

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 18 Directors as on March 31, 2009 out of which 8 are Independent Directors. 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, earlier had 10 Independent Directors, out of which nomination of Shri M J Subbaiah has been withdrawn by ICICI Bank Ltd. and Shri ERC Shekar has since resigned due to personal reasons. The Company will reconstitute the Board within the prescribed period.

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, 2009, are given below:

Name & Designation of the Directors	Category	Position	Last Annual General Meeting Attended	No. of Board Meetings Attended against 6 meetings held during the year	No. of other Directorships*	Committee Positions Held	
						Chairman	Member
Shri Jaiprakash Gaur, Founder Chairman	Non-executive	Promoter	Yes	6	2	–	–
Shri Manoj Gaur, Executive Chairman	Executive	Promoter	Yes	6	15	–	–
Shri Sunil K. Sharma, Executive Vice - Chairman	Executive	Promoter	Yes	6	13	2	2
Shri Sarat Kumar Jain, Vice Chairman	Non-executive	Promoter	Yes	4	2	1	–
Shri Sunny Gaur, MD - Cement	Executive	Promoter	Yes	2	5	1	1
Shri Pankaj Gaur, Jt. MD - Construction	Executive	Promoter	Yes	3	2	–	–
Shri K. P. Rau (IDBI Nominee) (w.e.f. 27.08.2008)	Non-executive	Independent	No	2	1	–	1
Shri Gopi K. Arora,	Non-executive	Independent	No	4	13	2	8
Shri R.N. Bhardwaj	Non-executive	Independent	Yes	6	9	5	2
Shri B. K. Talaria	Non-executive	Independent	Yes	6	4	3	1
Shri B. K. Goswami	Non-Executive	Independent	Yes	6	14	3	4
Shri A. K. Sahoo (LIC Nominee)	Non-Executive	Independent	Yes	5	–	–	–
Shri S.C.Gupta	Non-executive	Independent	Yes	6	–	–	–
Shri S. C. Bhargava	Non-executive	Independent	Yes	4	14	1	5
Shri M.S. Srivastava	Non-Executive	Professional	Yes	4	1	–	–
Shri R.K. Singh	Executive	Professional	Yes	5	1	–	–
Shri Ranvijay Singh	Executive	Promoter	No	–	2	–	–
Shri S. D. Nailwal	Executive	Professional	Yes	6	1	–	4

Notes:

1. The following Directors have resigned during 2008-09 :

S. No.	Name of the Director	Date of Resignation	No. of Board Meetings attended by the Director
1	Dr. B. Samal (IDBI Nominee)	06.08.2008	2
2	Shri E. R. C. Shekar	16.01.2009	5
3	Shri M.J. Subbaiah (Nominee - ICICI Bank Ltd.)	26.03.2009	6

2. S/Shri Sunil Kumar Sharma, Executive Vice Chairman, Pankaj Gaur, Jt. Managing Director (Construction) and S.D.Nailwal, Whole-time Director were re-appointed for five years w.e.f. 18th March, 2009, 1st July, 2009 and 1st July, 2009 respectively.
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.
5. Number of shares and convertible instruments held by non-executive Directors as on March 31, 2009 are tabulated below:

S. No.	Name of Non-Executive Directors	No. of Shares held	No. of convertible instruments held
1	Shri K. P. Rau (IDBI Nominee)	-	-
2	Shri Gopi K. Arora,	-	-
3	Shri R.N.Bhardwaj	-	-
4	Shri B. K. Taparia	-	-
5	Shri M.S. Srivastava	50,955	-
6	Shri S. C. Bhargava	2,000	-
7	Shri S.C.Gupta	-	-
8	Shri B. K. Goswami	-	-
9	Shri A. K. Sahoo (LIC Nominee)	-	-
10	Shri Jaiprakash Gaur	250	-
11	Shri Sarat Kumar Jain	36,56,880	-

Number of Board Meetings held and dates thereof:

During the financial year 2008-09, Six Meetings of the Board of Directors were held as against the requirement of four meetings. The meetings were held on (i) **April 30, 2008**, (ii) **July 18, 2008**, (iii) **August 27, 2008**, (iv) **October 21, 2008**, (v) **December 22, 2008**, and (vi) **January 17, 2009**. 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.

All Board members and senior management personnel have, on March 31, 2009, 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.

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 inter-alia 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.

4 meetings of the Audit Committee were held during the year on **April 30, 2008, July 18, 2008, October 18, 2008, and January 17, 2009**.

The constitution of the Committee and attendance at its meetings held during the year under report are as under:

Name of members	Total Meetings held during the tenure of the member	Meetings attended
Shri R.N. Bhardwaj, Chairman	4	4
Shri M.J. Subbaiah, Member (Upto 26.03.2009)	4	4
Shri B.K. Taparia, Member	4	4
Shri B.K. Goswami, Member	4	4

The Chairman of the Audit Committee attends the Annual General Meeting to answer shareholders queries, if any. Shri A.K. Sahoo was appointed as a Member of the Audit Committee w.e.f April 27, 2009 in place of Shri M.J. Subbaiah.

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.

Two meetings of Remuneration Committee were held during the year on October 18, 2008 and January 17, 2009. The constitution of the Committee and attendance at its meetings held during the year under report are as under:

Name of members	Total Meetings held during the tenure of the member	Meetings attended
Shri M. J. Subbaiah, Chairman (upto 26.03.2009)	2	2
Shri B. K. Goswami, Member	2	2
Shri B. K. Taparia, Member	2	2

Notes:

1. Remuneration was paid to Whole-time Directors in the form of Salary and Perquisites.

2. The Remuneration Committee has been reconstituted w.e.f. April 27, 2009 as under:

1. Shri B. K. Taparia, Chairman
2. Shri B. K. Goswami, Member
3. Shri S. C. Bhargava, Member

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, 2009 to Whole-time Directors are as follows:

(Rs.)					
Sl. No.	Name	Designation	Salary	Benefits	Total
1	Shri Manoj Gaur	Executive Chairman	10,725,000	7,859,140	18,584,140
2	Shri S. K. Sharma	Executive Vice-Chairman	9,900,000	7,704,891	17,604,891
3	Shri Sunny Gaur	Managing Director- Cement	4,050,000	3,100,006	7,150,006
4	Shri Pankaj Gaur	Jt. Managing Director- Construction	3,480,000	2,954,726	6,434,726
5	Shri Ranvijay Singh	Whole-time Director	2,520,000	2,306,929	4,826,929
6	Shri R.K. Singh	Whole-time Director	2,100,000	1,377,211	3,477,211
7	Shri S. D. Nailwal	Whole-time Director	2,430,000	2,093,060	4,523,060
	Total				62,600,963

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 criteria for payment of sitting fees to non-executive directors is based on the provisions of the Act.

Details of sitting fees paid to non-executive Directors during the financial year 2008-09 are as under:

Name of the Directors	Designation	Total sitting fee paid (Rs.)
Shri Jaiprakash Gaur	Founder Chairman, Director	1,20,000
Shri S.K. Jain	Vice Chairman	3,40,000
Shri M. J. Subbaiah (upto 26.03.2009)	Nominee Director (ICICI bank)	2,40,000
Shri Gopi K. Arora	Director	3,00,000
Shri S. C. Bhargava	Director	80,000
Shri B.K. Taparia	Director	2,80,000
Shri M. S. Srivastava	Director	80,000
Dr. B. Samal (upto 6.08.2008)	Nominee Director (IDBI)	40,000
Shri K.P. Rau (w.e.f. 27.08.2008)	Nominee Director (IDBI)	40,000
Shri E. R. C. Shekar (upto 16.01.2009)	Director	1,00,000
Shri S. C. Gupta	Director	1,20,000
Shri B. K. Goswami	Director	2,80,000
Shri A. K. Sahoo*	Nominee Director (LIC)	1,40,000
Shri R.N. Bhardwaj	Director	2,00,000
	Total	23,60,000

*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 comprises of Shri S.K. Jain as Chairman and Shri Sunil Kumar 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.

16 Investor complaints were pending at the beginning of the year and 1704 complaints were received during the year. Out of these, 1720 complaints were addressed/resolved leaving a Nil balance of complaints pending at the end of the year.

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 regularly 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 June 6, 2009.

10. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
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.
2008	Sector-128, Noida-201304, (U.P.)	27.08.2008	11.30 A.M.

DETAILS OF SPECIAL RESOLUTIONS (S) PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS.

(A) 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.

(B) 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.

(C) Year 2008

No Special Resolution was passed in the Annual General Meeting held in 2008.

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, 2009, the Company sought approval from its shareholders on two occasions for 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 May 26, 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 V. P. Kapoor, FCS, 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., FCS, Practising Company Secretary
4	Date of Notice seeking Shareholder approval	March 28, 2008
5	Date of completion of Dispatch of Notice	April 23, 2008
6	Last Date of receipt of duly filed Postal Ballot Form	May 24, 2008
7	Date of submission of Scrutinizer's report to the Chairman	May 26, 2008
8	Date of declaration of Result	May 26, 2008 at 4.00 P.M.

Particulars of Resolutions Passed

Resolution No. & Particulars	Whether Ordinary/Special
1 Acquisition of Equity Shares of Prize Petroleum Company Limited from ICICI Bank Limited and ICICI Venture Funds Management Company Limited	Special
2 Creation of Security in favour of State Bank of India, The Bank of Rajasthan, State Bank of Hyderabad, Punjab National Bank and Oriental Bank of Commerce.	Ordinary

Voting Pattern

S. No.	Particulars	Resolution 1	Resolution 2
1	Total Votes	1,171,522,417	1,171,522,417
2	Total Valid Votes Cast	571,845,404	571,540,409
3	Total valid votes cast in favour of the Resolution	571,785,781 (99.99%)	547,494,443 (95.79%)
4	Total valid votes cast against the resolution	59,623 (0.01%)	24,045,966 (4.21%)

(B) Resolutions passed on October 18, 2008

Sl. No.	Particulars	Details/Dates
1	Date of Board Meeting	July 18, 2008 & August 27, 2008
2	Scrutinizer appointed by the Board of Directors at its meeting	Shri V. P. Kapoor, FCS, AICWA, LL.B., Practising Company Secretary
3	Alternate Scrutinizer appointed by the Board of Directors at its meeting	Ms. Manisha Gupta, B.Com.(Hons.), LL.B., ACS, Practising Company Secretary
4	Date of Notice seeking Shareholder's approval	September 5, 2008
5	Date of completion of Dispatch of Notice	September 17, 2008
6	Last Date of receipt of duly filed Postal Ballot Form	October 17, 2008
7	Date of submission of scrutinizer's report to the Chairman	October 18, 2008
8	Date of declaration of Result	October 18, 2008 at 4.00 p.m.

Particulars of Resolution Passed

Resolution No. & Particulars	Whether Ordinary/Special
1. Issue of Warrants to Promoter/Promoter Group Company on Preferential Basis	Special
2. Pledge of Shares of Jaiprakash Hydro-Power Limited (JHPL) held by the Company in favour of lenders of JHPL	Special
3. Pledge of Shares of Jaiprakash Power Ventures Limited (JPVL) held by the company in favour of lenders of JPVL	Special
4. Pledge of shares of Jaypee Infratech Limited (JIL) held by the Company in favour of lenders of JIL	Special
5. Creation of security in favour of lenders of the Company	Ordinary
6. Creation of charge to secure additional working capital facilities of the Company	Ordinary

Voting Pattern

S. No.	Particulars	Resolution 1	Resolution 2	Resolution 3
1	Total Votes	1,173,752,618	1,173,752,618	1,173,752,618
2	Total Valid Votes Cast	608,259,983	608,208,537	608,219,697
3	Total Valid votes cast in favour of the Resolution	608,005,680 (99.96%)	608,078,459 (99.98%)	608,081,133 (99.98%)
4	Total Valid votes cast against the resolution	254,303 (0.04%)	130,078 (0.02%)	138,564 (0.02%)
S. No.	Particulars	Resolution 4	Resolution 5	Resolution 6
1	Total Votes	1,173,752,618	1,173,752,618	1,173,752,618
2	Total Valid Votes Cast	608,217,220	608,225,650	608,228,774
3	Total Valid votes cast in favour of the Resolution	608,081,959 (99.98%)	587,635,607 (96.61%)	587,646,342 (96.62%)
4	Total Valid votes cast against the resolution	135,261 (0.02%)	20,590,043 (3.39%)	20,582,432 (3.38%)

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.sebidifar.nic.in. The website is also accessible through a hyperlink 'EDIFAR' from SEBI's official website, www.sebi.gov.in. The data is also 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
12th Annual General Meeting

The meeting shall be held as under : -

Day : Tuesday
 Date : September 29, 2009
 Time : 11.00 A.M.
 Venue : Auditorium of Jaypee Institute of Information Technology University, A-10, Sector 62, NOIDA- 201 307, U.P.

17. FINANCIAL CALENDAR

Details of announcement of Financial Results for different periods during the year 2008-2009 are as under:

Results	Announced on
For 1st Quarter ended on 30-06-2008.	July 18, 2008
For 2nd Quarter ended on 30-09-2008.	October 21, 2008
For 3rd Quarter ended on 31-12-2008.	January 17, 2009
For 4th Quarter ended on 31-03-2009.	April 27, 2009

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

18. DIVIDEND PAYMENT DATE

For the year 2008-09, 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%	21.10.08	31.10.08	12.11.08	35.51	Nil
2nd Interim Dividend	15%	27.04.09	8.05.09	18.05.09	35.51	6.04
Total	30%	-	-	-	71.02	6.04

For Final Dividend recommended at Re. 0.40 per share of Rs. 2 each, the Company has fixed September 24, 2009 to September 29, 2009 (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

The Equity shares of the Company are 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 2004-05, 2005-06 and 2007-08 are listed on Singapore Stock Exchange.

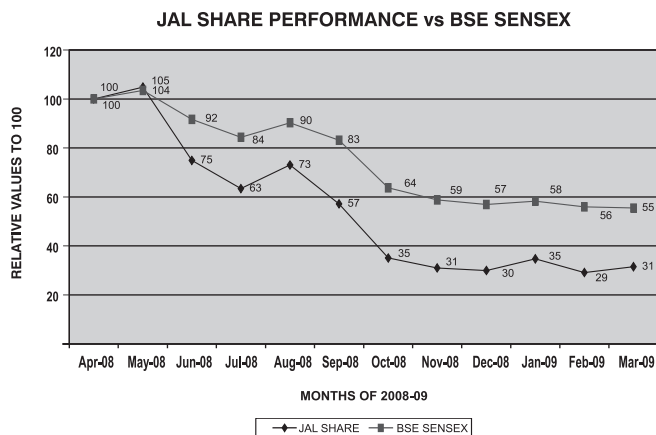
20. MARKET PRICE DATA AND PERFORMANCE IN COMPARISON TO INDEX

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 under:

(Face Value of each Share: Rs.2)

Month	Share Prices at BSE		Share Prices at NSE	
	High	Low	High	Low
April 2008	275.00	210.00	274.90	210.00
May 2008	297.00	211.55	297.35	211.50
June 2008	222.00	141.10	222.00	141.10
July 2008	178.80	128.55	178.80	128.65
August 2008	201.20	153.00	200.90	152.15
September 2008	178.05	99.05	178.30	98.20
October 2008	122.80	47.05	122.65	47.05
November 2008	97.80	52.80	97.85	52.45
December 2008	92.90	52.60	93.00	52.60
January 2009	108.55	60.05	105.65	58.15
February 2009	77.95	63.30	77.90	63.25
March 2009	90.90	61.70	91.00	61.10

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



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

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: 011-42541234/23541234 Fax: 011-42541967
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, 2009, 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 2500	4,66,743	98.34%	9,67,28,612	8.17%
2501 – 5,000	4,418	0.93%	1,62,84,088	1.38%
5,001 – 10,000	1,714	0.36%	1,21,58,361	1.03%
10,001 – 15,000	480	0.10%	59,66,568	0.50%
15,001 – 20,000	254	0.05%	44,54,876	0.38%
20,001 – 25,000	171	0.04%	39,29,344	0.33%
25,001 - 50,000	287	0.06%	1,03,36,926	0.87%
50,001 and above	544	0.12%	103,39,41,804	87.34%
TOTAL	4,74,611	100.00%	118,38,00,579	100.00%

SHAREHOLDING BY CATEGORY

Category of Shareholder	Percentage of Holding
Promoters	45.24%
Banks / Mutual Funds/FI/FILs	35.63%
Private Corporate Bodies	5.57%
NRIs / OCBs	1.16%
Indian Public	12.41%
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, 2009, 96.82% 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 :

Sl 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	Interim	30.01.2002	7%	11.07	N.A.	02.03.2009 (transferred)
	-do-	Final	27.09.2002	5%	7.30	0.63	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	Interim	30.04.2005	18%	31.71	4.44	31.05.2012
	-do-	Final	27.09.2005	6%	10.71	1.50	28.10.2012
5	2005-06	Interim	03.03.2006	18%	34.06	4.77	03.04.2013
	-do-	Final	27.10.2006	9%	23.97	3.36	27.11.2013
6	2006-07	Interim	11.01.2007	20%	43.73	6.13	11.02.2014
	-do-	Final	30.08.2007	16%	35.13	5.97	30.09.2014
7	2007-08	1st Interim	14.07.2007	15%	32.88	5.58	14.08.2014
	-do-	2nd Interim	12.01.2008	15%	34.85	5.92	12.02.2015
	-do-	Final	27.08.2008	20%	46.95	Nil	27.09.2015
8	2008-09	1st Interim	21.10.2008	15%	35.51	Nil	21.11.2015
	-do-	2nd Interim	27.04.2009	15%	35.51	6.03	27.05.2016
	-do-	Final	*	20%	*	*	*

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

Pursuant to Section 205C of the Companies Act, 1956, the Company transferred unclaimed dividends relating to the Financial Year 2001-02 amounting to Rs. 3,437,630 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	Rs.47.2620	Rs.111.7546	Rs.247.7560
	(ii) Before sub-division of Equity Shares of Rs.10 each	Rs.236.3100	Rs.558.7730	Rs.1,238.7800
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, 2009	USD 97.94 Million	Euro 160.27 Million	USD 4.50 Million
	Percentage Converted	97.94%	97.14%	1.125%
8	FCCBs Bought Back	-	-	40.025 Million
	Percentage Bought Back			10.006%
9	FCCBs Outstanding as on March 31, 2009	USD 2.06 Million	Euro 4.73 Million	USD 355.475 Million
	Percentage Outstanding	2.06%	2.86%	88.869%
10	No. of Shares (of Rs.2 each) issued upon conversion till March 31, 2009	90,734,540	76,869,433	732,876
11	No. of Shares (of Rs.2 each) to be issued upon conversion of outstanding FCCBs, if opted by holders thereof	1,908,448	2,266,652	57,893,315

SHARE WARRANTS

During the year under report, out of the 5,00,00,000 (Five Crore) Warrants issued on preferential basis to 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, 1,00,00,000 (One Crore) Warrants were converted into 1,00,00,000 (One Crore) Equity Shares of Rs.2/- each at a premium of Rs.395 per share on October 10, 2008. The Conversion Option for the balance Warrants can be exercised by July 21, 2009 whereafter, if not exercised, the same shall elapse.

Further during the year, considering the growth opportunities in different fields of business interest of the Company and with a view to further augment the long term resources for growth and diversification plans, approval of shareholders was received through Postal Ballot on October 18, 2008 for further issue and allotment of 12 Crore (Twelve Crore) Warrants on preferential basis to a Promoter Group Company at premium on full payment. However, the allotment of the said 12,00,00,000 (Twelve Crore) Warrants was not made as the Board of Directors in their meeting held on 21st October, 2008 decided to raise a sum of approx. Rs. 1800 Crores through the Rights Issue to meet the Company's requirements of funds instead of issuing further Warrants to the Promoters on Preferential basis. Accordingly, the said allotment as approved by the shareholders, was not made and, thus, the same elapsed. However, keeping in view the capital market conditions during the relevant period, the Company has not so far launched the said Rights Issue.

27. PROJECT / PLANT LOCATIONS

The Company (either directly or through its subsidiary/JVs) 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) Construction & Expressway

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

SECTOR	PROJECT NAME	STATE
Hydro Power	Karcham Wangtoo Hydro Electric Project of JKHL	Himachal Pradesh
Hydro Power	2700 MW Lower Siang & 500 MW Hirong of JAPL	Arunachal Pradesh
Hydro Power	450 MW Kynshi-II & 270 MW Umngot of JPVL	Meghalaya
Expressway	Yamuna 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 connecting Noida to Ballia	Uttar Pradesh
Construction	Srisailem Left Bank Canal Tunnel Works	Andhra Pradesh
Construction	Civil works of Clinkerisation Unit at Satna and Grinding Unit at Bhilai	Madhya Pradesh and Chattisgarh
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 (Dummuguden)	Andhra Pradesh
Construction	GNSS Main Canal Project	Andhra Pradesh

(B) Cement

The Cement Plants and Cement Grinding Plants of the Company are located at various locations viz. Rewa, Bela, Sidhi, Babupur and Satna in Madhya Pradesh; Tanda, Sadwa Khurd, Dala, Chunar and Sikanderabad in Uttar Pradesh; Roorkee in Uttarakhand; Panipat in Haryana; Baga and Bagheri in Himachal Pradesh; Sewagram and Wanakbori in Gujarat; Bhilai in Chattisgarh, Bokaro in Jharkhand; and Jaggaipeta in Andhra Pradesh.

(C) Hospitality

The Company's Five Star Hotels are located in Vasant Vihar, New Delhi, Rajendra Place, New Delhi, Agra (Uttar Pradesh) and Mussoorie (Uttarakhand). A 18 holes Golf Course and the upcoming Boutique Spa-Resort are located at Greater Noida (Uttar Pradesh).

(D) Real Estate

The real estate projects being developed by the Company are located in Noida and Greater Noida, Uttar Pradesh.

(E) Power

The Company through its subsidiaries is running/ developing power plants as under:

HYDRO POWER:

S.No.	Plants/ Projects	Capacity (in MW)	Location
Existing Plants		700	
(a)	Baspa-II of JHPL	300	Himachal Pradesh
(b)	Vishnuprayag of JPVL	400	Uttarakhand
Projects in pipeline		4,920	
(a)	Karcham Wangtoo of KHCL	1000	Himachal Pradesh
(b)	Lower Siang of JAPL	2700	Arunachal Pradesh
(c)	Hirong of JAPL	500	Arunachal Pradesh
(d)	Kynshi-II of JPVL	450	Meghalaya
(e)	Umngot of JPVL	270	Meghalaya
Total of Hydro power		5,620	
THERMAL POWER:			
Projects in pipeline		6,370	
(a)	Nigrie, Distt Singrauli of JPVL	1,320	Madhya Pradesh
(b)	Churk	500	Uttar Pradesh
(c)	Bina of BPSCL	1,250	Madhya Pradesh
(d)	Karchhana of Sangam Power Generation Company Limited	1,320	Uttar Pradesh
(e)	Bara of Prayagraj Power Generation Company Limited	1,980	Uttar Pradesh
WIND POWER:			
Existing		49	
(a)	Plant of JAL	40.25	Maharashtra
(b)	Plant of JAL	8.75	Gujarat
Total Power (Hydro + Thermal + Wind) existing as well as in pipeline		12,039	

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
 Designated exclusive e-mail : jal.investor@jalindia.co.in
 for investors

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.sebidifir.nic.in & www.corpfilng.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, 2009.

MANOJ GAUR

Place : New Delhi

Executive Chairman

Date : June 6, 2009

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 31st March, 2009, 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

Place : New Delhi

Date : June 6, 2009

Membership No. 1454