



## Annual Report 2010-11



# NO DREAM TOO BIG



when it comes to  
achieving excellence  
demonstrated once again  
by Jaypee Group

Jaypee Rewa Plant & Jaypee Bela Plant of the Jaypee Group have been awarded with renowned and most prestigious SWORD OF HONOUR Award by British Safety Council, UK. This is a well acclaimed and celebrated International Award in the field of Health & Safety Management System.

3 MnTPA Jaypee Rewa Plant and 2.4 MnTPA Jaypee Bela Plant are the only cement plants to be bestowed this honour in India.

## Photographs on the Cover

- ❶ 2 MnTPA Dalla Cement Factory, U.P.
- ❷ 1000 MW Karcham Dam, H.P.
- ❸ Residential Community at Jaypee Greens, Greater Noida, U.P.
- ❹ Jaypee Residency Manor, Mussoorie, Uttarakhand
- ❺ 2 MnTPA Jaypee Himachal Cement Blending & Grinding Unit, Bagheri, H.P.
- ❻ Machine Hall at 300 MW Baspa-II HEP, H.P.
- ❼ 165 Km Noida to Agra Yamuna Expressway, U.P.





3 MnTPA Rewa Cement Complex, Jaypee Nagar, Rewa, M.P.



2.4 MnTPA Jaypee Bela Plant, Jaypee Puram, Rewa, M.P.



2 MnTPA Dalla Cement Factory, Sonebhadra, U.P.





1.2 MnTPA Jaypee Roorkee Cement Grinding Unit, Roorkee, Uttarakhand



2.1 MnTPA Bokaro Jaypee Cement Limited, Bokaro, Jharkhand (Joint Venture with SAIL)



3.5 MnTPA Jaypee Balaji Cement Plant, A.P.

## Company Secretary

### Harish K. Vaid

Sr. President (Corporate Affairs) & Company Secretary

### Auditors

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

### 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 Ltd.  
 ICICI Bank Limited  
 Indian Bank  
 Indian Overseas Bank  
 IDBI Bank Ltd.  
 Karur Vysya Bank  
 Karnataka Bank  
 Kotak Mahindra Bank  
 Oriental Bank of Commerce  
 Punjab National Bank  
 Punjab & Sind Bank  
 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  
 Vijaya Bank  
 Yes Bank Limited

## Founder Chairman

**Jaiprakash Gaur**

## Board of Directors

**Manoj Gaur**, Executive Chairman & CEO  
**Sunil Kumar Sharma**, Executive Vice Chairman  
**Sarat Kumar Jain**, Vice Chairman  
**A. K. Sahoo** (LIC Nominee)  
**Viney Kumar** (IDBI Nominee)  
**R. N. Bhardwaj**  
**S. C. Bhargava**  
**B. K. Goswami**  
**B. K. Taparia**  
**Dr. B Samal**  
**V K. Chopra**  
**S. C. Gupta**  
**Dr. J. N. Gupta**  
**M. S. Srivastava**  
**Sunny Gaur**, Managing Director (Cement)  
**Pankaj Gaur**, Jt. Managing Director (Construction)  
**Ranvijay Singh**, Whole-time Director  
**R. K. Singh**, Whole-time Director  
**Shyam Datt Nailwal**, Whole-time Director  
**Rahul Kumar**, 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](http://www.jalindia.com)

### E mail ID for Fixed Deposit related queries

[jalinvestor@jalindia.co.in](mailto:jalinvestor@jalindia.co.in)

### E mail ID for Shareholder related queries

[jal.investor@jalindia.co.in](mailto:jal.investor@jalindia.co.in)

# NOTICE

NOTICE is hereby given that the **14<sup>th</sup> Annual General Meeting** of the Members of **Jaiprakash Associates Limited** will be held on Tuesday, September 27, 2011 at 11.30 A.M. at the Auditorium of Jaypee Institute of Information Technology University, A-10, Sector 62, NOIDA- 201 307, U.P. to transact the following business:

## Ordinary Business

1. To receive, consider and adopt the audited **Balance Sheet** as at **March 31, 2011**, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To confirm interim dividend and declare final **dividend** for the financial year 2010-11.
3. To appoint a Director in place of **Shri Sunny Gaur** who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri B.K.Goswami** who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Shri S.C. Gupta** who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of **Shri R.K. Singh** who retires by rotation and, being eligible, offer 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 resolution:

### As Ordinary Resolution

9. "RESOLVED that **Shri Rahul Kumar** be and is hereby appointed a Director of the Company, liable to retire by rotation."

By Order of the Board

For **JAIPRAKASH ASSOCIATES LIMITED**

**HARISH K. VAID**

Place : NOIDA

Sr. President (Corporate Affairs) &

Date : August 12, 2011

Company Secretary

## NOTES

- (i) Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolution set out under **Item No. 9** 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 September 21, 2011 to September 27, 2011(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 **October 12, 2011** 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 **September 20, 2011**. 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 **September 20, 2011**, 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) **The Ministry of Corporate Affairs has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, the Company has already sent a communication to all the shareholders that various notices/documents meant for them shall be sent electronically on their e-mail addresses as obtained from Depositories/other sources, unless specifically requested to be sent in physical form. The members who have not registered/ updated their e-mail addresses so far, are requested to register/ update their e-mail addresses, in respect of electronic holdings with the Depository**



through their concerned Depository Participant. Members who hold their shares in physical form and who are desirous of receiving the communications/ documents in electronic form are requested to promptly register their e-mail addresses with the Company.

- (viii) 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.
- (ix) 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](http://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.
- (x) 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.
- (xi) 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 meeting held on **January 28, 2011** had declared **interim dividend @ Re 0.40 per share i.e. 20%** 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.
- (xii) The Members may please note that the Ordinary and Special Resolutions sent through notice dated **May 30, 2010, November 15, 2010 and May 14, 2011** to all Members for voting through Postal Ballot have been passed on **August 31, 2010, February 19, 2011 and July 19, 2011 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.
- (xiii) **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.**
- (xiv) 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

so as to reach **at least seven days before the date of the Meeting**. The envelope may please be superscribed "**AGM QUERIES – Attn.: Shri Harish K. Vaid, Sr. President (Corporate Affairs) & Company Secretary**".

- (xv) Relevant details, in terms of Clause 49 of the Listing Agreement, in respect of the Directors retiring by rotation and proposed to be re-appointed are as under:

#### **Shri Sunny Gaur**

Shri Sunny Gaur, 42, a graduate from Delhi University, is presently Managing Director (Cement) of the Company and has rich experience of over 20 years in various aspects of the cement business, including setting up of cement plants, operation and maintenance of cement plants, finance, accounts and general administration.

He has been part of the senior leadership, which successfully faced challenges of recession and brings with him an entrepreneur approach to various complex situations.

He is Managing Director of Madhya Pradesh Jaypee Minerals Ltd., Chairman of Bhilai Jaypee Cement Ltd., Bokaro Jaypee Cement Ltd. and Director on the Boards of Jaypee Ganga Infrastructure Corporation Ltd., Prayagraj Power Generation Company Ltd., Jaypee Agra Vikas Ltd., MP Jaypee Coal Ltd., MP Jaypee Coal Fields Ltd., Jaiprakash Agri Initiatives Company Ltd., Himalyaputra Aviation Ltd., Jaypee Ventures Pvt. Ltd., Jaypee Infra Ventures (A Company with Unlimited Liabilities) and Jaypee Mining Ventures Pvt. Ltd. He is also a member of Audit Committee of Madhya Pradesh Jaypee Minerals Ltd., Jaypee Ganga Infrastructure Corporation Ltd. and Prayagraj Power Generation Company Ltd.

Shri Sunny Gaur holds 2,38,045 equity shares in the Company in his own name and no share in the Company is held by him for any other person on a beneficial basis.

Shri Sunny Gaur is brother of Shri Manoj Gaur, Executive Chairman & CEO of the Company.

#### **Shri B.K. Goswami**

Shri B.K. Goswami, 75, holds a Master's degree in English from University of Delhi. He joined Indian Administrative Service in 1960.

He has held various prestigious positions in various Government Departments including Chairman, Tea Board of India, Chief Secretary, Govt. of Jammu & Kashmir, Secretary, Department of Civil Supplies, Secretary Tourism, Govt. of India, Advisor to Governor 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 & New Delhi & the Task Force on Tourism constituted by Government 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 Director on the Boards of Jaypee Infratech Ltd., Jaypee Development Corporation Ltd., Nectar Life Sciences Ltd., L H Sugar Factories Ltd., Blue Coast Hotels Ltd., B & A Ltd., Conservation Corporation of India Ltd., Global Trust Capital Finance Ltd., Simbholi Sugars Ltd., New Kennilworth Hotels Ltd., Naturich Labs Pvt. Ltd., and Mata Securities Pvt. Ltd. He is Chairman of (i) Finance Committee of your Company & (ii) Audit Committee of Blue Coast Hotels Ltd. Further, he is a member of (i) Audit Committee of your Company, Jaypee Infratech Ltd. and

B & A Ltd.:(ii) Remuneration Committee of your Company & Blue Coast Hotels Ltd.; (iii) Finance Committee of Jaypee Infratech Ltd. and (iii) Investor Grievance Committee of Blue Coast Hotels 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.C. Gupta**

Shri S C Gupta, 74, is B.Sc, B.Arch., PG. Dip. T & CP and a fellow of Institute of Town Planning of India. He is an accomplished Planner with over 38 years of experience in the field of Urban Development Planning.

He retired as Additional Commissioner (Planning) from the Delhi Development Authority (DDA) in 1994. He is also a Professor of Planning at the School of Planning and Architecture, New Delhi. He is a senior advisor to the Association of Metropolitan Development Authorities and the Delhi Urban Arts Commission. As a consultant to the Asian Development Bank (ADB), he gave advice to Government of Uttarakhand on projecting Disaster management needs for Urban Development in the State.

As an Independent Professional, he has undertaken a number of consultancy projects, most prominently as Urban Planner for the Special Economic Zone (SEZ) in Mundra, Gujarat. He is also Director on the Board of Jaypee Infratech Ltd., Jaypee Development Corporation Ltd., TLC International Ltd., Preferred Card Marketing Pvt. Ltd., Goodtimes Marketing Pvt. Ltd., TLC Relationship Management Pvt. Ltd., SLS Software Pvt. Ltd. and Sureni Holdings Pvt. Ltd. He is neither a Chairman nor a member of any of the Committees of the Board of Directors of the Companies of which he is a Director.

Shri S. C. Gupta 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 R.K. Singh**

Shri R.K. Singh, 65, presently a Whole-time Director of the Company, 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 41 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.

Presently Shri Singh is Managing Director of Bokaro Jaypee Cement Ltd., and Director on the Board of Jaypee Agri Initiatives Company Ltd. He is neither a Chairman nor a member of any of the Committees of the Board of Directors of the Companies of which he is a Director.

Shri R. K. Singh holds 258 equity shares in his own name in the Company and no share in the Company is held by him for any other person on a beneficial basis.

#### **Shri S.D. Nailwal**

Shri Shyam Datt Nailwal, 63, is a fellow member of the Institute of Company Secretaries of India with 42 years' experience in the fields of project financing, corporate planning and secretarial work. He is a Whole-time Director on the Board of the Company since July 1, 2004.

Shri Nailwal is a Director on the Boards of Jaypee Arunachal Power Ltd., Jaypee Fertilizers & Industries Ltd., Himalyaputra Aviation Ltd., Jaypee Uttar Bharat Vikas Pvt. Ltd. and Jaypee Meghalaya Power Ltd. He is a member of Finance Committee and Shareholders' / Investors' Grievance & Share Transfer Committee of the Board of

Directors of the Company. He is also a member of Audit Committee of Jaypee Arunachal Power Limited and Remuneration Committee of Jaypee Fertilizers & Industries Limited.

Shri S. D. Nailwal holds 83,938 equity shares in the Company in his own name in the Company and no share in the Company is held by him for any other person on a beneficial basis.

#### **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 August 12, 2011**:

#### **Item No. 9**

**Shri Rahul Kumar** was appointed as a Director w.e.f. October 31, 2010 in the casual vacancy caused due to the resignation of Shri Jaiprakash Gaur, Founder Chairman. Further, keeping in view his contribution in the growth of the Company and his leadership qualities supported by experience, Shri Rahul Kumar was appointed as a Whole-time Director & CFO w.e.f. October 31, 2010.

By virtue of Section 262 of the Companies Act, 1956 read with Article 132 of the Articles of Association of the Company, Shri Rahul Kumar holds office upto the date of ensuing Annual General Meeting of the Company. The Company has received notice in writing alongwith 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 Rahul Kumar for the office of Director at the ensuing Annual General Meeting.

Shri Rahul Kumar aged about 43 years, is a Fellow Member of the Institute of Chartered Accountants of India with around 18 years' experience in the fields of accounting, marketing of cement, corporate planning and financing. He had been in charge of marketing of cement, cement sale accounting and also associated with corporate planning functions of the Company. He was designated as Chief Financial Officer of the Company w.e.f. April 1, 2010.

Presently, he is on the Boards of Bhilai Jaypee Cement Limited (MD), Gujarat Jaypee Cement Infrastructure Limited (MD), Bokaro Jaypee Cement Limited, Jaypee Fertilizers & Industries Limited, Jaiprakash Agri Initiatives Company Limited, Rock Solid Cement Limited, RPJ Minerals Private Limited, Sarveshwari Stone Products Private Limited and Sonebhadra Minerals Private Limited. He is Chairman of the Audit Committee of Bokaro Jaypee Cement Limited (BoJCL) and Member of Allotment & Share Transfer Committee of BoJCL. Further, he is also Chairman of Allotment & Share Transfer Committee of Gujarat Jaypee Cement Infrastructure Limited.

Shri Rahul Kumar holds 1,50,750 equity shares in his own name in the Company and no share in the Company is held by him for any other person on a beneficial basis.

None of the Directors of the Company, except Shri Rahul Kumar himself, is concerned or interested in the Resolution.

The Board commends the resolution for your approval.

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

**HARISH K. VAID**

Place : NOIDA  
Date : August 12, 2011

Sr. President (Corporate Affairs) &  
Company Secretary

**Registered Office:** Sector 128, Noida - 201 304, U.P.



# DIRECTORS' REPORT

To

The Members,

The Directors of your Company are pleased to present the **14<sup>th</sup> Annual Report** together with the Audited Accounts of the Company for the year ended **March 31, 2011**.

## WORKING RESULTS

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

(Rs. in Crores)

| Financial year ended   | 31.03.2011     | 31.03.2010     |
|--|----------------|----------------|
| Gross Revenue  | 13831.87       | 11671.78       |
| Profit before Depreciation & Tax   | 2362.32        | 2837.73        |
| Less : Depreciation  | 607.81         | 456.06         |
| <b>Profit before Tax</b>   | <b>1754.51</b> | <b>2381.67</b> |
| Less : Provision for Tax   |                |                |
| ● Current Tax  | 330.09         | 439.69         |
| ● Deferred Tax   | 270.73         | 233.62         |
| ● Excess Provision for Income Tax in Earlier Years reversed                              | (14.09)        | -              |
| <b>Profit after Tax</b>  | <b>1167.78</b> | <b>1708.36</b> |
| Add :  |                |                |
| ● Profit brought forward from Previous Year  | 2645.03        | 1879.68        |
| <b>Profit available for appropriation</b>  | <b>3812.81</b> | <b>3588.04</b> |
| Less : Transferred to :  |                |                |
| ● Reserve for Redemption Premium on FCCBs  | 153.54         | 117.32         |
| ● Debenture Redemption Reserve   | 507.11         | 383.54         |
| ● General Reserve  | 117.00         | 240.00         |
| ● Dividend paid pertaining to Previous Year  | 0.11           | 0.01           |
| Add :  |                |                |
| ● Tax on proposed Final Dividend Reversed  | -              | 3.96           |
| ● Final Dividend received by Jaiprakash Enterprises Ltd. (Transferor Company)            | -              | 2.40           |
| ● Final Dividend Transferred from Trusts (in which Company is sole beneficiary)          | 10.22          | 7.05           |
| Less: Dividend   |                |                |
| ● Interim Dividend   | 85.06          | 75.71          |
| ● Interim Dividend received by Trusts  | (7.57)         | (6.82)         |
| ● Proposed Final Dividend  | 85.06          | 114.73         |
| ● Tax on Dividends   | 13.80          | 31.93          |
| <b>Balance carried to Balance Sheet</b>  | <b>2868.92</b> | <b>2645.03</b> |
| <b>Basic Earning Per Share [Face value Rs. 2 per share] after Extraordinary Items</b>    | <b>5.49</b>    | <b>8.08</b>    |
| <b>Diluted Earnings Per Share [Face value Rs. 2 per Share] after Extraordinary Items</b> | <b>5.27</b>    | <b>7.68</b>    |

## DIVIDEND

For the financial year 2010-11, your Directors had declared an Interim Dividend of Re.0.40 per Equity Share of Rs.2 i.e. 20%, on January 28, 2011, absorbing an aggregate amount of Rs.85.06 Crores. The Board has recommended a Final Dividend of Re.0.40 per Equity Share of Rs. 2 i.e 20%, which will be paid after your approval at the ensuing Annual General Meeting. The final dividend will absorb an amount of Rs.85.06 Crores, excluding Dividend Distribution Tax of Rs.13.80 Crores.

Thus, the total dividend of 40% for the year would result in an aggregate payout of Rs.170.12 Crores, excluding Dividend Distribution tax of Rs.13.80 Crores.

## FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBS)

The particulars about conversion, outstanding amount, coupon, listing etc. of FCCBs-II (Issue size – Euro 165 Mn.) & FCCBs-III (Issue size – US \$ 400 Mn.) are detailed in para 26 of the Corporate Governance Report forming part of this Report. While the outstanding amounts as on March 31, 2011 against FCCB-II and FCCB-III were to the tune of Euro 1.706 Mn & US \$ 354.475 Mn, FCCB-I (Issue size – US \$ 100 Mn.) stood fully extinguished from February 17, 2010. On April 9, 2011, FCCB-II aggregating Euro 1.451 Mn were redeemed on exercise of put option by the Bondholders. Thus, as on date, the outstanding amount of FCCB-II aggregates Euro 0.255 Mn. and that of FCCB-III aggregates US \$ 354.475 Mn.

## EMPLOYEE STOCK PURCHASE SCHEME

During 2010-11, "Jaypee Group ESPS, 2009 Trust" which was created in 2009 for administering the Stock Purchase Scheme of the Company namely "Jaypee Employee Stock Purchase Scheme, 2009 and for the ultimate benefit of the employees (including Directors) of the Company and its subsidiaries, allocated/ transferred 1,12,63,706 Equity Shares of Rs.2 each alongwith the Bonus thereon, to the eligible persons, in tranches, as per details given below, on receipt of the issue price of Rs.60 per share including premium of Rs.58 per share, from its total holding of 1,25,00,000 Equity Shares which were issued & allotted by the Company to the Trust on December 14, 2009, in terms of the Scheme.

The Company had issued Bonus Shares on December 19, 2009, in the ratio of ONE Bonus Equity Share of Rs.2 for every TWO Equity Shares of Rs.2 each held in the Company, as on the Record Date, in terms of the Members approval accorded through Postal Ballot on December 8, 2009. Accordingly, Jaypee Group ESPS, 2009 Trust was allotted 62,50,000 Bonus Shares on its holding of 1,25,00,000 Equity Shares held on the Record Date.

| Date of Transfer               | No. of Eligible Persons | No. of original Shares transferred (excluding Bonus) | No. of Bonus Shares transferred | Total no. of shares transferred (including Bonus) |
|--------------------------------|-------------------------|--|---------------------------------|---|
| Total Shares under ESPS Scheme |                         | 12,500,000   | 6,250,000                       | 18,750,000  |
| Shares Transferred till date   | 8,032                   | 11,263,706   | 5,631,852                       | 16,895,558  |
| Balance shares                 |                         | 1,236,294  | 618,148                         | 1,854,442   |

The balance shares lying with the Trust would be transferred to the eligible persons in due course.

The employee-wise details of shares transferred/ allocated to Senior Managerial Personnel by the Trust in terms of the Scheme are Annexed to this Report.

It is confirmed that:

- (a) there is no employee who has been issued shares in any one year amounting to 5% or more shares issued during that year; and
- (b) there is no employee who is entitled to shares under the Scheme equal to or exceeding 1% of the issued capital of the Company.

## CHANGES IN SHARE CAPITAL

The Paid-up Capital of the Company on April 1, 2010 stood at Rs.4,24,92,69,266 divided into 2,12,46,34,633 Equity Shares of Rs.2 each.

During the year under report, 17,98,549 Equity Shares were issued on August 5, 2010 to the bondholders who opted for conversion of their 2,500 bonds under FCCB-II Scheme.

Thus, as on March 31, 2011, the Paid-up Capital of the Company stood increased to Rs.4,25,28,66,364 divided into 2,12,64,33,182 Equity Shares of Rs.2 each.

## OPERATIONS

### 1.0 ENGINEERING DIVISION

#### 1.1 Works completed

1.1.1 During the year, following works have been completed:

- (i) Civil and Structural works of Clinkerisation Unit at Satna and Grinding Unit at Bhilai of Bhilai Jaypee Cement Limited.
- (ii) Civil and Hydro-mechanical works of 450MW Baglihar (Stage-I) Hydroelectric Project in Jammu & Kashmir
- (iii) Construction of Drains in Parikarma Marg area for the project water drainage for Varindavan Town, Distt. Mathura

#### 1.1.2 Bids Under submission

During the year under report, your Company participated in the Tenders for the following works :

- (i) Civil and Hydro-mechanical works on EPC basis of 450 MW Shongtong – Karcham Hydroelectric Project in Himachal Pradesh;
- (ii) Construction of DT, Dam, Intake, Desilting arrangement (Contract Package C1) for Punatsangchhu-II Hydroelectric Project, Bhutan;
- (iii) Construction of Headrace Tunnel (HRT) from Adit-I and Adit-II (Contract Package C2) for Punatsangchhu-II Hydroelectric Project, Bhutan; and
- (iv) Construction of Headrace Tunnel (from Surge Shaft end), Surge Shaft, Butterfly Valve Chamber, Pressure Shafts, Power House and Tailrace Tunnel including Hydro-mechanical works (Contract Package C3) for Punatsangchhu-II Hydroelectric Project, Bhutan

While the bid of the Company for 450 MW Shongtong – Karcham HEP is under evaluation by the Client, your Company has been awarded the Works at Sr. (ii) & (iv) above, as detailed hereinbelow.

1.1.3 Your Company has also submitted Application for Prequalification for Head Race Tunnel and Power House Complex (Dibang Lot:4) of 3000MW Dibang Multipurpose Project in Arunachal Pradesh and Development of Food Parks at Bhopal/ Ratlam/ Harda in Madhya Pradesh and is expected to be qualified for the Projects.

#### 1.1.4 New Works Awarded

Against the bid submitted during the year under report, your Company was awarded in July, 2011, two contracts by Punatsangchhu-II Hydroelectric Project Authority, Bhutan for construction of following pertaining to 990 MW Punatsangchhu II Hydroelectric Project ( A joint implementation of the Hydro Electric Project by the Royal Government of Bhutan and the Government of India) :-

- (a) Diversion Tunnel, Dam, Intake and Desilting Arrangement including Hydro-mechanical works and Highway Tunnel for a contract value of Rs.1224 Crores; and
- (b) Head Race Tunnel from Surge Shaft end, Surge Shaft, Butterfly Valve, Chamber, Pressure Shafts, Power House and Tailrace Tunnel including Hydro-mechanical works for a contract value of Rs.855 Crores.

### 1.2 Works in Progress

The Company is presently executing the works of the projects listed below and the status of works is given below :

| Sl. No.                      | Name of the Project under Execution   | Location of the Project            | Contract Price (Base Value) (Rs. in crores) | Nature of Project          | Value of work completed as on 31.03.2011 (Rs. in crores) |
|------------------------------|---|------------------------------------|---|----------------------------|--|
| <b>Works pertaining to :</b> |   |                                    |   |                            |  |
| 1.                           | Sardar Sarovar (Narmada) Project  | Gujarat                            | 526   | Power Generation (1200 MW) | 463  |
| 2.                           | Baglihar –II HEP  | Jammu & Kashmir                    | 530   | Power Generation (450 MW)  | --   |
| 3.                           | Karcham Wangtoo HEP   | Himachal Pradesh                   | 5,197 (Revised)                             | Power Generation (1000 MW) | 4,980  |
| 4.                           | Turnkey construction of Srisailem Left Bank Canal Tunnel Scheme including Head Regulator etc. of Alimineti Madhava Reddy Project  | Andhra Pradesh                     | 1,925                                       | Irrigation Tunnels         | 666  |
| 5.                           | Yamuna Expressway (six lane 165 km) connecting Noida & Agra and related activities  | Uttar Pradesh (NCR)                | 6,000                                       | Expressway Project         | 4,551  |
| 6.                           | Zirakpur-Parwanoo Highway From Km 39.860 to Km 67.000 Of NH – 22 on BOT basis   | Panjab, Haryana & Himachal Pradesh | 414   | Highway Project            | 312  |
| 7.                           | Ganga Expressway (Eight lane & 1,047 km long) connecting Greater Noida & Ballia and related activities  | Uttar Pradesh                      | 30,000                                      | Expressway Project         | –  |
| 8.                           | Civil and Structural work, Residential Complex, Mechanical fabrication and erection and electrical fabrication, erection and installation for Grinding Plant at Bokaro of Bokaro Jaypee Cement Limited. | Jharkhand                          | 101   | Cement Project             | 65   |
| 9.                           | Widening and facelifting of Varindavan Parikarma Marg and construction of Kesi Ghat Bridge on Varindavan Parikarma Marg   | Uttar Pradesh                      | 32  | Road and Bridge works      | 9  |
| 10.                          | Construction of Sewer System including replacement of old sewer raising main at Parikarma Marg at Varindavan, Distt. Mathura  | Uttar Pradesh                      | 10  | Sewer works                | 8  |