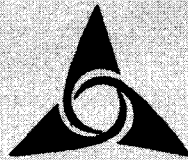
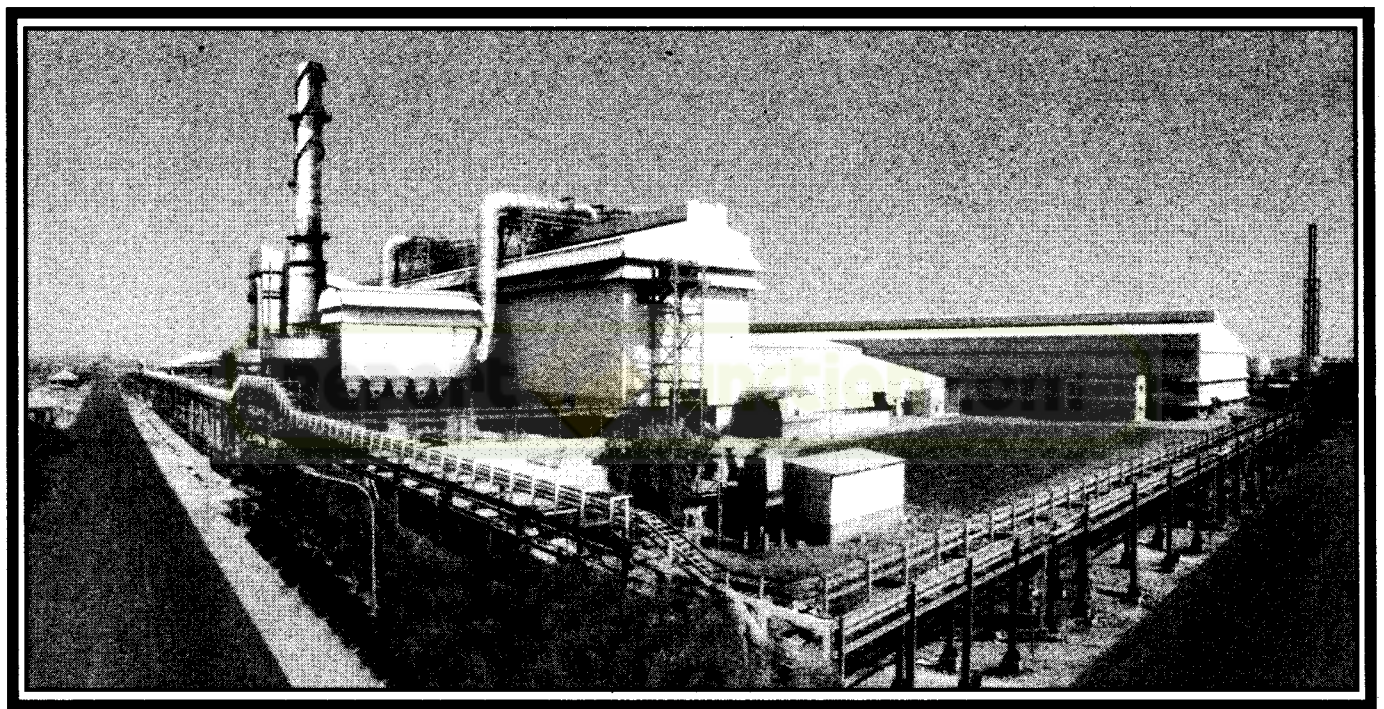


45th ANNUAL REPORT

2008-2009



Jhagadia Copper Limited

**BOARD OF DIRECTORS**

R.K. Sukhdevsinhji	-	Chairman
P.R. Tripathi	-	Director
Rahul Gupta	-	Director
Rajendra Mittal	-	Director
Sanjoy Gupta	-	Nominee Director of ICICI Bank Limited
R.K. Rawat	-	Nominee Director of LIC
D.R. Shah	-	Nominee Director of GLIC Limited
O.P. Chugh	-	Managing Director & CEO

**GENERAL MANAGER (CORP. AFFAIRS)
& COMPANY SECRETARY**

Jaydev R. Betai

BANKERS

ICICI Bank Limited
Dena Bank

AUDITORS

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

REGISTRAR & TRANSFER AGENT

Link Intime India Private 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 45th 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, at 11.30 a.m. on Monday, 7th September, 2009 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 31st March, 2009 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 R.K. Sukhdevsinhji who retires by rotation and is eligible for re-appointment.
3. **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. 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 2009-2010 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 of the company and the Auditors in connection with the work of audit to be carried out by them."

Special Business:

4. **Appointment of Shri Om Prakash Chugh as a Director.**

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

"Resolved that Shri Om Prakash Chugh who was appointed as Additional Director by the Board under Section 260 of the Companies Act, 1956 and holds office till the conclusion of the Annual General Meeting be and is hereby appointed as a Director of the company.

Resolved further that Shri Om Prakash Chugh shall not be liable to retire by rotation."

5. **Appointment of Shri Om Prakash Chugh as Managing Director & CEO.**

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

"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 accorded for the appointment of Shri Om Prakash Chugh, as Managing Director & CEO w.e.f. 9th February 2009 for a period of 3 years i.e. upto 8th February 2012 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 the above resolution."

6. **Confirmation to convertibility of privately placed Securities.**

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

"Resolved that the right of conversion of the following convertible Securities issued to various financial institutions and banks and Asset Reconstruction Company (India) Limited, pursuant to the resolutions passed on 29th September, 2000, 23rd December, 2002, 12th December 2003, 24th September 2004, 22nd December, 2005, 23rd December, 2006 and 9th June 2008 be and are, hereby renewed and reaffirmed for further period as per applicable guidelines of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

Jhagadia Copper Limited



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)	18248589	100/-	1824858900
3	Optionally Convertible Cumulative Redeemable Preference Shares-III (OCCRPS-III)	11173935	100/-	1117393500
4	Optionally Convertible Cumulative Redeemable Preference Shares-IV (OCCRPS-IV)	18259885	100/-	1825988500
	TOTAL	66193217	100/-	6619321700

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."

7. Authority to Issue Shares.

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

"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 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 (the Board) 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 the 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, banks, corporates, individuals, other persons or investors whether or not they are member/s 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.300 crores (Rupees Three Hundred Crores only), exclusively to such financial institutions/banks/corporates/individuals/other persons and upon such terms and conditions as may be determined by the Board or a Committee thereof.

Resolved further that the Board 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, Optionally Fully Convertible Debentures 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.
Dated: 29th July, 2009
Place: Mumbai

By order of the Board of Directors

Jaydev R. Betai
General Manager (Corporate Affairs)
& Company Secretary

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 Businesses to be transacted at the Meeting is annexed hereto.
3. Members are requested to inform the company's Registrar & Transfer Agents viz. Link Intime India Private Limited regarding changes, if any, in their registered addresses along with the PIN code number.
4. The Register of Members will remain closed from 1st September, 2009 to 7th September, 2009 (both days inclusive).
5. The relevant documents for the businesses to be transacted as per Notice and Explanatory Statement are open for inspection at the Registered Office of the company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. Members holding share/s in physical form and desirous of making nomination in respect of their shareholding in the company, as permitted under Section 109 A of the Companies Act, 1956, are requested to submit details to the company's Registrar & Transfer Agent in prescribed Form 2B for the purpose.
7. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. The members are requested to bring their copies of Annual Report to the Meeting.
8. 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.
9. 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, 7th September, 2009.

Annexure to the Notice – Explanatory Statement under Section 173(2) of the Companies Act, 1956**Item No. 3****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 / reappointment of Auditors.

M/s. N. M. Rajji & 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. 4**Appointment of Shri Om Prakash Chugh as a Director**

The Board of Director of the company has appointed Shri Om Prakash Chugh as an Additional Director by circular resolution dated 27th January, 2009. As per the provisions of Section 260 of the Companies Act, 1956 and the provisions of Article 95 of the Articles of Association of the company, Shri Om Prakash Chugh holds office of Director upto the date of forthcoming Annual General Meeting.

Shri Om Prakash Chugh has more than 36 years extensive experience at Hindustan Copper Limited (a Government of India Enterprise) in projects, operations and various related areas.

A notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- has been received from a member proposing for the appointment of Shri Om Prakash Chugh as a Director of the company.



No other Director of the company except Shri Om Prakash Chugh is in any way concerned or interested in the above resolution.

Item No.5

Appointment of Shri Om Prakash Chugh as Managing Director & CEO

The Board of Directors have by circular resolutions dated 27th January, 2009 and 6th March, 2009 appointed Shri Om Prakash Chugh as Managing Director & CEO on the following terms and conditions, w.e.f. 9th February 2009 for a period of 3 years i.e. upto 8th February 2012, subject to the approval of the shareholders and the Government of India.

- | | |
|-------------------------------------|--|
| 1) Period: | 3 years from 9 th February 2009 i.e. upto 8 th February 2012 |
| 2(i) Basic Salary: | Rs. 1,80,000/- per month |
| 2(ii) Personal Pay: | Rs.10,000/- per month |
| 3) Perquisites / Allowances: | |

Category A:

i) House Rent Allowance and Medical Allowance:

House Rent Allowance @40% of the basic salary per month and Medical Allowance @ 8.33% of the basic salary per month.

ii) Services and Facilities at the Residential Accommodation:

Providing of services / facilities of gas, electricity, water, furnishings, repairs, servant, security, society charges, etc. at the accommodation hired by him.

iii) Leave Travel Allowance:

Leave Travel Allowance for self and his 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.

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:

- 1) 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.
- 2) Performance Bonus: Performance Bonus as may be decided by the Board / Remuneration & Compensation Committee or any other Committee of the Board.
- 3) Stock Options as may be decided by the Board / Remuneration & Compensation Committee or any other Committee of the Board.
- 4) Minimum Remuneration – Notwithstanding anything to the contrary herein contained, wherein for any financial year during the tenure as Managing Director & CEO as the case may be, 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) Term 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 term is not renewed before the expiry of the existing term by the Board of Directors, Shri Om Prakash Chugh shall cease to be Managing Director & CEO on expiration of the present term.

Jhagadia Copper Limited



- 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, as the case may be, 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 executive position 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.
- 9) In the event of strategic investor being inducted and decision being taken not to continue Shri Chugh as Managing Director & CEO in the services of the company, the company shall pay as compensation equivalent to one year's basic salary or for the residual period of the service whichever is shorter.

This may be treated as an abstract of the terms of contract and Memorandum of Interest in relation to appointment of Shri Om Prakash Chugh 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 Chugh, to the extent 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 conforming to 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. 15th May 2006. During 2008-09 12,675 MT of copper cathodes conforming to LME Grade "A" Specifications are produced.
- 3) The financial performance for the year ended 31st March 2009 (from 1st April 2008 to 31st March 2009) is as under:

<u>Particulars</u>	<u>Amount</u> <u>(Rs. in lacs)</u>
Equity and Preference Capital	78610.03
Net sales	35852.03
Profit / (Loss) before interest, depreciation and tax	(7279.09)
Profit / (Loss) after interest, depreciation and tax.	(25785.91)

- 4) During 2008-09 8641 MT copper cathodes of value Rs.30,509 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 Om Prakash Chugh is a Gold Medalist in B.Sc. Engineering (Metallurgy) and has more than 36 years extensive experience at Hindustan Copper Limited (A Government of India Enterprise, under Ministry of Mines) in projects, operations, administration and management of copper mining, beneficiation, smelting, refining and other related metallurgical and chemical processes. Prior to joining the company he was Executive Director (Modernization) at Hindustan Copper Limited, Kolkata.

2) Past Remuneration

Shri Om Prakash Chugh had received remuneration of Rs.12.31 lacs Plus Perks from Hindustan Copper Limited for the period from 1st April, 2008 to 7th February, 2009, prior to joining the company.

Jhagadia Copper Limited

**3) Job profile and his suitability**

Shri Om Prakash Chugh will be responsible for the management and affairs of the company under the superintendence and control of the Board of Directors of the company. In view of the past 36 years extensive experience at Hindustan Copper Limited Shri Chugh is suitable for the position of the Managing Director & CEO of the company.

4) The proposed remuneration is as mentioned hereinabove.

5) The remuneration payable to Shri Chugh is in line with the remuneration prevalent in industry.

There is no pecuniary relationship directly or indirectly with the company of the person to be appointed.

Item No. 6**Confirmation to convertibility of privately placed Securities.**

In terms of the approval given by the shareholders as per the special resolution at their 37th Annual General Meeting held on 29th September, 2000, and subsequently further approved at the 39th Annual General Meeting held on 23rd December, 2002, 40th Annual General Meeting held on 12th December 2003, 41st Annual General Meeting held on 24th September 2004, 42nd Annual General Meeting held on 22nd December, 2005, 43rd Annual General Meeting held on 23rd December, 2006 and 44th Annual General Meeting held on 9th June 2008; currency of the instruments issued and allotted under Section 81 (1A) of the Companies Act, 1956, is hereby renewed and reaffirmed by the present resolution as per the SEBI (Disclosure & Investor Protection) Guidelines, 2000 for issue of Optionally Convertible Cumulative Redeemable Preference Shares (the OCCRPS).

The Board of Directors of the company have upto 31st March, 2009 issued and allotted the OCCRPS to the various financial institutions / banks and Asset Reconstruction Company (India) Limited towards funding of interest due on their various financial assistance. The aggregate value of the OCCRPS issued and allotted is Rs. 6,61,93,21,700 as detailed as under.

Sr. No.	Name of Financial Institution / 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
3	IDBI Bank Limited	5200000	5950000	3414680	4448184
4	IFCI Limited	2280700	1790349	1463301	913720
5	Life Insurance corporation of India	1095099	968483	561640	1111167
6	Gujarat Industrial Investment Corporation Limited	771095	675004	527039	00
7	State Bank of India	941335	972030	937813	643812
8	Industrial Investment Bank of India Limited	574453	448094	331632	207078
9	General Insurance Corporation and its Subsidiaries	437306	314923	240132	142933
	TOTAL	18510808	18248589	11173935	18259885

Total number of OCCRPS = 6,61,93,217 i.e. Rs. 6,61,93,21,700

In terms of the issue and allotment of the above OCCRPS, the holders have the right to convert 100% face value of the OCCRPS 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 OCCRPS were issued and allotted towards funding of interest due on financial assistance provided by respective financial institutions / banks and as a part of restructuring and reschedulement of the financial assistance. None of the promoters / Directors and key management persons have subscribed for any OCCRPS.

The equity shareholding pattern as on 31st March, 2009 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	1049386	0.85
Gujarat State Financial Corporation Limited	1446470	1.16
General Insurance Company & Subsidiaries	1801668	1.45
Public & Others (Including erstwhile promoters/ their associates)	82163768	66.17
Total	124166101	100.00

Jhagadia Copper Limited



A civil suit for conversion of the OCCRPS into equity shares filed by Gujarat Industrial Investment Corporation Limited is pending before the City Civil Court at Ahmedabad. No other lending financial institution/bank has opted for conversion of OCCRPS into equity shares.

In view of the above, identity of proposed allottees and the %age of post preferential issue capital that may be held by financial institutions / banks cannot be provided.

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

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

Item No.7

Authority to issue Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)/ Securities.

It is stated that in terms of sanctions received from the 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 the lending financial institutions/banks and Asset Reconstruction Company (India) Limited for the interest accrued and due upto 31st March, 2007 on long term loans. The OCCRPS for the interest accrued and due for the period from 1st April, 2005 to 31st March, 2007 are not issued and allotted to Gujarat Industrial Investment Corporation Limited, as it has not accorded requisite approval to the restructuring of the debts of the company as approved by the Corporate Debt Restructuring Cell vide sanction dated 28th September, 2005. The authority is proposed to be given to the Board of Directors to issue and allot further OCCRPS or securities if and as and when needed as per further approval/s 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 the existing members of the company. The OCCRPS / 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 Resolutions.

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: 29th July, 2009
Place: Mumbai

By order of the Board of Directors

Jaydev R. Betai
General Manager (Corporate Affairs)
& Company Secretary

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

Name of Director	R.K. Sukhdevsinhji
Date of Birth	06.08.1936
Date of Appointment	29.09.2001
Expertise in specific functional areas	General administration and industrial relations
Qualifications	B.A. (Economics)
Directorship in other public limited companies	1. Asahi Songwon Colours Ltd. 2. Vadinar Power Co. Ltd. 3. Essar Oil Vadinar Ltd. 4. Essar Energy Services Ltd. 5. Essar LNG Limited
Other Positions	NIL
Membership of Committees in other public limited companies	NIL
Shares held in the company	Nil



DIRECTORS' REPORT

Your Directors have pleasure in placing before you the 45th Annual Report together with Audited Accounts for the year ended on 31st March, 2009.

1. Results:

Your company's performance during the year ended on 31st March, 2009 is summarized below.

	Rs. Lacs 2008-09 [1 st April, 2008 to 31 st March, 2009]	Rs. Lacs 2006-08 [1 st October, 2006 to 31 st March, 2008]
Net Sales	35852.03	35501.82
Job Work Income – Tolling	238.22	1146.66
Other Income	332.45	748.89
Total Expenditure	(43701.79)	(42243.22)
Profit / (Loss) before Interest, Depreciation & Tax	(7279.09)	(4845.85)
Interest and Finance Charges	11213.42	11268.11
Profit/ (Loss) before Depreciation & Tax	(18492.51)	(16113.96)
Depreciation	7246.06	10876.30
Profit / (Loss) before Tax	(25738.57)	(26990.26)
Provision for Tax	47.34	11.52
Net Profit / (Loss)	(25785.91)	(27001.78)

2. Operational Highlights:

During the year, the Smelter and Refinery continued to operate successfully with various imported raw materials. The operation of the entire plant was stable with increased production and cost efficiencies.

During the year, Kaldo Furnace was run with Direct Revert Charging System with reduced cycle time and production costs. The Refinery was operated at 98.08% current and 96.09% time efficiencies respectively at par with world class Refineries.

During the year, 12,675 MT copper cathodes conforming to LME Grade "A" specifications were produced from the raw materials purchased and procured on tolling basis, against production of 9,913 MT copper cathodes for the same period in the previous year.

During the year, the total sale of copper cathodes was 11,202 MT of the value of Rs. 305 crores including export of 8641 MT. The aggregate value of exports done by the company in last 4 years have exceeded Rs. 852 crores.

During the year, the plant was operated at 25.3% capacity mainly because of inadequacy of working capital and adverse market conditions due to lower treatment/refining charges on medium grade and lower discount on high grade materials. The low capacity utilization has adversely affected the margins.

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

During the year, IFCI Limited and State Bank of India have transferred outstandings of their long term financial assistance extended to the company to Asset Reconstruction Company (India) Limited (ARCIL). As on 31st March, 2009 ARCIL was holding 88.22% of the outstanding of the long term financial assistance extended to the company.

4. Dividend:

Your Directors are unable to recommend any dividend on both equity shares and preference shares in view of the losses incurred during the year.

5. Environment, Safety and Health:

During the year, the emphasis was continued on maintaining the highest standards of environment management for carrying out operations.

During the year, the safety and health continued to be one of the top priorities of the company and the reportable accident frequency rate has remained NIL.

During the year, the efforts in maintaining highest standards of environment, safety and health have been acknowledged by continuing ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007 certifications by DNV.