

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.
- **Omkareshwar 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. Tappar**ia 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/Debtenture 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 Debtentures (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/debtenture 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 Srisailem 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 Ceekay 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.