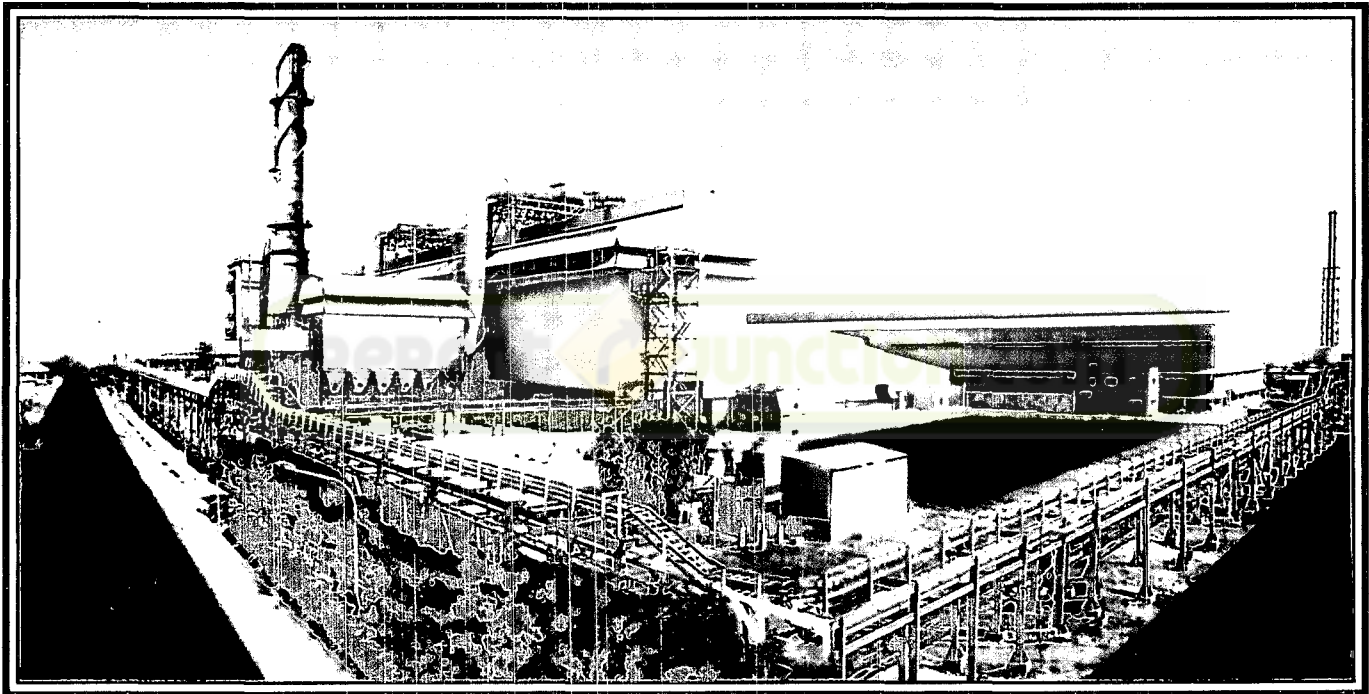


# **44<sup>th</sup> ANNUAL REPORT**

## **2006-2008**



# Jhagadia Copper Limited

## Jhagadia Copper Limited

**BOARD OF DIRECTORS**

P.P. Vora	-	Chairman
Rahul Gupta	-	Director
P. Parvathisem	-	Director
R.K. Sukhdevsinhji	-	Director
P.R. Tripathi	-	Director
Sanjoy Gupta	-	Nominee Director of ICICI 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  
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 44<sup>th</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 Monday, 9<sup>th</sup> June, 2008 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 period ended 31<sup>st</sup> March, 2008 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 Prabhakar Ram Tripathi who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri Rahul Gupta who retires by rotation and is eligible for re-appointment.
4. **Appointment of Auditors.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as **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. Rajji & 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 2008-2009 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. **Confirmation to convertibility of privately placed Securities.**

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

"**Resolved that** the right of conversion of the following convertible Securities issued to Asset Reconstruction Company (India) Limited, various financial institutions and banks, pursuant to the resolutions passed on 29<sup>th</sup> September, 2000, 23<sup>rd</sup> December, 2002, 12<sup>th</sup> December 2003, 24<sup>th</sup> September 2004, 22<sup>nd</sup> December, 2005 and 23<sup>rd</sup> December, 2006 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)	18259885	100/-	1825988500
	<b>TOTAL</b>	<b>65413491</b>	<b>100/-</b>	<b>6541349100</b>

**Resolved further that** the conversion of the aforesaid instruments would be at par or in terms of the provisions of the SEBI (Disclosure and Investor Protection) Guidelines, 2000."

6. **Authority to Issue Shares.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as **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 the Memorandum and Articles of Association of the company and in accordance with the Listing

## Jhagadia Copper Limited



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.200 crores (Rupees Two Hundred 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,  
Dist.: Bharuch, Gujarat, INDIA.

By order of the Board of Directors

Jaydev R. Betai  
Company Secretary

Dated: 29<sup>th</sup> April, 2008  
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 Members will remain closed from 5<sup>th</sup> June, 2008 to 9<sup>th</sup> June, 2008 (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 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. 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 2008-2009.
8. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. The members are requested to kindly bring their copies of Annual Report to the Meeting.
9. The members desiring information as regards the Audited Annual 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.
10. **For the convenience of shareholders, transportation from Shital Guest House, Bharuch Railway Station, Bharuch to the place of the Meeting at the Registered Office of the company, will be available upto 10.30 a.m. on Monday, 9<sup>th</sup> June, 2008.**



**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.

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

M/s. N. M. Raiji & Co., Chartered Accountants, Mumbai, Auditors have confirmed that, if appointed, their appointment would be within the limits specified under Section 224 (1-B) of the Companies Act, 1956.

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

**Item No. 5**

**Confirmation to convertibility of privately placed Securities**

In terms of the approval given by the shareholders as per the special resolution at their 37<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2000, and subsequently further approved at the 39<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> December, 2002, 40<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> December 2003, 41<sup>st</sup> Annual General Meeting held on 24<sup>th</sup> September 2004, 42<sup>nd</sup> Annual General Meeting held on 22<sup>nd</sup> December, 2005 and 43<sup>rd</sup> Annual General Meeting held on 23<sup>rd</sup> December, 2006; 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, till date, the aggregate value of the Securities issued and allotted is Rs. 6,54,13,49,100.00 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	8515334
2.	Asset Reconstruction Company (India) Limited	00	00	00	2277657
2	IDBI Bank Limited	5200000	5950000	3414680	4448184
3	IFCI Limited	2280700	1790349	1463301	913720
4	Life Insurance Corporation of India	1095099	968483	561640	1111167
5	Gujarat Industrial Investment Corporation Limited	771095	675004	527039	00
6	State Bank of India	941335	972030	937813	643812
7	Industrial Investment Bank of India Limited	574453	00	00	207078
8	General Insurance Corporation of India and its Subsidiaries	437306	314923	240132	142933
	<b>TOTAL</b>	<b>18510808</b>	<b>17800495</b>	<b>10842303</b>	<b>18259885</b>

**Total number of OCCRPSS = 65413491 i.e. Rs. 6,54,13,49,100**

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 terms of the provisions of the SEBI (Disclosure & Investor Protection) Guidelines, 2000.

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.

## Jhagadia Copper Limited



The equity shareholding pattern as on 31<sup>st</sup> March, 2008 is as under:

Category	Equity Shares of Rs.10/- each	% of Holding
ICICI Bank Limited	18186418	14.65
IFCI Limited	4900000	3.95
Life Insurance Corporation of India	14618391	11.77
Gujarat Industrial Investment Corporation Limited	1871529	1.51
Gujarat State Financial Corporation Limited	1446470	1.16
General Insurance Corporation of India and its Subsidiaries	1801668	1.45
Public & Others (Including erstwhile promoters/ their associates)	81341625	65.51
<b>Total</b>	<b>124166101</b>	<b>100.00</b>

The shareholding pattern after the preferential offer cannot be provided since actual conversion of preferential shares into equity shares by respective financial institutions / banks has not been informed to the company. Similarly, in absence of non-availability of actual exercise of conversion right, the identity of proposed allottees and the %age of post preferential issue capital that may be held by financial institutions / bank could not be provided.

The above holders of OCCRPS 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 1<sup>st</sup> 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. 6**

##### **Authority to Issue Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)/Securities**

It is stated that in terms of sanctions received from financial institutions/banks for restructuring of debts as per the approval of the Corporate Debts Restructuring Cell, the company has issued and allotted Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) to financial institutions/banks and Asset Reconstruction Company (India) Limited for the interest accrued and due upto 31<sup>st</sup> March, 2007 on long term loans. The authority is proposed to be given to the Board to issue and allot further OCCRP or Securities if and as and when needed as per further approval as may be accorded by financial institutions/banks and Asset Reconstruction Company (India) Limited. 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 OCCRP / 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,  
Dist: Bharuch, Gujarat, INDIA.

Dated: 29<sup>th</sup> April, 2008  
Place : Mumbai

By order of the Board of Directors

Jaydev R. Betai  
Company Secretary





**Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement)**

<b>Name of Director</b>	<b>Shri Prabhakar Ram Tripathi</b>	<b>Shri Rahul Gupta</b>
<b>Date of Birth</b>	26.06.1943	14.03.1967
<b>Date of Appointment</b>	29.01.2005	30.10.2004
<b>Expertise in specific functional areas</b>	Mines, Planning, Operations and Management of Mineral Projects.	Software Engineering / Management and Venture Capital
<b>Qualifications</b>	AISM (Mining), B.Sc. (Mining Engg.), FCC (Coal & Metal)	B.E. (Mech.), MBA (Fin.)
<b>Directorship in other public limited companies</b>	- Sarda Energy and Mineral Limited - Hindustan Dorr - Oliver Ltd. - IVRCL Infrastructure Ltd. - Eastern Coal Fields Ltd. - Premier Explosives Ltd. - POL India Agencies Ltd. - HDO Technologies Ltd. - IVR Prime Urban Developers Ltd.	NIL
<b>Other Positions</b>	NIL	NIL
<b>Membership of Committees in other public limited companies</b>	<u>Audit Committee</u> - IVRCL Infrastructure Ltd. - Hindustan Dorr - Oliver Ltd. - Premier Explosives Ltd.  <u>Compensation Committee</u> - IVRCL Infrastructure Ltd. - Hindustan Dorr - Oliver Ltd. - Premier Explosives Ltd. - Sarda Energy and Mineral Ltd.	NIL
<b>Shares held in the company</b>	NIL	NIL



## DIRECTORS' REPORT

Your Directors have pleasure in placing before you the 44<sup>th</sup> Annual Report together with Audited Accounts for the period ended on 31<sup>st</sup> March, 2008.

### 1. Results:

Your company's performance during the period ended on 31<sup>st</sup> March, 2008 is summarized below.

	<u>2006-08</u> [1 <sup>st</sup> October, 2006 to 31 <sup>st</sup> March, 2008] <u>Rs. in Lacs</u>	<u>2005-06</u> [15 <sup>th</sup> May, 2006 to 30 <sup>th</sup> September 2006] <u>Rs. in Lacs</u>
Net Sales	35213.49	23359.11
Job Work Income - Tolling	1146.66	6.78
Other Income	748.89	24.48
Total Expenditure	41954.89	23012.02
<b>Profit/Loss before Interest, Depreciation &amp; Tax</b>	<b>(4845.85)</b>	<b>378.35</b>
Interest	11268.11	3263.12
<b>Profit/Loss before Depreciation &amp; Tax</b>	<b>(16113.96)</b>	<b>(2884.77)</b>
Depreciation	10876.30	2757.96
<b>Profit/Loss before Tax</b>	<b>(26990.26)</b>	<b>(5642.73)</b>
Provision for Tax	11.52	4.70
<b>Net Profit /Loss</b>	<b>(27001.78)</b>	<b>(5647.43)</b>

### 2. Extension of the Accounting Year:

During the period under review, the accounting year of your company was extended upto 31<sup>st</sup> March, 2008 to realign with the financial year, which has received the approval of the Registrar of Companies, Gujarat under Section 210(4) of the Companies Act, 1956. The Audited Annual Accounts for the period ended 31<sup>st</sup> March, 2008 placed with this report are therefore for the period of 18 (eighteen) months from 1<sup>st</sup> October, 2006 to 31<sup>st</sup> March, 2008.

### 3. Operational Highlights:

Your Directors wish to state that during the period under review, the Smelter and Refinery were operated successfully with various types of raw material mix. The operation of the entire plant was stabilized with increased productivity and cost efficiency. The company also received approvals from the Environment Authorities for processing of electronic wastes/ electronic scrap.

During the period under review, Kaldo Furnace has been modified for making it suitable for processing the electronic scrap, increasing efficiencies and bringing down the cycle time as well as the production costs. The Refinery has consistently operated at higher current and time efficiency at par with world class Refineries and has consistently produced copper cathodes conforming to LME Grade "A" specifications.

During the period under review, 16,909 MT copper cathodes were produced from own raw materials procured as well as on tolling basis. The total sale of copper cathodes was 11537 MT of the sales value of Rs. Rs.33906.78 lacs including export of 10430 MT of copper cathodes. The company has been awarded Export House Status by Director General of Foreign Trade, Government of India as the FOB value of the exports exceeded Rs.50,000 lacs. The aggregate value of exports of the company have exceeded Rs. 707 crores during last 3 years.

During the period, the company has operated at 22.50% capacity which adversely impacted the margins mainly due to inadequacy of working capital finances and tight market conditions resulting in lower TC/RC for primary smelters and lower refining margins for secondary smelters.

### 4. Transfer of long term financial assistance to Asset Reconstruction Company (India) Limited:

Your Directors state that during the period under review, IDBI Bank Limited in March, 2007 and ICICI Bank Limited in September, 2007 transferred outstandings of their long term financial assistance in the company to Asset Reconstruction Company (India) Limited. IDBI Bank Limited at the time of transfer of outstandings of long term financial assistance also withdrew working capital limits resulting in set back of production and viability.





## 5. Finance:

Your Directors state that during the period under review, efforts were continued for alternate avenues of financial resources. The trade financing arrangements were finalized with a leading trading house for financing import / domestic procurement of raw materials.

During the period under review, the Board has allotted 6% Optionally Convertible Cumulative Redeemable Preference Shares aggregating Rs.6,475.32 lacs to Asset Reconstruction Company (India) Limited/ financial institutions / banks on private placement basis.

Your Directors state that on 31st March, 2008 Asset Reconstruction Company (India) Limited holds 76.65% of the total secured long term debts of the company.

## 6. Dividend:

Your Directors state that in view of the losses incurred by the company during the period under review, they are unable to recommend any dividend on both equity shares and preference shares.

## 7. Environment, Safety and Health:

The company is dedicated to highest standards of environment management and Clean and Green Environment. More than 27% of the plant area is under Green Belt. During the period under review, more initiatives have been taken in the areas of water conservation, solid waste management, etc. for carrying out the operations in an environmentally sound manner.

The safety and health continue to be one of the top priorities of your company and that the only acceptable standard of safety performance is "zero accident". During the period under review, the reportable accident frequency rate has remained Nil.

During the period under review, efforts of the company in maintaining highest standards of environment, safety and health have been acknowledged by continuing ISO 14001:2004 and OHSAS 18001:1999 certifications by DNV.

## 8. Management Discussions and Analysis:

The Management Discussions and Analysis Report is appended as Annexure-1 to this Report.

## 9. Corporate Governance:

As per Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, the Corporate Governance Report is annexed and forms part of the Directors' Report.

## 10. Employee Stock Options Scheme:

The details of stock options granted, outstanding and other relevant details are provided in Annexure-2 and forms part of the Report.

## 11. Insurance:

The company has made arrangements for adequately insuring its insurable interests.

## 12. Directors:

During the period under review, IFCI Limited nominated Shri Mahendra Kumar Sharma as its nominee director in place of Shri Rakesh Aggarwal and ICICI Bank Limited nominated Shri Sanjoy Gupta as its nominee director in place of Dr. Sanjay R. Chougule on the Board.

During the period under review, IDBI Bank Limited and Industrial Investment Bank of India Limited have withdrawn from the Board their nominee directors Shri A.U. Katra and Shri Sujit Chakravorti respectively.

Your Directors place on record their appreciation for valuable contributions of Shri Rakesh Aggarwal, Shri Sujit Chakravorti, Shri A.U.Katra and Dr. Sanjay R. Chougule during their tenure.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Shri P.R. Tripathi and Shri Rahul Gupta, Directors retire by rotation at the ensuing Annual General meeting and being eligible for reappointment offer themselves for reappointment.

## Jhagadia Copper Limited

**13. Auditors:**

M/s N.M. Raiji & Co., Chartered Accountants, Statutory Auditors of the company shall retire at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment. Your Directors propose them for reappointment as Statutory Auditors of the company. Further, as required under Section 224 of the Companies Act, 1956 a certificate from M/s N.M. Raiji & Co., Chartered Accountants has been obtained that their re-appointment as Statutory Auditors, if made, would be in conformity with the limits prescribed in the said Section.

**14. Auditors' Report:**

The notes to the Accounts as referred to in the attached Auditors' Report are self-explanatory and therefore do not call for any further explanations.

**15. Energy, Technology and Foreign Exchange:**

The details as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in Annexure-3 to this report.

**16. Particulars of employees:**

The particulars of the employees as required under Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are set out in the Annexure 4 to this Report.

**17. Directors' Responsibility Statement:**

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) they have, in the selection of the accounting policies, consulted statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the period i.e. 31<sup>st</sup> March, 2008.
- iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding assets of the company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the accounts on a going concern basis.

**18. Auditors' Report:**

The Clauses (xi) and (xvii) of the Annexure to the Auditors' Report are self explanatory and do not require further clarifications / explanations.

**19. Personnel/Industrial Relations:**

During the period under review, the personnel and industrial relations with the employees remained cordial in all respects.

**20. Acknowledgments:**

Your Directors wish to place on record their deep appreciation and thanks to all the financial institutions and banks, Central and State Government and Local Authorities and all stakeholders for their continued support in the working of your company.

Your Directors also extend their wholehearted thanks to entire JCL team and its associates.

For and on behalf of the Board

Place: Mumbai  
Date: 29<sup>th</sup> April 2008

P. P. VORA  
Chairman