and innovation

For efficient execution of contracts awarded to the Company, it imports

various items of equipment in order to ensure use of contemporary technology. The Company has, inter-alia, taken the following steps towards technology absorption, adoption and innovation:

At Jaypee Rewa Plant

Technology Already Absorbed

Unit-I

Segmented type dip tubes installed in PH KS-6 & CS-6 cyclones.

Application of ZIR COAT to avoid corrosion of kiln shell (15.0 meter).

Raw Mill outlet damper replaced with new improved version, imported from M/s Edilholz, Germany.

DBC drag chain dedusting pipe line connected to cooler ESP and its bag filter & fan was stopped. A saving of 89.0 KW per hour achieved by stopping of Bag Filter Fan.

Demand side controller installed for CPT-Compressor (02 nos.) for U-1 main plant. A saving of 65.0 KW per hour achieved.

V/F drive installed in 03 nos. cooler fans (471FN9, 471FNE & 471FNF). A saving of 96.0 KW per hour achieved.

UNIT - II :

RM ESP modification as per CFD analysis.

Coal Mill Classifier replaced with new LV classifier & Hot air cyclone dip tube replaced & mill O/L to Cyclone I/L duct replaced.

Hardfacing of RM rollers & ceramic tiles in classifier for wear protection.

Segmented type dip tubes installed in PH KS-5 & PH CS-5 cyclones.

New Single DC drive for Kiln installed in place of twin drive.

DC drive installed in CID Fan in place of GRR & AC motor. A saving of 200 KW per hour achieved.

Application of ZIR COAT to avoid corrosion of kiln shell (15.0 meter).

Segmented type dip tubes installed in PH KS-4 cyclone.

PH KS & CS strings all SS flaps replaced with new HRCS flaps.

At Jaypee Bela Plant

Technology Already Absorbed

Installation of demand side controllers for compressor system.

Installation of VFD in Cement Mill No.2 ESP Fan.

Installation of Soft starter energy saver in under loaded motors.

Installation of high efficiency lighting transformer in lighting circuit at Raw Mill & Kiln Cooler area.

Installation of ILMS for power distribution.

Technology under absorption.

Installation of Anti coating refractory in Riser Duct and P.C. Vessel.

High efficiency pressurizing & ventilation system in LS Crusher Load Centre (LC-1)

Thyristised automatic P.F. Correction system in Sub-station.

Hot Kiln auto checking and grinding of Tyre & Roller surface by specialist.

Installation of 3 Nos isolating gates (shut-off gates) in cooler fans.

Cement Mill # 01 internal modification with intermediate diaphragm, so that mill could be run without Roller Press in emergency.

Replacement of high efficiency fans in Packing Plant Bag filter fans.

Installation of 2 Nos. SPRS System for PC Fan & Bag House fan for smooth control & energy conservation.

D. Foreign Exchange earnings and outgo

Particulars of Foreign Exchange earnings and outgo are given in Schedule 'T' Notes to the Accounts under Note No. B 25 (F) & (G).

FORM A

A: POWER & FUEL CONSUMPTION	CURRENT YEAR 31.03.2008	PREVIOUS YEAR 31.03.2007
I. ELECTRICITY		
(a) PURCHASED		
UNITS (KWH)	39,651,662	107,861,634
TOTAL AMOUNT (Rs.)	194,952,949	498,043,617
RATE PER UNIT (Rs.)	4.92	4.62
(b) OWN GENERATION		
(i) THROUGH DIESEL GENERATION		
UNITS (KWH)	23,467,717	40,521,453
UNITS PER LITRE OF-		
-DIESEL & FURNACE OIL (KWH)	3.47	3.48
COST PER UNIT (Rs.)	8.49	8.19
(ii) THROUGH THERMAL GENERATION		
UNITS (KWH)	520,720,957	416,873,770
UNITS PER TON OF COAL (KWH)	991.39	1,009.92
COST PER UNIT (Rs.)	2.31	1.80
(iii) THROUGH TRIAL RUN		
UNITS (KWH)	-	21,200,120
UNITS PER TON OF COAL (KWH)	-	784.70
COST PER UNIT (Rs.)	-	1.70
II. (a) COAL FOR KILN		
QUALITY	GRADE SLACK/STEAM/ PET COKE A,B,C & D	GRADE SLACK/STEAM/ PET COKE A,B,C & D
WHERE USED	CALCINISING OF RAW MEAL	CALCINISING OF RAW MEAL
QUANTITY USED (M.T.)	725,356	730,919
TOTAL COST (Rs.)	2,113,375,639	2,007,479,243
AVERAGE RATE PER M.T./Rs.	2,913.57	2,746.51
II. (b) COAL FOR CTPP		
QUALITY	GRADE SLACK/STEAM ROM ,C D &F	GRADE SLACK/STEAM ROM ,C D &F
WHERE USED	BOILER	BOILER
QUANTITY USED (M.T.)	573,881	468,672
TOTAL COST (Rs.)	1,057,348,197	667,883,193
AVERAGE RATE PER M.T./Rs.	1,842.45	1,425.05
III. FURNACE OIL		
IV. OTHERS/INTERNAL GENERATION		
B: CONSUMPTION PER UNIT OF PRODUCTION		
PRODUCT	CEMENT	CEMENT
UNIT	M.T.	M.T.
ELECTRICITY (KWH)	83.81	85.93
FURNACE OIL	N/A	N/A
COAL PER M.T. OF CLINKER	0.141	0.143
COAL QUALITY		
- AVERAGE ASH CONTENTS (%)	30.12	29.09
- AVERAGE CALORIFIC VALUE (Kcal/Kg)	4,548	4,689
OTHERS	-	-

REPORT ON CORPORATE GOVERNANCE

In the fast changing business scenario, good Corporate Governance helps in achieving long term Corporate Goals of enhancing Stakeholders' value. Corporate Governance focuses on commitment to values adhering to ethical business practices. This includes corporate structures, culture, policies and the manner in which the Corporate entity deals with various stakeholders, with transparency being the key word. Accordingly, timely, adequate and accurate disclosure of information on the performance and ownership forms the cornerstone of Corporate Governance.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Any Corporate strategy needs to be dynamic, vibrant, responsive to the changing economic scenario and flexible enough to absorb environmental and fiscal fluctuations. It must harness the inherent strengths of available human resources and materials, have the capacity to learn from success or failure and, more importantly, ensure growth with human face. This has always been the guiding philosophy in the Company and will continue to be so in future.

The historic structural reforms initiated by the Government in early 90s have irrevocably transformed the Indian business environment landscape. Deregulation and decontrol, dismantling of trade barriers, partial convertibility and encouragement of foreign investment pose challenges to industry but simultaneously have opened up new avenues for growth.

The current scenario is both vibrant and optimistic. Response, or lack of it, can make or mar a company. The Company has accepted the challenges. Its strengths viz. involvement in the construction of river valley projects, engagement in the business of cement – an essential input for infrastructure sector which is on sharp focus today,

its large equity base and its wealth of dedicated human resources are channelised to great advantage in entering new ventures in the core sector, thus paving the way for sustained growth and through it enhance the stakeholders' value continually.

The Company's philosophy on corporate governance aims at attaining the highest level of transparency, accountability towards its stakeholders, including shareholders, employees, the Government and lenders and to maximize returns to shareholders through creation of wealth on sustainable basis.

2. BOARD OF DIRECTORS

The constitution of the Board aims at ensuring Directors commitment to participate in the affairs of the Company with understanding and competence to deal with current and emerging business issues.

The Company's policy does not prescribe any pre-determined or specific tenure for Directors (except Whole-time Directors who are appointed for a term of five years) as this has the inherent advantage of not losing valuable contribution from the Directors who, over the years, have developed insight into the Company and its affairs.

The Board of Directors comprised 20 Directors as on March 31, 2008. As per Clause 49 of the Listing Agreement, in case of an Executive Chairman, at least half of the Board should comprise independent directors. Our Board, which is headed by Executive Chairman, has 10 Independent Directors.

Details regarding the category of Directors, attendance of Directors at Board Meetings and the last Annual General Meeting (AGM), number of other Directorships and Committee positions held by them in other Companies as on March 31, 2008, are given below:

Name & Designation of the Directors	Category	Position	Last Annual General Meeting Attended	No. of Board Meetings Attended against 7 meetings held during the year	No. of other Directorships*	Committee Positions Held Chairman	Committee Positions Held Member
Shri Jaiprakash Gaur, Founder Chairman (w.e.f.14.12.2007)	Non-Executive	Promoter	Yes	3	5	-	-
Shri Manoj Gaur, Executive Chairman	Executive	Promoter	Yes	7	14	-	-
Shri Sunil K. Sharma, Executive Vice-Chairman	Executive	Promoter	Yes	7	10	1	2
Shri Sarat Kumar Jain, Vice Chairman	Non-Executive	Promoter	No	5	2	1	-
Shri Sunny Gaur, MD – Cement	Executive	Promoter	No	3	5	-	1
Shri Pankaj Gaur, Jt. MD - Construction	Executive	Promoter	Yes	2	-	-	-
Dr. B. Samal, (IDBI Nominee)	Non-Executive	Independent	Yes	7	10	3	3
Shri Gopi K. Arora,	Non-Executive	Independent	Yes	6	13	3	6
Shri M.J. Subbaiah (ICICI Bank Ltd. Nominee)	Non-Executive	Independent	Yes	5	5	1	2
Shri R.N. Bhardwaj (w.e.f. 14.07.2007)	Non-Executive	Independent	Yes	5	7	1	1
Shri B. K. Taparia	Non-Executive	Independent	Yes	7	4	2	1
Dr. E. R. C. Shekar	Non-Executive	Independent	Yes	7	3	-	-
Shri B. K. Goswami	Non-Executive	Independent	Yes	7	9	1	2
Shri A. K. Sahoo (LIC Nominee)	Non-Executive	Independent	Yes	4	-	-	-
Shri S.C.Gupta (w.e.f 21.02.08)	Non-Executive	Independent	No	-	-	-	-
Shri S. C. Bhargava	Non-Executive	Independent	Yes	7	14	1	3
Shri M.S. Srivastava	Non-Executive	Professional	Yes	4	1	-	-
Shri R.K. Singh (w.e.f.15.10.2007)	Executive	Professional	No	3	1	-	-
Shri Ranvijay Singh (w.e.f.14.12.2007)	Executive	Promoter	No	2	3	-	-
Shri S. D. Nailwal	Executive	Professional	Yes	7	1	-	3

Notes:

1. The following Directors have resigned during 2007-08 :

S. No.	Name of the Director	Date of Resignation	No. of Board Meetings attended by the Director
1	Shri Gunjit Singh	09.07.2007	1
2	Shri Sameer Gaur	09.09.2007	1
3	Shri Suren Jain	10.12.2007	4
4	Shri A.K. Jain	11.12.2007	3
5	Shri D.N. Davar	25.01.2008	5

2. Shri Sunny Gaur, Whole-time Director has been designated as Managing Director (Cement) w.e.f. 14.12.2007. Shri Pankaj Gaur Whole-time Director has been designated as Joint Managing Director (Construction) w.e.f. 14.12.2007

3. *Other Directorships of only Indian Public Limited Companies have been considered pursuant to Clause 49 of Listing Agreement.

4. Committee positions of only 2 Committees namely Audit Committee and Investors'/Shareholders' Grievance Committee have been considered pursuant to Clause 49 of Listing Agreement.

5. Number of shares and convertible instruments held by non-executive Directors as on March 31, 2008 are tabulated below.

S. No.	Name of Non-Executive Directors	No. of Shares held	No. of convertible instruments held
1	Dr. B. Samal,(IDBI Nominee)	-	NIL
2	Shri Gopi K. Arora	-	NIL
3	Shri M.J. Subbaiah (ICICI Bank Ltd. Nominee)	5,000	NIL
4	Shri R.N.Bhardwaj	-	NIL
5	Shri B. K. Taparia	-	NIL
6	Shri M.S. Srivastava	50,455	NIL
7	Shri S. C. Bhargava	2,000	NIL
8	Shri S.C.Gupta	-	NIL
9	Dr. E. R. C. Shekar	-	NIL
10	Shri B. K. Goswami	-	NIL
11	Shri A. K. Sahoo (LIC Nominee)	-	NIL
12	Shri Jaiprakash Gaur	250	NIL
13	Shri Sarat Kumar Jain	37,56,880	NIL

Number of Board Meetings held and dates thereof:

During the financial year **2007-08**, **seven meetings** of the Board of Directors were held as against the requirement of four meetings. The meetings were held on (i) **May 18, 2007**, (ii) **July 14, 2007**, (iii) **August 30, 2007**, (iv) **October 15, 2007**, (v) **December 14, 2007**, (vi) **January 12, 2008** and (vii) **February 21, 2008**. The maximum time gap between two meetings was not more than four calendar months.

INFORMATION PLACED BEFORE THE BOARD

Information placed before the Board of Directors broadly covers the items specified in Clause 49 of the Listing Agreement and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decision in an informed and efficient manner. Besides, the Directors on the Board have complete access to all information of the Company, as and when necessary.

3. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel of the Company. The Code of Conduct has also been posted on the website of the Company.

All Board members and senior management personnel have, on March 31, 2008, affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the CEO is annexed and forms part of this report.

4. AUDIT COMMITTEE

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted by the Board comprising four Directors, all being Non-Executive with majority of them being independent. The Chairman of the Audit Committee is an Independent Director. The Company Secretary acts as the Secretary to the Audit Committee. All the members of the Audit Committee have knowledge of Financial and Accounting matters.

The constitution of the Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956 (The Act). The terms of reference and powers of the Audit Committee are in keeping with those contained under Clause 49 of the Listing Agreement and the Act.

The Audit Committee specifically reviews:

- Management Discussion and Analysis of financial conditions and results of operations.
- Quarterly and Annual Financial Results.
- Annual Budget and Variance Reports.
- Significant related party transactions.
- Internal Audit Reports/ Cost Audit Reports including letters on internal control weaknesses, if any, issued by Statutory/Internal Auditors.
- Recommendation for appointment of Statutory and Cost Auditors.
- Appointment and remuneration of Internal Auditors.

Four meetings of the Audit Committee were held during the year on May 18, 2007, July 14, 2007, October 15, 2007 and January 12, 2008.

The constitution of the Committee and attendance at its meetings are as under:

Name of members	Total Meetings held during the tenure of the member	Meetings attended
Shri R.N. Bhardwaj (Chairman (w.e.f. 14.07.2007)	2	1
Shri M.J. Subbaiah	4	3
Shri B.K. Taparia (w.e.f. 15.10.2007)	2	2
Shri B.K. Goswami (w.e.f. 12.01.2008)	1	1
Shri D.N. Davar (Chairman/Member upto 18.05.07)	1	1
Shri Suren Jain (upto 10.12.2007)	3	3

The Chairman of the Audit Committee attends the Annual General Meeting to answer shareholders queries, if any.

5. REMUNERATION COMMITTEE

The Remuneration Committee, constitution of which is a non-mandatory requirement, was constituted by the Board to recommend/review the Remuneration package of the Whole-time Directors. The Remuneration Committee comprises three independent Directors.

Three meetings of Remuneration Committee were held during the year on **August 29, 2007, October 15, 2007 and December 14, 2007**. The constitution of the Committee and attendance at its meetings are as under:

Name of members	Total Meetings held during the tenure of the member	Meetings attended
Shri M. J. Subbaiah, Chairman	3	2
Dr. B. Samal, Member	3	3
Shri B. K. Taparia, Member	3	3

Notes:

1. Remuneration was paid to Whole-time Directors in the form of Salary and Perquisites.
2. **Details of Remuneration paid to all the Directors for the year:**

a) Executive Directors / Whole-time Directors

Details of remuneration paid for the year ended March 31, 2008 to Whole-time Directors are as follows:

Sl. No.	Name	Designation	Salary	Benefits	Total (Rs.)
1	Shri Manoj Gaur	Executive Chairman	9,225,000	6,745,222	15,970,222
2	Shri S. K. Sharma	Executive Vice-Chairman	8,610,000	6,669,329	15,279,329
3	Shri Sunny Gaur	Managing Director-Cement	2,746,935	2,138,100	4,885,035
4	Shri Pankaj Gaur	Jt. Managing Director- Construction	2,303,226	2,059,637	4,362,863
5	Shri Ranvijay Singh (w.e.f. 14.12.07)	Whole-time Director	644,516	571,130	1,215,646
6	Shri R.K. Singh (w.e.f. 15.10.07)	Whole-time Director	832,258	126,408	958,666
7	Shri S. D. Nailwal	Whole-time Director	1,890,000	1,609,016	3,499,016
8	Shri Sameer Gaur (upto 09.09.07)	Whole-time Director	795,000	630,291	1,425,291
9	Shri A.K.Jain (upto 11.12.07)	Jt. Managing Director	2,506,452	1,253,748	3,760,200
	Total		29,553,387	21,802,881	51,356,268

b) Non-Executive Directors

During the year under report, the Company has not paid any remuneration to Non-Executive Directors except sitting fee @ Rs. 20,000/- per meeting for attending the meetings of the Board and its Committees held during the Financial Year.

The Board of Directors in the meeting held in May 18, 2007 had increased the sitting fee from Rs. 10,000/- to Rs. 20,000/- w.e.f. May 18, 2007.

Details of sitting fees paid to non-executive Directors during the financial year 2007-08 are as under:

Name of the Directors	Designation	Total sitting fee paid (Rs.)
Shri Jaiprakash Gaur	Founder Chairman, Director	60,000
Shri S.K. Jain	Vice Chairman	340,000
Shri M. J. Subbaiah	Nominee Director (ICICI Bank)	200,000
Shri Gopi K. Arora	Director	260,000
Shri D.N. Davar	Director	120,000
Shri Suren Jain	Director	140,000
Shri S. C. Bhargava	Director	140,000
Shri B.K. Taparia	Director	240,000
Shri M. S. Srivastava	Director	80,000
Dr. B. Samal	Nominee Director (IDBI)	200,000
Dr. E. R. C. Shekar	Director	140,000
Shri Gunjat Singh	Director	20,000
Shri B. K. Goswami	Director	160,000
Shri A. K. Sahoo*	Nominee Director (LIC)	80,000
Shri R.N. Bhardwaj	Director	120,000
	Total	23,00,000

*The sitting fee for LIC Nominee was paid directly to LIC.

6. INVESTORS' GRIEVANCE AND SHARE TRANSFER COMMITTEE

The Investors' Grievance and Share Transfer Committee comprised Shri S.K. Jain as Chairman and Shri Sameer Gaur

and Shri S.D. Nailwal as Members. The Board reconstituted this Committee w.e.f. July 14, 2007 comprising Shri S. K. Jain as Chairman, Shri S.K. Sharma and Shri S. D. Nailwal as Members. This Committee approves transfer of shares and monitors redressal of shareholders' grievances like non-transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. During the year, 14 meetings of the Committee were held.

26 Investor complaints were pending at the beginning of the year and 3442 complaints were received during the year. Out of these, 3452 complaints were addressed/resolved leaving a balance of 16 complaints at the end of the year which were also addressed soon thereafter.

7. SUBSIDIARY COMPANIES

The Company has two material non-listed subsidiary companies viz. Jaiprakash Power Ventures Limited and Jaypee Karcham Hydro Corporation Limited. Names of the independent directors of the Company who are represented as directors on the Board of these subsidiary companies are as under:

Subsidiary Companies (material non-listed)	Names of Independent Directors
Jaiprakash Power Ventures Limited	Shri B.K. Goswami
Jaypee Karcham Hydro Corporation Limited	Shri Gopi K. Arora

The Audit Committee of the Company reviews the Financial Statements and investments made by the above subsidiary companies.

The minutes of the Board meetings of the above subsidiary companies and statement of significant transactions and arrangements entered into by these subsidiaries are also placed at the Board Meetings of the Company.

8. RISK MANAGEMENT

The Company manages risks as an integral part of its decision making process. The Audit Committee and the Board of Directors are apprised regarding key risk assessment and risk mitigation mechanisms.

9. CEO/CFO CERTIFICATION

In terms of the requirements of Clause 49 (v) of the Listing Agreement, the Executive Chairman & CEO and Whole-time Director (Finance) & CFO have submitted necessary certificate to the Board of Directors stating the particulars specified under the said clause. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at the respective meetings held on April 30, 2008.

10. GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings were as under:

Year	Venue	Date	Time
2005	Hotel Taj Residency, Gomti Nagar , Lucknow- 226001	27.09.2005	10.30 A.M.
2006	Jaypee Greens Golf Resort, Surajpur Kasna Road, Greater Noida, Uttar Pradesh	27.10.2006	11.00 A.M.
2007	Sector-128, Noida-201304, (U.P.)	30.08.2007	11.00 A.M.

DETAILS OF SPECIAL RESOLUTION(S) PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS.
(A) Year 2005

1. Resolution under Section 309 and 310 of the Companies Act, 1956 authorizing the Board of Directors of the Company to raise from time to time the amount of sitting fees payable to Non-Executive Directors within the ceiling prescribed by the Central Government.
2. Resolution for de-listing of the Shares of the Company from The Delhi Stock Exchange Association Limited, The Uttar Pradesh Stock Exchange Association Limited, The Calcutta Stock Exchange Association Limited and The Stock Exchange, Ahmedabad.
3. Resolution under Section 372A of the Companies Act, 1956 authorizing the Board of Directors of the Company for making investment up to Rs. 20 Crores to acquire equity shares, at par, of a new Company to be incorporated in the name of Jaiprakash Kashmir Energy Limited or such other name to be made available by the Registrar of Companies, Jammu & Kashmir.

All the Resolutions were passed with requisite majority.

(B) Year 2006

1. Resolution under Section 314(1B) of the Companies Act, 1956 according consent subject to the approval of Central Government to Shri G. P. Gaur, Mrs. Rekha Dixit, Shri Sachin Gaur, Mrs. Rita Dixit and Shri Rahul Kumar relative of the Directors of the Company, for holding/continuing to hold Office or Place of Profit under the Company at a monthly remuneration.

The Resolution was passed with requisite majority.

(C) Year 2007

1. Resolution under Section 149(2A) of the Companies Act, 1956 authorizing the Board of Directors for commencing all or any of the Business set out in the Clauses 4, 27, and 29 of the "Other Objects" Clause of the Memorandum of Association of the Company.
2. Resolution under Section 81(1A) of the Companies Act, 1956 authorizing the Board of Directors to Issue GDRs/ ADRs/ FCCBs or any other instrument/securities, up to an aggregate amount of USD One Billion or equivalent thereof.

Both the Resolutions were passed with requisite majority.

DETAILS OF RESOLUTIONS PASSED LAST YEAR THROUGH POSTAL BALLOT, THE PERSONS WHO CONDUCTED THE POSTAL BALLOT EXERCISE AND DETAILS OF THE VOTING PATTERN

During the year ended March 31, 2008, the Company sought approval from its shareholders on six occasions by passing Special/Ordinary Resolutions through the process of Postal Ballot in accordance with the provisions of Section 192A of the Act read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001. The Board of Directors of the Company, at its meetings had appointed Scrutinizers and Alternate Scrutinizers for conducting Postal Ballot in fair and transparent manner. The Postal Ballot forms received were kept in boxes sealed by the Scrutinizers. The declared results of the Postal Ballot were announced through newspaper and were also displayed on the website of the Company, www.jalindia.com. Details of the same are given below:

(A) Resolutions passed on September 5, 2007

S. No.	Particulars	Details/Dates
1	Date of Board meeting	July 14, 2007
2	Scrutinizer appointed by the Board of Directors at its meeting	Shri V. P. Kapoor, F.C.S., AICWA, LL.B., Practising Company Secretary
3	Alternate Scrutinizer appointed by the Board of Directors at its meeting	Shri Shiv Kumar Gupta, FCS, Practising Company Secretary
4	Date of Notice seeking Shareholder approval	July 14, 2007
5	Date of completion of Dispatch of Notice	August 4, 2007
6	Last Date of receipt of duly filed Postal Ballot Form	September 3, 2007
7	Date of submission of Scrutinizer's report to the Chairman	September 5, 2007
8	Date of declaration of Result	Wednesday, September 5, 2007 at 4.00 P.M.

Particulars of Resolutions Passed

Resolution No. & Particulars	Whether Ordinary/ Special
1 Additions in the 'Other Objects' Clause of Memorandum of Association of the Company	Special
2 Investment in SPV to be incorporated as a Joint Venture Company with Madhya Pradesh State Mining Corporation Limited for mining of Coal	Special

Voting Pattern

S. No.	Particulars	Resolution 1	Resolution 2
1	Total Votes	219,575,383	219,575,383
2	Total Valid Votes Cast	112,276,945	112,268,974
3	Total valid votes cast in favour of the Resolution	112,259,766 (99.98%)	112,262,546 (99.99%)
4	Total valid votes cast against the resolution	17,179 (0.02%)	6,428 (0.01%)

(B) Resolution passed on October 15, 2007

Sl. No.	Particulars	Details/Dates
1	Date of Board Meeting	August 30, 2007
2	Scrutinizer appointed by the Board of Directors at its meeting	Shri V. P. Kapoor, F.C.S., AICWA, LL.B., Practising Company Secretary
3	Alternate Scrutinizer appointed by the Board of Directors at its meeting	Shri M. Mahani, B.Com(H), LL.B., F.C.S., Advocate
4	Date of Notice seeking Shareholder's approval	August 30, 2007
5	Date of completion of Dispatch of Notice	September 12, 2007
6	Last Date of receipt of duly filed Postal Ballot Form	October 12, 2007
7	Date of submission of scrutinizer's report to the Chairman	October 15, 2007
8	Date of declaration of Result	Monday, October 15, 2007 at 4.00 p.m.

Particulars of Resolution Passed

Resolution No. & Particulars	Whether Ordinary/ Special
1. Buy Back of Eight Crore Equity Shares of Jaiprakash Power Ventures Limited by the Company from ICICI Bank Ltd.	Special

Voting Pattern

S. No.	Particulars	Resolution 1
1	Total Votes	219,575,383
2	Total Valid Votes Cast	111,044,913
3	Total valid votes cast in favour of the Resolution	111,035,389 (99.99%)
4	Total valid votes cast against the resolution	9,524 (0.01%)

(C) Resolutions passed on November 24, 2007

S. No.	Particulars	Details/Dates
1	Date of Board Meeting	October 15, 2007
2	Scrutinizer appointed by the Board of Directors at its meeting	Shri M.L. Arora, M.A. (ECO), LL.B., F.C.S., Practising Company Secretary
3	Alternate Scrutinizer appointed by the Board of Directors at its meeting	Shri Shiv Kumar Gupta, M.Com., LL.B., F.C.S., Practising Company Secretary
4	Date of Notice seeking Shareholder's approval	October 15, 2007
5	Date of completion of Dispatch of Notice	October 23, 2007
6	Last Date of receipt of duly filed Postal Ballot Form	November 22, 2007
7	Date of submission of scrutinizer's report to the Chairman	November 23, 2007
8	Date of declaration of Result	November 24, 2007 at 4.00 p.m.

Particulars of Resolutions Passed

Resolution No. & Particulars	Whether Ordinary/ Special
1 Sub Division of Shares	Special
2 Investment in the Special Purpose Vehicles for development of a Greenfield State-of-Art Sports Complex and related integrated support infrastructure including Townships and auxiliary facilities, in Joint Venture.	Special
3 Appointment and remuneration of Shri R. K. Singh as a Whole time Director	Ordinary

Voting Pattern

S. No.	Particulars	Resolution 1	Resolution 2	Resolution 3
1	Total Votes	220,840,887	220,840,887	220,840,887
2	Total Valid Votes Cast	113,512,042	113,509,622	113,110,424
3	Total valid votes cast in favour of the Resolution	113,504,595 (99.99%)	113,495,670 (99.99%)	113,093,907 (99.99%)
4	Total valid votes cast against the resolution	7,447 (0.01%)	13,952 (0.01%)	16,517 (0.01%)

(D) Resolutions passed on January 18, 2008

S. No.	Particulars	Details/Dates
1	Date of Board Meeting	December 14, 2007
2	Scrutinizer appointed by the Board of Directors at its meeting	Shri T. V. Narayanaswamy, F.C.S., Practising Company Secretary
3	Alternate Scrutinizer appointed by the Board of Directors at its meeting	Shri D. P. Gupta, F.C.S., Practising Company Secretary
4	Date of notice seeking Shareholder's approval	December 14, 2007
5	Date of completion of Dispatch of Notice	December 18, 2007
6	Last Date of receipt of duly filed Postal Ballot Form	January 17, 2008
7	Date of submission of scrutinizer's report to the Chairman	January 18, 2008
8	Date of declaration of Result	January 18, 2008 at 4.00 P.M.

Particulars of Resolutions Passed

Resolution No. & Particulars	Whether Ordinary/ Special
1 Issue of Warrants to Promoters/ Promoter Group Company on Preferential Basis	Special
2 Appointment and remuneration of Shri Ranvijay Singh as a Whole-time Director	Ordinary
3 Creation of mortgage/ charge in favor of IDBI to Secure Term Loan of Rs. 200 Crores	Ordinary
4 Creation of mortgage/ charge in favour of Axis Bank Ltd. to secure privately placed Redeemable NCDs aggregating Rs. 50 Crores	Ordinary

Voting Pattern

S. No.	Particulars	Resolution 1	Resolution 2	Resolution 3	Resolution 4
1	Total Votes	231,494,714	231,494,714	231,494,714	231,494,714
2	Total Valid Votes Cast	113,418,363	113,413,961	113,414,142	113,413,902
3	Total valid votes cast in favour of the Resolution	113,384,945 (99.97%)	113,400,885 (99.99%)	110,494,454 (97.43%)	110,492,490 (97.42%)
4	Total valid votes cast against the resolution	33,418 (0.03%)	13,076 (0.01%)	2,919,688 (2.57%)	2,921,412 (2.58%)

(E) Resolution passed on March 03, 2008

S. No.	Particulars	Details/Dates
1	Date of Board Meeting	January 12, 2008
2	Scrutinizer appointed by the Board of Directors at its meeting	Shri V. P. Kapoor, F.C.S., AICWA, LL.B., Practising Company Secretary

3	Alternate Scrutinizer appointed by the Board of Directors at its meeting	Shri Shiv Kumar Gupta, M.Com., LL.B., F.C.S., Practising Company Secretary
4	Date of notice seeking Shareholder's approval	January 18, 2008
5	Date of completion of Dispatch of Notice	January 30, 2008
6	Last Date of receipt of duly filed Postal Ballot Form	March 1, 2008
7	Date of submission of scrutinizer's report to the Chairman	March 3, 2008
8	Date of declaration of Result	March 3, 2008 at 10.30 A.M.

Particulars of Resolution Passed

Resolution No. & Particulars	Whether Ordinary/ Special
1 Investment in Special Purpose Vehicle for implementation of the Ganga Expressway Project	Special Resolution

Voting Pattern

S.No.	Particulars	Resolution 1
1	Total Votes	1,161,947,420
2	Total Valid Votes Cast	569,745,740
3	Total valid votes cast in favour of the Resolution	569,711,113 (99.99%)
4	Total valid votes cast against the resolution	34,627 (0.01%)

(F) Resolution passed on March 28, 2008

S. No.	Particulars	Details/Dates
1	Date of Board Meeting	February 21,2008
2	Scrutinizer appointed by the Board of Directors at its meeting	Shri T. V. Narayanaswamy, F.C.S., Practising Company Secretary
3	Alternate Scrutinizer appointed by the Board of Directors at its meeting	Shri Samir Biswas, F.C.A., A.C.S., AICWA, Corporate Advisor
4	Date of notice seeking Shareholder's approval	February 21,2008
5	Date of completion of Dispatch of Notice	February 25,2008
6	Last Date of receipt of duly filed Postal Ballot Form	March 27,2008
7	Date of submission of scrutinizer's report to the Chairman	March 28,2008
8	Date of declaration of Result	March 28, 2008 at 11.30 A.M.

Particulars of Resolution Passed

Resolution No. & Particulars	Whether Ordinary/ Special
1 Making investment in the shares of Jaypee Infratech Ltd.	Special Resolution

Voting Pattern

S.No.	Particulars	Resolution 1
1	Total Votes	1,167,062,014
2	Total Valid Votes Cast	554,333,533
3	Total valid votes cast in favour of the Resolution	554,251,450 (99.99%)
4	Total valid votes cast against the resolution	82,083 (0.01%)

11. DISCLOSURES

- There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the Notes to the Accounts.
- There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- No treatment different from the Accounting Standards, prescribed by the Institute of Chartered Accountant of India, has been followed in the preparation of Financial Statements.
- The Company has not adopted any Whistle Blower Policy. However, the Company has not denied access to any personnel to approach the Management or the Audit Committee on any issue.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.
- The Company at present has adopted the non-mandatory requirement with regard to constitution of Remuneration Committee, which has been constituted to determine the remuneration package of the Whole-time Directors (including Executive Chairman/Executive Vice-Chairman). Other details about non-mandatory requirements are contained at paragraph 30 of this Report.

12. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

A qualified Practicing Company Secretary carried out quarterly Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirmed that the total issued/paid-up capital was in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

13. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results were published in leading Newspapers which included Economic Times, Business Standard, Financial Express, Hindustan Times, Dainik Jagran and Swatantra Bharat. The same were sent to Stock Exchanges and were also displayed on the website of the Company, www.jalindia.com and simultaneously posted on the Electronic Data Information Filing and Retrieval website namely www.sebiedifar.nic.in. The website is also accessible through a hyperlink 'EDIFAR' from SEBI's official website, www.sebi.gov.in. The data is also being posted on Corporate Filing and Dissemination System (CFDS) website www.corpfiling.co.in.

The Company also displays the Presentations made by the Company to Institutional investors or to Analysts and the Official News Releases on its website.

14. Management Discussion & Analysis Report

The Management Discussion and Analysis Report is attached to the Annual Report.

15. Compliance Officer:

The Board had designated Shri Harish K. Vaid, Sr. President (Corporate Affairs) & Company Secretary as the Compliance Officer.

Address : Sector – 128, Noida – 201304, U.P.
e-mail : harish.vaid@jalindia.co.in
Phone : 91-120-4609000
Fax : 91-120-4609363

16. GENERAL SHAREHOLDER INFORMATION

11th Annual General Meeting

The meeting shall be held as under: -

Day	: Wednesday
Date	: August 27, 2008
Time	: 11:30 AM
Venue	: Sector – 128, Noida – 201304, U.P
Designated Exclusive e-mail for investor service	: jal.investor@jalindia.co.in

17. FINANCIAL CALENDAR

For the Financial Year 2007-08, the results were announced on the following dates:

Results	Announced on
For 1st Quarter ended on 30-06-2007.	July 14, 2007
For 2nd Quarter ended on 30-09-2007.	October 15, 2007
For 3rd Quarter ended on 31-12-2007.	January 12, 2008
For the year ended on 31-03-2008 (Audited).	April 30, 2008

The Financial Results were reviewed by the Audit Committee and thereafter approved by the Board.

18. DIVIDEND PAYMENT DATE

For the year 2007-08, two Interim Dividends were declared and paid as under:

Dividend	%age of Dividend	Date of Declaration	Record Date	Date of Payment	Total Dividend excluding Tax (Rs. Crore)	Tax on Dividend (Rs. Crore)
1st Interim Dividend	15%	14.07.07	24.07.07	06.08.07	32.88	5.58
2nd Interim Dividend	15%	12.01.08	29.01.08	06.02.08	34.86	5.92
Total					67.74	11.50

For Final Dividend recommended at 20%, the Company has fixed August 21, 2008 to August 27, 2008 (both days inclusive) as the Book Closure dates and the Dividend shall be paid after Shareholders' approval at the ensuing Annual General Meeting.

19. LISTING ON STOCK EXCHANGES AND STOCK CODES

As approved by Shareholders, the Company had voluntarily delisted its equity shares from Ahmedabad, Kanpur and Delhi Stock Exchanges w.e.f. March 31, July 28 and August 14, 2006 respectively. Calcutta Stock Exchange has also since conveyed its in-principle approval to delist the Company's Shares.

The Equity shares of the Company are thus currently listed on the National Stock Exchange of India Limited (Code: JPASSOCIAT) and The Bombay Stock Exchange Limited (Code: 532532). The Company has paid annual listing fees due to NSE and BSE for the year 2008-2009.

The FCCBs issued by the Company during the financial years 2004-2005, 2005-2006 and 2007-2008 are listed on Singapore Stock Exchange.

20. MARKET PRICE DATA AND PERFORMANCE IN COMPARISON TO INDEX

The high and low of the share price of the Company during each month in the last financial year at NSE and BSE were as given below.

Market Prices before sub-division of shares (i.e. till 14.12. 2007) were as under:

(Face Value of each Share: Rs.10)

Month	Share Prices at BSE		Share Prices at NSE	
	High	Low	High	Low
April 2007	634.00	505.00	632.40	505.35
May 2007	704.00	565.00	705.00	570.00
June 2007	750.50	638.80	751.00	639.50
July 2007	892.50	740.00	893.00	739.00
August 2007	932.45	758.00	948.00	756.00
September 2007	1160.00	881.00	1162.00	888.05
October 2007	1532.00	1010.00	1533.90	1010.00
November 2007	1882.00	1340.00	1873.40	1350.00
Till 14th December 2007	2177.00	1825.00	2175.00	1820.00

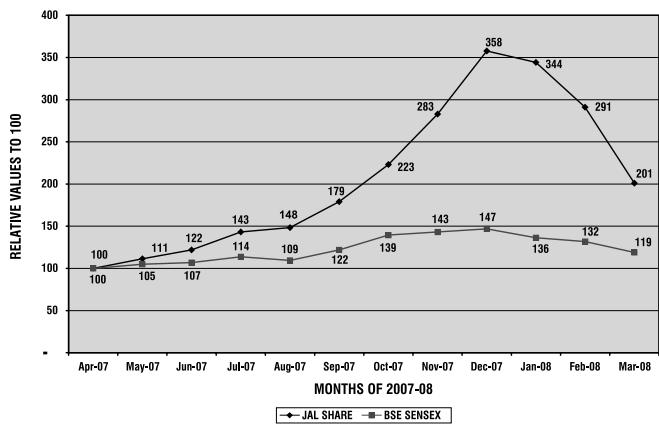
Equivalent Market Price before sub-division of shares (i.e., till 14.12. 2007) and Actual Market Prices After sub-division of shares were as under:

(Face Value of each Share: Rs.2)

Month	Share Prices at BSE		Share Prices at NSE	
	High	Low	High	Low
April 2007	126.80	101.00	126.48	101.07
May 2007	140.80	113.00	141.00	114.00
June 2007	150.10	127.76	150.20	127.90
July 2007	178.50	148.00	178.60	147.80
August 2007	186.49	151.60	189.60	151.20
September 2007	232.00	176.20	232.40	177.61
October 2007	306.40	202.00	306.78	202.00
November 2007	376.40	268.00	374.68	270.00
December 2007	449.90	365.00	440.50	364.00
January 2008	510.00	274.00	509.80	273.40
February 2008	422.80	240.00	397.35	240.00
March 2008	269.00	189.00	269.00	189.00

Performance of Share Price of the Company in comparison to BSE Sensex is as under:

JAL SHARE PERFORMANCE vs BSE SENSEX



Notes : (1) Average of high & low of BSE Sensex and average of High and Low of Company's Shares at BSE has been considered.

(2) The face value of each Equity share of the Company, as traded up to December 14, 2007 was Rs.10/-.Consequent upon sub-division of shares, w.e.f. December 17, 2007, the trading has been for shares of Rs.2 each. Accordingly, in the above chart, the prices up to December 14, 2007 have been proportionately converted as if each share had a face value of Rs.2 (by dividing the quoted rates by five) to present comparable figures.

21. REGISTRAR AND TRANSFER AGENTS

The details of Registrar & Transfer Agent appointed by the Company are as under: -

M/s Alankit Assignments Limited,
 2E/21, Jhandewalan Extn,
 New Delhi 110 055.
 Tel: 011-51540060-63
 Fax: 011-51540064
 e-mail: alankit@alankit.com

22. SHARE TRANSFER SYSTEM

The shares received in physical mode, for transfer by the Company, are transferred expeditiously, provided the documents are complete and the relative shares are not under any dispute. The share certificates duly endorsed in favour of the Transferees are returned promptly to shareholders. Confirmations in respect of the requests for dematerialisation of shares are expeditiously sent to the respective depositories i.e. NSDL and CDSL.

23. DISTRIBUTION OF SHAREHOLDING

The Distribution of shareholding and shareholding pattern as on March 31, 2008, were as follows:

SHAREHOLDING BY SIZE

No. of shares held	Shareholders		Shares	
	Number	As a percentage of Total	Number	As a percentage of total
Upto 500	314,723	87.86%	34,951,592	2.98%
501 – 1,000	22,393	6.25%	18,198,659	1.55%
1,001 – 2,000	10,884	3.04%	16,101,877	1.37%
2,001 – 3,000	3,778	1.05%	9,483,333	0.81%
3,001 – 4,000	1,633	0.46%	5,696,006	0.49%
4,001 – 5,000	1,332	0.37%	6,240,328	0.53%
5,001 - 10,000	1,668	0.47%	11,845,068	1.02%
10,001 and above	1,789	0.50%	1,069,005,554	91.25%
TOTAL	358,200	100.00%	1,171,522,417	100.00%

SHAREHOLDING BY CATEGORY

Category of Shareholder	Percentage of Holding
Promoters	44.55%
Banks / Mutual Funds/FI/FIIs	37.41%
Private Corporate Bodies	4.98%
NRIs / OCBs	2.93%
Indian Public	10.13%
Total	100.00%

24. DEMATERIALISATION OF SHARES AND LIQUIDITY

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. As on March 31, 2008, 95.39% of the Share Capital of the Company had been dematerialized. The shares of the Company have been included as a part of BSE Sensex w.e.f. March 14, 2008 and continue to be part of NSE Junior Nifty. The same are actively traded on both BSE and NSE.

25. UNCLAIMED DIVIDENDS

Dividend History & transfer of Unclaimed Dividend

SI No.	Financial Year	Interim/ Final	Date of Declaration	Rate of Dividend	Dividend Amount Excluding Tax (Rs.Cr.)	Dividend Distribution Tax (Rs. Cr.)	Due Date of Transfer to Investor Education and Protection Fund
1	2001-02 --do--	Interim Final	30.01.2002 27.09.2002	7% 5%	11.07 7.30	N.A. 0.63	02.03.2009 28.10.2009
2	2002-03	Final	06.10.2003	15%	26.43	3.38	06.11.2010
3	2003-04	Final	29.09.2004	15%	26.43	3.45	31.10.2011
4	2004-05 --do--	Interim Final	30.04.2005 27.09.2005	18% 6%	31.71 10.71	4.44 1.50	31.05.2012 28.10.2012
5	2005-06 --do--	Interim Final	03.03.2006 27.10.2006	18% 9%	34.06 23.97	4.77 3.36	03.04.2013 27.11.2013
6	2006-07 --do--	Interim Final	11.01.2007 30.08.2007	20% 16%	43.73 35.13	6.13 5.97	11.02.2014 30.09.2014
7	2007-08 --do-- --do--	1st Interim 2nd Interim Final	14.07.2007 12.01.2008 *	15% 15% 20%	32.88 34.86 *	5.58 5.92 *	14.08.2014 12.02.2015 *

* Dividend shall be paid after shareholders approval at the ensuing Annual General Meeting.

Pursuant to Section 205C of the Companies Act, 1956, there were no unclaimed dividends to be transferred to the Investor Education and Protection Fund of the Central Government during the year.

26. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

FCCB(S) AND CONVERSION THEREOF

The Company has so far issued three series of Foreign Currency Convertible Bonds – one each during the Financial Years 2004-05, 2005-06 and 2007-08.

The details of three FCCBs issued by the Company are as under:

S.No.	PARTICULARS	FCCB-I	FCCB-II	FCCB-III
1	Aggregate Value	USD 100 Million	Euro 165 Million	USD 400 Million
2	Date of Issue	16.02.2005	01.02.2006	11.09.2007
3	Due on	17.02.2010	09.03.2013	12.09.2012
4	Applicable Interest Rate	0.50%	0.50%	Nil
5	Pre-agreed Conversion price per share : (i) After sub-division of Equity Shares to Rs.2 each w.e.f. Record Date i.e. Dec. 26, 2007 (ii) Before sub-division of Equity Shares of Rs.10 each	Rs.47.2620	Rs.111.7546	Rs.247.7560
6	Pre-agreed Conversion rate	Rs. 43.785 per USD	Rs.53.599 per Euro	Rs. 40.350 per USD
7	FCCBs Converted till Mar.31, 2008	USD 97.94 Million	Euro 155.52 Million	USD 4.50 Million
8	Percentage Converted	97.94%	94.26%	1.125%
9	FCCBs Outstanding as on Mar.31, 2008	USD 2.06 Million	Euro 9.48 Million	USD 395.50 Million
10	Percentage Outstanding	2.06%	5.74%	98.875%
11	No. of Shares (of Rs.2 each) issued upon conversion till Mar.31, 2008	90,734,540	74,591,271	732,876
12	No. of Shares (of Rs.2 each) to be issued upon conversion of outstanding FCCBs, if opted by holders thereof	1,908,448	4,544,816	64,411,860

SHARE WARRANTS ISSUED ON PREFERENTIAL BASIS TO PROMOTER GROUP

During the year under report, with due approval of shareholders, the Company had issued 5,00,00,000 (five Crore) Warrants on preferential basis to Jaypee Ventures Pvt. Ltd. (a Promoter Group company), entitling the holder to apply for allotment of One Equity

share of Rs. 2 at a premium of Rs. 395 on full payment, per warrant, in one or more tranches.

In-principle approval from BSE and NSE for issuance of Warrants on preferential basis was received on January 21, 2008 and January 22, 2008 respectively. The Warrants were allotted on January 22, 2008.

GDR ISSUE

Pursuant to the approval of the Shareholders for issue of Global Depository Receipts (GDRs), the Company has filed the draft Offering Circular with UK Listing Authority (UKLA) for issue of GDRs aggregating upto USD 400 Million. Necessary in-principle approvals from NSE and BSE for listing of the underlying shares have been received. The Company will launch the issue at appropriate time on receipt of requisite approval from UKLA

27. PROJECT/PLANT LOCATIONS

The Company is engaged in the business of Heavy Civil Engineering Construction, Expressways, Cement and Real Estate & Hospitality. The Business of Construction of Hydro-Power Projects is operated from various sites of the Clients.

(A) Expressway & Construction

The operations of the Company are presently being carried out at the following main sites of its clients:

SECTOR	PROJECT NAME	STATE
Hydro Power	Baglihar Hydro Electric Project (Stage I & II)	Jammu & Kashmir
Hydro Power	Karcham Wangtoo Hydro Electric Project	Himachal Pradesh
Construction	Srisailam Left Bank Canal Tunnel Works	Andhra Pradesh
Expressway	Taj Expressway Project (6-lane 165Km) connecting Noida and Agra	Uttar Pradesh
Expressway	Zirakpur - Parwanoo Highway of NH-22	Punjab, Haryana & Himachal Pradesh
Expressway	Ganga Expressway Project of 1047 Kms	Uttar Pradesh
Construction	Civil works of Clinkerisation Unit at Satna and Grinding Unit at Bhilai	Madhya Pradesh and Chhattisgarh
Construction	Sri Rama Sagar flood flow Canal Package-2 Project	Andhra Pradesh
Construction	Polavaram Project right main Canal Package-4	Andhra Pradesh
Construction	Veligonda Feeder & Teegaleru Canal Project	Andhra Pradesh
Construction	Rajiv Sagar Left Irrigation Project (Dummuiguden)	Andhra Pradesh
Construction	GNSS Main Canal Project	Andhra Pradesh

(B) Cement

The Company has two Cement Plants namely Jaypee Rewa Plant and Jaypee Bela Plant which are located at Jaypee Nagar and Jaypee Puram respectively at Rewa, Madhya Pradesh. The Company is also putting up greenfield cement plant at Baga and blending / grinding plant at Bagheri, both in Himachal Pradesh, a clinker grinding plant at Panipat in Haryana and one plant at Sidihi in Madhya Pradesh. Besides this, the Company has its grinding and blending units in Uttar Pradesh.

The Company has also acquired the Plants and other assets of three cement manufacturing Units at Dala, Churk and Chunar in Uttar Pradesh, belonging to U.P. State Cement Corporation Limited (in liquidation).

The Company in Joint Venture with Steel Authority of India Ltd. has floated 2 Subsidiary Companies viz. (i) Bhilai Jaypee Cement Limited, on April 11, 2007 to install, operate & maintain a 2.2 Million TPA split-located Cement plant at Bhilai in Chhattisgarh and Satna in MP and (ii) Bokaro Jaypee Cement Limited, on March 13, 2008 to install, operate & maintain a 2.1 Million TPA split-located Cement plant at Bokaro in Jharkhand.

(C) Hospitality

The Company owns a holiday resort – The Jaypee Residency Manor at Mussoorie (Uttarakhand). The Company also owns a Golf Resort

with associated recreational and residential facilities at Greater Noida, Uttar Pradesh.

Jaypee Hotels Ltd., a subsidiary of the Company, is managing the above facilities.

28. ADDRESS FOR CORRESPONDENCE

Registered & Corporate Office : Sector – 128,
Noida – 201304, U. P.
Delhi Office : 'JA House', 63, Basant Lok,
Vasant Vihar, New Delhi 110057

29. ELECTRONIC CLEARING SERVICE (ECS)

The Company avails of ECS facility for distribution of Dividend in Metropolitan Cities in respect of those Shareholders who have opted for payment of Dividend through ECS.

30. NON-MANDATORY REQUIREMENTS

The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in paragraph 5 of this Report.

As regards training of Board members, the Directors on the Board are seasoned professionals having wide range of expertise in diverse fields. They keep themselves abreast with the latest developments in the field of Management, Technology and Business Environment through various symposiums, seminars, etc.

The Company uploads its Quarterly, Half – Yearly and Annual Results on its web site – www.jalindia.com which is accessible to all. Besides, the Results are also available on www.sebiedifar.nic.in and www.corpiling.co.in. The Results are also reported to Stock Exchanges and published in National Newspapers in English and in Hindi newspapers having wide circulation.

The Company believes and maintains its Accounts in a transparent manner and aims at receiving unqualified report from the Auditors on the financial statements of the Company.

DECLARATION BY THE EXECUTIVE CHAIRMAN & CEO UNDER CLAUSE 49 (1D) OF THE LISTING AGREEMENT

I hereby confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the financial year ended March 31, 2008.

MANOJ GAUR

Executive Chairman

Jaiprakash Associates Limited

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of Jaiprakash Associates Limited

We have examined the compliance of conditions of Corporate Governance by Jaiprakash Associates Limited for the year ended on March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month with the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M. P. SINGH & ASSOCIATES
Chartered Accountants

M.P. SINGH

Partner

Membership No. 1454

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Forming part of the Report of the Directors for the year ended March 31, 2008

Macro-Economic Environment

India is the world's sixth largest economy, and is growing at 8% a year. By 2025 the India's economy is projected to be about 60 per cent the size of the US economy. The current scenario of Indian economy has been characterized by optimistic growth and strong macro-economic fundamentals, particularly with tangible progress towards fiscal consolidation and a strong balance of payments position. GDP growth rate is estimated to be 8.7% for 2007-08. (Economic Survey 2007-08).

The Economic Survey of Government of India has set a target of 9 per cent GDP growth during the 11th Plan (2007-2012). Significantly, the industrial and service sectors have been contributing a major part of this growth, suggesting the structural transformation underway in the Indian economy. The recent industrial infrastructure numbers though have seen slight moderation in the overall infrastructure production during January 2008. Numbers during the April- January period of 2007-08 show 5.5% rise in the production and fundamentals of Indian economy continue to remain steady.

India's economy is at inflection point with rising foreign exchange reserves, a booming capital market, expanding FDI inflows and capacity building across all sectors, all pointing towards stable 8+ percent annual growth, paving way for economy to sustain growth; as demonstrated in last 3 years. India has emerged as the second fastest growing economy in the world (source: S&P Report).

Along with this significant acceleration in the growth rate of Indian economy, India's per capita income has increased at a rapid pace, exceeding an earlier forecast made by Goldman Sachs BRIC report which estimated India's per capita to touch US\$ 800 by 2010 and US\$ 1149 by 2015.

In this century of opportunities for India, your Company, being an infrastructure conglomerate, is present in sectors, essential to maintain the momentum of growth, thereby, has been able to transform opportunities to its advantage for accelerated growth for all its stakeholders.

The company's business can be broadly classified in the following sectors:

1. Engineering & Construction
2. Cement
3. Energy (Power, Oil & Gas)
4. Real Estate and Expressways
5. Hospitality

Overall Review

Jaiprakash Associates Limited is India's leading Engineering and Construction Company with strong focus on development of River Valley and Hydro Electric Projects. The company participated in 54.3% of Hydropower Projects (in different capacities) under implementation in the recently concluded 10th Five Year Plan of the Govt. of India.

The Company is the only Integrated Solution provider for hydropower projects in the country with the track record of strong project implementation in different capacities and has participated in projects that have added over 7880 MW of hydroelectricity to the national grid between 2002-2007. (AN UNPARALLELED FEATURE IN INDIAN POWER SECTOR). During the year, your Company completed 520

MW Omkareshwar HEP ahead of schedule, thereby creating a new benchmark in Indian Power Sector where a Mega Hydro Power Project got completed in less than 4 years' time.

The Company today has distinction of being India's largest Private Sector Build, Own & Operate Hydropower Developer with operating assets through its subsidiaries exceeding 700 MW (300 MW Baspa - II & 400 MW Vishnuprayag) and is developing India's largest Build, Own & Operate Hydropower Project – the 1000 MW Karcham-Wangtoo HEP in Himachal Pradesh through its subsidiary Jaypee Karcham Hydro Corporation Limited. The Company also plans to implement hydro-power projects in Arunachal Pradesh (2025 MW Lower Siang & 500 MW Hirong) and in Meghalaya (270 MW Umngot & 450 MW Kynshi Stage -II), through its subsidiaries.

The visionary Founder of your Company always chose the path less traversed and with his belief in untapped Hydro Power potential of the country, succeeded in setting a benchmark for your Company, which has attained the top status in implementation of Hydro Power Project, of any size in any terrains, on most cost effective basis. You would be proud to note that your Company completed 390 MW Dul-Hasti HEP (in J&K) and 520 MW Omkareshwar HEP (in MP) and the first generating machine of 510 MW at Teesta HEP (in Sikkim) in FY08, the only three Hydro Power Projects, which were added by NHPC in their portfolio during April 07 – March 08.

The cement business of the Group, till recently concentrated in the Central Region of the country has 7 Million Tonnes of Installed Capacity. Your Company, after successfully taking over assets and plants of Uttar Pradesh State Cement Corporation Ltd. (UPSCCL) in the year 2006 in liquidation, has completed modernization and rehabilitation scheme. Phase-I of Chunar and Dalla cement plants of UPSCCL has commenced production. Successful revival of the erstwhile UPSCCL demonstrates Company's inherent capability to avail opportunity where none existed before and transforming the same into successfully run venture with grit, determination and humanity, parallel of which are very few. This cement venture has had chequered past, but today, it is the only integrated cement project in the largest State of India, which also happens to be the second largest consumer of cement in the country. In addition to above, Grinding Unit at Panipat in Haryana has been successfully commissioned in February/ March, 2008. The total combined (includes Jaypee Rewa Plant, Jaypee Bela Plant, Jaypee Cement Blending Unit, Jaypee Ayodhya Grinding Operation, Panipat & Chunar) installed cement capacity as on 31st March, 08 is 9.50 MT.

Responding positively to the opportunities, which came when Steel Authority of India Limited (NAVRATANA Company of repute and the largest steel maker of the country) sought to address their concern of gainfully utilizing their by-product i.e. slag. Your Company was successful in forming Joint Ventures (by becoming a most preferred bidder based on the competitive bids which took place for selecting a strategic partner for this venture), with SAIL which means that your Company is the only Company in the Country which has two Joint Ventures, each of 2 million tonne per annum capacity, one for Bhilai and another for Bokaro.

JAL with a joint venture with Gujarat Mineral Development Corporation Limited (GMDC) will set up 2.4 MTPA capacity cement plant with captive power plant at District Kutch in Gujarat. The Joint Venture Company shall also undertake Special economic zone (the

"SEZ") for mineral based industries at the same location or in nearby area. The major capacity expansion is currently underway with new cement plants coming up in the Northern, Central, Western and Eastern Regions of the country, which shall make your company the 3rd largest Cement producing group in the country with 25 MTPA installed capacity by 2010 and 30.5 MTPA by 2011 ensuring a Pan India presence. It will also be worthwhile to mention that your company (directly and indirectly through its subsidiaries and Joint Ventures) is likely to add 20% of the new cement capacities planned for installation in the country in the 11th Five Year Plan.

Your company today has emerged to be a pioneer for development of a fully integrated complex consisting of an 18 hole Greg Norman Signature International Championship Golf Course, a state of art Resort & Spa of 220 rooms, an Integrated Sports Complex of international standards, other hospitality related activities and real estate comprising of residential, commercial and institutional development spread across 452 acres of land in Greater Noida.

India has the world's second largest road network, aggregating over 3.34 million kilometers (source: NHAI). The share of road transport in the GDP was over 4.6 per cent in 2007 (as against 3.8 per cent in 2000), accounting for over two-thirds of the total transport contribution to the GDP.

Road transport has emerged as a dominant segment in India's transportation sector, growing at an annual average rate of 9.5 per cent during 2000-01 and 2005-06 as against 6.5 per cent growth rate of GDP. Simultaneously, the share of roads in total traffic has grown from 12 per cent of freight traffic and 31.6 per cent of passenger traffic in 1950-51 to the present 65 per cent of freight traffic and 85 per cent of passenger traffic by the end of 2006-07. While the national highways account for about 2 per cent of the total road network, they carry 40 per cent of the total goods and passengers. Out of the total length of national highways, 32 per cent is single lane/intermediate lane, 56 per cent 2-lane standard and the balance of 12 per cent is 4-lane standard or more (source: NHAI).

With the ever expanding number of vehicles (automobiles grew at the rate of 16.82 per cent in 2006-07), accelerated trade growth, increasing urbanization, the need to reduce stress on existing highways and the need to provide connectivity for improved accessibility of hinterland, substantial investment is required to strengthen and expand the road transport network to meet both present and future traffic demand.

Given the robust growth of the Indian economy, investment in the roads and bridges sector, during the Eleventh Plan is projected at US\$ 78.5 billion over the five-year period starting from 2007-08.

Taj Expressway Project linking most frequently visited tourist destination of India- Agra with NCR is a 160 km long 6/8 lane access controlled expressway, bagged by your company and is ON COURSE.

The project envisages ribbon development along the expressway at 5 locations totaling 25 million square feet for residential/industrial/institutional purposes and shall trigger multi dimensional socio economic development in Western UP besides strengthening your company's presence in real estate segment in this decade.

You will be pleased to know that during the year under review, your company successfully bid for and was awarded all Packages (pkg. 1 to pkg.4) of prestigious Ganga Expressway contract by the Government of Uttar Pradesh. This is the largest private sector infrastructure project in India. The Company had emerged as the lowest bidder, as it bid for the least land for development, which was

the most important criteria for bid evaluation. The 1047 km long eight lane Ganga expressway would be developed on the left bank of River Ganga, covering the stretch from Greater Noida to Ballia (Eastern Uttar Pradesh). The project will be built on Built-Own-Transfer basis. Construction is expected to begin within 11 months and the project is expected to be completed in 3 years, after the land for construction of Expressway is made available. The Special Purpose Vehicle, namely, Jaypee Ganga Infrastructure Corporation Limited, incorporated for implementation of this project would get the rights of development of an estimated 30,000 acres of land along the expressway.

During the year under review, a new company in the name of Himalayan Expressway Ltd. was incorporated for the implementation of 27.14 Km Zirakpur - Parwanoo Expressway awarded by NHAI to your Company.

With a reasonably strong presence in the development of Hydro Power Projects as an EPC Contractor and on Build, Own & Operate basis, your Company is now focusing on other areas related to the Energy Sector, inter-alia, including development of Thermal Power, Wind Power Projects, Transmission, Oil & Gas Exploration and Coal Mining.

The 1320 MW (2*660) with super critical technology boiler pit head based Nigrie Thermal Power project in the Sidhi district in the State of Madhya Pradesh is under implementation. The project is expected to commence operations by 2012. The Nigrie Thermal project shall utilize coal from the two coal blocks, which have to be exclusively used for the project in MP.

Thermal energy and electrical energy are two key constituents which constitute almost 40% of the variable cost of cement manufacturing. As part of Government of India's initiative to allot coal blocks for captive use of steel, power and cement, your Company has been allotted Mandla (North) Coal Block in the State of Madhya Pradesh, which would address long term energy requirement on cost effective basis.

Jaypee Powergrid Ltd. a joint venture company between Jaiprakash Hydro-power Ltd. (JHPL) and Power Grid Corporation of India Limited (PPGL) is executing 230 km transmission project to evacuate power from 1000 MW Karcham – Wangtoo project.

Your Company through its Subsidiary, Jaypee Hotels Limited is also present in the Hospitality Business. Jaypee Hotels Limited owns and operates three 5- star hotels, two in Delhi and one in Agra. Jaypee Hotels Limited also manages 2 Hotel properties owned by your Company, one at Mussoorie and one at Jaypee Greens, Greater Noida. With the Hospitality Industry in India prospering and showing signs of growth, your Company too is tirelessly striving to maintain a robust growth rate in its hospitality business. During the year, a state-of-the-art spa facility, 'Tamaya' was introduced at Jaypee Siddharth & Jaypee Vasant Continental, New Delhi which has been received well by our guests. The other Hotels of the group continue to do well and all reported encouraging results.

The Highlights of Performance of the Company for the year 2007-08

1. Gross Revenue at Rs. 4274 crores (up 19 %)
2. EBITDA at Rs. 1386 crores (up 33 %)
3. Profit after Tax at Rs. 610 crores (up 47 %)
4. Net Block including capital work in progress increased from Rs. 2406 crores in FY-05, Rs. 3344 crores in FY-06 and Rs. 5150 crores in FY-07 to Rs. 7931 crores in FY-08.

I. Engineering & Construction

Industry Overview

India is endowed with an estimated hydro power potential of more than 1,50,000 MW. However, only 21.82 per cent of the potential has been developed till date and 9.13 per cent is being developed (source: CEA). The Government focus on infrastructure development to achieve the projected GDP growth level has translated into healthy order books for the engineering and construction sector. The Infrastructure sector, which is estimated to grow at a CAGR of 15% over the next five years, requires investment of US\$ 475 billion during this period to support the unprecedented growth rates being witnessed across virtually every other sector in the economy today. In view of Government's encouragement to set up Hydropower Projects to not only meet the current energy supply – demand imbalance but also to balance the Thermal Power/Hydropower mix, the company expects that there will be increased business opportunities in the Hydropower Sector, both on EPC Contract basis and on Build, Own & Operate basis.

Operational Performance

During the year, your company successfully completed the 520 MW Omkareshwar Hydropower Project which has been commissioned ahead of schedule. Earlier, Chamera – II project was also completed six months ahead of schedule.

You will be pleased to know that till March 2007; only five hydropower projects (2,800 MW) have been awarded in India on an EPC basis. Three (1,720 MW) of these have been executed by JAL's Engineering division.

You will be glad to note that your company has set an unprecedented track record for successful execution of such challenging assignments and has, in turn, earned goodwill with its clients, various State Governments and the local population which will go a long way towards securing the future growth of your organization.

II. Cement Division

Industry Overview

For India, the world's second largest producer of cement, the recent boom in infrastructure and the housing market has enabled Cement Industry to create new capacities to meet the growing demand of this consumable essential; for infrastructure as well as common man needs. Add to that an increasing global demand and a flurry of activity in infrastructure projects – highways roads, bridges, ports and houses. Furthermore, the country's finance minister has stated that India would double spend on infrastructure over the next five years to sustain its record economic growth and modernize its infrastructure.

Cement companies are fast developing to provide for a rapidly expanding economy. Installed capacity of the cement industry is expected to increase to 219 MTPA by financial year 2009 from 198.62 MTPA in the financial year 2008. It will further go up to 241 MTPA by the financial year 2010, according to an ICRA Industry Monitor report.

The cement industry is enhancing its production levels as new homes and offices are being built, and in keeping with the economy's annual growth rates. According to the Cement Manufacturers Association, the overall cement production rose by 8.11 per cent during 2007-08 to 168.29 MT as against 155.66 MT in 2006-07. With almost every player in the industry going for capacity addition, ranging from 0.2 MT to 3 MT, the year 2007-08 saw a record addition of 22 MT. Consequently, the total production capacity of the Indian cement industry has increased to 190 MT at the end of 2007-08, against 167 MT at the end of 2006-07, a growth rate of 13-14 per cent.

Simultaneously, with almost total capacity utilization levels in the industry, cement dispatch continued to maintain its 10 per cent growth rate. Total dispatches grew to 170 MT during 2007-08, as against 155 MT in 2006-07. Region-wise, western region grew fastest with a growth rate of 15 per cent, followed by northern region (12 per cent) and southern region (10 percent).

A growing and robust economy was noteworthy in terms of the total number of mergers and acquisitions (M&A) in India 2007, with the cement sector contributing to 7 per cent to the total deal value. Increased activity in infrastructure and a booming real estate market have seen foreign firms vying to acquire a share of the pie.

Government initiatives in the infrastructure sector, coupled with the housing sector boom and urban development, will continue being the main drivers of growth for the Indian cement industry. Increased infrastructure spending has been a key focus area over the last five years indicating good times ahead for cement manufacturers. The government has increased budgetary allocation for roads under NHDP. This coupled with government's initiatives on the infrastructure and housing sector fronts would continue to remain the key drivers. Appointing a coal regulator is looked upon as a positive move as it will facilitate timely and proper allocation of coal (a key raw material) blocks to the core sectors, cement being one of them. The allocation of US\$ 3.23 billion for the National Highway Development Project will keep the demand for cement alive.

Your company has taken different measures in last two years which has given the Group opportunity to create new capacity in Western, Northern and Eastern regions besides further consolidating its position in Central India.

To improve the efficiency of the overall cement division, your company is implementing SAP as an ERP solution. ERP solution is the backbone of our operations now and after expansion of cement business it will become much more useful tool for our working and planning. SAP has got verticals for all the industries and it has got almost all common practices of cement operations incorporated.

Some of the unique features of the Cement Division are as under:-

- Installation of modern pyro processing system in all the new installations resulting in lower coal consumption.
- All the cement plants have factored latest technology and have Captive Thermal Power plants installed, which has reduced the power cost from Rs. 406 PMT in 2001-02 to Rs. 200 PMT in 2006-07.
- All the existing split location grinding/ blending plants are near the markets and the flyash source which has resulted in reduced freight cost.
- New split location grinding/ blending units at Panipat, Bagheri, Roorkee and Wanakbori are close to consumption centres as well as near source of flyash.

The new capacities being added by your company are as under:-

Region	Capacity in Operation (MTPA)	Capacity under Implementation (MTPA)	Total (MTPA)	Captive Thermal Power (MW)
Central	7.0	7.20	14.20	188
West	-	8.80	8.80	90
North	1.50	6.20	7.70	30
Eastern	-	2.10	2.10	90

Operational Performance

During the year, the installed capacity utilization of cement increased to 96.81 % from 95.44 %. The cement production increased from 6.68 million tonnes in 2006-07 to 6.78 million tonnes. The clinker dispatch grew from 6.65 million tonnes to 6.76 million tonnes. You will be pleased to know that your company's present cement operations are now 100% self-reliant for their power requirement. Your cement plants at Rewa and Bela in M.P. have achieved their best ever productivity levels on account of limestone crushing, clinker production, cement grinding etc.

III. Energy

Power Sector Overview

The power sector has been in the forefront of lightning up the India growth story. As the economy continues to surge ahead, electrification and electricity services have been expanding concomitantly to support the growth rate. Today, the Indian power system with its extensive regional grids – fast maturing into an integrated national grid – and its millions of kilometers of transmission and distribution lines criss-crossing the country, are truly symbolic of the successes of India's economic growth.

India's electricity generation capacity has been increasing continuously to meet the needs of the rapidly growing economic activity of the country. Total installed capacity of electricity generation has expanded from 105,045.96 MW at the end of 2001-02 to 124,287.17 MW by 2005-06 and further to 143061.0 MW at the end of March, 2008 (source : CEA). In fact, India ranks sixth globally in terms of total electricity generation.

India is endowed with an estimated hydro - power potential of more than 1,50,000 MW. However, only 21.82 per cent of the potential has been developed till date and 9.13 per cent is being developed (source: CEA).

Electricity is in the concurrent list in the Constitution of India. The National Electricity Policy (NEP), 2005 recognizes electricity as a "basic human need" and targets a rise in per capita availability from 631 units to 1,000 units per annum by the end of 2012. To fulfill the objectives of the NEP, a capacity addition of 78,577 MW has been proposed for the Eleventh Five Year Plan. The power sector is expected to grow at 9.5 per cent per annum. The deficit in power supply in terms of peak availability and of total energy availability during the current year was 14.8 per cent and 8.4 per cent, respectively. While shortages are being experienced by each region, they are more acute in the North-Eastern and the Western Region.

In the effort to achieve a power capacity addition of 78,577 megawatt, the Ministry of Power had envisaged capacity addition of around 15,000 mega watt by tapping merchant power plants. According to the 11th Plan paper, the government in consultation with the Ministry of Coal has identified 15 coal blocks with a coal reserve of 3.2 billion tonne for merchant power plants in the country.

The liberalization of the rules for the participation of private players (both domestic and foreign) has led to the spurt in investment into this sector. This along with the continuous rise in the government outlay for the power segment meant that there has been a rapid rise in the investments flowing into this sector.

In fact, according to Mr. Sushilkumar Shinde, Union Minister of Power, Government of India, the investment requirement in the Indian power sector over the next five years is estimated at over US\$ 249.89 billion, creating huge opportunities for growth in this sector.

Simultaneously, the total transmission lines network has been growing at a robust pace to expand the transmission network. Total

transmission lines have increased from 150642 circuit km (ckm) at the end of 2001-02 to 198089 ckm at the end of 2006-07 (source: CEA).

While this capacity addition is commendable, there is still huge scope for growth. With a targeted GDP growth rate of 8-10 per cent and an estimated energy elasticity of 0.80 per cent, India's energy requirement is expected to grow at 6.4-8 per cent, implying an almost five fold increase in India's energy requirement in the next 25 years. Consequently, there is a need to increase the electricity generation capacity to sustain the growth momentum.

According to report by KPMG and CII, India's energy sector will require an investment of around US\$ 120-150 billion over the next five years. Moreover, while the annual per capita electricity consumption has increased from 566.4 kwh in 2002-03 to 665 kwh in 2005-06, it is still low compared to the world average of 2596 kwh.

The Government has taken several proactive steps to open the sector for the private players to realize the full potential of the country in the power sector. Introduction of the Electricity Act, 2003 and the notification of the National Electricity and Tariff policies. Apart from this, Constitution of Independent State Electricity Regulatory Commissions in the States, unbundling of the State Electricity Boards into generation, transmission, distribution companies for better transparency and accountability, allowing the private sector to set up coal, gas or liquid based thermal projects, hydel projects and wind or solar projects of any size, allowing foreign equity participation up to 100 per cent in the power sector under the automatic route and deregulation of the Ancillary sectors such as coal are some of the other steps taken by the Government.

Operational Performance

Your company through its subsidiaries is operating 700 MW of Hydro Power Station namely 300 MW – Baspa-II at Himachal Pradesh and 400 MW Vishnuprayag Power Station in Uttarakhand. The two projects have jointly delivered 3121.05 million units (for FY -08) of clean & green energy to the national grid. The operational result of the two subsidiaries speaks for itself in the performance of the two plants. You will be pleased to know that 400 MW Vishnuprayag Power Station is the largest Private Hydropower Station in the world to get Verified Emission Reduction (VER) of 1.3 million units per annum.

POWER STATION	ACTUAL ENERGY DELIVERED (in million units)
BASPA II	1274.16
VISHNUPRAYAG	1846.89

IV. Real Estate

Industry Overview

The Indian real estate sector has witnessed a resounding growth in recent years due to factors like liberalization of urban policy and increased competition in the home loan segment. Also the booming Indian economy, favorable demographics transition and liberalized foreign direct investment (FDI) regime acted as a catalyst in this growth phase. Growing at a rate of 30 per cent, the real estate sector has emerged as one of the fastest growing investment areas for domestic as well as foreign investors. The sector will remain as a booming sector and more investment is expected in the coming years.

Construction and allied sectors are considered as one of the largest employing sector in India (including construction and facilities management). This vital sector is linked to about 300 ancillary industries like cement, brick and steel. So this sector has a strong

backward and forward linkages and the growth will translate into an over all positive impact on these ancillary sectors too. Resultantly, a unit increase in expenditure in this sector has a multiplier effect and the capacity to generate income as high as 4.5 times.

According to McKinsey report the average profit from construction in India is 18%, which is double the profitability for a construction project undertaken in the US. Five per cent of the country's GDP is contributed by the housing sector. In the next three or four or five years this contribution to the GDP is expected to rise to 6%.

According to 'Housing Skyline of India 2007-08', a study by research firm, Indicus Analytics, there will be demand for over 24.3 million new dwellings for self-living in urban India alone by 2015. As a result of this, this real estate sector is likely to throw huge investment opportunities. In fact, an estimated US\$ 25 billion investment will be required over the next five years in urban housing, says a report by Merrill Lynch.

As far as the commercial property is concerned, the fast growing Indian economy has a cascading effect. The growth will propel the demand for commercial spaces and space for modern offices, warehouses, hotels and retail shopping centres. More over the demand for commercial office space is led by the information technology (IT) industry and organized retail. For example, it is estimated that the IT and IT'es alone is estimated to require 180 million sqft. by 2010. Similarly, the organized retail industry is likely to require an additional 220 million sqft. by 2010. This huge demand will spill over to all parts of urban India. Lease rentals have been picking up steadily and there is a strong demand for quality infrastructure. A significant demand is also likely to be generated as the outsourcing boom moves into the manufacturing sector.

With the economy surging ahead, the demand for all segments of the real estate sector is likely to continue to grow. The Indian real estate industry is likely to grow to US\$ 90 billion by 2015.

Operational Performance

Your company is developing a fully integrated township consisting of an 18 hole Greg Norman Signature International Championship Golf Course, a state of art Resort & Spa of 220 rooms, an Integrated Sports Complex of international standards, other hospitality related activities and real estate comprising of residential, commercial and institutional development spread across 452 acres of land in Greater Noida, Uttar Pradesh, India. A six-lane expressway connects Greater Noida to Delhi, reducing travel time to about 30 minutes from South of Delhi to Greater Noida.

JAYPEE GREENS Golf Course is the largest in India and 3rd largest in Asia. Jaypee Greens' Practice Range is the largest in India.

At present, work on the development of an international level Integrated Sports Complex & a 60 Acre Nature Reserve Park is in progress and substantial work has already been completed.

V. Hospitality

Industry Overview

The booming tourism industry has had a cascading effect on the hospitality sector with an increase in the occupancy ratios and average room rates. According to the World Tourism Organisation, international tourist influx in India is expected to grow at CAGR of 6.5%, which means an increase in the tourist arrivals from the present 2.75m to 6m in 2010 and 10m by 2020. This will make the Indian tourism industry the fastest growing, second only to China.

The upcoming Commonwealth Games in 2010 will spur a boom in hotels, airlines, and travel and tourism industry. Currently, India has some 1,980 hotels. It is estimated that over the next two years, 70,000-80,000 rooms will be added across different categories throughout

the country. (Source: Union Ministry of Tourism)

The occupancy rates of the hotels are expected to increase from 76% in FY2007 to 77% in FY2008. (Source: Ministry of Tourism)

Operational Performance

Jaypee Hotels Limited (JHL) is 72.18% subsidiary of Jaiprakash Associates Limited and has been present in the Hospitality business for approximately 28 years. Jaypee Hotels Limited owns and operates three 5 - star hotels, Jaypee Vasant Continental and Jaypee Siddharth at Delhi and Jaypee Palace Hotel at Agra. Jaypee Hotels Limited also manages 2 Hotel properties owned by your Company, Jaypee Residency Manor at Mussoorie and Jaypee Greens Resorts at Greater Noida. During the year under review it achieved the turnover of Rs. 172.91 Crores as compared to Rs. 130.80 Crores in previous year registering the growth of 32 %. The Net profit for the year was registered at Rs. 17.54 Crores vis-à-vis Rs. 13.64 Crores in previous year.

The hotel division of the Company has been showing consistent impressive growth. The Average Occupancy & Average Room Rate from the hotels showed substantial increase during the year. The Board of Directors of Jaypee Hotels Limited have recommended a payment of dividend @ 18% for the year 2007-08. The management of the Company is hopeful of achieving better results in the coming year both in the hotel and in the construction divisions of the Company.

OPPORTUNITIES & THREATS

1. Engineering & Construction Industry:

With a lot of thrust by the Government of India to add hydropower generation in India to meet growing power demand and to correct the Hydro Power mix to 40-60, it is expected that large number of hydropower projects will be taken up by various Government undertakings thus more opportunities for Company which specializes in development of Hydro power and River Valley Projects. Similar Governmental thrust on other infrastructure projects like highways/ expressways has provided more opportunities for the Company.

2. Hydro Power:

The necessity for addition of hydro-power as above and the various incentives provided by the Govt. of India for private sector participation in development of power will be key to the development of Hydro project on BOO basis by the Company.

3. Hospitality:

Growth in India's tourism, with higher tourist arrivals and the increase in economic activity in the country will facilitate growth in the Hospitality business. More so, in the light of forthcoming Commonwealth Games being hosted by India at New Delhi, the Hospitality business will get additional boost.

4. Cement:

Cement sales have grown 7.9% as an increased focus on infrastructure projects has pushed up demand for the building material in the world's second-largest cement market after China. Given the sustained growth in the housing sector, the Government's emphasis on infrastructure (at both the national and the state level) and increased global demand, the outlook for India's cement industry is exceedingly bright. The company has undertaken various measures to improve the cement operations.

5. Mining:

As per GOI's latest guidelines, Coal Blocks are available for captive use by Steel, Cement and Power Sectors. The Company

has procured Captive Coal Blocks to meet the requirements of its business which would not only meet its long term energy needs, but also bring down the cost of production substantially.

6. Real Estate:

The Government has introduced many progressive reform measures to unlock the potential of the sector and also meet increasing demand levels.

7. The Indian Economy

is expected to grow at around 8% p.a. in the medium term. The growth is envisaged to be driven by investments in infrastructure including Roads, Ports, Power Sector, etc. Besides, housing sector in the urban and semi-urban areas is poised for growth.

Increasing economic activity and population is expected to increase both, per capita and aggregate, cement consumption. These factors are expected to positively impact the prospects of demand for cement.

The Company has emerged as a Significant Infrastructure Company with diversification in Real Estate, Expressways and Hospitality business. Already with a higher growth curve, the Company is poised to seize every opportunity to enter the existing line of business or new related line of businesses. The Company is well equipped to handle threats of competition and challenges which might emanate from Cement Industry or the Company's ongoing execution of Projects on Mountainous Regions and at difficult terrains.

RISKS & CONCERNs

a) Cement industry is highly energy intensive.

The setting up of the captive power units by the Company for its cement plants in addition to steps taken by it to reduce the power consumption of the units will improve its competitiveness by lowering its power cost, which is one of the key inputs. JAL has so far commissioned captive thermal power plants with an aggregate capacity of 88.50 MW. The Company is in the process of enlarging its Cement capacities in different locations across the country with an endeavor to have captive power units at each such location to be self sufficient and cost efficient.

b) The Engineering & Construction Division of the Company provides performance guarantees in relation to certain of its projects and other activities.

The Company provides the Performance Guarantee which depends on the Terms and Conditions as stipulated by the Clients and is up to 5% of the contract price and is in line with the general practice prevailing in the country for awards of contracts.

c) Cyclical and Political Condition effecting businesses :

The Cement Industry is cyclical in nature and consumption level of cement reduces during monsoon seasons. However, the level of spending on housing sector is dependent on the growth of economy, which is predominantly dependent on agriculture since India is an Agricultural centric economy. Cement Industry has maintained Compounded Annual Growth Rate of almost 8% during last 5 years.

E & C Growth in infrastructure sector is dependent on political stability. There has been continuous emphasis on development of Infrastructure and Housing by successive governments after reform process was initiated in nineties.

d) Contract Payment Risk:

In view of the fact that JAL typically takes up large size construction contracts of sizes over Rs.500 crores which requires large scale

mobilization of man power, machinery and material, the timely receipt of payments from the client is critical.

Generally, the contract terms involve payment of advance for mobilization while the balance amount is linked to the physical progress of the project. JAL restricts its interest to those projects, which have the budgetary outlay / sources of finances tied up (i.e. financial closure achieved), thus, minimizing the risk of delays in payment.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an internal control system commensurate with its size and nature of business, which covers the following areas:-

- Optimum utilization of resources
- Accurate & prompt recording of transactions
- Efficient communication system between the Projects and Head Office
- Safeguarding of assets
- Compliance with prevalent statutes, listing agreement provisions, management policies & procedures
- Efficient management information system
- Adherence to applicable accounting standards and policies
- Review of IT and other systems

The internal control system provides for adherence to approved procedures, policies, guidelines and authorization.

In order to ensure that all checks and balances are in place and all the internal control systems and procedures are in order, regular and exhaustive internal audit is conducted by the qualified Chartered Accountants.

Internal audit reports are reviewed by the Audit Committee on a quarterly basis.

MATERIAL DEVELOPMENT AND HUMAN RESOURCES AND INDUTRIAL RELATIONS

Excellence in business operations is achieved through a committed, talented and focused work force. Led by the Founder Chairman of Jaypee Group, the Company is fortunate to have created a pool of dedicated personnel to share a common passion and vision which has resulted in phenomenal growth of the Group. The Company adopts latest techniques in evaluating the potential of Personnel and training needs of the employees at all cadres. Organizing tailoring classes / training programmes that could fill the knowledge/skill gap and also undertaking in-house training and external programmes are significant functions of Human Resource Department of the Company, which also has in place a monitoring mechanism which continuously evaluates the training needs.

As at March 31, 2008, the Company had a total workforce of approximately 17,998 people, including managers, staff and workers.

Health and Safety

The Company places considerable emphasis on health and safety throughout its operations and is committed to ensuring high standards are maintained in compliance with applicable laws and regulations.

The Company's Safety Policy comprises a statement of the Organization's objectives regarding safety of Man and Equipment in Operation at work sites. The Management's endeavor is to establish Risk-Free and accident free work environment.

The cement division of the Company has been awarded a number of National and State Safety Awards in India. The Company has also been awarded certification of OHSAS 18001 (Safety and Health Management System) by the Bureau Veritas Certification (India) Private Limited.

Industrial relations in the organization continued to be cordial and progressive.

Environmental Matters

As engineering, construction and manufacturing company, the Company is required to comply with various laws and regulations relating to the environment. India has a number of pollution control statutes which empower state regulatory authorities to establish and enforce effluent and emission standards for factories discharging pollutants or effluents into water or the air. In addition, there are various regulations in relation to factories using hazardous processes. Whilst environmental laws in India are not as extensive or stringent as in more developed countries, the Indian government has over the last decade progressively imposed stricter requirements. The principal pollution problem faced by cement manufacturers is stack emission. Whereas ten years ago stack emission levels prescribed for cement plants was 250 mg/Nm³, this level has now been reduced to 100 mg/Nm³, and is expected to be reduced further to 50 mg/Nm³. The Company's cement plants comply with current stack emission limits for air pollution.

The Company has been awarded the Integrated Management System for ISO 14001 (Environment Management System) by the "Bureau Veritas Certification (India) Private Limited in 2006. The main criterion of the award is that the legal and other requirements are complied with and improved continually within a structured and systematic framework. Compliance of the same is ensured and monitored on a regular basis.

In relation to its cement production facilities, the Company has taken various proactive environmental risk management actions.

The Company has also undertaken active water conservation and rain water harvesting measures. In the areas adjacent to the limestone mines, the Company has created four reservoirs with an aggregate surface area of 46.70 hectares with a total storage capacity of 3 million m³. In Jaypepuram, the Company has created three reservoirs over an area of 27.5 hectares with a total storage capacity of 1.42 million m³. A garland canal system laid along the mines periphery area has also been created to collect run-off rainwater in these reservoirs and lakes. These reservoirs and lakes serve the water requirements of the Company's cement plants and thermal power plants, with total annual consumption amounting to approximately 270,000 m³ per annum. Utilisation of water from these reservoirs and lakes avoids the need to extract sub-soil water and accordingly has led to an increase in the water level in the vicinity, serving to mitigate drought conditions in the vicinity which often occur in March/July each year.

The Company utilises fly ash, which is a waste product, for the generation of thermal power. The Company is now able to utilise substantial amounts of fly ash in its production process, including 500/600 MT per day generated from the Company's captive thermal power plants.

Regular environmental audits are conducted at the Company's cement plants and stack/ambient emission monitoring is carried out on a regular basis.

The Company also has an active plantation scheme, with horticultural plans drawn up on a yearly basis for the forestation of reclaimed areas within the vicinity of the Company's limestone mines. Over the reclaimed areas within our mining leases, we have planted 212,389

trees, including 60,079 teak trees. There are more than 485,000 trees in the plantations in the plant, township, mines and along the roads.

Over the past two years, the Company has developed a rain water drainage system, which collects monsoon water through a gravity-cum-pumping system from an area of approximately 175 hectares in Jaypeenagar. During the monsoon in fiscal 2006 and 2007, approximately 185,000m³ and 253,000m³, respectively, of rain water was collected and fed into the reservoirs in the mines.

A unique water conservation measure adopted in the captive power plant is the adoption of the air cooled condenser technology, which greatly reduces the water consumption in the cooling tower makeup. Approximately 9,000 KL/day of water has been saved since the commissioning of captive power plants.

The Company believes that it complies in all material respects with all such statutes applicable to it and with the regulations there under. In particular, it has all the consents from the appropriate regulatory authorities necessary to carry on its business. There are currently no proceedings pending or, to the knowledge of the Company, threatened against the Company or any of its directors, officers or employees in relation to such statutes or regulations.

Air Pollution

As mentioned above, the Company expects the environmental rules and regulations to become more stringent so as to reduce emission from all stacks from 100mg/Nm³ to 50mg/Nm³. The Company has already taken steps in this direction and most of these parameters have been achieved by the cement business. The cement business has undertaken a few major initiatives to reduce dust emissions:

- Adoption of technologies to voluntarily and significantly reduce point source emissions. The Company has converted 04 Nos. Cement Mills ESP (an electrostatic precipitator) with earlier design emission levels of 100 mg/Nm³ to bag filters producing emission levels less than 50 mg/Nm³;
- Commissioning of a detailed report on the performance of its existing Unit-II Raw Mill ESP. Based on the analysis of this report, the Company proposes to implement suggested measures in phases; and
- Plans to convert its Fly Ash Dryer ESP to a Hybrid-Precipfilter, which will improve its environmental performance.

Corporate Social Responsibility

Community Development :

During the year 2007-08, the Company continued with its initiatives for providing occupational health care for the employees and their families on site and for the community around Jaypee Cement Plants at Rewa and Bela. Covering the entire spectrum of the Company's CRDP philosophy, villagers from 26 adopted villages had access to Jaypeenagar and Jaypepuram Hospitals, drinking water facilities were extended to more people, training on hygiene was imparted to more than 1490 villagers and one mobile van with medical facilities was provided for the purpose of community health for distant villages. Public roads in the vicinity of the Plants were improved through maintenance. The Company received an appreciation award from Red Cross Society. Further the Company was awarded "Best Citizen Award" for the year 2006-07 by the PHD Chamber of Commerce & Industry, New Delhi.

The Management has presented the analysis of Division wise performance of the Company for the year 2007-08 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

AUDITORS' REPORT

TO THE MEMBERS OF

JAIPRAKASH ASSOCIATES LIMITED

1. We have audited the attached Balance Sheet of Jaiprakash Associates Limited as at 31st March 2008 and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Jaiprakash Associates Limited management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are prepared free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2008 from being appointed as a director, in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008;
 - (ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement of the cash flows of the Company for the year ended on that date.

For M.P. SINGH & ASSOCIATES
Chartered Accountants

(M.P. Singh)
Partner
M.No.1454

Place : Noida
Dated : 03.05.2008

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March 2008, of Jaiprakash Associates Limited.

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The situation of the moveable assets used in the construction activity keeps on changing from works sites depending upon requirements for a particular contract.
(b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company & nature of its assets. According to the information given to us and to the best of our knowledge, no material discrepancies were noticed on such physical verification.
(c) Fixed assets disposed off by the Company during the year were not substantial; hence it does not affect the Company as a going concern.
- (ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and these have been properly dealt with in the books of account.
- (iii) The Company has not granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods /real estate, electrical energy, services & supplies under EPC contracts. During the course of our audit we have not observed any continuing failure to correct major weakness in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us the Company has complied with the provisions of Section 58A, 58AA and any other provisions of the Companies Act, 1956, and the rules framed thereunder with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) In our opinion the Company has an internal audit system commensurate with the size & nature of its business.
- (viii) We have broadly reviewed the accounts and cost records maintained by the Cement division of the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act,

1956, and are of the opinion that *prima facie* the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records.

(ix) (a) As per records produced before us, the Company is generally regular in depositing undisputed statutory dues like Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material

statutory dues applicable to it, with the appropriate authorities and there were no arrears of such dues at the year end which have remained outstanding for a period of more than six months from the date they became payable.

(b) As per records produced before us the dues of Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty and cess which have not been deposited on account of any dispute are stated hereunder:

(Rs. lacs)

Name of Statute (Nature of dues)	Period to which amount relates	Forum where dispute is pending			Total
		Commissionarate	Appellate authorities- Tribunal	High Court	
Income Tax Central Excise	AY 2005-06	2271.01	13.65 145.69	2.94 15.88 82.46 211.60 18.39	2271.01
	1988-91				13.65
	1997-98				145.69
	2001-02				2.94
	2004-05				15.88
	2005-06				82.46
	2006-07				211.60
	2007-08				18.39
Electricity Cess U.P. Trade Tax	2003-04		92.49 480.15 810.29 711.14 584.78 289.77 612.94	92.49 480.15 810.29 711.14 584.78 289.77 612.94	92.49
	1999-00				480.15
	2000-01				810.29
	2001-02				711.14
	2002-03				584.78
	2003-04				289.77
	2004-05				612.94
	1994-95				19.44
Bihar Sales Tax U.P.Entry Tax	2003-04		213.66 133.00 449.43 375.61 2303.71	213.66 133.00 449.43 375.61 2303.71	213.66
	2004-05				133.00
	2005-06				449.43
	2006-07				375.61
	2007-08				2303.71
	2000-01	0.90			0.90
	2001-02				138.58
	2005-06				10.18
M.P.Entry Tax	2007-08		288.52 6.73	288.52 6.73	288.52
	1997-98				6.73
	1999-00				12.64
	2001-02	20.38			20.38
Nikay Kar MPCT/CST	2004-05	43.32	12.64	2401.05	43.32
	Upto Dec 2003				2401.05

(x) The company does not have any accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities

(xiii) In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause (xii) of Para 4 of the Order is not applicable.

(xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause (xiv) of Para 4 of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, where the Company has given guarantee for loans taken by its subsidiaries from banks or financial institutions, the terms and conditions thereof are not prejudicial to the interest of the company.

(xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

(xvii) According to the information and explanations given to us and on the overall examination of the Balance Sheet of the Company for the year under report, we are of the opinion that no funds raised on short term basis have been used for long term investment.

(xviii) In our opinion and according to the information and explanations given to us, where the Company has issued warrants to one of its promoter companies on a preferential basis entitling it to apply for one equity share per warrant, the price has been worked based on the SEBI formula and in our opinion the same is not prejudicial to the interest of the company.

(xix) According to the information and explanations given to us, the Company has created security/charge in respect of secured non-convertible debentures issued and outstanding at the year end.

(xx) As the Company has not raised any money by way of public issues during the year, Clause (xx) of Para 4 of the Order is not applicable.

(xxi) According to the information and explanations given to us, no material fraud by or on the Company has been noticed or reported during the year.

For M.P. SINGH & ASSOCIATES
Chartered Accountants
(M.P.Singh)
Partner
M.No.1454

Place : Noida

Dated : 03.05.2008

BALANCE SHEET
AS AT 31ST MARCH, 2008

	SCHEDULE	2007-2008 Rs. IN LAKHS	2006-2007 Rs. IN LAKHS
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	A	23,430	21,924
Reserves and Surplus	B	396,520	265,371
Equity Warrants	C	39,850	—
LOAN FUNDS			287,295
Secured Loans	D	464,030	368,595
Unsecured Loans	E	366,528	180,717
DEFERRED TAX LIABILITY		57,115	49,943
TOTAL FUNDS EMPLOYED		1,347,473	886,550
APPLICATION OF FUNDS			
FIXED ASSETS	F		
Gross Block		516,624	420,193
Less: Depreciation		145,473	127,997
Net Block		371,151	292,196
Capital Work-in-Progress [Including Incidental Expenditure Pending Allocation]		421,901	793,052
INVESTMENTS	G	322,483	218,620
DEFERRED TAX ASSET		1,149	510,816
CURRENT ASSETS,LOANS & ADVANCES	H		
Inventories		98,130	80,616
Projects Under Development		32,617	50,040
Sundry Debtors		58,618	45,205
Cash and Bank Balances		181,544	142,981
Other Current Assets		3,190	1,253
Loans & Advances		222,194	109,850
		596,293	429,945
LESS: CURRENT LIABILITIES & PROVISIONS	I		
Current Liabilities		334,909	202,624
Provisions		30,605	30,407
		365,514	233,031
NET CURRENT ASSETS		230,779	196,914
MISCELLANEOUS EXPENDITURE	J	10	14
TOTAL APPLICATION OF FUNDS		1,347,473	886,550
Accounting Policies and Notes to the Accounts	T		

As per our report of even date attached to the Balance Sheet

For M.P. SINGH & ASSOCIATES
Chartered Accountants

M.P. SINGH
Partner

Place : Noida
Dated: 3rd May, 2008

GOPAL DAS BANSAL
Sr. Vice-President
[Accounts]

R.B. SINGH
C.F.O.
[Cement]

HARISH K. VAID
Sr. President [Corporate Affairs] &
Company Secretary

For and on behalf of the Board

MANOJ GAUR
Executive Chairman & CEO

SUNIL KUMAR SHARMA
Executive Vice Chairman

S.D. NAILWAL
Director [Finance] & CFO

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULE	2007-2008 Rs. IN LAKHS	2006-2007 Rs. IN LAKHS
INCOME			
Cement Sales [Gross]	224,051	207,270	
Less:Excise Duty on Sales	33,812	(25,419)	
Construction Revenue	173,019	161,072	
Real Estate Revenue	25,583	—	
Hotel/Hospitality Revenue	3,058	2,935	
Power Revenue	1,811	646	
Asbestos Sheets Sales [Gross]	5,165	1,403	
Less:Excise Duty on Sales	364	(115)	
Other Revenue	K 28,878	9,753	
		427,389	357,545
EXPENDITURE			
(Increase)/Decrease in Stocks & Work-in-Progress	L	(6,198)	(19,410)
Manufacturing, Construction, Real Estate,			
Hotel/Hospitality &			
Power Expenses	M	201,140	195,316
Excise Duty on Stocks [Refer Note No.21(b of Schedule "T")]		674	218
Personnel	N	25,527	16,108
Selling & Distribution Expenses	O	36,886	34,500
Other Expenses	P	30,781	26,792
Interest	Q	33,914	25,725
Depreciation	20,330	343,054	16,305
Profit before Tax		84,335	295,554
Provision for Tax			61,991
Current Tax		15,776	19,509
Deferred Tax		6,955	690
Fringe Benefit Tax	637	23,368	302
Profit after Tax		60,967	20,501
Profit brought forward from Previous Year		111,006	90,038
Debenture Redemption Reserve no longer required		6,000	3,200
Profit Available for Appropriation		177,973	134,728
Less:Transferred to Reserve for Premium on Foreign Currency Convertible Bonds		3,682	3,198
Less : Transferred to Debenture Redemption Reserve		3,485	7,133
Less : Transferred to General Reserve		6,100	4,300
Less : Dividend Paid pertaining to Previous Year [including Dividend Tax]		6	—
Less : Interim Dividend	6,774	4,374	
Tax on Interim Dividend	1,151	613	
Proposed Final Dividend	4,686	3,508	
Tax on Proposed Final Dividend	796	13,407	596
Balance carried to Balance Sheet		151,293	9,091
111,006			
Accounting Policies and Notes to the Accounts	T		
Basic Earnings Per Share [Face Value Rs.2/- per share]	Rs.	5.42	3.82
Diluted Earnings Per Share [Face Value Rs.2/- per share]	Rs.	5.32	3.55

For and on behalf of the Board

As per our report of even date
attached to the Balance Sheet

For M.P. SINGH & ASSOCIATES
Chartered Accountants

M.P. SINGH
Partner

Place : Noida
Dated: 3rd May, 2008

GOPAL DAS BANSAL
Sr. Vice-President
[Accounts]

R.B. SINGH
C.F.O.
[Cement]

HARISH K. VAID
Sr. President [Corporate Affairs] &
Company Secretary

MANOJ GAUR
Executive Chairman & CEO

SUNIL KUMAR SHARMA
Executive Vice Chairman

S.D. NAILWAL
Director [Finance] & CFO

SCHEDULE "A" SHARE CAPITAL		2007-2008 Rs. IN LAKHS	2006-2007 Rs. IN LAKHS
Authorised			
5,15,00,00,000*	Equity Shares of Rs.2/- each [Previous Year 103,00,00,000 Equity Shares of Rs.10/- each]	103,000	103,000
30,00,000	Preference Shares of Rs.100/- each	3,000	3,000
	* consequent upon sub-division of shares from Rs.10/- each to Rs.2/- each as on 26.12.2007		
		106,000	106,000
Issued, Subscribed and Paid-up			
117,15,22,417	Equity Shares of Rs. 2/- each fully paid up [Previous Year 21,92,39,654 of Rs.10/- each] comprising of 86,08,65,055* Equity Shares [Previous Year 17,21,73,011 of Rs.10/- each] allotted as fully paid-up in terms of the Scheme of Amalgamation effective from 11.03.2004. 2,02,19,850* of Rs.2/- each fully paid up Equity Shares [Previous Year 40,43,970 of Rs.10/- each] allotted for cash under "Jaypee Employees Stock Purchase Scheme 2002", 16,60,58,687* Equity Shares [Previous Year 1,81,46,908 of Rs.10/- each] allotted for cash on conversion of Foreign Currency Convertible Bonds and 12,43,78,825* Equity Shares [Previous Year 2,48,75,765 of Rs.10/- each] allotted as fully paid in terms of Scheme of Amalgamation effective from 22.08.2006 * consequent upon sub-division of shares from Rs.10/- each to Rs.2/- each as on 26.12.2007	23,430	21,924
		23,430	21,924
SCHEDULE "B" RESERVES AND SURPLUS			
General Reserve			
As per last Balance Sheet	28,067	24,212	
Add:Transfer from Profit & Loss Account	6,100	4,300	
Less:Adjustment on account of Actuarial Valuation of Gratuity and Earned Leave Due till 31.03.06 in terms of AS-15 [Revised]	—	34,167	445
			28,067
Debenture Redemption Reserve			
As per last Balance Sheet	22,241	18,308	
Add:Provided during the year	3,485	7,133	
	25,726		25,441
Less:Transfer to Profit & Loss Account on Redemption	6,000	19,726	3,200
			22,241
Revaluation Reserve			
As per last Balance Sheet	30,886	53,647	
Less:Revaluation Reserve on Leasehold Land under Development reversed	—	22,688	
	30,886		30,959
Less:Proportionate Amortisation	73	30,813	73
			30,886
Securities Premium Account			
As per last Balance Sheet	66,549	57,085	
Add :During the year on conversion of Foreign Currency Convertible Bonds into Shares	83,668	150,217	9,464
			66,549
Reserve for Premium on Foreign Currency Convertible Bonds			
As per last Balance Sheet	4,134	936	
Add :During the year	3,682	7,816	3,198
			4,134
Capital Reserve on Amalgamation		2,488	2,488
Surplus			
As per Profit & Loss Account	151,293	111,006	
	396,520		265,371

SCHEDULE "C" EQUITY WARRANTS	2007-2008 Rs. IN LAKHS	2006-2007 Rs. IN LAKHS
Equity Warrants Upfront Payment [Refer Note No.30 of Schedule "T"]	39,850	—
	<u>39,850</u>	<u>—</u>
SCHEDULE "D" SECURED LOANS		
A. Debentures		
(i) 50,00,000 16.5% Non-convertible Secured Debentures of Rs.100/- each fully paid-up in cash [Fully Redeemed] [Previous Year Rs.90/- per Debenture Redeemed]	—	500
(ii) 1,00,00,000 12% Non-convertible Secured Debentures of Rs.100/- each fully paid-up in cash [Rs.80/- per Debenture Redeemed] [Previous Year Rs.60/- per Debenture Redeemed]	2,000	4,000
(iii) 1,100 13.5% Non-convertible Secured Debentures of Rs.1,00,000/- each fully paid-up in cash [Fully Redeemed] [Previous Year Rs.75,000/- per Debenture Redeemed]	—	275
(iv) 900 13.5% Non-convertible Secured Debentures of Rs.1,00,000/- each fully paid-up in cash [Fully Redeemed] [Previous Year Rs.75,000/- per Debenture Redeemed]	—	225
(v) 1,000 12% Non-convertible Secured Debentures of Rs.1,00,000/- each fully paid-up in cash [Rs.75,000/- per Debenture Redeemed] [Previous Year Rs.50,000/- per Debenture Redeemed]	250	500
(vi) 1,800 7.5% Non-convertible Secured Debentures of Rs.10,00,000/- each fully paid-up in cash	18,000	18,000
(vii) 1,500 9.5% Non-convertible Secured Debentures of Rs.10,00,000/- each fully paid-up in cash	15,000	15,000
(viii) 5,000 9 % Non-convertible Secured Debentures of Rs.1,00,000/- each fully paid-up in cash [Previous Year Rs.30,00,00,000/- Advance subscription against Non-Convertible Secured Debentures]	5,000	3,000
	<u>40,250</u>	<u>41,500</u>
B. Term Loans		
(i) From Financial Institutions	45,031	27,921
(ii) From Banks		
(a) In Rupees	325,293	242,598
(b) In Foreign Currency	28,872	29,044
(iii) From Others	10,000	10,000
	<u>409,196</u>	<u>309,563</u>
C. Working Capital Loans		
From Banks:		
(i) For Working Capital		
In Rupees	11,635	12,611
(ii) For Overseas Works	2,296	3,682
	<u>13,931</u>	<u>16,293</u>
D. Advances from Clients:		
From Government Departments, Public Sector Undertakings & Others - Secured against hypothecation of Construction Material and Plant & Machinery		
(i) Interest Bearing	606	932
(ii) Non Interest Bearing	47	231
	<u>653</u>	<u>1,163</u>
E. Hire Purchase		
	—	76
	<u>464,030</u>	<u>368,595</u>

SCHEDULE "E"
UNSECURED LOANS

		2007-2008	2006-2007
		Rs. IN LAKHS	Rs. IN LAKHS
A.	Foreign Currency Convertible Bonds [See Note No.4 of Schedule "T"]		
	FCCB-I [USD]	826	889
	FCCB-II [EURO]	6,014	94,908
	FCCB-III [USD]	<u>158,635</u>	<u>165,475</u>
		<u>115,564</u>	—
		95,797	29,016
B.	Foreign Currency Loans from Banks [ECB]		
C.	Debentures:		
	[i] 8,63,083 8% Non-convertible Unsecured Debentures of Rs.100/- each fully paid-up in cash [Rs.25/- per Debenture Redeemed]	647	863
	[Repayable within one year - Rs.216 Lakhs (Previous Year Rs.216/- Lakhs)]		
	[ii] Nil [Previous Year 1,000] 9.1% Non-convertible Unsecured Debentures of Rs.1,00,000/- each fully paid-up in cash	—	647
		10,000	10,863
D.	Short Term Loans from Banks		
	[i] From Financial Institutions	5,000	—
	[ii] From Banks	40,500	17,775
	[iii] From Others	<u>8,500</u>	<u>54,000</u>
		<u>—</u>	<u>—</u>
	[Repayable within one year - Rs.28,000/- Lakhs (Previous Year Rs.7,775/- Lakhs)]		
E.	Sales Tax Deferment Loan	1,582	2,102
	[Repayable within one year - Rs.657/- Lakhs (Previous Year Rs.845/- Lakhs)]		
F.	Bills Discounting	3,121	4,867
	[Repayable within one year - Rs.3,121/- Lakhs (Previous Year Rs.4,867/- Lakhs)]		
G.	Fixed Deposit Scheme	19,009	14,091
	[Repayable within one year - Rs.9,164/- Lakhs (Previous Year Rs.8,051/- Lakhs)]		
H.	Deposits [from Stockists & Sales Promoters]	7,130	6,206
		366,528	180,717

SCHEDULE "F"
FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				RS. IN LAKHS	
	As On 1.4.2007	Addition During The Year	Sale/ Transfer/ Disposal During The Year	As On 31.03.2008	Upto 31.3.2007	For The Year	Sale/ Adjust- ment	Upto 31.03.2008	As On 31.03.2008	As On 31.3.2007
01 Land										
(a) Leasehold Land	42,546	2,119	466	44,199	—	—	—	—	44,199	42,546
(b) Freehold Land	7,603	2,162	—	9,765	—	—	—	—	9,765	7,603
02 Building										
(a) Office	25,271	4,444	1,360	28,355	4,213	533	524	4,222	24,133	21,058
(b) Hotel	2,809	—	—	2,809	479	46	—	525	2,284	2,330
03 Purely Temporary Erections	6,411	931	—	7,342	6,411	931	—	7,342	—	—
04 Railway siding	6,996	128	—	7,124	670	323	—	993	6,131	6,326
05 Plant & Machinery										
(a) Cement Division	138,877	35,850	—	174,727	66,185	7,577	—	73,762	100,965	72,692
(b) Construction Division	115,303	33,230	5,146	143,387	39,277	6,607	2,574	43,310	100,077	76,026
(c) Golf Course	440	34	11	463	84	22	3	103	360	356
(d) Hotel	68	1	—	69	16	4	—	20	49	52
06 Captive Thermal Power Plant	40,415	187	—	40,602	3,919	2,347	—	6,266	34,336	36,496
07 Wind Turbine Generators	7,967	18,886	—	26,853	62	605	—	667	26,186	7,905
08 Golf Course	3,109	601	—	3,710	873	152	—	1,025	2,685	2,236
09 Miscellaneous Fixed Assets (Hotel)	185	24	—	209	47	11	—	58	151	138
10 Motor Vehicles	4,749	1,219	464	5,504	2,140	466	244	2,362	3,142	2,609
11 Furniture & Office Equipment	8,418	2,540	514	10,444	3,597	846	169	4,274	6,170	4,821
12 Ships:Boat	9	—	—	9	—	1	—	1	8	9
13 Aeroplane / Helicopter	9,014	2,036	—	11,050	21	519	—	540	10,510	8,993
14 Technical Books	3	—	—	3	3	—	—	3	—	—
	420,193	104,392	7,961	516,624	127,997	20,990	3,514	145,473	371,151	292,196
PREVIOUS YEAR	366,376	65,244	11,427	420,193	119,609	16,702	8,314	127,997	292,196	
CAPITAL WORK-IN-PROGRESS [Including Incidental Expenditures Pending Allocation]									421,901	218,620

Note:

(i) Out of the Depreciation for the year, Rs.660 Lakhs [Previous Year Rs.397 Lakhs] has been included in Expenditure During Construction Period shown in Schedule "S".

SCHEDULE "G"
INVESTMENTS (AT COST)
(A) Investments in Subsidiaries
(a) QUOTED

		2007-2008	2006-2007
		Rs. IN LAKHS	Rs. IN LAKHS
(i)	4,00,49,943 Equity Shares of Jaypee Hotels Limited of Rs.10/- each fully paid-up	6,542	6,542
(ii)	31,10,00,600 Equity Shares of Jaiprakash Hydro-Power Limited of Rs.10/- each fully paid-up	41,376	41,376
(b)	UNQUOTED	47,918	47,918
(i)	42,90,00,000 Equity Shares of Jaiprakash Power Ventures Limited of Rs.10/- each fully paid-up	42,900	42,900
(ii)	75,00,00,000 Equity Shares of Jaypee Karcham Hydro Corporation Limited of Rs.10/- each fully paid-up	75,000	75,000
(iii)	35,59,50,700 Equity Shares of Jaypee Cement Limited of Rs.10/- each fully paid-up [Previous Year 4,50,50,700]	35,595	4,505
(iv)	95,50,00,000 Equity Shares of Jaypee Infratech Limited of Rs.10/- each fully paid-up	95,500	–
(v)	50,000 Equity Shares of Himalayan Expressway Limited of Rs.10/- each fully paid-up	5	–
(vi)	6,17,000 Equity Shares of JPSK Sports Private Limited of Rs.10/- each fully paid-up	62	–
(vii)	5,00,000 Equity Shares of Jaypee Ganga Infrastructure Corporation Limited of Rs.10/- each fully paid-up	50	–
(viii)	63,000 Equity Shares of Gujarat Jaypee Cement & Infrastructure Limited of Rs.10/- each fully paid-up	6	249,118
		–	122,405

(B) Investment in Joint Venture Subsidiaries
UNQUOTED

(i)	1,05,00,000 Equity Shares of Madhya Pradesh Jaypee Minerals Limited of Rs.10/- each fully paid-up	1,050	1,050
(ii)	6,94,67,500 Equity Shares of Bhilai Jaypee Cement Limited of Rs.10/- each fully paid-up	9,647	10,697

(C) Investment in Associate Company
UNQUOTED

(i)	10,000 Equity Shares of Jaiprakash Kashmir Energy Limited of Rs.10/- each fully paid-up	1	1
-----	---	---	---

(D) Other Investments
(a) QUOTED

(i)	15,350 Equity shares of Capital Trust Limited of Rs.10/- each fully paid-up	2	2
(ii)	100 Equity Shares of IFCI Limited of Rs.10/- each fully paid-up (Rs.3,500/-)	–	–
(iii)	7,21,600 Equity Shares of Indian Overseas Bank of Rs.10/- each fully paid-up	72	72
(iv)	1,65,900 Equity Shares of PNB Gilts Limited of Rs.10/- each fully paid-up	50	124

(b) UNQUOTED

(i)	5 Equity Shares of Makers Chamber VI Premises Co-operative Society Limited, Bombay of Rs.50/- each fully paid-up (Rs.250/-)	–	–
(ii)	5,000 Equity Shares of Tourism Advisory Financial Service Corp. of India Limited of Rs.100/- each fully paid-up	5	5
(iii)	20,35,000 Equity Shares of Jaypee DSC Ventures Limited of Rs.10/- each fully paid-up	204	209

(E) BULLION

Gold [27 Kgs]

260 260

(F) SHARE APPLICATION MONEY

(i)	Jaypee Cement Limited [Subsidiary Company]	2,110	5,506
(ii)	Jaiprakash Kashmir Energy Limited [Associate Company]	101	101
(iii)	Madhya Pradesh Jaypee Minerals Limited [Joint Venture Subsidiary]	2,034	300
(iv)	Gujarat Jaypee Cement & Infrastructure Limited [Subsidiary Company]	160	–
(v)	Himalayan Expressway Limited [Subsidiary Company]	500	–
(vi)	JPSK Sports Private Limited [Joint Venture Subsidiary]	101	–
(vii)	Jaypee Ganga Infrastructure Corporation Limited [Subsidiary Company]	9,150	14,156
		–	5,907
		322,483	177,874

Note: 1. Aggregate cost of:

Quoted Investments (Market Value Rs.2283,76,44,440/-)

Rs. 4,804,160,148

Rs. 4,804,160,148

Previous Year Rs.1127,31,37,680/-)

Rs. 26,028,450,163

Rs. 12,392,475,163

Unquoted

2. All Investments are Long Term

	2007-2008 Rs. IN LAKHS	2006-2007 Rs. IN LAKHS
SCHEDULE "H"		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
1. INVENTORIES (As per inventories taken, valued and certified by the Management)		
(a) Stores and Spare Parts (at cost)	34,761	29,311
(b) Construction Materials (at cost)	10,226	5,398
(c) Raw Materials - Cement Division (at cost)	905	641
(d) Raw Materials - Asbestos Sheets (at cost)	281	506
(e) Finished Goods - Cement Division (at estimated cost or net realisable value whichever is lower)	2,653	2,377
(f) Finished Goods - Asbestos Sheets (at estimated cost or net realisable value whichever is lower)	562	710
(g) Stock in Process-Cement Division (at estimated cost)	3,006	756
(h) Work-in-Progress-Construction Division (at estimated cost)	43,418	39,598
(i) Goods in Transit	2,318	98,130
	<u>98,130</u>	<u>1,319</u>
	<u>80,616</u>	
2. PROJECTS UNDER DEVELOPMENT [at cost] [also refer Schedule "R"]	32,617	50,040
3. SUNDY DEBTORS		
(Unsecured, considered good)		
(a) Debts outstanding for a period exceeding six months:		
(i) From Overseas Works	10,163	10,163
(ii) From Others	17,434	15,279
Less: Provision for Bad and Doubtful Debts	139	27,458
	<u>17,295</u>	<u>(140)</u>
(b) Other Debts	31,160	58,618
	<u>58,618</u>	19,903
		45,205
4. CASH AND BANK BALANCES		
(a) Cash,Cheques in hand and in transit	5,858	9,162
(b) Balances with Scheduled Banks		
(i) In Current & Cash Credit Account	35,389	23,705
(ii) In Fixed Deposits Account (Fixed Deposits of Rs.91,02,89,211/- pledged as Margin Money (including Rs.16,87,83,413/- pledged as Margin against performance guarantee) with Banks & Others) [Previous Year Rs.86,26,44,845/-]	139,597	109,602
(iii) Balance in Dividend Account	641	400
(c) Balance with Non-Scheduled (Foreign) Banks		
In Current Account	59	181,544
	<u>59</u>	<u>112</u>
		142,981
5. OTHER CURRENT ASSETS		
Interest accrued on Fixed Deposits & Others (From Banks		
Rs.31,78,87,262/- Previous Year Rs.12,10,69,109/-)	3,190	1,253
	<u>3,190</u>	<u>1,253</u>
	<u>374,099</u>	<u>320,095</u>
B. LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances to Suppliers,Contractors,Sub-Contractors & Others	74,690	53,013
Staff Imprest and Advances	525	333
Claims and Refunds Receivable	20,363	8,592
Prepaid Expenses	3,550	4,645
Deposits with Govt. Deptts., Public Bodies and Others		
(a) Govt. Deptts. & Public Bodies	17,519	14,793
(b) Others		
(i) Real Estate	81,200	-
(ii) Others	1,396	100,115
	<u>1,396</u>	<u>894</u>
	<u>100,115</u>	<u>15,687</u>
Works Contract Tax/Sales Tax Recoverable	1,458	2,705
Advance Tax and Income Tax Deducted at Source	21,493	24,875
	<u>21,493</u>	<u>24,875</u>
	<u>222,194</u>	<u>109,850</u>
GRAND TOTAL	596,293	429,945

2007-2008
 Rs. IN LAKHS

 2006-2007
 Rs. IN LAKHS

SCHEDULE "I"
CURRENT LIABILITIES AND PROVISIONS
A. CURRENT LIABILITIES

Sundry Creditors				
(a) Dues to Micro, Small and Medium Enterprise	—			
(b) Others	<u>70,102</u>	<u>70,102</u>	<u>48,317</u>	<u>48,317</u>
Advances from Customers				
(a) Real Estate		<u>63,325</u>		30,617
(b) Others		<u>6,042</u>		11,523
Due to Staff		<u>1,229</u>		900
Due to Directors		<u>2</u>		2
Adjustable receipts against Contracts (against Guarantees)				
(a) Interest Bearing		<u>22,347</u>		21,217
(b) Non Interest Bearing				
(i) From Subsidiaries / Associates	<u>140,620</u>		<u>61,430</u>	
(ii) From Others	<u>5,160</u>	<u>145,780</u>	<u>168,127</u>	<u>7,106</u>
Other Liabilities			<u>16,872</u>	<u>14,127</u>
Interest accrued but not due on loans			<u>8,567</u>	<u>6,983</u>
Investors Education & Protection Fund:				
[Appropriate amounts shall be transferred to Investor Education & Protection Fund, if and when due]				
(a) Unclaimed Dividend	<u>641</u>		<u>400</u>	
(b) Share Application Money Refundable A/c (Rights Issue)	<u>2</u>	<u>643</u>	<u>2</u>	<u>402</u>
		<u>334,909</u>		<u>202,624</u>
B. PROVISIONS				
For Taxation		<u>20,647</u>		23,291
For Gratuity		<u>2,915</u>		1,981
For Provident Fund		<u>339</u>		270
For Leave Encashment		<u>1,222</u>		761
For Proposed Final Dividend		<u>4,686</u>		3,508
For Tax on Proposed Final Dividend		<u>796</u>		596
		<u>30,605</u>		<u>30,407</u>
GRAND TOTAL		<u>365,514</u>		<u>233,031</u>

SCHEDULE "J"
MISCELLANEOUS EXPENDITURE
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

Preliminary Expenses		<u>10</u>		<u>14</u>
		<u>10</u>		<u>14</u>

SCHEDULE "K"
OTHER REVENUE

Dividend		<u>11,226</u>		740
Rent		<u>333</u>		88
Machinery Rentals		<u>3,733</u>		2,628
Foreign Currency Exchange Rate Difference		<u>2,046</u>		279
Interest (including Rs.43,01,42,449/- from Banks)		<u>5,261</u>		2,709
Miscellaneous		<u>6,279</u>		3,309
		<u>28,878</u>		<u>9,753</u>

SCHEDULE "L"
(INCREASE) / DECREASE IN STOCKS & WORK-IN-PROGRESS

OPENING STOCKS - Cement Division & Asbestos Sheets				
Finished Goods	<u>3,087</u>		<u>1,546</u>	
Stock-in-process	<u>756</u>	<u>3,843</u>	<u>770</u>	<u>2,316</u>
LESS:CLOSING STOCKS - Cement Division & Asbestos Sheets				
Finished Goods	<u>3,215</u>		<u>3,087</u>	
Stock-in-process	<u>3,006</u>	<u>6,221</u>	<u>(2,378)</u>	<u>756</u>
WORK-IN-PROGRESS - Construction Division				
Opening Work-in-Progress	<u>39,598</u>		<u>21,715</u>	
Less:Closing Work-in-Progress	<u>43,418</u>	<u>(3,820)</u>	<u>39,598</u>	<u>(17,883)</u>
		<u>(6,198)</u>		<u>(19,410)</u>

	2007-2008 Rs. IN LAKHS	2006-2007 Rs. IN LAKHS
SCHEDULE "M"		
MANUFACTURING, CONSTRUCTION, REAL ESTATE, HOTEL/ HOSPITALITY & POWER EXPENSES		
Raw Materials Consumed - Cement Division	17,867	17,227
Raw Materials Consumed - Asbestos Sheets	2,282	1,104
Construction Expenses	63,227	74,496
Real Estate Expenses	15,495	-
Consumption of Food and Beverages etc.	216	212
Hotel & Golf Course Operating Expenses	853	720
Hire Charges and Lease Rentals of Machinery	278	463
Power, Electricity and Water Charges	20,119	20,760
Repairs and Maintenance of Machinery	25,694	25,470
Repairs to Building and Camps	1,731	2,004
Stores and Spares Consumed	22,297	22,159
Coal and Packing Materials Consumed	29,482	28,143
Freight, Octroi & Transport Charges	9,713	9,348
	<hr/>	<hr/>
Less:Self Consumption - Cement & Asbestos Sheets	209,254	202,106
	8,114	6,790
	<hr/>	<hr/>
	201,140	195,316
SCHEDULE "N"		
PERSONNEL		
Salaries, Wages & Bonus	21,833	13,425
Gratuity	1,108	346
Contribution to Provident & Other Funds	1,329	1,099
Staff Welfare	1,257	1,238
	<hr/>	<hr/>
	25,527	16,108
SCHEDULE "O"		
SELLING & DISTRIBUTION EXPENSES		
Loading, Transportation & Other Charges	27,910	29,697
Commission on Sales	2,880	2,663
Sales Promotion	6,096	2,140
	<hr/>	<hr/>
	36,886	34,500
SCHEDULE "P"		
OTHER EXPENSES		
Rent	608	397
Rates & Taxes	3,076	3,586
Insurance	3,901	3,335
Travelling & Conveyance	2,404	1,924
Bank Charges & Guarantee Commission	2,826	3,196
Loss on Sale / Disposal / Write-off of Assets (Net)	1,718	1,764
Financing Charges	1,352	412
Postage, Telephone & Telex	565	443
Light Vehicles Running & Maintenance	962	1,046
Legal & Professional	1,977	1,454
Charity & Donation	3,123	2,631
Security & Medical Service	2,073	1,884
Provision for Bad and Doubtful Debts	-	140
Directors' Fees	23	11
Amortisation of Land Premium	100	100
Less:Transferred from Revaluation Reserve	73	27
	<hr/>	<hr/>
Miscellaneous Expenses	6,108	4,509
Auditors' Remuneration:		
Audit Fees	28	22
Tax Audit Fees	2	2
To Partners in other capacity:		
For Taxation Matters [Rs.12,000/-]	-	-
For Management Services	1	1
Reimbursement of Expenses	3	4
Preliminary, Share & Debenture Issue & Other carry forward expenses written off	4	4
	<hr/>	<hr/>
	30,781	26,792

2007-2008
Rs. IN LAKHS

2006-2007
Rs. IN LAKHS

SCHEDULE "Q"

INTEREST

Interest on Non-Convertible Debentures	3,799	5,535
Interest on Term Loans	22,756	14,688
Interest on Bank Borrowing and Others	7,359	5,502
	33,914	25,725

SCHEDULE "R"

PROJECTS UNDER DEVELOPMENT

Opening Balance as on 01.04.2007	50,040	61,113
Less:Revaluation reserve on Lease-hold Land under Development reversed	—	22,688
	50,040	38,425
Expenses On Development during the year		
Purchase of Land	—	419
Construction Expenses	13,863	3,969
Technical Consultancy	975	508
Power, Electricity and Water Charges	144	156
Personnel Expenses	808	328
Sales and Promotional Expenses	855	251
Lease Rent	—	87
Interest / Financing Charges	—	1,226
Other Expenses	1,155	478
	67,840	45,847
Add :EDC and Other Incidental Expenses	—	4,193
Less:Transferred to Jaypee Infratech Limited	19,666	—
Less:Cost on Construction Properties	15,557	—
Balance carried to SCHEDULE H - A-2	32,617	50,040

SCHEDULE "S"

EXPENDITURE DURING CONSTRUCTION PERIOD

Opening Balance as on 01.04.2007	34,764	16,098
Electricity, Power and Fuel	1,368	583
Salary, Wages and Staff Welfare	5,966	1,554
Site Development Expenses	234	616
Repair and Maintenance	444	1,065
Legal and Professional	1,677	2,593
Technical Fee	360	—
Insurance	581	342
Travelling and Conveyance	256	185
LC Commission, Bank Charges and Bank Guarantee Commission	484	571
Interest / Financing Charges	17,485	14,090
Foreign Exchange Fluctuations	3,805	—
Safety and Security	725	395
Freight and Material Handling	1,538	333
Vehicle / Machinery Hire Charges / Lease Rent	856	165
Light Vehicles Running and Maintenance	162	84
Depreciation	660	397
Quarry Development / Compensation	62	363
Advertisement / Business Promotion Expenses	960	—
Miscellaneous	8,136	948
	80,523	40,382
Less:		
(i) Miscellaneous Receipt	239	—
(ii) Interest Received	6,530	3,042
Less:Provision for Taxation	2,195	4,335
	75,949	1,024
		2,018
Less:Capitalised / Transferred During the year	23,810	2,821
Less:Apportioned to Project Under Development	—	779
Carried over to Balance Sheet [included in Capital Work-in-Progress]	52,139	34,764

SCHEDULE “ T ”

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

[A] SIGNIFICANT ACCOUNTING POLICIES

General

- (i) The accounts are prepared on the historical cost basis and on the principles of a going concern.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition

- (i) Revenue/Incomes and Costs/Expenditures are accounted for on accrual basis.
- (ii) Cement Sales/Asbestos Sheets Sales are net of Excise Duty/Sales Tax/ Trade Tax and exclusive of Self Consumption.
- (iii) Construction Revenue/Incomes from/in respect of Contracts entered on or after 01.04.2003 are accounted as per AS-7 [Revised]. Construction Revenue/Incomes from/in respect of Contracts entered before 01.04.2003 are accounted as per erstwhile AS-7.
- (iv) Entrance Fee for Golf Membership is recognised in the year of receipt, irrespective of the period of membership.
- (v) Advances received for Time Share Weeks are reckoned as income in equal amounts spread over the Time Share period commencing from the year in which full payment is received.
- (vi) Escalations/Claims are taken in the accounts on the basis of receipts or as acknowledged by the clients.
- (vii) Revenue from Real Estate Projects is recognised as per AS-9 based on the percentage of completion method. Total Sale consideration as per the agreement to sell entered into is recognised as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost, subject to such actual cost incurred being 30 percent or more of the total estimated project cost. Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined. Where aggregate of the payment received from customers provide insufficient evidence of their commitment to make the complete payment, revenue is recognised only to the extent of such payment received.
- (viii) (a) The costs that are incurred before a construction contract is secured are treated as expenses for the year in which these are incurred and charged to revenue.
- (b) The costs attributable to contracts are normally identified to respective contracts. However, the costs which cannot be identified/identifiable to a specified contract are charged to the general revenue in the year in which such costs are incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialise.

Fixed Assets:

Fixed Assets are stated at Cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, interest on borrowing and financial costs upto the date of acquisition/ installation.

Depreciation:

Depreciation on Fixed Assets is provided on Straight Line Method as per the classification and in the manner specified in Schedule-XIV to the Companies Act, 1956.

Investments

Investments are stated at Cost and where there is permanent diminution in the value of investments a provision is made wherever applicable. Dividend is accounted for as and when received.

Employee Benefits:

Employee Benefits are provided in the books as per AS -15 (revised) in the following manner :

- (i) Provident Fund and Pension contribution - as a percentage of salary/ wages is a Defined Contribution Scheme.
- (ii) Gratuity and Leave Encashment is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on Projected Unit Credit method.

Inventories :

- (i) Stock of Cement/ Asbestos Sheets is valued at estimated cost or net realisable value, whichever is less. Value of Cement, Asbestos Sheets and Clinker lying in the factory premises includes excise duty, pursuant to the Accounting Standard (AS-2) [Revised].
- (ii) The closing stocks are valued on the basis of Weighted Average Cost Method.
- (iii) Work-in-Progress/Material-in-Process is valued at estimated cost.

Foreign Currency Transactions:

- (i) Monetary Assets and Liabilities related to Foreign Currency transactions and outstanding at the close of the year are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet.
- (ii) Transactions in Foreign Currency are recorded in the Books of Account in Indian Rupees at the rate of exchange prevailing on the date of transaction.

Lease Rentals

- (i) Operating Leases: Rentals are expensed with reference to lease terms.
- (ii) Finance Leases: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit & Loss Account.

Research and Development:

Revenue expenditure on Research and Development is charged to Profit & Loss Account in the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to Fixed Assets.

Miscellaneous Expenditure

- (i) Preliminary and Share Issue Expenses are amortised over a period of ten years.
- (ii) Deferred Revenue Expenditure incurred upto 31st March, 2003 is amortised over a period of five years. Miscellaneous Expenditure incurred on or after 1st April, 2003 is written-off in the year in which it is incurred in terms of Accounting Standard [AS-26].

Expenditure During Construction Period

Expenditure incurred on projects/assets during construction/implementation is capitalised and apportioned to projects/assets on commissioning.

Earnings Per Share

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use or sale. All other borrowing costs are charged to revenue.

Segment Reporting

Revenue, operating results, assets and liabilities have been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, Liabilities, Revenue and Expenses which are not allocable to separate segment on a reasonable basis, are included under “Unallocated”.

Taxes on Income

Current Tax is determined as per the provisions of the Income Tax Act in respect of Taxable Income for the year. Deferred Tax Liability is computed as per Accounting Standard [AS-22]. Deferred Tax Asset and Deferred Tax Liability are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet Date.

Provisions, Contingent Liabilities and Contingent Assets [AS - 29]

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(B) NOTES TO THE ACCOUNTS

	31.03.2008 Rupees	31.03.2007 Rupees
01 Contingent Liability not provided for in respect of:		
(a) Outstanding amount of Bank Guarantees	11,428,107,957	10,887,918,513
Margin Money deposited against the above	614,273,303	546,778,638
(b) Corporate Guarantees:		
(i) for Term Loans, NCDs and Deferred Payment Guarantees granted by Financial Institutions & Banks to Jaiprakash Hydro-Power Limited [Subsidiary Company]	5,256,657,330	6,069,621,803
(ii) for Rupee Term Loans and Foreign Currency Loans granted by Financial Institutions & Banks to Jaiprakash Power Ventures Limited [Subsidiary Company]	3,219,462,500	4,079,299,600
(iii) For Performance Guarantee issued by the ICICI Bank on behalf of Jaypee Ganga Infrastructure Corporation Limited, a 100% Subsidiary of the Company	14,912,500,000	-
(c) Claims against the Company not acknowledged as debts	4,049,524,549	3,383,729,617
Amount deposited under Protest	56,046,777	88,550,669
Bank Guaranteed deposited under Protest [Included in 1(a) above]	578,689,000	600,389,000
(d) Outstanding Letters of Credit	3,600,932,063	3,653,230,477
(e) The Company has imported Capital Goods under Export Promotion Capital Goods Scheme [EPCG], where-under the Company is required to fulfil export obligation/deemed exports amounting to Rs.805.41 Crores [Previous Year Rs.1225.16 Crores] till F.Y. 2013-14. The Liability on account of custom duty aggregating to Rs.100.67 Crores [Previous Year Rs.153.14 Crores] may arise alongwith interest @15% p.a., in the event of non-fulfilment of export obligation.		
(f) The Madhya Pradesh Government through the Collector, Rewa issued a notice raising a demand on account of change in the conversion factor for calculation of Royalty on Limestone raised upto December, 2003 in respect of Jaypee Rewa Plant. The Company has contested the demand and the Hon'ble Madhya Pradesh High Court has stayed the demand.	263,450,569	263,450,569
Amount deposited under Protest	23,345,768	23,345,768
The above contingent liability does not include demand for the period January 2004 to March 2008 which has not been raised by the Madhya Pradesh Government till 31.03.08		
(g) (i) Trade Tax rebate of 25% on sale of Cement manufactured with fly ash purchased within the state of U.P has been disputed by the U.P. Trade Tax Department. The Hon'ble High Court at Allahabad disposed-off the Writ Petition on 29.01.2004 in favour of the Company. The Department has thereafter filed SLP in the Hon'ble Supreme Court of India, which has been admitted and an interim order has been passed that pending disposal of the SLP, [a] the Department shall not take any step to encash the Bank Guarantees amounting to Rs.16,69,36,481/- [Included in 1(a) above] [Previous Year Rs.16,69,36,481/-] and [b] granted interim stay for refund of amount of Rs.16,73,31,838/- [Previous Year Rs.16,73,31,838/-] deposited under protest with the Department.	516,237,283	516,237,283
(ii) The Government of U.P. vide Notification dated 14.10.2004 withdrew Notification dated 27.02.1998 granting rebate on tax on sale of fly-ash based cement manufactured within the State of U.P. out of fly-ash procured within U.P. The above Notification dated 14.10.2004 has been challenged by the Company before the Lucknow Bench of Hon'ble Allahabad High Court on the grounds of promissory estoppel in respect of Jaypee Ayodhya Grinding Operations Unit of the Company established in the State of U.P. The disputed tax for the period from 15.10.2004 to 31.03.2008 in respect of Jaypee Ayodhya Grinding Operations Unit and Jaypee Cement Ghoorpur Unit established within U.P. amounting to Rs.53,76,73,870/- [Previous Year Rs.38,66,77,875/-] has been deposited under protest with U.P. Trade Tax Department.	537,673,870	388,463,473
(h) The Government of U.P. has imposed Entry Tax @2% on the value of the Cement w.e.f. 16.05.2003. This was challenged by the Company before the Hon'ble High Court at Allahabad and was decided in favour of the Company. However, the Order of the Hon'ble High Court has been challenged by the Department before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court has directed Hon'ble Allahabad High Court on 14.07.06 to examine the constitutional validity of U.P. Entry Tax Act. The High Court on 08.01.07 has held the above Act ultra vires. The Hon'ble Supreme Court on 17.04.07 passed an interim order sustaining the High Court Order and restricting further deposit. The final decision of Hon'ble Supreme Court is awaited. The Company has deposited Rs.34,09,36,649/- [Previous Year Rs.34,04,23,021/-] and Indemnity Bond/Bank Guarantee of Rs.9,97,086/- [Included in 1(a) above under protest, against the amount worked out for the period upto 23.09.2007].	557,904,792	450,113,952
Amount deposited under Protest	340,936,649	340,423,021
(i) Govt. of U.P. has issued an ordinance viz. "Uttar Pradesh Tax on entry of goods into local areas Ordinance 2007", imposing entry tax on cement and clinker @ 2% and 5% respectively on value of the goods. This was challenged by the Company in the Hon'ble High Court at Allahabad. The Hon'ble		

Court on 01.11.07 has passed an interim order that Entry Tax will not be realised from the company in respect of transactions before and after the date of promulgation of Ordinance dated 24.09.07 provided the Company furnished security other than Cash or Bank Guarantee for the amount of Entry Tax due for that period. The final decision of the Hon'ble High Court is still awaited. As per Hon'ble High Court the Company has submitted Bank Guarantee for Rs.13,05,73,860/- [included in 1(a) above] upto 31.03.08.

		130,573,860	-
(j)	Bihar Sales Tax under appeal	17,120,206	17,120,206
	Amount deposited under Protest	15,176,265	14,176,265
(k)	Excise matters under appeal	74,029,479	70,393,371
	Amount deposited under Protest	33,868,965	10,712,892
(l)	U.P. Trade Tax under appeal	-	2,217,025
(m)	M.P. Entry Tax under Appeal	59,767,370	30,915,458
	Amount deposited under Protest	15,949,625	15,949,625
(n)	U.P. Entry Tax under Appeal	-	13,744,539
(o)	Nikay Kar under appeal	672,924	672,924
(p)	MPCT/CST under appeal	8,756,502	3,942,999
	Amount deposited under Protest	1,122,763	640,763
(q)	Electricity Cess under appeal	18,497,870	18,497,870
	Amount deposited under Protest	9,248,936	9,248,936
(r)	Service Tax matters under appeal	-	153,955
	Amount deposited under Protest	-	153,955
(s)	Income Tax matters under appeal in respect of A.Y.2005-2006 [Previous Year for A.Y. 2004-05]	227,101,888	231,270,470
02	Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	11,288,925,137	12,820,704,953
03	Revaluation Reserve		
	(a) Reserves acquired on amalgamation of erstwhile Jaypee Greens Limited, include Revaluation Reserve of Rs.529,00,06,945/- created on revaluation of Fixed Asset [Land] and "Projects Under Development [Land]" (since adjusted as per [b] below). The said revaluations were done on 14.06.2003 and 28.02.2005 by Rs.250,54,89,147/- and Rs.278,45,17,798/- respectively.	the conversion price of Rs. 558.773 per share, subject to the terms of issue, with a fixed rate of exchange of Rs. 53.599 equal to Euro 1.00 at any time on or after 19.04.2006 and prior to the close of business on 02.03.2013.	
	(b) The aforesaid Revaluation Reserve included Rs.226,88,29,528/- in respect of "Projects Under Development [Land]" forming part of the Inventory under the Current Assets. During the Financial Year 2006-07 the value of "Projects Under Development [Land]" under the Current Assets has been stated at cost and the related Revaluation Reserve amounting to Rs 226,88,29,528/- has been reversed.	Post split of the Equity Shares of Rs 10/- each into 5 Equity Shares of Rs 2/- each on 26.12.2007, the Bonds will be converted into Equity shares of Rs 2/- each at the conversion price of Rs 111.7546 per share.	
	(c) During the F.Y. 2007-08 an amount of Rs.73,42,993/- [Previous Year Rs.73,42,993/-] has been amortised by way of debit to the Revaluation Reserve account and credited to the Profit & Loss Account.	1,31,810 FCCBs of Euro 1,000 each were converted into 1,26,43,545 Equity Shares of Rs.10/- each and 23,714 FCCBs of Euro 1,000 each were converted into 1,13,73,546 Equity Shares of Rs.2/- each during the F.Y. 2007-08.	
04	(a) The Company had issued 1,00,000 Nos 0.50% Foreign Currency Convertible Bonds [FCCB - I] of USD 1,000 each aggregating to USD 100 Million, at par, on 16.02.2005. These Bonds are convertible at the option of bond-holders into equity shares of Rs.10/- each fully paid, at the conversion price of Rs.236.31 per share, subject to the terms of issue, with a fixed rate of exchange of Rs.43.785 equal to USD 1.00 at any time on or after 29.03.2005 and prior to the close of business on 10.02.2010. No conversion has taken place during the year [Previous Year 22,570 Bonds].	9,476 FCCBs of Euro 1,000 each [Previous Year 165,000] were outstanding as on 31.03.2008. Upon conversion of the outstanding Bonds into Equity Shares, the share Capital of the Company will increase by 45,44,816 Equity Shares of Rs.2/- each.	
	Post split of the Equity Shares of Rs 10/- each into 5 Equity Shares of Rs 2/- each on 26.12.2007, the Bonds will be converted into Equity shares of Rs 2/- each at the conversion price of Rs 47.262 per share.	Unless previously converted, the bonds are redeemable at maturity on 09.03.2013 at a premium of 32.071% ; representing a YTM of 4.50% p.a. [value as on 31.03.2008 is Euro 1,084.67 (Previous Year Euro 1,042.40) per Bond]. A reserve aggregating to Rs. 5,09,24,070/- upto 31.03.2008 has been created for the redemption premium.	
	2,060 FCCBs of USD 1,000 each [Previous Year 2,060] were outstanding as on 31.03.2008. Upon conversion of the outstanding Bonds into Equity Shares, the Share Capital of the Company will increase by 19,08,450 Equity Shares of Rs.2/- each.	(c) The Company has issued 4,00,000 Nos Zero Coupon Foreign Currency Convertible Bonds [FCCB-III] of USD 1,000 each aggregating to USD 400 Million at par on 11.09.2007. These Bonds are convertible at the option of bond-holders into equity shares of Rs 10/- fully paid at the conversion price of Rs. 1,238.78 per share, subject to the terms of issue, with a fixed rate of exchange of Rs. 40.35 equal to USD 1.00 at any time on or after 22.10.2007 and prior to the close of business on 05.09.2012.	
	Unless previously converted, the bonds are redeemable at maturity on 17.02.2010 at a premium of 31.959% ; representing a YTM of 6.15% p.a. [value as on 31.03.2008 is USD 1,188.49 (Previous Year USD 1,123.47) per Bond]. A reserve aggregating to Rs.1,55,74,288/- upto 31.03.2008 has been created for the redemption premium .	Post split of the Equity Shares of Rs 10/- each into 5 Equity Shares of Rs 2/- each on 26.12.2007, the Bonds will be converted into Equity shares of Rs 2/- each at the conversion price of Rs 247.756 per share.	
	(b) The Company has issued 1,65,000 Nos 0.50% Foreign Currency Convertible Bonds [FCCB-II] of Euro 1000, each aggregating to Euro 165 Million at par on 09.03.2006. These Bonds are convertible at the option of bond-holders into equity shares of Rs.10/- each fully paid at	4,500 FCCBs of USD 1,000 each were converted into 7,32,876 Equity Shares of Rs.2/- each during the F.Y. 2007-08.	
		FCCBs for USD 395.50 Million were outstanding as on 31.03.2008. Upon conversion of the Bonds into Equity Shares, the Share capital of the Company will increase by 6,44,11,860 Equity shares of Rs. 2/- each.	
		Unless previously converted, the bonds are redeemable at maturity on	

12.09.2012 at a premium of 47.701% ; representing a YTM of 7.95% p.a. [value as on 31.03.2008 is USD 1,04,456,842 for a Principal Amount of USD 1,00,000]. A reserve aggregating to Rs. 71,50,55,730/- upto 31.03.2008 has been created for the redemption premium.

05 In the opinion of Board of Directors, the Current Assets, Loans and Advances" have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

06 [a] Non-Convertible Debentures [NCDs], mentioned here-under, together with interest, liquidated damages, remuneration payable to Trustees, and other monies due in respect thereof are secured as under :

NCDs at SI. No.	Nature of Mortgage	Properties at	Trustee	Security Charge
(i),(iv) &(v)	Legal Mortgage in English form	Mouje Dhanot, Taluka Kalol, Dist. Mehsana, Gujarat	Axis Bank Limited	First Mortgage
(ii) & (iii)	Legal Mortgage in English form	Mouje Budasan, Taluka Kadi, Dist. Mehsana, Gujarat	Axis Bank Limited	First Mortgage

and equitable mortgage of Immovable Properties and Hypothecation of Movables [present and future], ranking pari passu, save and except book debts and exclusive charge on assets including under Hire Purchase, subject to prior charge on specified movables created in favour of the Company's Bankers for working capital facilities in respect of NCDs at SI.No.(i), (ii), (iv) & (v) and to the extent of 40% in respect of NCDs aggregating to Rs.180 crores at SI.No.(iii) ; the balance 60% being secured by way of Bank Guarantee of Rs.112.50 crores included under (b) below and NCDs at SI no (v) is secured by pari passu charge on the assets of Himachal Cement Plant.

(i) 1,00,00,000 12% NCDs of Rs.100/- each redeemable in 20 equal quarterly installments from 15.04.2004 to 15.01.2009 [Rs.80 per debenture redeemed];

(ii) 1,000 12% NCDs of Rs.1,00,000/- each redeemable in 4 equal annual installments from 05.06.2005 to 05.06.2008 [Rs.75,000/- per debenture redeemed];

(iii) 1,800 7.5% NCDs of Rs.10,00,000/- each redeemable in 12 equal quarterly installments from 15.01.2009 to 15.10.2011;

(iv) 1,500 9.5% NCDs of Rs.10,00,000/- each redeemable in 12 equal quarterly installments from 01.04.2010 to 01.01.2013 and

(v) 5,000 9% NCDs of Rs.1,00,000/- each redeemable in 20 equal quarterly installments from 01.04.2008 to 01.01.2013

(b) Term Loans including External Commercial Borrowings from Financial Institutions, Banks and Bank Guarantees to the extent of Rs.112.50 Crores [for partially securing Non Convertible Debentures] together with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies, stipulated in the Loan Agreements are secured by equitable mortgage of Immovable Properties and Hypothecation of movables [present and future], save and except book debts and exclusive charge on assets including under Hire Purchase, ranking pari passu, subject to prior charge on specified movables created/to be created in favour of the Company's Bankers for working capital facilities.

(c) Term Loans obtained from Banks for setting up of 5 Million TPA Cement Plant in H.P. at Baga & Bagheri and Grinding Unit in Haryana at Panipat, 2.2 Million TPA Cement Plant in U.Pat Dalla,Churk and Chunar and 1.5 Million TPA Cement Plant in M.P. at Sidhi together with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies, stipulated in the Loan Agreements, are secured/to be secured by equitable mortgage of immovable properties and Hypothecation of movables of respective Cement Plants [present and future], save and except book debts, ranking pari passu, subject to prior charge on specified movables created/to be created in favour of the Company's Bankers.

(d) Term Loan of Rs 200 crores sanctioned by Punjab National Bank for Taj Expressway Project outstanding Rs.199,99,33,998/- as on 31.03.2008 [Previous Year Rs 7,44,68,729/- disbursed till 31.03.07] is secured by way of 1st charge on 370.49 acres of Lease Hold Land and other Assets at

Jaypee Greens, Greater Noida. The said loan has been transferred to Jaypee Infratech Limited, a Subsidiary of Jaiprakash Associates Limited. The charge is yet to be vacated.

(e) The Working Capital facilities availed from the Consortium member Banks with Canara Bank, as lead, are secured by way of first charge on Current Assets i.e. Hypothecation of Stocks of Raw Materials, Work-in-Progress, Stock-in-Process, Finished Goods, Stores & Spares and Book Debts [except pertaining to Overseas Works and Projects under development] ranking pari-passu and 2nd charge on the Fixed Assets of the Company, both present and future except assets exclusively charged.

07 (a) The Provision for Taxation charged to the Profit & Loss Account includes Rs.25,15,064/- [Previous Year Rs.12,00,000/-] towards Wealth Tax.

		2007-2008 Rupees	2006-2007 Rupees
(b) Deferred Tax			
(i) Deferred Tax Liability on account of:			
Depreciation	4,234,148,429	3,784,530,480	
Others	1,477,329,906	1,209,724,720	
	<u>5,711,478,335</u>	<u>4,994,255,200</u>	
Deferred Tax Assets on account of:			
Employees' Benefits	114,936,541	93,187,231	
	<u>114,936,541</u>	<u>93,187,231</u>	
Net Deferred Tax Liability	5,596,541,794	4,901,067,969	
(ii) Deferred Tax [Net] amounting to Rs.69,54,73,825/- [Previous Year Rs.6,90,03,578/-] has been recognised in the Profit & Loss Account for the year ended 31st March, 2008.			

08 Disclosure as per Accounting Standard - 7 [Revised]

(a) Contract Revenue during the period	8,138,435,973	4,646,183,595
(b) Direct Expenses during the period	6,588,043,179	4,191,444,464
(c) Profits recognised during the period	1,550,392,794	454,739,131
(d) Advances received [Outstanding]	16,166,468,182	8,273,639,763
(e) Retentions during the period *	351,330,894	173,833,893
(f) Retentions [Outstanding] *	885,389,202	534,058,308

*Retentions include amounts released against furnishing of Bank Guarantees

The above information is in respect of Contracts entered into on or after 01.04.2003.

09 [a] Item 5 & 10 of Schedule "E" of Fixed Assets include assets costing Rs.NIL [Previous Year Rs.6,88,19,371/-] acquired under Hire Purchase Agreements.

[b] Fixed Assets acquired on Lease, the Agreements in respect of which have been entered into after 01.04.2001, the future obligation towards Lease Rentals are of Rs.NIL [Previous Year Rs.NIL] payable within one year and Rs.NIL payable after one year and before five years in respect of the said Lease Agreements, Security Deposits paid are Rs.NIL and Lease Rental charged to the Profit & Loss Account are Rs.NIL [Previous Year Rs.1,82,88,660/-].

10 [a] Capital Work-in-Progress includes Civil Works, Machinery Under Erection and in transit, Advances to Suppliers, Construction and Erection Materials, Pre-operative Expenses and also Expenditure related to new Cement Projects in Himachal Pradesh, Uttar Pradesh & Madhya Pradesh. **42,190,198,910** 21,862,016,947

[b] Rs.459 crores was deposited with the Hon'ble High Court of Judicature at Allahabad for purchase of assets located at Dalla, Churk and Chunar [U.P] of U.P. State Cement Corporation Limited [in liquidation]. Out of this an amount of Rs.54.34 crores has been capitalised and balance Rs.404.66 crores is still included in Capital Work in Progress. The Hon'ble High Court has permitted physical possession of the Assets at Dalla, Churk & Chunar for inventory, renovation & refurbishment of the Cement Plants. The capitalisation of balance Assets will be done after the assets are put to use.

11 The Free-hold Land [Agricultural] purchased by the Company for Rs.2,96,407/- measuring 7 Bighas at Rangpuri, New Delhi has been notified for acquisition U/s 4 & 6 of the Land Acquisition Act. The Company's claim

for compensation is pending settlement.				
12 29,49,99,900 Equity Shares of Rs.10/- each fully paid up [Previous Year 29,49,99,900 Equity Shares] of Jaiprakash Hydro-Power Limited [JHPL] [subsidiary company] are pledged with IFCI Limited as collateral security for the financial assistance granted by Institutions and Banks to JHPL. The Company has furnished Bank Guarantee to Satluj Jal Vidyut Nigam Limited [SJVN] for Rs.7 crores [included in 1(a) above] for inter connection facility established by SJVN at Jhakri for evacuation of Power from JHPL's Baspa-II HEP.	[j]	Jaiprakash Kashmir Energy Limited NIL Equity Shares of Rs.10/- each [Previous Year 10,000 Equity Shares of Rs 10/- each]	-	100,000
13 42,90,00,000 Equity Shares of Rs.10/- each fully paid up [Previous Year 42,90,00,000 Equity Shares] of Jaiprakash Power Ventures Limited [JPVL] [subsidiary company] are pledged with IDBI Trusteeship Services Limited [ITSL] as collateral security for the financial assistance of Rs.1,008.95 crores [Previous Year Rs.1,025.89 crores] and 28.5085 Million USD equivalent to Rs.114.03 crores [Previous Year 30.82 Million USD equivalent to Rs.134.93 crores] of Foreign Currency Loan granted by PFC, PNB, ICICI, IDBI, REC and LIC to JPVL .	[k]	Share Application Money paid to Jaypee Cement Limited - pending for allotment	211,000,000	550,600,000
14 22,50,00,000 Equity Shares of Rs.10/- each fully paid-up [Previous Year 22,50,00,000 Equity Shares] of Jaypee Karcham Hydro Corporation Limited [JKHCL] are also pledged with ITSL as collateral security for financial assistance of Rs 582.82 Crores [Previous Year Rs.248.38 crores] being granted to JKHCL.	[l]	Share Application Money paid to Jaiprakash Kashmir Energy Limited - pending for allotment	-	10,100,000
15 The Company has pledged 20,35,000 Equity Shares held in Jaypee DSC Ventures Limited to HUDCO as Security for Loans granted to Jaypee DSC Ventures Limited.	[m]	Share Application Money paid to Madhya Pradesh Jaypee Minerals Limited - pending for allotment	203,395,000	30,000,000
16 Other Liabilities shown under the head "Current Liabilities & Provisions" include Book Overdraft of Rs.20,63,79,931/- [Previous Year Rs.45,75,07,403/-].	[n]	Share Application Money paid to Gujarat Jaypee Cement & Infrastructure Limited - pending for allotment	16,000,000	-
17 In the absence of information as regard to the status / classification of the relevant enterprises into Micro, Small and Medium Enterprises, information as required under Notification No.G.S.R.719[E] dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable and amount of interest thereon paid during the year and payable at the end of the year to the Sundry Creditors could not be disclosed.	[o]	Share Application Money paid to Himalayan Expressway Limited - pending for allotment	50,000,000	-
18 Balances of some of the Debtors, Creditors, Loans & Advances are subject to reconciliation / confirmation from the respective parties. The Management does not expect any material difference affecting the Financial Statements for the year.	[p]	Share Application Money paid to JPSK Sports Private Limited - pending for allotment	10,161,160	-
19 Particulars of investments made subsequent to the date of previous Balance Sheet:	[q]	Share Application Money paid to Jaypee Ganga Infrastructure Corporation Limited - pending for allotment	915,000,000	-
Name of Company	2007-2008	2006-2007		
	Rupees	Rupees		
[a] Jaypee Karcham Hydro Corporation Limited NIL [Previous Year 15,00,00,000]				
Equity Shares of Rs.10/- each	-	1,500,000,000		
[b] Madhya Pradesh Jaypee Minerals Limited NIL [Previous Year 1,05,00,000]				
Equity Shares of Rs.10/- each	-	105,000,000		
[c] Jaypee Cement Limited 31,09,00,000				
Equity Shares of Rs 10/- each [Previous Year 4,50,00,000 Equity Shares of Rs.10/- each & Rs 55,06,00,000 Share Application Money]	3,109,000,000	450,000,000		
[d] Jaypee Infratech Limited 95,50,00,000				
Equity Shares of Rs 10/- each	9,550,000,000	-		
[e] Himalayan Expressway Limited 50,000 Equity Shares of Rs 10/- each	500,000	-		
[f] JPSK Sports Private Limited 6,17,000				
Equity Shares of Rs 10/- each	6,170,000	-		
[g] Jaypee Ganga Infrastructure Limited 5,00,000 Equity Shares of Rs 10/- each	5,000,000	-		
[h] Gujarat Jaypee Cement & Infrastructure Limited 63,000				
Equity Shares of Rs 10/- each	630,000	-		
[i] Bhilai Jaypee Cement Limited 6,94,67,500				
Equity Shares of Rs 10/- each	964,675,000	-		
[j]	Rafidian Bank, Subkusoor, Baghdad [I.D.]	27,380,207	27,380,207	27,380,207
[k]	Bank of Bhutan, Phuentsholing, Bhutan [Nu] [A/c No.7340]	22,014	22,064	22,064
[l]	Bank of Bhutan, Phuentsholing, Bhutan [Nu] [A/c No.7311]	15,435	32,111,659	5,836,392
[m]	Bank of Bhutan, Phuentsholing, Bhutan [Nu] [A/c No.268]	34,844	1,490,811	123,445
[n]	Royal Bank of Scotland [GBP] [A/c No.21872175]	29,280	1,029,305	11,323
[o]	Royal Bank of Scotland [USD]	50,180	63,601	63,601
[p]	Royal Bank of Scotland [EURO]	8,008	10,342	10,342
[q]	Royal Bank of Bhutan [Nu] [A/c No.960]	9,381	9,381	9,381
[b]	Details of Fixed Deposits & Balances in Current Account with Indian Banks in Foreign Countries [including Foreign Currency Convertible Bonds proceeds pending for utilisation]:			

	2007-2008 Values	2006-2007 Values	[c] Particulars in respect of Opening Stock and Closing Stock: Opening Stock - Asbestos Sheet * 14,332 71,036,434 Closing Stock - Asbestos Sheet * 11,974 56,178,562 14,332 71,036,434		
[i] Fixed Deposits with:			* after adjusting 1,829 MT [Previous Year 331MT] Self Consumption and 3,158 MT [Previous Year 648 MT] Dry waste loss and rejected sheets loss		
01 State Bank of India, London [USD]	1,747,393	1,291,254			
02 Canara Bank, London [USD]	19,402,941	18,136,271			
03 ICICI Bank, London [EURO]	52,886,318	50,794,011			
04 Bank of India, Tokyo [USD]	-	3,000,000			
05 Syndicate Bank, London [USD]	-	9,000,000			
06 Axis Bank Limited, Honkong [USD]	26,569,198	-			
07 Bank of Baroda, London [USD]	50,581,461	-			
08 Bank of India, London [USD]	25,000,000	-			
09 ICICI Bank, London [USD]	25,000,000	-			
[ii] Current Account with:					
01 Canara Bank, London [USD]	2,402	2,402			
02 State Bank of India, London [EURO]	-	7,447			
03 Canara Bank, London [EURO]	68,456	68,456			
04 State Bank of India [USD]	1,645,040	2,427			
05 Bank of Baroda, London [EURO]	130,464	442,872			
06 Bank of India, Jersey [USD]	690,739	-			
07 State Bank of India [EURO]	7,593	-			
08 Bank of India, London [USD]	1,425,875	-			
09 Bank of India, Tokyo [USD]	41,400	-			
10 Syndicate Bank, London [USD]	132,194	-			
[c] Details of Fixed Deposits Account with Foreign Banks in Foreign Countries					
01 Royal Bank of Scotland [GBP]	1,000,000	-			
24 Managerial remuneration paid/payable to Whole-time Directors [excluding Provisions for Gratuity & Leave Encashment on retirement]					
Salaries	29,553,387	15,126,936			
Provident Fund Contribution	3,546,406	1,815,233			
Perquisites	18,256,475	11,007,937			
	51,356,268	27,950,106*			
* includes Rs.Nil [Previous Year Rs.15,56,363/-] paid to Directors of Transferor Company, erstwhile Jaypee Greens Limited during F.Y. 2006-07					
25 Additional information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956.					
Statistical Data:					
[A] Cement	2007-2008 Qty. (MT)	2006-2007 Qty. (MT)			
[a] Capacity & Production:					
Installed Capacity - Per annum	7,000,000	* 7,000,000 *			
Production - Portland Cement - Clinker (Production for Sale)	6,776,663	** 6,680,910 ** - ** 100,095 **			
* as on 31.03.2008					
** as certified by the Management.					
[b] Sales :	2007-2008 Qty. MT	2007-2008 Value (Rs.)	2006-2007 Qty. MT	2006-2007 Value (Rs.)	
Cement	6,220,361	22,405,097,724	6,171,010	20,460,242,281	
[exclusive of self-consumption]					
Clinker	-	-	100,095	266,701,015	
	22,405,097,724		20,726,943,296		
Less: Excise Duty	3,381,177,402		2,541,872,982		
	19,023,920,322		18,185,070,314		
[c] Particulars in respect of Opening Stock and Closing Stock:					
Opening Stock - Cement * 106,450	237,685,929	86,599	154,599,287		
Closing Stock - Cement * 113,204	265,292,138	106,450	237,685,929		
* after adjusting 5,42,876 MT Self Consumption (Previous Year 4,82,210 MT) and 6,672 MT screening and transit loss [Previous Year 7,839 MT]					
[B] Cement Product - Asbestos Sheets					
[a] Capacity & Production:					
Installed Capacity - Per annum	100,000 *	100,000*			
Production - Asbestos Sheet	89,293 **	36,752**			
* as on 31.03.2008					
** as certified by the Management. (Commercial Production w.e.f from 19.09.2006)					
[b] Sales :					
Asbestos Sheet	86,664	516,502,440	21,441	140,322,867	
[exclusive of self-consumption]					
Less: Excise Duty	36,394,625		11,499,437		
	480,107,815		128,823,430		
[c] Particulars in respect of Opening Stock and Closing Stock:					
Opening Stock - Asbestos Sheet * 14,332		71,036,434	-	-	
Closing Stock - Asbestos Sheet * 11,974		56,178,562	14,332	71,036,434	
* after adjusting 1,829 MT [Previous Year 331MT] Self Consumption and 3,158 MT [Previous Year 648 MT] Dry waste loss and rejected sheets loss					
[C] Details of Raw Materials, Stores and Spares Consumed:					
[a] Raw Materials:					
[i] Indigenous : (100%)					
Limestone	7,481,018	869,870,839	7,503,936	834,235,657	
Clinker	3,495	11,074,416	-	-	
Gypsum	192,379	376,201,394	218,588	419,295,882	
Laterite/Iron Ore	195,843	66,551,830	184,480	60,972,063	
Fly Ash	1,571,077	462,987,815	1,449,773	408,229,253	
		1,786,686,294		1,722,732,855	
Cement Product - Asbestos Sheets					
[i] Indigenous : (36.36% (Previous Year 39.90%))					
Cement OPC	34,944	64,040,983	15,375	24,126,434	
Pulp	547	8,092,666	218	2,793,943	
Fly Ash	24,035	8,068,113	9,906	4,071,306	
Fibre	-	-	394	12,832,011	
[ii] Imported: (64.64% (Previous Year 60.10%))					
Fibre	6,164	146,624,874	2465	66,021,533	
		226,826,636		109,845,227	
[b] Stores and Spares:	2007-08 (Rs.)	2006-07 (Rs.)			
[i] Indigenous	2,050,486,079	91.96%	2,064,752,172	93.18%	
[ii] Imported	179,231,609	8.04%	151,085,308	6.82%	
	2,229,717,688	100%	2,215,837,480	100%	
[D] The Central Government in exercise of the powers conferred under section 211(4) of the Companies Act, 1956 has granted exemption vide Ministry of Corporate Affairs letter No.46/90/2007-CL-III dated 01.05.2007 to the effect that the disclosure of quantitative details in compliance of paras 3(i)(a) and 3(ii)(d) of Part-II of Schedule-VI to the Companies Act, 1956 as amended vide Notification No.GSR 494(E) dated 30th October, 1973 in respect of goods which are less than 10% of the total value of Company's turnover, purchases, goods traded, sales,consumption of raw material etc., shall not be necessary for the Company in respect of its Hotel/ Hospitality Business for the financial year ended on 31.03.2008.					
No class of goods is in excess of 10% of the total value of Company's turnover, purchases, goods traded, sales,consumption of raw material etc., in respect of which quantitative details are required to be disclosed.					
[E] Value of Imports [On CIF Basis]:					
Stores and Spares	653,978,242		694,785,608		
Capital Equipment [including Capital Work-in-Progress]	5,912,062,928		4,252,384,276		
Steel Plates	8,110,321		1,272,904		
Raw Materials	122,568,960		89,465,000		
[F] Expenditure in Foreign Currency [including Expenditure During Construction Period]:					
Travelling	25,331,056		14,092,932		
Technical Fees	105,021,264		85,918,664		
Contract Work Expenses	55,477,218		588,171,781		
Financial and Bank Charges	68,893,333		147,931,616		
Interest	1,178,659,950		93,281,437		
Foreign Currency Rate Difference	460,012,631		-		
Others	23,610,168		8,001,700		
[G] Earnings in Foreign Exchange [including Income during Construction Period]:					
Contract Receipts [Deemed Export]	36,491,061		1,118,711,206		
Cement Exports [FOB Value]	120,094,815		144,590,863		
Hospitality	938,881		3,618,042		
Interest	616,305,722		288,211,958		
Others	718,398		4,487,935		
[H] Dividend Paid to Non-Resident Share Holders in Foreign Currency					
	During FY 2007-08		During FY 2006-07		
	Interim Div. 1st	Interim Div. 2nd	Final Div. for FY 2006-2007	Int. Div. for FY 2006-2007	
Number of Share Holders	98	103	97	96	
Number of Shares	150,465	680,399	149,465	149,009	
[Face Value]		[Face Value]	[Face Value]	[Face Value]	
Rs 10/-		Rs 2/-	Rs 10/-	Rs 10/-	
Dividend Paid [Rs.]	225,698	204,120	239,144	298,018	
26 The External Commercial Borrowings [ECBs] outstanding as on 31.03.2008 of USD 250,00,000 and JPY 2544,75,00,000, USD 3,25,00,000 and USD 2,70,00,000 are hedged in respect of coupon as well as repayment.					
As on 31.03.2008, the Company has outstanding exposure of USD 20,60,000 against Foreign Currency Convertible Bonds [FCCB-1] [Previous Year USD 20,60,000] and Euro 94,76,000 against Foreign Currency Convertible Bonds [FCCB-II] [Previous Year Euro 16,50,00,000] and USD 39,55,00,000 against Foreign Currency Convertible Bonds [FCCB-III] unhedged pending conversion into Equity Share Capital (owing to Current Market Share Price being higher/near Conversion Price). USD 14,99,15,854 [Previous Year USD 1,94,27,525] and Euro 5,31,00,837 [Previous Year Euro 5,07,94,011] are parked overseas pending utilization.					
27 Related Parties disclosures, as required in terms of "Accounting Standard [AS] 18" are given below:					

Relationships			
[a]	Subsidiary Companies [including their subsidiaries]:	[iv]	Jaypee Powergrid Limited [Joint Venture Subsidiary Company of Jaiprakash Hydro Power Limited]
[i]	Jaiprakash Hydro Power Limited	[v]	JPSK Sports Pvt. Ltd. [w.e.f 07.03.2008]
[ii]	Jaiprakash Power Ventures Limited	[d]	Key Management Personnel:
[iii]	Jaypee Hotels Limited	[i]	Shri Manoj Gaur, Executive Chairman
[iv]	Jaypee Karcham Hydro Corporation Limited	[ii]	Shri Sunil Kumar Sharma, Executive Vice Chairman
[v]	Jaypee Cement Limited	[Whole-time Directors]:	
[vi]	Jaypee Infratech Limited [w.e.f. 05.04.07]	[i]	Shri Sunny Gaur, Managing Director [Cement]
[vii]	Himalayan Expressway Limited [w.e.f. 25.05.07]	[ii]	Shri Pankaj Gaur, Joint Managing Director [Construction]
[viii]	Gujarat Jaypee Cement and Infrastructure Limited [w.e.f 26.12.07]	[iii]	Shri A.K.Jain, Joint Managing Director [till 11.12.07]
[ix]	Jaypee Ganga Infrastructure Corporation Ltd. [w.e.f 18.03.08]	[iv]	Shri Sameer Gaur [till 09.09.07]
[x]	Gujarat Anjan Cement Limited [subsidiary of Jaypee Cement Limited]	[v]	Shri S.D. Nailwal, Whole time Director
[b]	Associate Companies:	[vi]	Shri Ranvijay Singh,Whole time Director [w.e.f 14.12.07]
[i]	Jaypee Ventures Pvt. Limited	[vii]	Shri R.K.Singh,Whole time Director [w.e.f 15.10.07]
[ii]	Jaypee Development Corporation Limited [w.e.f. 05.12.2007]	[Directors of Transferor Company, erstwhile Jaypee Greens Limited]	
[iii]	Jaiprakash Kashmir Energy Limited	[i]	Shri Har Prasad [till 21.08.06]
[iv]	JIL Information Technology Limited	[ii]	Smt. Rita Dixit [till 21.08.06]
[v]	Gaur & Nagi Limited	[e]	Relatives of Key Management Personnel, where transactions have taken place
[vi]	Indesign Enterprises Private Limited	[i]	Shri Gyan Prakash Gaur
[vii]	Sonebhadra Minerals Private Limited	[ii]	Shri Sachin Gaur
[viii]	RPJ Minerals Private Limited	[iii]	Smt.Rekha Dixit
[c]	Joint Venture Subsidiaries :	[iv]	Smt.Rita Dixit
[i]	Madhya Pradesh Jaypee Minerals Limited	[v]	Shri Naveen Kumar Singh
[ii]	Bhilai Jaypee Cement Limited [w.e.f 11.04.2007]	[vi]	Shri Rahul Kumar
[iii]	Bokaro Jaypee Cement Limited [w.e.f 13.03.2008]		

Note: Related party relationships are as identified by the Company and relied upon by the Auditors.

Transactions carried out with related parties referred to above in ordinary course of business

Nature of Transactions	Referred in 1(a) above Rupees	Referred in 1(b) above Rupees	Referred in 1(c) above Rupees	Referred in 1(d) above Rupees	Referred in 1(e) above Rupees
Income					
Contract Receipts	5,682,867,538	-	-	-	-
	(1,777,987,670)	-	-	-	-
Sale of Cement/ Other Material	96,611,188	-	19,850,827	-	-
	(179,229,739)	-	(2,291,530)	-	-
Dividend Received	1,120,440,347	-	-	-	-
	(72,089,897)	-	-	-	-
Machinery Hire Charges	346,805,890	-	-	-	-
	(212,881,190)	-	-	-	-
Rent	31,459,185	-	-	-	-
	(6,674,000)	-	-	-	-
Interest	-	46,353,670	-	-	-
	-	-	-	-	-
Expenditure					
Contract Expenses	385,096,781	-	-	-	-
	(174,478,377)	-	-	-	-
Lease Rent	5,160,000	-	-	-	-
	(5,340,000)	-	-	-	-
Technical Consultancy	-	377,813,499	-	-	-
	-	(471,385,401)	-	-	-
Service Charges	40,964,288	-	-	-	-
	(40,032,851)	-	-	-	-
Salaries & Other Amenities etc.	-	-	-	51,356,268	9,813,328
	-	-	-	(27,950,106)	(9,995,159)
Security & Medical Services	-	328,401,252	-	-	-
	-	(232,420,511)	-	-	-
Gratuity & Leave Encashment	-	-	-	-	-
Rent	-	2,400,000	-	-	-
	-	(2,400,000)	-	-	-
Others					
Purchase of Shares during the year	8,665,130,000	4,000,000,000	970,845,000	-	-
	(1,950,000,000)	(100,000)	(105,000,000)	-	-
Share Application Money given during the year	1,192,000,000	-	213,556,160	-	-
	(550,600,000)	(10,100,000)	(30,000,000)	-	-
Sale of Shares during the year	-	-	-	-	-
Equity Warrants (Upfront Payment received during the year)	-	3,985,000,000	-	-	-
	-	-	-	-	-
Outstandings					
Receivables					
Advances to Suppliers, Mobilisation					
Advances, Security Deposits and Debtors	2,930,533,113	7,736,106,230	110,814,924	-	-
	(416,487,406)	(390,802,117)	(16,517,999)	-	-
Payables					
Mobilisation & Machinery Advances, Unsecured Loans, Security/Earnest Money and Creditors	14,590,929,858	35,716,141	46,433,361	240,470	521,838
	(6,403,330,110)	(195,880,854)	-	(163,092)	(2,000)

Note:

- Guarantees provided for Subsidiaries & Associates are disclosed elsewhere in the Notes to the Account.
- Salaries & other Amenities etc., paid to Key Management Personnel during F.Y. 2007-08 includes Rs.Nil [Previous Year Rs.15,56,363/-] to Directors of Transferor Company erstwhile Jaypee Greens Limited.
- Previous Year figures are given in brackets.

28 Segment Information
Business Segment

Particulars	Construction	Cement / Cement Products	Hotel/Hospitality	Real Estate	Wind Power	Investments	Unallocated	Rupees Total
[A] Segment Revenue								
External	17,946,713,490	19,851,858,465	309,111,525	2,558,287,058	181,228,979	1,122,605,147	769,056,218	42,738,860,882
	(16,586,607,960)	(18,419,373,238)	(298,201,773)	-	(4,811,376)	-	(445,367,339)	(35,754,361,686)
Inter Segment	-	842,085,091	2,884,918	-	-	-	-	844,970,009
Revenue	-	(857,187,327)	(771,082)	-	-	-	-	(857,958,409)
[B] Segment Results								
Profit/(Loss) before	3,588,572,628	6,923,504,918	37,837,265	809,290,669	117,834,203	1,122,605,147	(774,790,684)	11,824,854,146
Tax and Interest	(3,521,202,857)	(5,705,857,788)	(57,222,573)	-	(1,498,551)	-	(511,138,255)	(8,771,646,412)
Less:Interest Expenses								3,391,400,080
								(2,572,589,192)
Profit before Taxation								8,433,454,066
								(6,199,057,220)
[C] Other Information								
Provision for Tax								1,577,566,730
Current Tax								(1,950,933,391)
Deferred Tax								695,473,825
								(69,003,578)
Fringe Benefits Tax								63,695,122
								(30,207,386)
Profit after Taxation								6,096,718,389
								(4,148,912,865)
Segment Assets	26,808,268,248	63,244,804,739	2,039,596,194	12,348,707,702	2,749,122,446	32,248,266,470	28,757,928,258	168,196,694,057
	(23,233,444,529)	(38,543,091,235)	(801,185,697)	(6,528,361,098)	(1,820,085,601)	(17,787,335,310)	(20,156,536,807)	(108,870,040,277)
Segment Liabilities	18,410,722,564	5,578,821,763	275,416,533	6,558,495,818	594,636,124	-	3,622,592,001	35,040,684,803
	(9,912,364,954)	(3,599,995,842)	(260,043,564)	(3,922,733,995)	(559,375,000)	-	(3,675,649,619)	(21,930,162,974)
Loans								83,055,872,283
								(54,931,232,591)
Capital Expenditure during the year including								
Capital Work-in-Progress	5,626,868,923	22,720,757,482	616,885,080	76,617,769	1,479,707,044	-	246,578,166	30,767,414,464
	(2,257,387,419)	(15,134,908,306)	(90,088,808)	(100,212,722)	(1,229,400,755)	-	(950,122,311)	(19,762,120,321)
Depreciation	817,932,097	1,050,802,962	30,133,168	3,311,790	60,482,977	-	70,366,433	2,033,029,427
	(645,248,441)	(918,754,435)	(31,380,981)	-	(6,201,863)	-	(28,935,161)	(1,630,520,881)
Non Cash expenditure other than depreciation	-	-	2,681,222	-	-	-	410,782	3,092,004
	-	(3,344,004)	(2,681,222)	-	-	-	-	(6,025,226)

- [a] Segments have been identified in accordance with Accounting Standards on Segmental Reporting [AS-17] taking into account the organisation structure as well as differential risk and returns of these segments.
- [b] Business segment has been disclosed as the primary segment.
- [c] Types of Products and Services in each Business Segment:
 - [i] Construction Civil Construction/EPC Contracts/Expressway
 - [ii] Cement/Cement Products Manufacture and Sale of Cement, Clinker and Cement Products
 - [iii] Hotel/Hospitality Hotel and Golf Course
 - [iv] Real Estate Real Estate
 - [v] Wind Power Generation and Sale of Energy
 - [vi] Investments Investments in Companies
- [d] Segment Revenues, Operating Results, Assets and Liabilities include the amounts identifiable to each segment and amounts allocated on a reasonable basis.
- [e] Segment Assets exclude Miscellaneous Expenditure & Deferred Tax Asset. Segment Liabilities exclude Deferred Tax Liability.

29 In accordance with the Accounting Standard [AS-20] on "Earnings Per Share", computation of Basic and Diluted Earnings Per Share is as under:

	2007-2008 Rupees	2006-2007 Rupees
[a] Net Profit for Basic Earnings Per Share as per Profit & Loss Account	6,096,718,388	4,148,912,865
Adjustment for the purpose of Diluted Earnings Per Share	-	-
Net Profit for Diluted Earnings Per Share	6,096,718,388	4,148,912,865
[b] Weighted average number of equity shares for Earnings Per Share computation:		
[i] Number of Equity Shares at the beginning of the year	1,096,198,270	1,075,288,745
[ii] Number of Shares allotted during the year	75,324,147	20,909,525
[iii] Weighted average shares allotted during the year	28,455,011	10,791,485
[iv] Number of potential Equity Shares	21,380,295	81,044,655
[v] Weighted average for:		
[a] Basic Earnings Per Share	1,124,653,281	1,086,080,230
[b] Diluted Earnings Per Share	1,146,033,576	1,167,124,885
[c] Earnings Per Share		
[i] Basic	Rs. 5.42	Rs. 3.82
[ii] Diluted	Rs. 5.32	Rs. 3.55
[d] Face Value Per Share	Rs. 2.00	Rs. 2.00

EPS for the previous year has been reworked consequent to the subdivision of share of face value Rs.10/- to Rs.2/- per share.

30 The Company had issued 5,00,00,000 Warrants to Jaypee Ventures Private Limited, [a Promoter Group Company] on Preferential Basis entitling to apply for allotment of one equity share of Rs.2/- each on full payment per Warrant in one or more tranches within 18 months from the date of allotment of Warrants. During the year the Company received an Upfront payment amounting to Rs.398,50,00,000/- and the same shall be adjusted against th[] mula.

31 (a) Provident Fund - Defined Contribution Plan
All employees are entitled to Provident Fund benefits. Amount debited to Profit and Loss account Rs. 13,29,06,966/- during the year.
(b) Gratuity and Leave encashment - Defined Benefit Plans - Provision made as per actuarial valuation.

SI No.	Particulars	NON FUNDED	
		GRATUITY	LEAVE ENCAHMENT
I	Expenses recognised in the Statement of Profit and Loss Account/ IEDC for the year ended 31st March, 2008		
1	Current Service Cost	33,614,240	30,595,564
2	Interest Cost	8,374,839	3,161,846
3	Employee Contribution	-	-
4	Actuarial (Gains)/ Losses	131,645,640	45,360,674
5	Past Service Cost	-	-
6	Settlement Cost	-	-
7	Total Expenses	173,634,719	79,118,084
II	Net Asset / (Liability) recognised in the Balance Sheet as at 31st March, 2008		
1	Present Value of Defined Benefit Obligation	291,492,555	122,152,571
2	Fair Value of Plan Assets	-	-
3	Funded Status [Surplus/ [Deficit]	(291,492,555)	(122,152,571)
4	Net Asset (Liability) as at March 31, 2008	(291,492,555)	(122,152,571)
III	Change in Obligation during the Year ended March 31, 2008		
1	Present value of Defined Benefit Obligation at the beginning of the year	198,120,817	76,039,910
2	Current Service Cost	33,614,240	30,595,564
3	Interest Cost	8,374,839	3,161,846
4	Settlement Cost	-	-
5	Past Service Cost	-	-
6	Employee Contributions	-	-
7	Actuarial (Gains) / Losses	131,645,640	45,360,674
8	Benefit Payments	(80,262,981)	(33,005,423)
9	Present Value of Defined Benefit Obligation at the end of the year	291,492,555	122,152,571
IV	Change in Assets during the Year ended March 31, 2008		
1	Plan Assets at the beginning of the year	-	-
2	Assets acquired on amalgamation in previous year	-	-
3	Settlements	-	-
4	Expected return on Plan Assets	-	-
5	Contribution by Employer	-	-
6	Actual Benefit Paid	-	-
7	Actuarial Gains / (Losses)	-	-
8	Plan Assets at the end of the year	-	-
9	Actual Return on Plan Assets	-	-

(c) Actuarial Assumptions

- (i) Discount Rate 8.00%
- (ii) Mortality LIC (1994-1996) duly modified mortality tables
- (iii) Turnover Rate Upto 30 years - 2%, 30-44 years - 5%, Above 44 years -3%
- (iv) Future Salary Increase 5.50%

32 Pursuant to the provisions of the Concession Agreement between the Company and Taj Expressway Industrial Development Authority the Company has incorporated a Special Purpose Vehicle namely, Jaypee Infratech Limited [Subsidiary Company] for implementation of Taj Expressway Project and has transferred all rights and obligations to Jaypee Infratech Limited [Subsidiary Company] by virtue of tripartite agreement dated 19.10.2007. Against the expenditure of Rs 24,092.10 lakhs incurred by the company in connection with the said project, Jaypee Infratech Limited has allotted 20,00,00,000 Equity Shares of Rs 10/- each and has reimbursed balance in cash.

33 (a) During the year the Company transferred the implementation of Nigri Thermal Power Project of 1000 MW , at Village Nigri, Tehsil Deosar, Distt. Sidhi Madhya Pradesh to Jaiprakash Power Ventures Limited (JPVL) (subsidiary company) by virtue of an amendment dated 08.12.2007 to the principal memorandum of understanding dated 16.10.2007 between the Company and the Govt. of Madhya Pradesh. The expenditure of Rs 2,253.77 lacs incurred by the Company upto 14.12.2007 in connection with the said project has been reimbursed by JPVL.

(b) The Company has also transferred the implementation of Lower Siang H.E. Project [1600 MW] and Hirong H.E. Project [500MW] in the districts of east Siang and West Siang respectively in Arunachal Pradesh to JPVL [Subsidiary Company] by virtue of tripartite agreement dated 13.12.2007. The expenditure of Rs 10,639.12 lakhs incurred by the company in connection with the said projects has been reimbursed by JPVL.

34 For the purpose of Regulation 3(e)[i] of the Securities and Exchange Board of India [Substantial Acquisition of Shares and Takeovers] Regulations, 1997, the "Group" constitute Shri Jaiprakash Gaur, his associates and Companies as disclosed to Stock Exchanges from time to time which include Jaiprakash Associates Limited (JAL), its Subsidiaries given under Sl.No.27(a) & (c) above, its Associates given under Sl.No.27(b) above and other Companies namely, Jaiprakash Enterprises Limited, Siddharth Utility Private Limited, Ironwill Holdings Private Limited and Ironwill Investments Private Limited.

35 Figures for the previous year have been reworked/regrouped/rearranged wherever considered necessary to conform to this year's classification.

36 All the figures have been rounded off to the nearest lakh rupees [except in the Notes to the Account].

Signatures to Schedules " A " to " T "

For and on behalf of the Board

As per our report of even date
attached to the Balance Sheet

For M.P. SINGH & ASSOCIATES
Chartered Accountants

M.P. SINGH
Partner

Place : Noida
Dated: 3rd May, 2008

MANOJ GAUR
Executive Chairman & CEO

SUNIL KUMAR SHARMA
Executive Vice Chairman

S.D. NAILWAL
Director [Finance] & CFO

GOPAL DAS BANSAL
Sr. Vice-President
[Accounts]

R.B. SINGH
C.F.O.
[Cement]

HARISH K. VAID
Sr. President [Corporate Affairs] &
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY's GENERAL BUSINESS PROFILE PURSUANT TO
PART-IV OF SCHEDULE-VI TO THE COMPANIES ACT, 1956**

I Registration Details:

Registration No.	19017	State Code No. 20
Balance Sheet Date	31.03.2008	

II Capital raised during the period (Amount in Rs. Lakhs)

Public Issue	Rs. 1506 *	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

* Consequent to conversion of Foreign Currency Conversion Bonds (FCCB's).

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Lakhs)

	<u>2007-2008</u>
Total Liabilities	1,347,473
Total Assets	1,347,473
Sources of Funds	
Paid-up Capital	23,430
Equity Warrants	39,850
Reserve & Surplus	396,520
Secured Loans	464,030
Unsecured Loans	366,528
Deferred Tax Liability	57,115
	<u>1,347,473</u>

Application of Funds

Net Fixed Assets (including Incidental Expenditure Pending Allocation)	793,052
Investments	322,483
Deferred Tax Asset	1,149
Net Current Assets	230,779
Miscellaneous Expenditure	10
Accumulated Losses	-
	<u>1,347,473</u>

IV Performance of Company (Amount in Rs. Lakhs)

Turnover	427,389
Total Expenditure	343,054
Profit/Loss Before Tax (+)	84,335
Profit/Loss After Tax (+)	60,967
Basic Earnings Per Share in Rs.	5.42
Diluted Earnings Per Share in Rs.	5.32
Dividend Rate (%)	50%

V Generic Names of three Principal Products/Services of the Company (as per Monetary terms)

Item Code No. (ITC Code)	252329.01
Product/Services Description	Portland Cement
Item Code No. (ITC Code)	Not Applicable
Product/Services Description	Civil Construction / EPC Contractors
Item Code No. (ITC Code)	Not Applicable
Product/Services Description	Hotel / Hospitality & Golf Course
Item Code No. (ITC Code)	Not Applicable
Product/Services Description	Real Estate
Item Code No. (ITC Code)	Not Applicable
Product/Services Description	Thermal & Wind Power

For and on behalf of the Board

As per our report of even date
attached to the Balance Sheet

For M.P. SINGH & ASSOCIATES
Chartered Accountants

M.P. SINGH
Partner

Place : Noida
Dated: 3rd May, 2008

GOPAL DAS BANSAL
Sr. Vice-President
[Accounts]

R.B. SINGH
C.F.O.
[Cement]

HARISH K. VAID
Sr. President [Corporate Affairs] &
Company Secretary

MANOJ GAUR
Executive Chairman & CEO

SUNIL KUMAR SHARMA
Executive Vice Chairman

S.D. NAILWAL
Director [Finance] & CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	2007-2008 Rs. In Lakhs	2006-2007 Rs. In Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax and exceptional item as per Profit & Loss Account	84,335	61,991
Add back:		
(a) Depreciation	20,330	16,305
(b) Miscellaneous Expenses (Amortized)	397	338
(c) Interest on Borrowings	33,914	25,725
(d) Loss on sale of Assets [Net]	1,718	1,764
	<u>56,359</u>	<u>44,132</u>
	<u>140,694</u>	<u>106,123</u>
Deduct:		
(a) Interest Income	(5,261)	(2,709)
(b) Dividend Income	(11,226)	(740)
(c) Other Income	(10,345)	(6,025)
	<u>(26,832)</u>	<u>(9,474)</u>
Operating Profit before Working Capital Changes	113,862	96,649
Deduct:		
(a) Increase in Inventories	(17,514)	(20,483)
(b) Increase in Projects under Development	-	(11,615)
(c) Increase in Sundry Debtors	(13,413)	(2,967)
(d) Increase in Loans and Advances	(112,344)	(18,671)
(e) Increase in Other Receivables	(1,937)	(913)
	<u>(145,208)</u>	<u>(54,649)</u>
	<u>(31,346)</u>	<u>42,000</u>
Add:		
(a) Decrease in Projects under Development	17,423	-
(b) Increase in Trade Payables & Other Liabilities	131,105	55,687
	<u>148,528</u>	<u>55,687</u>
Cash Generated from Operations	117,182	97,687
Deduct:		
(a) Tax Paid (including Fringe Benefits Tax)	(16,413)	(19,811)
CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	"A"	100,769
		77,876
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Outflow:		
(a) Purchase of Fixed Assets (including CWIP)	(307,013)	(195,861)
(b) Purchase of Investments	(144,609)	(22,217)
	<u>(451,622)</u>	<u>(218,078)</u>
Inflow:		
(a) Sale/Transfer of Fixed Assets	2,263	975
(b) Sale of Investments	-	47
(c) Interest Received	5,261	2,709
(d) Dividend Received	11,226	740
(e) Other Income	10,345	6,025
	<u>29,095</u>	<u>10,496</u>
NET CASH USED IN INVESTING ACTIVITIES	"B"	(422,527)
		(207,582)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Inflow:		
Increase in Share Capital (See Note 3)	1,506	418
Upfront Payment of Equity Warrants	39,850	-
Increase in Security Premium (See Note 3)	83,668	9,464
Increase in Borrowings	455,050	250,942
	<u>580,074</u>	<u>260,824</u>
Outflow:		
Decrease in Borrowings (See Note 3)	(173,804)	(121,671)
Interest paid	(33,914)	(25,725)
Dividend Paid (including Tax on Dividend)	(12,035)	(7,721)
	<u>(219,753)</u>	<u>(155,117)</u>
NET CASH FROM FINANCING ACTIVITIES	"C"	360,321
		105,707
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	"A+B+C"	38,563
		(23,999)
CASH AND CASH EQUIVALENTS AS AT 01.04.2007 (OPENING BALANCE)		142,981
CASH AND CASH EQUIVALENTS AS AT 31.03.2008 (CLOSING BALANCE)		181,544
		142,981

Notes:

1. Cash and Cash Equivalents:
Cash-in-hand and Balances with Scheduled Banks in Rupees [including Rs 641 Lakhs lying in Unpaid Dividend Account and Rs.2 Lakhs in Rights Issue Account which are not available for use by the Company]
Cash-in-hand and Balances with Non Scheduled Banks in Foreign Currency [including Iraqi Dinars 27,377 Million (equivalent to Rs.9.63 Lakhs) which are not available for use by the Company]
2. Against the working capital cash credit limit of Rs.16,000 Lakhs (Previous year Rs. 13,500 Lakhs) sanctioned by the Banks the outstanding balance as on 31st March, 2008 is Rs. 11,635 Lakhs (Previous Year Rs. 12,611 Lakhs)
3. Increase in Share Capital & Share Premium is on account of Conversion of Foreign Currency Convertible Bonds into Equity Shares. Correspondingly, the Borrowings have been decreased.
4. Direct Taxes paid are treated as arising from Operating Activities and are not bifurcated between Investing and Financing activities.
5. Previous year figures have been regrouped/rearranged wherever necessary.

For and on behalf of the Board

As per our report of even date
attached to the Balance Sheet

For M.P. SINGH & ASSOCIATES
Chartered Accountants

M.P. SINGH
Partner

Place : Noida
Dated: 3rd May, 2008

GOPAL DAS BANSAL
Sr. Vice-President
[Accounts]

R.B. SINGH
C.F.O.
[Cement]

HARISH K. VAID
Sr. President [Corporate Affairs] &
Company Secretary

MANOJ GAUR
Executive Chairman & CEO

SUNIL KUMAR SHARMA
Executive Vice Chairman

S.D. NAILWAL
Director [Finance] & CFO

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANIES

ANNEXURE TO THE BALANCE SHEET AS AT 31ST MARCH, 2008

01 Name of Subsidiary Company	Jaiprakash Hydro-Power Limited [JHPL]	Jaiprakash Power Ventures Limited	Jaypee Hotels Limited	Jaypee Karcham Hydro Corporation Limited	Madhya Pradesh Cement Limited [JCL]	Gujarat Arijan Cement Limited [Subsidiary of JCL]	Jaypee Infratech Limited	Bhilai Jaypee Cement Limited	Himalayan Expressway Limited	JPSK Sports Private Limited	Jaypee Ganga Infrastructure Corporation Limited [N]	Bokaro Jaypee Cement Limited [O]
02 Financial Year of the Subsidiary Company ended on 03 Number of Shares held by Jaiprakash Associates Limited and its nominees in the Subsidiary Companies at the end of the financial year of the Subsidiary Companies	31.03.2008	31.03.2008	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
(i) Equity Shares of Rs. 10/- each - fully paid-up	311,000,600	429,000,000	40,049,943	750,000,000	355,950,700	10,500,000	333,562,070	955,000,000	7,400,000	69,467,500	50,000	63,000
(ii) Extent of holding	63.34%	80.56%	-	72.18%	100%	70.00%	99.88%	98.96%	74.00%	100.00%	100.00%	61.70%
(iii) Share Application Money (Rs.)	-	-	-	-	-211,000,000	-203,395,000	-318,347,190	-481,000,000	-	-50,000,000	-16,000,000	-10,161,160
04 Date from which it became Subsidiary Company	04.03.1995	14.03.1998	-	21.03.2002	29.04.2002	31.01.2006	29.09.2006	06.03.2006	05.04.2007	30.01.2007	11.04.2007	25.05.2007
05 The net aggregate of Profit / (Loss) of the Subsidiary Companies as far as it concerns the members of the Holding Company:	-	-	-	-	-	-	-	-	-	-	-	-
(i) Not dealt with in the Holding Company's Accounts:	-	-	-	-	-	-	-	-	-	-	-	-
(a) For the Financial Year of the Subsidiary	Rs.10788 Lakhs	Rs. 9594 Lakhs	Rs. 1266 Lakhs	-	-	-	-	-	-	-	-	-
(b) For the Previous Financial Years since it became the Holding Company's Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Dealt with in the Holding Company's Accounts:	Rs.26111 Lakhs	Rs. 2424 Lakhs	Rs. 2282 Lakhs	-	-	-	-	-	-	-	-	-
(a) For the Financial Year of the Subsidiary	Rs. 2333 Lakhs	Rs. 5148 Lakhs	-	-	-	-	-	-	-	-	-	-
(b) For the Previous Financial Years since it became the Holding Company's Subsidiary	Rs. 2333 Lakhs	Rs. 3003 Lakhs	Rs. 1842 Lakhs	-	-	-	-	-	-	-	-	-
06 - Changes in the interest of Jaiprakash Associates Limited between the end of the Subsidiary's Financial Year and 31st March, 2008	-	-	-	-	-	-	-	-	-	-	-	-
Number of Shares acquired	-	-	-	-	-	-	-	-	-	-	-	-
Material changes between the end of the Subsidiary's Financial Year and 31st March, 2008	-	-	-	-	-	-	-	-	-	-	-	-
(i) Fixed Assets (Net Addition) (Capital Work-in-Progress)	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Money's lent by the Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Money's borrowed by the Subsidiary Company other than for meeting Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

* Subscription paid in April 2008

As per our report of even date attached to the Balance Sheet For M.P. SINGH & ASSOCIATES Chartered Accountants

M.P. SINGH
Partner

Place : Noida
Dated: 3rd May, 2008

JAIPRAKASH
ASSOCIATES LIMITED

MANOJ GAUR
Executive Chairman & CEO
SUNIL KUMAR SHARMA
Executive Vice Chairman
S. D. NALWAL
Director [Finance] & CFO

HARISH K. VAID
Sr. President [Corporate Affairs] & Company Secretary

For and on behalf of the Board

R.B. SINGH
C.F.O.
[Cement]

GOPAL DAS BANSAL
Sr. Vice-President
[Accounts]

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF
JAIPRAKASH ASSOCIATES LIMITED ON THE CONSOLIDATED
FINANCIAL STATEMENTS OF JAIPRAKASH ASSOCIATES
LIMITED AND ITS SUBSIDIARIES**

The Board of Directors

Jaiprakash Associates Limited

1. We have audited the attached Consolidated Balance Sheet of Jaiprakash Associates Limited and its subsidiaries, as at 31st March 2008, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Jaiprakash Associates Limited management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing by accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 785,056 lacs as at 31st March 2008, the total revenue of Rs. 92,072 lacs and cash flows amounting to Rs.33,524 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us. Our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Jaiprakash Associates Limited management in accordance with the requirements of Accounting Standards(AS) 21 'Consolidated Financial Statements', and Accounting Standards (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of Jaiprakash Associates Limited and its subsidiaries as at 31st March, 2008;
- (b) in the case of the Consolidated Profit and Loss Account, of the profit of Jaiprakash Associates Limited and its subsidiaries for the year ended on the date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of Jaiprakash Associates Limited and its subsidiaries for the year ended on that date.

For **M.P. SINGH & ASSOCIATES**
Chartered Accountants

(M.P.SINGH)

Place :Noida

Partner

Dated:03.05.2008

M.No.1454

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	2007-2008 Rs. LAKHS	2006-2007 Rs. LAKHS
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	A	23,430	21,924
Reserves and Surplus	B	434,437	270,931
Equity Warrants			
[Refer Note No 16 of Schedule T]		39,850	497,717
			- 292,855
MINORITY INTEREST			
(in Subsidiaries)			
Share Capital		34,086	28,037
Reserves and Surplus		30,978	17,868
Share Application Money		5,190	70,254
	C		- 45,905
		9,607	4,704
DEFERRED REVENUE			
Secured Loans	D	779,669	625,121
Unsecured Loans	E	369,048	1,148,717
			183,237
		61,402	808,358
DEFERRED TAX LIABILITY			
TOTAL FUNDS EMPLOYED		1,787,697	1,205,354
APPLICATION OF FUNDS			
FIXED ASSETS	F		
Gross Block		882,226	770,896
Less: Depreciation		188,347	159,174
Net Block		693,879	611,722
Capital Work-in-Progress			
[Including Incidental			
Expenditure Pending Allocation]		622,498	1,316,377
			269,707
	G		881,429
INVESTMENTS		12,033	773
DEFERRED TAX ASSET			1,454
CURRENT ASSETS, LOANS & ADVANCES	H		
CURRENT ASSETS			
Inventories		80,886	70,333
Projects under Development		62,710	50,040
Sundry Debtors		77,169	74,158
Cash and Bank Balances		246,215	182,295
Other Current Assets		13,479	11,619
Loans & Advances		258,642	119,152
		739,101	507,597
LESS: CURRENT LIABILITIES & PROVISIONS	I		
Current Liabilities		236,873	147,732
Provisions		48,135	40,502
		285,008	188,234
NET CURRENT ASSETS		454,093	319,363
MISCELLANEOUS EXPENDITURE	J	3,740	2,589
TOTAL APPLICATION OF FUNDS		1,787,697	1,205,354

Accounting Policies and Notes to
the Consolidated Accounts

T

For and on behalf of the Board

As per our report of even date
attached to the Balance Sheet

For M.P. SINGH & ASSOCIATES
Chartered Accountants

MANOJ GAUR
Executive Chairman & CEO

M.P. SINGH
Partner

SUNIL KUMAR SHARMA
Executive Vice Chairman

Place : Noida
Dated: 3rd May, 2008

GOPAL DAS BANSAL **R.B. SINGH** **HARISH K. VAID** **S.D. NAILWAL**
Sr. Vice-President [Accounts] C.F.O. Sr. President [Corporate Affairs] &
[Cement] [Finance] & CFO
[Company Secretary]

CONSOLIDATED SCHEDULE "C"		2007-2008 Rs. LAKHS	2006-2007 Rs. LAKHS	CONSOLIDATED SCHEDULE "E"		2007-2008 Rs. LAKHS	2006-2007 Rs. LAKHS
DEFERRED REVENUE				UNSECURED LOANS			
Advance against depreciation				A. Foreign Currency Convertible Bonds			
As Per last Balance Sheet		4,704	1,662	FCCB - I [USD]		826	889
Add: During the Year		4,903	2,352	FCCB - II [EURO]		6,014	94,908
Add : Prior Period Adjustments		-	690	FCCB - III [USD]		158,635	165,475
		9,607	4,704				95,797
CONSOLIDATED SCHEDULE "D"				B. Foreign Currency Loans from Banks [ECB]		115,564	29,016
SECURED LOANS				C. Non Convertible Debentures		647	10,863
A. DEBENTURES				(Repayable within one year - Rs 216 Lakhs (Previous Year Rs 216 Lakhs))			
Secured Non-Convertible Debentures		79,630	83,000	D. Short Term Loans		5,000	-
B. TERM LOANS				From Financial Institutions			
1. From Financial Institutions				From Banks		40,500	17,775
(a) In Rupees		105,132	86,936	From Others		8,500	54,000
(b) In Foreign Currency		12,054	117,186	(Repayable within one year - Rs 28,000 Lakhs; Previous year 7,775 Lakhs)			-
2. From Banks				E. Sales Tax Dferment Loan		1,582	2,102
(a) In Rupees		519,655	367,942	(Repayable within one year- Rs 657 Lakhs; Previous Year Rs 845 Lakhs)			
(b) In Foreign Currency		28,872	29,043	F. Bills Discounting		3,121	4,867
3. From Others		10,000	10,000	(Repayable within one year- Rs 3,121 Lakhs; Previous Year Rs 4,867 Lakhs)			
4. Buyers Credit		9,742	12,234	G. Fixed Deposit Scheme		19,009	14,090
		685,455	520,480	(Repayable within one year- Rs 9,164 Lakhs; Previous Year Rs 8,051 Lakhs)			
C. WORKING CAPITAL LOANS				H. From Others (Including Deposits from Stockists & Sales Promoters)		9,650	8,727
From Banks							
[i] For Working Capital							
In Rupees		11,635	16,720				
[ii] For Overseas Works		2,296	13,931				
			3,682				
			20,402				
D. Advances from Clients							
From GOVERNMENT DEPARTMENTS,							
PUBLIC SECTOR UNDERTAKINGS & OTHERS -							
Secured against hypothecation of Construction							
Material and Plant & Machinery							
[a] Interest Bearing		606	932				
[b] Non Interest Bearing		47	653				
			231				
E. HIRE PURCHASE			1,163				
			76				
		779,669	625,121				
						369,048	183,237

CONSOLIDATED SCHEDULE "F" FIXED ASSETS

Rs. Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As On 01.04.2007	Addition during the year	Sale/Transfer/ insurance claim	As On 31.03.2008	As On 31.03.2007	Upto 31.03.2007	For The year	Sale/ Adjustment	As On 31.03.2008	As on 31.03.2007
GOODWILL	11,313	2,700	-	14,013	3,811	1,401	-	5,212	8,801	7,502
Land										
(a) Leasehold Land	44,130	2,849	466	46,513	39	30	-	69	46,444	44,091
(b) Freehold Land	8,548	3,554	-	12,102	-	-	-	-	12,102	8,548
Building	52,661	5,999	1,360	57,300	6,755	964	524	7,195	50,105	45,906
Purely Temporary Erections	6,410	2,449	-	8,859	6,410	1,732	-	8,142	717	-
Plant & Machinery	428,338	73,280	4,634	496,984	120,309	19,052	2,524	136,837	360,147	308,029
Captive Thermal Power Plant	40,415	187	-	40,602	3,919	2,347	-	6,266	34,336	36,496
Hydraulic Works	130,942	-	-	130,942	6,869	3,614	-	10,483	120,459	124,073
Wind Turbine Generators	7,967	18,886	-	26,853	62	605	-	667	26,186	7,905
Railway siding	6,996	128	-	7,124	671	323	-	994	6,130	6,325
Golf Course	3,109	601	-	3,710	873	152	-	1,025	2,685	2,236
Miscellaneous Fixed Assets (Hotel)	2,939	395	6	3,328	1,102	151	4	1,249	2,079	1,837
Motor Vehicles	6,092	1,924	299	7,717	2,455	616	230	2,841	4,876	3,637
Furniture & Office Equipment	11,291	3,345	238	14,398	5,607	1,148	200	6,555	7,843	5,684
Ships: Boat	9	-	-	9	-	1	-	1	8	9
Helicopter	9,014	2,036	-	11,050	20	519	-	539	10,511	8,994
Capital Assets - Not owned by the Company (Roads)	269	-	-	269	269	-	-	269	-	-
Mining Rights	450	-	-	450	-	-	-	-	450	450
Technical Books	3	-	-	3	3	-	-	3	-	-
Live Stock	-	-	-	-	-	-	-	-	-	-
	770,896	118,333	7,003	882,226	159,174	32,655	3,482	188,347	693,879	611,722
PREVIOUS YEAR	567,112	215,237	11,453	770,896	141,103	26,396	8,325	159,174	611,722	
CAPITAL WORK IN PROGRESS									622,498	269,707

Note:

(i) Out of the Depreciation for the year, Rs 772 Lakhs (Previous Year Rs.439 Lakhs) has been included in Expenditure During Construction period shown in Schedule "S"

CONSOLIDATED SCHEDULE "G" INVESTMENTS (AT COST)		2007-2008 Rs. LAKHS	2006-2007 Rs. LAKHS	CONSOLIDATED SCHEDULE "H" CURRENT ASSETS, LOANS & ADVANCES		2007-2008 Rs. LAKHS	2006-2007 Rs. LAKHS
[A] INVESTMENT IN ASSOCIATE COMPANY				A. CURRENT ASSETS			
10,000 Equity Shares of Jaiprakash Kashmir Energy Limited of Rs 10/- each fully paid up		1	1	1. INVENTORIES (As per inventories taken valued and certified by the Management)			
				(a) Stores and Spare Parts (at cost)	35,930	29,963	
				(b) Construction Materials (at cost)	10,234	5,457	
				(c) Raw Materials - Cement Division (at cost)	905	641	
				(d) Raw Materials - Asbestos Sheets (at cost)	281	506	
				(e) Finished Goods - Cement Division (at estimated cost or net realisable value whichever is lower)	2,653	2,377	
				(f) Finished Goods - Asbestos Sheets (at estimated cost or net realisable value whichever is lower)	562	710	
				(g) Food and Beverage	103	84	
				(h) Other Operating Supplies and Stores	830	756	
				(i) Stock in Process - Cement Division (at estimated cost)	3,006	756	
				(j) Work-in-Progress- Construction Division (at estimated cost)	23,920	27,598	
				(k) Goods in Transit	2,462	1,485	
					80,886		70,333
(b) UNQUOTED				2. Projects under Development (at Cost) [Also refer Schedule R]			
(i) 5 Equity Shares of Makers Chamber VI Premises Co-operative Society Limited, Bombay of Rs.50/- each fully paid up [Rs.250/-]					62,710		50,040
				3. SUNDRY DEBTORS (Unsecured, considered good)			
(ii) 5,000 Equity Shares of Tourism Advisory Financial Service Corp. of India Ltd of Rs.100/- each fully paid up	5	5		(a) Debts outstanding for a period exceeding six months			
				(i) From Overseas Works	10,163	10,163	
				(ii) From Others	32,890	33,721	
				Less Provision for Bad & Doubtful Debts	139	42,914	140
				(b) Other Debts	34,255	77,169	30,414
							74,158
				4. CASH AND BANK BALANCES			
				(a) Cash,Cheques in hand & in transit	6,127	13,340	
				(b) Balances with Scheduled Banks			
				(i) In Current & Cash Credit Account	45,526	27,805	
				(ii) In Fixed Deposits Account (Fixed Deposits of Rs 9,251 Lakhs Previous year Rs. 8,753 Lakhs pledged as Margin Money with Banks & Others)	190,888	139,477	
				(iii) Balance in Dividend Accounts	712	237,126	437
				(c) Balance with Non-Scheduled (Foreign) Banks			
				(i) In Current Account	59	112	
				(d) In Trust & Retention Account			
				(i) In Current Account	2,168	3	
				(ii) In Fixed Deposit Account	735	2,903	1,121
					246,215		182,295
(C) Bullion				5. OTHER CURRENT ASSETS			
Gold [27 kgs]				(a) Interest accrued on Fixed Deposits & Others (From Banks Rs. 3,964 Lakhs; Previous year Rs. 1,492 Lakhs)	7,796	5,931	
				(b) Deferred Receivable	5,683	13,479	5,688
					480,459		388,445
[D] GOVERNMENT SECURITIES				B. LOANS AND ADVANCES			
(pledged with various Govt. Departments as security)				(Unsecured, Considered Good)			
(i) National Savings Certificates [Face Value Rs.1,600/- (Previous Year Rs 1,600/-)]				Advances to Suppliers, Contractors, Sub-Contractors & Others			
				Staff Imprest and Advances	103,404	53,491	
				Claims and Refunds Receivable	596	382	
				Prepaid Expenses	24,816	8,989	
				Deposits with Govt. Depts. Public Bodies and others	4,200	5,055	
				(a) Govt. Depts., Public Bodies	18,667	15,653	
				(b) Others	71,200		
				(i) Real Estate	414	323	
				(ii) Others	90,281		
				Work Contract Tax/ Sales Tax Recoverable	1,458		
				Advance Tax & Income Tax deducted at source	33,887		
					258,642		32,554
				GRAND TOTAL			
					739,101		507,597

CONSOLIDATED SCHEDULE "I" CURRENT LIABILITIES AND PROVISIONS			2007-2008 Rs. LAKHS	2006-2007 Rs. LAKHS	CONSOLIDATED SCHEDULE "M" MANUFACTURING, CONSTRUCTION, REAL ESTATE, HOTEL/ HOSPITALITY & POWER EXPENSES			2007-2008 Rs. LAKHS	2006-2007 Rs. LAKHS
A. CURRENT LIABILITIES									
Sundry Creditors						Raw Materials Consumed -Cement Division	17,867	17,227	
(a) Due to Small, Medium and Micro Enterprises	-	-				Raw Materials Consumed -Asbestos Sheets	2,282	1,105	
(b) Others	69,106	69,106	50,411	50,411		Construction Expenses	37,275	60,410	
Advance from Customers						Real Estate Expenses	15,495	-	
(a) Real Estate	54,281		30,617			O & M charges for ICF to SJVNL	119	112	
(b) Others	49,941	104,222	9,480	40,097		Consumption of Food & Beverages etc.	1,276	1,112	
Due to Staff		1,324		939		Hotel & Golf Course Operating Expenses	5,432	4,669	
Due to Directors		3		5		Hire Charges & Lease Rentals of Machinery	134	449	
Adjustable Receipts against Contracts						Power, Electricity & Water Charges	19,879	20,060	
(Against Guarantees)						Repairs & Maintenance of Machinery	13,031	19,759	
(a) Interest Bearing	22,347		21,217			Repairs to Building and Camps	1,696	1,692	
(b) Non Interest Bearing	5,160	27,507	7,106	28,323		Stores and Spares Consumed	13,366	18,757	
Other Liabilities		23,141		18,401		Coal and Packing Materials Consumed	29,482	28,143	
Expenses Payable		813		475		Freight, Octroi & Transportation Charges	7,656	8,226	
Interest accrued but not due on loans		10,045		8,642		Less:Self Consumption - Cement & Asbestos Sheets	164,990	181,721	
Investor Education and Protection Fund:							8,875	8,093	
(Appropriate amounts shall be transferred to "Investor Education and Protection Fund" if and when due)									
(a) Unclaimed Dividend	710		437				156,115	173,628	
(b) Share Application Money Refundable Account (Rights Issue)	2	712	2	439					
	236,873			147,732					
B. PROVISIONS									
For Taxation		32,723		30,888					
For Gratuity		3,393		2,440					
For Provident Fund		348		277					
For Property Tax		284		222					
For Hotel Receipt Tax		-		17					
For Leave Encashment		1,500		941					
For Proposed Final Dividend		7,571		4,346					
For Tax on Proposed Final Dividend		2,316		1,371					
	48,135			40,502					
GRAND TOTAL		285,008		188,234					
CONSOLIDATED SCHEDULE "J" MISCELLANEOUS EXPENDITURE									
(To the extent not written off or adjusted)									
Preliminary Expenses		1,033		517					
Share & Debenture Issue Expenses		925		-					
Deferred Revenue Expenses		1,782		2,072					
Debt Restructuring Expenses		-	2,503						
Less Recovery from HPSEB		-	-	2,503	-				
		3,740		2,589					
CONSOLIDATED SCHEDULE "K" OTHER REVENUE									
Dividend		22		31					
Rent		19		22					
Machinery Rentals		166		428					
Foreign Currency Exchange Rate Difference		4,251		273					
Interest (including Rs. 4,664 Lakhs from Banks)		9,726		5,651					
Miscellaneous		6,367		3,153					
		20,551		9,558					
CONSOLIDATED SCHEDULE "L" (INCREASE) / DECREASE IN STOCKS & WORK IN PROGRESS									
OPENING STOCK									
Finished Goods		3,087		1,546					
Stock-in-process		756	3,843	770	2,316				
LESS:CLOSING STOCK									
Finished Goods		3,215		3,087					
Stock-in-process		3,006	6,221	(2,378)	756	3,843			
WORK IN PROGRESS									
Opening Work-in-Progress		27,598		21,715					
Less :Closing Work-in-Progress		23,920		27,598					
		3,678		(5,883)					
		1,300		(7,410)					
CONSOLIDATED SCHEDULE "M" INTEREST									
Interest on Non -Convertible Debentures									
Interest on Term Loans									
Interest on Bank Borrowing & Others									

CONSOLIDATED SCHEDULE "R" PROJECTS UNDER DEVELOPMENT	2007-2008 Rs. LAKHS	2006-2007 Rs. LAKHS
Opening Balance as on 01.04	50,040	61,113
Less Revaluation Reserve on Lease Hold Land under Development reversed		22,688
	50,040	<u>38,425</u>
Expenses On Development of Land during the year		
Purchase of Land for development	10,351	419
Construction Expenses	13,862	3,969
Technical Consultancy	1,041	508
Power, Electricity and Water Charges	145	156
Personnel Expenses	808	328
Selling and Promotional Expenses	855	251
Lease Rent	-	87
Financing Charges	-	1,226
Other Expenses	1,165	478
EDC and other Incidental Expenses	-	4,193
	78,267	<u>50,040</u>
Less Cost on Construction Properties taken to expenses	15,557	-
Balance Carried to Schedule H- A-2	62,710	50,040

CONSOLIDATED SCHEDULE "S"
EXPENDITURE DURING CONSTRUCTION PERIOD

Opening Balance	48,831	60,033
Electricity, Power and Fuel	1,695	595
Salary , Wages & Staff Welfare	7,026	1,847
Survey Expenses	36	372
Site Development Expenses	493	772
Repair and Maintenance	562	1,142
Consultancy,Legal and Professional	4,380	2,900
Insurance	1,164	1,152
License,Application Fee, Rent, Rates and Taxes	235	203
Safety & Security	737	395
LC Commission,Bank Charges and Bank GuaranteeCommission	924	634
Freight and Material Handling	1,562	335
Environmental, Ecology, Afforestation, Catchment		
Area Treatment and Compensation	1,144	1,844
Light Vehicle running & Maintenance	252	109
Quary Development & Compensation	62	363
Travelling and Conveyance	454	283
Vehicle/ Machinery Hire Charges and Lease Rent	939	165
Directors' Sitting Fees	10	-
Miscellaneous	8,716	992
Loss on Sale of Investments	151	-
Advertisement /Business Promotion Expenses	960	-
Foreign Exchange Fluctuations	3,805	-
Loss on settlement of Loans and Guarantees	-	4
Interest and Financial Charges	28,206	21,014
Audit Fees	11	5
Depreciation	772	439
	113,127	<u>95,598</u>
Less:		
Interest Received	7,797	4,447
Foreign Exchange Fluctuation	-	137
Miscellaneous Receipt	254	135
Sundry Balances Written off	-	-
	8,051	<u>4,719</u>
Less: Provision for Taxation	2,649	<u>5,402</u>
	107,725	<u>92,390</u>
Less: Apportioned to Project under Development		779
Less:Capitalised / Transferred During the Year	4,618	42,780
Carried Over to Balance Sheet [included in Capital Work-in-Progress]	103,107	48,831

CONSOLIDATED SCHEDULE " T "
ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED ACCOUNTS
[A] SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Consolidated Financial Statements:

- [i] The Consolidated Financial Statements are prepared in accordance with Accounting Standards [AS 21] on Consolidated Financial Statements, Accounting for Investment in Associates in Consolidated Financial Statements [AS 23] and Financial Reporting of Interests in Joint Ventures [AS 27].
- [ii] The Financial statements of the Subsidiary Companies including Joint Venture Subsidiaries used in the consolidation are drawn upto the same reporting date, as that of the Parent Company, Jaiprakash Associates Limited (JAL).
- [iii] The Accounts are prepared on the historical cost basis and on the principles of a going concern.
- [iv] Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Principles of Consolidation:

- [i] The Financial Statements of JAL and its subsidiaries including Joint Venture Subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profits/ losses.
- [ii] The Financial Statements of JAL and its subsidiaries are consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- [iii] The difference between the cost to JAL of its investments in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the financial statement as Goodwill or Capital Reserve, as the case may be, Goodwill is amortised over a period of ten years.

Revenue Recognition

- [i] Revenue/Incomes and Costs/Expenditures are accounted for on accrual basis as they are earned or incurred.

Fixed Assets

Fixed Assets are stated at Cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, interest on borrowing and financial cost upto the date of acquisition / installation.

Depreciation

- [i] Depreciation has been provided @ 2.71% p.a. on straight line method on Hydro Electric Plant as approved by the Ministry of Company Affairs, Government of India.
- [ii] Depreciation on Fixed Assets other than (i) above is provided on Straight Line Method as per the classification and on the basis of Schedule-XIV to the Companies Act, 1956.

Investments

Investments are stated at Cost and where there is permanent diminution in the value of investments a provision is made wherever applicable. Dividend is accounted for as and when received.

Employee Benefits

Employee Benefits are provided in the books as per AS -15 (revised) in the following manner:

- [a] Provident Fund and Pension contribution - as a percentage of salary/wages is a Defined Contribution Scheme.
- [b] Gratuity and Leave Encashment is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on Projected Unit Credit method.

Inventories

- [i] The inventories resulting from intra-group transactions are stated at cost after deducting unrealised profit on such transaction.

- [ii] The inventories are valued on the basis of weighted Average Cost Method.

- [iii] Stock of Cement/ Asbestos Sheets is valued at estimated cost or net realisable value, whichever is less. Value of Cement, Asbestos Sheets and Clinker lying in the factory premises includes excise duty, pursuant to the Accounting Standard (AS-2) [Revised].

- [iv] Work-in-Progress and Material-in-Process are valued at estimated cost.

Foreign Currency Transactions

- [a] Monetary Assets and Liabilities related to Foreign Currency transactions and outstanding at the close of the year are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet.

- [b] Transactions in Foreign Currency are recorded in the Books of Account in Indian Rupees at the rate of exchange prevailing on the date of transaction.

Research and Development

Revenue expenditure on Research and Development is charged to Profit & Loss Account in

the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to Fixed Assets.

Expenditure During Construction Period

Expenditure incurred on projects during implementation is capitalised and apportioned to various assets on commissioning of the project.

Earnings Per Share

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use or sale. All other borrowing costs are charged to revenue.

Segment Reporting

Revenue, operating results, assets and liabilities have been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, Liabilities, Revenue and Expenses which are not allocable to separate segment on a reasonable basis, are included under "Unallocated".

Taxes on Income

Deferred Tax Liability is provided in accordance with Accounting Standard [AS-22]. Deferred Tax Asset and Deferred Tax Liability are stated as the aggregate of respective figures in the separate Balance Sheets.

Provisions, Contingent Liabilities and Contingent Assets [AS-29]

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

[B] NOTES TO THE ACCOUNTS

01 Subsidiaries

(a) The Consolidated Financial Statements present the Consolidated Accounts of Jaiprakash Associates Limited with its following Subsidiaries:

Name of Subsidiaries / Joint Venture Subsidiaries	Country of Incorporation	Proportion of Ownership Interest
[a] Jaiprakash Hydro Power Limited [JHPL]	India	63.34%
[b] Jaiprakash Power Ventures Limited [JPVL]	India	80.56%
[c] Jaypee Hotels Limited [JHL]	India	72.18%
[d] Jaypee Karcham Hydro Corporation Ltd [JKHCL]	India	100%
[e] Jaypee Cement Limited [JCL]	India	100%
[f] Gujarat Anjan Cement Limited [GACL] [Subsidiary of JCL]	India	99.88%
[g] Madhya Pradesh Jaypee Minerals Ltd [MPJPMI] [Joint Venture Subsidiary w.e.f. 29.09.2006]	India	70.00%
[h] Jaypee Power Grid Limited [JPPGL] [Joint Venture Subsidiary of JHPL w.e.f. 30.01.2007]	India	74.00%
[i] Bhilai Jaypee Cement Limited [BJCL] [Joint Venture Subsidiary w.e.f. 11.04.2007]	India	74.00%
[j] Jaypee Infratech Limited [w.e.f 05.04.2008] [JIL]	India	98.96%
[k] Himalayan Expressway Limited [w.e.f 25.05.2008][HEL]	India	100%
[l] Gujarat Jaypee Cement and Infrastructure Limited [w.e.f 26.12.07][GJCL]	India	100%

Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed such Policies and Notes from the individual financial statements, which fairly present the needed disclosure.

(b) The Consolidated Financial Statements does not include the financial Statements of the following Subsidiaries since the first Financial Year of these subsidiaries will be ending after 31.03.2008

[a] Jaypee Ganga Infrastructure Corporation Ltd. [w.e.f 18.03.2008][JGICL]	India	100%
[b] JPSK Sports Pvt. Ltd.[JPSK]	India	61.70%

[Joint Venture Subsidiary w.e.f. 07.03.2008]

[c] Bokaro Jaypee Cement Limited [BoJCL]

[Joint Venture Subsidiary w.e.f. 13.03.2008]

India

74%*

(Subscription paid in April' 08)

	2007-08	2006-07
02 Contingent Liability not provided for in respect of :	Rs. In Lakhs	Rs. In Lakhs
[a] Outstanding amount of Bank Guarantees	115,077	109,601
Margin Money deposited against the above	6,148	5,479
[b] Outstanding Letters of Credit	58,524	46,013
Margin Money deposited against the above	34	29
[c] Claims against the Company not acknowledged as debts	41,149	34,899
Amount deposited under protest	560	886
Bank Guarantee deposited under protest		
[Included in 02[a] above]	5,787	6,004
[d] Liability on account of Custom duty on non fulfilment of Export obligation under EPCG scheme	10,166	15,774
[e] Other Matters under Appeal [with Excise, Sales Tax, and other Government Authorities]	22,082	18,002
Amount deposited under protest	11,446	9,686
Bank Guarantee deposited under protest		
[Included in 02[a] above]	2,985	1,669
[f] Income tax matters under Appeal	2,302	2,336
03 Estimated amount of Contract remaining to be executed on capital account and not provided for (net of advances)	1,120,209	462,524
04 In the opinion of Board of Directors, the "Current Assets, Loans and Advances" have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.		
05 (a) The provision for taxation is the sum of provisions made for taxation in the separate accounts of the Holding and Subsidiaries.		
(b) Deferred Tax:		
(i) Deferred Tax Liability on account of:		
Depreciation	46,629	41,435
Others	14,773	12,097
	61,402	53,532
Deferred Tax Assets on account of:		
Employees' Benefits	1,454	1,200
	1,454	1,200
Net Deferred Tax Liability	59,948	52,332
(ii) Deferred Tax [Net] amounting to Rs. 7,616 Lakhs [Previous year Rs.653 Lakhs] has been recognised in the Consolidated Profit & Loss Account for the year ended 31.03.2008.		
06 Plant & Machinery includes a sum of Rs.6,287 Lakhs [Previous Year Rs.6,287 Lakhs] being the cost paid for Inter Connection Facility [ICF] established by Satluj Jal Vidyut Nigam Limited [SJVN] at their Switch Yard at Jhakri for evacuation of power generated by Baspa-II Hydro-Electric Project. The maintenance cost of ICF is paid to SJVN.		
07 The Trust and Retention Account [refer Schedule "H"] is maintained pursuant to the stipulations of the "Financing Agreements" executed with the Lenders.		
08 Capital Work-in-progress includes Civil Works, Machinery Under Erection and in transit, Construction, Advance to Suppliers, Pre-operative Expenses and Incidental Expenditure Pending Allocation	622,498	269,707
09 Managerial remuneration paid/payable by the Company and its subsidiaries to Managing/ Whole-time Directors [excluding Provisions for Gratuity & Leave Encashment on Retirement]:		
Salaries	570	290
Provident Fund Contribution	65	35
Perquisites	372	213
	1,007	538

10 Goodwill amounting to Rs. 14,012 lakhs [Previous Year Rs.11,312 Lakhs] has arisen on consolidation of accounts between Parent Company and its Subsidiary Companies, JHL, JHPL, GACL & BJCL. Since Goodwill is to be amortised over a period of ten years, an amount Rs. 1,401 Lakhs [Previous Year Rs.1131 Lakhs] has been written-off and included in Depreciation for the year ended 31st March,2008.

11 Related Parties disclosures, as required in terms of Accounting Standard [AS 18] are given below:

[a] Associate Companies:

- [i] Jaypee Ventures Private Limited
- [ii] JIL Information Technology Limited
- [iii] Indesign Enterprises Private Limited
- [iv] Gaur & Nagi Limited
- [v] Jaiprakash Kashmir Energy Limited
- [vi] Madhya Pradesh Minerals Limited
- [vii] Power Grid Corporation of India Limited
- [viii] RPJ Minerals Private Limited
- [ix] Sonebhadra Minerals Private Limited
- [x] Jaypee Development Corporation Limited [Subsidiary of Jaypee Ventures Private Limited]

[b] Key Management Personnel:

Jaiprakash Associates Limited

- [i] Shri Manoj Gaur, Executive Chairman
- [ii] Shri Sunil Kumar Sharma, Executive Vice Chairman
- [iii] Shri Sunny Gaur, Managing Director (Cement)
- [iv] Shri S.D. Nailwal, Whole time Director
- [v] Shri Sameer Gaur [upto 09.09.07]
- [vi] Shri Pankaj Gaur, Joint Managing Director (Construction)
- [vii] Shri A.K. Jain, Joint Managing Director [upto 11.12.07]
- [viii] Shri Ranvijay Singh, Whole time Director [w.e.f 14.12.07]
- [ix] Shri R.K. Singh, Whole time Director [w.e.f.15.10.07]

Jaypee Hotels Limited

- [i] Shri Ravi Sreen, Managing Director [w.e.f 01.11.07]
- [ii] Smt. Manju Sharma, Whole-time Director
- [iii] Shri S.G. Awasthi, Managing Director [upto 10.09.07]
- [iv] Shri Shashank P. Warty, Whole-time Director [upto 10.01.08]
- [v] Lt. Gen. S.N. Endley [Retd.], Whole-time Director [upto 23.01.07]

Jaiprakash Hydro-Power Limited

- [i] Shri J.N. Gaur, Whole time Director
- [ii] Shri R.K. Narang, Whole time Director
- [iii] Shri Suresh Chandra, Whole time Director [w.e.f 11.01.08]

Jaiprakash Power Ventures Limited

- [i] Shri Suresh Kumar, Executive Chairman
- [ii] Shri Suren Jain, Managing Director [w.e.f 14.12.07]
- [iii] Shri Arun Gupta, Whole time Director [w.e.f 15.12.07]
- [iv] Shri M.C. Maheshwari [till 14.12.07]
- [v] Shri Viren Jain [till 31.03.07]

Jaypee Karcham Hydro Corporation Limited

- [i] Shri Dharam Paul Goyal, Managing Director
- [ii] Shri Suren Jain, Whole time Director [upto 13.12.07]
- [iii] Shri Praveen Kr Singh, Whole time Director [w.e.f 01.10.07]

Gujarat Anjan Cement Limited

- [i] Shri Alok Gaur (w.e.f. 01.10.07)
- [ii] Shri Ranvijay Singh [till 13.12.07]

Jaypee Infratech Limited

- [i] Shri Sameer Gaur, Whole time Director [w.e.f. 10.09.07]
- [ii] Smt. Rita Dixit, Whole time Director [w.e.f. 10.09.07]
- [iii] Shri Har Prasad, Whole time Director [w.e.f. 10.09.07]
- [iv] Shri Sachin Gaur, Whole time Director [w.e.f 10.09.07]

Jaypee Power Grid Limited

- [i] Shri Rajiv Bhardwaj, Managing Director
- [ii] Shri R.B. Mishra, Whole time Director

Directors of Transferor Company, erstwhile Jaypee Greens Limited

- [i] Shri Har Prasad [upto 21.08.06]
- [ii] Smt. Rita Dixit [upto 21.08.06]
- [iii] Shri Gyan Prakash Gaur
- [iv] Smt. Rekha Dixit
- [v] Shri Sachin Gaur
- [vi] Smt. Rita Dixit [w.e.f. 22.08.06]
- [vii] Shri Rahul Kumar [w.e.f. 01.11.06]
- [viii] Shri Naveen Kumar Singh [till 31.03.06]

Transactions carried out with related parties referred to above:

Nature of Transactions	Rupees in Lakhs		
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Income			
Contract Receipts	-	-	-
Sale Cement	-	-	-
Service Charges	6	-	-
Dividend	-	-	-
	(12)	-	-
Interest	464	-	-
Expenses			
Design Engineering and Technical Consultancy	4,721	-	-
	(4,734)	-	-
Mining Rights	-	-	-
	(450)	-	-
Security & Medical Services	3,284	-	-
	(2,343)	-	-
Salaries & Other Amenities etc.	-	1,007	98
		(537)	(100)
Gratuity & Leave Encashment	-	-	-
Rent	24	-	-
	(24)	-	-
Others			
Purchase of Shares during the year	40,000	-	-
	(1)	-	-
Share Application Money given during the year	-	-	-
	(101)	-	-
Sale of Shares during the year	-	-	-
	(47)	-	-
Equity Warrants (Upfront Payment received during the year)	39,850	-	-
	-	-	-
Outstanding			
Receivables	77,663	-	-
	(3,952)	-	-
Payables	24,540	8	5
	(2,544)	(3)	-

Notes:

1. Salaries & other Amenities etc., paid to Key Management Personnel during F.Y. 2007-08 includes Rs NIL [Previous Year Rs.15,56,363/-] to Directors of Transferor Company erstwhile Jaypee Greens Limited
2. Previous Year figures are given in brackets.

12 Other Liabilities shown under the head "Current Liabilities & Provisions" include Book Overdraft Rs.2,064 Lakhs [Previous Year Rs.4,575 Lakhs]

13 Segment Information

Business Segment: Rs. in Lakhs

Particulars	Construction	Cement/ Cement Products	Hotel / Hospitality Products	Power	Real Estate	Investments	Unallocated	Total
[A] Segment Revenue								
External	117,316	197,379	16,172	74,738	25,583	22	9,460	440,670
	(145,649)	(182,401)	(13,877)	(56,845)	-	-	(4,066)	(402,838)
Inter Segment	58,159	9,560	199	-	-	-	-	67,918
Revenue	(17,780)	(10,364)	(156)	-	-	-	-	(28,300)
Segment Results								
Profit/(Loss)								
before Tax,	25,350	68,857	3,390	67,071	8,093	22	(-7,689)	165,094
Interest and Minority Interest	(31,552)	(56,581)	(3,256)	(50,380)	-	(31)	(-7,050)	(134,750)
[B] Less: Interest								
							55,786	
							(45,874)	
Profit before Taxation							109,308	
							(88,876)	
Provision for Tax								
Current Tax							21,291	
							(23,734)	
Deferred Tax							7,616	
							(653)	
Fringe Benefits Tax							706	
							(341)	
Profit after Taxation before Minority Interest							79,695	
							(64,148)	
[C] Other Information								
Segment Assets	309,790	723,857	48,033	465,101	123,487	12,033	355,349	2,037,650
	(216,834)	(406,595)	(28,406)	(400,048)	(65,283)	(773)	(241,926)	(1,359,865)
Segment Liabilities	79,290	64,462	4,686	4,542	65,585	-	46,931	265,496
	(37,629)	(35,940)	(4,443)	(11,265)	(37,184)	-	(46,431)	(172,892)
Total Loan and Interest payable thereon							1,148,717	
							(808,358)	
Capital Expenditure during the year including	75,229	296,583	6,968	86,373	766	-	5,205	471,124
CWIP	(22,573)	(163,296)	(2,108)	(56,592)	(1,002)	-	(9,555)	(245,571)
Depreciation	9,026	10,508	1,142	9,069	33	-	2,105	31,883
	(6,452)	(9,188)	(1,108)	(7,739)	-	-	(1,470)	(25,957)
Non Cash expenditure								
other than	-	-	316	-	-	-	209	525
depreciation	-	(33)	(174)	-	-	-	(8)	(215)

[a] Segments have been identified in accordance with Accounting Standards on Segmental Reporting [AS-17] taking into account the organisational structure as well as differential risk and returns of these segments.

[b] Business Segment has been disclosed as the primary segment.

[c] Types of Products and Services in each Business Segment:

- [i] Construction Civil Engineering Construction/EPC Contract/Taj Expressway Project
- [ii] Cement/Cement Products Manufacture and Sale of Cement and Clinker

[iii] Hotel/Hospitality Hotel and Golf Course

[iv] Hydro Electric & Wind Power Generation of Power

[v] Real Estate Real Estate

[vi] Investments Investments in Companies

[d] Segment Revenues, Results, Assets and Liabilities include the amounts identifiable to each segment and amounts allocated on a reasonable basis.

[e] Segment Assets exclude Miscellaneous Expenditure & Deferred Tax Asset. Segment Liability exclude Deferred Tax Liability.

14 In accordance with the Accounting Standard [AS-20] on 'Earnings Per Share' computation of Basic and Diluted Earnings per Share is as under:

	2007-2008 Rs. In Lakhs	2006-2007 Rs. In Lakhs
(a) Net Profit for Basic Earnings Per Share as per Consolidated Profit & Loss account	67,680	55,326
Add: Adjustment for the purpose of Diluted Earnings Per Share	-	-
Net Profit for Diluted Earnings Per Share	<u>67,680</u>	<u>55,326</u>
(b) Weighted average number of equity shares for Earnings per share		
(i) Number of Equity Shares at the beginning of the year	1,096,198,270	215,057,749
(ii) Number of Shares allotted during the year	75,324,147	4,181,905
(iii) Weighted average shares allotted during the year	28,455,011	2,158,297
(iv) Number of potential Equity Shares	21,380,295	16,208,931
(v) Weighted average for:		
[a] For Basic Earnings Per Share	1,124,653,281	217,216,046
[b] For Diluted Earnings Per Share	1,146,033,576	233,424,977
(c) Earnings Per Share		
(i) Basic	Rs. 6.02	Rs. 5.09
(ii) Diluted	Rs. 5.91	Rs. 4.74
(d) Face Value Per Share	Rs. 2.00	Rs. 2.00

EPS for the previous year have been reworked consequent to the sub division of shares of face value Rs 10/- to Rs 2/- per share.

15 The Central Government in exercise of the powers conferred by sub-section 8 of section 212 of the Companies Act 1956 has directed vide Ministry of Corporate Affairs letter Nos.47/259/2008-III dated 24.04.2008 that the provisions contained in sub-section (1) of section 212 of the Companies Act 1956, requiring annual accounts of the Subsidiaries to be attached to the annual accounts of the Holding Company, shall not apply in respect of the Company's twelve Subsidiaries for the financial year ended on 31.03.2008 subject to, inter alia, presentation of consolidated financial statements of subsidiaries duly audited and disclosure of following information.

	Jaypee Hotels Ltd	Jaiprakash Hydro Power Ltd	Jaiprakash Power Ventures Ltd.	Jaypee Karcham Hydro Corp. Ltd.	Jaypee Cement Limited	Gujarat Anjan Cement Ltd	Madhya Pradesh Jaypee Minerals Ltd	Jaypee Power Grid Ltd	Jaypee Infratech Ltd	Himalyan Expressway Ltd	Bhilai Jaypee Cement Ltd	Gujarat Jaypee Cement & Infra'ture Ltd.
Capital (including Share Application Money)	5,549	49,100	56,750	75,000	37,705	36,581	3,534	7,500	96,500	505	9,388	166
Reserves	(5,549)	(49,100)	(50,900)	(75,000)	(10,011)	(9,231)	(1,800)	(371)	-	-	-	-
(8,202)	(41,224)	(3,009)	-	-	-	(6)	-	-	(-) 1,137	-	-	-
Total Assets	36,700	205,308	230,372	135,179	37,902	83,781	4,749	7,561	167,896	558	10,336	171
(25,965)	(206,256)	(180,200)	(101,088)	(10,275)	(20,099)	(2,063)	(378)	-	-	-	-	-
Total Liabilities	22,365	102,261	128,568	60,179	197	47,194	1,215	61	72,533	53	948	5
(12,214)	(115,932)	(126,291)	(26,088)	(264)	(10,862)	(263)	(7)	-	-	-	-	-
Investment Details (including Share Application Money)												
Indesign Enterprises Pvt Ltd												
(50,000 equity shares of Cyprus one each)	72	-	-	-	-	-	-	-	-	-	-	-
	(72)	-	-	-	-	-	-	-	-	-	-	-
Gujarat Anjan Cement Ltd												
3,65,62,070 Equity Shares of Rs.10/- each	-	-	-	-	37,390	-	-	-	-	-	-	-
(Previous Year 3,65,62,070 Equity Shares fully paid up and 1.00,00,000 Equity Shares of Rs 10/- each Party paid up)	-	-	-	-	(10,040)	-	-	-	-	-	-	-
Sumeru Industries Ltd												
(8,68,000 Equity Shares of Rs. 1/- each)	-	-	-	-	-	6	-	-	-	-	-	-
	-	-	-	-	-	(6)	-	-	-	-	-	-
RPJ Minerals Pvt.Ltd.												
(7,36,620 Equity Shares of Rs.10/- each)	-	-	-	-	-	1,213	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Sonebhadra Minerals Pvt. Ltd.												
(23,575 Equity Shares of Rs.10/- each)	-	-	-	-	-	633	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
RPJ Minerals Pvt.Ltd.												
(Share Application Money]	-	-	-	-	-	-	-	-	-	-	-	-
Turnover (including Other Income)	17,291	34,250	40,454	-	-	-	-	-	77	-	-	-
	(13,080)	(35,652)	(21,659)	-	-	-	-	-	-	-	-	-
Profit Before Taxation	2,816	24,061	21,509	-	-	-	-	-	(-) 1,129	-	-	-
	(2,154)	(22,483)	(8,087)	-	-	-	-	-	-	-	-	-
Provision for Taxation	1,062	2,721	2,454	-	-	-	-	-	8	-	-	-
	(788)	(2,530)	(909)	-	-	-	-	-	-	-	-	-
Profit After Taxation	1,754	21,340	19,055	-	-	-	-	-	(-) 1,137	-	-	-
	(1,366)	(19,953)	(7,178)	-	-	-	-	-	-	-	-	-
Proposed Dividend [including Dividend]	1,169	4,308	4,984	-	-	-	-	-	-	-	-	-
Distribution Tax]	(1,169)	(-)	(4,169)	-	-	-	-	-	-	-	-	-

16 The Company had issued 5,00,00,000 Warrants to Jaypee Ventures Private Limited, [a Promoter Group Company] on Preferential Basis entitling to apply for allotment of one equity share of Rs.2/- each on full payment per Warrant in one or more tranches within 18 months from the date of allotment of Warrants. During the year the Company received an Upfront payment amounting to Rs.398,50,00,000/- and the same shall be adjusted against the issue price of the respective equity share when allotted. The price of the equity share has been worked based on the SEBI formula.

17 Figures for the previous year have been reworked / regrouped/ rearranged wherever considered necessary to conform to this year's classification.

18 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial statements.

Signatures to Schedules "A" to "T"

As per our report of even date
attached to the Balance Sheet

For M.P. SINGH & ASSOCIATES
Chartered Accountants

M.P. SINGH
Partner

Place : Noida
Dated: 3rd May, 2008

GOPAL DAS BANSAL
Sr. Vice-President
[Accounts]

R.B. SINGH
C.F.O.
[Cement]

HARISH K. VAID
Sr. President [Corporate Affairs] &
Company Secretary

For and on behalf of the Board

MANOJ GAUR
Executive Chairman & CEO

SUNIL KUMAR SHARMA
Executive Vice Chairman

S.D. NAILWAL
Director [Finance] & CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	2007-2008 Rs in Lakhs	2006-2007 Rs in Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax , Exceptional Item and Minority Shareholders Interest as per Profit & Loss Account	109,308	88,876
Add back:		
(a) Depreciation	31,883	25,957
(b) Deferred Revenue on account of advance against depreciation	4,903	3,042
(c) Miscellaneous Expenses (Amortized)	894	491
(d) Interest on Borrowings	55,786	45,874
(e) Loss on sale of fixed assets	1,730	1,771
	<u>95,196</u>	<u>77,135</u>
	<u>204,504</u>	<u>166,011</u>
Deduct:		
(a) Interest Income	(9,726)	(5,651)
(b) Dividend Income	(22)	(31)
(c) Other Income	(6,552)	(3,603)
	<u>(16,300)</u>	<u>(9,285)</u>
Operating Profit before Working Capital Changes	188,204	156,726
Deduct:		
(a) Increase in Sundry Debtors	(3,011)	(16,571)
(b) Increase in Inventories	(10,553)	(13,035)
(c) Increase in Projects under Development	(12,670)	(7,422)
(d) Increase in other receivables	(1,860)	(11,147)
(e) Increase in Loan and Advances	(139,490)	(22,295)
	<u>(167,584)</u>	<u>(70,470)</u>
	<u>20,620</u>	<u>86,256</u>
Add:		
(a) Increase in Trade Payables & other Liabilities	92,604	47,782
Cash Generated from Operations	113,224	134,038
Deduct:		
Tax Paid (including Fringe Benefits Tax)	(21,997)	(24,075)
CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	"A"	91,227
		109,963
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Outflow:		
(a) For Fixed Assets and Capital Work in progress	(470,352)	(253,365)
(b) Purchase of Investments	(11,260)	(361)
(c) Miscellaneous Expenses	(1,654)	(212)
	<u>(483,266)</u>	<u>(253,938)</u>
Inflow:		
(a) Sale/Transfer of Fixed Assets	1,325	983
(b) Sale of Investments	-	47
(c) Recovery of Debt Restructuring Expenses from HPSEB	-	2,503
(d) Interest Income	9,726	5,651
(e) Dividend Received	22	31
(f) Other Income	6,552	3,603
	<u>17,625</u>	<u>12,818</u>
NET CASH USED IN INVESTING ACTIVITIES	"B"	(465,641)
		(241,120)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Inflow:		
(a) Increase in Share Capital	1,506	418
(b) Upfront Payment of Equity Warrants	39,850	-
(c) Increase in Share Premium	118,788	9,464
(d) Increase in Minority Interest	11,239	358
(e) Increase in Borrowings (Net)	340,359	172,524
	<u>511,742</u>	<u>182,764</u>
Outflow		
(a) Interest Paid	(55,786)	(45,874)
(b) Dividend Paid	(17,622)	(8,140)
	<u>(73,408)</u>	<u>(54,014)</u>
NET CASH FROM FINANCING ACTIVITIES	"C"	438,334
		128,750
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS "A+B+C"	63,920	(2,407)
CASH AND CASH EQUIVALENTS AS AT 01.04.2007 (OPENING BALANCE)	182,295	184,702
CASH AND CASH EQUIVALENTS AS AT 31.03.2008 (CLOSING BALANCE)	246,215	182,295

Notes:

Increase in Share Capital & Share Premium is on account of Conversion of Foreign Currency Convertible Bonds into Equity Shares. Correspondingly, the Borrowings have been decreased.

For and on behalf of the Board

As per our report of even date
attached to the Balance Sheet

For M.P. SINGH & ASSOCIATES
Chartered Accountants

M.P. SINGH
Partner

Place : Noida
Dated: 3rd May, 2008

GOPAL DAS BANSAL
Sr. Vice-President
[Accounts]

R.B. SINGH
C.F.O.
[Cement]

HARISH K. VAID
Sr. President [Corporate Affairs] &
Company Secretary

MANOJ GAUR
Executive Chairman & CEO

SUNIL KUMAR SHARMA
Executive Vice Chairman

S.D. NAILWAL
Director [Finance] & CFO



JAIPRAKASH ASSOCIATES LIMITED

ATTENDANCE SLIP

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

NAME OF THE SHAREHOLDER / PROXY*	DP ID**		Folio No.	
	Client ID**		No. of Shares held	

I hereby record my presence at the 11th Annual General Meeting of the Company held at Sector -128, Noida (U.P) on Wednesday the 27th day of August, 2008.

SIGNATURE OF THE SHAREHOLDER / PROXY*

* Strike out whichever is not applicable

** Applicable for investors holding shares in electronic form.

Note: Please handover the slip at the entrance of the Meeting venue.

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JAIPRAKASH ASSOCIATES LIMITED

PROXY

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

I/We of
in the district of being a Member(s) of the above named
Company hereby appoint of in the district
of or failing him/her of in the district
of as my/our proxy to attend and vote for me/us on my/our behalf at the 11th Annual General Meeting
of the Company to be held on Wednesday the 27th day of August, 2008 at Sector -128, Noida (U.P.).

Signed at this day of 2008.

Folio No.	DP ID*	Affix Re.1 Revenue Stamp
No. of Shares held	Client ID*	

* Applicable for investors holding shares In electronic form.

Notes: .

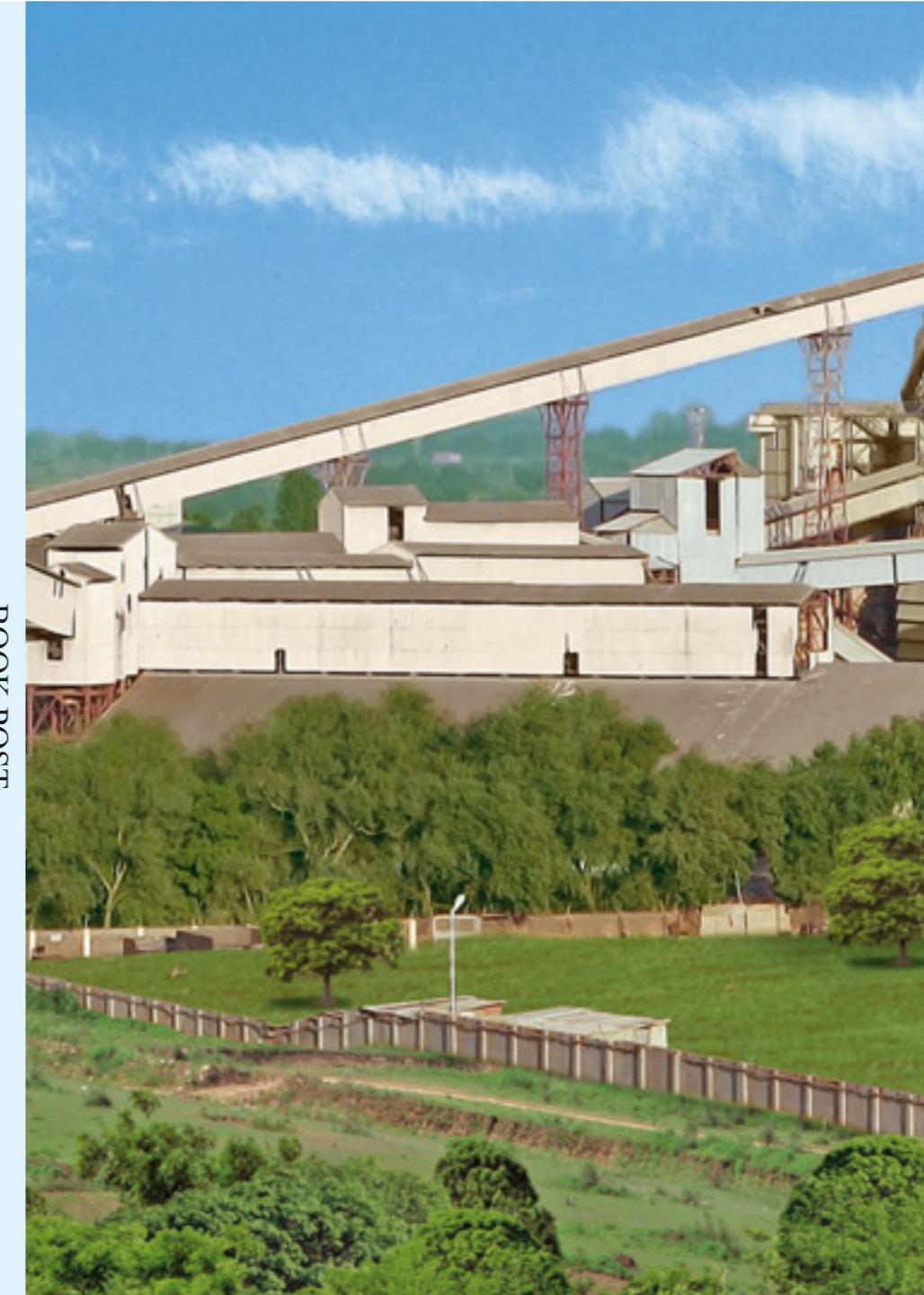
1. The Proxy need not be a member.
2. The form of proxy, duly signed across Re.1 revenue stamp should reach the Company, not less than 48 hours before the time fixed for the meeting.



520 MW Omkareshwar Hydro-Electric Project, M.P.



Work in progress at 165 km long Yamuna Expressway (Noida to Agra)



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