

# **43<sup>rd</sup> ANNUAL REPORT**

## **2005-2006**



# Jhagadia Copper Limited



## BOARD OF DIRECTORS

P.P. Vora	-	Chairman
Rahul Gupta	-	Director
P. Parvathisem	-	Director
R.K. Sukhdevsinhji	-	Director
P.R. Tripathi	-	Director
Sujit Chakravorti	-	Nominee Director of IIBI Limited
Dr. S.R. Chougule	-	Nominee Director of ICICI Bank Limited
A.U. Katra	-	Nominee Director of IDBI Bank Limited
R.K. Rawat	-	Nominee Director of LIC
D.R. Shah	-	Nominee Director of GIIC Limited
M.K. Sharma	-	Nominee Director of IFCI Limited
Rajendra Mittal	-	Managing Director & Chief Executive Officer

## COMPANY SECRETARY

Jaydev R. Betai

## BANKERS

ICICI Bank Limited  
IDBI Bank Limited  
Dena Bank

## AUDITORS

N.M. Raiji & Co.  
Chartered Accountants,  
Mumbai.

## REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Limited  
C/13, Pannalal Silk Mills Compound,  
L.B.S. Marg,  
Bhandup (West),  
MUMBAI 400 078.

## REGISTERED OFFICE

747, GIDC Industrial Estate,  
P.O. Box No. 14, Jhagadia - 393 110  
Dist. Bharuch, Gujarat, INDIA



## **NOTICE**

Notice is hereby given that 43<sup>rd</sup> Annual General Meeting of the company will be held at the Registered Office of the company at 747, G.I.D.C. Industrial Estate, Jhagadia - 393 110, District: Bharuch, Gujarat, India, on Saturday, 23<sup>rd</sup> December, 2006 at 11.30 a.m. to transact the following Business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt Directors' Report and Audited Profit and Loss Account for the year ended 30<sup>th</sup> September, 2006 and the Balance Sheet as at that date together with the report of the Auditors thereon.
2. To appoint a Director in place of Shri P. Parvathisem who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri R.K. Sukhdevsinhji who retires by rotation and being eligible offers himself for re-appointment.
4. **Appointment of Auditors.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**.

"RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. N.M. Raiji & Co., Chartered Accountants, Mumbai, the retiring Auditors of the company, be and are hereby re-appointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the company, for the financial year 2006-2007 on such remuneration plus reimbursement of service tax, out of pocket expenses, travelling and other expenses, as may be mutually agreed upon between the Board of Directors and the Auditors in connection with the work of audit to be carried out by them."

### **SPECIAL BUSINESS:**

5. **Reappointment of Shri Rajendra Mittal as Managing Director & CEO.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**.

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 310 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the company be and is hereby given for the reappointment of Shri Rajendra Mittal, as Managing Director & CEO w.e.f 14<sup>th</sup> August, 2007 to 13<sup>th</sup> August, 2010 for a period of 3 years on the terms and conditions as stated in the Explanatory Statement.

RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

6. **Further Issue of Shares.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**.

"RESOLVED that in accordance with the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines) as also provisions of any other applicable law or laws and the provisions of Memorandum and Articles of Association of the Company and the Listing Agreement executed by the company with Bombay Stock Exchange Limited and such other approvals, permissions and sanctions as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, as may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any duly authorized Committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the company be and is hereby accorded to the Board to offer, issue and allot in accordance with applicable guidelines / regulations as may be permissible in the law, upto 12,41,66,101 Equity Shares of Rs.10 each aggregating upto Rs.1,24,16,61,010/- (Rupees One Hundred Twenty-Four Crores Sixteen Lacs Sixty-One Thousand Ten only) (the Issue) ranking pari passu to the existing equity shareholders in proportion to the shares held or in any other manner and to any group(s) on such terms and conditions as the Board at its sole discretion may at any time or times decide on such terms and conditions as may be deemed appropriate by the Board.

RESOLVED FURTHER that for the purpose of giving effect to the above-said resolution, the Board is hereby authorized to do all such acts, deeds, matters and things and resolve any doubt(s) or question(s) that may arise in the issue and allotment of the



Equity Shares, to effect any modifications to the foregoing (including any modifications to the terms of the issue) in the best interest of the company and its shareholders and to execute all such writings and instruments as the Board may in its sole discretion deem necessary or desirable.

#### 7. Cancellation of Issued Equity Shares.

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**.

"RESOLVED that in accordance with the provisions of Section 94 (e) and other applicable provisions, if any, of the Companies Act, 1956, 3340 Forfeited Equity Shares of Rs.10/- each which are not reissued be and are hereby cancelled and that the Issued Equity Share Capital of the company shall now be reduced from 124169441 Equity Shares of Rs.10 each to 124166101 Equity Shares of Rs.10/- each."

#### 8. Increase in Authorized Capital.

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**.

"RESOLVED that pursuant to provisions of Section 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956 and all other requisite approvals and sanctions, the existing Authorized Share Capital of the company be and is hereby increased from 12,00,00,00,000/- (Rupees One Thousand Two Hundred Crores only) divided into 50,00,00,000 Equity Shares of Rs.10/- each and 7,00,00,000 Redeemable Preference Shares of Rs. 100/- each to Rs. 15,00,00,00,000/- (Rupees One Thousand Five Hundred Crores only) divided into 50,00,00,000 Equity Shares of Rs.10/- each and 10,00,00,000 Redeemable Preference Shares of Rs. 100/- each and consequently Clause V of the Memorandum of Association of the Company, be and is hereby altered by substituting in its place, the following new Clause V.

V. The Authorized Share Capital of the Company is Rs. 15,00,00,00,000/- (Rupees One Thousand Five Hundred Crores only) divided into 50,00,00,000 Equity Shares of Rs.10/- each and 10,00,00,000 Redeemable Preference Shares of Rs. 100/- each with a power to sub-divide, consolidate and increase or decrease and with power from time to time to issue any shares of the original capital or any new capital with and subject to any preferential, deferred, qualified or special rights, privileges or conditions, as may be thought fit and upon subdivision of a share to apportion the right to participate in profits in any manner as between the shares resulting from sub-division."

#### 9. Confirmation to convertibility of privately placed Securities.

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**.

"RESOLVED that the right of conversion of the following convertible Securities issued to various financial institutions and banks, pursuant to the resolutions passed on dated 29th September, 2000, 23rd December, 2002, 12<sup>th</sup> December 2003, 24th September 2004 and 22<sup>nd</sup> December, 2005 be and are hereby renewed and reaffirmed for further period as per applicable guidelines of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

Sr. No.	Particulars of Securities	Number of Securities	Face Value of the Securities Rs.	Total Value Rs.
1.	Optionally Convertible Cumulative Redeemable Preference Shares-I (OCCRPS-I)	18510808	100/-	1851080800
2.	Optionally Convertible Cumulative Redeemable Preference Shares-II (OCCRPS-II)	17800495	100/-	1780049500
3.	Optionally Convertible Cumulative Redeemable Preference Shares-III (OCCRPS-III)	10842303	100/-	1084230300
4.	Optionally Convertible Cumulative Redeemable Preference Shares-IV (OCCRPS-IV)	11784570	100/-	1178457000
	<b>TOTAL</b>	<b>58938176</b>	<b>100/-</b>	<b>5893817600</b>

RESOLVED FURTHER that the conversion of the aforesaid instruments would be at par or in accordance with the provisions of the SEBI (Disclosure and Investor Protection) Guidelines, 2000."



**10. Authority to Issue Shares.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**.

"RESOLVED that pursuant to the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and in accordance with Memorandum and Articles of Association of the company and in accordance with listing agreement entered into by the company with the Bombay Stock Exchange Limited where the shares of the company are listed and subject to approval of Securities and Exchange Board of India (hereinafter referred to as SEBI) and also further subject to such approvals, consents, permissions or sanctions of appropriate authorities and also of financial institutions, banks and debenture trustees with whom the company has borrowing agreements, as may be necessary and subject to such terms, conditions and modification(s) as may be prescribed in granting such approvals, permissions and/or sanctions and agreed to by the Board of Directors of the company, consent, authority and approvals of the company be and is hereby accorded to the Board to issue and allot from time to time in one or more tranches Optionally Fully Convertible Debentures, Redeemable Preference Shares with such rights or conditions as may be decided by the Board with regard to the Redeemable Preference Shares, and / or such other Securities convertible into equity shares at the option of the company / holder or to the holders thereof and/or securities linked to shares or bond or otherwise (hereinafter collectively referred to as "securities"), by way of preferential allotment, public issue or such other mode to such financial institutions, individuals, other persons or investors whether or not they are member of the company as may be deemed appropriate by the Board either in rupee or in such share capital of the Company for an aggregate face value not exceeding Rs.225 crores (Rupees Two Hundred Twenty Five Crores only), exclusively to such Banks/ Financial Institutions/persons and upon such terms and conditions as may be determined by the Board of Directors or a Committee thereof.

RESOLVED FURTHER that the Board of Directors or a Committee thereof be and is hereby authorized to approve, agree and accept such modification(s) to the terms and conditions of the Equity Shares / Redeemable Preference Shares or such other Securities proposed to be issued, as may be suggested by the financial institutions / banks etc and to do all such acts, deeds, matters and things and to take all such steps as may be necessary and expedient and to settle any matter that may arise in connection therewith."

**REGISTERED OFFICE:**

747, G.I.D.C Industrial Estate,  
P.O.Box No 14, Jhagadia-393 110,  
Distt: Bharuch, Gujarat, INDIA.

By order of the Board of Directors

Jaydev R. Betai  
Company Secretary

Dated: 21<sup>st</sup> November 2006

Place : Mumbai

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. An Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members are requested to inform the company's Registrar and Share Transfer Agents viz. Intime Spectrum Registry Limited regarding changes, if any, in their registered addresses along with the PIN code number.
4. The Register of Member will remain closed from 16<sup>th</sup> December 2006 to 23<sup>rd</sup> December 2006 (both days inclusive).
5. Once the unclaimed and unpaid dividend is transferred to the "Investor Education & Protection Fund" no claim shall lie in respect thereof.
6. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
7. As per the provisions of the amended Companies Act, 1956, the facility of making nominations is now available to the shareholders in respect of the equity shares held by them.
8. The equity shares of the company are listed with Bombay Stock Exchange Limited, 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 and that the company has paid annual listing fee to the stock exchange for the financial year 2006-07.
9. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.
10. Members desiring information as regards to the Accounts are requested to send their queries at least 10 days before the date of the Meeting, so as to enable the Company to make the information available at the Meeting.
11. For the convenience of shareholders, transportation from Bharuch Railway Station, Shital Guest House, Bharuch to the place of the Meeting will be available upto 10.30 a.m. on Saturday, 23<sup>rd</sup> December 2006.



**ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT**  
**UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 4**

**Appointment of Auditors.**

In terms of provisions of Section 224A of the Companies Act, 1956, if not less than 25% of the subscribed capital of a company is held either singly or in combination by public financial institutions, government companies, insurance companies, nationalized banks etc. then the appointment or re-appointment of the auditors of that company has to be made by a Special Resolution.

Financial institutions/banks hold more than 25% of the equity share capital of the company and accordingly company is required to pass special resolution for appointment of Auditors.

Auditors have confirmed that, if appointed, their appointment would be within the limits specified under Section 224 (1-B) of the Companies Act, 1956.

Your approval to the above is sought by way of Special Resolution.

None of the Directors is in any way concerned or interested in the above resolution.

**Item No. 5**

**Reappointment of Shri Rajendra Mittal as Managing Director & CEO.**

Shareholders had at their 41<sup>st</sup> Annual General Meeting held on 24<sup>th</sup> September 2004, subject to the approval of Central Government, approved the appointment of Shri Rajendra Mittal as Managing Director & CEO for a period of 3 years w.e.f. 14<sup>th</sup> August 2004 to 13<sup>th</sup> August 2007. The Government of India, Ministry of Company Affairs had vide their letter no. 1/403/2004-CL.VII dated 31<sup>st</sup> May 2005 approved the said terms and conditions for the appointment of Shri Rajendra Mittal as Managing Director & CEO. The present term of appointment of Shri Rajendra Mittal as Managing Director & CEO is ending on 13<sup>th</sup> August 2007.

The company has successfully implemented the project and completed trial runs and the commercial production is declared w.e.f. 15<sup>th</sup> May 2006. Further, all actions are taken for production ramp up. Shri Rajendra Mittal is associated with the company since beginning of the project. Looking to the contribution made by Shri Rajendra Mittal and in order to provide continuity in the leadership to achieve production ramp up and future growth, it was thought fit by Remuneration & Compensation Committee and the Board of Directors of the company to reappoint Shri Rajendra Mittal as Managing Director & CEO for a period of 3 years from 14<sup>th</sup> August 2007 to 13<sup>th</sup> August 2010 subject to the approval of shareholders and Government of India on the same terms and conditions of employment. As per Section 317 of the Companies Act, 1956, the reappointment of Managing Director & CEO can be sanctioned earlier than 2 years from the date on which it is to come into force.

The terms and conditions of reappointment of Shri Rajendra Mittal as Managing Director & CEO will be as under.

- 1) *Period:* From 14<sup>th</sup> August, 2007 to 13<sup>th</sup> August 2010 (Three years from date of reappointment)
- 2) *Basic Salary:* Rs. 1,80,000/- per month.
- 3) *Perquisites / Allowances:*

**CATEGORY A:**

i) **Residential Accommodation:**

Free furnished Company owned / hired / leased accommodation along with services / facilities of gas, electricity, water, furnishings, repairs, servant, security, society charges, etc.

ii) **Leave Travel Allowance:**

Leave Travel Allowance for self and family, once a year, incurred in accordance with the rules specified by the Company, subject to a maximum of 16.67% of Annual Basic Salary.

iii) **Medical Reimbursement:**

Expenses incurred for self and his family subject to a maximum of 8.33% of Annual Basic Salary.

iv) **Club Fees:**

Reimbursement of Club Fees, subject to maximum two clubs. However, Company will not pay admission and Life Membership Fees.



v) **Other Benefits :**

Mediclaime Policy and Group Insurance Policy for self and Dependent Members of family as decided by the Board.

**CATEGORY B:**

- I. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Rules of the Company.
- II. Gratuity payable at the rate not exceeding half month salary for each completed year of service calculated as per the provisions of 'The Payment of Gratuity Act, 1972'.
- III. Encashment of leave at the end of tenure as per the Company's Rules.

**CATEGORY C:**

- i) Company maintained car with driver for Company's work and personal use. Company shall also provide facilities of mobile as well as landline telephone connections at residence of Managing Director & CEO. However, use of car for personal purpose and long distance personal calls will be billed by the Company.
  - ii) Performance Bonus: Performance Bonus as may be decided by the Board / Remuneration & Compensation Committee or any other Committee of the Board based on annual performance review.
  - iii) Stock Options as may be decided by the Board / Remuneration & Compensation Committee or any other Committee of the Board based on annual performance review.
- 4) Minimum Remuneration - Notwithstanding anything to the contrary herein contained, wherein for any financial year during the tenure as Managing Director & CEO of the Company, the Company has no profit or the profits are inadequate, the Company shall, subject to the provisions of Section 198, 269, 309 and 310 of the Act, pay basic salary, perquisites, allowances, performance bonus and other entitlements as specified above.
  - 5) Terms of the appointment of Managing Director & CEO can be renewed by the Board of Directors before the expiry of the said term and in case the terms are not renewed before the expiry of the existing terms by the Board of Directors, Shri Rajendra Mittal, shall cease to be Managing Director & CEO on expiration of the present term.
  - 6) Managing Director & CEO shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
  - 7) The appointment of Managing Director & CEO may be terminated by company by giving a notice of six months or for the balance period of the term, whichever is shorter, and the company may pay compensation equivalent to the basic salary, for the balance term or for six months whichever is shorter in case the company decides to relieve him from the duties of Managing Director & CEO before the completion of notice period, on the basis of the basic salary earned by him during the month immediately preceded to such termination.
  - 8) Managing Director & CEO can resign from service by giving a notice of six months or if for shorter period by payment of basic salary for the shorter period, on the basis of the salary earned during the month immediately preceding to such notice.

This may be treated as an abstract of the terms of contract and Memorandum of Interest in relation to appointment of Shri Rajendra Mittal pursuant to Section 302 of the Companies Act, 1956.

Your approval to the above is sought by way of Special Resolution.

None of the Directors except Shri Rajendra Mittal to the extent of remuneration payable to him, is concerned or interested in the above Resolution.

**INFORMATION AS REQUIRED IN TERMS OF AMENDED PROVISIONS OF SCHEDULE XIII OF THE COMPANIES ACT, 1956.**

**A. General Information:**

- 1) The company has implemented project for production of 50,000 tpa copper cathodes as per LME Grade "A" specifications at Jhagadia, Dist Bharuch, Gujarat.
- 2) The trial runs are successfully completed and the commercial production is declared w.e.f. 15<sup>th</sup> May 2006. During 2005-06 15,358 MT copper cathodes are produced. Further, all actions are taken for production ramp up.

## Jhagadia Copper Limited



- 3) The financial performance for the year ended 30<sup>th</sup> September 2006 is as under

Particulars	Financial year 2005-06 (Rs. in lacs)
Equity and Preference Capital	71,354.78
Net sales	23,303.86
Profit before interest, depreciation and tax.	362.94
Profit after interest, depreciation and tax.	(5,647.44)

- 4) During 2005-06 10,751 MT copper cathodes of value of Rs.32,818 lacs are exported.
- 5) There is no direct Foreign Investment in the Company and Company has not entered in to any Foreign Collaboration Agreement.

### **B. Information about the Appointee:**

- 1) Background Details:

Shri Rajendra Mittal is a Post Graduate in Science followed by post graduation in International Trade from Indian Institute of Foreign Trade. He has more than 30 years post qualification experience in Trade and Industry. He joined the Company as President of its copper project during October, 1996. Subsequently, he was appointed as President & Chief Operating Officer of the Company's copper project w.e.f. 1<sup>st</sup> December 2000, elevated to the Board of Directors of the Company as Director-In-Charge & Chief Operating Officer w.e.f. 30<sup>th</sup> January 2002 was promoted as Whole Time Director & CEO w.e.f. 22<sup>nd</sup> November 2002 and was appointed as Managing Director & CEO w.e.f. 14<sup>th</sup> August 2004.

- 2) Past Remuneration:

Remuneration of Shri Rajendra Mittal as Whole Time Director & CEO was fixed by the Board of Directors in line with the remuneration policy prevalent in industry. His remuneration as Managing Director & CEO was approved in line with the remuneration he was drawing as Whole Time Director & Chief Executive Officer.

- 3) Job Profile and his suitability:

As mentioned hereinabove Shri Rajendra Mittal has been associated with the Company as President for its copper project since 1996. He has steered the project to its completion, commissioning, trial runs and commercial production.

- 4) The proposed remuneration is as mentioned hereinabove.
- 5) The remuneration payable to him is in line with the remuneration prevalent in industry.
- 6) There is no pecuniary relationship directly or indirectly with the company of the person to be appointed.

### **Item No. 6**

#### **Further Issue of Shares**

The commercial production has been declared w.e.f. 15<sup>th</sup> May 2006. The actions are taken for production ramp up. The company needs additional funds towards working capital requirement and to augment the financial resources for production ramp up and capacity expansion, it is proposed to authorize the Board of Directors to offer, issue and allot upto 12,41,66,101 Equity Shares of Rs.10 each aggregating upto Rs. 1,24,16,61,010/- (Rupees One Hundred Twenty-Four Crores Sixteen Lacs Sixty-One Thousand Ten only) ranking pari passu to the existing equity shareholders in proportion to the shares held or in any other manner and to any group(s) on such terms and conditions as the Board at its sole discretion may at any time or times decide on such terms and conditions as may be deemed appropriate by the Board, subject to, of course, in accordance with the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines) as also provisions of any other applicable law or laws and the provisions of Memorandum and Articles of Association of the Company and the Listing Agreement executed by the company with Bombay Stock Exchange Limited and such other approvals, permissions and sanctions as may be required.

This is only an enabling resolution and the Board of Directors have not taken any specific decision regarding further issue of shares.

Your approval to the above is sought by way of Special Resolution.

None of the Directors is concerned or interested in the above Resolution.



**Item No. 7****Cancellation of Issued Equity Shares.**

The Board of Directors had forfeited 2,69,20,720 partly paid Equity Shares of Rs.10 each and had reallocated 2,69,17,380 Equity Shares of Rs.10 each to the eligible applicant-shareholders in response to the offer made. It is proposed to cancel 3340 Equity Shares of Rs.10 each, which were forfeited and not reissued.

Your approval to the above is sought by way of Special Resolution.

None of the Directors is concerned or interested in the above Resolution.

**Item No. 8****Increase in Authorized Share Capital.**

One of the agreed terms of restructuring of debts approved by Corporate Debt Restructuring Cell is that interest accrued and due on various financial assistance till 31<sup>st</sup> March 2007 is to be funded towards subscription to Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS). Accordingly the interest for the period from 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2007 has to be funded by way of issuing OCCRPS-IV. The OCCRPS-IV covering interest from 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2006 are issued to lending financial institutions / banks.

In order to enable the company to issue and allot further securities, the Authorized Share Capital of the company is proposed to be increased.

Your approval to the above is sought by way of Ordinary Resolution.

None of the Directors is concerned or interested in the above Resolution.

**Item No. 9****Confirmation to Convertibility of Privately Placed Securities.**

In terms of the approval given by the shareholders vide special resolution at their 37<sup>th</sup> Annual General Meeting held on 29th September, 2000, and subsequently further approved at the 39<sup>th</sup> Annual General Meeting, held on 23rd December, 2002, 40<sup>th</sup> Annual General Meeting held on 12th December 2003, 41<sup>st</sup> Annual General Meeting held on 24th September 2004 and 42<sup>nd</sup> Annual General Meeting held on 22<sup>nd</sup> December, 2005, currency of the instruments issued and allotted under Section 81 (1A) of the Companies Act, 1956, is hereby renewed and reaffirmed by this present resolution as per the SEBI (Disclosure & Investor Protection) Guidelines 2000 for issue of Preferential Shares.

The Board of Directors of the company have issued and allotted the securities to the various financial institutions / banks towards funding of interest due on their various financial assistance, accrued till 31st March, 2006, the aggregate value of the Securities issued and allotted is Rs. 589,38,17,600.00 detailed as under.

Sr. No.	Name of Financial Institutions / Banks	OCCRPS-I Rs. 100 each	OCCRPS II Rs. 100 each	OCCRPS III Rs. 100 each	OCCRPS IV Rs.100 each
1.	ICICI Bank Limited	7210820	7129706	3697698	5607504
2.	IDBI Bank Limited	5200000	5950000	3414680	4448184
3.	IFCI Limited	2280700	1790349	1463301	456860
4.	LIC	1095099	968483	561640	771616
5.	GIIC	771095	675004	527039	00
6.	SBI	941335	972030	937813	321895
7.	IIBI Limited	574453	00	00	103539
8.	GIC and its subsidiaries.	437306	314923	240132	74972
	<b>TOTAL</b>	<b>18510808</b>	<b>17800495</b>	<b>10842303</b>	<b>11784570</b>

In terms of the issue and allotment of the above Securities, the preference shareholders have right to convert 100% face value of the securities along with dividend upto the date of conversion into fully paid Equity Shares of the company at par or in accordance with the provisions of the SEBI (Disclosure & Investor Protection Guidelines) 2000.

## Jhagadia Copper Limited



The aforesaid Securities were issued and allotted towards funding of interest due on financial assistance provided by respective Financial Institutions / Banks and as a part of restructuring & reschedulement of the financial assistance, as such promoters / Directors and key management persons have not subscribed any preference share.

The shareholding pattern as on 30th September 2006 is as under:

Category	Equity Shares of Rs.10/- each	% of Holding
ICICI Bank Limited	18256418	14.70
IDBI Bank Limited	3324092	2.69
IFCI Limited	4900000	3.95
LIC	14618391	11.78
GIIC	4162987	3.36
GSFC	1446470	1.16
IIBI Limited	999670	0.81
Insurance Co. & Subsidiaries	3015219	2.43
Public & Others (Including erstwhile promoters/associates)	73402354	59.12
<b>Total</b>	<b>124166101</b>	<b>100.00</b>

The shareholding pattern after the preferential offer can not be estimated since actual conversion of preferential shares into equity shares by respective financial institutions / banks has not been informed so far to the company. Similarly, in absence of actual exercise of conversion right, the identity of proposed allottees and the %age of post preferential issued capital that may be held by financial institutions / banks can not be estimated.

The above shareholders can exercise their right to convert 100% face value of the Securities along with dividend upto the date of conversion into fully paid Equity Shares of the company at any time during the currency of the Security i.e. upto 1st March, 2022.

Your approval to the above is sought by way of Special Resolution.

None of the Directors of the Company is in any way concerned or interested in the Resolution.

### **Item No. 10**

#### **Authority to Issue Shares.**

As stated above, in terms of sanctions received/to be received from financial institutions/banks for restructuring/reschedulement of existing liabilities and funding of interest, the company is required to issue and allot OCCRPS to financial institutions/banks. For this, it will be necessary to give authority to the Board of Directors of the company to issue shares. The authority is proposed to be given to the Board to issue and allot further Securities as and when need arises. As per the provisions of Section 81 of the Companies Act, 1956, approval of the existing shareholders is required for issuance of shares other than to the existing members of the company. The Securities would be issued after obtaining necessary approvals, consents as may be required from requisite authorities from time to time.

Your approval to the above is sought by way of Special Resolution.

None of the Directors is in any way concerned or interested in the above Resolution.

#### **REGISTERED OFFICE:**

747, G.I.D.C Industrial Estate,  
P.O.Box No 14, Jhagadia-393 110,  
Distt: Bharuch, Gujarat, INDIA.

Dated: 21<sup>st</sup> November 2006  
Place : Mumbai

By order of the Board of Directors

Jaydev R. Betai  
Company Secretary