

JAYPEE GROUP

Sold 18 cement plants with 33.80 MTPA capacity to reduce debt

In the last four years, from 2013 to 2016, Jaypee Group has sold off its 18 cement plants with a cement capacity of 33.80 MTPA and CPPs of 382.5 MW to four companies. Now it is left with just five cement plants with a capacity of 8.30 MTPA. Consequently, Jaypee Group has lost its status of being the India's third largest cement producer to Shree Cements.

The Noida based Jaypee Group is a Rs 20,000 crore well diversified conglomerate, which was founded about 60 years ago by Jaiprakash Gaur, 87, a government employee turned successful entrepreneur. He had entered into business in 1958 starting as a civil contractor, and since then, he has built up the multi products Jaypee

Group. Now his two sons – Manoj Gaur, Executive Chairman, and Sunny Gaur, Managing Director of Cement Division, along with a team of dedicated senior managers run the Group.

Jaiprakash Associates Limited (JAL) is the Group's flagship company with five main business segments, namely:

construction & engineering, cement, power, star hotels, and real estate. The Group has also diversified into expressways, fertilizer, healthcare, sports, information technology, agri business, dairy products and education (not-for-profit).

After being highly successful in the construction business, JAL had



diversified into cement manufacturing in 1983 and it has accomplished a massive growth in the cement business in the last over three decades through green-field projects, brown-field expansions, joint ventures, special purpose vehicles, acquisitions of cement companies, and power generating subsidiaries. No other Indian cement company has adopted such a multi-faceted approach to grow in the cement sector. The company sold its cement under brand 'Jaypee Cement', which become a leading brand across the country in more than a dozen States. It had been a consistent highest exporter of cement to Nepal.

Cement Business

In the last 34 years since the Jaypee Group first entered into cement sector in 1983, it has promoted four companies for cement manufacturing, namely: Jaiprakash Associates Limited (JAL); Jaypee Cement Corporation Limited (JCCL); Bhilai Jaypee Cement Limited (BJCL); and Bokaro Jaypee Cement Limited (BoJCL). In addition, it has also encouraged its two power subsidiaries, namely: Jaiprakash Power Ventures Limited (JPVL); and Prayagraj Power Generation Company Limited



Jaiprakash Gaur, Founder Chairman

(PPGCL) to enter into cement sector by setting up grinding units. Besides, it also has two more joint ventures -

Gujarat Jaypee Cement & Infrastructure Limited (GJCIL) and Jaypee Assam Cement Limited (JACL), which are yet to set up cement plants.

Incorporated in 1979, originally as Jaiprakash Associates Private Limited, JAL diversified into cement business in 1983 by promoting Jaypee Rewa Cement Limited, which commissioned

its first cement plant of one MTPA at Rewa in Madhya Pradesh on December 2, 1986. Later Jaiprakash Industries Limited (JIL) was formed in 1986 by merging Jaiprakash Associates Private Limited and Jaypee Rewa Cement Limited. JIL was listed on Bombay Stock Exchange in 1987.

In 1995, Bela Cement Limited (BCL) was incorporated and the company commissioned its first cement plant of 1.7 MTPA in October 1996 at Bela, also in Madhya Pradesh. JIL also promoted Jaypee Cement Limited (JCL) as its subsidiary in 1995, and it hived off its cement division to JCL in 2001 by bringing its two existing cement plants at Rewa and Bela under one roof. Later in April 2002, JIL was merged into JCL, which commissioned the company's third cement plant - Jaypee Cement Blending Unit (JCBU) with a capacity of 0.6 MTPA in December 2002 at Sadva Khurd village on the Allahabad Rewa Road in Uttar Pradesh.

In March 2004, JCL was renamed as Jaiprakash Associates Limited (JAL), which commissioned its fourth cement plant - Jaypee Ayodhya Grinding Operation (JAGO) with a capacity of one MTPA in August 2004 at Ambedkarnagar in Uttar Pradesh. JAL was also one of the first few cement companies to set up coal based captive power plants (CPPs) at its cement plants. It commissioned two CPPs, each with a capacity of 25 MW at Rewa Cement Plant in 2003 and Bela Cement Plant in 2004.

In October 2006, JAL made its first acquisition starting with a BIFR company - Uttar Pradesh Cement Corporation Limited (UPCCL), which was promoted by the Government of Uttar Pradesh in early 50s. UPCCL had set up three cement plants in Mirzapur district at Churk, Chunar and Dalla with a total capacity of 1.68 MTPA. The Churk was the first cement plant in public sector to go on stream in 1954 with a cement capacity of 0.48 MTPA. The Chunar plant was

Jaypee Group's Company-wise Cement Business: 1986-2017

(This table includes already de-merged/under de-merger capacities)

Nos	Jaypee Group Cos	Total Cement Plants Set up	Existing Cement Capacity MTPA	U Imp Cement Capacity MTPA	Total Cement Capacity MTPA	Total CPP Capacity MW
1	JAL	14*	20.80	00.00	20.80	430.00*
2	JCCL	04	11.00	01.20*	12.20	177.50*
3	BJCL	02*	02.20	00.00	02.20	000.00
4	BoJCL	01	02.10	00.00	02.10	000.00
5	JPVL	01	02.00	00.00	02.00	000.00
6	PPGCL	01	00.00	04.00*	04.00	000.00
	Total	23	38.10	5.20	43.30	607.50

*Under imp JAL 2.30 MTPA clinker unit at Dalla, 120 MW CPP at Churk.

*JCCL's Shahabad plant in Karnataka has a cement capacity of 1.2 MTPA and a CPP of 60 MW under implementation.

*BJCL has an exclusive clinker plant of one MTPA at Satna.

*PPGCL's 4 MTPA GU at Bara in UP is under implementation.

*JAL set up 49 MW wind power in Maharashtra and Gujarat in 2006-08.